

**The Implementation of Authentic Strategy in
Service Organisations:
The Case of Environmental Strategies**

Jeremy Nigel Morrow

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Department of Management
Faculty of Business, Economics and Law
Auckland University of Technology

Abstract

This study examines the research question: in what ways do service organisations implement green differentiation strategies in a way to ensure internal stakeholders perceive these as authentic strategies? This research question is examined through an analysis of strategy implementation processes for strategies focused on protecting and/or enhancing the natural environment using the Resource-Based Theory as the theoretical perspective. This allows for an examination of the implementation processes of established green differentiation strategies, including their potential as sources of competitive advantage.

This study is a cross-industry multiple case study of three firms in the service industry: a sports and recreation firm, an energy firm and a retail firm. Information is gathered using multi-level semi-structured interviews on the perceptions of senior management at the meso level of the firms, as well as middle managers and front-line customer-facing employees at the micro level of individual business sites across the firms. This multi-level analysis allows for a whole organisation approach to analysing the perceptions of strategy implementation processes to identifying generic processes, commonalities and differences between firms, as well as business site-specific differences across each case firm.

Thematic analysis of the findings developed three main contributions to strategic management research and managerial practice. The first contribution is to the area of microfoundations research within the strategic management literature by examining how green capabilities develop from the aggregation of green routines. What emerged from this study was that although green routines and green capabilities develop in heterogeneous, path dependent and idiosyncratic ways, these are developed within a firm following identifiable generic processes. First, how green routines develop and are implemented at the micro level of the business site, second, how green routines and capabilities develop at the meso level of the firm, and third, a combined meso and micro level capability development 'loop'. From these a framework is developed to classify the different hierarchical levels of green action, routines and capabilities, as well as identifying the boundaries where routines and capabilities are formed.

Based on these generic processes a further framework is developed to explain how green routines are aggregated into green capabilities across the whole firm. Whilst previous research has identified the capability development pathway, more work needed to be done to understand the process fully. This study identified three additional pathways: managed

aggregation via performance management processes, aggregation by norming via the green organisational culture of a firm, and ultimate aggregation where capabilities are institutionalised beyond their original path dependency.

The second contribution of this study is to the construct of authentic strategy. Authentic green strategy is defined in this study where a green strategy is perceived by internal stakeholders as being consistent with the guiding principles of the organisation's green core values. This study finds the individual organisational members' use the firm's core organisational green values as well as their personal green values to evaluate a green strategy's authenticity.

The third contribution of this study is to strategic management literature by developing an understanding of strategy implementation processes, including an authentic green differentiation strategy implementation map to illustrate these processes. This study found green differentiation strategies are implemented at two interdependent levels within an organisation. The meso level of the firm is responsible for the development of green strategies and guiding principles for the firm's core green values. The micro level of the individual business sites is where green differentiation strategies are found to be implemented in the form of green routines. Variation between business sites is based on personal interest and green values of the middle managers (site managers) and front-line employees, as well as site-specific budgets, facilities, and equipment. Additionally, strategy implementation processes include an interdependent relationship between these meso and micro levels based around formal and informal communication channels that connect the whole organisation vertically and horizontally.

This study also has the potential to contribute to managerial practice. During discussions with managers at conferences and interviews, they indicated a desire to find out how other organisations are getting their managers and employees to implement green routines, as well as be proactively involved in the green strategy processes. The findings of this research have been distilled into a business report in language suitable for managers, with key action points that could be of interest to the practitioner literature.

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List of Abbreviations

AUT	Auckland University of Technology
CEO	Chief Executive Officer
DC	Dynamic Capabilities
IO	Industrial Organisation
KPIs	Key Performance Indicators
NRBV	Natural Resource-Based View
RBT	Resource-Based Theory
RBV	Resource-Based View
S-C-P	Structure-Conduct-Performance
SAP	Strategy-as-Practice
SBC	Sustainable Business Council
SBN	Sustainable Business Network
SMEs	Small to Medium Enterprises
SMJ	Strategic Management Journal
TCE	Transaction Cost Economics
VRIN	Valuable, Rare, In-imitable and Non-substitutional

Attestation of Authorship

"I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning."

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Ethics Approval was granted by the Auckland University of Technology Ethics Committee (AUTEC) on the 9th August 2016, reference 16/292. (See Appendix A for the AUTEC ethics approval letter)

1. Introduction

1.1 Introduction and Overview

This chapter lays the foundation for this research study. This chapter begins by outlining the purpose of this study, followed by research parameters that establish the research context. Next, the aims of this research including the research questions are presented. The methodology of the research is then explained before the structure of the thesis is outlined.

1.2. Rationale and Significance of this Study

The central aim of this research is to examine and understand strategy implementation processes due to the paucity of research in this area. The focus of extant strategic management research has been in the formulation of strategy (Crews, 2010; Rapert, Velliquette & Garretson, 2002; Yang, Sun & Eppler, 2010). Smith (2010, p. 259) states: “while it leaves room for future research, [this] leaves present-day executives with a lack of research-based guidance about how to ensure their carefully-crafted strategic plans are realised in practice,” and in particular, how to get employees engaged with environmental strategies. Kärreman and Costas (2013, p. 395) add “little attention is paid to the internal organizational processes”, specifically for environmental strategies. McShane and Cunningham (2012) suggest management should do more than assess whether or not the environmental strategies are successfully carried out, that managers “should take note of how this process occurred (e.g., procedurally just, actions align with statements) and employees’ reactions to the initiative (e.g., emotional engagement)” (p. 98). This is particularly important in the service sector where the front-line employees directly engage with environmental strategies in the service process.

This study uses the Resource-Based Theory (RBT) as a framework to examine strategy implementation processes but takes a qualitative approach to examine these processes. This study is a cross-industry multiple case study, undertaking semi-structured interviews with a multi-level approach to interview senior managers, middle managers and front-line customer-facing employees across business sites within each case. Thematic analysis is used to identify common themes and differences across the different cases and levels within each case organisation. This qualitative approach is a way to examine and understand the ‘hows’ and ‘whys’ of the strategy implementation process, including the capability development process.

In addition, this research aims to understand how green differentiation strategies can become sources of competitive advantage by examining the capability development process. Particularly, how green routines at the micro level of the firm are aggregated into green capabilities at the meso level of the firm. This answers a call for further research by Delmas, Hoffman and Kuss (2011, p. 120) who conclude “surprisingly, very few studies have looked at the relation between organizational capabilities, environmental proactivity, and competitive advantage.” This research also follows the suggestion by Delmas *et al.* that to examine a more “holistic understanding of routines” (p. 443) the mostly quantitative strategic management research under economic perspectives, such as RBT, would benefit from insights from social science and qualitative perspectives.

This study also aims to further the construct of authentic strategy, an area of research which Mazutis and Slawinski (2015, p. 139) conclude: “until recently surprisingly little attention has been paid to authenticity in the management literature.” In particular there has been limited “consideration for the employee perception of authenticity” (McShane & Cunningham, 2012, p. 82; see also Epstein & Buhovac, 2010; Orlitzky, Siegel & Waldman, 2011), with Morrow and Mowatt (2015) adding “that more work needs to be undertaken to understand wider meanings of authenticity” (p. 661). This study aims to examine the gap in the management literature pertaining to how green differentiation strategies are implemented in a way that these strategies are perceived as authentic to the whole organisation, including employees as well as management. This research aims to contribute to the management literature by further developing the construct of authentic strategy with reference to the internal stakeholders of a firm: specifically, managers and employees.

1.3. Research Parameters and Context

The central focus of this study is green strategy implementation processes. This study utilises the RBT as a theoretical paradigm to anchor this research. The RBT is an economic perspective that is located within the Design School of strategy formation, where the analogy is the CEO is the ‘architect’ of the firm’s strategy (Mintzberg & Lampel, 1999; Volberda, 2004). Accordingly, the green differentiation strategies under examination are already developed and established. Therefore, the focus of the study can be the processes used to implement these established strategies, as well as for emergent strategies. The RBT theoretical framework is examined in more detail in Chapter 2.3.

The other key parameters of this study are the service sector in New Zealand and green strategies, defined as strategies that focus on the natural environment. The following sections examine these two key elements in more detail.

1.3.1. The Service Industry

This research study has been conducted within the New Zealand service sector for two reasons. First, the service sector has been largely neglected in green strategy research, although it “may have a substantial impact on the environment and, therefore, much to contribute to [environmental] sustainability” (Wolf, 2013, p. 105; see also Leonidou, Leonidou, Fotiadis & Zeriti, 2013). Suggested reasons as to why this is the case include “it is difficult to quantify service outcomes when compared to, say, manufacturing outcomes” (Browning, Edgar, Gray & Garrett, 2009, p. 742) as:

Customers’ experiences of services can vary significantly across time (different experiences from the same provider at different times), actors (different service providers and customers), and types of service (e.g., fast food vs. luxury dining). (Subramony & Pugh, 2015, p. 365)

Subramony and Pugh (2015) conclude, “services as a focal area within management can be considered to be still in its infancy” (p. 350).

Second, this research will be within a New Zealand context: a place that I have lived, worked and studied in, meaning I have a strong understanding of the socio-cultural context of the interview participants.

This research will follow Subramony and Pugh’s (2015) definition of services as “the application of specialized competence (knowledge and skills) through deeds, processes, and performances for the benefit of another entity or the entity itself” (p. 349). In New Zealand the service sector employs 59.6% of the workforce in the private sector and contributes 59% of GDP (Ministry of Business, Innovation and Employment, 2014).

The relevance of the service sector as a context for this research is due to the nature of the service process where “service employees simultaneously attempt to satisfy the needs and expectations of internal (e.g., managers, peers) and external constituents” (Subramony & Pugh, 2015, p. 355). The focus of this research is the internal stakeholders: the managers and non-management employees within the organisations. Additionally, in this service industry context

the front-line, customer-facing employees are the public faces of the organisation; therefore, they not only implement business strategies but also directly interact with customers and other external stakeholders. Therefore “it can be argued that the actions of individual employees can be influential in shaping the fortunes of various types of relationship-based businesses” (Subramony & Pugh, 2015, p. 363). The service sector context has been selected for this study as it is an under-researched sector in strategic management and therefore presents an opportunity to contribute to this research field.

1.3.2. Defining ‘Green’ Business Strategies

Throughout this thesis the term ‘green’ is used to denote the differentiation strategy of focus. In this thesis ‘green’ defines specific strategies, values and routines that are focused on protecting and/or enhancing the natural environment. The term environmental sustainability was considered but was not used as this research does not directly examine strategies relating to either social or economic elements of sustainability, other than as potential sources of competitive advantage in conjunction with green strategies. In addition, the term environment in strategic management research, particularly under economic paradigms, can refer to the external environment of the firm. An example of this use of the term environment is found in “The Five Competitive Forces that Shape Strategy”, where Porter (2008, p. 88) examines the “The forces reveal the most significant aspects of the competitive environment.” Therefore, the term ‘green’ is used as a clear and accurate phrasing for the specific differentiation strategies under investigation.

To add to this complexity about defining ‘green’, Bansal and Roth (2000) found business managers and researchers “now use the words ‘responsibility’ and ‘sustainability’ interchangeably, inconsistently, and ambiguously.” (p. 106) The authors add:

Responsibility held more bias toward the harms of markets on society, whereas sustainability was oriented toward the harms of economic development on natural systems. In the latter part of the 20th century and the early part of the 21st century, we see a convergence, as both fields of responsibility and sustainability take a strategic orientation toward the business case for “good” social and environmental practices. (Bansal & Roth, 2000, p. 107)

This research focuses on green strategies, green values and green routines. One way to define what ‘green’ means is to use Arena, Ciceri, Terzi, Bengo, Azzone & Garetti (2010) nine main sub-dimension of environmental sustainability as a guide (Table 1.1). Therefore, in this study green

strategies, green values, and green routines are those that protect and/or enhance these sub-dimensions within the natural environment.

Table 1.1: The Nine Main Sub-Dimensions of Environmental Sustainability	
1.	Materials
2.	Energy
3.	Water
4.	Biodiversity
5.	Emissions
6.	Waste
7.	Products and Services
8.	Compliance
9.	Transport

(Adapted from Arena *et al.*, 2010, pp. 214-215)

1.4. Research Aim

This research is an exploration of the implementation of authentic strategies within organisations in the service sector, with particular reference to green strategies. The purpose is to explore the processes involved within the case organisations to implement green differentiation strategies as green routines and actions that the front-line employees perform as part of the customer service process. In addition, this research aims to define authentic strategy and to examine the process of how green strategies become perceived as being authentic by internal stakeholders. The primary research question for this study is:

In what ways do service organisations implement green differentiation strategies to ensure that internal stakeholders perceive these as authentic strategies?

To answer this primary research question, the following are considered:

SQ 1: How are green differentiation strategies implemented?

SQ 1.1: What green routines/actions do organisational members perform as part of the service process?

SQ 1.2: How do front-line employees know what green routines to perform? (or what not to perform?)

SQ 1.3: Who are the drivers of the green differentiation strategies and routines?

SQ 1.4: What guides choice for flexible routines?

SQ 1.5: How is the information about green routines and strategies transmitted?

SQ 1.6: How are green routines developed into strategic capabilities?

SQ 2: In what way are green differentiation strategies perceived as being a source of competitive advantage?

SQ 3: What makes a strategy authentic to internal stakeholders?

This study contributes to academic knowledge by opening some 'black boxes' identified in the RBT perspective that have persisted across other strategic management frameworks as management is often the level of analysis. First, this study opens up the 'black box' of the firm, where the firm is considered a single entity, to examine the strategy implementation processes based on the perceptions of individual members of the organisation, management and non-management across business sites within each case. In addition to examining the strategy implementation processes, taking this multi-level approach has allowed a second 'black box' of the capability development processes to be examined. This includes examining the microfoundations of green routines, as well as how these green routines are aggregated into green capabilities at the meso level of the firm. An additional contribution this study makes is to further the construct of authentic strategy by defining 'authentic strategy' and developing a model of the process by which green strategies become perceived by the internal stakeholders as being authentic strategy. Chapter 6 provides a detailed discussion regarding these contributions.

1.5. Research Methodology

The RBT is the strategic management framework for this study as this is a suitable framework to examine sources of competitive advantage, to examine the implementation processes of existing strategies, and to examine the capability development process. This research is a cross-industry multiple case study of three service organisations. The cases were selected using theoretical sampling through document analysis. The main source of information was gathered using the qualitative technique of semi-structured interviews of purposive sampled senior management, middle management and front-line customer-facing employees at different sites. As such, this research takes a multi-level approach across different business sites within each case organisations. The interviews were analysed using thematic analysis.

An interpretivist approach is justified as the aim of this study is to research social actions (Bryman & Bell, 2011) to develop an understanding of how management and employees interpret and understand green differentiation strategies within the service organisation context as they engage with and implement these strategies as green capabilities, routines and actions (Gioia & Chittipeddi, 1991; McShane & Cunningham, 2012; Myers, 2010). In addition, this research examines the management and employee perceptions as to whether these green differentiation strategies are perceived as authentic strategies.

This research takes a multi-level approach across different business sites within each case to examine the process of strategy implementation as this approach allows for the exploration of what Klein and Kozlowski (2000, p. 215) term 'shared team properties': "the experiences, attitudes, perceptions, values, cognitions or behaviours that are held in common by a team." This research is interested in the aggregated perceptions and values of the members of the whole organisation. Included in this is the link to the embeddedness of the green differentiation strategies and an exploration of the emergence of capabilities, routines and actions as part of the strategy implementation process (Lopes Costa, Margarida Graça, Marques-Quinteiro, Marques Santos, Caetano & Margarida Passos, 2013).

The process of case selection, participant recruitment and information collection and analysis, as well as ethical considerations for this research project, is explained in detail in Chapter 3 Methodology.

1.6. Thesis Structure

This thesis consists of six chapters. This section briefly outlines the chapters in this thesis.

Chapter one (this chapter) introduces this research project, outlines the significance and rationale behind the study, as well as the parameters and context of this study. The research aims and research question are followed by a brief description of the research methodology.

Chapter two reviews the strategic management literature including the literature relating to the concepts of strategy implementation, green strategy and authentic strategy. This chapter begins with a history of the evolution of strategic management theory. Next, is an exploration of the economic perspective of the Resource-Based Theory (RBT), as well as related theoretical frameworks. The literature review then explores green strategies, specifically the relationship between the natural environment and strategic management. The literature on strategic levels

and direction of strategy introduces and defines the macro, meso and micro level of strategy implementing processes before the literature review examines the construct of authentic strategy. This chapter concludes with a summary to expose the gaps in the current literature to inform the research questions, which are explored and listed at the end of this chapter.

Chapter three outlines the research methodology for this study. This chapter begins with discussion and justifications for the methodological approach taken: a qualitative cross-industry multiple case study, taking a multi-level approach within each of the three case organisations with semi-structured interviews with senior management, middle management and front-line customer-facing employees. This chapter then explains the case selection and participant sampling techniques used to identify both the potential case organisations and potential interview participants, as well as the recruitment process. This chapter explains the thematic data analysis technique, trustworthiness of the findings, as well as ethical considerations, and concludes with a summary of the research methodology.

Chapter four is the findings and thematic analysis of the study. This is set out following the supplementary research questions SQ 1 – 3, including SQ 1.1 – 1.6 (see 1.4 Research Aim for a list of the primary research question and supplementary questions).

Chapter five is the discussion of the findings and analysis of this study. This chapter begins with a discussion on how green routines develop into green capabilities. This is followed by a discussion of authentic green differentiation strategies and how these can be a source of competitive advantage. Next is a discussion of the green differentiation strategy implementation processes. Each of these discussions ends with a conclusion that informs the final chapter of this thesis. This chapter ends with a summary of the discussion and conclusions within this chapter.

Chapter six presents the conclusions and implications of this study. This chapter begins with the contributions of this study before the implications for theory are discussed. This is followed by a section that addresses the research question and supplementary research questions of this study. The Implications for managerial practice of this study are then examined. This chapter finishes with the limitations and implications for further study, before final remarks to conclude this thesis.

2. Literature Review

2.1. Introduction

This chapter is a review of literature relating to the core theories, topics and concepts within this research. The focus of this study is strategy implementation processes; therefore, the literature was searched with this focus in mind. Nobel (1999) describes the origins of the concept of strategy implementation as eclectic, an assertion that is evident in the different fields of study and sources used in this literature review.

This literature review chapter begins with a brief history of the evolution of strategic management research. This is not only to identify where Resource-Based Theory (RBT), the theoretical perspective of this study, is located within the management literature but also to identify other areas and fields of strategic management research that are considered in this study. This is followed by an exploration of the theoretical framework of this study: the RBT. This section explores the origins and history of RBT, as well as other relevant concepts of competitive advantage, capabilities and routines. In addition, this section considers some critiques of RBT, as well as alternative theories. This informs this study and assists in identifying the gaps in the strategic management literature.

Next, the literature review examines how the natural environment is incorporated into strategy and strategic management, through the use of green differentiation strategies. This is followed by an exploration of the literature relating to the strategic levels and direction of strategy implementation within the firm: top-down, bottom-up and combined approaches.

The construct of authentic strategy is then examined. This includes a preliminary definition of authentic strategy based on the literature pertaining to the concepts of authentic and authenticity in a business context.

This literature review chapter ends with a summary of the literature to expose the gaps and develop the research question for this study. Included is an initial conceptual model for the implementation process for authentic green differentiation strategies (Diagram 2.9). A brief conclusion then links this literature review to the following chapter on methodology.

2.2. The History and Evolution of Strategic Management Theory

The essence of strategic management and business strategy is to create a common direction for the business and to allocate resources to create products and provide services. As Brenes & Mena (2008, p. 591) state, “strategy is not about guessing what the future will be like but rather with creating the kind of future the company desires.” However, business strategy is more complex than just the creation of organisational plans and the allocation of resources. The foundation of strategy according to Hart (1992, p. 328) “is the well-known rational model, which calls for comprehensive and exhaustive analysis prior to decision.” This is in contrast to Volberda (2004, p. 36) who describes strategy as a “messy, disorderly, and disjointed process around which competing factors contend.”

Strategic management is a multidisciplinary field of study that has drawn from economics, accounting, social sciences, human resource management, communications, and organisational behaviour. Mintzberg and Lampel (1999) have captured the multidisciplinary nature of strategic management in their discussion of the “Ten Schools of Strategy Formation”: a way of classifying the eclectic roots of strategy. The ‘Ten Schools’ are further examined by Ghanam and Cox (2007), who link their concept of strategic management research evolution, in an effort to align strategic human resource management, Resource-Based View of the Firm (RBV) and Dynamic Capabilities (DC), to these categories. Table 2.1 presents a summary of the ‘Ten Schools of Strategy Formation’.

Strategic Management as a field of research is not a new phenomenon (Carter, 2013), and whilst some authors begin in antiquity, the modern concept of strategic management has its roots in the 1950s and 1960s. Kay (1995) gives a history of the evolution of strategy, from budgeting in the 1960s, portfolio planning and diversification in the 1970s, to strategic vision in the 1980s. It is not until the 1990s that strategy research then turned its attention “from the problems of formulating strategy to issues of implementation” (Kay, 1995, p. 350). However, this historical approach to discuss strategic management belies the evolution of strategic management. In addition, Nobel (1999) describes the origins of strategy implementation as eclectic.

Even if the authors from Table 2.1 were listed in chronological order, this would not give an accurate evolution of strategic management. In many instances there has been a retrospective acknowledgement of prior research after the development of some of the theories of strategic management. For example, Barney’s *Firm Resources and Sustained Competitive Advantage* (1991) is considered the seminal work article on RBV. Whilst this article is a turning point in the development of RBV, the RBV framework has retrospectively been credited to Penrose’s seminal

Table 2.1: The 10 Schools of Strategy Formation			
School	Key Concepts	Key Authors (Year concept developed)	Theoretical Roots
Design School: <i>A Process of Conception</i>	Fit between the firm's internal strengths and weaknesses and its external opportunities	Chandler (1962)	None (Architecture as a metaphor)
Planning School: <i>A Formal Process</i>	Similar to design school but more formalised	Ansoff (1965)	Urban planning, systems theory and cybernetics
Positioning School: <i>An Analytical Process</i>	Generic positions selected through formal analysis of industry situations	Porter (1980)	Military strategy, Industrial Organisation (IO), and economics
Entrepreneurial School: <i>A Visionary Process</i>	Intuitive processes of vision development by CEO	Schumpeter (1934) Cole (1959)	None (Although early writings came from economics)
Cognitive School: <i>A Mental Process</i>	Analyse the mental steps in strategy development, including cognition as information processing and knowledge mapping	Simon (1986) March (1994)	Psychology
Learning School: <i>An Emergent Process</i>	The development process is emerging at all levels of the firm, within entwined formulation and implementation	Senge (1990) Prahalad & Hamel (1990)	Psychology, education, and chaos theory in mathematics
Power School: <i>A Process of Negotiation</i>	Use of influence by the organisation over others and among its partners to negotiate in its best interests	Allison (1973) Pfeffer (1978)	Political Science
Cultural School: <i>A Social Process</i>	Common interests of the people in a firm are reflected in strategy formulation through social processes and norms	Rhenman (1973) Norman (1977) Allen (1980) Dyer (1980)	Anthropology
Environmental School: <i>A Reactive Process</i>	A reactive process to the demands of the existing environment	Hannan & Freeman (1977) Welford (2002)	Biology
Configuration School: <i>A Process of Transformation</i>	Coherent clusters of characteristics and behaviours of the organisation	Miles & Snow (1978) Mintzberg (1979)	History

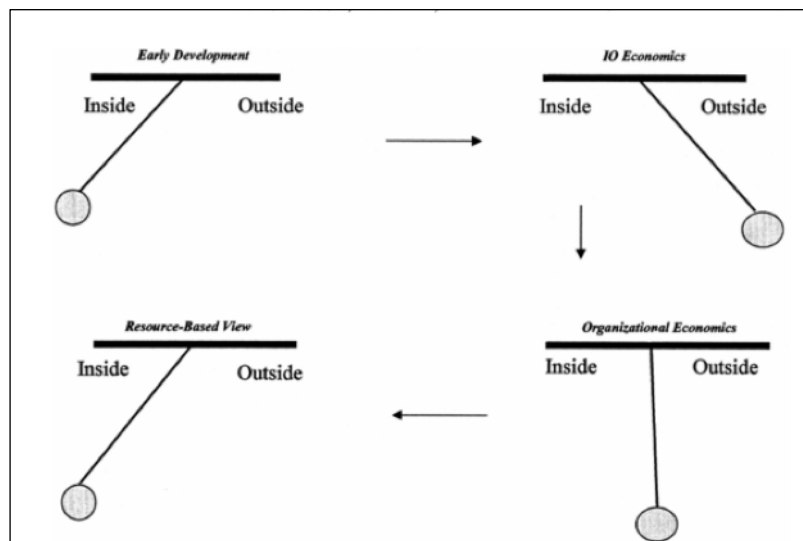
(Adapted from Mintzberg & Lampel, 1999; Ghanam & Cox, 2007 ¹)

¹ Note the dates (year) listed in this table are to indicate when the key authors developed these strategy formulation concepts: as identified by Mintzberg and Lampel (1999), and Ghanam and Cox (2007)

work in the 1950's with the publication of *The Theory of the Growth of the Firm* (for reprints see Penrose, 1995, 2009), as well as publications by Wernerfelt and Grant in the 1980s. Barney (1991) drew together the concepts within RBT adding the elements of sustained competitive advantage, legitimising the RBT as a dominant framework for strategic management research.

One approach to discussing the evolution of strategic management is from Hoskisson, Wan, Yiu and Hitt (1999), who use a pendulum analogy, where the focus of strategic management research swings between inside and outside the firm (Figure 2.1). This chronology is presented here to examine the multi-disciplinary and eclectic field of strategic management to acknowledge the seminal papers in this field to give a foundation for this research.

**Figure 2.1: Theoretical and Methodological Evolution in Strategic Management:
Swings of a Pendulum**



(Hoskisson *et al.*, 1999, p. 421)

The first stage of Hoskisson *et al.*'s (1999) model is "Early Development". In this period, the 1950-1960s, the focus was placed inside the firm on business planning and control (Kay, 1995) (see Figure 2.1). This was also a period of relative stability and growth for businesses (McKierran, 2006). Key authors and publications for this period include: Chandler's *Strategy and structure* (1962), Ansoff's *Corporate Strategy* (1965), plus Andrews and colleagues' *Business Policy: Text and Case* (1965/1969), who were "predominantly concerned with identifying firms' "best practices" that contribute to firm success" (Hoskisson *et al.*, 1999, p. 419). Hoskisson *et al.* (1999, p. 419) suggest the focus on the internal competitive resources can be traced to Barnard's *The Functions of the Executive* (1938), Selznick's *Leadership in Administration: A sociological interpretation* (1957), and Edith Penrose's *The Theory of the Growth of the Firm*. (1959). Hoskisson *et al.* (1999, p. 419) add:

Researchers in this stream share an interest in pondering the inner growth engines or “the black box” of the firm, and argue that a firm’s continued success is chiefly a function of its internal and unique competitive resources.

This concept of the ‘black box’ of the firm will be followed in this thesis. Under the RBT framework, the firm is considered a single entity responsible for allocating resources for competitive advantage: a ‘black box’.

The second stage of Hoskisson *et al.*’s (1999) model is Industrial Organisation, or “IO Economics”. This period, in the early 1970s, sees a shift towards industry structure and competitive position in the industry (Figure 2.1), with a key question to ask: “what the core business is?” (Kay, 1995, p. 346). Key publications in this period are Porter’s *Competitive Strategy* (1980) and *Competitive Advantage* (1985), followed by the development of the *Five Competitive Forces that Shape Strategy* (Porter, 2008). The key concept within the IO economics approach is:

Strategy is the act of aligning a company and its environment. That environment, as well as the firm's own capabilities, are subject to change. Thus, the task of strategy is to maintain a dynamic, not a static balance (Porter, 1991, p. 97).

The theoretical roots for Porter’s ‘Five Forces’ are noted in Bain’s *Barriers to New Competition* (1956) and *Industrial Organization* (1968), as well as Mason’s *Price and Production Policies of Large-Scale Enterprises* (1939) (Hoskisson *et al.*, 1999, p. 419). IO economics lead to research on strategic groups, where the aim is to classify the firm into groups of strategic similarities.

IO economics also lead to an “increasing recognition that structure does not only follow strategy. Structure is itself a determinant of strategy” (Kay, 1995, p. 354). This concept built on the work of Chandler’s *Strategy and Structure* (1962), further built on by Bain (1986) to develop the Structure-Conduct-Performance (S-C-P) theory, where “economic performance of an industry is a function of the conduct of buyers and sellers which, in turn, is a function of the industry’s structure” (McWilliams & Smart, 1993, p. 64). S-C-P view is based on a perfectly competitive market with a focus on the creation of barriers to entry to keep any supernormal profits. The main limitation of S-C-P is the assumption of the homogeneity of firms within an industry.

The next stage of Hoskisson *et al.*’s (1999) model sees the pendulum swing back towards the middle in “Organisational Economics” (Figure 2.1). “Organizational economics is a sub-field of the economics discipline that ventures into the ‘black box’ to unravel its inner structural logic and functioning” (Hoskisson *et al.*, 1999, p. 432). Two main theories from this group: First,

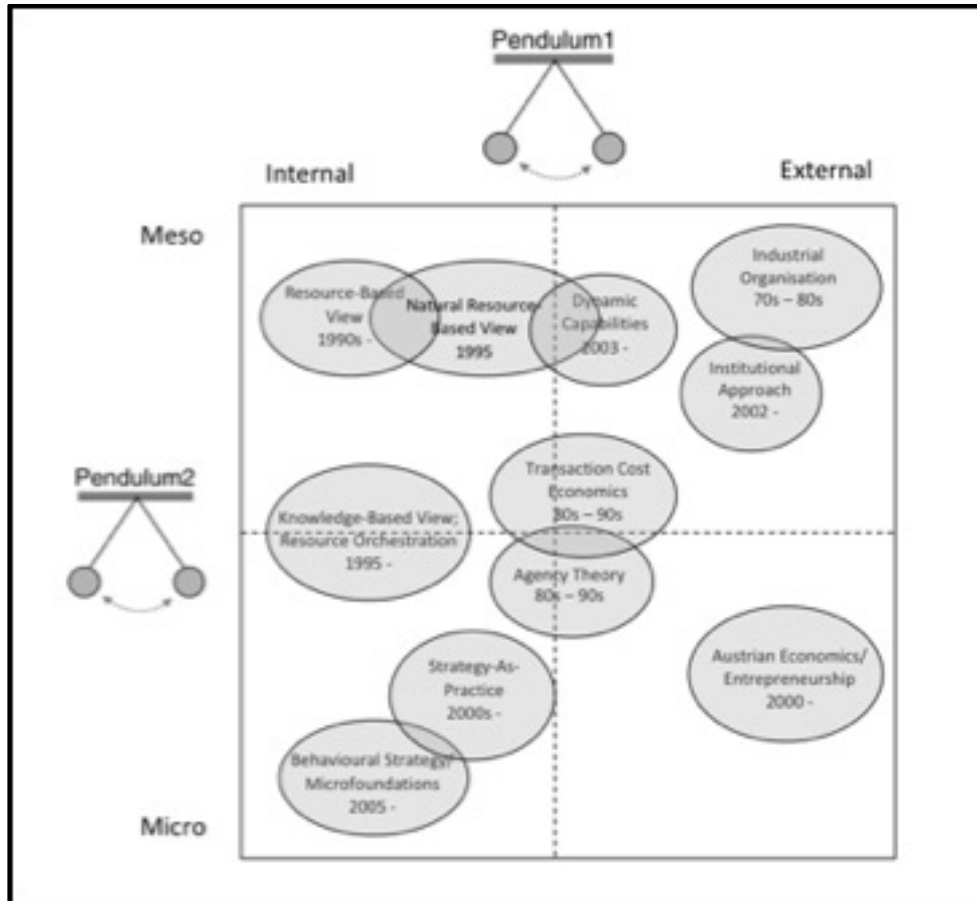
Transaction Cost Economics (TCE) from Williamson's *Markets and Hierarchies* (1975) and *The Economic Institutions of Capitalism* (1985). The basic premise of TCE is that firms aim to minimise the sum of their production and transactional costs (Lockett & Thompson, 2007), and "markets and hierarchies are alternative governance mechanisms for completing transactions" (Hoskisson *et al.*, 1999, p. 433). Second, Agency Theory in Fama's, *Agency Problems and the Theory of the Firm* (1980) and Jensen & Meckling's *Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure* (1976). Agency Theory aims to explain the "relationships between parties where one delegates some decision-making authority to another" (Angwin, 2007, p. 113).

The final stage of Hoskisson *et al.*'s (1999) model is the Resource-Based View (RBV) (Figure 2.1). "Recently, the popularity of the resource-based view of the firm has once again returned our focus inside the 'black box' of the firm" (Hoskisson *et al.*, 1999, p. 437). The RBV forms the theoretical framework for this research, so it will be discussed in greater detail in 2.3 Theoretical Framework: The Resource-Based Theory.

The evolution of strategic management theory continues on from where Hoskisson *et al.* (1999) finishes. Guerras-Martín, Madhok and Montoro-Sánchez (2014) continue Hoskisson *et al.*'s pendulum concept of classifying the chronological history of strategic management research. Guerras-Martín *et al.* (2014) add another dimension Macro vs Micro to the pendulum concept. Figure 2 has been adapted from Guerras-Martín *et al.* (2014) with the addition of Dynamic Capabilities, Strategy-As-Practice, and the Natural Resource-Based View. These additional theoretical frameworks are discussed in Theoretical Framework: RBT (2.3). In Figure 2.2, the term 'macro' level in the original model has been replaced with the term 'meso' level. This study uses the meso level throughout, this is discussed in detail in Strategic Levels and Direction (2.4.1), where the dimensions of macro and micro levels are expanded to include the construct of meso level within a firm.

After the RBT, the next school of thought is the knowledge-based view which was a swing towards the internal factors as well as a swing away from the meso (Figure 2.2). A key author in this group is Grant (1996) who describes the firm as "an institution for integrating knowledge" (p. 109), with the aim to extend the RBV by including the concepts of "organisational learning, the management of technology, and managerial cognition" (p. 110). Linked to this approach is the resource orchestration approach by Sirmon, Hitt, Ireland & Gilbert (2011) where they expand the RBV by "explicitly addressing the role of managers' actions to effectively structure, bundle, and leverage firm resources" (p. 1390).

Figure 2.2: Evolution of Strategic Management Research.



(Adapted from Guerras-Martín *et al.*, 2014, p. 71)

The early 2000s also saw the development of Strategy-As-Practice (SAP) in the social sciences research field that has a focus on “the microlevel social activities and practices that characterise organizational strategy and strategizing” (Salih & Doll, 2013, p. 32; see also Jarzabkowski and Spee, 2009; Johnson, Langley, Merlin & Whittington, 2007; Vaara and Whittington, 2012). This framework examines business strategy as a “complex set of strategic activities and practices rather than a property of an organization” (Salih & Doll, p. 32). SAP is discussed in more detail in 2.3.3.2.

In the early 2000s, the pendulum of strategic thinking swings back towards the external environment (Figure 2.2). First, with the institutional approach based on the work by Peng (2002) where the focus is on answering the question: “Why do strategies of firms from different countries differ?” (p. 251) by considering the environmental variations “such as the laws, traditions or culture of a region or country” (Guerras-Martín *et al.*, 2014). Second, is the Austrian Entrepreneurship-Based View, where the premise is “firms must engage in entrepreneurial action aimed at the discovery of profit opportunities which are unknown a priori” (Guerras-

Martín *et al.*, 2014). This involves a shift of focus from the internal advantages to external opportunities.

The same period saw the development of the Dynamic Capabilities (DC) approach based on the works by Teece (2007; see also Teece, Pisano & Shuen, 2000; Teece & Pisano, 2009) as well as Nelson and Winter (2002). Whilst both RBV and DC are economics-based approaches that focus on the creation of capabilities and routines; the DC approach differs as this has a focus on the external environment: the development and deployment of capabilities in markets that are in a “state of flux” (Volberda, 2004, p. 39). The DC framework is discussed in detail in 2.3.3.1.

The most recent of the theories listed by Guerras-Martín *et al.* (2014) are behavioural strategy and microfoundations. These approaches focus on individual or group behaviour within the firm, and whilst they “maintain a close relationship with the RBV [they] are now looking for the factors of success at a different level of analysis within the firm” (Guerras-Martín *et al.*, 2014, p. 72). The microfoundations view is discussed in more detail in relation to routines in 2.3.1.2 Routines in RBT and 2.3.1.3 How or When do Routines Develop into Capabilities.

This is a simplified ‘history’ of the evolution of strategic management schools and concepts based on the pendulum concepts of Hoskisson *et al.* (1999) and Guerras-Martín *et al.* (2014). However, whilst Figure 2.2 appears to link the subgroups of strategic management, like a Venn diagram, each subset is a different group working on their perspective and theories of strategic management, often at the same time. What Guerras-Martín *et al.*’s (2014) also indicate is the continuation of research in each subset’s theories and concepts; for example, RBT is listed as “90s-current” (Figure 2.2).

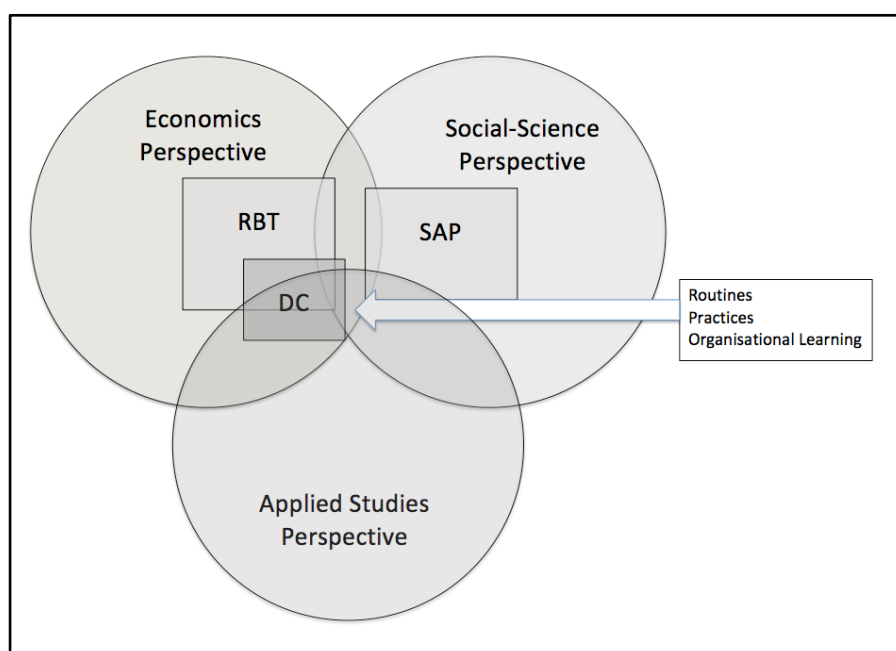
2.3. Theoretical Framework: The Resource-Based Theory

The focus of this research is to examine strategy implementation processes, an area where there is a significant gap in the academic literature (Smith, 2010). Specifically, this research is interested in the implementation of green differentiation strategies. In addition, this study aims to answer a call for further research by Delmas, Hoffman and Kuss (2011, p. 120) who state that: “Surprisingly, very few studies have looked at the relation between organizational capabilities, environmental proactivity, and competitive advantage.” To do this, the Resource-Based Theory (RBT) has been selected as the theoretical framework for this research as it is a useful framework for examining sources of competitive advantage and the implementation processes of existing strategies.

This section of the literature review examines the RBT theoretical framework. It begins with an exploration of the origins and history of this theory and then examines the relevance of this theory to this research. Limitations of RBT are also discussed. Included in this is an exploration of the concepts within RBT: competitive advantage, resources, capabilities, and routines. Also included is an exploration of the alternative theoretical frameworks of Strategy-as-Practice (SAP) and Dynamic Capabilities (DC), as well as the applied studies viewpoints of managers and consultants in the strategic management field. This discussion of alternative frameworks and viewpoints is to examine the commonalities and differences between these perspectives and RBT to identify concepts that may assist in opening some RBT theoretical ‘black boxes’. Diagram 2.1: Economic, Social Sciences and Applied Studies Perspectives, illustrates the commonalities and differences between these perspectives.

This study examines how green differentiation strategies become sources of competitive advantage: how green differentiation strategies are implemented as green routines and actions across a firm, and how these green routines are aggregated from the micro level of business units into green capabilities at the meso level of the firm. Research under RBT, SAP, and DC theoretical perspectives, as well as the applied studies perspective, are all interested in routines, practices and organisational learning as part of competitive advantage, the overlap in Diagram 2.1, but each perspective has examined these concepts from differing perspectives, each with limitations. This section explores the commonalities and differences of each of these perspectives as well as a comparison to RBT research, the theoretical framework for this study.

Diagram 2.1: Economic, Social Science and Applied Studies Perspectives



Since the early 1990s the Resource-Based View of the firm (RBV) has evolved from a way to explain competitive advantage through the management of resources: physical, human, and organizational resources, to become the Resource-Based Theory (RBT): a “central theoretical perspective in strategic management” (Hart & Dowell, 2011, p. 1465). Barney revisits his original RBV in 2011 stating, “resource-based theory (RBT) is widely acknowledged as one of the most prominent and powerful theories for describing, explaining, and predicting organizational relationships” (Barney, Ketchen & Wright, 2011, p. 1300). The fundamentals of RBV are given by Hanson, Hitt, Ireland and Hoskisson (2014):

The resource-based model assumes that each organisation is a collection of unique resources and capabilities. The uniqueness of its resources and capabilities is the basis of a firm’s strategy and its ability to earn above-average returns. (p. 16)

The RBT has been chosen as the theoretical framework for this research as it can be used to analyse the strategic processes: the allocation of resources, the coordination and development of capabilities, focusing on the business “activities oriented to the creation of competitive advantage” (Olson, Slater & Hult, 2005, p. 51; see also Galbreath, 2009).

2.3.1. Resource-Based Theory

Thompson and Wright (2005) note that the roots of RBT are found in the seminal work by Edith Penrose; published in the book *The Theory of Growth* in 1959. Thompson and Wright (2005, p. 57) refer to Edith Penrose as “among the most cited of economists, not merely in the economics literature but perhaps especially in the field of strategic management, a discipline that scarcely existed in her prime.” Penrose (1995, p. 24) defines “the firm as a collection of productive resources”, noting: “Strictly speaking, it is never the resources themselves that are the ‘input’ in the production process, but only the services that the resources can render” (p. 25). Thompson and Wright (2005) summarise Penrose and expand the definition of a firm further:

Firms are fundamentally heterogeneous institutions, each distinguished by control over a unique set of resources... The evolution of each firm’s resource bundle is path-dependent, that is it depends upon the sequence of decisions managers make with respect to exploiting the opportunities they perceive. (p. 58)

In the 2009 reprinting of Penrose’s book “The theory of the growth of the firm”, marking 50 years since the book’s original publication, the introduction by Pitelis (2009, p. xxviii) defines the ‘Penrose Effect’ which “... simultaneously describes and determines firms’ limits to endogenous

growth and the receding boundaries of the firm.” This definition was expanded in Thompson and Wright (2005, p. 58) where “each firm’s potential growth prospects are constrained by its current resource endowment”, this constraint can be overcome by the acquisition of resources but may be limited by the “availability of managerial talent.” Penrose (1995) was focused on reconfiguring idle or underused resources for firm growth, whereas the RBT focuses on the uniqueness of the routines and capabilities as a source of sustained competitive advantage for above-average returns.

It is in the concepts of the heterogeneity and path-dependency of the firms’ resources that revived interest in the works of Penrose, which led to the development of the RBT. Penrose (1995, p. 75) states: “It is the heterogeneity, and not the homogeneity, of the productive services available or potentially available from its resources that gives each firm its unique character.” The RBT moves away from an economic perspective towards a “dynamic or evolutionary theory, in which each firm’s resource bundle is evolving along its own trajectory as a consequence of the firm’s unique history” (Lockett & Thompson, 2001, p. 744; see also Mathews, 2002; Thompson & Wright, 2005).

To add to the eclectic, non-linear and idiosyncratic nature of the evolution of strategic management theory, the RBV first appeared in 1984, in an article simply titled *A Resource-Based View of the Firm* by Wernerfelt. The purpose of this article was to “develop some simple economic tools for analysing a firm’s resource position and to look at some strategic options suggested by this analysis” (Wernerfelt, 1984, p. 170). However, even Wernerfelt (1995, p. 171) admits that “When the paper appeared in 1984, it was ignored. Even I did not cite it, although I did work which was based on it.” Wernerfelt (1995, p. 171) indicates that it wasn’t until “1989 did the paper start to have an impact” when renewed interest in this concept occurred with the publication of the special forum of the *Journal of Management*, edited by Barney (1991). The limitation of Wernerfelt (1984) was the narrow focus on resources, including the acquiring of resources, in order to diversify the firm. The RBT evolved in the early 1990s to include the concepts of capabilities and the creation of the concept of sustained competitive advantage.

Under the RBT the firm focuses on the business “activities oriented to the creation of competitive advantage” (Olson *et al.*, 2005, p. 51; see also Galbreath, 2009). The RBT states that an organisation not only acquires resources but also develops these in a way that is unique and difficult for competitors to imitate (Dao *et al.*, 2011). Barney’s (1991) significant contribution to RBT was to identify how a resource can become a source of sustainable competitive advantage.

To have this potential [for competitive advantage], a firm's resource must have four attributes: (a) it must be valuable, in the sense that it exploits opportunities and/or neutralizes threats in a firm's environment, (b) it must be rare among a firm's current and potential competition, (c) it must be imperfectly imitable, and (d) there cannot be strategically equivalent substitutes for this resource that are valuable but neither rare or imperfectly imitable. (pp. 105-106)

Firm's resources can be imperfectly imitable for one or a combination of three reasons: (a) the ability of a firm to obtain a resource is dependent upon unique historical conditions, (b) the link between resources possessed by a firm and a firm's sustained competitive advantage is causally ambiguous, or (c) the resource generating a firm's advantage is socially complex. (p. 107)

The four attributes identified by Barney (1991) are often referred to by the acronym VRIN: Valuable, Rare, In-imitable, and Non-Substitutable.

In addition, Porter (1991) divides strategies for competitive advantage into two basic types, defined these as "lower cost than rivals, or the ability to differentiate and command a premium price that exceeds the extra cost of doing so" (p. 101). Hart (1995, p. 987) explains the how competitive advantage is achieved by these two types of strategies:

... a low-cost position enables a firm to use aggressive pricing and high sales volume, whereas a differentiated product creates brand loyalty and positive reputation, facilitating premium pricing.

Whilst Volberda (2004, p. 37) states "Firms can create multiple sources of competitive advantage", this research is concerned with the use of differentiation strategies for competitive advantage. Porter (1997) defines differentiation:

Differentiation involves developing one significant aspect of a product in order to set it apart from its competitors. One or more product functions, such as brand image and identity, technology and features or customer service and dealer network, is developed to a high-quality level and the resultant added value perceived by the customer offsets the impact of higher price. (pp. 16-17)

This research examines green strategies as the differentiation strategies of focus. Bansal and Roth (2000, p. 724) state: "Consistent with the resource-based view, firms attempted to develop ecologically related resources and capabilities to build long-term profit potential, such as improved reputation, process efficiencies, and product reliability." Insch (2011, pp. 288–289) agrees with Bansal and Roth, adding, "Green marketing has become an important form of differentiation" as a way to build business reputation.

2.3.1.1. Capabilities in RBT

Whether or not an organisation's resources can be considered a sustained source of competitive advantage is dependent upon the possibility of duplication by a competitor (Barney, 1991). In addition to this, Porter (1991, p. 108) cautions, "The competitive value of resources can be enhanced or eliminated by changes in technology, competitor behaviour, or buyer needs." To avoid the possibility of loss of competitive advantage firms should focus on intangible resources: the tacit knowledge and relationships among employees, the businesses reputation among suppliers and customers, as well as organisational culture (Barney, 1991; Branco & Rodrigues, 2006; López-Gamero, Zaragoza-Sáez, Claver-Cortés & Molina-Azorín, 2011; Priem & Butler, 2001).

Therefore, a potential source of sustainable competitive advantage for firms are capabilities, which are the intangible resources, such as knowledge and skills of the people within the organisation. Bhatt (2000) adds that capabilities "are required because resources are inert, it is only through required capabilities input resources are processed and transformed to add value to the services" (p. 120; see also Felin, Foss, Heimeriks & Madsen, 2012), and that "it is the integration of knowledge and skills which describe the process of capability building" (Bhatt, 2000, p. 120).

The definition of a capability originates in the work by Winter and Nelson. Winter (2000) defines capabilities:

An organizational capability is a high-level routine (or collection of routines) that, together with its implementing input flows, confers upon an organization's management a set of decision options for producing significant outputs of a particular type. (p. 983)

The benefit of examining capabilities as a source of competitive advantage is the heterogeneous nature of capabilities. Makadok (2001, p. 389) describes a capability as "an organizationally embedded non-transferable firm-specific resource." In addition to this, capabilities are path dependent, in other words they are developed over time in idiosyncratic ways based on the interactions within the organisational members, as well as the interaction with the external environments (Lockett & Thompson, 2001; Makadok, 2001; Mathews, 2002; Thompson & Wright, 2005). It is this firm-specific nature and the heterogeneity of capabilities that sustained competitive advantage resides. In terms of green differentiation strategy Hart (1995, p. 991) states "it is likely that strategy and competitive advantage in the coming years will be rooted in capabilities that facilitate environmentally sustainable economic activity."

2.3.1.2. Routines in RBT

The idea that capabilities are higher-level routines based on the individual experience, learning and routines as they interact with the allocated resources in order to provide service or produce goods is well established theoretically (Felin *et al.*, 2012; Nelson, 1991; Winter, 2000). Pentland, Feldman, Becker and Liu (2012) define routines as “repetitive, recognizable patterns of interdependent actions, carried out by multiple actors” (p. 1486). Johnson (2007) adds that routines are “standard behaviours, rules of thumb or even strategies that are used, consciously or not, in a largely repetitive fashion” (p. 42), and provide the manager with an “insight into how standard operating procedures develop over time to displace discrete decision making” (p. 42). Parmigiani & Howard-Grenville (2011, p. 417) define “organizational routines as repetitive patterns of interdependent organizational actions.” Similar definitions of routines and organisational routines are offered by Felin *et al.* (2012) and Salvato and Rerup (2011). In all of these definitions of routines, the commonality is the concept of repeated patterns of behaviours that lead to interdependent action.

These definitions of organisational routines are not too dissimilar to Mintzberg’s (1987, p. 12) statement: “*strategy is a pattern* - specifically, a pattern in a stream of actions. ... by this definition, strategy is consistency in behaviour, *whether or not* intended” [Italics in original]. Mintzberg’s statement on strategy links the implementation process of strategy as the establishment of organisational routines leading to the desired actions and outcomes. Steensen (2014, p. 270) refers to this outcome as “realized strategy ... the actual overall patterns of actions of organizational members.”

Pentland *et al.* (2012) uses an actor metaphor for describing how routines become action: “A routine is recognizable if the steps within each performance follow from one to the next, like the notes of a song” with routines emerging “between specific actions and patterns of action” (p. 1485). The research by Pentland *et al.* (2012) focused on the actions as a common denominator rather than the individual actors. In doing so they “argue that the macro-level dynamics of routines emerge from the micro level relationship between specific actions and patterns of action.” (p. 1485)

The focus on the individual routines and action is found within the microfoundation strategic management literature. Foss (2016) defines microfoundations:

The notion of microfoundations is a fundamentally simple one. Thus, it is the heuristic that collective/aggregate/macro outcomes (e.g. organisational performance) and

formations (e.g. institutions) be explained in terms of the actions and interactions of lower level entities, typically (but not necessarily) individuals. (p. 115)

Elg, Ghauri, Child & Collinson (2017) further clarify this definition: “microfoundations are not only about individuals but also about the interactions between individuals, institutions, and structures” (p. 1333).

This concept of the microfoundations of routines is examined in a special issue of the *Journal of Management Studies* (2012, 49(8)). In this special issue Felin *et al.* (2012) state:

A strong motivation for unpacking routines and capabilities in microfoundational terms is that this will advance our understanding of what drives differences in the behaviour and performance of firms. ... Exploring how the components interact, within or across categories, will shed light on how differences in routines and capabilities arise. Clarifying these sources of heterogeneity will, in turn, assist us in understanding how microfoundations contribute to heterogeneity among firms. (p. 1352)

In this special issue, the concept of microfoundations of routines is examined in a number of different ways. Of the 14 articles, two created conceptual models for future research into microfoundations. In Argote and Ren (2012) the focus was on the concept of transactive memory systems, linking how people access their memories when making routine decisions under a DC paradigm. The conceptual model in Pentland *et al.* (2012) aims to link the microfoundations of routines to the creation of macro routines, testing this model in a novel way by having children create music by ringing bells.

In the empirically based articles, four articles use quantitative methods to measure effects or create decision-tree type models; only two articles utilise a qualitative approach to test the thinking and cognition behind decision-making and routines. Cacciatori (2012) examines the process of resolving conflict in problem-solving, where firms bid for resources and funding under a public procurement scheme (Private Finance Initiative: PFI), with the focus on artefacts used in the routines. Bapuji, Hora & Saeed (2012) examine the concept of an intermediary between management policy and front-line staff. Their methodology was to observe and interview hotel housekeeping staff as they cleaned the hotel rooms, with particular reference to the “towel-changing routine performed every day in the hotel industry” (Bapuji *et al.*, 2012, p. 1591), by conducting experiments of placing towels in various places in the bathroom based on established guidelines. The quantitative data was followed up with interviews of selected housekeeping staff, which revealed why more towels were replaced than was expected, with Bapuji *et al.* (2012) concluding it was due to communication ‘noise’ than establishing routines.

It is in the exploration of the microfoundations of routines that has the potential to open some 'black boxes' of strategy implementation and competitive advantage, as the micro level is the "level of individual action and (strategic) interaction" (Abell, Felin & Foss, 2008, p. 489). However, even in the special issue of *the Journal of Management Studies* few articles relate to how these microfoundations connect or aggregate to the meso level of the firm. Pentland *et al.* (2012) create a conceptual model but do not test it in a business context, and Bapuji *et al.* (2012) are testing the concept of intention and intermediaries in the performance of routines but only focus on the micro level of analysis. As Salvato and Rerup (2011, p. 470) conclude whilst "Existing conceptualizations of capabilities and routines describe them as aggregate, collective phenomena ... Our analysis suggests that capabilities and routines actually comprise assorted, heterogeneous elements." This indicates a limitation, indicating an area in strategic management that is under-researched: How are the heterogeneous elements, particularly micro level individual routines and actions, aggregated to the meso level of the firm? This research will examine this question by examining the processes involved in aggregating the micro level routines to the meso level of the firm.

Routines are also examined in a special issue of *Organization Science* (2016, 27(3)). Feldman, Pentland, D'Adderio and Lazaric (2016, p. 505) introduce this special issue "is devoted to routine dynamics, one branch of research on routines that are based in the idea that routines are practices with internal dynamics that contribute to both stability and change in organizations." The articles in this issue examine themes including: How do routines interact? How do routines inhibit and promote creativity or novelty? How do routines emerge and change? How do routines help organisations maintain both pattern and variety? (Feldman *et al.*, 2016). In this issue dynamic routines are explored through ethnographies, taking a microfoundations approach.

In Cohendet and Simon (2016), Kremser and Schreyögg (2016), Sele and Grand (2016) and Spee, Jarzabkowski and Smets (2016), the focus is on how routines are combined during their performance. Aroles and McLean (2016) focus on the microprocesses used by the individuals to during the performance of the routines. However, these examinations of routines remain at the micro level of analysis. Berente, Lyytinene, Yoo and King (2016, p. 568) is the only article to link the concept of dynamically adjusted routines as a way to "accomplish the stated goals of broad transformations while preserving local practices", concluding that dynamic routines act as shock absorbers between organisational goals and localised practices at NASA. Whilst this special issue of *Organization Science* examines how routines are combined, this remains at the micro level of the firm, lacking aggregation to the meso level of the firm

Whilst RBT conceptualises routines and capabilities as collective phenomena (Salvato & Rerup, 2011), controlled by management at the meso level of the firm, in order for strategy to be implemented successfully, the strategy must be understood by employees of the organisation, particularly at the micro level of service organisations. Speculand (2009, p. 170) simply states “strategy cannot be implemented if it cannot be understood.” This is corroborated by Rapert *et al.* (2002, p. 303) who caution that “Organizational members who do not have a clear, common understanding of strategic issues create a major barrier to strategic implementation.” However, what these authors neglect is the fact that organisational members are individual people. This is a point raised by Salvato and Rerup (2011, p. 482) that “Different participants perform different activities and hold different understandings of a routine.” In any case, for successful strategy implementation, it is important that a common or general understanding of the strategy occurs to ensure that the strategy is implemented in a way to have the desired routines and actions performed and desired outcomes achieved.

Turner and Fern (2012) discuss the concept that understandings and routines are developed over time through the experiences of the ‘actors’ who “develop greater understandings of the routine, its surrounding context, and the set of possibilities for performing the routine” (p. 1413). What is also important is the “connections with other actors that enable the transfer of information and promote shared understandings” (Turner & Fern, 2012, p. 1410). It is within these shared understandings that common routines emerge.

Additionally, routines can be considered fixed, flexible or mixed. Felin *et al.* (2012) discuss fixed routines as ‘rigid routines’ that “consist of sequences of actions where each and every action must be carried out in a specific manner” (p. 13526). This aligns with the design school of thought prevalent in RBT, where the senior manager designs the routines, and the lower level managers and employees follow these routines, as planned. For example, Hart’s (1992) command mode, where subordinates follow the fixed routines like “sheep”. Flexible routines are where there is managerial discretion in the execution of these routines (Felin *et al.*, 2012, p. 1356). In the case of mixed routines, the ‘actors’ use past experiences and learning, as well as context, to determine their understanding and performance of the routines (Turner & Fern, 2012), which is limited by the bounded rationality of the ‘actors’: “the cognitive limitations of actors and by their experiential data” (Felin *et al.*, 2012, p. 1359; see also Turner & Fern, 2012). An area that needs to be examined, particularly for green routines, is what is used to guide flexible routines.

In order to examine common understandings and routines “it is necessary to consider different points of view across the organization, because we cannot see the whole entity from a single perspective” (Salvato & Rerup, 2011, p. 482). Whilst Pentland *et al.* (2012) conclude that meso level routines develop over time from micro routines, research utilising theoretical economic frameworks such as RBT have a tendency to focus on the decision making of top management. An alternative theoretical framework that focuses on the micro-foundations of routines is the Strategy-As-Practice (SAP). SAP is discussed in more detail in 2.2.3.1.

Therefore, to open the ‘black box’ of strategy implementation requires a link between the meso level of strategy and the micro level of routines and actions. This requires the ‘black box’ of the firm to be opened and management and non-management employees to be examined as separate parts of the collective firm. Whilst Pentland *et al.* (2012) “argue that the macro-level [meso level] dynamics of routines emerge from the micro level relationship between specific actions and patterns of action” (p. 1485), there is a lack of empirical testing of this concept. Additionally, whilst there is a discussion on how individual ‘actors’ understand and perform routines, a gap exists in understanding the processes of strategy implementation, specifically, how do the ‘actors’ know which specific routines to perform and their role in the strategy implementation process? This focus on routines is examined and discussed in a relatively new field within strategic management research: microfoundations research (Figure 2.2).

2.3.1.3. How or When Do Routines Develop into Capabilities?

Where the literature is vague is on how or when routines develop into capabilities. Nelson (1991) proposes that in their Evolutionary Economics work with Winter, “well working firms can be understood in terms of a hierarchy of practiced organizational routines, which define lower order” (p. 68). In this comment the author proposes that the higher order decisions choose the routines of the lower levels of the firm. However, Winter (2000, p. 983) also notes that “routines are sometimes entirely invisible and unknown to the management”, whereas, “capabilities are necessarily known at least in the minimal sense that the control levers and their intended effects are known.” Rousseau (2011) agrees, adding concepts such as organisational values, policies or strategy “are now understood not only in terms of top-down dynamics but bottom-up processes too, enacted by those who apply them as well as those affected by them” (Rousseau, 2011, p. 431; see also Hitt, Beamish, Jackson & Mathieu, 2007).

To add further confusion, in Barney’s (2001) 10-year review of RBT and competitive advantage literature, he returns to the origins of competitive advantage: the IO SCP (Structure-Conduct-

Performance) view and argues that the competitive advantage concept could have been positioned within either neo-classical economics or evolutionary economics. Barney (2001) posits:

There are obviously numerous analogies between the resource-based view and this evolutionary [economics] theory. Routines are an example of firm resources and capabilities. Indeed, if one adopts the definition of capabilities as the ability of firms to use their resources to generate competitive advantages, then the definitions of routines and capabilities are virtually indistinguishable. (p. 647)

In addition, Peng (2006) states:

While scholars may engage in academic debates on the distinctions among resources, capabilities and competencies in theory, these definitions are likely to 'become badly blurred' in practice. (p. 78)

Therefore, Peng (2006, p. 78) uses "the terms 'resources' and 'capabilities' *interchangeably* and often in *parallel*. In other words, **capabilities** are defined here the same way as resources" [Italics and bolding in original]. The focus of this study is on capabilities as a form of intangible resources for competitive advantage, in agreement with Peng (2006). However, in this study routines are being treated as potential sources of capabilities, i.e. not all routines will become capabilities. Therefore, routines and capabilities will be treated as separate constructs.

The concepts of capabilities and routines have been defined by various authors. Able *et al.* (2008, p. 490) state the terms routines and capabilities "are useful shorthand for complicated repetitive patterns of individual action and coordinated interaction" (see also Molina-Azorín, 2014). However, what is less established in the literature is how capabilities are formed from routines. Hoopes and Madsen (2008) postulate that this is due, in part, to the empirical research on capabilities and resources often focusing on how these "increase or decrease performance or survival chances rather than how they affect variance in performance of the persistence of above average performance" (p. 394; see also Abell *et al.*, 2008).

One of the keys to understanding the way routines develop into capabilities is the concept of routine hierarchies (Abell *et al.*, 2008). However, the concept of routine hierarchies is an area that needs further clarification. Winter's (2000) definition of capabilities introduces the concept of higher-level routines. Therefore, a logical assumption is if there are higher-level routines, then there must also be lower-level routines. The idea of microfoundations of routines was proposed by Able *et al.* (2008, p. 489) as the "level of individual action and (strategic) interaction."

Logic also suggests that there are hierarchies of capabilities. Collis (1994, p. 149) concludes “higher-order organizational capabilities are really capabilities that allow firms to overcome the path dependence that led to the inimitability of the lower-order capabilities.” In other words, the higher-order capability “eliminates the path dependence needed to acquire the original capability” (Collis, 1994, p. 149). This point is expanded by Able *et al.* (2008) where:

Routines are deemed to be institutionalized to the extent that they are not overly sensitive to the turnover of employee and management turnover (and perhaps depreciation of substitutable capital assets) in realizing the capability. This feature must, of course, be a matter of degree and it is difficult to precisely characterize it. (p. 495)

The institutionalisation of routines could be considered the point where capabilities emerge. Where a gap exists in the literature is an explanation of how capabilities emerge from routines. One suggestion for how to examine this gap, specifically under RBT, is by asking:

What is the relative importance and influence of individual versus collective variables on firm performance?... how do individual characteristics scale to collective variables?... how do collective capabilities emerge through social processes of aggregation and interaction of individual variables? (Molina-Azorín, 2014, p. 104)

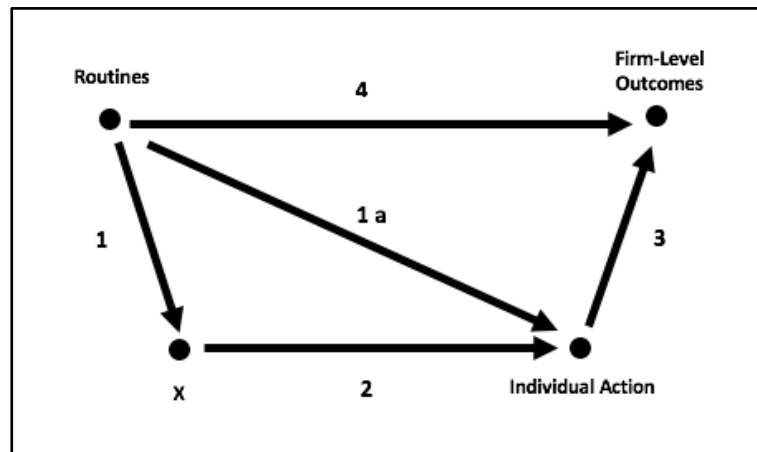
The study by Kabongo and Boiral (2017) explains how green capabilities are developed within a manufacturing context. They propose a four-stage process to explain how capabilities for industrial ecology are developed and integrated (Table 2.2). The authors describe the process of developing capabilities as a learning process. However, a limitation of this four-stage model is the linear nature of this process, as well as a reliance on managers as the drivers of green routines and capabilities. What is not explored are other organisational members who are involved in the process and/or act as drivers for the green routines and capabilities, particularly non-management. Additionally, the capability development process is within a manufacturing context with a focus on waste reduction as part of a cost-leadership strategy focus, different from this study that is interested in differentiation strategies within the service sector.

Table 2.2: How Capabilities for Industrial Ecology are Developed and Integrated	
Stage	Description
Local experiment	Managers encourage employees to try new ideas and methods of industrial ecology
Internal operationization	Redesign the manufacturing facilities.
Enlargement/Cross-functional	Processes defined during the operationalization stage eventually become ‘standardized’ routines to develop new capabilities
Strategic consolidation	Focus on new products from waste as well as reducing waste

(adapted from Kabongo & Boiral, 2017)

Another way this process can be visualised is the use of the social sciences model of Coleman's Boat, also known as Coleman's Bath (Figure 2.3). In a variation of this model Abel *et al.* (2008, p. 491) identifies the RBT concept of the macro-level development of capabilities as arrow 4, connecting the macro antecedents for routines directly to firm-level outcomes (the 'black box' view), with arrows 1, 2, or 3 "not described and [clarified] in extant literature on routines" (p. 494).

Figure 2.3: Developing Capabilities, Applying Coleman's Boat



(Adapted from Able *et al.*, 2008, p. 491)

In using Coleman's Boat, Abel *et al.* (2008) state:

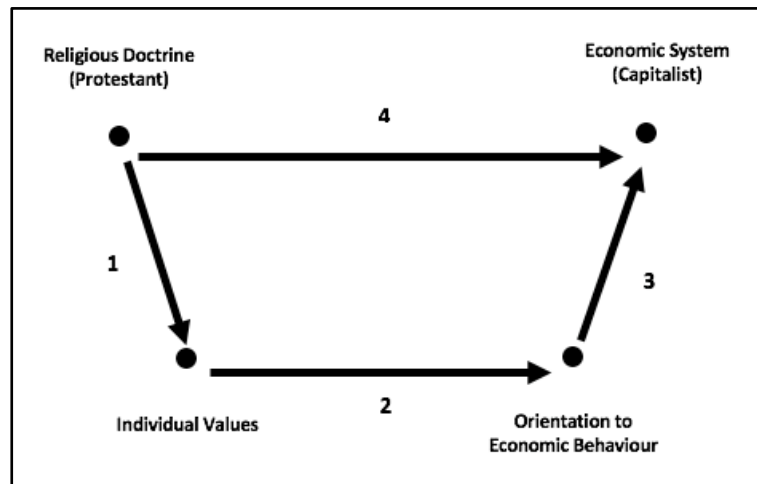
Understanding the firm-level consequences of actions being routinized (for example, why a certain routine may be a source of superior performance) requires taking a starting point in individual action and interaction. (p. 494)

Hence, the authors suggest the arrow "1a" to capture microfoundations of individual action: the "individual skills, motivation, and actions" of members of an organisation (Able *et al.*, 2008, p. 494). An approach to examining how capabilities develop should "understand the individuals that compose the whole as the central actors, specifically their underlying nature, choices, abilities, propensities, heterogeneity, purposes, expectations and motivations" (Molina-Azorín, 2014, p. 105). However, taking arrow "1a" ignores the links to the individual's values, beliefs, skills, knowledge and motivations.

In an example to illustrate the boat framework, Coleman (1986) uses Religious Doctrine (Protestant) as the starting point as a way to explain how a Capitalist Economic System develops (Figure 2.4). In this example the individual's values are considered an important step, arrow 1, to explain an individual's orientation to economic behaviour, arrow 2 (Figure 2.4). Whilst Able

et al. (2008) suggests that the arrow 1a captures the microfoundation of individual action, it misses out the values and beliefs of the individual performing these actions and routines. Therefore, to understand how green capabilities develop from green routines, the individual's green values, beliefs, skills, knowledge and motivations need to be considered part of the research and should be included in the examination of green routines: a movement along arrow 1, then arrow 2, to arrow 3.

Figure 2.4: Coleman's Boat Example



(Adapted from Coleman, 1986, pp. 1321-1322)

This is in line with Foss (2016, p. 118) who reinforces that the microfoundation of macro level phenomena are in the paths “implied by Arrow 3, or Arrows 2 and 3, or Arrows 1, 2, and 3, but never Arrow 4 alone.” This suggests these are the potential pathways for capability development from the microfoundation routines to aggregation at the meso level of the firm. This has the potential to add to research under the RBT paradigm as a way to open the ‘black box’ of this process, identified as Arrow 4 in Figure 2.4. Foss (2016, p. 118) reiterates a limitation that: “Remarkably little microfoundational empirical work exists”, a limitation identified by Foss in an earlier article (see Abel, Foss, Heimeriks & Madsen, 2008).

One methodological approach suggested by Abel *et al.* (2008) and Molina-Azorín (2014) is to undertake a multi-level research design to include examining the macro or collectivist level of capabilities, as well as examining the micro level of action and strategy interaction. Molina-Azorín (2014) caution that this methodology is complex as there is a requirement of the researcher to understand both the macro and micro theories and have the ability to combine these to examine both ends of a swing of the macro-micro pendulum, as suggested by Guerras-Martín *et al.* (2014) (Figure 2.2). A qualitative approach is also suggested by Molina-Azorín (2014)

as “A relevant theme in this type of research is how individual actions and characteristics aggregate through some processes to create and develop collective phenomena” (pp. 110-111) in order to understand how “collective variables emerge through transformation and aggregation processes of individual variables” (p. 111).

2.3.2. Critiques of RBT

RBT has been selected as the theoretical framework for this research, however, the RBT has limitations. RBT lacks progress in understanding strategy implementation or how capabilities are developed for competitive advantage. The abstract for Kraaijenbrink, Spender and Groen (2010) begins: “The resource-based view (RBV) of the firm has been around for over 20 years—during which time it has been both widely taken up and subjected to considerable criticism” (p. 349). Kraaijenbrink *et al.* (2010) focus on eight main critiques of RBT. The authors admit, “out of necessity we have simplified many authors’ critiques and may be guilty of trying to remake arguments they have already made quite adequately” (Kraaijenbrink *et al.*, 2010, p. 366). In their conclusion, the authors state: “we feel the RBV community has clung to an inappropriately narrow neoclassical economic rationality and has thereby diminished its opportunities for progress over the past decade or so” (Kraaijenbrink *et al.*, 2010, p. 367).

This section does not intend to cover all the critiques of RBT, instead it focuses on the critique that Kraaijenbrink *et al.* (2010, p. 367) term “narrow neoclassical economic rationality”; that strategy is a rational, top-down, planned, static process (Mintzberg & Lampel, 1999; Volberda, 2004). To do this the concepts of deliberate versus emergent strategy, strategic vision and the inwards focus of RBT strategy, are examined.

2.3.2.1. Deliberate vs. Emergent Strategy

RBT is situated within the economic school of theories and is considered within the design school of strategic management. Mintzberg and Lampel (1999) define this as:

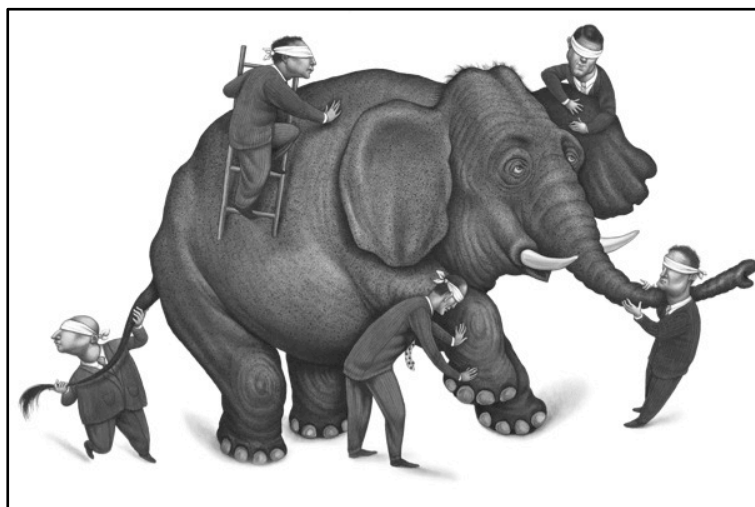
Strategy formation as achieving the essential fit between internal strengths and weaknesses and external threats and opportunities. Senior management formulates clear, simple, and unique strategies in a deliberate process of conscious thought (p. 22).

An analogy of the design school is the CEO is the ‘architect’ of the strategy with the focus is on strategic fit, management think and a prescriptive strategy (Mintzberg & Lampel, 1999; Volberda,

2004). This metaphor is in agreement with Hart's (1992) rational model of comprehensive analysis: a top-down approach to strategy.

However, there is a risk in limiting a theory to only one of the 'schools' of strategic management, even if it is the best fit. As Mintzberg and Lampel (1999) state: "The consequence has been to grasp one part of the strategic management elephant and prate on about it as though none other exists, but dismiss them as irrelevant" (p. 26) (Figure 2.5). Instead, the authors advocate for combining the schools and propose that whilst RBT is mostly within the design school; it also contains elements of the cultural and learning schools (Mintzberg and Lampel, 1999). The learning school is defined as: "Strategies are emergent, strategies can be found throughout the organization, and so-called formulation and implementation intertwine" (Mintzberg & Lampel, 1999, p. 25). The key features of the learning school are: to learn, play rather than pursue, and a descriptive strategy (Mintzberg & Lampel, 1999). The culture school is defined where "strategy formation as a social process rooted in culture" (Mintzberg & Lampel, 1999, p. 25).

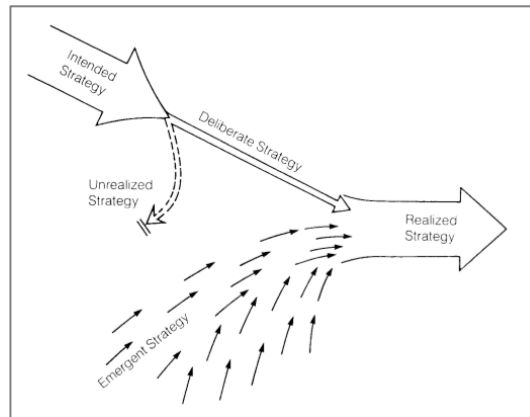
Figure 2.5: Grasping the Strategic 'Elephant'



(Elephant [Online image], 2012)

A related critique raised by Mintzberg (1987) is that strategy is not always deliberate or planned, and that most strategy is emergent. Figure 2.6: Deliberate and Emergent Strategy illustrates Mintzberg's point. In the diagram Mintzberg draws the deliberate strategy as a thin line, whereas emergent strategy is a collection of arrows that form a greater part of realized strategy. Liedtka (2008) proposes a continuum of strategic approach from deliberate to unintentional. In the case of authentic strategy, this research may identify cases where the realised strategy is a combination of deliberate and emergent strategies.

Figure 2.6: Deliberate and Emergent Strategy



(Mintzberg, 1987, p. 14)

2.3.2.2. Strategic Vision

Mintzberg (1990) also critiques the design school, which contains RBT, suggesting this view tends to create business strategies that are inflexible and static because one person cannot have all the relevant information for strategy, planning and decision-making. Mintzberg (1994) states that most successful strategies are visions not plans. Anderson, Reckhenrich and Kupp (2013, pp. 54-55) agree adding: “In the same way that Lady Gaga has developed career plans and long-term goals to achieve success, firms must have a vision of where they want to go and how to get there.”

The strategic vision must be based on core values of the firm and be used to guide not only the strategic goals but also the firm’s decision-making (Stead & Stead, 2008), in a way that is sincere, “not just public relations fluff stuff to look good in the employees’ and the public eyes (Lantos, 2001, p. 623). The goal is to ensure a shared vision within the firm, which reduces potential barriers to strategy implementation (Miller, Hickson & Wilson, 2008; Ho, Wu & Wu, 2014; Rapert *et al.*, 2002; Salih & Doll, 2013). Tourish (2005) adds:

The effectiveness of strategy ultimately boils down to the soundness of the vision that underpins it, and the willingness of employees at the coalface to implement it. Employee resistance can undermine the soundest vision or most logical business plan (pp. 485-486).

In addition, Porter (1991) proposes that if the strategy is well understood throughout an organisation, while it may rule out some actions, it allows the individual to “devise their own ways to contribute to the strategy that management would be hard pressed to replicate” (p. 96). Adding, “the task of strategy is to maintain a dynamic, not static balance” (Porter, 1991, p. 97)

between the firm and the business environment. This concept of understanding strategy has already been discussed with particular reference to routines (see 2.3.1.2).

Mirvis, Googins and Kinnicutt (2010, p. 316) state, “a vision articulates a desired future for a company.” Hart (1992) cautions that “without the commitment and involvement of organizational members, there can be no strategic vision,” (p. 329) and “if organizational members cannot be persuaded to share the vision or if they perceive it as false or superficial, the resulting lack of commitment may threaten organizational performance” (pp. 342-343). A key to a successful strategic vision is clear and compelling imagery; it may even be communicated and expressed in a way that resembles a slogan (Mirvis *et al.*, 2010; Nutt & Backoff, 1997). A good example of environmental specific strategic vision is the concept of a business becoming a zero waste or zero pollution business (Lozada & Mintu-Wimsatt, 1997; Sheth & Parvatiyar, 1997).

Strategic vision must take a holistic approach that taps into the emotions and energy of an organisation, embracing core organisational values (Nutt & Backoff, 1997) to create an “imagined or perceived pattern of communal possibilities to which others can be drawn” (Morden, 1997, p. 668). Teh and Corbitt (2015, p. 41) argue for “a strong need for businesses to integrate their eco-sustainability strategy with the corporate strategy ... [that] should not be developed as a stand-alone policy or implemented in silo business units.” This highlights a gap in the literature, whilst there is some discussion on that organisational values underpinning the strategic vision need to be fully integrated into the business strategy, there is limited research into how this implemented throughout the whole organisation.

2.3.2.3. Inward focus of RBT

Porter (1991, p. 108) also critiques RBT, suggesting that: “At its worse the resource-based view is circular. Successful firms are successful because they have unique resources. But what is a unique resource?” There is limited research into how or why specific resources become a competitive advantage for a business: “Why is it that some heterogeneous resources generate value, whereas other heterogeneous resources do not?” (Priem & Butler, 2001, p. 33) Kraaijenbrink *et al.* (2010) agree with Priem and Butler (2001, p. 33) who state: “The processes through which particular resources provide competitive advantage remain in a black box.” A conclusion from Priem and Butler (2001, p. 34) is the traditional “static, cross- sectional approaches to RBV development may result in causal hows and whys remaining in a black box”. This relates to the main criticism of RBT: the focus on the businesses’ internal resources and

capabilities (see 2.3.1), and that “Researchers have discussed the importance of the general business environment only to a limited extent” (Aragón-Correa & Sharma, 2003).

This “internal (competitive) approach may prove inadequate because issues of external (social) legitimacy and reputation are also extremely important” (Hart, 1995, p. 998). This is particularly true for differentiation strategies that aim to use a significant aspect of their firm in order to set it apart from the competition (Porter, 1997). Therefore, Priem and Butler (2001) suggest that RBT is still a useful perspective to research but requires a movement away from a static perspective to include an investigation where “key underlying constructs were carefully defined, and the specific mechanisms purported to generate competitive advantage” and a recognition that “the ability to learn to develop effective resources is in itself a resource” (p. 34). Barney (2001) concludes his 10-year review of RBT and competitive advantage with the following.

On the other hand, such a grand, unified resource-based theory may not be all that helpful. Rather, what may be more helpful is to understand that the resource-based view can be applied in several different ways, and that the way it should be applied depends mostly on the empirical context of the application (p. 649).

A gap exists in applying the RBT to examine green differentiation strategies. This type of strategy aims to create competitive advantage by utilising green strategies as a point of difference from other firms. Proactive green strategies are “those that seek to reduce the environmental impacts of operations beyond regulatory requirements” (Delmas *et al.*, 2011, p. 119) which is a focus on impacts of the firm’s operation outside of the business. Delmas *et al.* (2011, p. 120) add: “Surprisingly, very few studies have looked at the relation between organizational capabilities, environmental proactivity, and competitive advantage.”

2.3.2.4. Using a Qualitative Methodology to Examine These Critiques

One key issue that needs consideration in answering these critiques is the way that economics-based approaches conduct empirical research. Whilst there is a desire to open some of the ‘black boxes’ of RBT: the “causal hows and whys” of competitive advantage (Priem & Butler, 2001, p. 34; Porter, 1991) this has been hampered by the choice of empirical methodology. Kraaijenbrink *et al.* (2010, p. 367) state the RBT research “community has clung to an inappropriately narrow neoclassical economic rationality.” The authors suggest that in order to open some of RBT’s theoretical ‘black boxes’ further research needs to take more empirical process-based methods (Kraaijenbrink *et al.*, 2010).

In their research, Molina-Azorin (2012) analysed the *Strategic Management Journal (SMJ)* from its inception in 1980 to 2006 to identify empirical articles that used mixed-methods methodology: a research method that contains both quantitative and qualitative methods. *SMJ* was selected by Molina-Azorin (2012, p. 37) because “This journal enjoys a reputation as a leader among management journals”, and because this journal “contains articles on only strategic management topics, thus minimizing guesswork in defining what should and should not be considered a strategic management study”. Molina-Azorin (2012) categorised articles as either empirical or non-empirical, and further categorised the empirical article into quantitative, qualitative or mixed methods. The results of their research are summarised in Table 2.3, with their full results in Appendix B. Molina-Azorin (2012) indicate that of the 1086 empirical articles in *SMJ*: 835 (76.8%) use quantitative methods, 89 (8.0%) use qualitative methods, and 165 (15.2%) use mixed methods. The issue highlighted is the limited number of qualitative empirical research papers in strategic management.

Table 2.3: Count and Types of <i>Strategic Management Journal</i> Articles (1980-2006)					
		Empirical Articles			
Total Number of Articles	Number of Non-Empirical Articles	Total Number of Empirical Articles	Number of Quantitative Articles	Number of Qualitative Articles	Number of Mixed Methods Articles
1431	345	1086	835	89	165

(Adapted from Molina-Azorin, 2012, p. 38)

To ascertain if anything had changed in the proportion of qualitative research in this journal, the research methodology used by Molina-Azorin (2012) was followed to analyse the *SMJ* between 2007 and 2016: the results are given in Table 2.4. Of the 942 empirical articles in *SMJ* over the period 2007 - 2016: 615 (94.3%) use quantitative methods, 16 (2.5%) use qualitative methods, and 21 (3.2%) use mixed methods. There are proportionately less qualitative or mixed methods research articles published in the *SMJ* in this period than when Molina-Azorin (2012) examined this journal.

Table 2.4: Count and Types of <i>Strategic Management Journal</i> Articles (2007-2016)					
		Empirical Articles			
Total Number of Articles	Number of Non-Empirical Articles	Total Number of Empirical Articles	Number of Quantitative Articles	Number of Qualitative Articles	Number of Mixed Methods Articles
942	290	652	615	16	21

An editorial in the *SMJ* by Bettis, Gambardella, Helefat and Mitchell (2015): *Qualitative Empirical Research in Strategic Management*, discussed the importance of qualitative research in the strategic management field. In this Bettis *et al.* (2015) state: “We believe that qualitative research often provides a means of identifying generalizable patterns concerning important questions in the field of strategic management” (p. 637), adding:

Qualitative methods can also begin inductively with more open-ended questions concerning unexplored issues and phenomena with the goal of providing insights that inform scholarship in strategic management more generally. (p. 638)

In addition to this, the *SMJ* has provided some additional resources on their webpage. Among these resources Anteby, Lifshitz and Tushman (2014, p. 3) state: “By asking “how” questions, qualitative data get at underlying mechanisms”, adding, “Yet it is only by clearly laying out and understanding how things work that we can figure out why things work the way they do.” The benefit of a qualitative approach such as interviews is that the researcher can explore the deeper, underlying reasoning and ask direct and indirect questions in different ways, something that a qualitative survey of tick boxes does not.

A limitation of the research by Molina-Azorin (2012) is they did not distinguish between the theoretical frameworks or schools of thought in their examination. Following the methodology in Molina-Azorin (2012) a search of *SMJ* was conducted focusing on RBT, the theoretical framework for this research. The *SMJ* was accessed through the EBSCO database, via the AUT portal, which gave full access to this journal. A search was conducted using the search term “resource-based” within the *SMJ*. “Resource-based” was chosen to find articles including the terms: view, theory, view theory, view of the firm, view competitive advantage, economy, theory of competitive advantage, learning. The results of this journal search are summarised in Table 2.5. Of the 213 articles identified in this search, 136 were empirical based research, of these 133 (97.8%) used quantitative methods, only one (0.7%) used qualitative methods, and two (1.5%) used mixed methods. The remaining 77 articles were non-empirical based.

Table 2.5: Count and Types of <i>Strategic Management Journal</i> Articles identified by EBSCO database using the search “resource-based” (1980-2016)					
		Empirical Articles			
Total Number of Articles	Number of Non-Empirical Articles	Total Number of Empirical Articles	Number of Quantitative Articles	Number of Qualitative Articles	Number of Mixed Methods Articles
213	77	136	133	1	2

The only qualitative methods article was *First Mover Advantage in International Business and Firm-Specific Political Resources* by Frynas, Mellahi and Pigman (2006) took a case study approach to examine the first mover approach (FMA) as: “Case study methodology lends itself better to investigating the significance of political events and processes” (p. 327). Their aim was to build the theory around the links between political resources and FMAs.

One article found using a mixed methodology was: *Proactive Corporate Environmental Strategy and the Development of Competitively Valuable Organizational Capabilities* by Sharma and Vredenburg (1998). In this research, the authors used a comparative case study technique. Sharma and Vredenburg (1998) interviewed 19 CEOs and middle managers with direct involvement in environmental strategies of Canadian oil and gas companies. These interviews were then used to create a survey to administer to the whole oil and gas industry. Their research focused on the development of capabilities during times of crisis, specifically the ozone depletion in 1988 and the grounding of the Exxon Valdez in 1993, as these had a major impact on the oil and gas industry (Sharma & Vredenburg, 1998).

Another mixed-methods article: *Competencies and Firm Performance: examining the causal ambiguity paradox* by King and Zeitgamal (2001) interviewed 17 CEOs of textile manufacturing and hospitals, using open-ended questions “to generate a comprehensive list of specific and timely competencies for each industry” (p. 80). Based on these interviews a survey was sent to additional CEOs and middle managers.

In both mixed methods empirical articles, the qualitative research was used to guide and develop quantitative survey forms. An additional limitation of all three articles is the focus on senior and middle management, still a rational, top-down view of strategy, capabilities and competitive advantage: a major limitation of the economic view of strategy.

Therefore, to examine strategy implementation processes requires a qualitative research approach to address ‘how’ and ‘why’ questions, to understand the underlying reasoning behind the processes, as opposed to quantitative that is better suited to questions about ‘how often’ or ‘which variable is more important’ (Eisenhardt & Graebner, 2007). This research project will use the economic view of RBT as a framework but undertake a qualitative empirical approach to explore the strategy implementation processes for green differentiation strategies.

2.3.3. Related Theoretical Frameworks

Whilst RBT has been chosen as the theoretical framework for this research project, this theory has a number of limitations. A way to reduce the limitations of RBT is to consider other strategic management research frameworks. This study aims to examine how green differentiation strategies become sources of competitive advantage by examining how green differentiation strategies are implemented as green routines and actions across a firm, and how these green routines are aggregated from the micro level of business units into green capabilities at the meso level of the firm. Research under RBT, SAP, and DC theoretical perspectives, as well as the applied studies perspective, are all interested in routines, practices and organisational learning as part of competitive advantage, the overlap in Diagram 2.1. The following is a discussion of DC and SAP, as well as the applied studies perspective of strategy, to examine the commonalities and differences between these perspectives and RBT to identify concepts that may assist in opening some RBT theoretical 'black boxes' of the firm to examine the strategy implementation processes, including the capability development processes.

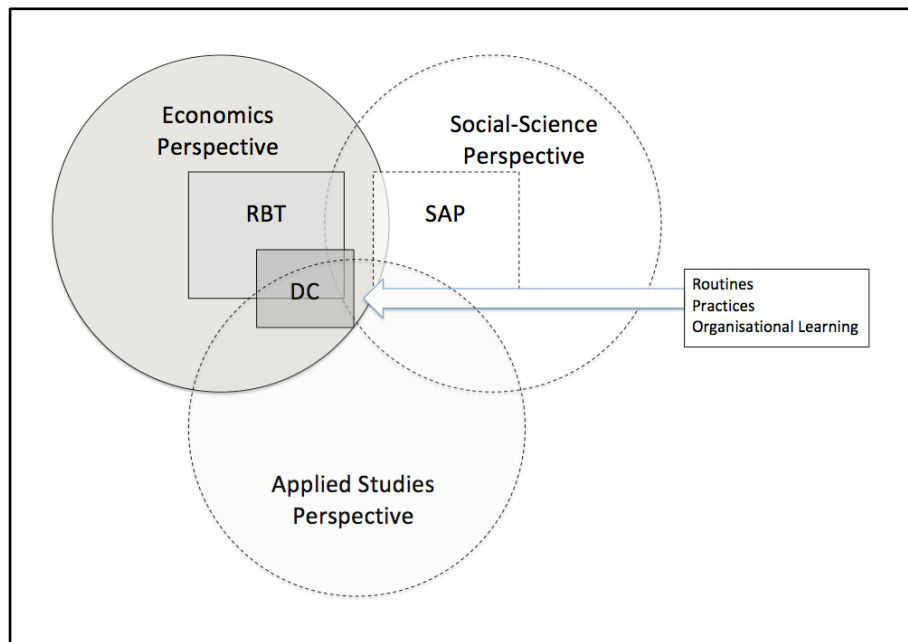
2.3.3.1. Dynamic Capabilities

The Dynamic Capabilities (DC) theoretical framework is located within the economics perspective as an alternative to RBT (Diagram 2.2). A commonality DC shares with RBT is a focus on routines and capabilities for competitive advantage. The main difference is DC examines the development and deployment of capabilities in markets that are "in a state of flux" (Volberda, 2004, p. 39), where "Strategic management involves continuously scanning and adapting to the environment rather than just scanning the environment at the annual planning review" (Stead & Stead, 2008, p. 66). Dynamic Capabilities are defined as "'higher-order routines' employed by top managers to intentionally build, integrate and reconfigure operating routines in response to changing technology or market environment (Davies, Frederiksen, Cacciatori & Hartman, 2018, p. 1404; see also Pentland *et al.*, 2012). Amui, Jabbour, Jabbour & Kannan (2017) extend this definition to include the integration of "routines to generate new knowledge, solutions, or resource configurations" (p. 309; see also Verreyne, Hine, Coote & Parker, 2016).

DC exist because "capabilities are complex, structured and multidimensional" (Winter, 2003, p. 992) and in a dynamic market the capabilities and routines are "invoked in response to external stimuli without managerial choice" (Winter, 2000; p. 983, see also Davis *et al.*, 2018, Strass, Lepoutre & Wood, 2017). This theory aims to examine the competitive process in a way that is different from the "hyperrationality favored in economics" or the "more realistic but still

distorted versions of bounded rationality favored in the behavioral tradition” (Zollo & Winter, 2002, p. 350).

Diagram 2.2: The Economic Perspectives of RBT and DC



The main commonality between RBT and DC is the focus on competitive advantage. Cavusgil, Seggie and Talay (2007) states that whilst RBT:

... suggests competitive advantage stems from the possession of VRIN [Valuable, Rare, In-imitable, Non-substitutable] resources ... the DC view, competitive advantage stems not just from the possession of a firm's unique resources, but also in the resource configurations built from DCs (p. 161).

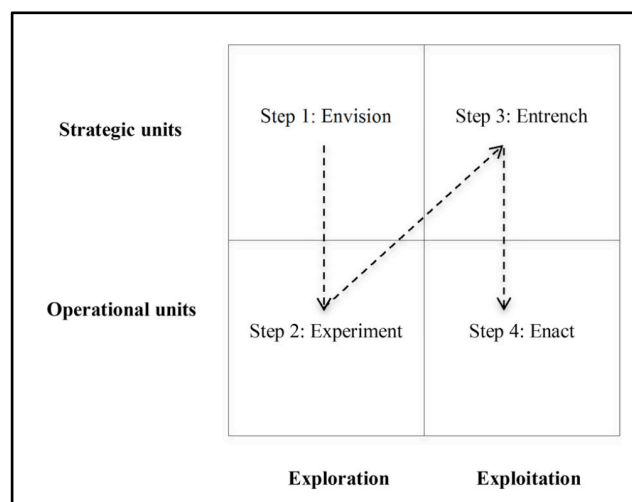
Cavusgil *et al.* (2007, p. 161) also suggest that DCs are “embedded in the routines and experimental processes of the firms” and have “more to do with ‘execution’ than grand strategy visioning.” As such they are more of a bottom-up than a top-down approach to competitive advantage. It is this bottom-up approach that may assist in opening some of the ‘black boxes’ of RBT, as this is the micro-foundations level (see 2.3.1.2, 2.3.1.3 and 2.5.1), an area Winter (2012) suggests as a site of future research to understand how this micro level of routines aggregates into the macro level of capabilities.

A researcher stationed at an incipient site of capability ‘origin’, and with good access to the participants, could learn a lot about where the knowledge was coming from. The immediate origins and important content of the key recipes could be identified. The enactment of the recipes could be observed; the reasons why it was sometimes straightforward and sometimes problematic could be pursued. The processes by which the

organization arrived at the answers that were not already there, ‘in the book’, could be identified... (p. 1405).

However, Winter’s focus is on understanding the ‘book’, recipes and origins of the capabilities. Davies *et al.* (2018) have taken a different approach to Winter to focus on “how new routines are intentionally created and reproduced with some degree of consistency and uniformity across multiple sites in an organization” (p. 1403). Davies *et al.* (2018) developed a four-step process of new routine creation and replication, which they refer to as the ‘Long and Winding Road’ (Figure 2.7).

Figure 2.7 Routine Creation and Replication Process: The Long and Winding Road



(Davies *et al.*, 2018, p. 1412)

The four-stages of Davies *et al.* (2018) are based on Zollo and Winter’s (2002) four stages of: generative, internal selection, replication, and retention. Where Davies *et al.* (2018) differs is to combine the generative and internal selection stages into an “envision” stage, and an addition of an “experiment” stage at the micro level of the firm (Figure 2.7). Whilst Davies *et al.* (2018) acknowledges that different stages occur at different levels of a firm, this experimental model is still a top-down approach where senior management at the meso level of the firm ‘envisions’ the new routines, still requiring the “Staff in the operational units ... to abandon their existing routines, change their behaviour and create the new patterns of action required to establish new routines in pilot trials” (p. 1414).

The DC theoretical perspective concept of modifying and developing routines and capabilities based on scanning the external environment is relevant to this study’s exploration of green differentiation strategies, a context examined by Strass *et al.* (2017). In their conceptual paper, the authors conclude: “We need to ask ourselves how different organizational actors work

together to develop the capabilities that enables organizational to change towards greater sustainability” (Strauss et al., 2017, p. 1350). Therefore, the DCs are based on accumulated routines; the authors posit that “microfoundations opens up new questions that may push the frontier of knowledge on sustainability” (Strauss *et al.*, 2017, p. 1349). However, Amui *et al.* (2017) state “There is still a lack of research systematizing the available knowledge on dynamic capability (DC) and sustainability” (p. 309).

Another concept where the DC perspective differs from RBT is in the “classical economic concepts of rent generation” (Parayitam & Guru, 2010, p. 83). However, in their conclusion Parayitam and Guru (2010, p. 98) state that “Actually in both RBV and Capability building approaches both rents arise”, therefore, organisational rents are “conceptually” a mixture of both. “Ricardian rent while the rents that arise due to non-substitutability and non-imitability are explained through Schumpeterian rent” (Parayitam & Guru, 2010, p. 89). The concept of rents is outside of the scope of this research.

Whilst there are commonalities between RBT and DC in the exploration of routines, practices and organisational learning that can be developed into organisational capabilities (see Diagram 2.2), this research is interested in the ‘execution’ of strategy rather than the development of strategies, in particular, the implementation processes of green differentiation strategies.

2.3.3.2. Strategy-As-Practice

Strategy-As-Practice (SAP) research is described as “concerned with the doing of strategy; who does it, what they do, how they do it, what they use, and what implications this has for shaping strategy” (Jarzabkowski, Burke & Spee, 2009, p. 69). Therefore, SAP is considered a strategic management research framework that focuses on the micro level of strategy. This study is focusing on green differentiation strategies, to illustrate that the existing knowledge of ‘what people do’, with reference to environmental actions at work. Table 2.6 lists some examples of environmental actions found in a range of management and sustainability literature. Whilst this answers the ‘what people do’, it does not answer ‘why they do’ or ‘how they know what to do’. SAP also examines the effect of these actions on the firm’s strategy.

Strategy-as-Practice (SAP) originates in social sciences research and focuses on “the microlevel social activities and practices that characterize organizational strategy and strategizing” (Salih & Doll, 2013, p. 32; see also Johnson *et al.*, 2007). In this view, the business strategy is “understood to be a complex set of strategic activities and practices rather than a property of an organization”

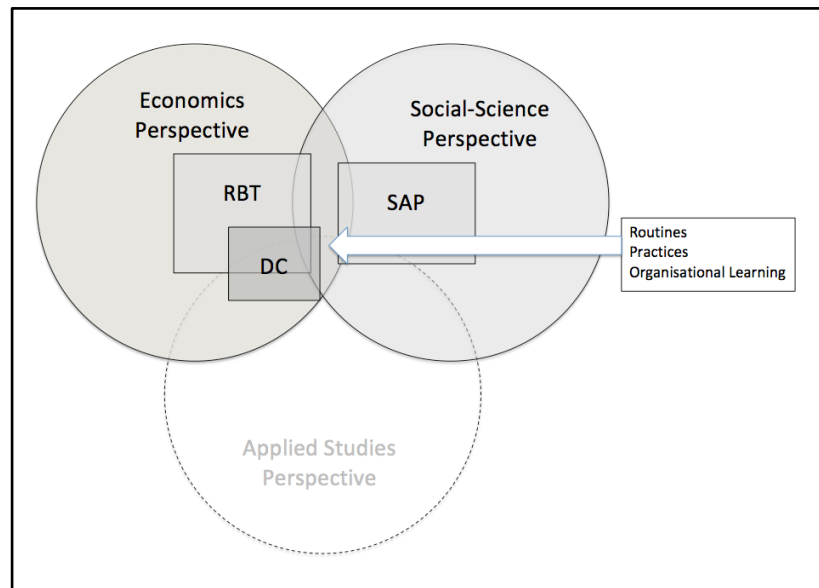
(Salih & Doll, 2013, p. 32; see also Rouleau, 2013; Seidl & Suddaby, 2013), in which “potentially multiple actors contribute to the strategy content of an organisation” (Steensen, 2014, p. 277). Guerras-Martin *et al.* (2014) locate SAP in the Internal and Micro segment as part of the behavioural strategy/microfoundations subset (Figure 2.2). Seidl and Suddaby (2013) state that SAP is in response to the “idealized ‘rational actor’ myth of strategic decision making” (p. 330) and therefore, “Studies conducted within SAP explicitly focus on what people do” (p. 333). Whilst this is an overly simplified description, Rouleau (2013) expands this description adding:

“Also of interest is the performance of different strategic practices: the routines, interactions and conversations that lead to the definition and enactment of strategy, as well as the linkages between these practices and their organizational and institutional contexts (p. 548)

Table 2.6: Environmental Actions in the Literature	
Environmental Actions	References
Pollution prevention (air, water, noise), product stewardship and clean technologies	Arena, <i>et al.</i> , 2010; Borland & Lindgreen, 2013; Day & Arnold, 1998; Dao <i>et al.</i> , 2011; Vernon, Essex, Pinder & Curry, 2003
Reducing wastage: resources, energy, water	Arena <i>et al.</i> , 2010; Dao <i>et al.</i> , 2011; Jayawardena, Pollard, Chort, Choi & Kibicho, 2013; Sprinkle & Maines, 2010; Vernon <i>et al.</i> , 2003
Reduce unnecessary packaging or simplify the design	Porter and van der Linde, 1995; Schianetz & Kavanagh, 2008; Sprinkle & Maines, 2010
Reduce transportation pollution by procurement of local products	Arena <i>et al.</i> , 2010; Jayawardena <i>et al.</i> , 2013; Sprinkle & Maines, 2010; Vernon <i>et al.</i> , 2003
Leading environmental clean-up programmes, pollution prevention and restoration programmes	Crossman, 2011; Day & Arnold, 1998
Donations and partnerships with to charities, particularly for education and awareness	Crossman, 2011; Brønn & Vidaver-Cohen, 2009; Pirson & Lawrence, 2010; Sprinkle & Maines, 2010
Working with local and central government on environmental policy	Arena <i>et al.</i> , 2010; Blackman, Kennedy & Quazi, 2013; Crossman, 2011
Replace material with information	Day & Arnold, 1998
Green design, permaculture gardens	Schianetz & Kavanagh, 2008
Installing energy saving devices, renewable energy sources Banning Styrofoam and Volatile Organic Compounds (VOC) Purchasing ‘green’ supplies Install motion sensor lighting and automatic controls that turn of computers and lights when not in use.	Kurland & Zell, 2011

Diagram 2.3 illustrates the relationships between the economic and social sciences schools of strategy research. Degrauel (2012, p. 55) clarifies the differences: “RBT is a resource paradigm, whereas the SAP approach aims to capture strategy phenomena under certain conditions”. Diagram 2.3 illustrates the intersection of the economics and social-science perspectives: routines, practices and organisational learning as sources of competitive advantage. It is in this overlap that this research will investigate.

Diagram 2.3: Economics and Social-Sciences Perspectives



Another commonality between RBT and SAP is the use of the term sensemaking. In SAP sensemaking is a focus on how the individual interprets the strategy based on their individual mental schema and models. In SAP sensemaking examines organisations relating to the theorising by Weick where “organisations are social constructions that various individuals constantly create and re-create as they make meaning of their work lives” (Kezar, 2012, p. 762). This is at odds with RBT, which focuses on the routines, resources and capabilities of the organisation rather than the mental schema of the individual employee. The critique by Hodgson (2012) summarises this point well:

While it is important and valuable to consider individuals and their psychology, we cannot get far by considering individuals alone. We have to consider relations between individuals as well. All social analysis requires some consideration of social structures, as well as individuals and their motivations (p. 1390).

The meaning of sensemaking is different in RBT where the focus is on implementing strategy by creating a common understanding of strategy, which leads to the desired routines being established and actions taken (Brenes & Mena, 2008; Crittenden & Crittenden, 2008; Pentland

et al., 2012; Speculand, 2009). Working within the SAP framework, Spee and Jarzabkowski (2017) challenge the assumption that a common understanding is always necessary, particularly for the introduction of new strategic initiatives. They instead argue for strategy to be reframed “in a way that enables both the new and the multiple prevailing meanings to coexist within a joint account of the proposed strategy” (Spee & Jarzabkowski, 2017, p. 172). Therefore, sensemaking in SAP is a focus on the individual’s cognition of the strategy, as opposed to whether the strategy is understood as is intended by the whole organisation.

One SAP study that has the potential to aid in the examination of the strategy implementation process is by Spee and Jarzabkowski (2011) where they examined

... the way that texts within the planning process, such as PowerPoint presentations, planning documents and targets that are part of a strategic plan, are constructed in practice, through a series of communicative interactions (p. 1217).

This was followed by Jarzabkowski, Spee and Smets (2013) where they examined “all kinds of ‘stuff’ to make strategy happen including routines and procedures, discursive resources and material artifacts” (p. 41). A conclusion of Jarzabkowski *et al.* (2011) was the use of material artifacts gives authority to the strategy. Whilst these two SAP studies examine the ‘stuff’ used as communication tools during the strategy development process, and the authority they impart, a proposition could be made that these material artifacts can also give authority to the final strategy as part of the strategy implementation process. This is a gap in RBT research that could be examined when exploring how information relating to green differentiation strategies are transmitted.

Whilst SAP research does to some extent focus on the microfoundations of routines, an issue raised by Salih & Doll (2013, p. 33) is SAP research “has concentrated on techniques and practices used by middle managers to influence strategy”, neglecting the lower level non-management employees actually performing these routines. The other issue with the way SAP examines routines is this research perspective lacks “an understanding of how individual perceptions are embedded in broader cognitive schemes” (Seidl & Suddaby, 2013, p. 330, see also Hansen & Vogel, 2010). There is a need for an examination of “the routines, interactions and conversations that lead to the definition and enactment of strategy, as well as the linkages between these practices and their organizational and institutional contexts” (Rouleau, 2013, p. 548). In addition, SAP research does not answer how individual routines at the microfoundations level develop or aggregate into organisational routines and capabilities.

Therefore, a key critique of SAP is “many SAP studies fall into the ‘descriptive trap’, offering detailed micro-ethnographies that are almost too contextualized for the reader to appreciate the far-reaching insights they can produce” (Seidl & Suddaby, 2013, p. 338; Vaara & Whittington, 2012). SAP research is also limited, according to Rouleau (2013), by the fact that it has

... been more dedicated to developing situated knowledge in order to differentiate itself from traditional strategy research than it has been to produce cumulative knowledge that will both ensure the development of strong research streams and help practitioners (p. 557).

Seidl and Whittington (2014) add that:

Fascination with the detailed understanding of local praxis can produce what we term ‘micro-isolationism’, whereby a local empirical instance is interpreted wholly in terms of what is evidently present, cut off from the larger phenomena that make it possible (p. 1408).

The SAP perspective is conceptualised as being within “the configurational school of thought” in which the links between strategy and structure “need to fit together” (Rouleau, 2013, p. 555). Mintzberg and Lampel (1999) state, in the configuration school of strategy, strategy is a “coherent cluster of characteristics and behaviours” (p. 25). In other words, the strategy defines the structure of the business. Parmigiani & Howard-Grenville (2011) explain the major difference between the RBT and SAP perspectives:

Capabilities scholars are interested in firm performance and how routines affect this key metric, whereas practice scholars are more interested in how routines are put to work by individuals and their internal dynamics (p. 443).

Parmigiani & Howard-Grenville (2011) suggest that a combination of these two perspectives would provide a more “holistic understanding of routines” (p. 443), but add that

Such a vision may be difficult to achieve, however, because of fundamental differences between the two perspectives in terms of their assumptions about individual and organizational behaviour and their focal concerns (p. 433).

This research is interested in examining the causal ‘hows’ and ‘whys’ of routines, resources and capabilities (Priem & Butler, 2001, p. 34; Porter, 1991) not just ‘what people do’, which for green strategies and actions is well established in the management literature. In addition, the central

aim of this study is to examine the strategy implementation process, whereas research under SAP is more to do with how actions and routines shape strategy.

2.3.3.3. The Applied Studies Perspective to Strategy Implementation

There is limited academic research into the process of strategy implementation. As Smith (2010, p. 259) states: “while it leaves room for future research, [this] leaves present-day executives with a lack of research-based guidance about how to ensure their carefully-crafted strategic plans are realised in practice.” It is in the applied studies articles by professional managers that strategy implementation is more often discussed.

Diagram 2.4: RBT and Applied Studies Perspectives

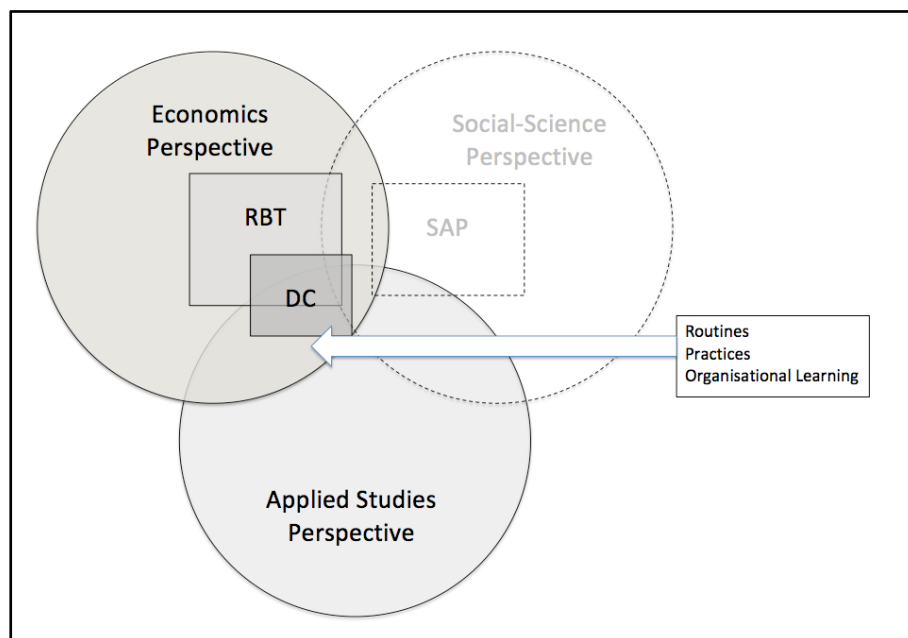


Diagram 2.4: RBT and Applied Studies perspectives, gives an indication of where these two perspectives of strategy research overlap: routines, practices and organisational learning. The difference between the RBT and the applied studies perspective is the focus of the ‘how to’ of successful strategy implementation, based on the author’s experiences. There is a paucity of academic research, particularly under RBT, that explicitly studies strategy implementation. This is the value of the applied studies perspective; for example, Allio (2005) discusses the best practices for implementing strategy (Table 2.7).

“Keys to successful strategy execution”, by Zagotta and Robinson (2002), explores the authors’ expertise and experience as CEO and President (respectively) of a management consultancy firm. In this short, five pages, article they state seven keys to successful strategy execution (Table 2.8). Whilst their advice is insightful, this article is based on their opinions, for example, “Roughly 65%

of executives' time is spent giving and getting status reports" (Zagotta & Robinson, 2002, p. 33) is stated but not validated with the source of the empirical data or relevant reference. The only reference to academic literature in this whole article is Kaplan and Norton's book: "*The Strategy-Focused Organisation*" (2001, Harvard Business School Press).

Table 2.7: Best practices for implementing strategy: ten practical guidelines
Best practices for implementing strategy: ten practical guidelines
1. Keep it simple
2. Establish a common language
3. Delineate roles, responsibilities, timeframes
4. Devise straightforward quantitative and qualitative metrics
5. Balance short term with longer term
6. Be precise, use action verbs
7. Use a common format to enhance clarity and communication
8. Meet regularly, but in structured, time-limited sessions
9. Anchor implementation activities in the firm's financial infrastructure: budget, metrics, rewards
10. Be prepared to consistently manage the implementation process
"Simplicity" – the distillation of disparate elements into a single, coherent document and game plan.
Clear and shared understanding of who does what, when, at what cost.

(Adapted from Allio, 2005)

Table 2.8: Keys to Successful Strategy Execution
1. Quantify the Vision
2. Communicate Strategy Through Mantras
3. Plan results, not activities
4. Plan what you are not going to do
5. Open strategy to the organisation
6. Automate status and progress management
7. Create a virtuous circle of execution and strategy

(Adapted from Zagotta & Robinson, 2002)

Speculand (2009) states: "A leader's role is to design that strategy. ... Yet they habitually underestimate the challenge of implementing that strategy" (p. 167). The focus of this article is strategy implementation, with Speculand (2009) suggesting that "having a weak strategy implemented well" (p. 168) is better than having good strategy:

If an organization is good at execution, then it will have in place the tools, systems, techniques and abilities to realize that the strategy is not working. They can then go back and make the required changes to the strategy (p. 168).

This is in agreement with Devlin (1989), who states:

To assist in the implementation of strategies in the future, senior management are encouraged to maintain record, preferably using a database technique, to list types of problem associated with specific classes of strategy and with information on how these problems were overcome. (pp. 378-379)

Both Speculand (2009) and Devlin (1989) advocate a focus on the process of strategy implementation and understanding how this process unfolds within the organisation. This is where a gap in the academic literature exists: an understanding of the strategy implementation process.

Another of the *Six Necessary Mind Shifts for Implementing Strategy*, the title of Speculand's article (2009), outlines the importance of staff understanding the strategy before they can successfully implement the strategy; "they must also know exactly what to do and be motivated to do it" (Speculand, 2009, p. 170). Speculand (2009) describes the creation of routines from strategy as the process of breaking down the strategy into "action steps" (p. 170), adding that this process requires effective communication between top management and the staff implementing the strategy.

The main limitation of the applied studies articles is the lack of grounding in empirical testing or verification, therefore, these articles are more often opinion pieces. However, what these articles do is to consider some strategic management theoretical 'black boxes' associated with strategy implementation. The articles provide simple, easy to understand insight in the processes of strategy implementation: the 'how to' of strategy. A good example of this is Anderson *et al.* (2013), who use Lady Gaga as a case study, concluding:

As Lady Gaga has demonstrated, despite the emergence of new technologies, successful strategy still involves establishing an overall direction that incorporates five key elements — vision, customer and industry insight, leveraging competencies and weaknesses, consistent implementation, and a drive towards continuous innovation and renewal (p. 58).

Anderson *et al.*'s (2013) article then examines each of these key elements to explore the 'how' of strategy implementation, and not just the 'what' and 'why' of these strategic elements.

This research is interested in investigating the process by which strategy is implemented within firms, and in doing so, to open some strategic management theoretical 'black boxes' on strategy

implementation. To answer some of the critiques of RBT strategic management research needs to take more empirical process-based methods (Kraaijenbrink *et al.*, 2010). Whilst the applied studies perspective is based on empirical and experiential evidence of management and consultants, it lacks academic rigour. However, the applied studies perspective does identify some ideas and concepts that should be considered when examining the strategy implementation process, as well as providing grounding for any recommendations for practice based on this research.

2.4. Strategy and the Natural Environment

Green differentiation strategies have been chosen as the strategy of focus for this research project. Whilst RBT has been chosen as the theoretical framework; one issue is that this perspective “systematically ignores the constraints imposed by the biophysical (natural) environment” (Hart, 1995, p. 986, see also Glavas & Mish, 2015). What Hart (1995) suggests is an altering of RBT to include the natural environment, coining the term Natural-Resource-Based View (NRBV). Hart (1995, p. 991) predicts that “it is likely that strategy and competitive advantage in the coming years will be rooted in capabilities that facilitate environmentally sustainable economic activity.” In a follow-up article, Hart and Dowell (2011) theorize: “NRBV can help to explain why some firms are more likely than others to develop the capabilities to adopt proactive environmental strategies” (p. 1476).

One of the reasons that NRBV has not been universally adopted as an alternative to RBT, is a lack of research because “in the realm of research on organizations and the natural environment, one of the most commonly addressed issues is whether, and under what circumstances, it pays to be green” (Hart & Dowell, 2011, p. 1466). Crossman (2011) is in agreement, adding the focus on how being environmentally friendly can save or make money is still a rational profit focus.

It is accepted that a reason why businesses engage with environmental strategies can be for economic benefit. Hart (1995) and Giovanni (2012) conclude that a business’s focus on the environmental impact of the firm can have economic benefits in terms of efficiency and lower waste costs. Porter and Kramer (2011) agree, in the case of pollution and waste “any so-called externalities actually inflict internal costs on the firm, even in the absence of regulation or resource taxes” (pp. 68-69). They conclude:

Today there is a growing consensus that major improvements in environmental performance can often be achieved with better technology at nominal incremental cost

and can even yield net cost savings through enhanced resource utilization, process efficiency, and quality (Porter & Kramer, 2011, p. 69).

There is some simple logic here; the idea that pollution prevention reduces the impact that a business has on the natural environment. Hart (1995) uses the analogy of Total Quality Management (TQM) to propose that pollution prevention requires “extensive employee involvement and continuous improvement” (p. 992) leading to better efficiency, which “means better utilization of inputs, resulting in lower costs for raw materials and waste disposal” (pp. 992-993).

Whilst this internal focus on pollution prevention leading to efficiency and lower costs internalises the natural environment into the strategy process, particularly under RBT, this exposes another limitation of this theoretical framework: the internal focus. Hart (1995) cautions: “a purely internal (competitive) approach may prove inadequate because issues of external (social) legitimacy and reputation are also extremely important” (p. 998). This is in contrast to Porter and Kramer’s (2011, p. 75) recommendation that organisations “will make real strides on the environment when they treat it as a productivity driver rather than a feel-good response to external pressure.” The link between these viewpoints is in “whether the firm characterizes the interaction with the natural environment as a threat or an opportunity” (Hart & Dowell, 2011, p. 1470). Mihalic (2000) concludes that having a focus on the firm’s environmental impacts will result in cost savings, but in order to create competitive advantage, the business must focus on the environmental quality of their operations.

There is a growing awareness that green strategies can become a source of competitive advantage by differentiating a business from the competition (Leonidou *et al.*, 2013; Mysen, 2012). Gupta, Czinkota and Melewar (2013, p. 289) found that many managers now embrace environmental sustainability “not for altruistic purposes, but for the creation of competitive reasons and demonstration of a differentiation.” However, the issue is the authenticity of the green differentiation strategy. As Hart (1995) cautions:

If a firm attempts to differentiate products as "green" or environmentally responsible while continuing to produce high levels of production waste and emissions, it would seem risky because stakeholders (e.g., regulators, environmental groups) could easily expose this anomaly, destroying the firm's credibility and reputation (p. 1005).

This concept of authenticity is discussed further in 2.6 Authentic Green Differentiation Strategy.

Bell and Dyck (2011) advocate for Radical RBT, where an organisation,

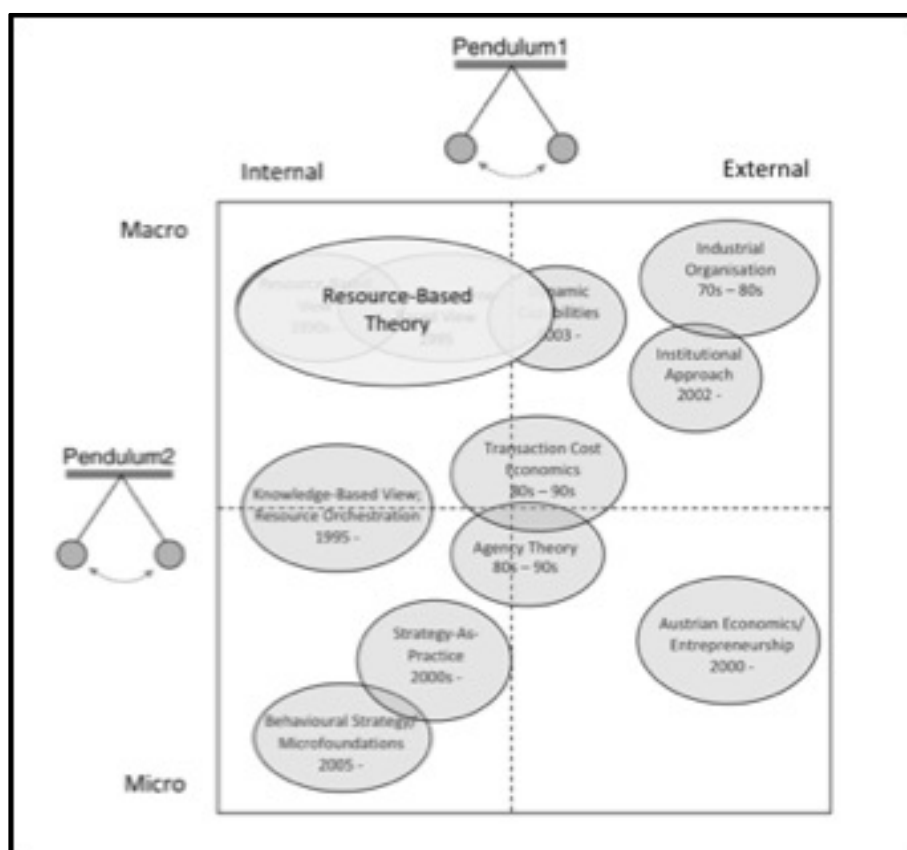
... may consider the ecological strengths and weaknesses of a firm's physical resources, the need for work-life balance among a firm's human resources, and develop organizational resources that nurture meaningful work, regardless of whether or not these contribute toward maximizing the firm's financial bottom-line (p. 125).

They suggest that businesses must move from viewing resources from a profit maximization perspective to focus on a stewardship approach to natural resources (Bell & Dyck, 2011). In Radical RBT the resources can become sources of sustained competitive advantage: "rarity as an occasion for stewardship, inimitability as an opportunity for teaching, and non-substitutability as an opportunity to meet a panoply of human needs" (Bell & Dyck, 2011, p. 122). Bell and Dyck (2011) suggest Radical RBT adds complexity and enrichment to RBT to "make it more relevant for complex issues facing society" (p. 122).

This research is interested in green differentiation strategies and the way these are implemented to ensure the authenticity of these strategies. In doing so, this research is interested if the proposal by Hart (1995) for the inclusion of the natural environment into strategy has been realised. In the strategic pendulum concept of Guerras-Martín *et al.* (2014), RBT is positioned as an internally focused perspective as it has a focus on internal resources and capabilities. What Hart (1995) proposes is to extend this perspective to include the natural environment, an external element (Figure 2.2). Diagram 2.5 is a visualisation of this concept: RBT is still mostly located in the internal 'swing' of pendulum 1 but has been expanded to connect to the external 'swing' of pendulum 1 in order to include the natural environment: incorporating elements of NRBV.

Delmas *et al.* (2011, p. 120) state: "Surprisingly, very few studies have looked at the relation between organizational capabilities, environmental proactivity, and competitive advantage." This study takes a different viewpoint than Hart's (1995) NRBV approach and Bell and Dyck's (2011) radical RBT which focus on external stakeholders. This study focusses on the perceptions of the internal stakeholders as they engage with green strategies, routines and actions that aim to protect or enhance the natural environment.

Diagram 2.5: Expanding the RBT to Include the Natural Environment



(Adapted from Guerras-Martín et al., 2014, p. 71)

2.5. Strategic Levels and Direction

A key limitation of RBT is the in the design school conceptualisation of the senior manager as the architect of strategy. In 1992 Hart stated there is an “increasing trend toward wider involvement of organizational members in strategic concerns” (p. 329). Volberda (2004) concludes that there has been a movement away from top-down management towards a multi-actor approach to organisational strategy. Whilst Porter (2008) proposed environmental strategies require the involvement of senior management, Gupta *et al.* (2013, p. 294) state it is the “motivation of middle and first-level management, i.e. customer-facing employees is also critical to the adoption a sustainability approach by managers.” With specific reference to environmental strategies, Aragón-Correa and Sharma (2003) conclude:

Proactive organizational are more likely to decentralize decision-making about the interface between business and the natural environment, passing it to line managers and allowing them discretion to anticipate strategic futures and to develop capabilities accordingly. (p. 76)

This is where RBT can benefit from a social sciences perspective, such as SAP research, and the applied studies perspective. These can provide an understanding of how strategy is implemented at the lower levels of the organisation. It is suggested by McShane and Cunningham (2012, p. 98) rather than managers assessing the success of the environmental initiatives, that “managers should take note of how this process occurred” and the “employees’ reaction to the initiative.” As Yang *et al.* (2010, p. 170) state there is “clearly a lack of theory development and empirical testing regarding the roles of lower-level management and non-management in strategy implementation processes.”

This research therefore aims to examine how the whole organisation is involved in the implementation of green differentiation strategies, including the perspectives of senior management, middle management, as well as the front-line employees. In order to examine the multi-actor perspective of strategy, as discussed by Volberda (2004), this section will explore the directional way strategy is implemented: top-down, bottom-up, as well as a combination of the two. Before this, is a brief discussion on the organisational level that strategy is analysed: Macro, Meso or Micro.

2.5.1. Macro, Meso and Micro Levels of Analysis

To expand the model of Hoskisson *et al.* (1999, p. 421; see Figure 2.1) Guerras-Martín *et al.*’s (2014) model (adapted in Figure 2.2) adds an additional pendulum swinging between the macro vs micro levels of an organisation. In Guerras-Martín *et al.* (2014) they describe the macro level as the firm or industry. This includes the wider macro environment, as defined in economics, including the effects the firm and industry have on the natural environment. An example of the movement toward research focus of the macro environment is where IO Economics in the 1980s “shifted the focus to the macro aspects, particularly the structure of industry” (Guerras-Martín *et al.*, 2014, p. 72). An example of this is Porter’s Five Forces of Competitive Industries (1997).

The issue with focusing on macro is what Klein & Kozlowski (2000, p. 213) call the “ecological fallacy”: “When macro researchers attempt to generalize findings from aggregated data back to the lower level at which it was collected.” The other extreme of the pendulum analogy is the research focus on the micro level of groups and individuals, for example, knowledge and microfoundations (Figure 2.2). This can result in what Klein and Kozlowski (2000, p. 231) call “atomistic fallacy: “Just because the relation holds at the lower level does not mean it will also hold at higher levels.” The issue is that taking either a macro or micro approach to understand

behaviours within an organisation, such as strategy implementation, “yields an incomplete understanding of behaviours occurring at either level” (Hitt *et al.*, 2007, p. 1385).

One way to integrate the macro and micro models is to utilise the meso concept as a bridge between macro and micro (Lopes Costa *et al.*, 2013; Jones, Willness & Glavas, 2017; Klein & Kozlowski, 2000). Lopes Costa *et al.* (2013, p. 8) put forward the concept that firms, and their strategies, are complex and are continually interacting “with outside systems (e.g., the market) and inside systems (e.g., departments)” (see also Eisenhardt, 1989; Ghanam & Cox, 2007; Gioia & Chittipeddi, 1991; Patton & Appelbaum, 2003). Using meso to define the level of the firm allows a distinction to be drawn between the use of macro to mean the external business environment (e.g. the market) as is common in economic perspectives such as RBT.

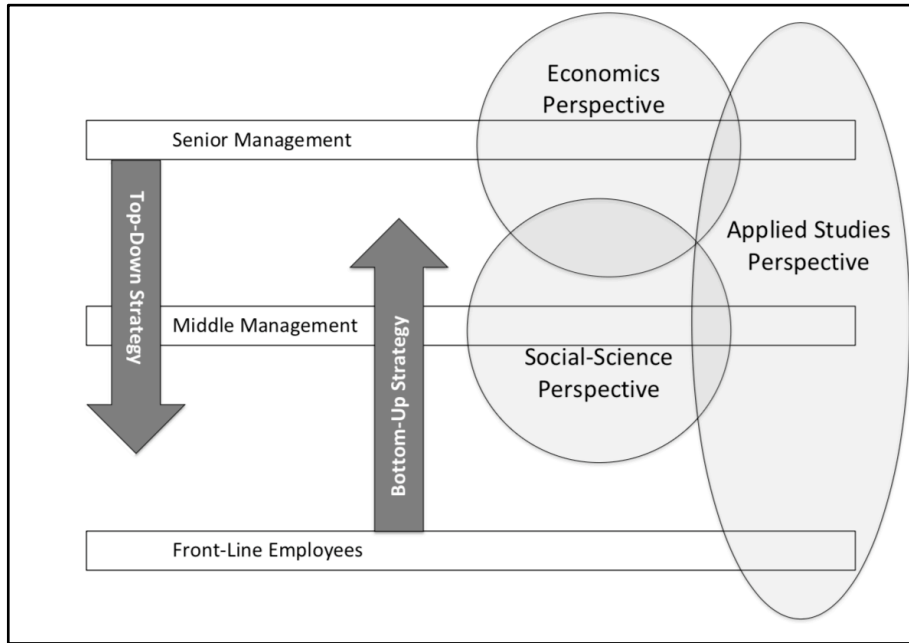
In this research macro level will be defined as the industry and the wider macro environment, including the effects on the natural environment. The micro level is defined as individual or group routines and actions within the firm, consistent with Guerras-Martín *et al.* (2014). The meso level is defined as the aggregated level of the firm; containing the senior management responsible for setting strategy, and the middle management and front-line employees responsible for implementing the strategy.

2.5.2. Direction of Strategy Implementation

A noted limitation of RBT is the conceptualisation that the senior manager acts as the architect of strategy that is then passed down for subordinates to implement. Hart (1992) terms this command mode, where the CEO dictates the strategy to the other members of the business: the “sheep”, who follow instruction and are not “active participants in the strategy process” (p. 339). At the other extreme, the generative mode, where management abdicates strategic control, allowing projects proposed from the bottom-up, result in “wild ducks” that miss the big picture of strategy (Hart, 1992, p. 340).

What is missing in both RBT and SAP perspectives is the involvement of front-line employees in the implementation processes; the RBT focuses on senior management, the ‘architects’ of strategy, whereas SAP examines middle management. Only the applied studies perspective investigates the strategy process involving the whole organisation: top-down from senior and middle management, and bottom-up from the front-line employees, which is why this perspective has been included in this literature review. Diagram 2.6: Direction of Strategy, illustrates these points.

Diagram 2.6: Direction of Strategy Implementation



This research considers the whole organisation in the process of strategy implementation, from the senior managers setting strategic goals and vision, the middle managers who are tasked with strategy implementation, to the employees who are the active implementers of strategy during the service process. However, even this description of strategy implementation, from managers setting strategy to employees implementing, is overly simplistic and implies a one-way flow of strategy: top to bottom. This section examines the direction of strategy implementation, top-down and bottom-up, and proposes that a combination of these two perspectives (see Diagram 2.6), with the inclusion of middle management, is essential for the implementation of authentic strategy, in particular, environmental strategies.

2.5.2.1. Top-Down Strategy

Strategy formulation is considered the domain of senior management. Hart (1992) uses the analogy of the sports coach whose job it is to “motivate and inspire organisational members” (p. 337). The key task of management, according to Rapert *et al.* (2002), is to consistently and accurately communicate strategy to the functional-level members of the business, adding that “successful managers work hard to build the seeds of understanding, identity and commitment” (p. 3030).

In the case of green strategy, the attitude and interest of managers have found to be key for the development and implementation the green strategies, with Ervin, Khanna, Jones and Wirkkala (2013) concluding, “pro-environment management attitudes are positively associated with pro-

active environmental management” (p. 402). Branco and Rodrigues (2006) temper this view, suggesting even with a pro-environmental attitude, managers will find it difficult to engage with environmental issues if they do not see the possibility these will result in “furthering financial performance” (p. 114). In any case, it is generally accepted that the managers need to exhibit their environmentally friendly mental models by leading by example (Epstein & Buhovac, 2010; Jones *et al.*, 2017; Kurland & Zell, 2011).

The limitation of top-down strategy implementation is the directive nature of the process. Diagram 2.6: Direction of Strategy illustrates this point. In this perspective, the senior manager formulates the strategy and drives it down to the subordinates; Noble (1999, p. 123) suggest that this is more of a “trickle down” process. Rapert *et al.* (2002) argue that “most research in the strategy domain has placed too much emphasis on the formulation of strategy when the real challenge lies in implementation” (p. 307), and “it is often assumed that a firm’s corporate strategy is clearly mandated, accurately understood, and immediately accepted by organizational members” (p. 301). This limitation is particularly true for economic perspectives, such as RBT, as the research mostly examines the strategy process from the perspective of senior management.

Another limitation is the focus on strategy formulation and planning. Speculand (2009, p. 167) proposes that this is in part due to the belief is that the “leader’s role is to design the strategy”, and once this has been achieved the “hardest part is over”, yet the managers “habitually underestimate the challenge of implementing that strategy.” Hrebiniak (2006) agree, concluding, “without effective implementation, no business strategy can succeed. Unfortunately, most managers know far more about developing strategy than they do about executing it.” (p. 12). The focus on planning and formulating strategy also ignores a critique of RBT, strategy is not always deliberate or planned, and that strategy is dynamic and emergent (Mintzberg, 1987; see Figure 2.6: Deliberate and Emergent Strategy).

2.5.2.2. Bottom-Up Strategy

The other extreme discussed by Hart (1992) and referred to above is the generative mode of strategy, where strategy is driven from the bottom-up. Diagram 2.6: Direction of Strategy includes a simplified illustration of this method of strategy formulation and implementation.

The advantage in bottom-up green strategy, particularly in the service sector, is employees are in a unique position to understand the organisation’s customers as well as identifying future

trends that are based on firm-specific knowledge that have the ability to generate unique and innovative solutions to environmental issues (Wolf, 2013). Within the service process, the “employees are frequently regarded as ambassadors underpinning their organisation’s identity and image, expected to uphold and display their organisations social and ethical values” (Powell, Elving, Dodd & Sloan, 2009, p. 441). Wagner (2013, p. 445) emphasises, “In the context of the resource-based view, employees are not solely a factor of production”, it is how the organisational values are translated into action that results in strategic success.

However, organisational core green values are not the only influence on employees of a firm as many individuals also hold strong personal green values. Wolf (2013, p. 105; see also Jones *et al.*, 2017) states, “like any other stakeholder groups, employees may have personal interest” in environmentalism, therefore, organisations must find a way to integrate this into the routines and capabilities of the employee. Lacy, Arnott and Lowitt (2009, p. 491) found that many employees would like the opportunity to “play a role in their company’s sustainability efforts”, and when “employees are engaged with their company’s sustainability strategy, they proactively identify, communicate and pursue opportunities to execute the [sustainability] strategy.” However, Wolf (2013) cautions that whilst employees may understand some environmental issues and potential solutions, that some employees lack the training and/or technical ability to solve organisation specific environmental problems.

Employees may already be “spontaneously engaged” in extra-role behaviours (Galpin & Whittington, 2012, p. 45), what Kurland and Zell (2011, p. 53) refer to as the “hidden” organisation, where “employees already engaged in eco-friendly behaviour both at work and at home.” Teh and Corbitt (2015, pp. 43-44) conclude: “Staff should not underestimate their potential contributions but see eco-sustainability as a part of their job.” Cameron (2012, p. 4) adds, employees should take an active part in implementing environmental strategies, as “Its employees that keep their computers running, run the taps, forget to switch off the lights, print out, bin instead of recycling, drive to the business meeting and so on.”

What Blackman *et al.* (2013) conclude in their research on CSR, is:

Understanding the employee motives in place will enable the establishment of authentic organisational orientations to CSR which reflect extant employee orientations and positively support organisational learning and commitment to CSR (p. 249).

This conclusion from Blackman *et al.* (2013) can be extended to green strategies. Understanding employee motivations can also reduce the tension between “personally held values and

corporate activity and thus can gain a greater sense of authenticity at work” (Kärreman & Costas, 2013, p. 397).

2.5.2.3. A Combined Approach to Strategy Implementation

This research takes the position that authentic strategy implementation requires a combined top-down and bottom-up process. It is at the meso level of senior management that formulate the strategic goals, “setting the 'tone at the top'” (Kashmanian *et al.*, 2011, p. 113). The role of the senior management is to establish the direction of the organisation and to provide the support and resources to achieve the strategic goals. However, in the case of green strategies, the senior management needs to do more than just set the tone, they need to be actively engaging with these strategies “instilling values also takes participation and two way communication, not just a decree from above” (Mirvis *et al.*, 2010, p. 321). This is in line with Cocks (2010) conclusion about leadership in general, that “effective leadership involves motivating people by being accessible and visible and asking inclusive questions rather than providing solutions” (p. 263). They suggest the way to do this is to create “leaders throughout the organisation, particularly at the front line where people and core processes create value for customers” (Mirvis *et al.*, 2010, pp. 263-264). This differs from the concept of authentic leadership, as the focus is on front-line, customer-facing employees and less to do with management as the only leaders within the organisation. As noted previously, this research is examining the whole organisation, not just focusing on management.

It is not just the senior managers who have a role in the implementation process. Collier, Fishwick and Floyd (2004) identify the role of the lower level managers in the implementation process: “line managers at middle and operating levels are likely to understand their role in creating core capabilities and view specific initiatives as concrete and meaningful ways to contribute to the strategy process” (p. 76). This is a point picked up by Salih and Doll (2013, p. 32): “Middle managers play a key role in organizational strategic activities and outcomes and in strategy implementation in particular.” Salih and Doll (2013) found that middle managers assist in the downward flow of strategy and act as translators of strategy. Similarly, Rapert *et al.* (2002) found that it is communication that is the key to successful strategy implementation.

2.5.3. Linking Levels of Strategy Analysis and Direction of Strategy Implementation to RBT

The theoretical perspective of RBT is criticised as being a rational, top-down, planned static process (Mintzberg & Lampel, 1999; Volberda, 2004). RBT can be conceptualised as the senior

manager as the architect of strategy, who then passes this strategy down to the subordinate “sheep” who follow the strategy (Hart, 1992, p. 339). This view is reinforced by the emphasis of research in this framework focusing on senior management and the formulation of strategy (Rapert *et al.*, 2002). However, there is a paucity of research in RBT on the strategy implementation process, “where the real challenge lies” (Rapert *et al.*, 2002, p. 307).

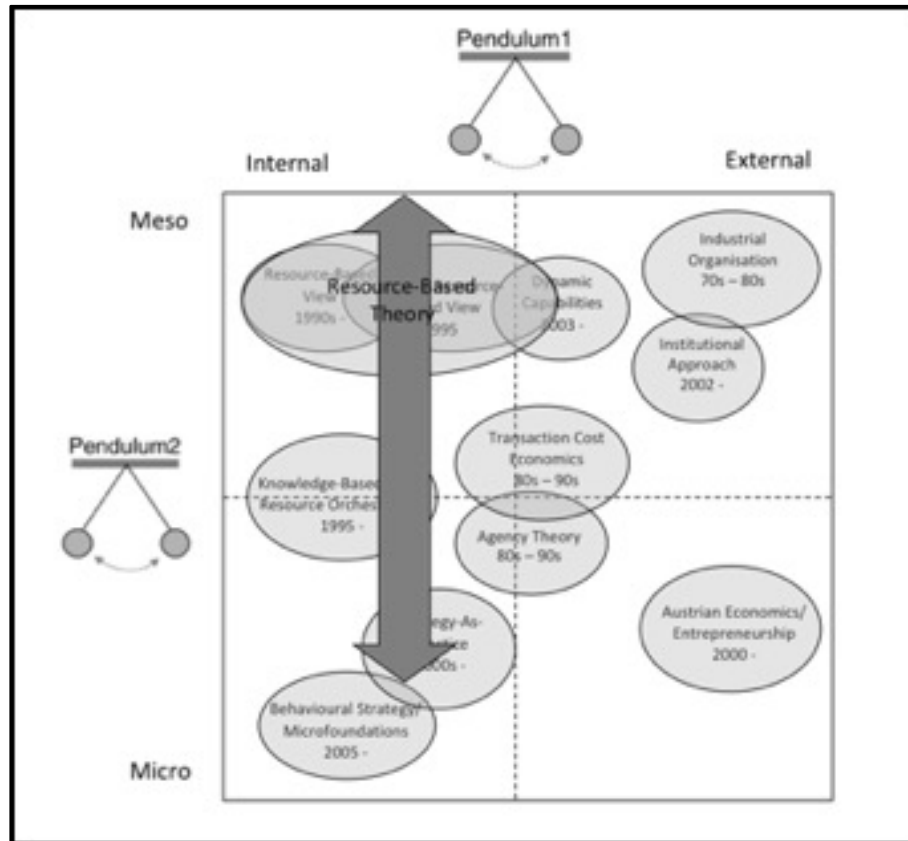
In order to understand the strategy implementation processes requires a link between the micro level of routines and actions to the meso level of strategy. This requires the ‘black box’ of the firm to be opened to examine the micro and meso levels as separate parts because the whole firm cannot be understood from a single perspective (Salvato & Rerup, 2011). A way to do this is with RBT is to focus on capabilities, defined as “a high-level routine (or collection of routines)” (Winter, 2000, p. 983), by incorporating the perspective of the microfoundations of these capabilities. The research focus on capabilities keeps the level of analysis at the aggregated meso level of the firm, consistent with the RBT framework. However, in order to open some ‘black boxes’ of strategy implementation under RBT, capabilities need to be examined not just from the perspective of capability deployment as part of strategy formulation, but also capability development, in short how do lower level routines and actions develop into the high-level routines that form capabilities? (see 2.3.1.3)

A way to visualise this is to return to the pendulum concept from Guerras-Martín *et al.* (2014). In Diagram 2.7 RBT is visualised as remaining a meso level strategy perspective as the focus is on resources allocations and the deployment of capabilities. Where this diagram differs from the original is the inclusion of a double-ended arrow to illustrate the interdependent relationship between meso and micro level of strategy, as well as the relationship in a combination of top-down and bottom-up strategy implementation. This arrow represents where empirical research should explore in order to open some ‘black boxes’ of strategy implementation in RBT: the whole organisation. Additionally, the term ‘macro’ in Guerras-Martín *et al.*’s (2014) original model has been replaced with the term ‘meso’ to denote the level of the firm, as separate from the ‘macro’ level of the industry and external environments.

This research takes the position that successful strategy implementation involves a combination of top-management driven central planning and analysis, and bottom-up driven initiatives, in agreement with Hart (1992, p. 333): “strategy making is both top-down and bottom-up.” Yang *et al.* (2010, p. 170) add; there is “clearly a lack of theory development and empirical testing regarding the roles of lower-level management and non-management in strategy implementation process.” Even in the article purported to extend the “arguments of the RBV

and microfoundational thinking ... to enhance our understanding of the important microlevel actions that contribute to shaping the sustainability practices” (Del Giudice, Khan, De Silva, Scuotto, Caputo & Carayannis, 2017) still focus on the owners/managers of SMEs.

Diagram 2.7: RBT and the Levels and Direction of Strategy



(Adapted from Guerras-Martín *et al.*, 2014, p. 71)

McShane and Cunningham (2012) suggest management should do more than assess whether, or not, the environmental strategies are successfully carried out: “Managers should take note of how this process occurred (e.g., procedurally just, actions align with statements) and employees’ reactions to the initiative (e.g., emotional engagement)” (p. 98). To examine how service organisations implement strategy by examining the different levels within the firm: the senior managers, middle managers as well as the front-line employees. This includes examining who are the drivers of these green differentiation strategies, as well as asking how the front-line employees know what routines to perform, or not to perform.

2.6. Authentic Green Differentiation Strategies

Porter (2008) indicates that choosing the correct strategic position relative to competitors, such as differentiation, could create competitive advantage. Morrow and Mowatt (2015) state

“Environmental and ecological sustainability are increasingly being identified by organizations as important to the creation of competitive advantage, particularly for the ability to differentiate” (p. 656), adding this “niche differentiation needs to be authentic, as a criticism of ‘green’ strategies is that they may be seen as superficial, invite accusations of ‘greenwash’ and undermine the organization’s competitive position” (p. 656).

Cox and Mowatt (2012) suggest highly differentiated firms require the active participation and involvement of staff throughout an organisation to create and deliver strategy. Therefore, authenticity can be understood both from the expectation of the consumer for authentic products and services, and as a process by which organisations implement strategy. Authentic strategy would represent one where the organisation and actors within it were committed to the strategy as active participants, and front-line employees are able to participate in the delivery of strategic goals (Cox & Mowatt, 2012; Morrow & Mowatt, 2015). However, McShane and Cunningham (2012, p. 97) state: “the concept of authenticity has received scant attention in the management literature.” In agreement with McShane and Cunningham, Morrow and Mowatt (2015) add “that more work needs to be undertaken to understand wider meanings of authenticity” (Morrow & Mowatt, 2015, p. 661), particularly in a strategic management context. This indicates a gap in the literature: an understanding of how organisational members perceive a strategy as being authentic, including what is used to judge the authenticity of the strategy.

This research considers that for an organisation to implement authentic strategy they must ‘walk the talk’. In other words, as Freeman and Auster (2011, p. 19) state “if you say you have this value, then your actions need to be consistent with that value.” Cocks (2010, p. 262) agrees with this, adding, “winning organisations say what they are going to do and then do it – and they keep doing it, again and again.” However, Cocks (2010) also notes, “Most organisations disappoint their stakeholders by their failure to deliver what they say, what they promise, what they promote and market” (p. 262).

In terms of green differentiation strategies Balmer, Powell and Greyser (2011, p. 1) state: “Corporations need to be more accountable for the societal consequences of their actions and behaviour,” to do so requires an “organisation wide philosophy rather than a management function.” Harris & Tregidga (2012) are in agreement and recommend that for “any corporate shift from a ‘business as usual’ position to a more environmentally responsible paradigm requires organization-wide environmental sensibilities” (pp. 238-239). This is where the concept of authentic emerges.

In this research, authentic strategy is understood to exist where the strategy is perceived to be consistent with core organisational values. This research examines green differentiation strategies; in order for these to be perceived as being authentic by the members of an organisation, the green differentiation strategy must be perceived as being consistent with the organisation's green core values. However, the construct of authentic strategy is underdeveloped in the management literature. This section examines the concepts of authentic and authenticity, linking these concepts to the business management context. This section begins with an exploration of the sources of concepts within authentic strategy and then examines the definitions of authentic within the business context to inform the process of developing the construct of authentic strategy to be used in this research. This section then examines why authentic and authenticity is important for business, and to whom it is important.

2.6.1. The Concept of Authentic Strategy

The concept of authentic strategy in this research has its origins in the publication by Cox and Mowatt (2012) who examined the business history of the development of competitive advantage at Conde Nast, including *Vogue* Magazine:

In order to preserve their status in the eyes of readers and advertisers, fashion magazines had to project a quality image and be informed by the latest developments in culture and fashion. This meant that fashion magazines had to be authentically connected to the haute couture world in Paris (Cox & Mowatt, 2012, p. 74).

Cox and Mowatt (2012) noted that although this authentic connection between the haute couture world of Paris and its readership “underpinned *Vogue's* credibility in the world of fashion did not in itself, however, make for a successful publication” (p. 82).

The concept of authenticity has its root in social sciences and philosophy, including social psychology, fine arts (Liedtka, 2008), “sociology, history, anthropology, and, more recently, management” (McShane & Cunningham, 2012, p. 83). However, McShane and Cunningham (2012, p. 97) note, that even though “the growing conversation about authenticity as an important concept for business ethics theorizing ... The concept of authenticity has received scant attention in the management literature.” This view is echoed by Mazutis and Slawinski (2015, p. 139) “until recently surprisingly little attention has been paid to authenticity in the management literature.”

In *Strategy Making and the Search for Authenticity*, Liedtka (2008) states that authenticity in a business context aligns with the core issues of moral character, ethical choices, leadership and corporate social responsibility, “at the intersection of ethics and management” (p. 238). However, authenticity should be considered more than just an ethical issue. Gardner, Coglisier, Davis and Dickens (2011) caution that being authentic may not necessarily mean being ethical.

In the management literature, most of the research into authentic and authenticity has focused on either leadership or marketing. A limitation of this is highlighted by Mazutis and Slawinski (2015, p. 139) that the “perceptions of authenticity are attributed either to organizational leaders or to products or brands.” In marketing, particularly marketing strategy, the literature proposes that business can differentiate the company by ‘leveraging’ their environmental activities through marketing communications such as publicity and advertising (Lantos, 2001, p. 624). However, Porter and Kramer (2006) propose that for many businesses their environmental strategies are “neither strategic nor operational but cosmetic: public relations and media campaigns” (p. 80). This is a point further examined in 2.3.3. Why Authenticity Is Important, with particular reference to greenwash. The concept of authentic leadership is discussed in 2.3.5.

Another source for the concept of authentic strategy in this research comes from the tourism management literature. The article by Insch (2011) examines the development of the 100% Pure New Zealand brand, which Insch suggests is authentic based on New Zealand’s clean and green image, as well as the Nuclear free and GM free positions. This is corroborated by Connell, Page and Bentley (2009) who state that the New Zealand Tourism Strategy is underpinned by the concepts of Kaitiakitanga (guardianship) and Manaakitanga (host responsibility) and that the tourism sector and local communities need to work together to promote and protect the natural environment for future generations. Morgan, Pritchard and Piggott (2002) state that a tourist must “truly experience the promoted brand value and feel the authenticity of a unique place” (p. 339). In their conclusion, the authors’ evaluation of the 100% Pure New Zealand brand: “What New Zealand affirms is the idea of the authentic experience” (Morgan *et al.*, 2002, p. 351). The authentic tourist experience is described as “a desire to explore the untouched and unexperienced” (Yeoman, Brass & McMahon-Beattie, 2007, p. 1133) where the “consumers focus on the pure experience and search for the truly authentic tourism product or service which is steeped in culture and history” (Yeoman, Durie, McMahon-Beattie & Palmer, 2005, p. 140).

However, authenticity in tourism is more complex with the addition of ‘constructed’ or ‘staged’ authenticity. This relates to existential authenticity, which is defined by Leigh, Peters and Shelton (2006, p. 483) where “postmodern consumers actively seek the staged experience as an

outgrowth of the value they place on eclecticism and aesthetic enjoyment.” In tourism, the tourist seeks “authentic experiences, or natural, primitive ones untouched by modernity ... but without the necessary hardship experiences, and modern convenience and comforts.” (Leigh *et al.*, 2006, p. 483) Constructed authenticity in the tourism industry also relates to where authenticity is “projected onto objects by tourists or tourism producers in terms of imagery” (Chronis & Hampton, 2008, p. 113). Examples of staged authenticity include tourist souvenirs and staged cultural events, such as the Hangi and Concert in New Zealand, or a Luau in Hawaii. The concept of constructed/staged authenticity in the tourism industry context is acknowledged but differs from the application of authentic strategy as used in this research. This research will also not delve any further into the discussion about existential authenticity.

The construct of authentic strategy has been selected for further development as it links into Hart’s (1995, p. 991) concept of the NRBV and their statement that: “it is likely that strategy and competitive advantage in the coming years will be rooted in capabilities that facilitate environmentally sustainable economic activity.” This aligns with the RBT focus on the business’ “activities oriented to the creation of competitive advantage” (Olson *et al.*, 2005, p. 51; see also Galbreath, 2009). What is highlighted is although the concept of authentic and authenticity are established in the marketing and tourism literature, these concepts have had a limited examination in a strategic management context (Mazutis & Slawinski 2015; McShane and Cunningham 2012).

2.6.2. Defining Authentic in a Business Context

A definition for authentic in a business context is complex. Chronis and Hampton (2008, p. 113) state: “authenticity can be seen as both a product feature as well as an experiential outcome.” Font (1997) agrees with this, adding that the consumer creates an image of a product, and by extension, the organisation and that consumers often use their subjective opinion to fill information gaps. McShane and Cunningham (2012, p. 97) conclude, “Individuals may rely on multiple standards to inform their authenticity judgement”, using what Liedtka (2008, p. 239) terms the “authentic voice”, where how a consumer expresses themselves is consistent with their “inner thoughts and feelings.” The concept of authentic is therefore subjective and socially constructed: as the “authentic self ... is both rooted and evolving continuously” (Liedtka, 2008, p. 240). The individual will redefine and reinterpret authenticity “in light of both personal meanings ... and the social context in which those values emerge” (Edwards, 2010, p. 196). To add further complexity to this social construct, an individual’s values will change over time (Freeman & Auster, 2011).

Table 2.9 contains examples of definitions of authentic and authenticity from academic literature found during literature searches focusing on strategy implementation and/or authentic strategy. Keywords and ideas that are highlighted in these definitions (Table 2.9) include: genuine, real, true, not fake and not contaminated, as well as, honest, credible, and ethical. Most definitions also include an element that the authentic is based on personal experience, the concept of self and personal values.

It is proposed by McShane and Cunningham (2012) that the concepts of authentic and authenticity can be applied to the whole organisation, “by engaging in strategy-making processes where individuals have voice, are active participants and are emotionally engaged” (p. 83). López-Gamero et al. (2011) found that for environmental strategies an organisation needs “to build an internally consistent organizational design that favours environmental action” (p. 34). They suggest creating an environmental department or position of an environmental manager. Whilst Kurland and Zell (2011) concur, they add that the environmental manager must “‘walk the talk.’ They recycle; they drive hybrids; they do something to publicly display their commitment” (p. 52), by modelling the desired behaviour the managers can cause a ripple effect throughout the business.

This research takes a position that employee’s perception of the authenticity of the strategy will aid the implementation of green differentiation strategies. McShane and Cunningham (2012) argue that the perceptions of the employees are important for successful implementation, stating:

Noticeably absent is a consideration for employee perceptions of authenticity. Yet, given that employees are essentially the face of their organization and are largely expected to act as ambassadors for the organization’s CSR program, organizations need to understand whether, and if so, how, their employees assess CSR authenticity (p. 82).

While McShane and Cunningham have examined the perceptions of authenticity of CSR strategies in their research, a similar case can be made for environmental strategies. This study will examine authentic strategies using green differentiation strategies, to develop a clear definition for authentic strategy, as well as to examine the organisational member’s perception processes.

Table 2.9: Definitions of Authentic and Authenticity		
Term Used	Definition	Reference
Authentic	<ul style="list-style-type: none"> - Owning one's personal experiences, including one's thoughts, emotions, needs, desires, or beliefs ... four key elements [of] awareness, balanced processing (unbiased), behaviour/actions, relational orientation. - Being self-aware and acting in accordance with one's true self by expressing what one genuinely thinks and believes. 	Gardner <i>et al.</i> , 2011, p. 1121
Authentic	Genuine, real, sincere and honesty	McShane & Cunningham, 2012, p. 86
Authentic	<ul style="list-style-type: none"> - Experiences and products that are original and the real thing, not contaminated by being fake or impure (p. 1128) - Should be ethical, natural, honest, simple, beautiful, rooted, and human (p. 1137) 	Yeoman <i>et al.</i> , 2007
Authenticity	<ul style="list-style-type: none"> - A person's need to match the object with their idea of how it should be - A socially constructed interpretation of the essence of what is observed rather than properties inherent in an object - Encapsulates what is genuine, real and/or true 	Beverland & Farrelly, 2009, p. 839
Authenticity	<ul style="list-style-type: none"> - Refers to the emotional realism, which enables and enhances the process of consumption - A desire for the experience to be based in fact, to be genuine 	Chronis & Hampton, 2008, p. 112
Authenticity	Authenticity is understood as genuine engagement in the co-creation of industry resources	Cox & Mowatt, 2012
Authenticity	Fundamentally a self-referential concept that is about "being true to one's self"	Freeman & Auster, 2011, p. 16
Authenticity	<ul style="list-style-type: none"> - A manifestation of [the] search for something real (p. 482) - A consumer perception that occurs through a filter of one's personal experiences (p. 483) 	Leigh <i>et al.</i> , 2006. p. 482
Authenticity	True credibility and consistency	Maio, 2003
Authenticity	<ul style="list-style-type: none"> - Consistency between espoused values and realized practices (p. 141) - A state of simultaneous distinctiveness and connectedness to the organization's social context (p. 142) 	Mazutis & Slawinski, 2015

2.6.3. Why Authenticity is Important for Strategy Implementation

The authenticity of a business's strategy has the ability to build a strong corporate reputation as a potential source of competitive advantage (Arendt & Brettel, 2010; Edwards, 2010). Bansal and Roth (2000, p. 724) state: "Consistent with the resource-based view, firms attempted to develop ecologically related resources and capabilities to build long-term profit potential, such as improved reputation, process efficiencies, and product reliability." Insch (2011, pp. 288–289) agrees with Bansal and Roth, adding, "Green marketing has become an important form of differentiation" as a way to build business reputation.

The most significant risk for organisations using authentic strategy is being perceived as using an "ethical façade" (Martin, Johnson & French, 2011), hollow core values or Orwellian Spin (Balmer *et al.*, 2011), surface acting or lip-service (Liedtka, 2008) or engaging in pure rhetoric (Rhee & Lee, 2003). In the case of green strategies, there is the risk that the business is engaging in greenwash.

Greenwash derives from the term whitewash and indicates that organizations using greenwash are trying to cover up environmentally and/or socially damaging activities, sometimes just with rhetoric, sometimes with minor or superficial environmental reforms (Beder, 2002, p. 1).

Whether a business is perceived to be engaging in greenwash depends on the perception of stakeholders, including employees. Stakeholders are concerned as to whether the environmental strategies are "really altruistic or just another marketing ploy to increase profits" (Arendt & Brettel, 2010, p. 1470). In this the motivations of the businesses are questioned; is it "seeking social approval" of these strategies (Papagiannakis, Voudouris & Lioukas, 2014, p. 255).

The consequence of engaging in inauthentic greenwash strategies is the potential damage to the business' reputation, reducing the competitive advantage sought by the differentiation strategy. This risk to reputation has been accelerated in the digital world, where social media has superseded the traditional word-of-mouth network (Bowen & Argon-Correa, 2014; Insch, 2011).

To avoid the greenwash accusation an organisation must do more than just insist they are 'environmentally friendly'; their actions must match the marketing rhetoric (Freeman & Auster, 2011; Tang, Lai & Cheng, 2012; Wolf, 2013). Insch (2011, p. 288) states: "To overcome greenwashing is consistently delivering this promise to an environmentally savvy and discerning market." In order to do this, Glavas and Mish (2015, p. 639) conclude that businesses must

create a “culture of transparency within and outside the firm.” What stakeholders, both internal and external, want to be assured of is that an organisation has made a commitment to green strategies that are “truthful, accurate, reliable and genuine” (McShane & Cunningham, 2012, p. 82; see also Wolf, 2013). In other words, authentic.

Mirvis *et al.* (2010, p. 317) ask: “Aren’t value statements simply window dressing?”, concluding: “Much depends on how the values are developed and lived through a firm.” The authors suggest that ‘vanguard’ business “go beyond the lists of values posted on walls and web sites” to using these “values and principles as a strategic guidance system” (Mirvis *et al.*, 2010, p. 317). However, the authors also note that “driving vision, mission, and values from top-down without fully engaging employees, and in failing to “close the gap” between preaching and practices” (Mirvis *et al.*, 2010, p. 320). This is in agreement with Wolf’s (2013) assertion that the strategies must be implemented thoroughly throughout the whole organisation.

2.6.4. Authentic for Whom?

The perception of authenticity is dependent on how the organisation’s core values are integrated into the behaviour, routines and actions of the members within the firm (Maio, 2003; Stites & Michael, 2011; Vellecco & Mancino, 2010). What is “noticeably absent” in the research of authenticity is “consideration for the employee perception of authenticity” (McShane & Cunningham, 2012, p. 82; see also Epstein & Buhovac, 2010; Morrow & Mowatt, 2015; Orlitzky *et al.*, 2011). McShane and Cunningham (2012) conclude that perceptions of authenticity are a key determinant of whether green strategies are “well-received by employees” (p. 82). However, they note that there is a lack of understanding as to whether employees access the authenticity of these strategies. Salih and Doll (2013, pp. 34-35) argue that engaging employees not only encourages a “sense of ownership of the strategy”, it also “further develops organizational capabilities”; however, they concede that there is “little empirical evidence to suggest that engagement enhances strategic practice, particularly in relation to strategy implementation.”

McShane and Cunningham (2012) propose that a reason for the lack of research of the perceptions of authenticity of employees is that during the interviews “none of the participants directly mentioned authenticity... perhaps because it is a term that is primarily couched in the academic community” (McShane & Cunningham, 2012, p. 86). However many of their participants “spoke directly to its core themes” (McShane & Cunningham, 2012, p. 86). In Morrow and Mowatt (2015) the participants were directly asked for their understanding of the term authenticity, as well as their perception as to the authenticity of the ‘100% Pure New Zealand’ campaign. What both of these studies highlight is interview participants understand

the concepts within authentic and authenticity, and in the case of Morrow and Mowatt (2015), the participants were able to apply this understanding to a specific strategy.

When discussing an ethical value system within organisations, Blackman *et al.* (2013, p. 244) found “employee distress and job dissatisfaction can result from the lack of an ethical fit between employees and their organisation ... Essentially, employees desire consistency between their ethical value system and the ethical climate of their organisation.” Whilst this was a study of ethical value systems, this could be applied to other core values, including core green values. Where employees perceive a strategy to be inauthentic to the core green values, there is the potential for employees to “consciously or unconsciously” sabotage the green strategies (Kirkland & Thompson, 1999, p. 138). Frandsen, Morsing and Vallentin (2013) take this further, suggesting management:

... will benefit from a critical understanding of why and how employees not only identify with, but also dis-identify with, critique, challenge and ironically distance themselves from corporate sustainability programs while on a personal level they are, at the same time, dedicated to sustainability (p. 242).

One suggestion is the use of strategic vision, as a way to incorporate an organisation’s core values. Mirvis *et al.* (2010, p. 320) state: “The idea that vision, mission, and values can guide a business and provide meaning for its employees has been ably documented in case studies of other long-lived companies in the U.S. [sic].” However, they caution that an organisation must do more than “driving vision, mission, and values from top-down without fully engaging employees” (Mirvis *et al.*, 2010, p. 320). This concept of top-down strategy, a traditional RBT viewpoint, which is at odds with Volberda’s (2004) conclusion that there has been a movement away from top-down management towards a multi-actor approach to organisational strategy. This is particularly relevant to green strategies where “instilling values also takes participation and two way communication, not just a decree from above” (Mirvis *et al.*, 2010, p. 321). An applied studies perspective article by Cameron (2012) concludes:

Unfortunately, communication and conversation around environmental and sustainable issues is almost non-existent in many businesses and is often limited to the occasional poster, print-out or copy of the latest CSR document. As a result, experience shows that the vast majority of employees know very little about what their business is doing when it comes to the environment (p. 4).

There has been a lack of research into the perceptions of employees as to the authenticity of green differentiation strategies. This research examines the concept of authentic strategy from

the perspective of internal stakeholders of an organisation, rather than the consumers and external stakeholders.

2.6.5. Authentic Leadership

This research will not be examining authentic leadership directly. Gardner *et al.* (2011, p. 211) state that there is an “assumption that an organisation’s authenticity is manifest through its leadership.” Whilst Crossman (2011) propose that authentic environmental leaders can be transformational leaders that have the ability to inspire, vision, mission, through persuasion and confidence, “this does not mean that transactional leadership does not also occur” (p. 561). Freeman and Auster (2011) note that in acting on their own personal values, some authentic leaders have “committed great evils in the world” (p. 16).

Yagil and Medler-Liraz (2014, p. 59) propose that the principles that authentic leaders represent self-awareness, honesty and transparency, have “become more valuable as the complexity of the business world increase”, however, they add, “Although researchers have claimed that authentic leadership should enhance employee authenticity, there is little understanding of how this effect operates.” In agreement, Mazutis and Slawinski (2015, p. 141) state:

Authentic leadership research has remained narrowly focused on certain aspects of authenticity without invoking its full richness. For example, researchers have given considerable attention to describing authentic leader values/attributes (e.g., hope, optimism, resilience, trustworthiness, integrity, accountability, credibility, respect and fairness), and authentic leadership capabilities, which include self-awareness, balanced processing, self-regulation and relational transparency.

Whilst it is acknowledged that authentic leadership may have a role in the implementation and embedding of authentic strategies, the narrow focus of research on authenticity of the leader contributes to the gap in the literature on strategy implementation processes and the development of authentic strategy, particularly under theoretical perspectives such as RBT. Strategy implementation process research should not be limited to a focus on leadership and management; it should involve a whole organisation approach, including the front-line employees. A gap exists in the literature examining the role of authentic employees, as well as authentic leaders, in creating authentic green differentiation strategies, which this study will focus on.

2.6.6. Authentic Strategy Summary

This study defines that authentic strategy exists where the strategy is perceived to be consistent with the principles of core organisational values. As Freeman and Auster (2011, p. 19) state, “if you say you have this value, then your actions need to be consistent with that value.” Therefore, in the case of green differentiation strategies, the strategies must be perceived to be consistent with the organisation’s core green values. What stakeholders, both internal and external, want to be assured of is that an organisation has made a commitment to environmental strategies that are “truthful, accurate, reliable and genuine” (McShane & Cunningham, 2012, p. 82; see also Wolf, 2013). In other words, authentic.

The perception of whether, or not, the strategies are perceived as being authentic are based on the individual’s personal experiences, a concept of self and personal values. Whilst McShane and Cunningham (2012) propose that the concepts of authentic and authenticity can be applied to the whole organisation, the authors add that what is “noticeably absent” in the research of authenticity is “consideration for the employee perception of authenticity” (p. 8).

The majority of research into authenticity within the management literature has focused on either authentic leadership or the authenticity of a marketing strategy based on the perception of consumers. Mazutis and Slawinski (2015, p. 139) conclude: “perceptions of authenticity are attributed either to organizational leaders or to products or brands.” However, for authentic strategy, the perception of authenticity is dependent on how the organisation’s core values are integrated into the behaviour, routines and actions of the members within the firm (Maio, 2003; Stites & Michael, 2011; Vellecco & Mancino, 2010). It is the front-line employees who are the ultimate implementers of strategies and use their perceptions of the strategies to decide to follow policy and do the required green routines, or not. Therefore, to understand this requires research that examines the perceptions of the whole organisation, including the perceptions of the front-line employees.

The concept of authentic strategy is underdeveloped. There exists a gap in the management literature pertaining to how green differentiation strategies are implemented in a way that these strategies are perceived as authentic to the whole organisation: employees as well as management. One criticism of traditional top-approach’s to strategy implementation, such as RBT, by Rapert *et al.* (2002, p. 301) is “it is often assumed that a firm’s corporate strategy is clearly mandated, accurately understood, and immediately accepted by organizational members.” The construct of authentic strategy has the potential to answer this criticism of RBT, particularly in the service sector where “employees are frequently regarded as ambassadors

underpinning their organisation's identity and image, expected to uphold and display their organisations social and ethical values" (Powell, Elving, Dodd & Sloan, 2009, p. 441). Additionally, a goal of authentic strategy is to ensure a shared vision within the firm, which reduces potential barriers to strategy implementation (Miller, Hickson & Wilson, 2008; Ho, Wu & Wu, 2014; Rapert et al., 2002; Salih & Doll, 2013), the central focus of this study.

This research aims to contribute to the management literature by further developing the construct of authentic strategy with reference to the internal stakeholders of a firm, specifically, managers and employees.

2.7. Summary

This literature review has examined the concepts behind the implementation of organisational strategies, with particular reference to authentic green differentiation strategies, using RBT as the theoretical lens. The area of strategy implementation is one that has many gaps in academic research, as Olson *et al.* (2005, p. 47) state that "a poorly executed strategy is merely a vision of what could be." What is largely missing from the academic literature is the 'how to' of strategy implementation. This research aims to address this limitation of RBT: 'how to' implement authentic environmental strategies to develop routines, capabilities and resources as a source of strategic differentiation, and potential sources of competitive advantage.

An aspect of RBT that this research will focus on is capabilities, defined as the "high-level routines (or collection of routines)" used in the deployment of resources in the production and/or service processes (Winter, 2000, p. 983). These are "organizationally embedded non-transferable firm-specific resource" (Makadok, 2001, p. 389) that have the potential to be sources of sustained competitive advantage. What is less established in the literature is how capabilities are formed or aggregated from individual routines. Additionally, there is limited research into routines from the perspective of the non-management employees, particularly the front-line customer-facing employees. To overcome this limitation in RBT literature, this study will take a multi-level approach in order to understand how capabilities can be deployed and developed in a way that creates competitive advantage from the perspectives of the managers and non-managers, particularly the front-line employees, within each firm.

Additionally, whilst the top-down approach to strategy is well grounded in RBT, the bottom-up perspective of strategy lacks strong linkages to RBT. This research takes the position that successful strategy implementation involves a combination of top-management driven central planning and analysis, and bottom-up driven initiatives, in agreement with Hart (1992, p. 333):

“strategy making is both top-down and bottom-up.” Yang *et al.* (2010, p. 170) add there is “clearly a lack of theory development and empirical testing regarding the roles of lower-level management and non-management in strategy implementation process.”

There is also a growing interest in authenticity in business, which is dependent on the integration of values into an organisation’s behaviours (Liedtka, 2008; Maio, 2003). Morrow and Mowatt (2015, p. 656) state: “Environmental and ecological sustainability are increasingly being identified by organizations as important to the creation of competitive advantage, particularly for the ability to differentiate.” However, they caution:

This niche differentiation needs to be authentic, as a criticism of ‘green’ strategies is that they may be seen as superficial, invite accusations of ‘greenwash’ and undermine the organization’s competitive position (Morrow & Mowatt, 2015, p. 656).

Whilst Atkinson, Schaefer and Viney (2000) states that the environmental literature is moving towards a focus on “how the environment can be integrated into the normal strategic processes of organizations (p. 108). Limited research has been done in this area, particularly as to the authenticity of these green strategies from the perspective of internal stakeholders. This perception of authenticity of green strategies is dependent on how the organisation’s core values are integrated into the behaviour, routines and actions of the members within the firm (Maio, 2003; Stites & Michael, 2011; Vellecco & Mancino, 2010). What is “noticeably absent” in the research of authenticity is “consideration for the employee perception of authenticity” (McShane & Cunningham, 2012, p. 82; see also Epstein & Buhovac, 2010; Morrow & Mowatt, 2015; Orlitzky *et al.*, 2011).

Whilst this research will use RBT as the theoretical framework for understanding competitive advantage; this research will take a qualitative approach. This study will also consider other strategic management theoretical frameworks such as DC, SAP and the applied studies perspective. These frameworks have been selected because they share common areas of interest: how green strategies become a source of competitive advantage through the development and implementation of green routines, how these are aggregated as green capabilities (Diagram 2.1). The DC framework is closely related to RBT, with an aim to understand capability and resources as sources of competitive advantage, an issue is this framework explores these with a dynamic external environment focus (Volberda, 2004). SAP purports to be focused on the micro-foundation level of routines. However, extant research under SAP has focused on the middle management level, not the front-line employees. SAP also has the issue of creating case-specific ethnographies, with limited applicability to the meso level of the firm

or to other cases. The applied studies perspective produces advice on the question of 'how to' implement strategy, these are based on the personal opinions and experiences of the authors; however, there is a lack of academic empirical testing. Each of these perspectives and frameworks adds to this research, including ideas of research methodology. As Mintzberg and Lampel (1999) suggest that there is a need to consider a multidisciplinary approach to understand the strategic 'elephant' (Figure 2.5).

This research takes the position that authentic strategy is necessary for the implementation of green differentiation strategies, particularly in the service sector context. This research will examine this process of authentic strategy implementation.

2.7.1. Exposing the Gap and Developing the Research Question

The inspiration for this research stems from a personal interest in the natural environment and a curiosity to understand how businesses engage with this natural environment, in particular how business implement and maintain green actions and routines. This research is interested in how these routines and actions relate to the core values and beliefs of the business: how the business 'walk the talk'. As Freeman and Auster (2011, p. 19) state: "if you say you have this value, then your actions need to be consistent with that value."

This research takes a different perspective from other research on green strategy. The areas that have already been covered by other research include: what green actions businesses do, why the businesses do these actions and how are the effects of these measured, what is the relationship between implementing green strategies and profit and/or shareholder value, as well as a critical approach where research comments on the level of green action and reasoning behind business' engagement, and whether it is genuinely engaging with the green strategies or greenwashing. Table 2.10 lists references used within this project that cover these areas.

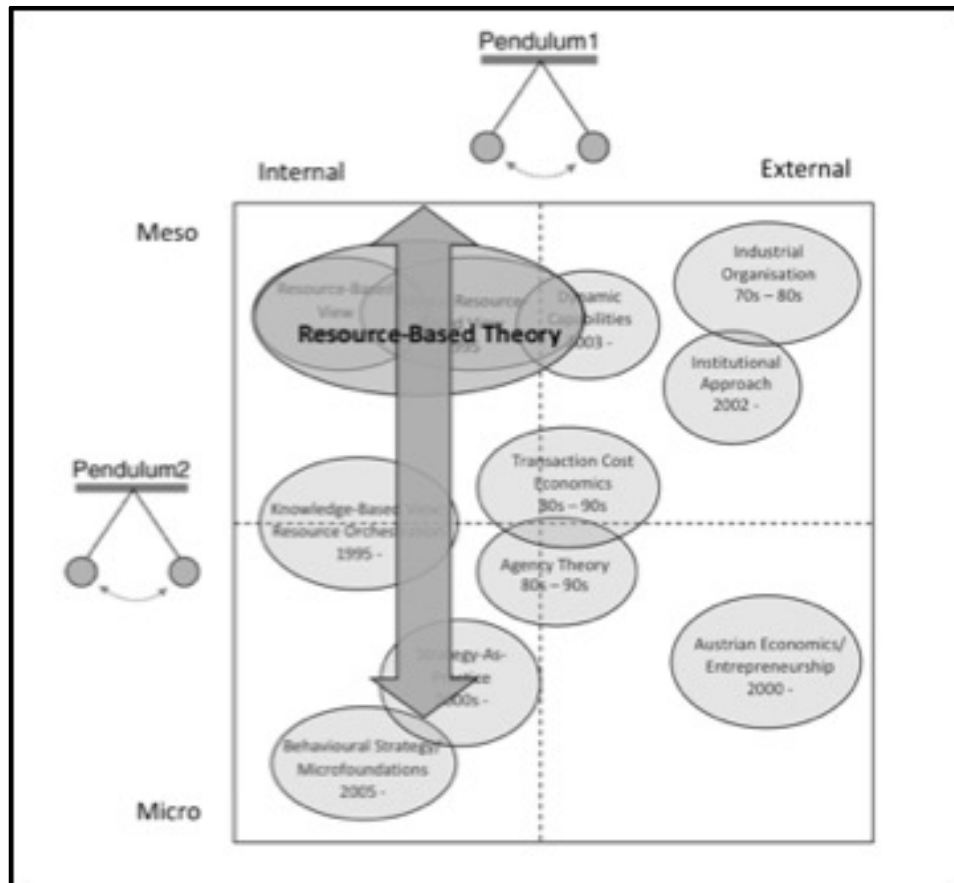
This research will not make a judgement on the green strategies, or routines, as to whether they are 'green', including if they appear to be 'greenwashing', as this has already been done by many other researchers in the sustainability field. This research project aims to examine the processes used to implement green differentiation strategies, as well as to examine the perceptions as to the authenticity of these green differentiation strategies from the perspectives of management and front-line employees.

Table 2.10: Environmental Strategy Research	
Research Area	Reference
Why do business engage in green strategies?	Aguilera, Rupp, Williams & Ganapathi, 2007; Bansal & Roth, 2000; Brønn & Vidaver-Cohen, 2009; Graafland & Mazereeuw-Van der Duijn Schouten, 2012; Rolland & O'Keefe Bazzoni, 2009; Rugman & Verbeke, 2000; Simpson, Taylor & Barker, 2004
What green actions and routines do businesses actually do?	Arena <i>et al.</i> , 2010; Kashmanian <i>et al.</i> , 2011; Stead & Stead, 2008
What is the impact of these green strategies on profit and/or shareholder value?	Biggemann, Williams & Kro, 2014; Ervin <i>et al.</i> , 2013; Hall & Wagner, 2012; Litt & Sharma, 2014; Murthy, 2012; Orlitzky <i>et al.</i> , 2011; Siegel, 2009; Sprinkle & Maines, 2010; Venkatraman & Nayak, 2010
How is the level of green action measured?	Schianetz, Kavanagh & Lockington, 2007
Greenwash	Beder, 2002; Balmer <i>et al.</i> , 2011; Bowen & Argon-Correa, 2011; Insch, 2011

Diagram 2.8 is a visual representation of this research project's position using the pendulum concept of Guerras-Martín *et al.* (2014). RBT is still mostly located in the internal 'swing' of pendulum 1 but has been expanded to connect to the external 'swing' of pendulum 1 in order to include the natural environment (see Diagram 2.6).

This research is focused on strategy at the meso level of the firm and is interested in the development of capabilities as potential sources of competitive advantage. The inclusion of a double-ended arrow is to illustrate the interdependent relationship between meso and micro level of strategy, as well as the relationship in a combination of top-down and bottom-up strategy implementation. This arrow illustrates where empirical research should explore in order to open some 'black boxes' of strategy implementation in RBT: the whole organisation (see Diagram 2.8).

Diagram 2.8: Research Project Position



The research question for this study is:

In what ways do service organisations implement green differentiation strategies to ensure that internal stakeholders perceive these as authentic strategies?

This research will examine the green differentiation strategies as “organisation wide philosophy rather than a management function” (Balmer *et al.*, 2011, p. 1), and follow Ghanam and Cox’s suggestion that “Research work should embrace the whole of strategy and not its dissected parts.” (2007, p. 61) The service sector has been chosen the front-line employees actively implement these green differentiation strategies through routines and actions when engaging with customers and other external stakeholders. In addition to this the service sector has been largely neglected in environmental strategy research, although it “may have substantial impact on the environment and, therefore, much to contribute to [environmental] sustainability” (Wolf, 2013, p. 105; see also Leonidou *et al.*, 2013).

To answer this primary research, question the following will be considered:

SQ 1: How are green differentiation strategies implemented?

SQ 1.1: What green routines/actions do organisational members perform as part of the service process?

SQ 1.2: How do front-line employees know what green routines to perform? (or what not to perform?)

SQ 1.3: Who are the drivers of the green differentiation strategies/routines?

SQ 1.4: What guides choice for flexible routines?

SQ 1.5: How is the information about green routines and strategies transmitted?

SQ 1.6: How are green routines developed into strategic capabilities?

SQ 2: In what way are green differentiation strategies perceived as being a source of competitive advantage?

SQ 3: What makes a strategy authentic to internal stakeholders?

An issue of research under RBT is the lack of qualitative exploration of the strategy implementation process, which has led to 'black boxes'. To aid this research, an initial conceptual model has been developed (Diagram 2.9). This model has been developed based on the initial constructs of this research; these are listed in table 2.10. The purpose of this initial conceptual model and construct list is to provide structure which can be used to form questions for the semi-structured interviews and guide the analysis of the data/information gathered. It is envisioned that additional constructs may be identified during this research.

In Diagram 2.9 the strategy implementation process is visualised as capability deployment, capability development and the monitoring and control of the strategy as it relates to the routines and actions of the front-line employees. Authentic strategy has been visualised as an overlay on this process; whereby the organisational core green values have influence at all levels of strategy implementation, as well as individual firm members accessing their personal green values.

From Diagram 2.9 constructs emerge, these are listed in Table 2.11: Initial constructs in this Research Project, as well a link to supplementary research questions where these constructs are discussed.

Diagram 2.9: Initial Conceptual Model

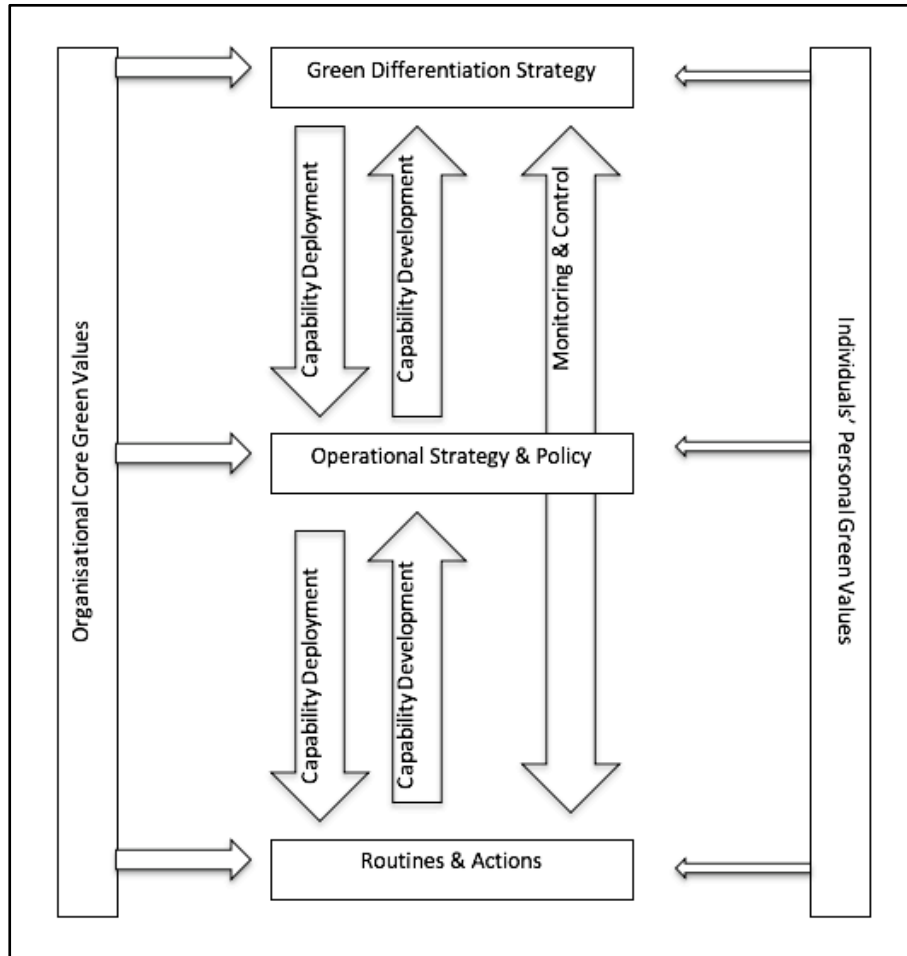


Table 2.11 Initial Constructs in this Research Project

Constructs	Discussed in Supplementary Research Question
Strategy Implementation <ul style="list-style-type: none"> Strategic Vision 	SQ 1 SQ 1.4
Differentiation <ul style="list-style-type: none"> Competitive Advantage Green Differentiation 	SQ 2 SQ 2 SQ 2
Authentic <ul style="list-style-type: none"> Authentic Strategy 	SQ 3 SQ 3
Values <ul style="list-style-type: none"> Organisational Values Personal Values 	SQ 1.4 SQ 1.4, SQ 1.5 & SQ 3 SQ 1.4 & SQ 3
Capabilities <ul style="list-style-type: none"> Capability Deployment Capability Development Routines <ul style="list-style-type: none"> Fixed Routines Flexible Routines Actions 	SQ 1.2 SQ 1,2, SQ 1.4 & SQ 1.5 SQ 16. & SQ 2 SQ 1.1, SQ 1.2, SQ 1.4 & SQ 1.5 SQ 1.3 SQ 1.3 SQ 1.1, SQ 1.2 & SQ 1,4
Monitoring and Control	SQ 1.2, SQ 1.3 & SQ 1.5

Some of these constructs have been defined in the literature, whilst others are underdeveloped and form the basis of this research project. The following subsections examine the gaps in the literature and constructs that the supplementary questions examine.

SQ 1: How are green differentiation strategies implemented?

Construct: Strategy Implementation

The gap in the extant literature on strategy implementation is due to the fact that “Strategy implementation has received less systematic attention than one could expect, and it has been under-investigated in comparison with strategy formulation” (Yang *et al.*, 2010, p. 165). Ghanam and Cox (2007) insist that the whole strategy is examined, not “its dissected parts” (p. 61). However, this is the continuation of the ‘black box’ of the firm in strategic management research. What this research will do is to open the ‘black box’ of the firm, taking a multi-level approach to research to ensure that the complexities and contradictions of the strategy implementation processes can be identified and explored.

In addition to this, the academic literature on green strategies has mostly focused on either the relationships with external stakeholders (Kärreman & Costas, 2013) or the relationship between the environmental performance and financial returns of businesses (Poudyal, Siry & Bowker, 2012), where the “concern for its internal stakeholders has mainly been centred on the shareholders” (Rodrigo & Arenas, 2008, p. 266). There is limited research into how green strategies are “understood, practiced and resisted in organizations” (Kärreman & Costas, 2013, p. 395). In particular, there has been “little attention is paid to the internal organizational processes” for environmental strategies (Kärreman & Costas, 2013, p. 395). Added to this, Russell and Linnenluecke (2009) note that there is little recognition that managers and employees will have different understandings and goals in relation to green strategies, particularly if these are implemented from the top-down.

The discussion on the process of strategy implementation is often found in the applied studies literature, where managers and management consultants publish their knowledge on this field based on their experiences. Where the strategy implementation process has been explored in RBT management literature it is from the perspective of senior managers, with limited interviews or surveys of middle managers, more often found in SAP research (see Tables 2.3 and 2.4). As such the viewpoint of front-line employees is limited or absent. The exception is in the

applied studies literature, where the whole business is considered part of the implementation process (see Diagram 2.6).

One avenue of research that illuminates the strategy implementation process is in the examination of the microfoundations of routines. It is in the establishment of organisational routines and the enactment of green actions that the strategy process can be identified. Salvato and Rerup (2011) propose that the lower level routines and “higher level organisational entities” (p. 484), such as vision, strategy and organisational identity, are interrelated. However, whilst there is an understanding of how the strategy and vision shape routines and actions, there is “less known about the relationship in the opposite direction” (Salvato & Rerup, 2011, p. 484). Examining the whole organisation is involved in this process. Salvato and Rerup (2011) suggest that the way to examine this is to take a multi-discipline approach, combining elements from strategic management and organisational behaviour.

In order to examine the meso level processes of strategy implementation, focusing on organisational capabilities, the micro level routines will be explored to find the processes by which front-line employees actively implement the green differentiation strategies as part of the service process. To do this a number of related questions will be explored.

SQ 1.1: What green routines/actions do organisational members perform as part of the service process?

Constructs: routines, actions

The first constructs to develop are to identify the green routines and actions performed within the organisation. The construct of action is well defined within the literature as the actions that people do as part of their employment. Table 2.5 lists examples of green actions that have been identified in the literature. The construct of routines has been well defined: “standard behaviours, rules of thumb or even strategies that are used, consciously or not, in largely repetitive fashion” (Johnson, 2007, p. 42, see also Parmigiani & Howard-Grenville, 2011; Pentland *et al.*, 2012). In addition, Felin *et al.* (2012, p. 1355) emphasise that “routines are explicitly collective rather than individual phenomena.” Therefore, routines should be examined at the micro level of the routines but need to be analysed at the meso level of the firm in order to explore and understand the strategy implementation process via the collective routines of a firm.

The purpose of this sub-question is to establish which routines and/or actions the organisational members consider to be green. This can be examined from two different perspectives: the management and the non-management employees. The management should be able to identify the green routines and/or actions that the employees should be performing. The employees should be able to identify what they actually do: which green routines and/or actions they perform. This will also be a way to examine the understanding of the way strategies, routines and/or actions are perceived as being green.

SQ 1.2: How do front-line employees know what green routines to perform? (or what not to perform?)

Constructs: capabilities, capabilities deployment, routines, actions, monitoring and control

Capabilities are an “organisationally embedded non-transferable firm-specific resource” (Makadok, 2001, p. 389) used to deploy resources to achieve specific goals (Branco & Rodrigues, 2006; Cavusgil *et al.*, 2007). Winter (2000) states:

An organizational capability is a high-level routine (or collection of routines) that, together with its implementing input flows, confers upon an organization’s management a set of decision options for producing significant outputs of a particular type. (p. 983)

The construct of capability deployment is understood to be the process of “putting resources (and other inputs) into action” (Felin *et al.*, 2012, p. 1355; Penrose, 1995). It is the process by which capability deployment occurs that is not well examined in the strategic management literature: how do employees know what routines to perform, and what routines not to perform? As Molina-Azorin (2014, p. 104) proposes, “strategic management scholars should know that to say that a firm has a certain capability is essentially shorthand for a complex set of underlying individual actions and interactions.” Therefore, by understanding the process of capability deployment should expose part of the strategy implementation process.

Another key construct to examine is the monitoring and control of the routines performed by the members of the organisation. Successful strategy implementation requires an appropriate control system that contains performance measures, a feedback mechanism, as well as a reward system (Cocks, 2010; Epstein & Buhovac, 2010; Ho *et al.*, 2014; Riccaboni & Leone, 2010). Research should also examine the construct of monitoring and control as it specifically relates to green strategies (Hrebiniak, 2006, Kurland & Zell 2011; Riccaboni & Leone, 2010). One avenue

for research is to examine how control systems, such as employee incentives, are utilised to reinforce the correct green routines and discourage undesired routines and/or actions in the service process (Hrebiniak, 2006; Kashmanian *et al.*, 2011; Lothe & Myrtveit, 2003). This examination of the monitoring and control system should include feedback loops to encourage staff involvement, and not be limited to a top-down perspective.

SQ 1.3: Who are the drivers of the green differentiation strategies and routines?

Constructs: fixed routines, flexible routines, monitoring and control

A major weakness of strategic management research, particularly under RBT and other economic perspectives, is the focus on the role of senior management in the implementation process. Ho *et al.* (2014) argue that “Despite the surge of attention on the importance of consensus on strategy implementation” (p. 39) it is the lower level managers and employees that ultimately implement strategy. Volberda (2004) concludes that there has been a movement away from top-down management towards a multi-actor approach to organisational strategy. However, both Ho *et al.* (2014) and Salvato and Rerup (2011) note there is little empirical research on these multi-actor, multi-level perspectives, with Jones *et al.* (2017) adding “studies that include analyses of individual-level data are surprisingly rare.” Whilst managers, particularly senior managers, are able to describe the strategy, and what routines and actions should be happening, it is the employees, particularly the front-line employees in the case of the service sector, who can explain what routines and actions are actually happening. This is in agreement with Salvato and Rerup (2011, p. 482): “Different participants perform different activities and hold different understandings of a routine.”

SQ 1.4: What guides choice for flexible routines?

Contracts: capability deployment, routines, actions, organisational values, personal values, strategic vision

This sub-question is relevant for instances where managers and employees are given an element of choice when implementing strategic routines. Felin *et al.* (2012) define flexible routines as routines where there is managerial discretion; however, there is a lack of understanding of flexible routines at the non-management level (Dao *et al.*, 2011). This research proposes that when a manager and employees implement green flexible routines, they access organisational values and personal values to guide the decision-making process.

In this study, the construct of values has been separated into organisational values and personal values. Organisational values “refer to beliefs about standards of behavior organizational members should use to achieve organizational goals” (Galpin & Whittington, 2012, p. 42). The concept of shared values can provide meaning for employees (Mirvis *et al.*, 2010, p. 320), and align employees with a firm’s green strategies (Galpin & Whittington, 2012). Stead and Stead (2008, p. 69) state: “Firms that base their strategic directions on a core value of sustainability can be said to ‘stand for sustainability’”; the same can be applied to green core values. Taking this further, Maio (2003, p. 244) states that authenticity depends on integrating values and behaviour.” This research is interested in developing the construct of authentic strategy; one potential key to this construct is the use of organisational values in the strategy implementation process.

The construct of personal values relates to the individual’s values, specifically green values for this research, and the way they access these values when implementing routines. It has been established by Collins, Lawrence, Pavlovich and Ryan, (2007), Hemingway and MacLagan (2004), and Mirvis *et al.* (2010), that personal values of managers can be the driving force behind the creation and implementation of green strategies. However, Morrow and Mowatt (2015) found that employees with strong personal green values “were often frustrated that their initiatives were not consistently embraced by the organization” (p. 663). Linnenluecke and Griffiths (2010, p. 364) propose that an “interesting avenue worthy of future research is the relation between individual values and organization values.” Orlitzky *et al.* (2011) agree, concluding there is an “area of weakness in the literature is the lack of research connecting individuals to CSR or related outcomes” (p. 11), and it is this micro level that is “assumed or not explicitly considered” by researchers (p. 11). One critique of RBT is the lack of involvement of the individual’s values and beliefs in the strategy process. This is particularly relevant for environmentally focused strategies in the service sector, as the employees are actively involved in implementing green differentiation strategies during the customer service process.

The use of a strategic vision may also guide the strategy implementation process. The construct of strategic vision is well established in the literature, with Mintzberg (1994) proposing that most successful strategies are visions not plans. He concludes “Vision sets the broad outlines of a strategy, while leaving the specific details to be worked out” (Mintzberg, 1993, pp. 37-38, see also Hart, 1995). Therefore, a green strategic vision sets the future direction of an organisation with the intention of integrating green values throughout the organisation (Amran, Lee & Devi, 2014; Leonidou *et al.*, 2013).

This sub-question will explore in what ways strategic vision, organisational values and personal values guide the implementation of flexible routines.

SQ 1.5: How is the information about green routines and strategies transmitted?

Constructs: capability deployment, routines, organisational values, monitoring and control

This research takes the position that successful strategy implementation involves a combination of top-management driven central planning and analysis, and bottom-up driven initiatives, in agreement with Hart (1992, p. 333) and Volberda (2004). What McShane and Cunningham (2012) suggest is management should do more than assess whether, or not, the environmental strategies are successfully carried out: “Managers should take note of how this process occurred (e.g., procedurally just, actions align with statements) and employees’ reactions to the initiative (e.g., emotional engagement)” (p. 98).

Turner and Fern (2012) theorise that in order for the ‘actors’ to improve their ‘performance’ requires the transfer of information to promote shared understandings of the desired routines. What this question aims to expose is the process of transmission, both vertically between the levels of the organisation: top-down and bottom-up, and horizontally: between ‘actors’ across the same level of the organisation. (See Diagram 2.9)

SQ 1.6: How are green routines developed into strategic capabilities?

Constructs: capability development

The construct of capability development is underdeveloped. While the definition of a capability is “a high-level routine (or collection of routines)” (Winter, 2000, p. 983), there exists a gap in the literature of how routines at the micro level of a business become aggregated capabilities at the meso level of the firm; including how routines can become sources of competitive advantage. One reason for this is proposed by Salvato and Rerup (2011).

Existing conceptualizations of capabilities and routines describe them as aggregate, collective phenomena ... Our analysis suggests that capabilities and routines actually comprise assorted, heterogeneous elements (p. 470).

It is in the heterogeneity of routines and capability, including the path-dependent nature of routines and capabilities, which has the potential for sustained competitive advantage. In

addition, focusing on how the micro level, the “level of individual action and (strategic) interaction” (Abell *et al.*, 2008, p. 489) aggregates to the meso level of the firm will add to the understanding of the strategy implementation process.

SQ 2: In what way are green differentiation strategies perceived as being a source of competitive advantage?

Constructs: Differentiation, competitive advantage, green differentiation, capability development

The constructs of differentiation strategy and competitive advantage are well established in the literature. A differentiation strategy “involves developing one significant aspect of a product in order to set it apart from its competitors” (Porter, 1997, p. 16). The aim of a differentiation strategy is often to create brand loyalty and a positive reputation of the firm, in order to command a price premium (Day & Arnold, 1998; Hart, 1995; Porter, 1991). However, differentiation may not necessarily be about creating conditions to command a premium price; the strategy may also be extended to creating a positive reputation to retain current customers through loyalty, and to increase market share by attracting competitor’s customers.

The construct of competitive advantage is where an organisation “is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors” (Barney, 1991, p. 102). Brenes and Mena (2008, p. 598) propose: “implementing strategy has to do with building competitive advantage by consciously and orderly managing a number of dimensions and components, both inside and outside the firm.” Capabilities and other intangible resources are a greater source for competitive as these are more difficult to imitate (Barney, 1991, 1995; Browning *et al.*, 2009; Cavusgil *et al.*, 2007). Whilst Hart (1995, p. 991) concluded: “it is likely that strategy and competitive advantage in the coming years will be rooted in capabilities that facilitate environmentally sustainable economic activity.” However, Delmas *et al.* (2011, p. 120) state: “Surprisingly, very few studies have looked at the relation between organizational capabilities, environmental proactivity, and competitive advantage.”

The construct of green differentiation strategies is well established in the literature. An organisation aims to leverage their green strategies as a way to create competitive advantage through the creation of a positive reputation and brand loyalty (see Bansal & Roth, 2000; Branco & Rodrigues, 2006; Epstein & Buhovac, 2010; Ervin *et al.*, 2013; Galpin & Whittington, 2012; Giovanni, 2012; Gupta *et al.*, 2013; Jayawardena *et al.*, 2013; Kashmanian *et al.*, 2011; Leonidou

et al., 2013; Litt & Sharma, 2014; Mihalic, 2000; Porter & Kramer, 2006; Siegel, 2009; Simpson *et al.*, 2004; Solveig, Ingunn & Trapani, 1999 ; Stead & Stead, 2008). Sprinkle and Maines (2010, p. 446) state that whilst “firms may have altruistic intentions” as to why they engage with green strategies, it is very difficult to “disentangle such intentions from profit-seeking aspirations.” Morrow and Mowatt (2015, 656) add: “This niche differentiation needs to be authentic” (see also Insch, 2011; Orlitzky *et al.*, 2011; Wolf, 2011), which is the subject of the final supplementary question.

Whilst Mysen (2012, p. 496) suggests there is a “growing awareness that environmental responsibility can spur growth and differentiation” there is little examination of the perceptions of organisational members as to whether the firm’s green strategies are a source of competitive advantage, and by extension are differentiation strategies. In particular, there is an absence in the literature of the perceptions of organisational members outside of senior management, i.e. middle management and non-management employees. As such this research will use a multi-level approach interviewing the managers responsible for setting and implementing the green differentiation strategies, as well as the front-line customer-facing employees who interact with the strategy and apply the strategy during the service process. In doing so, the aim is to open some of the ‘black boxes’ of RBT: the “causal hows and whys” of competitive advantage (Priem & Butler, 2001, p. 34; see also Porter, 1991).

SQ 3: What makes a strategy authentic to internal stakeholders?

Constructs: authentic, authentic strategy, values: organisational values, personal values

The construct of authentic, and by extension authenticity, is complex within a business context. A number of authors have defined authentic and authenticity (see Table 2.9), the key concepts include: genuine, real, true, not fake and not contaminated, as well as, honest, credible, and ethical. Most definitions also include an element that the authentic is based on personal experience, the concept of self and personal values.

However, the construct of authentic strategy is underdeveloped in the literature (Mazutis & Slawinski, 2014; McShane & Cunningham, 2012; Morrow & Mowatt, 2015), particularly in strategic management literature. In this research, authentic strategy is understood to exist where the strategy is perceived to be consistent with the principles of the core organisational values. This research examines green differentiation strategies; in order for these to be perceived as being authentic by the members of an organisation, the green differentiation

strategy must be perceived as being consistent with the principles of the organisation's green core values. This is not to say that for green differentiation strategies to be authentic a certain level of greenness needs to be achieved, it is the perception of the organisational members that the green differentiation strategies are consistent with the principles of the organisation's green core values. In addition, authentic strategy would represent one where the organization and actors within it were committed to the strategy as active participants, and front-line employees are able to participate in the delivery of strategic goals (Cox & Mowatt, 2012; Morrow & Mowatt, 2015).

This research aims to further develop the construct of authentic strategy, with reference to the internal stakeholders of management and front-line employees. As McShane and Cunningham (2012, p. 97) state: "the concept of authenticity has received scant attention in the management literature", with Morrow and Mowatt (2015, p. 661) adding, "more work needs to be undertaken to understand wider meanings of authenticity", particularly in a strategic management context. Specifically, this research will examine the gap in the management literature pertaining to how green differentiation strategies are implemented in a way that these strategies are perceived as authentic to the whole organisation, including the employees as well as management.

2.8. Conclusion to the Literature Review

This literature review has examined the main theoretical constructs of this research: strategic management, strategy implementation processes, the interaction between strategic management and the natural environment, as well as authentic strategy. From this literature review gaps in the strategic management literature were identified and the research question and supplementary questions were developed (See Table 2.12).

The service sector context has been selected for this study as it is a useful site to examine the concepts of interest. The central aim of this research is to examine how management and employees interpret and understand green differentiation strategies, the service organisation context will allow for an exploration of how organisational members engage with and implement green strategies as green routines and actions as part of the service process, with the potential for aggregation to the meso level of the firm as capabilities as sources of competitive advantage. This differs from the manufacturing or primary (extraction) industries where there can be opportunities to implement green strategies by reducing resource use and

minimise wastage or rely on the efforts of other businesses in the supply chain. The service sector is also an under-research sector in strategic management.

One key limitation of research using economic perspectives such as RBT is to consider the firm a single entity where resources are allocated to achieve competitive advantage. This 'black box' approach has resulted in a limited understanding of strategy implementation and capability development process. This study will examine the firm as a collection of different business units within the firm. This will allow for the understanding of how variations in green strategy implementation and green routines at the micro level of the individual business units are aggregated as green capabilities and as the heterogeneous sources of competitive advantage at the meso level of the firm.

Whilst alternative theoretical frameworks were considered, including DC and SAP examined in this literature review; these perspectives also have limitations. The applied studies perspective illuminates the strategy implementation processes but lacks empirical testing outside of the various author's personal experiences as managers and consultants. Therefore, a qualitative approach will be followed to examine the 'how's and 'whys' of these processes, as well as the 'whos' of the members of an organisation's involvement in these processes: taking a multi-level approach to interview senior managers, middle managers and front-line customer-facing employees across individual units within firm.

The following chapter outlines the methodology used for this study, including case organisation and participant selection and recruitment. Included in this chapter is a fuller exploration of the qualitative techniques and methods used to gather information and the thematic analysis of the findings.

Table 2.12: Research Questions
Research Question
<p>RQ: In what ways do service organisations implement green differentiation strategies to ensure that internal stakeholders perceive these as authentic strategies?</p>
Supplementary Research Questions
<p>SQ 1: How are green differentiation strategies implemented?</p> <p style="padding-left: 40px;">SQ 1.1: What green routines/actions do organisational members perform as part of the service process?</p> <p style="padding-left: 40px;">SQ 1.2: How do front-line employees know what green routines to perform? (or what not to perform?)</p> <p style="padding-left: 40px;">SQ 1.3: Who are the drivers of the green differentiation strategies and routines?</p> <p style="padding-left: 40px;">SQ 1.4: What guides choice for flexible routines?</p> <p style="padding-left: 40px;">SQ 1.5: How is the information about green routines and strategies transmitted?</p> <p style="padding-left: 40px;">SQ 1.6: How are green routines developed into strategic capabilities?</p> <p>SQ 2: In what way are green differentiation strategies perceived as being a source of competitive advantage?</p> <p>SQ 3: What makes a strategy authentic to internal stakeholders?</p>

3. Methodology

3.1. Introduction

This chapter outlines the methodological approach used in this study. This research aims to answer the research question: In what ways do service organisations implement green differentiation strategies to ensure that internal stakeholders perceive these as authentic strategies? A qualitative approach has been chosen for this study, however, taking a qualitative approach is relatively novel in RBT strategic management research. In the meta-analysis of the *Strategic Management Journal*, as discussed in the literature review chapter, Molina-Azorin (2012) indicate that only 8% of the 1086 empirical articles published between 1980 and 2006 were qualitative methods, with 15.2% mixed methods (Table 2.3). In the years 2007-2016, this percentage falls to 2.5% qualitative methods and 3.2% mixed methods of the 652 articles published in *SMJ* (Table 2.4). These percentages are even lower in publications based on an RBT framework: a meta-analysis of strategic management journal articles identified by EBSCO database using the search “resource-based” (1980-2016) found of the 136 articles only 1 was qualitative methods and only 2 with mixed methods, the remaining 133, or 97.8% were quantitative methodology (Table 2.5). Priem & Butler (2001) suggest that this emphasis on quantitative research has resulted in a limited understanding of the “processes through which particular resources provide competitive advantage” (p. 33), resulting in the “causal hows and whys” of competitive advantage remaining in a “black box” (p. 34). Taking a qualitative approach allows for deeper understandings of the strategy implementation processes, capabilities, routines and competitive advantage based on the perceptions and experiences of the managers and employees.

This research is a cross-industry multiple case study of three service organisations. The service sector have been selected as the sector of interest as these are businesses where the green strategies are implemented as green routines and capabilities as part of the service process, where “service employees simultaneously attempt to satisfy the needs and expectations of internal (e.g., managers, peers) and external constituents” (Subramony & Pugh, 2015, p. 355). In addition, service organisations “may have a substantial impact on the environment and, therefore, much to contribute to [environmental] sustainability” (Wolf, 2013, p. 105; see also Leonidou, Leonidou, Fotiadis & Zeriti, 2013).

A cross industry approach had been used to reduce the issue of industry context specific results. An example of this in the literature is the constructed/staged authenticity in the tourism industry

(Chronis & Hampton, 2008; Leigh, Peters & Sheldon, 2006). Taking a cross industry approach reduces industry specific context and make the findings more generalisable across other industries within the service sector.

The cases were selected using theoretical sampling using document analysis, conducted based on selection criteria, where the business' webpage and other online media were examined, to create a grouped and ranked list of potential case organisations for recruitment of cases. The main source of information was gathered using the qualitative technique of semi-structured interviews of purposive sampled senior management, middle management and front-line customer-facing employees: taking a multi-level approach across different business sites within each case organisations. The interviews transcripts were analysed using the interpretivist approach of thematic analysis.

Epistemologically an interpretivist approach is used, as the aim is to research social actions (Bryman & Bell, 2011), in this case, strategy implementation processes. The use of the interpretivist paradigm is appropriate as this research: "Questions whether an organisation can exist in any sense beyond the conception of social actors, so understanding must be based on the experiences of those who work within them" (Bryman & Bell, 2011, p. 24). The interpretivist approach will allow for an understanding of how management and employees interpret and understand green differentiation strategies within the service organisation context as they engage with and implement these strategies as capabilities, routines and actions (Gioia & Chittipeddi, 1991; McShane & Cunningham, 2012; Myers, 2010). In addition, this research examines the management and employee perceptions as to whether these green differentiation strategies are perceived as authentic strategies. The main interpretivist tool is thematic analysis of information from semi-structured interviews with senior management, middle managers and front-line employees.

Ontologically the organisations chosen are being considered as entities, social constructs, based on the perceptions and social actions of the employees (Bryman & Bell, 2011). However, this ontological approach has been used in prior strategic management research to conceptualise a firm as a single entity, resulting in limitations in research under RBT: the 'black box' approach and the primary focus on senior management. Jarzabkowski *et al.* (2009) state that few studies have revealed

variation in doing strategy between different groups, such as variation in the strategizing practices between corporate and business unit or corporate and peripheral actors,

which had implications for those actors' capacity to influence the strategy process (p. 88)

To address the 'black box' limitation of RBT strategic management research this study conceptualises the firm as a single entity that consists of a number of business units. In Davies *et al.* (2018) 'Long and Winding Road' model of routine creation and replication process (Figure 2.7) the operational business units are where the "experiment" stage occurs at the micro level of the firm. In this Davies *et al.* (2018) does not indicate why the specific operational unit is chosen for the experiment stage, or if they perceive differences between operational units in the acceptance and performance of the routines in the "enact" stage.

One field of research where business units are treated as separate and potentially different parts of an organisation is organisational behaviour. Howard-Grenville (2006) states: "Organizational cultures are rarely monolithic, however, and subcultural differentiation may be more the norm than the exception" (p. 49). In their research *Inside the "Black Box": How Organizational Culture and Subcultures Inform Interpretations and Actions on Environmental Issues*, Howard-Grenville (2006) examines how "organization's culture, and in particular, its constellation of subcultures, shapes how environmental issues are interpreted and acted on" (p. 67). This recognises that differences may exist between each business unit.

Therefore, whilst this study will examine each case firm as a single entity, each firm will be conceptualised as a 'constellation' of business units. This will allow for the similarities and differences between each business unit to be examined within each firm. This will also allow for comparisons to be made between business units of other case firms.

The multi-level approach in this study is to allow for the exploration of what Klein and Kozlowski (2000, p. 215) term "shared team properties". These are "the experiences, attitudes, perceptions, values, cognitions or behaviours that are held in common by a team" (Klein & Kozlowski, 2000, p. 215). Whilst this research is interested in the perceptions of the authenticity of the green differentiation strategies it is focused on the aggregated perceptions and values of the member of the whole organisation. Included in this is the link to the embeddedness of the green differentiation strategies and an exploration of the emergence of capabilities, routines and actions as part of the strategy implementation process (Lopes Costa *et al.*, 2013).

Additionally, taking a multi-level approach gives a greater ability to make generalisations and apply theory across the different levels of the whole organisation: to "better integrate macro

and micro models of organisational behaviour” (Klein & Kozlowski, 2000, p. 220; see also Hitt *et al.*, 2007; Jones *et al.*, 2017). One way to integrate the macro and micro models is to utilise the meso concept as a bridge between macro and micro (Lopes Costa *et al.*, 2013; Klein & Kozlowski, 2000). This takes the assumption that firms, and strategy, are complex and are continually interacting “with outside systems (e.g., the market) and inside systems (e.g., departments)” (Lopes Costa *et al.*, 2013, p. 8, see also Eisenhardt, 1989; Ghanam & Cox, 2007; Gioia & Chittipeddi, 1991; Patton & Appelbaum, 2003). Rousseau (2011, p. 432) when referring to the field of strategic management adds that “no field but ours has the multilevel acumen to interpret well organizational phenomena, their internal and external relationships, and the behaviour and experience of people therein.”

In addition to this, the information gathered from the interviews will be used to develop the construct of authentic strategy further. The construct of authentic strategy links the strategy implementation processes with the core values of the organisation. A quantitative approach could have been used to measure the level of authenticity of the green differentiation strategies, the level of ‘greenness’ of the strategies; however, this would not lead to an understanding of what this data actually means. A qualitative approach allows for the perceptions of management and front-line employees as to the authenticity of the green differentiation strategies to be explored in detail, as well as to examine their understanding of the concept of authenticity.

The remainder of this methodology chapter explains the process of case selection. The chapter then outlines the interview participant selection and recruitment process, followed by an explanation of thematic analysis used for data analysis of the findings. The last sections describe the measure taken to ensure the trustworthiness of the results, followed by ethical considerations for this research. This chapter ends with a summary of the methodology of this study, including a table highlighting the research steps.

3.2. Case Selection

This research undertook a multiple case studies technique as outlined by Eisenhardt (1989). Eisenhardt (1989) recommends the use of multiple data collection techniques, such as interviews, and exploration of archival sources, be used in the process of theory building and development. Eisenhardt (1989) also indicates that a key feature of using case study for theory building is the ability to make adjustments in the data collection to “allow the researcher to probe emergent themes or to take advantage of special opportunities which may be present in a given situation” (p. 539). The ultimate goal in case study analysis is to “uncover patterns,

determine meanings, construct conclusions and build theory” (Patton & Appelbaum, 2003, p. 67; see also Eisenhardt, 1989). This research investigates three case studies, with the main information collected during interviews of senior and middle management responsible for the setting and implementing of green differentiation strategies, and front-line, customer-facing employees from each case organisation (Eisenhardt, 1989; Onwuegbuzie & Leech, 2007). The final number of participants from each organisation is stated in Table 3.9 Case-specific Participant Numbers. Document analysis of publicly available information on each business was conducted prior to the interviews in order to select potential cases (see 3.2.1 for more detail), as well as to gather background information for the interviews.

3.2.1. Phase One: Preliminary Case Selection

Case selection was conducted using a theoretical sampling technique, where potential case’s green differentiation strategies were examined from a wide range of perspectives (Bansal & Roth, 2000; Blome & Schoenherr, 2011; Seawright & Gerring, 2008). Eisenhardt and Graebner (2007, p. 27) state, “theoretical sampling simply means that cases are selected because they are particularly suitable for illuminating and extending relationships and logic among constructs” with the choice of cases “based less on the uniqueness of a given case, and more on the contribution to theory development.”

This research takes a cross-industry approach in order to understand how businesses implement authentic strategy in a way that can be “generalizable to a wider range of organisations” (Pagell & Wu, 2009, p. 41; see also Bärenfänger, Otto & Österle, 2014). This gives the ability to determine similarities and differences between cases independent of specific industry contexts (Hart, 1992). An example of industry specific context is the use of staged authenticity within the tourism industry. A cross-industry approach also overcomes “the problem of conducting research in a country, such as New Zealand” (Chetty, 1996, p. 75) where the segments within the service industry are small, for example, the banking and energy industries, limiting the number of potential case organisations.

The theoretical sampling approach used in this research is the identification of exemplars of organisations that are implementing authentic green differentiation strategies. Pagell and Wu (2009) define exemplars as “organizations that are well ahead of their industry in either social and/or environmental performance while still maintaining economic viability” (p. 40).

3.2.1.1. Document Analysis: Phase One

The case selection process was based on document analysis of publicly available information using a set of criteria to identify potential exemplar case organisations (see Table 3.1). Background information was gathered to develop a rich insight into the potential cases in order to guide exemplar case selection. The authentic strategy case criteria (Table 3.1) were used to conduct document analysis of publicly available information to identify potential case organisations. Whilst the intention is only to examine exemplar cases, these criteria will not conclusively identify businesses that are doing authentic green differentiation strategies. Therefore, these criteria act as proxies for authentic green differentiation strategy for case selection.

Table 3.1: Authentic Strategy Case Selection Criteria	
Criteria 1: Setting General Parameters	
1.1 Service organisations that operate within New Zealand	
1.2 Customer service organisations	
1.3 Must have environmental strategies	
1.4 Must actively promote their environmental strategy	
Criteria 2: Exemplar Case Identification	
2.1 Affiliation with environmental and/or sustainability associations and groups	
2.2 Third party environmental accreditation and/or Environmental awards	
2.3 Case study on third-party environmental group webpage	
2.4 Sponsor environmental action/groups and/or environmentally focused conferences	
2.5 Produce environmental reports as part of financial reporting	

Document analysis is defined by Bowen (2009a) as “a systematic procedure for reviewing or evaluating documents” (p. 27) “often used in combination with other qualitative research methods as a means of triangulation” (p. 28). The advantages of document analysis identified by Bowen (2009a) are listed in Table 3.2.

Table 3.2: Advantages of Document Analysis	
Efficient method	“Document analysis is less time-consuming and therefore more efficient than other research methods.”
Availability	“Many documents are in the public domain, especially since the advent of the Internet, and are obtainable without the authors’ permission.”
Lack of obtrusiveness and reactivity	“Lack of obtrusiveness and reactivity: Documents are ‘unobtrusive’ and ‘non-reactive’—that is, they are unaffected by the research process”
Stability	“As a corollary to being non-reactive, documents are stable.”
Coverage	“Documents provide broad coverage; they cover a long span of time, many events, and many settings.”

(Adapted from Bowen, 2009a, pp. 31-32)

The process of “Document analysis involves skimming (superficial examination), reading (thorough examination), and interpretation.” (Bowen, 2009a, p. 32) Bowen (2009a) lists some advantages of using document analysis: Table 3.2 is a summary of key and relevant advantages of document analysis for this research. He also cautions “Documents should not be treated as necessarily precise, accurate, or complete recordings of events that have occurred” (Bowen, 2009a, p. 33). There needs to be a recognition that some documents on green strategy may amount to greenwash.

The document analysis involved accessing the webpages of the businesses and other Internet searches (see 3.2.3 for details). The webpages accessed were skimmed for identifiable elements of green differentiation strategy: “a first-pass document review, in which meaningful and relevant passages of text or other data are identified” (Bowen, 2009a, p. 32). Where relevant information was identified, the webpages were saved (bookmarked and pdf file) and read for deeper examination, any pertinent information was interpreted and recorded (see Appendix C: Document Analysis Results).

The first phase in the document analysis was to develop a list of potential service business cases that have green differentiation strategies. There is no official list of organisations that use green differentiations strategies, so the business membership lists from the Sustainable Business Council (SBC) and the Sustainable Business Network (SBN) were accessed (López-Gamero *et al.*, 2011; Pagell & Wu, 2009). The SBC and SBN are both professional business associations that aim to encourage the integration of sustainability into New Zealand businesses.

The SBC is an executive-led organisation consisting of member business’ CEO or senior management who directly report to the CEO. The member organisations of SBC tend to be large businesses. The aims of SBC are to share and showcase exemplars of sustainable business: sharing knowledge and experiences of the member organisations, identifying sustainable benchmarks, and “being a change agent through inspiring and driving mainstream change” (<http://www.sbc.org.nz/about/purpose-statement>). Included in this aim is to lobby government, both local and central, on sustainability issues.

The SBN is a more extensive professional business association than SBC, with a broader aim than SBC: “We work with members, helping them to succeed sustainably and to progress their role towards contributing to New Zealand being a model sustainable nation” (<http://sustainable.org.nz/who-is-sustainable-business-network/about-the-sustainable-business-network>). The SBN is made up of organisations of varying sizes: from large corporations

to SMEs, including owner-operator businesses. The aim of the SBN is to connect these businesses and share information and resources on sustainability issues.

These two associations have been chosen as the membership lists of both SBC and SBN are substantive: as of the 11th March 2016 the SBC lists 84, and the SBN lists 464 businesses. In addition, using these professional business associations also increases the international replicability of this research in other countries/regions, as similar professional business association membership lists could be accessed, and similar lists of potential cases identified.

3.2.1.2. Criteria 1: Setting General Parameters

In phase one of the document analysis, the Authentic Strategy Case Selection Criteria 1.1-1.4 (Table 3.1) were used to guide the document analysis of the organisations listed in the member lists of the SBC and SBN. The criteria were systematically used to decide which organisations were to be considered in more detail in later phases of the selection process, as well as which organisations to exclude at each step of the document analysis.

The first criterion, 1.1 service organisations that operate within New Zealand, limited the potential case organisations to the service organisations that operate within New Zealand, preferably with senior management located within New Zealand. This did not exclude any service organisation with a head office or parent company located overseas but limited the cases to where the management of the New Zealand operation/division are able to develop and implement strategy. This research investigates how managers and front-line employees assign meaning and interpret strategy; keeping within New Zealand is a context reduces the potential for contextual differences due to relevant Government green initiatives, including green laws, taxes, subsidies, etc. This context also taps into the clean, green reputation of New Zealand; used in marketing campaigns such as the 100% PureNZ marketing campaign from Tourism New Zealand (Insch, 2011). New Zealand is also a place that I as the researcher has lived, worked and studied in; meaning a strong understanding of the socio-cultural context of the participants.

This research was not restricted to a just New Zealand context, the intent is that this study could be conducted in other countries. However, this context boundary has the potential to limit the generisability of some findings. The literature searches had a focus on strategy implementation, authentic strategies, routines and capabilities; therefore, New Zealand specific literature was not searched for the main constructs of this study. The exception was to examine literature

pertaining to contextual green elements within New Zealand, such as to examine the clean, green reputation.

The service sector has been chosen as a context for this study. This research is interested in the implementation of green differentiation strategies, and a way to do this is to examine the capabilities and routines of the members of the organisations. In manufacturing or primary (extraction) industries there is the opportunity to implement green strategies by reducing resource use and minimise wastage (Epstein & Buhovac, 2010; Linnenluecke & Griffiths, 2010; Porter & van der Linde, 1995) or rely on the efforts of other businesses in the supply chain (Dao *et al.*, 2011; Giovanni, 2012; Kashmanian *et al.*, 2011). In the service industry, the green differentiation strategies form part of the service process, therefore, the members of an organisation should all be actively involved in the implementation of these strategies. As well as this, the service sector has also been largely neglected in environmental strategy research, although it “may have substantial impact on the environment and, therefore, much to contribute to [environmental] sustainability” (Wolf, 2013, p. 105; see also Leonidou *et al.*, 2013).

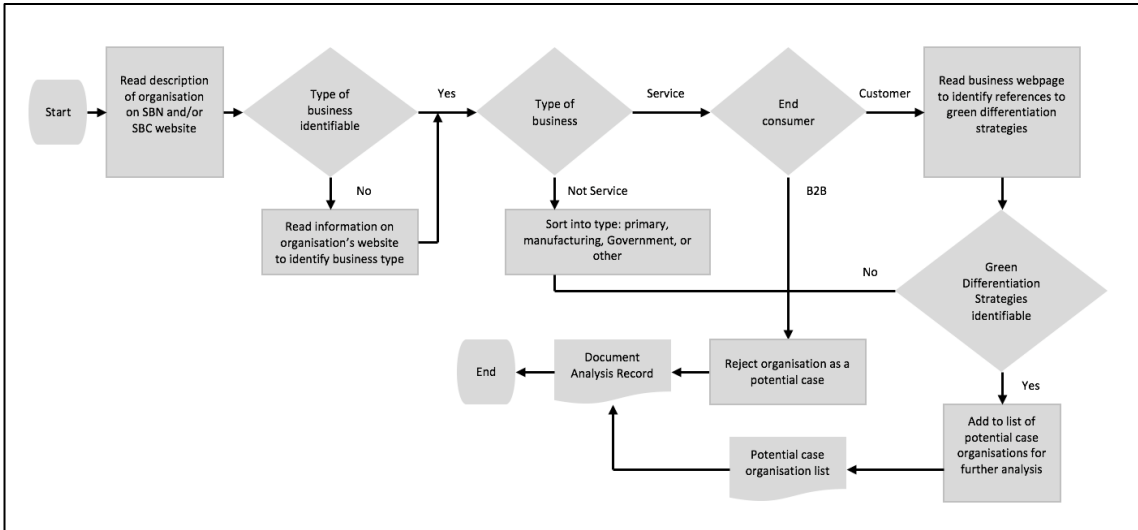
The second criterion, 1.2 customer services organisations, was to select cases that directly engaged with the general public: the customers. Business-to-business (B2B) organisations are a valid group for this research project. However, organisations that are solely B2B have been excluded from the sample as these may not necessarily have firm-specific green differentiation strategies and may rely on green differentiation strategies as part of the wider supply chain. The implementation of green differentiations strategies in B2B organisations could be the subject of future research.

The third criterion, 1.3 must use green differentiation strategies, was used to filter to find organisations that use green strategies for differentiation purposes. Criteria 1.4: must actively promote their green differentiation strategies was used to further filter the organisations with the aim of this selection process to find exemplar case organisations that are actively implementing authentic green differentiation strategies. Criteria 1.4 was examined by specifically looking for green strategy information in publicly available secondary information, including promotional and marketing material about the organisation’s green actions and policies. To do this potential case organisation’s websites were examined. Websites were also used as an information source as it was not practical to physically visit each potential service business to identify and evaluate their green differentiation strategies. In addition, the document analysis of secondary data and information sources occurred prior to the ethics application, with the document analysis used to identify the short list of potential case

organisations for this research. The results of these two criteria, 1.3 and 1.4, have been combined (Table 3.3) as these criteria were simultaneously considered during the document analysis.

The process used in phase one is illustrated as a flow chart in Diagram 3.1.

Diagram 3.1: Case Selection Phase One



3.2.1.3. Results of Document Analysis: Phase One

The results of phase one of the document analysis are listed in Table 3.3: Criteria 1 Document Analysis Summary, and in greater detail in Appendix C: Document Analysis Results. Prior to the document analysis, the membership lists from the SBC and SBN were merged, with duplicate listings of businesses removed, in total 548 organisations were examined. At the conclusion of phase one of the case selection process, a further reduction was made combining all of the Accor Group hotels into one organisation (19 hotels listed) as the information of each hotel linked to the parent Accor Group’s green strategies. In phase one of the case selection process a total of 529 organisations that were examined against criteria 1: Setting General Parameters of the Authentic Strategy Case Selection Criteria (see Table 3.3).

The document analysis of the SBC and SBN business member lists began with selecting potential case organisations based on criteria 1.1 service organisations that operate within New Zealand and 1.2 customer service organisations. In many cases, there were business descriptions as part of listings on the websites of SBC and SBN gave sufficient information to assess criteria 1.1 and 1.2. Where the organisations were listed by name only, or insufficient information was provided in the SBC or SBN, criteria 1.1 and 1.2 were assessed either through personal knowledge of the

organisation, or the organisation's webpage was accessed to find relevant information, either through a link on SBC or SBN webpage or a Google.co.nz search using the organisation's name.

Table 3.3: Phase One: Criteria 1 Document Analysis Summary		
Criteria	Satisfy Criteria	Removed from List
1.1 Service organisations that operate within New Zealand	Service 307 Service & Manufacturing 11 Total = 318	Government 28 Primary 19 Manufacturing 105 Other 26
1.2 Customer service organisations	Customer 138	B2B 180
1.3 Must use green differentiation strategies 1.4 Actively promote their green differentiation strategy	Yes 59	No 79

A limitation of using SBC and SBN business members lists was to exclude any business who is not a member of either of these professional business associations. However, an advantage of accessing these members lists is the businesses are signalling their commitment to green sustainability (Brunton, Eweje & Taskin, 2017) though memberships to SBC and SBN.

Using criterion 1.1 service organisations that operate within New Zealand 307 service organisations and 11 services and manufacturing organisations were identified for further consideration (Table 3.3). The organisations removed from the list were government owned or operated, e.g. Auckland Council, New Zealand Post Group, Auckland Transport (AT), primary sector organisations, manufacturing, and 'other' which were information, education and lobby groups, e.g. EcoQuest Education Foundation, WWF New Zealand. The classification of the excluded organisations was done for future reference; the businesses were assigned a code as part of the document analysis (Appendix C). This served as a reminder as to why these businesses were excluded, for example, Kiwibank is a service organisation but was excluded from the list of potential case organisations as it is Government owned and operated, therefore classified as 'G'.

Using criterion 1.2 customer service organisations, 138 organisations were identified as customer service oriented, removing 180 businesses that were primarily B2B oriented (Table 3.3).

To analyse each potential case organisation based on criteria 1.3 must use green differentiation strategies and 1.4 actively promote their green differentiation strategy the web pages of each business was skimmed (Bowen, 2009a) for references to information on green strategies, and/or

related terms such as environment, ecology or sustainability. This information was in a number of different places on the business web pages, including the homepage, in the 'about', 'history' or 'what we do' web pages, and/or in separate environmental/sustainability webpages. This also included the identification of affiliation with, and accreditation and awards from third-party organisations (see criteria 2.1-2.5 discussed in 3.2.3 Phase Three: Exemplar Case Selection). The document analysis identified 59 organisations where criteria 1.3 and 1.4 were satisfied, as well as excluding 79 organisations from further analysis (see table 3.3).

A limitation of this method was the availability and accessibility of information about each potential case to judge the businesses against the criteria. In some instances, there was a limited amount of information that could be found on the business's webpage, this may have had an impact on the rankings and final selection of some potential case organisations. One way this was overcome was to conduct additional searches on Google and other websites, which was also done as part of Phase Three (see 3.2.3).

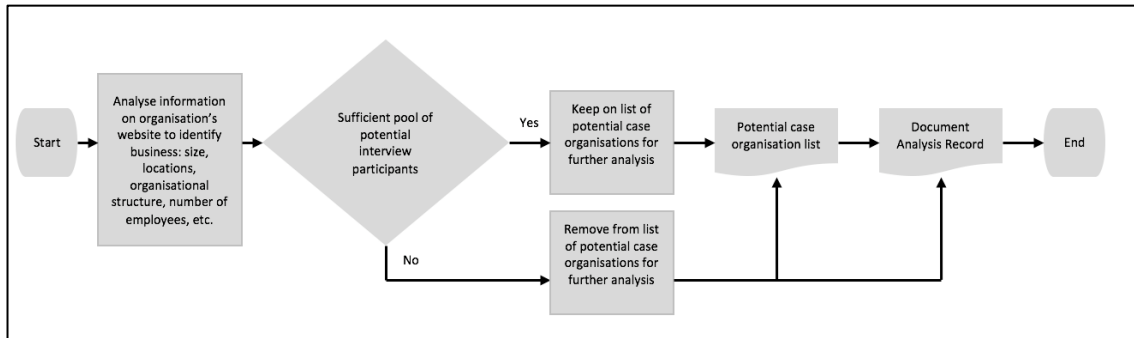
At the completion phase one of the case selection process 59 businesses were identified for further analysis as potential cases (Table 3.3; Appendix C).

3.2.2. Phase Two: Structure and Size of Potential Case Organisations

The second phase of case selection is to determine which of the 59 businesses identified in phase one had the organisational size and structure that included the range of participants sought for the interview phase of the research: managers and front-line employees.

This phase further guided the case selection process. This is summarised in Diagram 3.2. The intention of this research was to interview 1-3 senior managers, 1-3 middle managers and 5-12 front-line employees at each case organisation (See Table 3.9 and 3.2.5 Interview Participant Sample for full details of actual numbers). The businesses removed from the list of potential cases were of insufficient size or were single site organisations, which also limited the examination of the strategy implementation process. Twenty-seven organisations were removed from the list of potential case studies, leaving 32 organisations that were analysed further.

Diagram 3.2: Case Selection Phase Two



3.2.3. Phase Three: Exemplar Case Selection

The third phase of case selection was to identify exemplar cases of selected service industries. Document analysis was used in this phase to create a richer insight into potential exemplar cases, following Bowen's (2009a) concepts of reading and interpretation of the prospective case organisation's web pages. In addition to the business webpages, the methodology of Pagell and Wu (2009) was considered, where the authors:

used newspaper articles, articles in the business press, presentations at sustainability conferences, investments in socially responsible funds and the like to identify organisations that could be considered exemplars. Each organisation has been recognized and/or reported in multiple outlets (p. 40).

Myers (2010) adds that identifying businesses that are reported in the public media are also "more likely to be receptive to case study research by strangers' (p. 78).

This research searched the New Zealand Herald (nzherald.co.nz) and Stuff.co.nz, two major New Zealand based news sources available online, as well as more general Google (Google.co.nz) searches, to identify instances where the potential cases fulfilled criteria 2.1 – 2.5 (Table 3.1). Table 3.4: online search, lists the search terms used to search for the identified key words in order to find elements that satisfy criteria 2.1 – 2.5, as well as find green strategies elements not listed on the business webpages. For publicly listed companies the financial reports were examined, in some cases separated sustainability reports were available, these were accessed from the company's webpage. This process of online searches also revealed further information about the green strategies of the businesses identified in prior phases; bolstering the information gathered about each business based on criteria 1.3 and 1.4 (see Table 3.1).

Table 3.4: Online Search		
Search term used	Key words	Criteria 1 or 2
Environment*	Environment, environmental, environmentalism, environmentalist	1.3 Use green differentiation strategy 1.4 Promote green differentiation strategy
Green Ecology Natural Nature		2.2 Third party green accreditation
Awards	Awards	2.2 Green awards
Sponsor*	Sponsor(s), sponsorship	2.4 Sponsor green action/groups and/or green focused conferences
Case	Case Study	2.3 third-party case study
Report	Environmental Report	2.5 Produce an environmental report

The selection of these key search words was based the academic literature as well as the common language found within the business webpages during the initial phases of the case selection process. Whilst this research uses the term 'green' to denote the specific type of strategy. The search also included other synonyms (Table 3.4) for 'green' strategy. Boolean search methods were used, for example, "*" to cover variations in key words, as well as AND, OR, NOT and " " [speech marks] to combine key terms or find specific key terms (Table 3.4).

Criteria 2, 2.1 – 2.5 (see Table 3.1), were based on themes found in the management, environmental and sustainability literature. Criteria 2 (Table 3.1) act as proxies for authentic strategy and was added to and developed further during the document analysis.

Criteria 2.1: Affiliation with green and/or sustainability associations and groups has been satisfied for all potential cases as the initial search or business was based on the business list from the SBC and SBN (see 3.2.1). In addition to SBC and/or SBN the document analysis identified any affiliation to other professional green organisations and ecological groups (López-Gamero *et al.*, 2011; Pagell & Wu, 2009), such as Enviro-Mark NZ, Environmental Choice New Zealand, New Zealand Forest and Bird, the World Wildlife Fund, as well as local projects such as the Keep Kauri Standing group.

Criteria 2.2 Third-party green accreditation and/or Green awards and 2.3 Case Study on third party green group webpage identify where the business has applied third-party standards to their business. This was often done to create a sense of trust about the business' green

strategies with consumers as these strategies can be verified against some specific and valid third-party standards (Schianetz *et al.*, 2007). Examples of third-party green accreditation include Qualmark Enviro Awards, New Zealand Green Building accreditation. Examples of green awards include SBN Awards, Green Ribbon Awards. Criteria 2.3 identified where businesses were used as a case study on web pages such as SBN, and the Energy Efficiency and Conservation Authority (EECA), as well as news media articles in the New Zealand Herald, Stuff.co.nz, Scoop and idealog.

Criteria 2.4 sponsor green action/groups and/or green-focused conferences were to identify which organisations interacted with external green actions/groups or conferences as an element of green strategies. The aim of the sponsorship is to create positive associations of the business name and/or brand with environmentalism. Sponsorship includes: “community engagement through charities, sponsorship or sport”, through a “combination of cash grants, product donations and employee volunteerism” (Brennan, Binney, McCrohan & Lancaster, 2011, p. 54; see also Morrow & Mowatt, 2015; Timur & Getz, 2009). Examples of sponsorship include Kauri 2000, Kiwi Trust, Energywise Rally, Living Legends 2011, as well as sponsorship of green groups such as New Zealand Forest and Bird, and green awards and events.

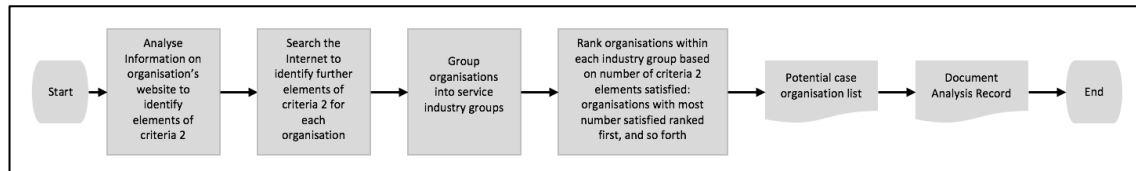
The final criteria, 2.5 produce environmental reports. Environmental reporting is a way that organisations can “publish their environmental policy in order to show the extent to which they are committed to the environment” (López-Gamero *et al.*, 2011, p. 34). In some instances, the home webpage of the businesses had links to their financial reports, however, in many cases these did not contain a specific reference to the organisation’s environmental measures. Of the 35 businesses examined 13 had environmental and/or sustainability reporting easily accessible, this includes organisations that integrated these as part of the financial reports.

Environmental and Sustainability reports are sometimes produced to enhance the reputation of the business (Heikkurinen & Ketola, 2012; Rolland & O’Keefe-Bazzoni, 2009; Tang *et al.*, 2012; Vellecco & Mancino, 2010), to provide legitimacy (Wolf, 2013), and trust (Kashmanian *et al.*, 2011), or to create and maintain good will with respect to “green efforts” (Solveig *et al.*, 1999). What is in these reports is not always straightforward and can be complex and confusing. Porter and Kramer (2006, p. 81) state, “What these reports leave out is often as telling as what they include.” This research makes no judgement on the contents of these reports, particularly as to whether or not they are produced for the purposes of greenwashing. Instead, the reports are used to gain a greater insight into the potential case organisations and to add to the

understanding of the business' green strategies, policies and actions prior to the semi-structured interviews.

The process used in this phase is illustrated as a flow chart in diagram 3.3.

Diagram 3.3: Case Selection Phase Three



3.2.3.1. Results of Phase Three: Exemplar Case Selection

The purpose of the document analysis was to find information based on secondary information sources to guide the case selection process. The main source of information gathering for this project is the semi-structured interviews with the managers and front-line employees of the organisations. At the completion of phase three, the list of potential organisations was classified into five groups based on the service industry the firm operates as well as the types of services the firms provide. The service industry groups are banking and finance, energy, retail, tourism and travel, and other. The 'other' group contains the seven service organisations that did not fit into the first four service industry categories (see Appendix C).

Within each group, the service firms were ranked based on the document analysis results. Not all criteria 2 had to be met for cases to be considered for final selection. This is in agreement with Klein and Meyers (1999) who state that for interpretivist research criteria should not always be applied in a "mechanistic manner" (p. 68). Using criteria 2 (2.1 - 2.5) the firms were initially ranked based on the number of these criteria that they satisfied, beginning with all five of criteria 2, and downwards in the ranking to organisations that only satisfied one of criteria 2.

In addition to criteria 2 (Table 3.1), this research considered Myers (2010) list of six essential elements for exemplary case studies (Table 3.5). Meyers' (2010) elements assisted in determining the final rankings within each service group. The key elements from Myers (2010) are that the case study should contribute to knowledge, should have alternative perspectives and must be interesting to the researcher. This research is interested in the strategy implementation process, as such some of the firms were moved down the ranking based on the

structure and nature of the business; a key consideration of this is identifying who would be the potential interview participants within each firm.

Table 3.5: Exemplary Case Study	
1.	The case study must be interesting
2.	The case study must display sufficient evidence
3.	The case study should be complete
4.	The case study must consider alternative perspectives
5.	The case study should be written in an engaging manner
6.	The case study should contribute to knowledge

(Adapted from Myers, 2010, p. 82)

Stewart (2012, p. 70) states, “Unlike the single-case study, all multi-case studies are in essence comparative. This may mean that cases are chosen for their similarities, rather than their differences.” The aim of this research is to develop the concept of authentic strategy further. Therefore, the sample was selected from businesses with similarities, rather than aiming for a comparative case sample. However, the cases were selected from different industries to reduce the issue of industry-specific contexts, for example, staged authenticity in the tourism industry (see 2.6.1).

3.2.4. The Case Organisations

Three case organisations were used in this research. The names and specific locations of the case organisations have been changed to pseudonyms (Table 3.6). Table 3.7 identifies which of Criteria 2: Exemplar Case Identification (from Table 3.5) has been satisfied. All of the businesses are large organisations that have branches throughout New Zealand, and a separate head office in New Zealand.

Table 3.6: Case Organisation’s Consumer Services	
Case Organisation	Consumer Services
Case A	A sports and recreation organisation, providing fitness activities, health and nutrition information as well as related therapies.
Case B	An energy company that produces and retails energy to consumers.
Case C	A retail business.

Table 3.7: Case Organisations						
Case Organisations	Criteria 2: Exemplar Case Identification					
	2.1 Accreditation	2.2 Awards	2.3 Affiliation	2.4 Sponsor	2.5 Conference	2.6 Reporting
Case A	Y	Y	Y	Y	Y	Y
Case B	Y	Y	Y	Y	Y	Y
Case C	Y	Y	Y	Y	Y	Y

Initial contact was made with three potential case organisations at the SBN conference in 2016, where the research was discussed with the sustainability managers, and contact details obtained. A CEO of a further potential case was initially contacted at a sustainability panel discussion, and contact details were obtained for the relevant senior manager to contact. Of these four potential cases, two agreed to participate in this research. The other top-ranked businesses from each category were contacted via email. Where a decline of the invitation or non-response to the invitation occurred, the next ranked business in the same group was approached. In all nine organisations were approached to be cases in this research, three consented to be part of this research.

At the completion of interviews at the third case, and an initial analysis of the information collected, a decision was made that a sufficient level of information saturation had been reached, therefore, no more potential case organisations were approached. (see 3.4.4 Participant Sample for more detail.)

3.3. Research Procedure

Semi-structured interviews form the main source of data gathering in this research. Semi-structured interviews have been chosen as the method for the interviews. This has the mixture of a structured interview with room for improvisation (Bryman & Bell, 2011; Meyers, 2010; Fowler & Hope, 2007). This allows for the emergence of new questions or concepts during the conversation styled interviews, creating more flexible and rich information to be obtained (Eisenhardt, 1989; Fowler & Hope, 2007; Kärreman & Costas, 2013).

The semi-structured interviews focused on the main concepts of this research, the implementation of authentic green differentiation strategies. The questions in the interviews, directly and indirectly examined the constructs relating to the strategy implementation process and authentic strategy, with reference to green strategies (see Table 2.10). Based on Bryman and Bell (2011), a semi-structured interview guide was created that outlines potential questions

that guided the interviews based on findings in the document analysis and the academic literature (Appendix D). Open-ended and grand questions were used to encourage the participant to respond openly and freely, to encourage elaboration and to clarify points (McShane & Cunningham, 2012; Spetic, Marquez & Kozak, 2012; Williams & Schaefer, 2013).

The semi-structured interview guide contains two types of questions: general and group specific (see Appendix D). The general questions guide all of the interviews, whereas the group specific questions are aimed at the three different groups of participants: senior managers, middle managers and the front-line employees. This was in order to capture their potentially different perspectives of the strategy implementation process.

In addition to the questions specifically addressing the research question, the semi-structured interview guide included a section to be used to collect employment information. This section begins with asking about the participant's employment current details and history: position, length of time in the position, length of service with the business, as well as their responsibilities within the business. This information was used as a filter to include or exclude potential participants (see Table 3.7). Whilst some of this information may be gathered prior to the interviews for filtering purposes, repeating this information during the interview confirms this information and also gives an opportunity to build rapport and begin the 'conversation' of the interview (Qu & Dumay, 2011).

In addition to employment specific questions, the semi-structured interview resource has a question on the individual participant's home green actions (Appendix D). This has been placed at the beginning of the interview to build a rapport with the participants to make them feel at ease to encourage an open and honest dialogue (Qu & Dumay, 2011). In addition to this, information was also gathered about how employees are already "spontaneously engaged" in extra role behaviours (Galpin & Whittington, 2012, p. 45; see also Morrow & Mowatt, 2015). What Kurland and Zell (2011, p. 53) refer to as the "hidden" organisation, where "employees already engaged in eco-friendly behaviour both at work and at home." The academic literature theorises that employees that have strong ideas about environmentalism want to take a more active role in the business' green efforts (Blackman *et al.*, 2013; Frandsen *et al.*, 2013; Lacy *et al.*, 2009), this is the source of bottom-up green strategy. The advantage in bottom-up green strategy is employees are in a unique position to understand the organisation's customers as well as identifying future trends that are based on firm-specific knowledge that can generate unique and innovative solutions to green issues (Wolf, 2013).

The questions and structure of the semi-structured interview guide (Appendix D) was designed to ensure that all relevant information was gathered at each interview; however, it should be noted that this was merely a guide. During the interviews the participants were encouraged to openly and freely discuss the issues/key concepts as a conversation, removing the necessity to follow this guide verbatim.

3.4. Information Collection

In order to obtain the most relevant information from the semi-structured interviews, theoretical and purposive sampling was applied to each of the three groups of organisation members from each case organisation: senior managers, middle managers and front-line employees. Table 3.8 outlines the inclusion and exclusion criteria for each of these groups.

Table 3.8: Participant Criteria				
Sample Group	Responsibilities, Job Description	Inclusion Criteria	Exclusion Criteria	How they will be identified
Senior Management	CEO, GM, MDs, Environmental Manager, Sustainability Officer	Responsible for setting, implementing and monitoring green strategies at the firm level	< 6 months in position	Secondary sources: e.g. company webpage, Sustainable Business Council
Middle Management	Division Manager, Department Manager, Branch Manager, or similar	Implement green strategies at the operational level Monitor green policies and actions Manager of front-line employees	< 6 months in position	Internal directory with assistance from senior manager
Front-Line Employees	Customer service staff	Direct interaction with customers, suppliers and other key stakeholders Action green strategies and policies during the service interaction	New employees	Advertising poster and email, with the assistance of the middle managers

The managers were selected using purposive sampling techniques and were selected from two groups: senior managers and middle managers.

The senior managers were selected using a critical case sampling technique, as these are individuals “that bring to the fore the phenomenon of interest” (Onwuegbuzie & Leech, 2007, p. 112). These are the managers that develop and set the environmental and green differentiation strategies. The senior manager responsible for the green strategies were interviewed to understand the green differentiation strategies for their business, including the processes by which these strategies are translated into policy and actions (Searcy & Buslovich; 2014, Stubbs, Higgins & Milne, 2013). The GM or CEO and other senior managers of each case were approached for an interview; however, they all declined, suggesting the environmental manager would have greater knowledge of the specific green differentiation strategies at the organisation.

Secondly, the middle managers were selected from departmental and branch managers. These participants have been selected using criterion sampling (Onwuegbuzie & Leech, 2007). These managers have a responsibility to implement the organisation’s strategies, policies and actions, are accountable to senior management for these strategies, policies and actions, and have direct authority over the front-line employees chosen for this research (Table 3.8). The middle managers have insight into the process of green strategy implementation as well as a broad understanding of green strategies, policies, routines and actions. Their perception of how the process of implementation may be more operationally focused, which differs from senior management. This allowed for a greater understanding of the strategy implementation process from different perspectives.

An exclusion criterion common to both the senior management and middle management sample was related to their length of employment in their current position (see Table 3.8). This research excludes managers who have been in their position for less than six months. This was to ensure that the managers were not recent appointments and had a familiarity with the organisation’s green strategies, consistent with the purposive sampling technique used.

The third group of participants were selected from customer-facing employees that directly interact with customers, suppliers and other key stakeholders. Front-line employees are an important group as they directly interact with strategy as they interact with customers, and may have different interpretations, perceptions and priorities of an organisation’s authentic strategies than management (Brønn & Vidaver-Cohen, 2009; Pugh & Bourgios, 2011).

The exclusion criterion (Table 3.8) for front-line employees is similar to that for the managers, length of service, specifically the exclusion of new employees. The intention of this research is

to examine the strategy implementation process; new employees may offer limited knowledge of this or case-specific green strategies, policies, routines and/or actions examined and discussed in this research (Wolf, 2013). The exception is front-line employees who had undergone an induction process or relevant employee training provided by the organisation that specifically covered the organisations green values, and related strategies, policies, and routines. The induction process was discussed with both management and the front-line employees during the interviews; in all cases, the induction process covered the organisation's core values, including green core values.

Whilst it was the intention to apply inclusion and exclusion criteria prior to the interviews at the participant recruitment stage, this was also examined at the beginning of the interviews. No interview participants were excluded at the beginning of the interview as it was identified that recent recruits had undergone the induction process, and their perception of this induction and understanding of the organisation's core values gave an insight into how these values are introduced and reinforced within the business.

This research investigates the processes of strategy implementation and in order to do this there needed to be a direct relationship between the middle manager, responsible for the implementation, and the front-line employees chosen as participants. To do this, the case organisations were divided into groups based on divisions or business sites. Therefore, the front-line customer-facing employees were selected using a multi-stage sampling technique (Onwuegbuzie & Leech, 2007), with the pool of potential front-line employees for each case recruited from the same business site as the middle managers (see 4.1.1 Research Design, and Tables 4.1 – 4.3 for details of relationships of interview participants).

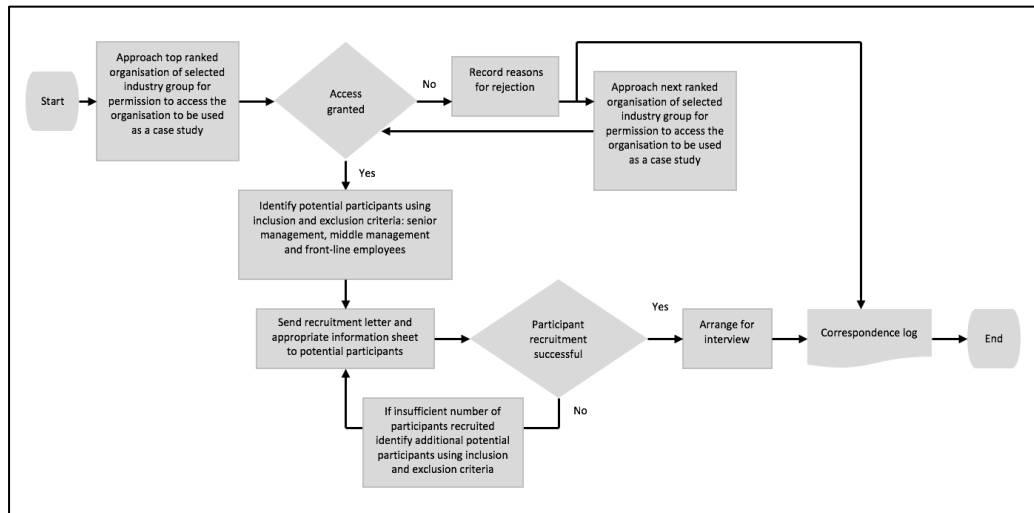
3.4.1. Participant Recruitment

The recruitment process for each case organisation was completed in three phases. This process is summarised in Diagram 3.4: participant recruitment process.

The first phase was to contact senior management responsible for the green differentiation strategies. Initial contact was made with three potential case organisations at the SBN conference in 2016, where the research was discussed with the sustainability managers, and contact details obtained. A CEO of a further potential case was initially contacted at a sustainability panel discussion, and contact details were obtained for the relevant senior manager to contact. Of these four potential cases, two agreed to participate in this research.

The other top-ranked businesses from each category were contacted via email. The contact email details were obtained from publicly available sources, including the organisation's webpage, and the membership lists on the SBN and the SBC.

Diagram 3.4: Participant Recruitment process



These senior managers responsible for the green differentiation strategies were emailed an invitation for their organisation to become a case for this study as well as the management information sheet (see Appendix E: Recruitment Information for exemplars). The senior manager was given two weeks to consider the invitation before a follow-up contact was made via email. In instances where the request for access to the case organisation was declined, the manager was emailed to thank them for considering the invitation, and the next organisation in the ranking was approached. In Case A, the CEO passed this invitation for an interview and information onto the relevant senior environmental managers. In Case B and Case C, the environmental managers were contacted directly, who sought permission from the relevant senior manager for their organisation to participate. In addition, a time and date were arranged to interview these senior managers.

The next phase was the recruitment of the other interview participants: middle managers and front-line employees. The advertising for these participants was done within each business' internal communication networks. In the first instance, the senior manager was consulted as to which sites and managers to contact. Targeted invitation emails were sent out to suggested middle managers, including a management information sheet (Appendix E). Once contact with the middle managers (site managers) was made, advertising and information sheets for front-line staff were sent to the middle managers for distribution to the front-line employees. These advertisements and information sheets contained details of inclusion and exclusion criteria for

potential participants, as well as contact details for the researcher and primary supervisor. (Appendix E for exemplars). Follow-up contact was made with middle managers to confirm participation and to arrange a date and time for the interviews, as well as a request for an appropriate place to conduct the interviews. Front-line staff participants were arranged, and appointments made for interviews.

Interviews were carried out within New Zealand, between the 11th May and 14th September 2017. Each interview was between 25 and 50 minutes.

3.4.2. Semi-Structured Interviews

Face to face information collection occurred at the participant's place of work (for example, a private meeting room in a corporate office, or the site manager's office) or a similar public place of the participants choosing (for example a local café) where the participant felt comfortable talking openly about their experiences. There was an expectation that participants experienced a minimum level of embarrassment or discomfort. The information collected relates to the green differentiation strategies of the case organisation and their views on these strategies; there was no use of deception during the interviews. It is unlikely that there was any significant risk for participants in this research; however, the participants were advised to contact the primary researcher, the research supervisors or AUT should they feel that they were put at risk or could potentially be put at risk as a result of this research. Contact details were included in the relevant information sheet; a copy of which was given to each participant at the beginning of the interview (see Appendix E).

Prior to the commencement of the interviews, I discussed the purpose of this research, the semi-structured interview procedure, expected benefits to the participant, their right to withdraw from the study, and the issue of confidentiality specific to their position within the business. I also provided information about myself, relevant to the research, to assist in establishing rapport and to build trust (Qu & Dumay, 2011).

Potential participants decide for themselves whether or not to take part in this project based on information provided to them. Their participation is, therefore, informed and voluntary. Participants were able to withdraw from the research at any time if they wished to, however, they were made aware that once the findings have been produced, removal of their data might not be possible. Participants were also offered an opportunity to receive a copy of their individual transcripts, and the ability to communicate comments or clarifications. In addition,

participants who have an interest in the project outcomes were given the option to see a generalised summary of the project findings following the completion of the research.

3.4.3. Recording of Semi-Structured Interviews

The semi-structured interviews were recorded, audio only, and transcribed by the researcher and a third party AUT approved transcriber (see Appendix F: Transcriber Confidentiality Form). Permission was obtained for these recordings prior to the commencement of the interviews. The participants were given the opportunity to review their individual transcripts for comment or clarifications of the contents. The transcripts were edited to remove the “ums” and other pauses, as conversation analysis is not being used in this research. Written notes were made in addition to these recordings.

Consent was obtained from each participant prior to the commencement of the interviews, including the ability to audio record the interviews, and was recorded on a consent form with the participant’s signature. (see Appendix G: Participant Consent Form Exemplar)

3.4.4. Participant Sample

The research engaged 32 participants; Table 3.9 lists the case-specific participant numbers. The final number of participants selected from each case organisation was based on the size of each department or business site identified for investigation, as well as the accessibility and the willingness of participants to speak freely within the interview process. Whilst this research includes Eisenhardt’s (1989) methodology for multiple case studies, the final number of case organisations was based on Onwuegbuzie and Leech (2007, p. 116) who suggest for multiple case studies: “three to five cases in a case study, interview 15-20 people” will achieve a sufficient level of information saturation. There is also recognition that this is a doctoral research conducted by a single researcher and that the number of interviews and amount of information gathered needs to be manageable (Eisenhardt, 1989).

Table 3.9: Case-specific Participant Numbers			
Case Organisations	Senior Managers	Middle Managers	Front-line Employees
Case A	2	3	6
Case B	1	2	5
Case C	1	4	8
Total	4	9	19

At all of the case organisations the senior management were located at a head office separate from the customer services sites where the other interviews were conducted. The interview sites were: individual sports and recreational facilities at Case A, a call centre at Case B, and individual retail stores at Case C. Diagrams 3.5 – 3.7 illustrate the relationships between the interview participants at each organisation.

Diagram 3.5: Case A: Interview Participants Relationships

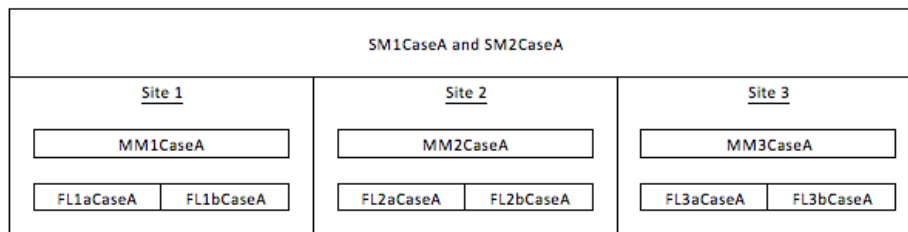


Diagram 3.6: Case B: Interview Participants Relationships

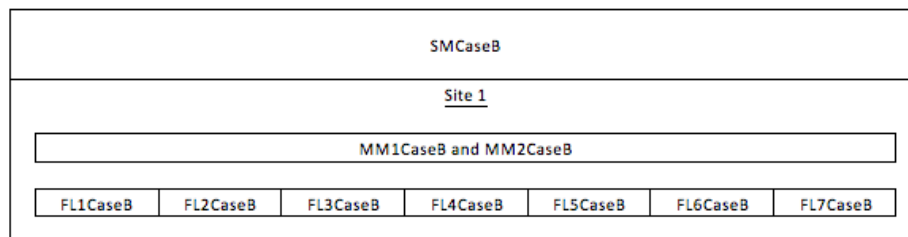
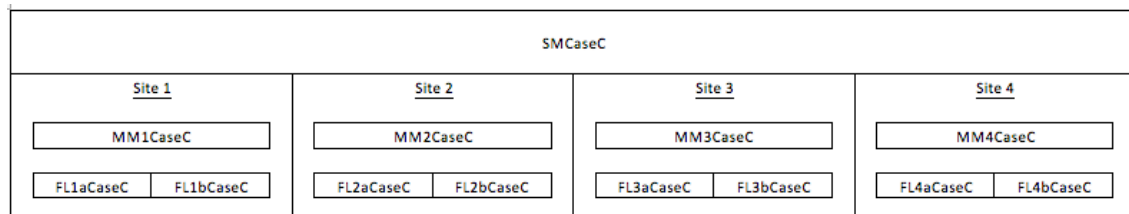


Diagram 3.7: Case C: Interview Participants Relationships



Each of the interview participants has been given a pseudonym. Each of the participants pseudonyms have been coded to identify which case organisations they are from, their hierarchical position, and relationships, authority and influence. The cases are coded as CaseA, CaseB or CaseC. The hierarchical position of the participants is denoted as, SM for Senior Management, MM for Middle Managers (the site managers) and FL for Front line employees. In addition, numbers are used to explain the relationships between the middle managers and front-line employees of the business sites within each case. For example, MM3CaseC is the Middle Manager located at the business site number three of Case C. MM3CaseC is the manager of FL3aCaseC and FL3bCaseC, the front-line customer facing employees. The exception is for Case B, where the middle managers, MM1Caseb and MM2CaseB, are both managers for the

call-centre front-line employees FL1CaseB – FL7CaseB. These pseudonyms are used in throughout this thesis.

3.5. Data Analysis

Thematic analysis was used to identify themes in the interview data. An inductive approach, consistent with an interpretivist methodology was used to allow the patterns, themes and categories of analysis to emerge from the data (Bowen, 2005; Braun & Clarke, 2006; Eisenhardt & Graebner, 2007), to assist in establishing causal relationships (Diaz Andrade, 2009) which may then be compared and contrasted to prior research (Gilbert, Ruigrok & Wicki, 2008). This is to answer the research question, including for the further development of the concept of authentic strategy.

During the data analysis and development of the findings, routines and capabilities were identified based on the following definitions. A routine is defined as a “standard behaviours, rules of thumb or even strategies that are used, consciously or not, in largely repetitive fashion” (Johnson, 2007, p. 42, see also Parmigiani & Howard-Grenville, 2011; Pentland et al., 2012). These are further defined by Felin et al. (2012, p. 1355) as, “explicitly collective rather than individual phenomena.” Therefore, routines are identified where more than one participant described a green action common across their business organisation or site. Capabilities are defined as the “high-level routines (or collection of routines)” used in the deployment of resources in the production and/or service processes (Winter, 2000, p. 983). These discussed by senior and middle managers as being common green routines across the whole business, often managed by the meso level managers of the business.

Braun and Clarke (2006) argue that thematic analysis “should be considered a method in its own right” (p. 78), as it is a method of analysis that allows for a flexible theoretical freedom which has the potential to “provide a rich and detailed, yet complex, account of data” (p. 78). The purpose of the article by Braun and Clarke (2006) is to provide clear guidelines for a thematic analysis process; listed in Table 3.10: Phases of Thematic Analysis. This research has followed Braun and Clarke’s (2006) six phase process for thematic analysis.

Table 3.10: Phases of Thematic Analysis	
Phase	Description of the Process
1. Familiarizing yourself with your data	Transcribing data (if necessary), reading and re-reading the data, noting down initial ideas.
2. Generating initial codes	Coding interesting features of the data in a systematic fashion across the entire data set, collating data relevant to each code.
3. Searching for themes	Collating codes into potential themes, gathering all data relevant to each potential theme.
4. Reviewing themes	Checking if the themes work in relation to the coded extracts (Level 1) and the entire data set (Level 2), generating a thematic 'map' of the analysis.
5. Defining and naming themes	Ongoing analysis to refine the specifics of each theme, and the overall story the analysis tells, generating clear definitions and names for each theme.
6. Producing the report	The final opportunity for analysis. Selection of vivid, compelling extract examples, final analysis of selected extracts, relating back of the analysis to the research question and literature, producing a scholarly report of the analysis.

(Braun & Clarke, 2006, p. 87)

3.5.1. Phase 1: Familiarizing Myself with The Data

In this first phase the transcripts of the interviews were read and then re-read to actively search for “meanings, patterns and so on” (Braun & Clarke, 2006, p. 87). The interview audio recordings were transcribed by the researcher and an AUT approved transcriber. As part of this initial reading and re-reading phase the transcripts were read in conjunction with listening to the audio recordings to both to familiarise myself with the information gathered, and to check the accuracy of the transcriptions (Braun & Clarke, 2006). In this phase initial ideas for codes and themes were noted.

3.5.2. Phase 2: Generating Initial Codes

This phase involved copying extracts from the data from individual interview transcripts into the initial codes from phase one. NVivo software (From QSR International, available through AUT) was used in this process. The transcripts were loaded into NVivo, tags were created based on

the initial codes, and transcript extracts were catalogued in tagged folders inside NVivo. Advice for this phase from Braun and Clarke (2006) was followed:

Key advice for this phase is: (a) code for as many potential themes/patterns as possible (time permitting) - you never know what might be interesting later; (b) code extracts of data inclusively – ie [sic], keep a little of the surrounding data if relevant, a common criticism of coding is that the context is lost; and (c) remember that you can code individual extracts of data in as many different 'themes' as they fit into - so an extract may be uncoded, coded once, or coded many times, as relevant (p. 89).

An advantage of using NVivo software for this phase is this software programme allows the user to view the source of the coded quotes, as well as the surrounding information, including questions, keeping the context of the quotes intact. NVivo software also allows for the coding of quotes into multiple codes, as well as a way to manage changes in the codes: addition, combining, or deleting codes.

In addition to the interview transcripts, the interview reflection notes and document analysis were examined to provide additional context, as well as personal thoughts about the interviews and information gathered. However, the information in the interview transcripts were given more weight in this analysis (Bowen, 2005).

3.5.3. Phase 3: Searching for Themes

This phase involved sorting the codes into potential themes. To do this a “thematic map” (Braun & Clarke, 2006, p. 89) was created by writing the names and a short description of each code onto paper and manually arranging them into “theme piles”. Some codes fitted well into main themes, other codes became sub-themes, and some initial codes were combined or discarded. (See Appendix H: Thematic Maps) The codes and extracts in the NVivo file were aligned with the thematic map, with tags amended and sub-tags created where necessary.

3.5.4. Phase 4: Reviewing Themes

This phase involved two levels of reviewing and refining the themes. The first level was to review the coded extracts for each theme to determine if a coherent pattern was formed (Braun & Clarke, 2006). Where the coded extracts did not appear to fit together the advice from Braun and Clarke (2006) was followed:

you will need to consider whether the theme itself is problematic, or whether some of the data extracts within it simply do not fit there - in which case, you would rework your theme, creating a new theme, finding a home for those extracts that do not currently work in an already-existing theme, or discarding them from the analysis (p. 91).

Once coherent patterns were formed the second level of review and refining was undertaken where consideration was given to the accuracy of the thematic map based on whether it reflected the overall “meanings evident” in all the interviews (Braun & Clarke, 2006, p. 91). This was done by re-reading all the interview transcripts to assess the fit between the themes and the information, as well as to identify any additional themes missed in earlier coding stages. The thematic map was refined where necessary (Appendix H).

3.5.5. Phase 5: Defining and Naming Themes

This phase involved defining and refining of the themes and begin the analysis of the data within each theme. This involved a process of “identifying the ‘essence’ of what each theme is about (as well as the themes overall) and determining what aspect of the data each theme captures” (Braun & Clarke, 2006, p. 92). A detailed analysis of each theme was conducted and written up (see the results section of this research). This process involved “identifying the ‘story’ that each theme tells”, and how each theme fits into the “broader overall ‘story’” in relation to the research questions (Braun & Clarke, 2006, p. 92).

As part of this phase, the themes and codes were organised in relation to the secondary and supplementary research questions. This became a dynamic phase, combining with the review aspects of phase four, where the themes and coded information were sorted into theme hierarchies linked to the research questions.

At the completion of sorting the findings into the final themes, an additional compare and contrast process was used to find the similarities and differences within the themes. First the information in the themes were sorted into the relative case organisations, to identify commonalities and differences between the cases. Next these were examined to find any similarities and difference between the participants within each case organisations. In this process the interview participants were considered separately, as well as clustered into each business site within each case, this identified business site specific differences for further analysis. In addition, as part of taking a multi-level approach, the participants were considered based on the hierarchical positions: senior management, middle management and front-line customer facing employees. This allowed for comparisons to be made between the senior

managers at the meso level of the case organisations to the middle managers and front-line employees at the micro level.

3.5.6. Phase 6: Producing the Report

The final phase of Braun and Clarke's (2006) thematic analysis process is the writing-up of the final report. Braun and Clarke (2006, p. 93) offer a final piece of advice: "Choose particularly vivid examples or extracts which capture the essence of the point you are demonstrating, without un-necessary complexity." As this research takes a multiple case study technique, the results of this analysis have been further grouped by case, which has then been compared and contrasted to find similarities and differences between each case. Where appropriate the participant quotes have been selected to demonstrate these similarities and differences, particularly case-specific information. This phase forms the results and analysis chapter of this research.

3.6. Trustworthiness

This research is qualitative research using an interpretive paradigm, therefore, the concept of trustworthiness, "the conceptual soundness from which the value of qualitative research may be judged" (Bowen, 2009b, p. 306), was used. The conventional approach of validity: internal validity, external validity, reliability and objectivity, associated with quantitative research methods have been replaced with the qualitative approach of trustworthiness: credibility, transferability, and dependability, as outlined in Lincoln and Guba (1985). The purpose of trustworthiness is not so that other researchers can follow the exact methodology, or access the information, and arrive at the same analysis and conclusions. Rather trustworthiness aims to allow other researchers to understand the logic and rationality within the research project to make it "possible for the reader to apply the findings in the situations investigated to such other similar situations" (Ponelis, 2015, p. 538; see also, Bowen, 2005, 2009b; Lincoln & Guba, 1985).

3.6.1. Credibility

Credibility "refers to the confidence one can have in the truth of the findings" (Bowen, 2009b, p. 306; see also Houghton, Casey, Shaw & Murphy, 2013). Lincoln and Guba (1985) outline ways in which credibility can be achieved: activities increasing the probability that credible findings will be produced, negative case analysis, and member checks.

One technique used to enhance credibility was the triangulation of information and data through the use of multiple methods of data collection from multiple sources (Bansal & Roth, 2000; Bowen, 2005; Lincoln & Guba, 1985; Simpson, Taylor & Barker, 2004). Diaz Andrade (2009, p. 48) prefers to use the word “corroboration” instead of the scientific word “triangulation”, where corroboration is “the act of strengthening an argument by additional evidence.” Table 3.11 is a summary of the different sources that have been used for triangulation, as well as in the construction of the audit trials; both intellectual and physical. In this research, the information contained in a variety of sources have been distilled into the text of the relevant chapters of this research, as well as into the intellectual and physical audit trials (Appendix I and Appendix J).

Table 3.11: Sources of Triangulation Information	
Source Type	Examples of Sources
Raw data/information	including electronically recorded materials such as audio recordings; written field notes, unobtrusive measures such as documents and records and physical traces
Data reduction and analysis products	write up of field notes, summaries such as condensed notes, unitized information and quantitative summaries, and theoretical notes, including working hypothesis, concepts and hunches
Data reconstruction and synthesis products	including structure of categories (themes, definitions, and relationships); findings and conclusions (interpretations and inferences); and a final report, with connections to the existing literature and an integration of concepts, relationships and interpretations
Process notes	including methodological notes (procedures, designs, strategies, rationale); trustworthiness notes (relating to credibility, dependability, and confirmability); and audit trail notes
Materials relating to intentions and dispositions	including the inquiry proposals; personal notes (reflexive notes and motivations); and expectations (predictions and intentions)
Instrument development information	including pilot forms and preliminary schedules; interview guides

(Adapted from Lincoln & Guba, 1985, p. 319)

Credibility can also be increased through the use of negative case analysis. Negative case analysis in this research involved the re-examining of all the interview transcripts to determine if the emergent themes in the results analysis were consistent across all the cases (Bowen, 2005;

Lincoln & Guba, 1985). In addition, the information gathered at the interviews was also compared to the information gathered during the document analysis for consistencies, which Houghton, Casey, Shaw and Murphy (2013, p. 13; see also Bowen, 2009a) state “can increase the confidence in the credibility of findings”. Where inconsistencies were discovered a check was made to identify if the inconsistencies were due to a specific participant comment or were common among the participants of each case organisation. The final part of this process of results analysis was to compare and contrast the findings at each individual case organisation with the other cases to find commonalities and differences to inform the discussion of the results. Bärenfänger *et al.* (2014, p. 1401) state that the use of a multiple case approach “permits more controlled observations and deductions, cross-case comparison, and better robustness and generalizability compared to single case studies.” When it was determined that there were no negative cases or disconfirming evidence, the analysis was considered complete.

Member checking was also used to improve the credibility of the information. This was done in two ways. Firstly, the participants were offered the ability to review their individual interview transcripts to make comment or to clarify their interview statements. Nine interview participants requested to review their transcripts: two participants asked additional questions about confidentiality and were reassured that the transcripts had not been redacted and that the business name, names of people, and locations would be removed before publication. Three participants responded that they were satisfied with the transcript contents. The final four have not responded; an assumption has been made that they are satisfied with the transcripts.

The second member checking technique was the assumptions reached during the literature review prior to the interviews, the findings of any analysis, as well as any conclusions, have been discussed with both of my academic supervisors, as well as with other academics and business professionals at AUT, at conferences and seminars, and any other related opportunities. As Lincoln and Guba (1985, p. 314) the process of member checks is “informal and formal, and it occurs continuously. Many opportunities for member checks arise daily in the course of the investigation.”

3.6.2. Transferability

“Transferability means, in essence, that other researchers can apply the findings of the study to their own” (Bowen, 2005, p. 216; see also Houghton *et al.*, 2013; Ponelis, 2015). A way to provide for transferability is the use of “thick” descriptions. Lincoln and Guba (1985, p. 316) state the thick description is provided by the researcher to “enable someone interested in making a

transfer to reach a conclusion about whether transfer can be contemplated as a possibility.” This research provides a thick description by providing “accounts of the context, the research methods and examples of raw data so that readers can consider their interpretations” (Houghton *et al.*, 2013, p. 15). Included in this thick description are an interview guide (Appendix D), a rich results and discussion sections with appropriate quotes, and an audit trail of the intellectual and physical aspects of the research (outlined in 3.6.3).

3.6.3. Dependability

“Dependability refers to the stability of the findings over time and confirmability to the internal coherence of the data in relation to the findings, interpretations, and recommendations” (Bowen, 2005, 2009b). This research uses the technique of an audit trail to “accomplish dependability and confirmability simultaneously” (Bowen, 2005, p. 216), by providing an explanation of the steps taken from the initial conceptual processes, to the description of the research methodology and data collection methods, as well as outlining the thought processes and steps taken during the analysis of the results. This research includes both intellectual and physical audit trails. The intellectual audit trail (Appendix J) outlines the reflection on the thinking evolution undertaken in this research, from early conceptual ideas to the final analysis and conclusions (Bowen, 2005, 2009b; Carcary, 2009). The physical audit trail (Appendix I) “documents the stages of a research study and reflects the key research methodology decisions” (Carcary, 2009, p. 20; see also Bowen 2005, 2009b; Ponelis, 2015; Sharma, 2015). Table 3.12: Research Steps at the end of the methodology chapter is a summarised physical audit. The aim of these audit trails is to allow for independent analysis of the logic pathways in this research (Houghton, Casey, Shaw & Murphy, 2013).

The intellectual and physical audit trials are based on a variety of sources kept during this research project, including personal notes about topics, constructs, analysis, contextual information, ideas, as well as case study notes, notes taken during and after interviews, reflections on feedback from supervisors and meeting notes. The technique of using a formalised reflective journal was not used for this research; instead, the notes have been word-processed and collated based on the type of note, for example, literature and construct notes, interview notes, meeting notes, checklists of ideas and corrections, and notes on structure and order of information. All notes have been electronically kept during this research and have been consulted and used where appropriate; including for the use in the construction of the audit trails.

3.7. Ethical Consideration

The information gathered for this research pertains to the case organisation as well as the individual participants. Whilst the document analysis for case selection is based on secondary publicly accessible information, semi-structured interviews were the main source of information gathered for analysis. The use of semi-structured interviews required ethics approval from the Auckland University of Technology Ethics Committee (AUTEC), which was granted for this project on 9th August 2016, reference number 16/192 (Confirmation letter in Appendix A).

The identity of the case organisations has been disguised with a pseudonym: Case A, Case B, or Case C. In this write up of the research case organisation information has been redacted to remove people's names, specific locations and other identifying information. In addition, the interview participants were also assigned pseudonyms to protect their identity. (See Diagrams 3.5 – 3.7).

There is no need to specifically identify any individual participant, as the research aims to gather and analyse data to find an overall understanding of this issue and theory. Although the individuals have been asked about their opinions and perceptions of the strategy process, including the authenticity of the green differentiation strategies, as well as their personal green values and actions, the focus of this research is how the green differentiation strategies can be implemented to create authenticity of these strategies. Therefore, the interest of this research is the firm and the strategies, not the individual participants.

The only demographic information gathered about the individual interview participants pertained to their position and length of service with the organisation. As this study used purposive sampling, the information gathered either prior to or at the commencement of the interviews was compared to the inclusion and exclusion criteria for this study (see table 3.7) to determine the suitability of the participant for an interview. Other demographic information, for example, age, gender, ethnicity, was not collected for this study.

A summary of the research findings was made available to all participants. This summary took the form of a business report of the findings emailed to the interview participants on request, as discussed at the beginning of the interviews (Appendix K). In addition to this business report, the completed research thesis will be available via the AUT library. The participants were made aware that specific or individual responses to interviews or site-specific and case-specific data would not be available to protect the privacy of all participants. This was communicated as part of the recruitment and interview process.

However, due to the small sample size of the participants from each case organisation, particularly the management sample, there will be limited confidentiality throughout this research process, as part of this, no information that could potentially identify individuals will be released to any party without the specific written consent of the individual and/or organisation, and their data will be securely maintained. This limited confidentiality has been explained to the potential participants in the information sheets provided in the recruitment phase of this project (Appendix E) and was discussed as part of the consent process prior to any interviews.

Participants were able to withdraw from the research at any time anytime if they wished to. The front-line employees interviewed were invited to participate with the same conditions as the managers and were required to sign the consent form (sample in Appendix G). The participants were informed that in the event that front-line employees withdrew or did not participate in the research, this was not and will not be communicated to their managers, and no direct information supplied by front-line employees, managers will be made available to other managers. No participant withdrew from this study.

Ethical consideration is given as to whether or not the organisations will be able to identify the participants. There are two groups to consider: the management, both senior and middle management, and the front-line employees.

The senior and middle management are selected based on their involvement in the implementation of green differentiation strategies. There is potential that these participants may be identified by the organisation that they work for through some of the responses that they give. Considering this, the researcher was unable to assure the full confidentiality of the participants. Potential managerial participants were made fully aware of the limited confidentiality available via the information sheet (Appendix E) and prior to the interview process and were able to consider the implications of this before they consented to be a participant in this research.

There is a limited potential that the front-line participants may be identified by the organisation that they work for through some of the responses that they give or are observed interacting with the researcher. However, the organisation will not be given a list of the participant's names, what was discussed during the interview, or whether they completed or withdrew from the research.

A pseudonym is assigned to each participant (management and front-line staff) and the only the researcher and supervisors will know all identifying details. The participant's pseudonym will be linked to the disguised case organisations for analysis and discussion of any case-specific data (see Table 3.5 and Diagrams 3.5 – 3.7).

Information pertaining to the names and positions of the middle managers and front-line employees was obtained from senior management as part of the participant recruitment process. Other than this no other information was sought from third parties for this study.

During the course of the project, research data, including interview transcripts, and participant contact details were stored in locked offices at Auckland University of Technology (AUT) or were in the express care of myself as the researcher (i.e. when in transit, in the field or at home). An AUT approved transcriber was employed, they were provided with interview audio-recordings for this purpose, and they destroyed their copies by securely deleting these recordings and copies of transcripts once transcripts were received. The transcriber has signed a confidentiality agreement outlining their responsibilities (Appendix F). The interview information and original digital recordings will be maintained and stored securely for a minimum of six years, as per AUTEC requirement. After this time, they will be destroyed through secure disposal.

This research does not directly focus on obligations under the Treaty of Waitangi. In environmentalism, including green strategy, the main goal is to preserve and protect the natural environment for future generations, and because of this, the principles of wairuatanga and kaitiakitanga are important to consider. Wairuatanga is considered, as there is a need to acknowledge the spiritual connection between people and the land, water, air, flora and fauna of New Zealand. The concept of kaitiakitanga connects to the concept that we are guardians of the land, water, air, flora and fauna in New Zealand.

3.8. Summary

This research uses an interpretivist paradigm to explore qualitative information and data obtained through a cross-industry multiple case studies of service organisations. Initially, document analysis was used to identify potential case organisations. The main source of information was obtained through a series of semi-structured interviews with senior managers who are responsible for the development and setting of the green differentiation strategies, middle managers who are responsible and accountable for the implementation of these strategies, and front-line customer-facing employees who are ultimately responsible for

implementing these strategies as they interact with customers, suppliers and other key stakeholders.

Ethical considerations included the safety and confidentiality of the participants; this has been discussed with the participants as part of the consent process. The names and locations of the organisations have been disguised, and the individual participants were given pseudonyms to reduce the possibility of identification. Consent for the interviews was obtained from the participants prior to the interview commencement.

The semi-structured interviews were recorded, with permission, and transcripts were prepared for analysis. Thematic analysis was used to analyse the transcripts from the semi-structured interviews and the document analysis to find commonalities and difference to identify and elaborate insights (Braun & Clarke, 2006) into authentic strategies, with reference to green differentiation strategies.

The steps taken for this research project are outlined in Table 3.12, for a fuller description of each step see the physical audit trail in Appendix I. The final steps (12 and 13) were an interdependent process: the write up of the findings, discussion and conclusions was part of the thematic analysis process; and the write up informed the thematic analysis of the findings. In addition, meetings were held, via email and face-to-face, with supervisors throughout this process.

Table 3.12: Research Steps	
1.	Preliminary Research
2.	Literature review
3.	Develop research questions
4.	Methodology development and selection
5.	Submission of research proposal, including presentation (PGR9)
6.	Development of semi-structured interview questions and resources
7.	Document analysis to identify potential exemplar cases
8.	AUTEC Ethics Application
9.	Case selection and recruitment of case organisations
10.	Recruitment of interview participants at each case
11.	Semi-structured interviews with participants
12.	Transcription of interview audio recordings
13.	Thematic analysis of findings
14.	Write up of research findings, discussion and conclusions
15.	Submission of thesis

4. Findings

4.1. Introduction

This research is an exploration of the implementation of authentic strategies within organisations in the service sector, with particular reference to environmental strategies. The purpose is to explore the process involved within the case organisations to implement green differentiation strategies as green routines and actions that the front-line employees perform as part of the customer service process. The research question for this study was:

In what ways do service organisations implement green differentiation strategies to ensure that internal stakeholders perceive these as authentic strategies?

To answer this primary research question, the following were considered:

SQ 1: How are green differentiation strategies implemented?

SQ 1.1: What green routines/actions do organisational members perform as part of the service process?

SQ 1.2: How do front-line employees know what green routines to perform? (or what not to perform?)

SQ 1.3: Who are the drivers of the green differentiation strategies and routines?

SQ 1.4: What guides choice for flexible routines?

SQ 1.5: How is the information about green routines and strategies transmitted?

SQ 1.6: How are green routines developed into strategic capabilities?

SQ 2: In what way are green differentiation strategies perceived as being a source of competitive advantage?

SQ 3: What makes a strategy authentic to internal stakeholders?

This chapter presents the findings of the study. First, SQ 1, the process of green differentiation strategy implementation is explored. This begins with diagrammatic illustrations and discussions of the green differentiation strategy implementation process at each of the case organisations. This is followed with the analysis of the results for the supplementary questions SQ 1.1 – SQ 1.6. The next section explores the analysis and results for the perception of the interview

participants as to the competitive advantage of the green differentiation strategies, SQ 2. This followed by an examination of SQ 3, the construct of authentic strategy. The final section is a summary of this chapter.

4.2. SQ 1: How are Green Differentiation Strategies Implemented?

The purpose of this research to examine the ways in which service organisations implement green differentiation strategies throughout the organisation. This has been done by examining the implementation process of each case organisation by asking the interview participants their perceptions of how this process occurs in their business. Taking a multi-level approach, interviewing senior management, middle manager and front-line customer-facing employees, across different business sites across each case organisation, has allowed for a greater range of perceptions to be explored.

Based on the information gathered at the interviews a green differentiation strategy implementation processes maps have been created for each case organisation (Diagrams 4.1 – 4.3, see also Table 4.1 Key for Diagrams 4.1 – 4.3). The purpose of these diagrams is to illustrate the strategy implementation processes. The interview participants were not asked to sketch or map out their understanding of the strategy implementation process. The information for these diagrams was obtained throughout each of the interviews, and the implementation process maps developed as part of the information analysis.

There are a number of common features in the strategy implementation process in all three cases. The senior management communicates the green strategies and information on green values in a top-down manner to the business site managers (middle managers) for implementation and distribution to the employees within that business site. In addition, a bottom-up process occurs between the middle managers and senior management, where green routines and ideas are communicated back up to the senior management. In all three cases, the top-down implementation process is more focused at the business site, between the middle managers and the related employees. In the diagrams, this is shown as thicker arrows, both top-down and bottom-up, as it is at the business sites where the green strategies and green values are implemented through the performance of green routines.

The implementation process is not limited to vertical top-down or bottom-up processes. What was identified in the analysis was the importance of horizontal communication between the individual business sites (identified as a dashed, double-ended arrow; Diagrams 4.1 – 4.3). This

is where the managers and employees share their green routines, ideas for green routines, and green issues, between other members of the organisation, independent of the senior management team. This takes the form of internal web pages and social media pages, or direct email. The advantage of horizontal communication processes is the ability to share the green routines and issues with other sites. Additionally, SMCasB suggests an advantage of horizontal communication is information is not only coming from the senior management team. This was a good way for lower-level managers and employees to share and understand what green initiatives other sites are doing, or thinking about, which created more engagement with and ownership of the green strategies and green values.

All three cases had a direct communication channel between lower-level managers and employees and the green senior managers. At Case C, the CEO's PA also was responsible for the "Brain Waves" process (see Diagram 4.6 and 4.2.4.5.2), where they distributed these to the appropriate senior manager for consideration. One technique common to Case A and Case C was the use of a Road Show, where the senior management team, or representatives of these teams, travelled around the case's business sites.

The following are the strategy implementation process maps for each case firm. Variations between cases are discussed separately, linked to the case's diagram of the strategy implementation process.





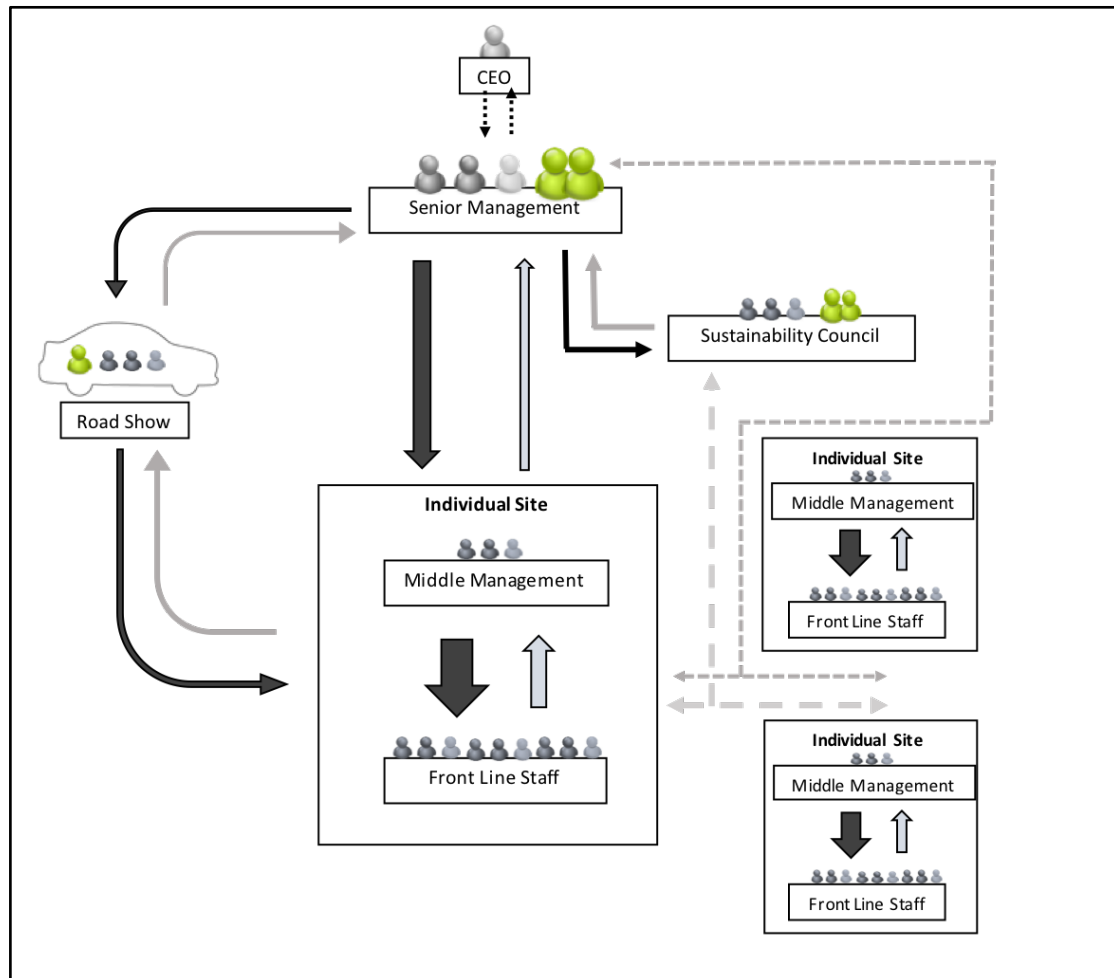
Table 4.1: Key for Diagrams 4.1 – 4.3		
Symbol	Description	Indicates
	Green person	The senior green manager(s)
	Dark arrows	Top-Down processes
	Light arrows	Bottom-Up processes
	Dashed, double-ended arrows	Information flows between individuals/groups

Diagram 4.1: Strategy Implementation Process: Case A



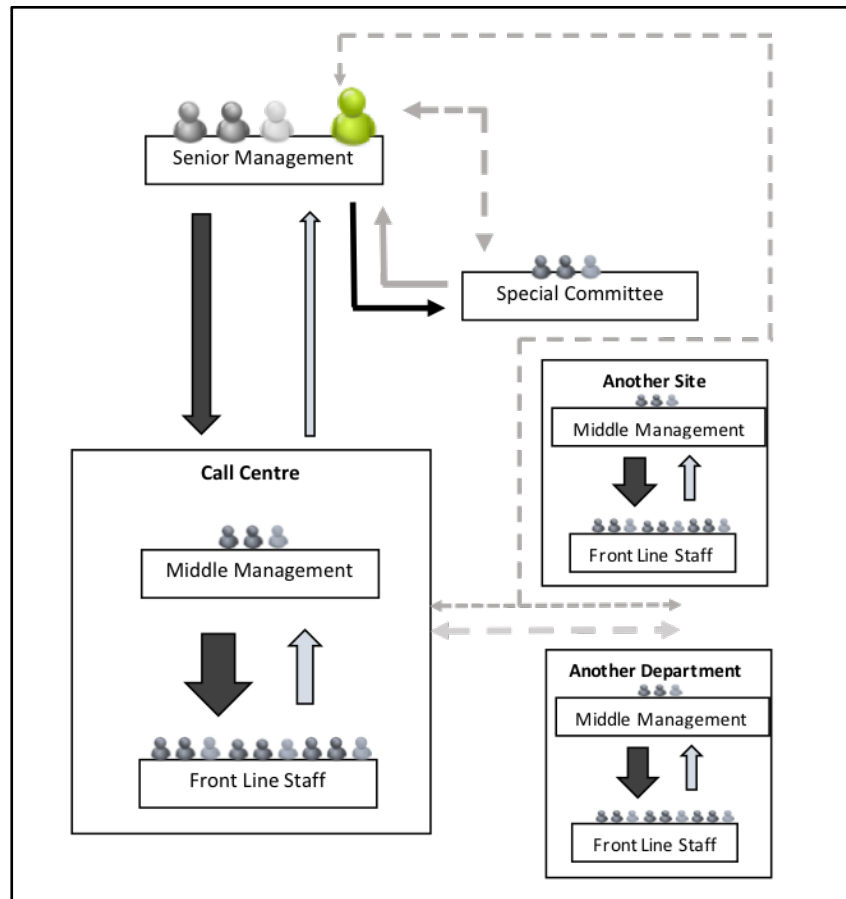
At Case A, a sustainability council was established at Head Office because: “We found that, especially in my role, to try to get buy-in from other areas rather than it was just me preaching everything” (SM1CaseA). SM2CaseA adds:

... it’s quite informal, but we have a sustainability council who meets and determines the priority of what sustainability initiatives to go with, and one of the things we recently reviewed was the team challenge. We didn’t feel like it was offering enough value, so we decided to get rid of that and we’re looking at the cell phone recycling option, which is a new initiative. So we do review what we’re doing.

The sustainability council is a cross function group

So, we try and have skills from all areas of the business, but if we can get someone from marketing there, someone from finance, when we go back to marketing or finance for money to run a promotion or for their time and expertise, then we’ve already got, you know, we can run the ideas in that council and marketing will be like, that’s good... and you can develop these ideas and make them a lot more relevant, so that’s working quite well (SM1CaseA).

Diagram 4.2: Strategy Implementation Process: Case B



At Case B, special committees are formed to consider new initiatives:

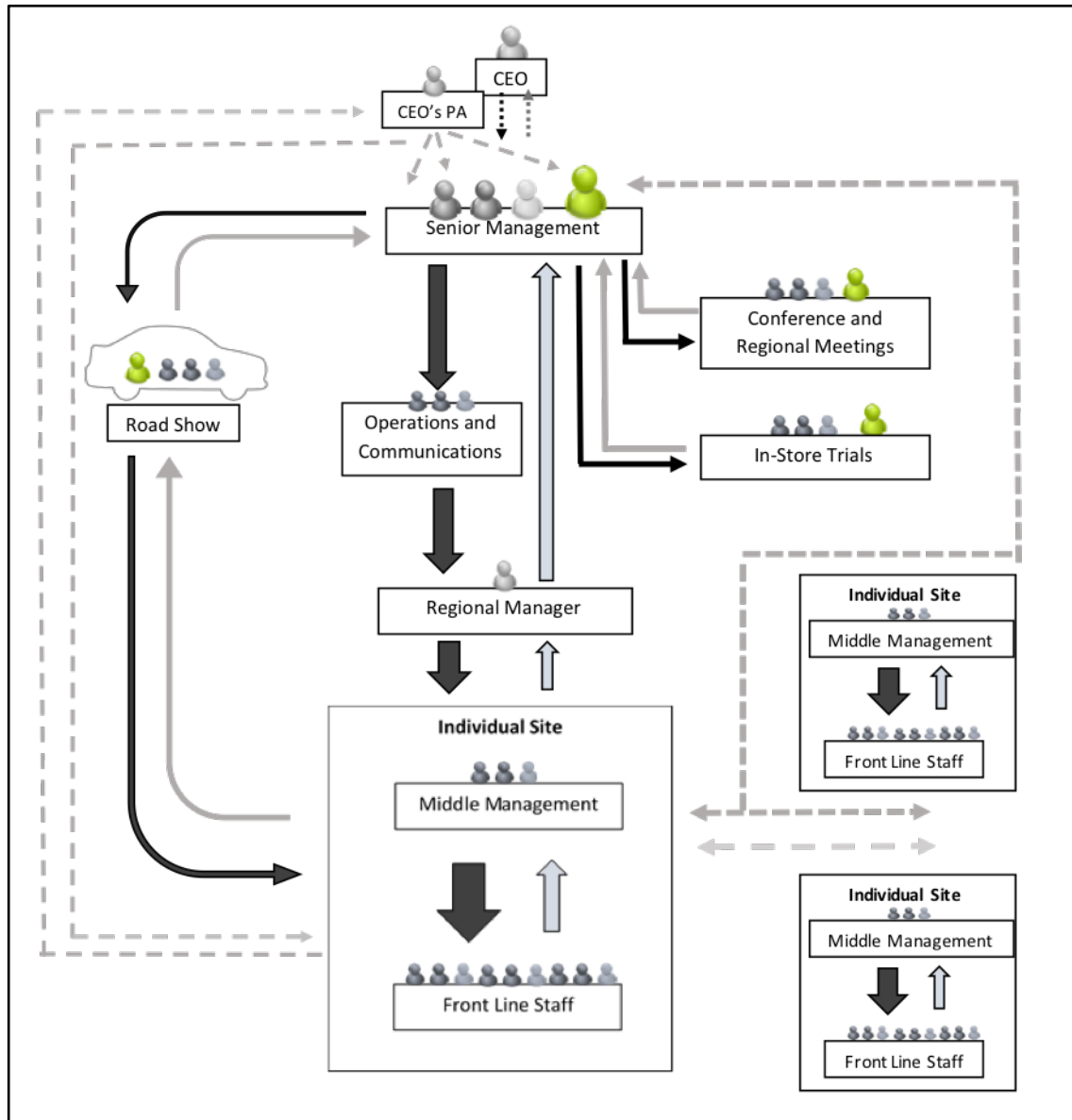
So, I sit at the table from the very start so they're starting to think about a concept while it's a concept and then as that starts to grow then I bring in SMEs [sic] so it will be a team manager or senior customer consultant and someone from the floor and we get to say the real dumb stuff, like – yeah, but what if you say that, customers are gonna [sic] think this? So we get to test them if you like (MM1CaseB).

The interviews at Case B were conducted at one of their customer call centres. During the discussion MM1CaseB related how marketing campaigns related to the green routines around phone calls to customers:

They've got external agencies and staff that work with them, but you'd be surprised how many times we... if we say one thing to turn it on its head we can because they can spend a lot of money on a campaign. We can stuff it up in one phone call because we either don't get it or we haven't been part of it or it doesn't feel right to us (MM1CaseB).

Having the opportunity to give feedback at the concept stage of green differentiation strategy development ensures involvement of the organisational members, who will be then required to follow the new green strategies by performing the appropriate green routines.

Diagram 4.3: Strategy Implementation Process: Case C



At Case C, two different techniques are used in the development and review of green differentiation strategies. Firstly, there are discussions held at national conferences or regional management meetings, particularly when launching a new strategy and policy, or alterations to existing strategic policy are under consideration. When asked about discussions with regional managers SMCaseC stated:

I will talk to the ones that will give me the most honest and valuable feedback, so I don't go out to all of them, sometimes when the RMs [Regional Managers] are here in

[location] I will present to them about what we are planning, changes we are planning to make and get their feedback. ... I get the overall kind of strategy vision but the execution of it I talk to the relevant people and go from there.

Case C also use in-store trials:

We have got a few stores that have been identified as stores where new processes are trialled. Some it happens in this specific store. Our [location] store is one of the ones that receives most of that attention (MM4CaseC).

When asked why this particular site, MM4CaseC answered:

It's a big store with lower sales so there's more capacity and if it doesn't work the impact is not as big, whereas this store with its sales, if it doesn't work you're impacting this whole month's figures, so that why they do that. There was also a decision at the time taken that in terms of its location, closer to head office etc.

Which doesn't mean that all new or changes to strategy are trialled first in the separate store. FL2bCaseC gave an example of new iPads and a change to a common inventory system across all the retail store's brands, adding: "So anything that impacts the company we trial it first, we have to see if it physically is possible because you don't know what is going to happen while you are doing it."

In order to understand this secondary research question, SQ 1, further supplementary questions have been examined. These questions focus on the implementation of the green differentiation strategies in the form of green routines, performed throughout the organisation, including at the front-line employee level during the service process. A simplified version of this process was to ask: what routines do the employees do, who told them to do these routines and how did they know about these routines and how to perform them? This is the basis for the supplementary questions. The following is the analysis of these supplementary questions.

4.2.1. SQ 1.1: What Green Routines and/or Actions do Organisational Members Perform as Part of the Service Process?

To understand the strategy implementation process for green differentiation strategies, SQ 1.1 was to examine the green routines and actions that the management expected the front-line customer-facing staff to perform as part of their daily work routine. This question is about what routines the members of the organisations, management and employees, perform as part of

their daily job; i.e. routines. The most often stated green routines are presented in table 4.2, along with a list of the individual participants who discussed these routines, as well as representative quotes from the participants about this routine or action. These green routines have been categories into common themes.

Table 4.2: Organisational Green Routines		
Routine/Action	Interview Participants	Representative Participant Quotes
Reducing Waste		
Reduce and Recycle Waste	SM2CaseA MM3CaseA FL1bCaseA FL2aCaseA FL2bCaseA FL3aCaseA FL3bCaseA SMCaseB FL1CaseB FL5CaseB SMCaseC MM3CaseC FL1aCsaC FL1bCaseC FL2bCaseC FL3aCaseC FL3bCaseC FL4bCaseC	<p>At the end of our shift or when we're just sorting out it goes into separate bins and then the landfill bin for all other stuff (FL1aCaseC).</p> <p>I do the newspapers, so I will cut the Herald or whatever it is off the paper and then the girls [sic] use the paper for wrapping customer breakables and things (FL2aCaseC).</p> <p>Obviously we generate a lot of waste. That's in the form of plastic, paper, cardboard boxes, general waste, so that's obviously all separated (MM4CaseC).</p> <p>So we have different bins as well so plastic, rubbish, landfill and cardboard separate... Any sort of rubbish or stuff like that will go in our red waste bins but we try and minimise that where we can because obviously you pay for a pick up every time (FL4aCaseC).</p>
Reduce Printing	SM2CaseA MM3CaseA FL2bCaseA SMCaseB MM1CaseB FL4CaseB FL4aCaseC	<p>... quite often we do get asked the question – shall we print this out? I'm like no, I purposely made it hard for you to print out, so you didn't print it out. Can I give you a digital version that's faster and easier? Stop bloody hitting print (FL4CaseC).</p> <p>So the next piece that we did was everyone clean out and recycle everything that they had that was paper and so we went through that and then the team who was able to recycle the most, we weighed it, did a whole exercise around that (MM2CaseB).</p> <p>For example our printers, you have to code in so that we are not just willy-nilly wasting paper all the time (MM3CaseA).</p>

Reducing paper use/Paperless Office	MM2CaseA FL1aCaseA FL1bCaseA FL2aCaseA FL3aCaseA FL3bCaseA MM1CaseB MM2CaseB FL2CaseB FL3CaseB FL5CaseB	<p>We started off by getting everyone to ditch their post-it notes because we used thousands and thousands and thousands of Post-It notes, it was absolutely ridiculous, and I think in the first two months I saved about 11,500 post-it notes, which equated to something ridiculous like \$200. ... [What did you replace it with?] Miniature whiteboards (MM2CaseB).</p> <p>You know like note paper, often reception will cut up our old paper to use the other side (MM2CaseA).</p> <p>So anything that possibly can go on a spreadsheet on the computer does go on a spreadsheet on the computer (FL1bCaseA).</p> <p>We used to get people to sign suspension or termination forms, but we just do that all through email now (FL2aCaseA).</p>
Disposal of Wooden Pallets	MM2CaseA FL2aCaseC	<p>All our pallets go back and they'll try to fix them if they're broken, otherwise they put them into bark (FL2aCaseC).</p> <p>Those wooden crates, we put it out the front here, gone, someone has used it for a hut (MM2CassA).</p>
Coffee grinds	FL1CaseB	We have coffee machines throughout the whole office. We do want the coffee powder [sic] to be taken home and use it as compost (FL1CaseB).
Energy Use		
Electricity usage / Turn off	MM2CaseA FL2bCaseA SMCaseC	<p>It becomes like a way of life because we flick off the lights when we leave the room, if we've got heaters on or anything then the doors are closed, we don't leave the door open so it all escapes. ... we turn off computers when we are not using them (FL2bCaseA).</p> <p>For me, for the girls [sic] at the desk, and they'll probably tell you this, don't go in there with a singlet and shorts and then turn the heater on. Your first option is to put your clothes on, then you can have the heater on and they know (MM2CaseA).</p> <p>... and just being mindful with things like switching screens and computers off at night (FL3bCaseA).</p>
Automatic lighting	MM1CaseA SMCaseC	Team members normally do not have a whole lot to do with electricity efficiency because everything is run from this

		<p>building [Head Office]. Whether it is the high vac, all the set points are done here, the lights are automated, so they really don't touch any of that stuff (SMCaseC).</p> <p>Even these sensors, when there's no people walking around it turns off the lights, so things like that, the automation (FL1aCaseA).</p>
Transport		
Electric Cars	SMCaseB MM1CaseB FL1CaseB FL5CaseB FL2aCaseC	<p>That is a promise from our CEO. We're upping our fleet to electric cars, so we've got half a dozen down in the basement (MM1CaseB).</p> <p>I know the company has tried to cut the carbon footprint by changing the cars they used to... I think most of them have the Toyota Prius (FL2aCaseC).</p>
Reducing Travel	SMCaseB FL2CaseB	<p>I guess one of the things is that we still send a lot of our staff who are situated elsewhere – we fly them. ... We have staff who fly from [Head Office Location] every week. They might have staff here so I'm not sure whether that entirely sustainable. [Do you do video conferencing?] We should do. We do use video conferencing a lot, but clearly not enough (FL2CaseB).</p>
Miscellaneous		
Green Cleaning Products	MM2CaseA MM3CaseA FL1aCaseA MM1CaseB FL1CaseB	<p>Ecostore (MM1CaseB).</p> <p>So it started off with the business doing that, we looked at all of our consumables and our cleaning products, how environmentally friendly were they? (MM2CaseA)</p>
Gifts	FL1aCaseA	<p>One of my staff, we had to do a Secret Santa, and I gave her a reusable coffee cup. So things like that make a big difference, even the smallest of things (FL1aCaseA).</p>
Community Volunteering	SM1CaseA FL2aCaseC	<p>... we have a community clean-up day where the staff go out to an area in their community and we go and pick up rubbish and it's amazing, the rubbish (FL2aCaseC).</p> <p>[Name of business division] last year we a working bee on [name of island]. That was compulsory, so that was another way to say right, you have to do it and for them it was actually really beneficial as well as obviously helping the environment and out at [name of island] for them it was a great team building exercise. ... They did it over a course of five months so there'd be groups of 10 or 15 would go out</p>

		at each time and the feedback I've heard from them and their teams was really positive (SM1CaseA).
KidsCan	MM1CaseB FL4CaseB	<p>[Business name] picks a couple of charities and we've stuck with them like KidsCan. ... We made the decision we were going to pick charities that matched our values (FL4CaseB).</p> <p>We also go to KidsCan schools to give small speeches and some small activities like planting trees in the school campus and going around and planting with the children. Of course, we talk about renewable energy because we believe those are the seeds which can grow up to be something which is bigger in terms of what they do and how they can do it (FL1CaseB).</p>
Case-specific Green Routines		
E-waste drive (Case A)	SM1CaseA SM2CaseA	<p>Another one we've done every year for the last three years is e-waste drive, where it's basically for all the [sites] to dispose of their e-waste in a proper manner. So we do run those where we send pallets down to each [site], we pay for it as a national initiative, but obviously encourage the teams to look around at what they have, recycle it and also they can bring in things from home as well (SM1CaseA).</p> <p>We're looking to do a cell phone recycling initiative and we've done technology recycling initiatives for staff, so I'd expect them to buy into that (SM2CaseA).</p>
Green building – plants (Case A)	FI3bCaseA	I think we have grass on our ceiling [roof], what does that do? I don't know (laugh) (FL3bCaseA).
Electronic billing (Case B)	MM2CaseB FL1CaseB FL2CaseB FL3CaseB	We pass on to customers saying that having a paper bill is not the way we would like to go and we also have fees just to make sure that people don't want to have paper bills. ... we try to explain the reason why we do that and having a paper... of course once they do pay their bill it goes into the bin and it's a waste of resources (FL1CaseB).
Dealing with Customer returns (Case C)	FL1bCaseC FL4bCaseC	The return from the customers, which we used to dump it, but now it goes to our CRC where the DC and stuff are, so they sort the stuff out, but I don't know specifically how it's done, but we have been informed that it goes there just because of not polluting the environment (FL4bCaseC).

		I know our [name] department, their returns, the rubbish, goes back to our centralised return centre for disposing properly (FL1bCaseC).
Hangers Return (Case C)	FL1bCaseC FL3bCaseC FL4aCaseC	Our hangers, actually, as a companywide thing, our clothes hangers go back to a central point for recycling. Our shoe hangers and our underwear hangers are a different type of plastic, so they get thrown in the Green Gorilla bin (FL1CaseB). All our socks and underwear and now all comes in green crates and it's the same with clothing, they used to give us these big, big bins with plastic all through it. The plastic is gone: all we get is hangers and crates. So, it's reducing on plastic (FL3bCaseA).
Recycle plastic bags - soft plastic (Case C)	SMCaseC FL2aCaseC FL2bCaseC	Yesterday we were like chockers we had to take it out. They are like putting food bag plastic in there as well, so it stinks after a while (FL2bCaseC).
Specific supply policies (Case C)	SMCaseC	We have got policies around wood, sustainable woods, sustainable palm oil and they have to come from a verified source, an FSC logo or RSPO logo, otherwise who knows (SMCaseC).

In addition to the green routines in Table 4.2, MM2CaseA and FL2aCaseA, both at site 2 of Case A, talked about site-specific routines and actions. MM2CaseA said: "We've got a library in the staffroom and we can bring our books and we swap them around and read them" (MM2CaseA). Both participants discussed the recycling of clothing and shoes. MM2CaseA said: "I bring shoes that friends have that don't fit and the young girls take them." FL2bCaseA added that they brought their daughter's clothing in for staff with younger children, as well the site collected shoes: "We had a big bin thing and it got sent over to Samoa for all the kids" (FL2bCaseC).

The other site-specific routines discussed by FL2aCaseA included:

Even our old equipment and stuff, we give it to members [customers], we give it to schools, we do heaps of free stuff for schools. So, lots of community work and then if we have equipment that we're upgrading we pass it onto schools for free.

So I try and use as limited signage as I can, but I actually reuse the signage. I'd give them to members [customers], they'd take it home, they use it as shade cloths, they might use it for a slip-and-slide for their kids on the lawn... [some members] like to put them

over the back of their houses for a cover when they have all the family over and stuff like that.

This front-line employee also discussed a site-specific customer service focused routine: “We changed our cycling tickets, we used to have a paper tickets for each class and now we’ve just laminated 35 tickets and reuse them each time” (FL2aCaseA). This routine is discussed more in the analysis and results of 4.2.4 SQ 1.4 What Guides Choices for Flexible Routines.

As part of this discussion, the participants were asked about any barrier that exists that stopped them from effectively performing these green routines. Whilst FL1bCaseC stated: “There’s no barriers apart from attitudes”, and many of the interview participants felt the same as FL1aCaseC “no problems, it’s easy”, there were some specific barriers to green routines discussed.

The issue of budgets and cost was seen as a major barrier to implementing green routines. SMCCaseC simply said “dollars”, indicating a limited budget, adding,

Generally it is a matter of prioritisation and the business is here to make a profit, that is at the end of the day what it is for. If they can't make a profit they can't afford to do more stuff around the environment, so it is frustrating, I would love to save more of the planet, but in some areas, it is quite straightforward, some areas can be more work (SMCaseC).

MM1CaseA agreed that cost was a barrier to some routines being introduced or expanded. MM3CaseA inferred that the idea of priorities is not just limited to budgets: “I now and I’ve got to admit right now I feel like Health & Safety is trumping everybody’s headspace.”

Another barrier was the time to do some specific routines. FL2bCaseC and FL4bCaseC both talked of not performing the required routines for proper waste sorting and disposal, including recycling.

There are some times when time can be an issue, where a lot of team members, doesn't happen a lot, but some team members will feel pressured about what they need to get done and then they would rush through something and have a whole stack of boxes and just leave it somewhere for someone else to discover (FL2bCaseC).

Sometimes it’s hard, like we don't feel like, we just quickly do it, put whatever but we have been advised and pressured to follow the rules and do the correct way, so when it is busy sometimes we miss that, but we do try and do it (FL4bCaseC).

Only FL1bCaseA spoke of the fact their site was located within a leased building as being a barrier: “It does hinder us in a lot of ways in terms of changes we want to make to the [facility]. I don't know the exact details of it, but I know there's a lot of paperwork and stuff around it.” An example given was to add organic waste to their waste reduction routines, this was reliant on a change in the way the building owners dispose of waste, and the allocation of space for the organic waste bins.

One story from SMCaseB indicates a different of barrier to green routine implementation, more closely linked to FL1bCaseC's comment about attitude:

I remember a friend of mine who was this sustainability person at Department of Conservation, and she used to call it brown/green. She said she had such a hard time getting her staff to use less petrol and buy more efficient cars because they're like – but I'm saving the birds (SMCaseB).

There has been a limited analysis of this sub-question, as the focus of the research is on the process of how the employees and management know what routines to do, and who are the drivers of these routines. During the interviews, specific routines were used as examples for interview participants to link to the questions about how they knew about these routines and the transmission of information around these green routines.

4.2.2. SQ 1.2: How do Front-Line Employees Know What Green Routines to Perform? (Or What Not to Perform?)

The question of how front-line staff know what routines to perform, or not to perform, examined not just the routines, but also how are the core organisational values, particularly the green values, are incorporated into this process. The responses of the interview participants have been themed into four categories: new employee induction, on the job training, new routines and changes to routines, as well as meeting and reports.

4.2.2.1. New Employee Induction

The interview participants were asked how the green differentiations strategies and associated green routines were included in the induction process. Whilst each of the cases had an induction for new employees; there were variations in the contents of these induction processes.

At Case C, when asked about the induction process, SMCaseC stated: “I don't know. The store manager would be best to tell you that. No idea how they induct people at the actual store.” MM4CaseC was able to explain the induction process at their store in some detail, not just because they were the site manager, but also because they had been through the process about five and half months before the interview:

The team is taken through an induction programme. First of all there is just a whole lot of paperwork, which is papers that they need to read, understand, but then they're taken on an induction programme where they're taken to the areas where we separate all the waste and all the recycling goods (MM4CaseC).

The “whole lot of paperwork” was explained as the link to the core organisational values. MM4CaseC went on to add:

Then they do online training as well so what is the impact of it, why is it important and I think that ‘why’ is really the important one because unless they understand that it is just becomes another task, so we take them on that journey in terms of that (MM4CaseC).

MM3CaseC cautions that there is “a lot of information” in this induction process, leading to potential “information overload” for the new employees. They added, “I find you have to do it on the job as well because they tend to forget on the first day” (MM3CaseC), because of this MM3CaseC prefers to rely more on ‘on the job training’ (see 4.2.2.2) and “more active management; managers working with them on the job coaching.”

When discussing the induction process with the front-line employees, they indicated the induction process was more focused on the actual green routines, and how to perform these. Typical comments from interview participants were:

My team leader is pretty good, so she showed me everything and kept on top of it until I understood where everything went (FL3bCaseC).

Yes, they'll say here's our recycling bin and tell them about the cardboard boxed and about the paper bin and about the plastics bin (FL2aCaseC).

Only FL4aCaseC spoke of how the core organisational values were included in the induction process: “when they first start here we have an introduction handbook that goes through and will pick up just a couple of base things.” They indicate that the focus of this booklet is on Health and Safety but added: “Then the introduction piece also talks about the environment and where

and how that goes through”, signalling that the green core organisational value is part of the induction process.

Interview participants at Case A were issued with an information booklet focused on the five core organisational values. FL2aCaseA linked this information to specific green routines: “When you first became a staff you get told the five values of what we truly believe as a company and then so it is just about thinking of new ways to save paper or recycle.” In addition, Case A also provides online material, videos and monthly newsletter about the core values and the related routines, as a way to reinforce what routines the staff should be performing and why they are being done: what of the five core values they relate to (FL2bCaseC).

In contrast, FL3aCaseA, who was a recent recruit and had just through a business site induction, had limited knowledge of the five core values. When directly asked about the core value of “Be Green”, and informed it was painted on the wall in the corridor, they replied “Oh, okay”, adding:

So when you say that I have seen the Go Green and stuff and like I said I’ve noticed little bits here and there, but my mind in general isn’t... Now that you say it most definitely, but I’ve noticed little things like how I mentioned the bins and stuff like that (FL3aCaseA).

FL3aCaseA then indicated they had not completed the full induction process, which takes place every three or four months at Head Office. When questioned further about how they knew what routines to do, they added about the recycle bins:

It wasn’t by luck, it says explicitly on there what they’re used for, so unless you’re a complete utter tool... if you didn’t understand English and also it’s set out so it’s there and people would know, put paper here, mixed recycling here. So, unless you’re a dick also, you know what I mean? (FL3aCaseA)

What FL3aCaseA indicates is whilst senior and middle management believes that the induction process, including the yellow book, outlines core organisational values and the related routines, and that this is understood by all staff when they start, this is not necessarily the case.

At Case B, the focus is on the core organisational values: “Yes, that’s done in the induction and it’s not just about what we do, what [Company Name] stands for and what we do and our values” (MM1CaseB). FL4CaseB explains:

We walk the talk and you can see that impact on our staff, especially our staff on the first day and they’ve got a note book full of paper and they’ve got post-it notes ready to

go and we're like no. We've got Notepad and we've got whiteboards and anything you need we can usually do it digitally or in a renewable sense.

This indicates that the induction process at Case B is more about the core organisational values, rather than the specific routines; leaving the information on specific routines to each site manager.

4.2.2.2. On the Job Training

A strong theme emerged when participants were asked about how they know what routines to perform, as well as how to perform them. Many interview participants discussed on-the-job training as the main way they knew about the green routines at their case organisations. Some typical quotes about this are:

You take the person physically through practically to show them how to do it as well as part of their process (FL2bCaseC).

It was my team leader at the time, so my boss showed me everything that I needed to do throughout my job and where everything went, where everything needed to be and where to get everything, so yes, that was from my supervisor (FL3bCaseC).

I think for us now it's actually part of our culture. It's just what we do. So when a new staff member comes onto our reception now, we used to have a paper systems everywhere at reception and now everything's on the computer, so they're just thinking about that all the time (MM2CaseA).

The implication here is once the process at the site is well established, new staff are more likely to follow the lead of the existing staff.

On the job training of staff is more than just in the introduction phase when new staff join a site; the process is ongoing. The interview participants were asked what happens if someone does not perform the green routines correctly? The responses indicated that the staff would intervene and correct the behaviour. Typical responses were:

You go oy- what are you doing? And then we make sure that they start doing it. I don't know, everyone's pretty good and if you see them doing it – no that goes in that bin (FL1aCaseC).

If I see a staff member and I go nah, that's not where that goes, put it where it should be. Or they'll be in the staffroom with the lights on and it's the middle of the day and I

come in and go - saving power, remember, you don't need that light now do you? (FL2bCaseA)

I was trying to put the paper in the red bin where all the rubbish went and [name] said it doesn't go there. Okay, okay and from that I remembered they are all green, not green, the yellow bins where the papers go, so I said okay. Sometimes it's an item maybe we overlook and we try to be sneaky and have a quick way of doing it, but no, not any more (FL4bCaseC).

In addition, some of the interview participants suggested that by correcting other staff members means the process become a normal way of doing things: they become a green routine:

Yes we just go no, that goes in that bin and they go oh yeah and then it just becomes routine (FL1aCaseC).

The more you do it the more it snowballs and people just start naturally doing it and seeing something and thinking that's not right, that's the wrong thing to do, So yes, we are quite conscientious and I think it becomes a lifestyle (FL2bCaseA).

For some interview participants, part of this on the job training process was to inform staff of the reasons behind the green routines, linking the core organisational green value to the green routine. FL2bCaseC stated: "They have to know why am I doing this." FL1aCaseA tries to frame any correction of behaviours in a way to motivate the staff to want to do the green routine: "You have obviously say the reason, like I normally try to come from a positive side of things rather than negative and I would say if you did this, this would benefit this." MM2CaseA took this a step further, not only explaining in terms of the core green value but also to give additional information to emphasise their point:

Like for the heater, if I came in and it was on, I'd say let's have say think about this. How come you're in shorts and a singlet and the heater is on? What do we do? You always put your clothes on then the heater comes on last. Not only is it good for the environment, it's actually better for your own personal health (MM2CaseA).

Linking the green routine to the core values by providing additional information was perceived as being a way to improve the performance of these green routines. FL2aCaseC said: "For a while the recycling was a bit of a mess, but it's good now", and when asked what had changed, they added: "People more aware about recycling."

Most participants were confident and comfortable in correcting other staff's performance of green routines: most participants were like FL1aCaseC, who said: "yes, no big deal." FL4bCaseC

was the only interview participant who was not comfortable to correct other staff's routine performance:

I don't like asking or telling people to do stuff, I do it myself then you know, asking, sometimes it depends on the person, how he [sic] takes it, so negative or positive. It's mostly that's why I just think I'd better do it myself rather than asking someone else (FL4bCaseC).

Although this could be due to their individual personality traits; FL4bCaseC tends to rely on reporting any issues to their supervisors and management, rather than correcting staff themselves. MM3CaseC indicated that some staff are more likely to intervene and comment on others behaviour because: "Some of them that have maybe been here a bit longer or have that stronger personality type will."

When asked if there any consequences for not performing a green routine correctly, most participants didn't perceive there to be any formal consequences. SMCaseC stated: "There is at the RM level, there is very much name and shame there about them and their stores. Some RMs, Regional Managers, have got concerned about that and improved things." At the site level, only FL4bCaseC spoke of formal consequences: "Remind, usually the remind, remind, remind. It depends, if it's like a serious matter then we are given a verbal warning first and then after that..." FL2bCaseC was more optimistic, indicating that they perceive that there was little need for formal consequences:

Well repetition is the best way of learning. You can't penalise someone for leaving something like that. You can go through the process and you can have them do the step-by-step. You show them again and, I truly believe that people don't go out to do a bad job (FL2bCaseC).

MM1CaseC also spoke of the importance of involving the whole staff at their site, including the contracted cleaning business and their cleaning staff: "[name of cleaning business] was coming in and cleaning and just throwing that [recycling] in the rubbish." To solve the issue, the cleaning business were issued separate bags and bins for the different types of recycling and waste, and were given training to make sure that they followed the expected green routines, as MM1CaseC adds: "Why are we recycling upstairs if it's just ending up in the rubbish?"

4.2.2.3. Changes and New Routines

The issue of forecasting of changes to green routines or new green routines became a separate point of discussion in the interviews. FL2bCaseC put this into context, depending on the impact of the changes:

If something changes and it affects processes, then it is going to be... you are going to have to be notified about it beforehand. It depends on what it is. Having [soft] plastics [recycling] in the front [of the store]; that in itself, I don't think that needed much more a warning because it is not impacting anything. It is just something you have to let customers know about, but they can see it for themselves. That is different, but if it has got to do with the way of working, then it would definitely have to be notified and would come from up high and then obviously filter down (FL2bCaseC).

Changes were forecast differently at each case. Case A informs of any changes as part of the budget memos with a follow-up email two months before the change (SM2CaseA). Case B the information is forecast as part of the staff meeting process with additional “newsflash” closer to the change (FL3CaseB). Front-line staff at Case C inform management via a workload planner that forecasts the next six weeks plus any longer-term changes and it up to the site managers to inform staff (MM4CaseC, FL4aCaseC).

All of the members of each case, front-line employees and management, have the ability to give feedback on the progress once a change has been made, or a new green routine is introduced. It is more an informal process of review, as FL2bCaseC stated: “They are very happy to let you know how it is affecting them.” This information can then be fed back up to senior management at head office.

In each of the cases, the interview participants described the process of introducing new green routines or altering existing green routines as being similar to the on the job training process (4.2.2.2). The only real difference was the forecasting or additional information from senior management.

4.2.2.4. Summary: SQ 1.2: How do Front-Line Employees Know What Green Routines to Perform? (Or What Not to Perform?)

The process of how front-line employees know which green routines to perform begins at the induction stage. When they are first employed at the case organisations, they undergo an induction process that covers expected routines, including green routines, as well as the core organisational values and how these are linked to the green routines. However, the process of

implementing and reinforcing green routines is not limited to an induction process; it is an on-going process with on the job training and regular meetings to ensure that the green routines are being followed, as well as to keep employees informed of what changes or new green routines will be introduced. What was evident at all of the cases was a willingness of most members of the organisation to monitor and correct the performance of green routines of others. Whilst some, such as FL4bCaseC, were hesitant in correcting other staff, the majority felt the same as FL1aCaseC, that it was “no big deal” to correct others performance of green routines.

4.2.3. SQ 1.3: Who Are the Drivers of the Green Differentiation Strategies and Routines?

The responses to this question on who the drivers of the green differentiation strategies and routines are separated into two groups. The expectation was that the interview participants would identify people within their organisation that act as drivers of the green differentiation strategy implementation process. The themes that emerged from the ‘*who*’ are the drivers were the direction from the top and green champions. Whilst the questioning and discussions were aimed at examining ‘*who*’ are the drivers of the green differentiation strategies and routines, the interview discussions also turned to examine ‘*what*’ else act as drivers of green strategy implementation. The themes that emerged in the ‘*what*’ are classified into internal and external drivers of the green differentiation strategy implementation.

4.2.3.1. Direction from the Top

In all three cases, the importance of the values of the CEO was discussed. For Case A, the CEO was described as having a strong personal interest in environmental issues and is active in a number of different green organisations outside of the business. At Case C, the interview participants spoke of how the founder of the organisation set up the core values at the inception of the business:

Basically [name of founder] was sitting at [their] dining room table 32 years ago, 33 years ago, and [they] wrote down our core purpose and [they] specifically put down that we would do this for the community and the environment (MM1CaseC).

The advantage of having this CEO support for green initiatives is summed up by SM1CaseA, “when you’ve got someone who is passionate about it to have a budget to do these type of things is great also.” However, changes in the CEO can lead to changes in the emphasis on specific core values, as FL4CaseB at Case B explained: “I’ve always pushed that we could do more

in that space [green differentiation] and basically it just depends on who is GM or CO at the time, where their vision is.”

The establishment of green policies and routines is the domain of the senior manager responsible for these green strategies and policies. As MM1CaseA states: “I would say that we’re very driven by what comes through to us from [Head Office].” This is in contrast to MM1CaseB, who thought senior management are more focused on the overall business strategies, and less on “how you have to act or behave or this is what you have to do as an individual in the workplace.” This is in agreement with SMCASEB, who indicate they do not aim to have a direct relationship with the routines that the front-line staff perform. SMCASEB focus is on reviewing and creating green strategies and policies. Their view is:

What I try to get people to think about is in my job what is the influence that I have on the company’s sustainability as opposed to how the office runs? So what does this mean for my role and how can I do that better?

I also think if you structure any kind of sustainability effort so that it all has to come from the corporate centre or always coming from the corporate centre, that’s not embedded, that’s not actually encouraging people to do it on their own. I don’t want that to come from me, I want the staff to be looking after their own stuff. I’m successful if I cease to exist. Not that I don’t want a job, but you know (Laugh). I want the big overview (SMCASEB).

What SMCASEB indicates is the importance of the middle managers at the individual sites. This is agreed to by MM1CaseC: “I think what [Head Office] has got so much better at doing now is collaborating work with [site] managers and that’s actually to get our buy-in and our feedback at the time, before any implementation actually hits us.” What this points to is whilst the direction for the business is driven by top management, it is lower down at the individual site management level that the green differentiation strategies and policies are implemented as green routines.

4.2.3.2. Green Champions

Whilst the direction of the green differentiation strategies is driven from the top-level management, including the CEO, in the interviews it became apparent that the implementation of these green strategies as green routines were also being driven by individuals at each individual site. This theme has been labelled “Green Champions”, however, this term has a

connotation of a heroic individual, instead, what was found was each site had a number of 'green champions'.

The senior management perspective on this reinforces the importance of the individual sites in the implementation process. When asked about variations between individual sites, SMCasEB answered:

If you asked me why it works, I don't know that I would be able to tell you and I don't particularly understand why in some parts of the business it seems to be working quite well, and in other parts not. I think a lot of the times it comes down to people's personal commitment and I do worry that if you lose a person you lose the push and the commitment to it.

SMCaseC explains that a possible reason for the variation is that at Case C the "approach is very much freedom within framework, so stores have a fair amount they must recycle and those sort of things, but how they go about it is up to them." They note that some regions this works well, whilst other areas are "atrocious" (SMCaseC). As a retail business, SMCCaseC suggests that "Normally the champion is the store is going to be someone in the stockroom", but also discussed the importance of the front-line staff as it is part of their job to dispose of the recyclables and waste appropriately. Some typical comments were:

For me personally, because I see some of the things, I think they could do more and that's a personal thing because I think some people are just not interested. It's up to us to educate people and I try to educate my staff and it's up to them to action it. I can't be 24.7 controlling them (FL1aCaseA).

The guys [sic] will put their own spin on it, you'll notice when you talk to them that [FL1CaseB] for example, [they] has this genuine, and [name] but you won't meet [name], but they have a genuine love of the environment and genuine love of the country (MM1CaseB).

Follow my lead, not as I say (FL1aCaseC).

Some like doing it more than others. They do tend to help one another, so there is very much an attitude a spirit of togetherness and team in this store (FL2bCaseC),

At most of the sites, the middle manager spoke passionately about the environment and what their individual site was doing in terms of green routines and their role in the implementation process. The one exception was a site at Case C where the middle manager was less focused on the green routines, leaving the drive for this to the next level of shift managers and supervisors.

The staff at this site performed the basic green routines. Based on comments in their interviews they were not as engaged with the green core values as the other sites within the firm.

What emerges from these conversations is the individual 'green champion' is able, and willing, to bring their personal green values into their daily routines and use this to influence and drive other staff to follow their lead. MM1CaseB takes this a step further, suggesting that the inclusion of the individual's green values makes their routines, and performance of the routines: "it's authentic and it's real." The concept of individuals incorporating their personal green values is discussed in more detail in 4.4.1 as part of the discussion on SQ 3: What Makes a Strategy Authentic to Internal Stakeholders?

4.2.3.3. Internal Drivers

One theme that emerged was the identification of internal drives of the strategy implementation process. Each of the case organisations took different approaches to their internal drivers.

At Case C, the main source of an internal driver was linked to KPIs. SMCaseC spoke the most about the use of KPIs to measure the green routines, particularly the amount of waste diversion. At Case C the aim is to have 95% waste diversion (SMCaseC, MM1CaseC). The amount of waste at each site is reported to the regional managers as well as the site (store) managers. SMCaseC added:

To some stores I am known as rubbish man. So for our stores, we produce way too much waste, but our diversion rate is somewhere around 82%, which is reasonably good, it is still 18% that is waste.

Having a specific waste diversion target, and an associated KPI, allowed the management to understand how individual sites were performing, to alert senior management to any sites that underperform or where anomalies occur. SMCaseC gave the example of a specific site:

So, we talk to the 50% store and find out what is going wrong because there could be a little data blip in there somewhere. Some of our stores where it is lower is, if you are in [location], good old [location], you don't get actually a whole lot of recycling options. We actually send a fair chunk of stuff around the country to support them in that, but what is going wrong in that store and what has been the trend (SMCaseC).

This also has the benefit of being able to discuss the green routines in absolute values, for example: “We’re told that your landfill has decreased by 20% or your landfill has decreased by.... And I think it’s good that the company is keeping track of it, it’s good” (FL2aCaseC). MM3CaseC stated that it is usually the regional managers that will discuss this with the individual stores; “I suppose in terms of follow-up to that, that’s really where the regional manager comes through and he’ll [sic] talk to us about it, how are you going with this part of the business?”

At Case A, the effectiveness of the green routines is also measured, for example:

we do things like we’ve got monitoring on, for instance, our, ... little things like how much water the showers put out (MM3CaseA).

So, [name] knows everything. [They] even knows how much loo paper we use, how much chemicals we use because if it goes up... (MM2CaseA).

When possible, we use Rubbish Direct who are very good at reporting functions on where that waste goes, and we provide reports to the [sites] on where they sit. We also count our carbon footprint across the group so those results we are very open with our staff and we let them know how we’ve performed (SM1CaseA).

At Case A the reporting was not described as KPIs, unlike Case C, they reported the information to all the sites, allowing for comparisons to be made by the middle management. What Case A focused on was the concept of carbon footprints, using an external challenge described as:

So you go online, it’s usually a video or a picture tutorial and you have to go through the tutorial and then you’ll have a series of multiple choice questions and based on your answers it will be how many you get right. ... as you go in as an individual and you put in lots of things like how much you travel or how much water you use at home etc, and then it gives you a carbon footprint (SM1CaseA).

A part of their third-party ‘challenge’ is to compare the business to other businesses that have taken the ‘carbon footprint challenge’. The ‘winning’ business is recognised: “you get a trophy and it sits on your front desk” (FL2bCaseA).

Case A use the information from this third-party ‘challenge’ as part of the staff performance appraisals, and as a way to impart additional information to staff, and encourage home green routines, therefore improving the green performance of the whole business. FL1aCaseA added:

I think it's a valuable thing to do because it gives the people the insight of how much you can actually do. Some people might be oblivious to these things and they're like oh yeah, this makes sense. I think it would be quite cool to see more of that sort of stuff (FL1aCaseA).

Other interview participants spoke of being measured against the core values as part of their performance review:

So it is threaded through our performance process, which is linked directly to pay and stuff like that so it encourages, hopefully, doing things well (MM3CaseA).

So we get measure on those values (MM2CaseA).

So we talk around that, as well at performance review time, staff do a self-assessment on how they believe they are when it comes to being green and gives us a little bit of detail around that as well to help to support it (MM1CaseA).

At Case B, the discussion on internal drives focused mainly on people. SMCaseB investigated each business unit, and "got HGM [Human Resources] to set targets and then I would report quarterly as to how each business unit was doing and whether they were meeting their targets." When asked, the other members of the case were less aware of specific internal KPIs and targets, FL3CaseB was typical:

I wouldn't know the specifics of it, but it does get monitored for example in terms of e-billing, it gets monitored in our KPIs.

I'm not actually sure because we just sort of aim for it, but it's not anything... it's a goal for the company that's important to the company, but they're not also coming down like a ton of bricks on us if we don't do it because obviously we're talking to people and there are so many people that just don't want it [the e-billing].

The question of incentives was raised with all interview participants. SM1CaseA said: "we incentivise so for those team challenges we have like a \$50 Ecostore gift pack if you partake in it." MM3CaseC thought the incentives were good at getting staff involved in community projects, whereas MM1CaseC thought that incentives might be useful in attracting less passionate people to participate in activities.

Another form of incentive was awards. FL1aCaseC said, "We won the Environmental Award last year so that's pretty good at the conference." This award was then displayed as a plaque in the store (MM4CaseC). At Case A the sites were very competitive, with each site vying for the

coveted company based environmental award: “We won the trophy seven times in a row at [location]” (FL2bCaseA), “yes I think [location] manages to take out quite a few trophies, so we’ll see how long we can retain that one for. We’re getting a little bit competitive amongst each other” (MM1CaseA).

4.2.3.4. External Drivers

A minor theme that emerged was the use of external drivers to encourage the implementation and performance of the green routines. Typical comments from the interview participants from Case A were:

... our office is part of Environmental Choice accreditation, so it’s only one of two offices in New Zealand... (SM1CaseA)

We spent an exorbitant amount of money to get it [the site] accredited as an Environmental Choice... (MM3CaseA)

Somewhat related to sustainability we also spent an extra \$20,000 to ensure that the historic well downstairs was preserved for, you know, because it’s part of [City’s] history etc. In fact, we’ve just entered into the [location] Business Association Awards this year for the most sustainable business (MM3CaseA).

4.2.3.5. Summary of Drivers of the Green Differentiation Strategies and Routines

The main drivers for the implementation of the green strategies and green routines were the green champions at the individual sites. At all three cases, the interview participants indicated they were encouraged to bring their personal green values into the organisation. The employees were, in most cases, confident and capable of correcting other staff performance of routines; therefore, they all become the drivers of the green differentiation strategies. The use of targets and KPIs was useful only if they were being reported back to the whole organisation, not just amongst management. The best use of KPIs was the inclusion of the green values into the staff and management’s performance reviews, linking the individual’s performance of the expected green routines, and having the ability to discuss this with them impartially.

4.2.4. SQ 1.4: What Guides Choice for Flexible Routines?

The responses relating to flexible routines focused on the interview participants perceived ability to make changes to green routines. In most of the interviews, the participants spoke of

the ability to make small changes or additions to green routines. Some examples of these changes included:

We are slowly getting everybody into recyclable coffee cups. When you go down to get coffee you take your glass cup down with you. They're getting used to that now. It's becoming the norm so it's not just us and even when you queue up over at the coffee shop to get your coffee there are people in front of you that have got their cup too, so it's becoming the norm. It's a nice feeling to see someone else is walking around with their cup (MM1CaseB).

We changed our cycling tickets, we used to have a paper tickets for each class and now we've just laminated 35 tickets and reuse them each time (FL2aCaseA).

I mean I know the checkout girls [sic] have said hey, we've got hangers and receipts that people don't want and other rubbish from products after, you know, the customer has bought and they don't want this, so they've actually set it up themselves. So, they've got a shoebox for one thing, they've got a big plastic bin for another thing and they've got another big plastic bin for hangers and it's all around them like that. ... So they've initiated that themselves and we just push it and encourage them to do it (FL1bCaseC).

What guided these changes in routines was what SMCaseC called "freedom within framework", which FL4aCaseC describes as:

We have a thing we call freedom within framework, so if there's a structural set routine and we can follow it, but if there is something you could do a bit better there's generally the opportunity to do that. For me it would depend, it's just a base routine that we go through and do and we think hey, this needs to be done, we can do this better, we would do it (FL4aCaseC).

This does not necessarily mean that employees would change routines as they see fit, the interview participants stated that they would normally discuss any changes with their supervisors or managers first. FL1bCaseA and FL3bCaseA both spoke sometimes doing extra research if necessary to present the changes in routines to their managers, particularly if there were any associated costs.

A good example of where an idea to reduce paper was rejected at the discussion stage was given by MM2CaseB:

As part of the EC paper free I went out to the contact centre and asked them for their ideas on what we could do moving forward. Some of the ideas I got, most of the ideas I

got were pretty outrageous like let's all buy iPads and not use paper. I'm not gonna get this across the line (MM2CaseB).

The reason this proposed change was rejected was due to the cost associated with purchasing iPads for staff. Instead, the idea was developed further, and a low-cost solution was implemented: where A4 size whiteboards were purchased instead. The aim of the discussion was to find ways to reduce paper usage, and the whiteboards have been used to reduce the need for post-it notes.

At Case B, management and front-line employees of a call centre were interviewed. In addition to their green routines within the office space, they also spoke of green routines pertaining to conversations with customers over the phone. As part of the discussion on flexible routines, questions were asked about the ways they implemented green routines into their calls. SMCaseB responded: "I don't know how much of that is scripted or free flow, but I do know they do an awful lot of training, so they stay up with the play." MM2CaseB responded with an example:

I think on our phone calls they can add values in different ways so I think as long as they are... we can talk about sustainability in many ways. So we can talk about it when we come to billing. Instead of getting a paper bill [Company Name] is 100% renewable and we don't want to send paper bills out... (MM2CaseB)

However, there are some scripted parts of the customer service phone calls, such as "so the disclaimers and things like that are obviously scripted" (FL5CaseB). The ability to include the individual's green values was reiterated by all of the interview participants at Case B. FL3CaseB said:

We do get quite a bit of freedom, but we do need to be realistic and think about how we're representing the company within that. We are allowed quite a bit of freedom just within reason and we're all pretty good at that to be fair.

At Case B, the customer calls are monitored, and the management routinely reviewed these calls as part of an ongoing appraisal process. Some of the interview participants also spoke of listening in to each other to hear how others integrated both the business' core green values and the individual's personal green values.

To sum up, the case businesses create a framework to guides the choice for flexible routines. This framework outlines the guidelines for the green strategies and policies, as well as setting

out the principles of the green core organisational values. It is the process of freedom within framework that allows for members of an organisation to make small changes to green routines to improve these routines, or to make the performance of these routines easier to do and also gives the site managers the ability to approve any changes to the green routines at their site.

4.2.5. SQ 1.5: How is the Information about Green Routines and Strategies Transmitted?

This research examined the strategy implementation by interviewing management and front-line employees at service organisations across different business sites within each case to find their perceptions and understanding of the implementation process. This research did not follow interview participants around as they performed their daily green routines, nor did the researcher ask to observe the routine processes or equipment. Asking about how the interview participants perceived the flow of information around the core organisational green values, including expected associated routines, allowed the strategy implementation process to be examined. The way that information about the green strategies and routines is transmitted within the organisation is the focus of this sub-question. The themes that emerged related to the information about the core organisational values, how bottom-up green initiatives are shared, how the information about big ideas for green routines are transmitted, as well as a minor theme of on-site meetings about the green routines.

4.2.5.1. Information about the Core Organisational Green Values

As part of the interviews, questions were asked about the organisation's core values. Each of the case businesses had a short slogan for their core green values: Case A has "Be Green", Case B was "Sustainability", and Case C has "Community and Environment". The interview participants were asked directly if they knew the core green value, as well as if they knew of any other core values. The interview participants were also asked where they would find information about these values. The results of this varied between each of the cases.

At Case A, almost all of the participants could name the "Be Green" value, with many able to name most of the other four core organisational values. When asked what "Be Green" meant, the participants answered in similar ways:

... to re-think, re-use, recycle and to just minimise our footprint (FL2aCaseA).

Be Green is I guess trying to reduce our footprint as much as we can. It's about being conscious of our environment and the planet and again recycling (MM1CaseA).

Only FL1bCaseA was unsure what “Be Green” was representing as a slogan:

I don't think the information that we get at [site] level is good enough. Be Green, I think if you'd ask everyone they would know Be Green is a value, but what does Be Green mean? I mean I'm sure head office has this is what it means for us to be green, but we don't... I don't know what the criteria would be for that (FL1bCaseA).

When asked where the information about the values can be found, interview participants at Case A spoke of the ‘yellow book’ they are given as part of the induction process, which was also available on the internal computer system. SM2CaseA inferred that the core values were more integrated into the communication systems:

It's part of their performance review, it's in our little yellow book and it's referred to when we talk about projects and how we talk about what's important to us, as well as like the Road Show. So, our managing director will go around and talk to the values that we have, it's on the wall's, it's in our communications, it's on the website, that sort of thing (SM2CaseA).

Both SM2CaseA and SM1CaseA spoke of linking the “Be Green” value as part of the information sent to the sites, management and staff, in newsletters, on the internal network, or as part of “Be Green” focused emails.

Where each site at Case A differed was the physical displays of the organisation's core values. MM3CaseA said, “you'll see them blasted on the wall in our staffroom for example.” Whereas FL1CaseA stated: “I'm pretty sure in our staffroom we have the values. I'm 70% sure, we can go back and have a look but that just goes to show that it's not a prominent thing.” When further asked if they thought that having the core values prominently displayed would re-enforce or act as a reminder, FL1bCaseA added, “I don't think so. No, we used to have them up you know.” They explained that they might have been removed during a refit of their site. FL1aCaseA, at the same site as FL1bCaseA, thought “I don't think you need to have posters around as much, maybe in the staffroom, I think it's on the door there on a sticker”, however, they then went on to give an example of where they had seen an organisation's core values prominently displayed:

I've seen it in Hyundai actually when I went there. They had it in their office with little quotes. I mean maybe in the future when they design [sites] they can put it out there more, but it's up to the Head Office how they want to go about it with branding. It would be quite cool to see something like Work Hard and Be Green, yeah, this is our values (FL1aCaseA).

Some at Case A did indicate that the core values, particularly “Be Green”, were displayed alongside relevant equipment, for example next to the recycle and waste bins to inform customers on the positive impacts of their recycling efforts. An example of this was:

One cool thing on our water fountains is we have how many bottles that we’ve saved of water per year as well, which is pretty cool for the customers, like 50,000 and there’s heaps of them plotted around. So obviously we provide free water so we’re saving bottles and stuff like that (FL3aCaseA).

The signage that FL3aCaseA clearly had the “Be Green” slogan as a header, linking the information to the core green value. This idea was also discussed by MM2CaseA, particularly when there was a recent water shortage in the business site’s city, their site added signage to the showers and changing rooms: “Because if they put signs up then you’re challenging people to conserve water.”; but added: some don’t read the signs, actually you have to talk to them and then they go oh, okay.” This indicates that signage alone might not change behaviours, that in some cases further discussion might be required.

At Case C, most of the interview participants did not know if there was a specific slogan for their green core value but knew it was part of the wider “Community and the Environment” core value. A typical response was:

... but I do know that it’s all about the community and included in the community is the environmental impact that the community has. Therefore, we incentivise, as a company, as a store, in terms of what our impact is and how we manage that. To give you the exact wording, no I can’t do that (MM4CaseC).

Only SMCCaseC identified the green core values as part of signage: “You will see it on the wall when you go out, our core purpose for [Case C].” Whilst many of the interview participants were unable to articulate the green core value, they knew where to access the relevant information on the internal computer network and public business web pages. What the interview participants discussed was the signage provided to assist the correct performance of the green routines; when talking about recycling waste, the interview participants said:

There was signage that went up, so signage on the bins, signage up here on the notice boards, throughout the meetings and all that kind of stuff (FL3aCaseC).

Everything is signposted. ... everything is clearly marked, so there is no reason for you not to do it (FL2bCaseC).

There's colour coding as well as obviously big bold lettering in terms of labelling what goes well. It won't only say cardboard, it would say specifically flattened cardboard (MM4CaseC).

Yes, and you've got picture as well so if you can't read then you can see the picture (FL4bCaseC).

Whilst these examples spoke of signage at the equipment or facilities for the green routine; these responses also highlight the use of signage to make sure that the core green value is followed with the correct performance of the expected green routines.

The discussion about the core organisational values at Case B identified that an organisation must do more than have simple slogans for the core values. SMCaseB stated: "The values are more behavioural than anything else. I would have to say that sustainability is probably our strongest core value out of all of them, mostly environmental but a bit social as well." Most spoke of the "[name of company] Way", which MM2CaseB explained: "This is the five core values that we live and breathe every day and one of them is sustainability."

What was interesting was when asked if the participants could name the other four organisational core values, typical participant responses were:

I've forgotten the other two (MM2CaseB).

Yeah, that's the three that I can recall (FL1CaseB).

Oh God I don't know them. ... Can I put a hold on that? (FL5CaseB)

SMCaseB suggested that the change in CEO was potentially a reason as to why the other interview participants knew the "[name of company] Way", but could not name the five core values:

But the CEO who is just about to retire isn't really a values guy. You know some people are more head and some people are more heart? He's not really talked about them or reinforced them but as you said so [name of company] staff still know what they're meant to do and how they're meant to behave, and do we have a culture, I would say yes. But no, we can't deliver the words because we don't use them; they're not being kept alive right now (SMCaseB).

FL5CaseB gave a different perspective:

It used to be everywhere until we changed buildings, so they were actually everywhere. We had cubes that sat on our desks with all the five values on them. ... So it used to be advertised quite a lot with coms briefs that went out and things like that.

The issue of staff not knowing all five core values was part of the discussion in a follow-up conversation with MM1CaseB as this was something that the front-line employees had raised with them as the middle manager after the interviews. Their response was they had begun the process of having the marketing department create some posters and other materials to be placed in the new building to remind staff of all five core organisational values.

Overall what the differences at each case pointed to was that having easy to remember slogans was good in principle, and that linking any communications and information to these slogans linked the core value to the strategy, policy or routine. The idea of daily reminders, via posters etc., is an effective way to remind and reinforce these core values. However, the actual names or slogans of the core values were not as important as the understanding of the principles and goals behind the core values, and the ability to access information about these principles and goals.

4.2.5.2. How Bottom-Up Green Initiatives are Shared

What emerged from the analysis of green routines was the variations between the individual sites at each case. The interviews were conducted at three separate sites at Case A, and four sites at Case C; Case B the interviews were at a single call centre. The individual sites are encouraged to develop green routines that fit with the guidelines and principles of the green differentiation strategies and green core values, as well as site's equipment, facilities and budgets (see 4.2.4 about flexible routines). These site-specific routines are then communicated within the organisation, including between the other sites, in a number of ways.

When asked about how the green routines are shared between the different sites, a typical response was: "if it helps other stores, they will let the other store, that is in the same situation as they are, know about that and they would share this knowledge" (FL2bCaseC). The importance of this sharing between stores was also discussed by SMCCaseB; where they thought it had a greater impact if the message of the green routine or initiative came from the store and individual staff, rather than a communication from head office. Giving an example of a staff

member wanting to do a “spring clean where everybody returns unused stationery and equipment to a central hub”, SMCasEB said:

She called me to ask me basically for my support and to let me know it’s going on and to ask me if I thought it was a good idea. She was like – I was going to do communications about it, they can come from you if you like. I’m like no, no, no; it should come from you (SMCasEB).

Another way that this information is transmitted is via email and regular emailed newsletters. MM2CasEB indicated that they send out a “Sustainability email” each week:

... which talks about one thing that people can do at work to kind of help make a better energy future for us. Last week was talking about reusable wrapping and stuff for food, so when you bring your food to work instead of going out and buying your coffee cups, take a reusable coffee cup with you. Don't go to a café and buy lots of junky stuff you have to throw in the bin (MM2CasEB).

A way that the front-line staff can transmit ideas and have access to what green routines other sites are doing is via internal internet pages and blogs, including internal Facebook pages (MM1CasEA, MM4CaseC, FL2aCaseC & FL4aCaseC). This process of communication between each of the sites is indicated in diagrams 4.1 - 4.3. This is shown as a double-ended dashed arrow, indicating that this is transmission between each of the sites is often an informal process.

One example of where this process has not occurred was part of the discussion with FL2aCaseA about the idea of reducing paper by creating laminated cards for a class, as opposed to printing tickets each time. During this discussion, FL2aCaseA indicated that they knew that others site had different ways of doing this: “I know [location] they still have the paper ones. At [location] they’ve got plastic tags that hang off the bikes as their tickets.” When asked if they had shared their idea of laminated tickets, the reply was: “Yes, it’s definitely something I should do, to tell the other branches.” Later in their interview, they added: “I am actually going to contact the other reception managers, about that tickets though, you really forced me to do that now, it’s a good idea.” (FL2aCaseA) What this example demonstrates is even though there are established transmission of green routines and ideas, and FL2aCaseA was aware of what the other sites were doing, some staff do not necessarily use the available systems.

When an idea for a green routine required approval from senior management, for example, require additional equipment or funding, the process for how the ideas were transmitted was similar in each of the cases. This is indicated in diagrams 4.1 – 4.3 as the light-coloured arrows,

between the front-line staff and middle management at each site, between the individual sites and the senior management team. For most of the interview participants, feedback followed the hierarchy, typical comments were:

I believe it goes through the... first it has to go through the department manager and then the [site] manager and then it will have to go through other people to [Head Office] and I believe that it kind of has to go, if it's a large cost then it has to go through Head Office (FL1aCaseA).

It depends on how it goes. ... if the team have any concerns it will come through probably the team leaders first, and then it will come to either [MM4CaseC], [name of another manager], or myself, and then we'll feed that through (FL4aCaseC).

There were also processes for front-line staff to directly make suggestions and feedback to senior management. Case B had a direct link between the individual staff and management at each site and the green senior management team (see Diagram 4.2). When asked, SMCASEB indicated that this process worked very well, but gave an example where it also became an issue:

I had this particular staff member who was a pain in the bum who would call me every fortnight challenging – why aren't we doing this and why aren't we doing that? I'm like do you think I'm not trying? (SMCaseB)

Cases A and C also have direct communication channels to senior management. At Case C, they refer to a specific system they called "Brain Waves", which are sent directly to the CEO's Personal Assistant (PA) (see Diagram 4.3), who then "sends it out to the relevant person" (SMCaseC). Having this system also allowed for the information to be transmitted to the right senior manager:

If you had anything you could put it in a Brain Wave and it would go right to senior management and that's the top level, that's General Manager level, which is fantastic and of course they know who the right person at Head Office to... that can be one of the things that sometimes gets confusing: Who should I talk to about this? (MM1CaseC)

As part of this process if the idea was successful or unsuccessful, this was communicated to person who sent the "Brain Waves."

I love the fact that they give that response. It's not we don't like the idea, we'll just not talk to them [the idea]. They [Senior Management] actually respond to every single Brain Wave that comes through, which is really fantastic. (MM1CaseC)

The front-line staff interviewed agreed with MM1CaseC's sentiment, that they like being informed of what happened to their Brain Wave, even if unsuccessful, as it encouraged them to submit any idea, no matter how small.

In addition to these direct communication channels interview participants at Case A and Case C spoke of a senior management "Road Show" (See Diagrams 4.1 and 4.3). At Case A, the Road Show occurs every three months, SM1CaseA describes this:

So, I will go around and see all the [sites] and talk through, the majority of it is facility based and I'll go along their cleaning and maintenance standards, but it would also be an opportunity to discuss any sustainability initiatives or get any feedback (SM1CaseA).

An additional advantage of connecting directly with lower level managers and employees, SM1CaseA said:

... and it's interesting that you're going out to [sites] and talking because their perception of what is happening is probably a lot different than mine. They may say you what send out is crap, it's not actually that interesting and boring so everyone just tunes out. I don't know... just to get their ideas rather than sitting here and thinking to myself this might be good or this might be good. (SM1CaseA)

FL2bCaseA perceives the Road Show as a good idea, as "different [sites] do different things"; the Road Show is an opportunity for direct feedback from senior management as to whether they are performing the required green routines the best way, and an opportunity to discuss what other sites are doing. Only FL2bCaseA perceived that Road Shows as just focusing on operational matters:

At the Road Shows they just talk about where the company is going within the next few years and what the idea is but it's not really based around being green or sustainability, or anything like that, it's just about we're opening in [location] in five years, yay (laugh). That's kind of what it's based around.

At Site 1 of Case A, they spoke of a specific Road Show of senior management to examine their recycling processes they had developed where staff had organised different bins at each checkout to separate the recycling and waste.

[SMCaseC] actually came here with a video camera one time and did some little video shots of how we recycle in our store, and then [they] put them on our Facebook page so that all the team, and there were a lot of people who watched them and got comments – oh yeah we can do that, and all that sort of stuff (MM1CaseC).

The purpose of this special Road Show was to share the green routines that Site 1 of Case A had put in place and to share this throughout the organisation as an example of what other sites could incorporate. FL1bCaseC said that “It was good”, and both they and FL1aCaseA perceived this as a good way to encourage all the staff to think of ways to improve their green routines or think of new ideas.

Another theme that emerged was the transmission of information within the business sites. At all of the business sites, the interview participants indicated that green routines were often part of their daily site meetings. Some sites had multiple meetings, particularly if they operated a number of different shifts. Additionally, these meetings gave an opportunity to discuss green routines and ideas. It was also a forum where any KPIs and reports on the effectiveness of the green routines were reported back to the front-line staff.

At Case C they also had a way for staff to note any issues they would like to discuss, not necessarily just green routines, strategies or policies, but any other operational matter. In each of the staffroom areas was a whiteboard with “I wish I knew...”, for example “So ‘I wish I knew’ why the plastic bin is so far from the checkouts” (MM4CaseC). These were discussed once a week and feedback was given on each of the questions. MM4CaseC perceived the way this process was worded as a good idea, as it also forced the staff to consider their suggestions, ideas and issues, as a question about the reasons behind specific routines, or policies, as opposed to just asking general questions. MM3CaseC stated that the idea was to focus the question on the process, information, or policy, as a way to “ask a question without really bringing offence”, explaining this in more detail: “It’s the same as you play the ball, not the man, and I wish I knew what this was not working rather than I wish I knew why their department is not doing it. So, it’s more friendly...” MM1CaseC added that this process also allowed for investigation into the routine or process, rather than focusing on the people or departments.

4.2.5.6. Summary of How the Information about Green Routines and Strategies Transmitted?

The intention of diagrams of the strategy implementation processes at each site (Diagrams 4.1 – 4.3) is to capture the process of strategy implementation. This analysis of these information transmission processes links to how front-line employees know what routines to perform (see 4.2.2), as well as who the drivers of the green differentiation strategies and routines (see 4.2.3). A key theme to emerge was the communication within each site, as well as information transmission between sites. The majority of the interview participants at the middle

management and front-line levels indicated that most of the communications about green routines occur at the site level, and between sites. This is not to reduce the importance of top-down information transmission; the perception is that the front-line staff are more likely to communicate directly with their supervisors and managers, or with each other, rather than with senior management.

4.2.6. SQ 1.6 How are Green Routines Developed into Strategic Capabilities?

This question examines the process of how green routines can be developed into strategic green capabilities. The analysis of the interviews identified examples where strategic capabilities have potentially been created based on a green routine. Routines and capabilities were identified based on the following definitions. A routine is defined as a “standard behaviours, rules of thumb or even strategies that are used, consciously or not, in largely repetitive fashion” (Johnson, 2007, p. 42, see also Parmigiani & Howard-Grenville, 2011; Pentland et al., 2012). These are further defined by Felin et al. (2012, p. 1355) as, “explicitly collective rather than individual phenomena.” Therefore, routines are identified where more than one participant described a green action common across their business organisation or site. Capabilities are defined as the “high-level routines (or collection of routines)” used in the deployment of resources in the production and/or service processes (Winter, 2000, p. 983). These discussed by senior and middle managers as being common green routines across the whole business, often managed by the meso level managers of the business. This section will examine three examples, one from each case, to illustrate the capability development process, and one example where this process did not occur as expected.

4.2.6.1. Capability Development Example at Case A

During the interview, FL2aCaseA discussed their idea of creating laminated tickets for the cycling class at their site: “We changed our cycling tickets, we used to have paper tickets for each class and now we’ve just laminated the 35 tickets and reuse them each time.” When asked how this linked to the “Be Green” core value at Case A, FL2aCaseA explained the process in more detail:

When you first become a staff you get told the five values of what we truly believe in as a company and then so it is just about thinking of new ways to save paper or recycle. So, when I came in everything was done by paper, so I just created new ways and then everyone just gives ideas of what we could do differently and then it just kind of keeps rolling. (FL2aCaseA)

FL2aCaseA was aware of what other sites were doing, they explained that another location had expensive plastic tags, and another location was still using the paper tickets system. The process involved asking permission of the site manager to trial the change, producing the laminated tickets: “It’s a little bit of manual work to start with” (FL2aCaseA), and then implement the green routine.

The discussion turned to whether this has been communicated across the organisation. FL2aCaseA indicated that they know the idea has not been feedback up to Head Office but was aware that there was a process where this could occur: by a phone call or via email to SM1CaseA and the sustainability team, or during a Road Show visit. There was also a process where they could contact other sites: either through the reception manager at Head Office or each site directly via an email. As noted earlier, at the end of the interview FL2aCaseA said: “No. I am actually going to contact the other reception managers about the tickets though, you really forced me to do that now, it’s a good idea.”

4.2.6.2. Capability Development Example at Case B

The example of a potential strategic capability from Case B is the use of A4 whiteboards, instead of using Post-It notes. One of the green routines at Case B is the concept of a paperless office, MM2CaseB explains:

We started off by getting everyone to ditch their post-it notes because we used thousands and thousands and thousands of post-it notes, it was absolutely ridiculous and I think in the first two months I saved about 11,500 post-it notes, which equated to something ridiculous like \$200 (MM2CaseB).

When asked what the Post-It notes were replaced with, MM2CaseB replied: “Miniature whiteboards.” MM2CaseB explains the origin of this idea:

As part of the EC paper free I went out to the contact centre and asked them for their ideas on what we could do moving forward. Some of the ideas I got, most of the ideas I got, were pretty outrageous like let’s all buy iPads and not use paper (laugh). I’m not gonna get this across the line (MM2CaseB).

The idea of buying iPads for staff was considered a good potential green routine but was not implemented due to the cost of purchasing the iPads. Instead the idea was further developed

into using whiteboards as a low-cost alternative: “I think I picked them up for four bucks from Office Max so I got a really good deal on them and they’ll last forever” (MM2CaseB).

During the interviews with the front-line employees at the call centre, most of them identified the use of whiteboards as a green routine that reduces the use of paper as a way to make the office paperless. Some typical comments were:

We don’t use paper in the call centre. We have whiteboards so if we’re writing things down it will go on the whiteboard, that way we’re not wasting paper and things like that. All post-it notes have been removed from the call centre (FL5CaseB).

We have [MM2CaseB] who... I don’t know why [they’ve] picked it up, but [they’re] kind of driving the paperless system so we’ll get emails from [them] about cleaning up and then I think some people have probably already mentioned the whiteboards that we have. So that was one of [their] initiatives and asking for new ideas about how to get to that, that’ll be great (FL2CaseB).

MM1CaseB cautioned that it was not always practical for meetings with other departments.

They’ve all got whiteboards upstairs, so they’ve got little A4 whiteboards, so instead of having post-its and pens they’ve got little whiteboards. Unfortunately for some people when an agent is going across to the sales or to operations they’re walking along with a little whiteboard saying - I just need to send... So it is a little bit odd (MM1CaseB).

However, FL4CaseB saw the whiteboards as adding to Case B’s competitive advantage, that Case B,

... walk the talk and you can see that impact on our staff, especially our staff on the first day and they’ve got a notebook full of paper and they’ve got post-its ready to go and we’re like no. We’ve got Notepad and we’ve got whiteboards and anything you need we can usually do it digitally or in a renewable sense (FL4CaseB).

They perceive the use of whiteboards, and electronic systems, to replace Post-It notes and printing, as a way to link the core green values with the routines within the call centre.

4.2.6.3. Capability Development Example at Case C

At Site 1 of Case C MM1CaseC and FL1bCaseC gave an example of creating a waste and recycling sorting process at the checkouts, as opposed to sorting the waste and recyclables in the storeroom into the bins. FL1bCaseC explains the process in detail:

So they've got a shoebox for one thing, they've got a big plastic bin for another thing and they've got another big plastic bin for hangers and it's all around them like that. So at the end of the night or two or three times a day they pick up all the hangers and they go into a big trolley and then they go out to the stock room in the trolley bin and that sort of stuff (FL1bCaseC).

This green routine, separating the waste and recyclable at the checkout, was instigated by the front-line staff at the checkouts as a way to make the performance of the goal 'waste reduction' easier. FL4bCaseC at another site indicated that when the stores were busy:

Sometimes it's hard, like we don't feel like, we just quickly do it, put it wherever but we have been advised and pressured to follow the rules and do the correct way so when it's busy sometimes we miss that, but we try and do it (FL4bCaseC).

The routine was successful as it meant the front-line employees could perform the routine of waste and recycling sorting as they served customers. It also allowed for easy collection and disposal into the appropriate bins in the storeroom.

MM1CaseC spoke of a special Road Show with SMCCaseC bringing a team to interview the front-line staff, supervisors, as well as store management, about the process, as well as videotaping the process to be uploaded to the internal communication system.

[SMCaseC] actually came in here with a video camera one time and did some little video shots of how we recycle in our store, and he then put them on our Facebook page so that all the team and there were a lot of people who watched them and got comments - oh yeah we can do that, and all that sort of stuff (MM1CaseC).

Where this has the potential to become a capability was in the way other managers and staff at other sites accessed the video clips.

I got a lot of comments from other people too who said to me oh we saw your video and it was great and it helped us, so that's a positive thing that [SMCaseC] does. I guess that's what we're talking about, it's getting the message across and that's one of his key things is he's very good at getting the message across to the rest of the stores (MM1CaseC).

This does not necessarily mean that other sites have directly copied the routine process, rather they identify this routine process as something they could incorporate into their site.

4.2.6.4. An Example where a Potential Capability was Not Developed

As part of the interview with SMCasB, they identified a good example of where a potential capability could have been developed. SMCasB spoke of an ICT project, linked to the green core values of CasB, that was discussed at a workshop:

The thing that sparked that original workshop was when they replaced the televisions and the video conferencing rooms and had a new control panel and the control panel couldn't turn the televisions off so the televisions were on 24 hours a day. I was like this is a calling and they were plasma TVs so they were hot to the touch. 450 watts a piece, 24/7, seven days a week. So that's what sparked it and we had this whole project and I thought sweet (SMCasB).

SMCasB continues on:

I come back four years later and we replaced the televisions, we upgraded them. Five, six years had passed and new TVs so now we have these lovely LED TVs. They're much more energy efficient. They didn't think to ask whether they could be turned off by the control panel so guess what? You can't turn them off. So they fixed it the first time around but now here we are six years later and I'm like...

... I thought I did everything right, that that should have outlasted those people, that it would have been embedded in their processes, in their systems and four years later you would not be buying televisions that can't be turned off (SMCasB).

The issue the workshop was trying to address was that after a room has been empty for 10 minutes an automated shutdown occurs for the meeting room: the lights turn off; etc., however, the TV screens would remain on standby. The green goal the group was addressing was to find ways to reduce energy usage, and the automated systems were installed for this purpose. However, this solution was limited to a one-off action that applied to the existing plasma TVs: when newer LCD TVs were installed the same issue occurred. What should have been created was a policy to cover any future TVs or other relevant electronic equipment. As SMCasB said: "I'm like how? How did that just die? How did nobody put that into the RFP for the televisions? Did nobody think to ask? It is a mystery to me." This has not become a green capability because a one-off solution was found for the plasma TVs that was not applied to the replacement LCD TVs years later.

4.2.6.5. Summary of Capability Development

How green routines become potential green capabilities for competitive advantage is illustrated in these examples. In order for a green routine to develop into a capability appears to involve a number of steps. Diagram 4.4: Capability Development Process, illustrates this process. However, what this diagram does not accurately capture is the dynamic nature of this process. In reality, this is an ongoing process of discussions, idea suggestion, development of green routines, refinements and trials, review and feedback. To add to the dynamic, somewhat messy, process there may be a simultaneous discussion, the process might be delayed or abandoned at any stage of this process, new information or resources may be included that changes the possibilities for the green routine, employees and management might join or leave the individual site or organisation.

A key theme found during the interviews was capabilities were not just created where senior management create a policy or green routine to be followed. The theme that emerged was capability development needs the transmission of the green routine across the whole business, not just to senior management. The use of internal communication networks, including internal web pages, blogs, and videos, will allow all members of the organisation to access the information and adopt or adapt this green routine to their individual site. Therefore, the whole organisation is involved in the capability development process.









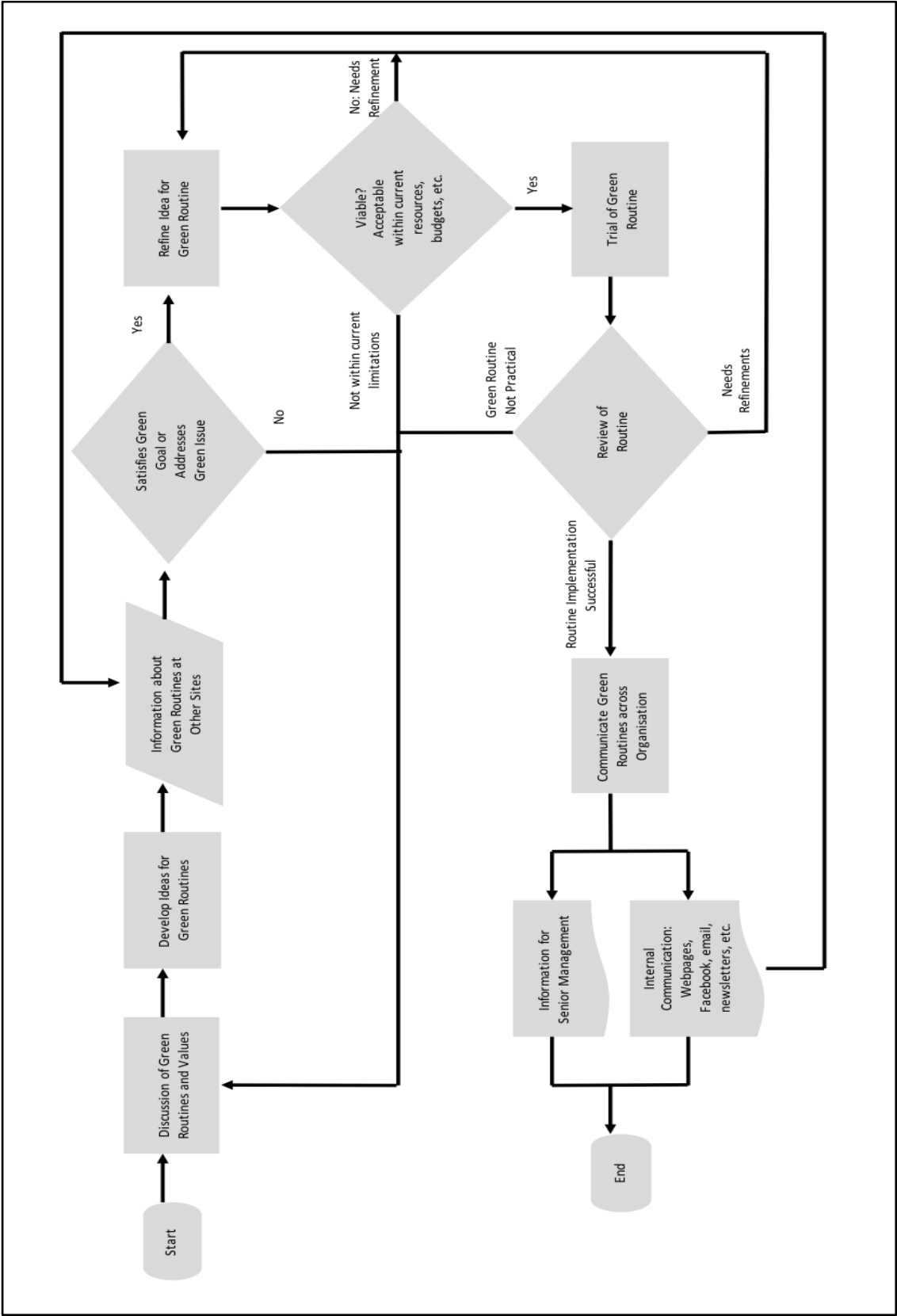
Table 4.3: Key for Diagram 4.4		
Symbol	Name	Description
	Start/End	Represents the start points, endpoints, and potential outcomes of a path.
	Process Symbol	Represents a process, action, or function.
	Decision Symbol	Indicates a question to be answered — usually yes/no or true/false. The path may then split off into different branches depending on the answer or consequences thereafter.
	Input/Output Symbol	Represents resources that are available for input or output as well as representing resources used or generated.
	Document Symbol	Represents the input or output of a document or report.
	Multiple Documents Symbol	Represents the inputs or outputs of multiple documents or reports.
	Arrows	Direction of flow
	Dotted Arrow	Potential direction of flow

Diagram 4.4: Capability Development Process



4.2.7. Summary of SQ 1: How are Green Differentiation Strategies Implemented?

In order to answer this supplementary research question, this question was further separated into six additional elements. Examining the separate parts of this question as allowed for an understanding of the processes involved in the implementation of green differentiation strategies at the case organisations. This process of implementation of green differentiation strategies is illustrated in diagrams 4.1 – 4.3. However, to understand this process in greater detail requires the separating of the process into two levels of the organisation: senior management level and the site level.

The senior management level of the organisation includes the CEO and the senior management team responsible for the development of the green differentiation strategies, as well as the development and review of related policies. In addition, this senior management level is also responsible for the creation of the core organisational values, including the transmission of the core values, creation of related slogans, principles and guidelines: the basis for the “freedom within framework” concept relating to the flexibility of the green routines. In the cases studied this senior management level includes a senior manager responsible for green strategies, in Case A the Regional Managers, and in Case C the sustainability council.

In addition to developing the green differentiation strategies, the senior management level also is a driver of these strategies. This meso level allocates resources, provides the appropriate equipment and facilities, as well as setting budgets, for the individual sites, to perform the desired green routines. To evaluate the performance and effectiveness of the green strategies and policies, the senior management level sets green goals and KPIs. In Cases A and C this monitoring process includes a Road Show, where the senior management team physically visits the sites. The KPIs are reported back to the management of the individual sites, and these results are discussed at site level meetings involving all the management and front-line employees. Case A took this a step further and include an evaluation of green strategies, routines and values in the individual management and front-line staff’s performance appraisals.

The information about the green differentiation strategies and green core organisational values, including green policies, principles, guidelines, expected green routines, green organisational goals and KPIs, are transmitted from the senior management level to the site level in a number of ways. The information about these is accessible via the organisation’s internal network, on

organisational web pages, or social media such as employee access Facebook pages. The information on these electronic sources includes additional information about green issues and solutions to inform staff and to encourage personal green actions and routines at home. The induction of new management and front-line employees includes information about the core organisation values and expectations within the organisation. The senior management level also provides signage relating to the performance of green routines, for example, signage on the recycling bins as to what goes in which bin, as well as at some site's signage about the core organisations green values.

The strongest theme that emerged from the analysis of the interviews was the variation in green routines between the individual sites within each case organisation. Whilst some green routines were identified as common across the sites within an organisation, including reduce and recycle waste, reducing paper waste and unnecessary printing, using green cleaning products, e-waste drives, the specific green routines to perform these green routines varied between each site. In addition, some sites were more proactive than others. The variation of the site-specific routines is encouraged by the senior management at the meso level of the firm. The flexibility to perform green routines is based on the information available about the green differentiation strategies, policies and goals, as well as the green core organisational value, including the related green principles and guidelines. The routines at each site have a strong customer focus and are able to be developed and implemented within the constraints of available resources, equipment, and budgets, as well as addressing the specific needs of their customer base.

The main drivers of these green routines and actions were the site managers and the front-line staff at the individual sites. In addition, 'Green Champions' were identified who have a strong personal interest in green values at home as well as at work and have the ability to get other staff to follow their lead; they 'walk the talk' of their personal green values.

Other drivers are the green goals, KPIs, and other measurement tools from the senior management levels. These also allow for a discussion at each site about potential ideas for green routines, as well as to assess the effectiveness and efficiency of current, new, or augmented green routines at each site.

The main theme that emerged about how the front-line staff knew about the green routines was the concept of on-the-job training. Whilst the induction process covered core organisational values, the actual performance of routines was introduced on the job, aligning the green core values and green information. In addition, the performance of the green routines was monitored

by most of the members at each site, and where necessary most of the interview participants felt confident and comfortable correcting other staff. Many interview participants implied that correcting other staff's green routine performance was the normal and expected way of doing things: it was in itself a green routine.

The transmission of information about green routines, including potential green routines, occurred in different ways. Most interview participants spoke of a hierarchical communication pathway: front-line staff communicated with their direct middle manager, and the middle manager communicated to the senior management, sometimes on behalf of the front-line staff. Communication of what green routines each site was doing was also encouraged between the individual sites; this was mostly done via internal web pages and social media. Personal stories and values were also shared amongst the organisation, linked to the green routines and the core green values. In addition, there were green awards and incentives to encourage green routines and actions, as a way to recognise individuals or sites that were doing well or making improvements. This information was shared across the whole organisation and became part of the green information that can be accessed to guide the flexibility to perform the green routines.

The processes identified for green differentiation strategy implementation also explains how capabilities are developed. This begins with discussions of new green routines or alterations to existing green routines with a link to the green differentiation strategies, as well as the core organisational green values principles and guidelines. Next, the green routines are developed, trialled, implemented, and reviewed. The next key step is the communication of this green routine across the whole organisation, horizontally to other sites, as well as vertically to the senior management level. Senior management review and follow-up to evaluate the green routines, and potentially aggregate these at the meso level of the firm as capabilities.

The process of implementing green differentiation strategies is complex. This is illustrated in the strategy implementation maps (Diagrams 4.1 – 4.3), the thickness of the lines aims to indicate the significance and influence of this implementation process. Whilst the flow between the senior management meso level and the individual sites (micro level) shows the setting of the direction of the organisation, including the green strategies, green values, goals and monitoring, it is within the individual sites that the implementation process translates these strategies and values into green routines and actions. Also identified was the transmission between each site, either directly or via the senior management level, had an influence in what site-specific routines were performed; the flexibility based on the concept of 'freedom within framework'. The key findings were that the transmission of information about the green differentiation strategies

and values, as well as the site-specific green routines, was a major factor in the successful implementation of these green strategies and values.

4.3. SQ 2: In What Way are Green Differentiation Strategies Perceived as Being a Source of Competitive Advantage?

Competitive advantage in RBT is attributed how VRIN resources and capabilities are utilised to compete based on cost reductions (cost-leadership), perceived quality of the product or service (differentiation), or a mix of these two generic strategies. During the interviews, the interview participants were asked if they perceived having green routines, green strategies and/or green values gave their organisation a competitive advantage over competing firms. The analysis of this research question resulted in a number of different themes emerging.

The intent of the research was to explore cases where the green strategies were a source of differentiation for competitive advantage. The potential cases for this research were selected based on document analysis, where information gathered to identify potential case organisations that appear to be 'walking the talk' (Freeman & Auster, 2011) of their green differentiation strategies, based on information found in a variety of sources: not just on the individual business' webpage (see 3.2 Case Selection and Participant Sampling). The criteria used in the document analysis for case selection identified a list of businesses that used green strategies as a main source of differentiation, as well as other businesses that the green strategies were just a part of their wider differentiation process. This has led to a limitation in this research. Only Case B actively promote their green strategies as a way to differentiate from the competition; there was a greater emphasis at Case A and Case C of other core organisational values as a source of differentiation, at these cases the green strategies were a considered one part of the active promotions of these businesses. However, this limitation is also a potential contribution of this research, in that the information gathered from the interviews was not limited to external marketing and promotion of the green strategies and green values. Instead, this research examined how these green strategies and green values were implemented, understood and embedded throughout the organisations, which has also furthered the discussion on authentic strategies (see 4.4).

Case A, the sports and recreation business, there was greater emphasis on the fitness, health and wellness values in the differentiation strategies, than the green values. During the interview, MM1CaseA stated, "I think we're quite strong on having our values and having our staff know

exactly what our values are because we do go through the processes.” When asked specifically about green value as a source of competitive advantage, typical responses were:

I would say yes probably, I think so. I don't know much outside of [company name]. I know we're leading in our industry (MM1CaseA).

Yes, for sure. It sort of shows the care and that the company is there to do good, not just for the sake of profit and that's all that matters at the end of the day because we need more of these people that really care (FI1aCaseA).

You've got to do the right thing and people have got to make a stand and do that and I think our [customers] really respect us for it. We just had some feedback recently that they were so impressed that we had a green initiative, so I think it gives our [location] soul, it gives you more purpose than just being there for people's vanity. That you actually do care about the impact you're having and we do get feedback from [customers] that are rapped that we do these things (MM2CaseA).

SM2CaseA linked the green strategies as a differentiation strategy to an earlier comment about the CEO's personal interest in green values and their support for green initiatives within the business:

It costs money to do these things and so I think our ability to actually do them gives us an advantage competitively that some other companies wouldn't have in terms of their ability to invest in these sustainable initiatives (SM2CaseA).

In addition, SM1CaseA linked the green differentiation to the concept of cost reduction as another form of competitive advantage. SM1CaseA gave an example of a site where they had recently completed a feasibility study in installing the low-flow shower heads as a way to reduce water usage, as well as to reduce costs:

But last week of the week before we had a feasibility study on [location] and they [the shower heads] were using 15 litres [of water] per minute. So reducing it down to 8 litres a minute will save them \$38,000 a year, but obviously they're going to use pretty much half as much water as they currently use.

This example from SM1CaseA also demonstrates what they meant by 'living the five values', as these core values are considered combined, as well as separately.

Case B, the energy business, was identified in the document analysis as an exemplar case that uses their green strategies and green values as a differentiation strategy. Typical responses to the question of competitive advantage included:

Absolutely, it's one of our lead points I think. For a long time we held the market in sustainability and I think it's [name of competitor] that's creeping up behind us now and trying to compete with that, but we are the original renewable generation and sustainability and everything like that. So it is [name of company], that's what we're about, that's who we are kind of thing (FL3CaseB).

When I speak to my customers that's a very, very key reason why they choose [company name] compared to other [energy] supplier (FL1CaseB).

There are other industry participants who are going along the same track and that's probably a negative to us because we were the gold standard, we did it first. Other people jumping in just kind of curtail on our brand efforts to sail ahead whereas we're going well we're not going to stop it, so we'll just going to keep plodding along playing the right tune (FL4CaseB).

SMCaseB gave a more in-depth answer:

I think yes for three reasons. One, I think it has the potential to differentiate you in the retail market and people really don't give a shit about electricity until its winter and it costs them a fortune. So it is a brand position, so it is a way of being different in the market. Secondly, our brand research tells us that the customers who are the most committed to us value our efforts on the environment, so it's part of being the Green Party of the electricity industry. Our most committed and loyal customers like us for those reasons, so it's like a self-fulfilling kind of thing. That same research showed us that the people who we could potentially poach from other retailers also value our environmental positioning so clearly the brand differentiation kind of works.

The third reason why I think it adds value is because I genuinely think if you are a more sustainable business you have a better long-term future, looking after your environmental resources is a positive thing that delivers you value on many levels. So caring about the environment and having a sustainability position increases employee morale, increases employee productivity and engagement, it marshals your resources, it reduces risks of regulatory intervention and all of those things. Aside from the optics of it and whether customers like it, I think even if it wasn't our brand it still would add value to us if that makes sense.

It was clear from the interviews that the green strategies and green values are perceived as being a large part of the differentiation strategy used by Case B.

Case C, the retailer, placed less emphasis on their green strategies and green values to differentiate from the competitors; instead, the differentiation focus was on the products sold: particular cost and acceptable quality. Typical responses were:

I hope so. Hope so because it's better for all of us, everybody (FL1bCaseC).

I think it does. I think there's two parts to that. I think from a large business portraying it out there and doing that is the right thing. Obviously, the amount of money and revenue we turn over and obviously all the waste and products that come through there needs to be the right sort of channel with that and you can actually turn that into not only a successful business decision, but also doing the right thing for the environment as well (FL4aCaseC).

I think it does for multiple reasons. One is the fact that the way we're going with climate change etc., being known as an environmentally friendly business is a key advantage. Now people can get on the bandwagon, we've been doing this for 30 years, so it's one of those things where who supports the environment? Yes, I do, I do, I do. How long have you done it for? Oh, six months, a year. 30 years, you know, it's been in our core purpose since day one so that's I think competitive advantage for us (MM1CaseC).

Additionally, there was a connection between being green as a differentiation strategy as well as it being a source for a low-cost strategy. This was explained by MM3CaseC:

That's right, we're a massive company so we need to be able to do that in the right way. For us, to be honest, in the long run it reduces costs so it's a win-win situation for that whole brand, for our brand, as well as for us in terms of reducing costs, making things simpler, and just makes a lot of sense (MM3CaseC).

MM1CaseC agrees with this comment from MM3CaseC:

Any business that wants to obviously have good profits needs to also make sure they reduce waste. The fact is that if you're sticking all of your cardboard in a bin that's getting taken away and you're not actually paying for that, why would you throw it in a bin that you've then got to pay to empty? (MM1CaseC)

The remainder of the analysis of the results for SQ 2: In what way are green differentiation strategies perceived as being a source of competitive advantage, will discuss the emergent themes in two ways. Firstly, where similarities were identified between the three cases, the analysis will be more generalised to the theme. Secondly, where differences between the cases occurred. The analysis will also consider the reasoning as to why these differences occur.

4.3.1. Community Expectations

A strong theme that emerged from the analysis of information about competitive advantage was the community expectations that businesses should be engaging in green initiatives. A number of the interview participants, across the three cases, spoke of their perception that in New Zealand being green was mainstream and that New Zealand businesses are expected to have green values and green initiatives. Typical responses were:

So it's sort of like a growing culture in New Zealand, which is sort of embedded. It's sort of like cigarettes, it's slowly getting phased out so everyone is big on recycling, or certain people within companies are (FL3aCaseA).

New Zealand is a beautiful place and Kiwis at heart really do I think cherish the environment that we have, the beauty of the natural environment that we have, so we feel that is an advantage for us to be able to show that we're doing our part in the community because we obviously use a lot of resources (MM3CaseC).

It's very much becoming a forefront in people's minds these days and looking after the environment and looking after the planet and whether it has a long-term effect on climate change, it doesn't matter. It's all about our environment so let's look after it because it's giving a lot to us (FL2CaseB).

In addition, as the concept of green routines and core green values becomes mainstream, there is an expectation that business are already engaged with green initiatives. MM4CaseC explained that in their experience New Zealanders are not always vocal supporters of businesses who are engaged with green initiatives but are vocal when they perceive a business as not doing enough.

New Zealanders are sensitive to this so when they see you doing it they'll be happy and almost keep quiet about it, but if they see you not doing it they will quickly raise their concerns. That's what my experience has been.

... So in terms of a competitive advantage I think if we didn't do it we would definitely feel the results of it, but I don't think that people come here because we do it. I think it would be irresponsible if we didn't do it and for that reason the community trusts us. However, if we didn't do it I think we would have a backlash coming from there (MM4CaseC).

Some interview participants indicated that some of the green routines at their case organisations were not always perceived by customers as being green. As FL2bCaseA stated: "I think most people in general are, when something's pointed out to them, are happy to save the environment and be green." This links to the theme of on-the-job training, that sometimes it is

necessary to explain the reason why a green routine is being done and link this routine to the core organisational green values. This is confirmed by an example given by FL3bcaseA:

I know we do, like a lot of people as for paper hand-outs of timetables and things like that and our response is always Be Green it's all electronic and things like that and they're like that's really cool, okay, no worries. So there's not really a 'oh God they used to have paper ones'. It's kind a positive response as opposed to a negative (FL3bCaseA).

This also indicated that linking the green routine to the green value is viewed in a positive light.

An additional element that FL2bCaseA spoke of was the actual greenness of the local community to which their site served. This interview participant felt that the customers from the local community had a greater focus on green initiatives than those of city-based sites:

So I would like to think that yes, we're better than the town and people are more open to this sort of stuff because we're a community and we have a really good relationship and there's people who live and work here so they want it to be clean and green, so yes I think so (FL2bCaseA).

4.3.2. External Promotion and Marketing of Green Strategies

In the document analysis phase of the case selection process (see 3.2.1), the web pages of the potential organisations, as well as general internet searches, were used to build up a dossier for each potential case of the green strategies, green values and green routines. The purpose was to examine potential cases against the selection criteria, as well as to provide background information about green strategies and green values. This theme explores the interview participant's perception of the promotion and marketing of the green strategies, and their perceptions of customer knowledge, to explore the perceived competitive advantage from the green strategy as a differentiation strategy.

In order for differentiation strategies to be successful the customer and the general public should be made aware of these strategies. In this research, the topic of the external promotion and marketing of the case's green strategies was discussed. Typical comments made during the discussion of this topic include:

I don't think we tell our [customers] enough about what we do. I did some research in a focus group and they said they didn't know we did a lot of stuff we do (MM2CaseA).

But we do a lot of great things and there are many great things. There are things that probably you don't know that we do like planting trees in places and making enough money to support a smaller community [location] with an ambulance bus and things like that, so, why wouldn't we? I don't know. I guess a lot of it isn't actually spoken about so we're not always too rah rah in the media's eye (FL5CaseB).

I don't think a lot of people actually know some of the good stuff we do, and I think that from a competitive advantage is actually a disadvantage. But at the same time it would be really great for people to know that actually we do these great things like we put 10,000 tonnes into landfill, actually that was 10,000 less than last year, [company name] has made a thing of, hey we've donated some of our old containers or something to help make affordable housing over in a war-torn area or something like that, would be quite cool (FL4aCaseC).

What also emerged was that many of the participants thought that it was not always necessary to externally market or promote the green strategies or green routines. When asked for further details, the responses explained that green marketing or promotion might be misconstrued by the general public as trying to misdirect their attention: that the business was using greenwash. Some of the interview participants directly addressed the issue of greenwash:

We try not to blow up what we do because we don't want the company to think that we're using it as a marketing ploy because we don't want the community to think that we're using it as a marketing tool because that's not why we do it. We do it because we genuinely care for the environment. Our CEO always uses 'we live here too' so we've got to look after it (MM4CaseC).

Everything is about how you approach it, what you say. If you are making a statement you are asking for trouble. If you are being considerate and honest, I think it is okay. It depends on how you are phrasing it and how prominent you are making it or it depends on how you are doing it. I think if you have a weird agenda, which people don't know about, then it is always a problem. If your intentions are clear and transparent, then it usually doesn't cause any further problems (FL2bCaseC).

Instead, some interview participants spoke of explaining the green strategies and green values within the company as part of the customer service process; when they are performing green routines. At Case C, they have the green routine of charging 10 cents for a plastic shopping bag.

Yes, because you know we charge 10 cents for a plastic bag and I hear a lot of people saying that's great because it stops people buying it and we get people that complain that they have to pay for a bag and we explain why. Some people think it's good, some customer get annoyed because we're reinforcing it (FL1aCaseC).

However, FL3aCaseC gave a different perspective:

We do have a poster down by the checkouts. I'm pretty sure it's around that environment and the plastic bags and stuff. I haven't seen it for a while, so I'm not exactly sure what it says, but I guess just more advertising and awareness for our customers not buying the bags and reason why we charge for them might be a bit better (FL3aCaseC).

Whilst this appears to be about the lack of signage and information about the green routines, it also highlights the variations between each site: the management and front-line staff at Site 1 of Case C were more interested in the green strategies and green values than at Site 3 of Case C.

At Case B, the front-line staff interview participants were from the customer call centre. FL5CaseB spoke of tailoring the discussion around green routines at Case B to fit the profile and personality of the customer:

Like you find a common value with the person you're connecting with on the other end of the phone so that could be perhaps [name of specific bird charity] or it could be, you've just signed them up and they've got five kids, so you'll talk at the end of the call to wrap it up and go just so you know, now that you've jumped on board with [name of company] we are a huge part of KidsCan. I know that you've got children, so you're also contributing to the greater good of KidsCan. We supply breakfasts and wet weather gear and things like that and they go oh my God that's so amazing (FL5CaseB).

What emerges in this theme is a desire to promote green strategies and green values. However, this needs to be done in a way to balance the risk of inviting an accusation of greenwash. Comments from MM2CaseB and SMCCaseC summarise this very well:

I think that's where the balancing act comes in. You don't want to talk about everything that you're doing, but every now and then when we're doing something awesome I think we need to celebrate it and talk about it, even if it's on social media. Let our customers know that we actually do do the things that we talk about. It's important (MM2CaseB).

We do a lot of good work, but it is easier to keep it quiet, but our board is now telling us to make more noise about it because that will help us against the [competitor's name], against the [competitor's name] and that sort of stuff. It is a very careful balance, very, very careful balance (SMCaseC).

4.3.3. Employees

An unexpected theme that emerged from the discussion with the interview participants about competitive advantage was the positive effect on employees: recruitment and retention. This was unexpected as the interview participants volunteered this information: the question did not directly ask about the effect on employees. Not many of the interview participants spoke of this link between employee and competitive advantage: MM1CaseC and SMCASEB give in-depth explanations:

I guess that's another thing about working for this company, there's a lot of us that are proud of the fact that we have those core values. Does it also give the company a competitor advantage? Yes it actually does in the fact that we've got a lot of team members that are proud and they love working for this company and they turn up every day to do their best and it's not because we have high sales, it's not because we get a bonus, it's because they feel they're doing something good and that's a good part. The community environment is a big part of why our team members feel good about their job (MM1CaseC).

So caring about the environment and having a sustainability position increases employee morale, increases employee productivity and engagement, it marshals your resources, it reduces risks of regulatory intervention and all of those things (SMCaseB).

Why these in-depth responses explain the link in detail, FL4CaseB was more concise: "I think the only advantage it gives us is our staff are happier."

The competitive advantage link also extended to the recruitment of employees. The perception was that having green strategies and green core values has the potential to attract job applications from individuals with similar green values. SMCASEB and FL1CaseB discussed this concept:

But I find that's not a terrible struggle at [Company name] because a lot of people that join us are already aware of our brand and it's one of the things that attracts them in the door (SMCaseB).

So those values we do carry with us and the main reason many people look forward to join [name of company] is the reason why it's 100% renewable, the reason why it's sustainable and most of the employees I believe are passionate about what we do and how we do it. ... The people who actually apply for the job itself are passionate about the core values of the company and they strongly believe that what [name of company] is doing is good and they do believe in giving something back to the community is also what we do... (FL1CaseB)

Employment was also discussed from the point of a recruiter, FL1aCaseA spoke of their aim to recruit similarly minded employees: “I look at people who practice this sort of thing, so I make sure that I recruit people that really understand that value and I make sure that I educate my staff about it.” The perception was that competitive advantage could be gained by recruiting employees with strong green personal values. This is considered a source of competitive advantage as there is potential to reinforce the green strategies and green core values at the firm, as well as adding to the pool of personal knowledge and expertise around green values and green routines at the business.

4.3.4. Summary of SQ 2: In What Way are Green Differentiation Strategies Perceived as Being a Source of Competitive Advantage?

The question of competitive advantage resulted in a range of responses from the interview participants. A key theme that emerged was the community expectations, in the New Zealand context, that a large business would have green strategies and green values. However, this also highlighted the issue of communicating the green routines and green initiatives, in external promotion and marketing material, as this opened the company up to closer scrutiny and the accusation of greenwash. The suggested solution is ensuring that the promotion and marketing material was genuine; in other words, authentic. The other way the interview respondents share what green strategies and green routines the company is doing was during the service process, where there is an opportunity to engage and connect with the customers directly about what the business is doing. An unexpected theme that emerged is the role of employee recruitment and retention as a source of competitive advantage. In summary, the use of green differentiation strategies at the companies were perceived as a way to attract and retain customers and market share, as well as to entice like-minded job applicants, not necessarily as a way to obtain a premium price for their services.

4.4. SQ 3: What Makes a Strategy Authentic to Internal Stakeholders?

To examine the construct of authentic strategy the interview participants were asked about their perception as to the authenticity of the green strategies and green routines. The suggested question in the interview resource (see Appendix D) for middle management and front-line employees was: From this discussion about actions and routines, how well do you think these actions and routines fit with the core values of your organisation? However, this is only part of the information needed to understand the construct of authentic strategy. What also needs consideration is the green values, attitudes and motivations of the individual interview

participants; the basis of their perceptions as to the authenticity of the green strategies. Therefore, the analysis of this supplementary research question begins with an analysis of the individual's green values, before discussing the results around the construct of authentic green differentiation strategies, as perceived by the individual interview participants.

4.4.1. Individual's Green Values and Green Routines

The first questions asked in each of the interviews were: "Would you say that you have an interest in environmental sustainability?", and "Can you list the environmental routines/actions you do at home?" (Appendix D) These questions were placed first in the interview for a number of reasons. Firstly, this was to gauge the level of personal interest and involvement in green values and green routines. Secondly, this brought green routines to the forefront of the minds of the interview participants; therefore, they were already thinking of green routines when asked the questions about green routines at the business. Thirdly, this was also a way to 'break the ice' with the interview participants and to begin a discussion about green routines.

Table 4.4: Home Green Routines, lists the results of the question: "Can you list the environmental routines/actions you do at home?" This table lists the interview participants who mentioned each of the home green routines, as well as some typical responses to this question. The home green routines have been grouped into four categories: reducing waste, energy use, transport, and a miscellaneous group, the same categories as the organisational green routines (see table 4.2).

Table 4.4 Home Green Routines		
Routine/Action	Interview Participants	Participant Quotes
Reducing Waste		
Waste reduction/recycling	SM2CaseA	We separate everything, so we separate all our organics, recycling and rubbish and I guess we probably throw away... we have less in our rubbish bin than any of our other bins (MM2CaseB)
	MM1CaseA	
	FL1bCaseA	
	FL2aCaseA	
	FL3aCaseA	
	FL2bCaseA	So here [in New Zealand] it was quite surprising to see how strict they were with it, but it didn't really bother me because you have your recycling on one side and you have your general trash on the other side and at home I do follow that routine (FL2bCaseC).
	FL3bCaseA	
	MM1CaseB	
	MM2CaseB	
	FL2CaseB	We have a recycling bin and everything (FL1aCaseC).
	FL3CaseB	
	FL5CaseB	
	SMCaseC	

	MM1CaseC FL1aCaseC FL2aCaseC FL2bCaseC MM3CaseC FL3aCaseC FL3bCaseC MM4CaseC FL4aCaseC FL4bCaseC	<p>We have recycling, so we've got our green bin, red bin and yellow bins, so I'm an advocate for that. I sort out all my rubbish if you like and put it in the right bins (FL5CaseB).</p> <p>Recycling is quite the big, obvious one to me. So much so that even with my flatmates I'm continuously going to recycle bins and putting it where it should be. It does my head in when people don't do that. I mean that's simple that stuff, that's obvious (MM1CaseA).</p>
Compost/Worm Farm	SM2CaseA MM2CaseA FL2aCaseA FL2bCaseA FL3bCaseA SMCaseB MM1CaseB FL2CaseB SMCaseC MM1CaseC FL3aCaseC	<p>...and we have a compost bin that we fill up with the used food and all that sort of stuff (MM1CaseC).</p> <p>...got a happy worm for the compost bin (SMCaseC).</p> <p>The potato peelings and all that stuff doesn't go down the Insinkerator. I'm not allowed to use it. I haven't been allowed to use it for years. So that goes in the green bin (MM1CaseB)</p> <p>I have a worm farm so all of my organics get... I don't know if you know anything about worms? So everything gets put in a food processor and that goes to the worms, which is great and then that goes onto the garden (FL2CaseB).</p>
Reuse plastic bags	FL3aCaseA MM2CaseB FL2CaseB FL2aCaseC	<p>I try my best when I go shopping and they say would you like a plastic bag, I try and do without a plastic bag (FL2aCaseC).</p> <p>I've just organised to get some bags, those little plastic bags you normally put your fruit and veggies in, you can actually get some string bags for those, so I've organised those (FL2CaseB).</p>
Recycle plastic bags (soft plastic)	FL2bCaseA SMCaseC MM1CaseC	<p>I've got a second bin that I put soft plastic in, because we have a soft plastic recycling bin at the front of this store for the public, so I make sure I do all that... (MM1CaseC)</p>
Reducing paper use	FL5CaseB	<p>I try not to use paper a lot at home and if I am it's recyclable; I'll use both sides of it, and the same with my grandchildren, I'll do that too. Like no, no, there's two sides to that paper so use the other side as well (FL5CaseB).</p>

Reusable containers	MM2CaseB FL3CaseB FL1aCaseC	<p>I try to reduce the plastics because lunches, we try not to use Gladwrap. I have separate containers for stuff so yes, try to use less plastic (FL1aCaseC).</p> <p>We have some of the Honeybees wraps, which are made of the beeswax stuff and we've got re-usable plastic containers, which we've been using for years (MM2CaseB).</p>
Donate to Charity/other staff	MM2CaseA FL4bCaseC	<p>Yes, we gave a couple of items like there was a sofa, good new clothing which we were not using so we just gave it to the Red Cross and the pink bin (FL4bCaseC).</p> <p>The other thing I think which people don't think about with being green is you should only have things in your home that you use and if you don't use them you should give them to someone that will. It's a real philosophy we have in this [site] so if I had stuff I couldn't use at home I would bring it to the staff room and the staff would take it and use it rather than buying new (MM2CaseA).</p>
Cloth Nappies	SMCaseB	The thing I'm proudest of is both my kids are in cloth nappies, so I don't use disposables (SMCaseB).
e-books	FL2CaseB	So I use technology all the time, e-books, I have apps for Africa (FL2CaseB).
Mend & Reuse	FL4bCaseC	The other stuff as well, we can reuse it, so we try not to dump it but mend it and the use it. Like some clothing, things come off but we don't just chuck it, we try and mend it and reuse it (FL4bCaseC).
Energy Use		
Electricity usage / Turn off/	SM2CaseA FL2aCaseA FL3bCaseA SMCaseB	<p>...and check the thermostat on the hot water cylinder... (SMCaseB)</p> <p>...and when I leave the house I actually flick off all the switches, so I don't just leave it plugged in or on (FL2aCaseA).</p>
Energy Efficiency/LED light bulbs	MM2CaseA SMCaseB SMCaseC	<p>Energy efficient lighting (SMCaseC).</p> <p>we have light sensors at home, we have power saving lamps, LED (MM2CaseA).</p>

Transport		
Use Public Transport	MM2CaseA SMCaseB	If we've going to meetings in town we always catch the train (MM2CaseA).
Shared Car	MM2CaseA SMCaseC	<p>We only have one vehicle, which my wife uses, I cycle to work, and our one vehicle is a Euro 6 emission vehicle, so a very low amount of fumes that spews out there (SMCaseC).</p> <p>My husband and I only ever drive one car to work unless we have to bring the truck to deliver something, and we'll inconvenience ourselves slightly to do that (MM2CaseA).</p>
Hybrid Car	FL1CaseB	I do also drive a hybrid car (FL1CaseB).
Bike	FL4CaseB	I bike everywhere. I don't own a car and I don't ever want to if I can help it, or I'll lease, might borrow one of the company cars (FL4CaseB).
Miscellaneous		
Water	SM1CaseA MM2CaseA FL2bCaseA FL3bCaseA MM4CaseC FL4aCaseC	<p>Coming from [Country Name] where I come from, very aware of water usage and all that, so yes definitely... At home we had a two and half thousand litre tank, which filled up and we had a pump that connected to that, so we could water the garden and do all sorts, even top up the swimming pool (MM4CaseC).</p> <p>Rainwater is collected off our roof and used for our toilet and washing machine (MM2CaseA).</p> <p>...and time my showers. I'm not a long kind of shower person, so I do that (FL3bCaseA).</p> <p>I've got water savers on all of my taps, like the shower and stuff, because I have teenagers and they have long showers. I slam on the door – get out, get out, when they've been in there too long (FL2bCaseA).</p>
Green Cleaning Products	MM1CaseA FL1CaseB	<p>The first things is to use the Ecostore products, you know, get one of those things which does not have any side effects or harmful to the nature (FL1CaseB).</p> <p>Environmentally friendly products as much as I can as well (MM1CaseA).</p>

The purpose of this table is to indicate the range of green routines discussed. Similar to the results for organisational green routines (see 4.2.1 and table 4.2) the most discussed green routines were to do with waste reduction; particularly the recycling of waste.

Although not specifically asked for, some of the interview participants discussed barriers to their doing green routines at home. Some of the interview participants described cost and time.

I would love to have a Tesla car but that's, you know, I can't afford one at the moment, but for a couple of years have just been biking to work and thinking about these things (FL1aCaseA).

It's easier for me to go down the road and spend \$10 buy some veggies than it would be for me to put in hours and hours of work myself, for example. So, which is going to be the easiest option and a tomato is a tomato generally speaking (FL4aCaseC).

I recycle and stuff, but I don't go as far as doing compost and stuff because I'm just young and don't have time and I'm just training and working (FL3aCaseA).

These barriers are similar to the organisational barriers of cost and time; however, the responses were more specific to a green routine.

In addition, FL3bCaseC stated their partner was a barrier: "I think I'm better than my partner at recycling and everything, so yes, I split the rubbish, I spilt the recycling and he tries to mix it all up." FL4CaseB spoke of their quandary over books:

The only thing I do that isn't really environmentally friendly is I hate electronic books. I love paper books. Mind you they are carbon sequestration so it's fine in a sense. So aside from my giant collection of bookshelves everywhere else I basically have is digital, media and everything like that (FL4CaseB).

Another barrier discussed, was the ease of doing the green routines, as FL1bCaseA said: "Yes, it's all easy stuff to do so I guess I don't probably go out of my way too much... I guess I could do more, but that sort of thing." This was the sentiment of some other interview participants about their home green routines. This also has a link to the organisational green routines, where some interview participants spoke of doing green routines as being easy to do as part of their normal job.

The analysis of the individual's green values also links to the theme of green champions (see 4.2.1.3.2). At Case A, FL1aCaseA described themselves as very engaged with green values in their personal life:

I've actually been into it a lot myself and I'm completely plant based [vegan], so I don't eat any animal products (FL1aCaseA).

I also work for a social enterprise called Organic Mechanic, which is a sustainable business providing education and products which are very green impacting on the environment. We're using the recycled cups and plant-based cups and all of that sort of stuff and supporting a business in England, which provides Fair Trade, organic cotton made t-shirts (FL1aCaseA).

They spoke of bringing their personal values to work, and where ever possible to make suggestions and implement green routines as part of their job.

In the analysis of competitive advantage, a theme that emerged was community expectations for organisations to be green in New Zealand (see 4.2.2.1). MM1CaseB linked their personal green values to their culture; specifically, being Maori:

I guess it's a wee bit different for me. The others won't talk about this, but I am [Iwi], so what [Company name] do and what they stand for is exactly what [Iwi] stands for with the dams and what we do with the water. (MM1CaseB)

The discussion with MM1CaseB links to the Maori concepts of Kaitiakitanga and Wairuatanga (as discussed in 3.6 Ethical Consideration). Wairuatanga is the spiritual connection between people and the land, water, air, flora and fauna of New Zealand. The concept of kaitiakitanga connects to the concept that we are guardians of the land, water, air, flora and fauna in New Zealand.

The analysis of this theme indicates that the individuals access their personal green values when assessing the authenticity of the green strategies and green routines at their organisations. SMCASEB acknowledges the link between individual values and organisational green values: "I think behaviour change starts with making connection to people's values." What also emerged from the analysis of this theme was individuals with strong green values are most actively engaged in green strategies and green routines at work: they are more likely to suggest green routines or ways to make the current green routines greener. In other words, the interview participants did more than just use their individual green values to evaluate the organisation's

green strategies subjectively; there is a desire to integrate the individual green values into the organisation.

4.4.2. Linking Green Strategies to Core Organisation Green Values

To explore the question of the authenticity of the green strategies, the suggested question in the interview resource (see Appendix D) for middle management and front-line employees was: “From this discussion about actions and routines, how well do you think these actions and routines fit with the core values of your organisation?” The responses to this question varied between each of the cases. At Case A, MM1CaseA said “absolutely”, FL3bCaseA: “I feel that it does”, with FL3bCaseA clarifying with “There’s definitely a link to our values and I know with my team they definitely do make an effort to do things.” At Case B the few direct responses were: “We practice what we preach... we’re kind of setting a precedence in the market of pursuing what we say we are actually doing.” (FL5CaseB), and “Yes, we walk the talk.” (MM1CaseB) At Case C, the only direct response was MM4CaseC, who after giving an example of a green routine, added: “it’s actually part of the way of working.”

The lack of definitive answers to this line of questioning was due to the use of semi-structured interviews, and not due to the other respondents responding in the negative. The semi-structured interview methodology allowed for the interviews to be closer to a conversation with many of the interview participants discussing the links between the green strategies, green routines and the core organisational green values. A good example of this was:

Always everything we do is about thinking about being green. That’s one of our things, one of our five things. So that is something that’s considered every time we do something. We’re not just being fun, we’re also being green so we have to look at... we’re taught to every time we have a new idea or we set something up or we do something, we go through these things. Is it fun? Is it... you know, is it supportive, all those things, is it green? Oh shit, it’s not very green, you know, so we run through those (FL2bCaseA).

To follow-up, FL2bCaseA was asked: Do they try and consider all five? This was to ask if all of the five core organisational values were considered in this discussion about new ideas. The response was:

We try and consider all five I would say, definitely, always. If I send something into town and I’ll say I’ve got this, I’m gonna do this, it will come back from head office is it green? Just remember our things, and it’s drummed into our heads, when I go to this marketing thing it will be the same thing. Everything we put on to Facebook, everything we use we

run through those things. We're trained now to go through our values and say does this support our brand name? Does this support of values? Whatever I do that always comes back to me and we have an actual book about our brand and what it should be and what everything we do and the format that we should run through and we have to say what's in your manual? And you go back and you think okay, so it's not green (laugh) (FL2bCaseA).

This example illustrates the proposed elements within the construct of authentic strategy: that authentic strategy is understood to exist where the strategy is perceived by the members of the organisation to be consistent with the principles of the core organisational values.

The analysis of this theme links directly to the strategy implementation processes for green strategies, as discussed in 4.2.1. An important element of this green strategy implementation process is the transmission of the guiding principles of the organisation's core green value, in order to create a common understanding of the core green values. This also allows for members of the organisation, including the middle managers and front-line staff, the knowledge and empowerment to question and discuss the green strategies and green routines.

What emerged from the interviews was the interactive nature of authentic strategy. The information about the green core values, particularly the guiding principles for these green core values, created a common understanding of the green core values across the whole organisation. This common understanding allowed the members within the organisation to evaluate the green strategies and green routines against the green value's guiding principles. The members of the organisations, including the front-line staff, were empowered to ask questions and challenge the green strategies and green routines in the development phase, as well as during the implementation process, not just limited to a feedback process after the implementation. The perceptions of the members of the organisation as to the authenticity of the green strategies and green routines was an integral element in the green strategy implementation process.

4.4.3. The Influence of Core Green Values on the Individual's Personal Green Values

An unexpected theme that emerged during the interviews was the potential effect that the organisation's green values, and related information, had on the individual's personal green values and home green routines. SM1CaseA spoke of an expectation the members of their organisation:

What else do we expect from them? I mean basic things. Mostly our clubs have energy efficient light systems, but here you've got... you turn off the lights to save energy so if you're leaving we expect people to turn off lights and things like that. [Points to signage by light switch] We expect them to partake in those team challenges and again those team challenges have been more developed for things that you can take home. So we think that if we can provide them with the information to be greener here, they can then take that home and that's obviously what's happened with me. If we can get them to go home and do it at home then there's a bigger obviously impact on the wider community (SM1CaseA).

In further conversations the key concept that emerged a way to enhance the overall greenness of service organisations was to encourage the members of the organisation to take home information and to perform green routines at home:

I think because of the things you learn while you're here, the information being provided, tips that you learn as well, work things called team challenges that give you tips that you learn and you take home. Like LED lighting and things like that that you kind of hear about but since you're here we do engage with it... (SM1CaseA)

This discussion linked with their response to the first question about home green routines:

Yes, a lot more now that I've been working here for two years. So, prior to working here I would say that I did basics, but it has definitely developed more since I've been here (SM1CaseA).

This concept was discussed, prompted with a basic question of "Do you think the green routines and/or information about green values have made an impact on your personal values and/or home green routines?"

I certainly hope so. I don't know. I like to think that everybody recycles in their home life but my husband didn't when I met him, so I'm sure there's still some reprobates out there who don't. Hopefully they take home at least some core basic hygiene behaviour that I consider everyone should do, like turn off your lights, don't print, recycle, compost. I hope they do and I think particularly the ones probably in the call centre who are having energy efficiency conversations, I would hope that they would turn to their own house and think I should close my curtains or I'm going to turn that heater down or something (SMCaseB).

SMCaseC gave their response with an example from their business:

So we were actually the first people to do [name of third-party educational tool] and light bulbs and because we gave a discount to team members for compact

fluorescents, 800 light bulbs. That was huge. The first one went really well, and they definitely took that home so there was a lot of communication around it, what it is good for, chuck people a discount and that always helps as well. Some people may remember back that far, some won't. So that is definitely where it transferred at home.

It didn't work so well with a couple of other ones because they weren't so tactile. One was about driving practices, kind of thing, you can't drive properly, or we can help you and you can buy a set of tyres. Key thing to remember with our team members in store, not high wage earners - we can give you a discount on a set of four tyres, that is nice, but I don't need to replace tyres for a couple of years, so it is not going to make any difference to me. Light bulbs did work really well. It was low cost and people could get it (SMCaseC).

The site managers were a bit more reserved in their responses:

But I guess that's the thing is that everyone comes down to behavioural judge and I'd also like to think that my team members here go home and probably recycle better at home, because they understand why they recycle here, so they have a better understanding for at home. Behavioural and educational are the two key ones for me to really get them moving forward (MM1CaseC).

Yes, look I wouldn't force anybody to change the way they think or feel but if they can see other people doing it, enjoying it, getting something from it and feeling like they're making a difference then you'd expect over time that those people would... you couldn't not. You can influence but I certainly wouldn't tell anybody what they should do in their own home, their own house (MM1CaseB).

Yes, we say no you need to learn to turn off the light and shut your locker and put your food in the right bin, because that's habits that you're hoping that you'll ingrain in them, so when they're home they'll do the same things and then they'll tell others to do it. That's how you get that ripple effect and get the result you want in the community (MM2CaseA).

MM4CaseC was more emphatic in their response, indicating that they, and their family, had made changes based on the green routines and green values at their site:

I would definitely think that what they learn, what they're trained on would go home with them. I would be a bit suspicious... just thinking whether they really implement what they do at work at home always. I know that I certainly have become a lot more aware of it since I've been part of [Case C]. It's the first time ever that my family and I are actually doing it at home. So if I measure by myself I would say yes ... but I can't see that what we do here in the training we give them will just stop at the door when they go home, it's got to go home with them (MM4CaseC).

It was MM2CaseB that directly linked internal communications with changes in home routines:

Not specifically but in the sustainability emails that I put out every week I do talk about how you can be more sustainable in the workplace and at home. So I talk about not only being sustainable here at work, but you can take the stuff home with you and I know that one of the ladies in my team, she's converted completely to all natural wraps and using plastic containers, which does seem really silly and something small but when you're not throwing away a whole lot of garbage into the bin every little bit counts I think (MM2CaseB).

This was a point picked up by FL3CaseB:

It does to a degree because it sort of triggers ideas in your head. So when we're getting around you sort of think about it and you think okay that may or may not apply to me at work, but this is something I could really easily do at home. So it just puts the idea in your head and you might not do it straight away, but it puts it there and it starts that.

... I mean it's focused around the workplace because obviously that's what we do, but they're also encouraging it just throughout every way in your life. I think there was an email came round recently that was actually specifically to do with outside of work and what you can do outside of work so it definitely is throughout the whole thing (FL3CaseB).

When asked if it had influenced them, they responded: "Yes, I would say so. It makes me more aware of it as well, like it just makes it something that I'm more aware of in my day-to-day life" (FL3CaseC). Other front-line employees agreed that there was an influence in their home green routines and personal green values:

I think it has affected what I do at home because I probably, definitely, not probably, was less conscious five years ago until we started doing it at work and then it made me think. This turning the lights off, I do it at home now and I never used to do it. So there are things that I do now that I didn't do before because I do them at work (FL2bCaseA).

Yes, I think so. I'd even use myself as an example. I probably wouldn't have put as much effort into making sure things get recycled properly or paying attention to some of that sort of stuff, but when you actually see the benefit and understand where and how it all works and the pieces with that and see how it goes. ... But probably from a piece like that you do take a lot of the stuff you pick up from here and you take it home. I've had conversations with family members and bits and pieces and not until halfway through I realise I'm just giving them a whole [company name] terminology piece (FL4aCaseC).

You do pick out some good little bits for home life ... I think the quiz increases I guess their knowledge and awareness, but I don't think it encourages immediate change maybe. It might be something that will brew in your head and then oh yeah, I remember that we did that (FL1bCaseA).

In conclusion, the concept of taking home the green values and green routines from the organisation, as well as the information about these, have had an impact on some of the individual's green values and green routines. As SM1CaseA suggest, this has the benefit of the organisation's green values having a greater "impact on the wider community", increasing the overall greenness of the service firm.

4.4.4. Summary of SQ 3: What Makes a Strategy Authentic to Internal Stakeholders?

The construct of authentic strategy lies in the perception that the green differentiation strategies, and green routines, are aligned with the core organisational green values of a firm. To ensure this occurs, the business needs to ensure a common understanding of the core green values. This can be done by transmitting information about green values, green issues and solutions, as well as clear guiding principles for the core green values. This will allow members of the organisation to make informed evaluations of the green strategies, and green routines. What enhanced this process at all three of the cases was an ability to be involved in the green strategy implementation process: suggesting ideas, during the development of the green strategies and green routines, to be empowered to give informed feedback during the implementation process, as well as the ability to give constructive feedback after the implementation process. Having a clear and open process encouraged members of the organisations, particularly the front-line employees, to be involved and bring their personal green attitudes and values into the workplace.

An unexpected theme was the concept of the impact of the organisation's green values, strategies, routines and information on the individual's green values and home green routines. This was a way to overcome a limitation on the amount of 'greenness' that can be achieved by service organisations, particularly if compared to a manufacturing firm.

In conclusion, the perception of the green differentiation strategies is reliant on a common understanding of the green values, and their guiding principles, as well as the active involvement of all members of the organisation in the implementation process.

4.5. Summary of Findings and Thematic Analysis of the Study

This chapter has examined the findings and thematic analysis to answer the research question: In what ways do service organisations implement green differentiation strategies to ensure that internal stakeholders perceive these as authentic strategies? This chapter has been structured based on the supplementary research questions, with each supplementary question summarised within each section. Chapter 5 Discussion of Findings and Analysis will compare and contrast the findings and analysis of this study with the academic literature to examine the key findings of this study: how green routines develop into capabilities, the use of authentic green differentiation strategies as a source of competitive advantage, and the green differentiation strategy implementation process. The separate discussions in Chapter 5 will then be summarised to provide a basis for conclusions about the primary research question and implications for theory and practice in Chapter 6.

5. Discussion

5.1. Introduction

The purpose of this chapter is to further discuss the findings and thematic analysis of the interview information. This study has taken a qualitative approach to understand how management and front-line employees interpret and understand green differentiation strategies and green organisational core values within the service organisation context as they engage with and implement these strategies as green capabilities and green routines (Gioia & Chittipeddi, 1991; McShane & Cunningham, 2012; Myers, 2010). In this study, 'green' defines specific strategies, values, routines and capabilities that are focused on protecting and/or enhancing the natural environment (See also Table 1.1: The Nine Main Sub-Dimensions of Environmental Sustainability). This study has taken a multi-level approach, interviewing senior management at the meso level of the firm, as well as middle managers and front-line customer-facing employees at the micro level of the individual business sites across the businesses. In this research, macro level is defined as the industry and the wider macro environment, including the effects on the natural environment. The level of the firm is defined as either the meso level of the whole firm or the micro level of the individual business sites. In addition, this study has taken a cross-industry multiple case study approach by interviewing three cases from different industries within the service sector in New Zealand.

This chapter discusses the main themes that emerged in the analysis of the interview data: how green routines develop into capabilities, authentic green differentiation strategies as a source of competitive advantage, and the green differentiation strategy implementation process. This is different from Chapter 4 which was presented following the order of the supplementary research questions (SQ 1 – 3). This chapter begins with a discussion on the major theme of how green routines develop into green capabilities; the subject of SQ 1.6. This is followed by a discussion on authentic green differentiation strategies and competitive advantage. This section is a combination of SQ 2 and SQ 3 as the analysis found that the two concepts of authentic strategy and competitive advantage overlapped into a larger theme. Next is a discussion on the green differentiation strategy implementation process: the central aim of this study and the subject of SQ 1.1 – 1.5.

Following the discussions of these main themes is a discussion to answer each of the research questions in turn. This section also links the research sub-questions to the major themes of the discussion in Chapter 5. Chapter 5 concludes with a summary.

5.2. How Green Routines Develop into Capabilities?

This research has taken a multi-level approach within each case organisation: interviewing senior management, middle management (site managers) and front-line customer-facing employees, across multiple business sites within each case. This was a methodological approach suggested by Molina-Azorín (2014) to gain an insight into the capability development process, “A relevant theme in this type of research is how individual actions and characteristics aggregate through some processes to create and develop collective phenomena” (pp. 110-111; see also Abel *et al.*, 2008) in order to understand how “collective variables emerge through transformation and aggregation processes of individual variables” (p. 111).

Organisational routines are defined as “repetitive, recognizable patterns of interdependent actions, carried out by multiple actors” (Pentland *et al.*, 2012, p. 1486; see also Felin *et al.*, (2012); Parmigiani & Howard-Grenville, 2011; Salvato & Rerup, 2011). In addition, Turner and Fern (2012) propose routines are developed over time through the experiences of the ‘actors’ who “develop greater understandings of the routine, its surrounding context, and the set of possibilities for performing the routine” (p. 1413). It is also an accepted concept that capabilities are higher-level routines based on the individual experience, learning and routines as they interact with the allocated resources in order to provide service or produce goods (Felin *et al.*, 2012; Nelson, 1991; Winter, 2000). As Bhatt (2000, p. 120) concludes: “it is the integration of knowledge and skills which describe the process of capability building.”

The analysis in this study identified processes used to explain the heterogeneous, path dependent, and idiosyncratic nature of routine and capability development process. This includes how information from management and organisational members’ personal green values, knowledge and interest are integrated, and how this process interacts with the external environment, as postulated by Lockett and Thompson (2001), Makadok (2001), Mathews (2002), and Thompson and Wright (2001). What this study found was the heterogeneous elements can be identified as the individual organisational members, management and non-management, and the decisions made as they engage with the green differentiation strategies by adopting, adapting or developing, green routines as part of the strategy implementation process. What emerged from the thematic analysis was the identification of a generic process organisational members used to develop and implement green routines; presented in Chapter 4 (see Diagram 4.4).

In addition, this study found routine and capability development processes are linked through internal information transmission. These include horizontal and vertical information

transmission, using both formal and informal channels. These internal information transmission processes are discussed further in The Green Differentiation Strategies Implementation process in 5.4 and illustrated in Diagram 5.10. The formal transmission channels exist vertically between the meso level of senior management and the micro level of the business sites. This can take the form of top-down information *from* senior management, including senior management reports, information about green strategies, core organisational green values, green goal and KPIs as well as the results of these. Similarly, information *for* Senior Management is a bottom-up information transmission from the micro level of the business unit. Additionally, information located on internal networks including internal social media can be accessed by both levels of the firm. These informal channels are often horizontal transmission across the whole firm, particularly between the micro level business units.

This process can be conceptualised as existing at the aggregated level of the firm, as well as at the microfoundation level of the individual business sites within each firm. These processes are illustrated as diagrams for the micro level of the business unit (Diagram 5.1) and meso level of the firm (Diagram 5.2). the thicker arrows in both diagrams indicate that internal communications as both an input in the process as well as an output. Additionally, green action is included in the micro level process to indicate the potential for a single solution to a specific green issue that resolves this issue but is not repeated, even if the issue occurs again (see the dotted arrow in Diagram 5.1).





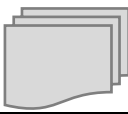


Table 5.1: Key for Diagrams 5.1, 5.2, 5.3 and 5.5		
Symbol	Name	Description
	Start/End	This symbol represents the start points, end points, and potential outcomes of a path.
	Process Symbol	This shape represents a process, action, or function.
	Decision Symbol	Indicates a question to be answered. The path may then split off into different branches depending on the answer or consequences thereafter.
	Input/Output Symbol	This shape represents resources that are available for input or output as well as representing resources used or generated.
	Multiple Documents Symbol	Represents the inputs or outputs of multiple documents or reports.
	Solid Arrows	Direction of flow
	Dotted Arrow	Potential direction of flow

Diagram 5.1: Capability Development Process: Micro Level

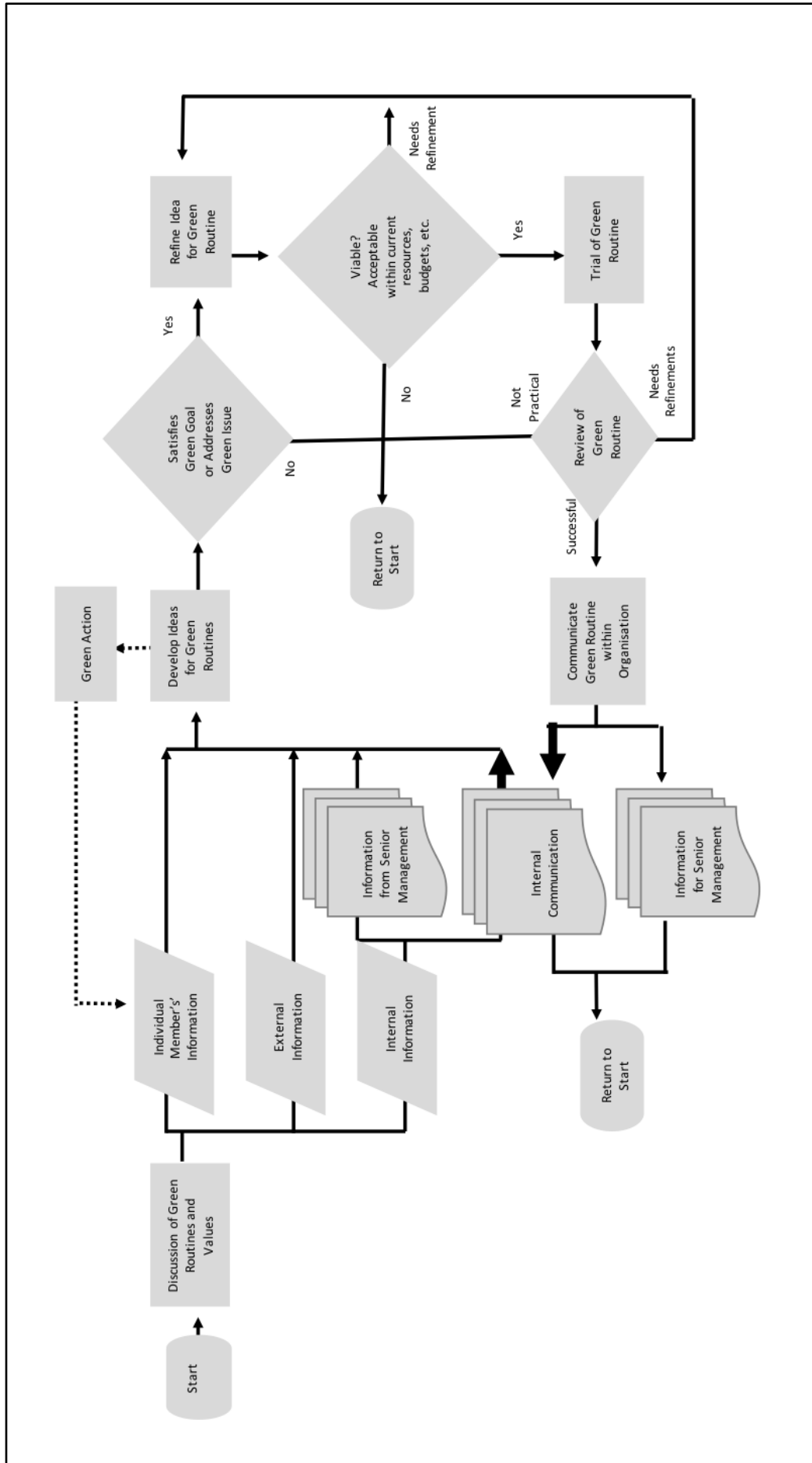
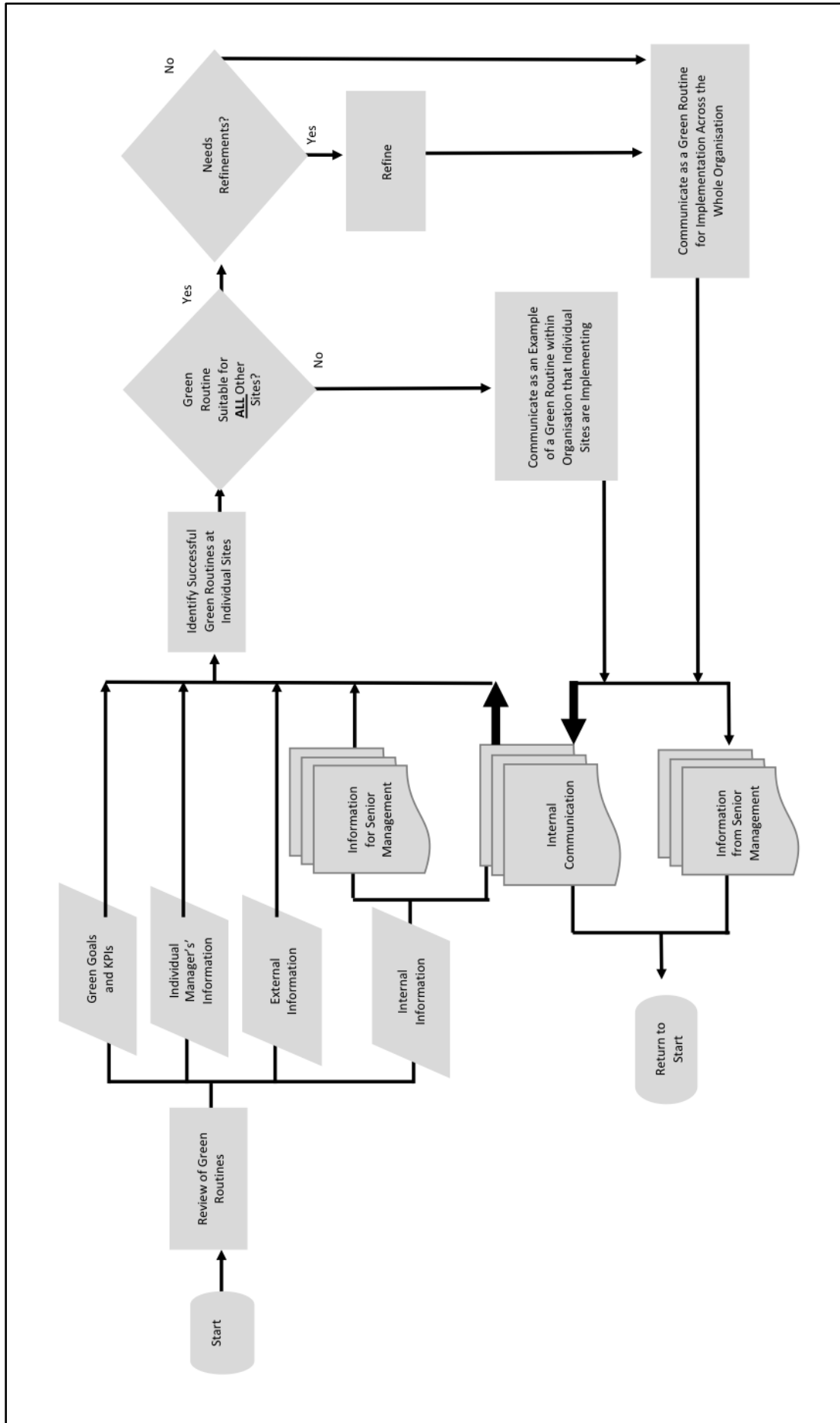


Diagram 5.2: Capability Development Process: Meso Level



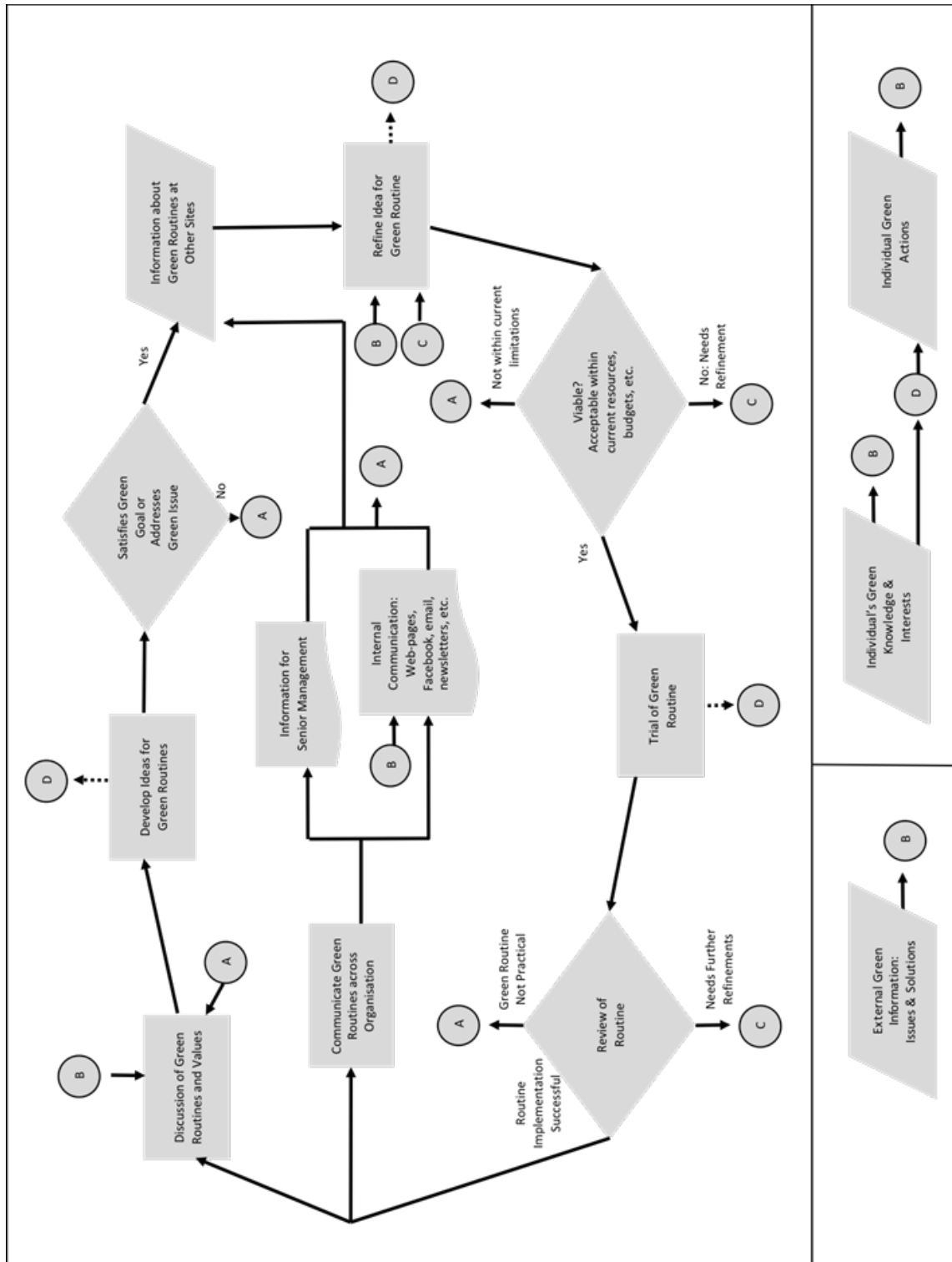
Diagrams 5.1 and 5.2 contain a start point, this is the point where a conversation begins about green routines. There are a number of different sources for this 'starting point'. This starting point could be a top-down directive from senior management of a new green strategy or green routine for the micro level business sites to implement (in Diagram 5.1). This could be new information about green initiatives, routines, or ideas for change to existing green routines from within the organisation. This information could come from senior management and be collated at the meso level of the firm and distributed to staff via business wide communications via formal and informal channels, at site level meetings or during a road show.

This 'start point' could also be initiated at the micro level of the business site. All of the case organisations included discussions of green initiatives and ideas for new of changes to existing green routines as part of their regular meetings. Here is where the bottom-up process could also be initiated by a staff member, particularly a green champion, who might initiate a discussion based on personal interest, information that they have read or seen, feedback from customers, or ideas considered whilst they perform existing green routines for ways to make these greener or more efficient.

This process of green routine development is a dynamic process that includes discussions, idea suggestion, development of green routines, refinements and trials, review and feedback. To add to the dynamic, somewhat messy, process there may be simultaneous discussions, the process might be delayed or abandoned at any stage of this process, new information or resources may be included that change the possibilities for the green routine, employees and management might join or leave the individual site or organisation. Therefore, this 'start point' exists only if new conversations are initiated, at either the meso or micro level, including a to-down directive from senior management. Therefore, the idea of 'return to start' may not actually exist.

To capture this dynamic process the capability development process loop (Diagram 5.3) has been developed to combine the meso and micro capability development processes (Diagrams 5.1 and 5.2) to show the intersection between these two levels of an organisation. In this model there is no start point, instead this process is represented as a loop with input points "A", "B" and "C" to indicate places where information and individual organisational member's ideas can be included in the process. The output point "D" is individual action.

Diagram 5.3: Capability Development Process: The Loop



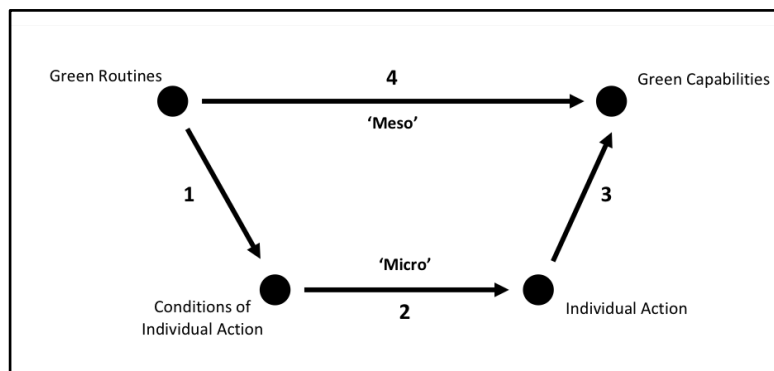
The outside of the 'loop' is the routine development process. This could be at the micro level of the organisation, the bottom-up process identified in Diagram 5.1. In addition, all of the case organisations had a head office separate from the business sites, therefore, this process is used at the meso level of senior management. The head offices are a separate business site; therefore, this green routine development process is used at this site, similar to the micro level of the firms.

This also captures the process of individual action, where a green routine is not developed, irrespective of the level of the firm.

The centre of the 'loop' is the meso level of the firm. This part of the process is where information about green routines, green strategies initiatives and information is aggregated, as well as being disseminated. It is at this level that green routines are formalised and standardised by senior management.

However, Diagrams 5.1, 5.2 and 5.3 do not clearly explain how capabilities develop from green routines: this process remains in a 'black box'. Abel *et al.* (2008) and Foss (2016) use Coleman's Boat (Diagram 5.4, see also Figure 2.3 and Figure 2.4) as a way to explain the concept of microfoundations of capabilities "in terms of the actions and interactions of lower level entities, typically (but not necessarily) individuals" (Foss, 2016, p. 118). In Diagram 5.4, the arrow of 'Meso' is the path of capability development Foss (2016, p. 118) identifies the "best shorthand for a more complex microfoundational set of mechanisms": i.e. the 'Black Box' process. The key to understanding the capability development process is in exploring the arrows 1,2 and 3 (Diagram 5.4), which has been done in this study.

Diagram 5.4 Developing Capabilities, Applying Coleman's Boat



(adapted from Foss, 2016, p. 118; see also Abel *et al.*, 2008; Coleman, 1986)

What this study identified is the capability development process via arrows 1, 2 and 3 occurs at the micro level of the business sites, this is the process in Diagram 5.1. Arrow 1 is where the middle managers (site managers) and front-line staff evaluate the green routines based on the organisations core green values, as well as their own green values, knowledge and expertise. Arrow 2 is the decision to develop, adopt or adapt a green routine as a green routine within the site. Arrow 3 is the final stage of capability development where senior management, at the meso level of the firm, aggregates the green routines as a potential capability. Whilst Foss (2016) has focused on the micro level of the firm, this process also occurs at the meso level. The senior

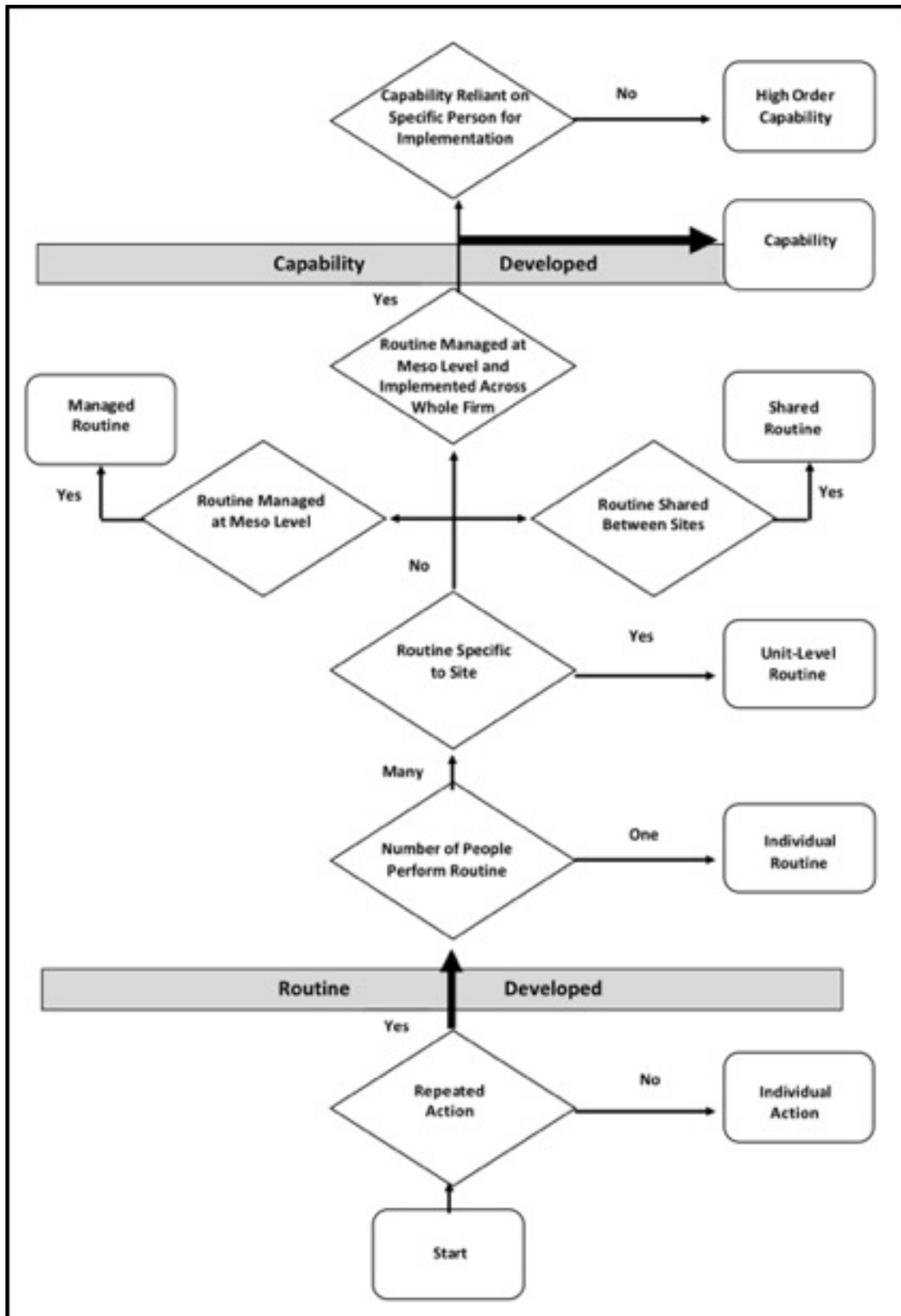
managers at the meso level of the firm also evaluate and develop green routines, both at their 'site' of the head office, as well as for implementing across the firm (Diagram 5.3). Therefore, the source of green routines is found at both the micro and meso level of the firm.

In their explanation of Coleman's boat, Foss (2016, p. 118) identifies that this process is "intra- as well as inter-level causation", indicating that there is a key to this process is the relationships between the levels of an organisation, which "involve upwards as well as downwards causality." This study confirms the interdependence of the different levels of a firm as stated by Foss (2016), whilst this process is located at the individual sites, this process involves senior management at the meso level, including meso level green differentiations strategies and green core organisational values (Diagrams 5.1, 5.2 and 5.3). What is not explained in Foss' (2016) use of Coleman's boat is Arrow 3, the aggregation process where green routines are aggregated into high-level routines and capabilities.

In this study routines and capabilities were identified based on the following definitions. A routine is defined as a "standard behaviours, rules of thumb or even strategies that are used, consciously or not, in largely repetitive fashion" (Johnson, 2007, p. 42, see also Parmigiani & Howard-Grenville, 2011; Pentland et al., 2012). These are further defined by Felin et al. (2012, p. 1355) as, "explicitly collective rather than individual phenomena." Therefore, routines are identified where more than one participant described a green action common across their business organisation or site. Capabilities are defined as the "high-level routines (or collection of routines)" used in the deployment of resources in the production and/or service processes (Winter, 2000, p. 983). These discussed by senior and middle managers as being common green routines across the whole business, often managed by the meso level managers of the business.

These definitions for routines and capabilities are over simplistic and miss the nuances of Nelson's (1991) and Able *et al.*'s (2008) notion of a hierarchy of routines. The interview participant's 'stories' of green routines identified that routine hierarch exist, ranging from individual action to high-order capabilities, in agreement with the literature on routines and capabilities. Diagram 5.5 is a model that represents the classification process used in this study to identify the various hierarchical levels of the routines and capabilities identified in the interviews and analysis.

Diagram 5.5: Actions, Routines and Capabilities Classification



In this classification model (Diagram 5.5) a routine is developed when an action is repeated, consistent with the definition of routines. A capability develops when a routine is implemented across the whole business as well as being managed by senior management at the meso level of

the firm. Each type of routine and capability in Diagram 5.5 is defined and discussed in detail in the following sections, including examples from the cases and interviews.

5.2.1. Individual Action

Individual actions are not performed on a regular basis or are a single solution to a specific green issue. Therefore, individual actions are not considered a routine as defined by Pentland *et al.* (2012, p. 1486): “repetitive, recognizable patterns of interdependent actions.” An example of this was the discussion with SMCASEB about the issue with TVs in the conference rooms not switching off (See 4.2.6.4), where a one-off solution was applied that was not repeated when new TVs were purchased.

5.2.2. Individual Routines

An individual routine is where a single member of the organisation performs a green routine. An example of this was FL3aCASEC who spoke of turning off their computer at the end of the day to reduce their electricity usage. However, FL3aCASEA lamented that the other staff members in their office leave the computers on 24/7, wasting electricity. This example is the lowest level of routines identified in Diagram 5.5 as it is only performed by an individual, however, it is considered a routine as it is a repeated action.

5.2.3. Unit-Level Routines

Unit-level routines exist at the micro level of the firm and are routines performed by more than one individual, however, these are the business site-specific routines. This is the micro-foundations level of analysis described by Abel *et al.* (2008, p. 489) as the “level of individual action and (strategic) interaction”: the source of bottom-up strategy involving the front-line customer-facing employees and the middle managers (site managers). This is particularly relevant in the service industry, where Wolf (2013) proposes employees are in a unique position to understand the organisation’s customers as well as identifying future trends that are based on firm-specific knowledge that have the ability to generate unique and innovative solutions to environmental issues. It is at this micro level that Felin *et al.* (2011) suggest research should occur to understand the sources of heterogeneity of routines, and meso level heterogeneity amongst firms.

The research uncovered some examples of site-specific routines. At Site 2 of Case A, the manager (MM3CaseA) set up an exchange system for collecting and distributing used clothing, shoes and books (a library), where staff could bring in used/unwanted items to swap or donate to charity. The concept was to reduce waste going to landfill. At Site 1 of Case A, FL1aCaseA spoke of replacing the paper-based feedback/suggestion box with an iPad that the site already had but was unused as a way to reduce the amount of paper usage.

These examples are classified as unit-level routines as they are repeated actions, performed by a number of different people, but are specific to a business site. They are not shared across other business sites within the firm, nor are they managed by senior management at the meso level of the firm, remaining at the micro level of the business site. (Diagram 5.5)

5.2.4. Managed Routines

Managed routines are where green routines are implemented and/or coordinated at the meso level of the firm but are not universally adopted across the firm. Therefore, these are routines managed by senior management, but are still only implemented at specific business sites.

A key limitation of RBT is the conceptualisation of senior manager as the architect of strategy. An alternative proposed by Hart (1992) is the 'coach' analogy where senior management aims to "motivate and inspire organisational members" (p. 337) rather than merely directing. Whilst this classification of routines is named managed routines, the process follows the conclusions of Aragón-Correa and Sharma (2003) and Gupta *et al.* (2013) that senior management involves the middle management and front-line staff in the strategy implementing process, allowing "them discretion to anticipate strategic futures and to develop capabilities accordingly" (Aragón-Correa & Sharma, 2003, p. 76): this is the concept of 'freedom within framework' identified in this study. This classification of routines relies on performance management, where senior managers provide resources and information, with a control and monitoring system based on organisational goals and specific KPIs. This requires an appropriate control system that contains performance measures, a feedback mechanism, as well as a reward system (Cocks, 2010; Epstein & Buhovac, 2010; Ho *et al.*, 2014; Riccaboni & Leone, 2010).

At Case A, SM1CaseA and other managers discussed the use of a third-party education tool for educating managers and staff about green issues and solutions. Whilst many of the business sites at Case A embraced this tool, SM1CaseA said: "for example [location] had zero people do

it last year, which we were pretty gutted about”, indicating that this was not necessarily a collective green routine across the whole firm.

Another example from Case A was e-waste drives, where head-office arranged for individual business sites to collect e-waste on a voluntary site-by-site basis. Head office at Case A provided the collection bins and arranged for collection by an appropriate e-waste recycler.

At Case C, SMCASEC spoke of their company’s use of specific green KPIs, such as the aim for 95% waste diversion. The suggestion from SMCASEC was the KPIs were useful as it was a way to measure the performance of the green routines against the green strategic goals and a way to discuss these results with the regional managers and the site managers.

Another managed routine identified in this study was the use of automated systems, for lighting and heating. All three case firms had sites that had automated systems installed, as well as other sites without automated systems. It was also noted that some of the managers (MM1CaseA, MM1CaseC, MM4CaseC) preferred a mix of automated and manual systems to encourage organisational members to be aware of green routines and not reliant on automated systems.

Each of these examples are repeated actions, not specific to a single business site, managed by senior management at the meso level of the firm. They are not classified as capabilities as these high-level routines are not implemented across the whole firm: these high-level routines are implemented in some of the business sites, with resources, equipment and budgets allocated by senior management at the meso level of the firm (Diagram 5.5).

5.2.5. Shared Routines

Shared routines are found at the micro level of the firm as common routines across the firm. This is an extension of the microfoundation concept of bottom-up strategy and green routines of the unit-level routines; the difference is the green routines and information on these routines are shared horizontally across the organisation. Whilst these green routines may also be communicated vertically to senior management; the focus is on the horizontal communication, a point raised by SMCASEB:

I also think if you structure any kind of sustainability effort so that it all has to come from the corporate centre or always coming from the corporate centre, that’s not embedded, that’s not actually encouraging people to do it on their own. I don’t want that comes to come from me, I want the staff to be looking after their own stuff (SMCASEB).

This classification of routines sheds light on how the microfoundations of routines interact across the firm and how differences in these routines, and by extension capabilities, arise. This answers the call for research by Felin *et al.* (2012), who state: “Clarifying these sources of heterogeneity will, in turn, assist us in understanding how microfoundations contribute to heterogeneity among firms” (p. 1352), and therefore a potential source of competitive advantage due to the difficulty in imitation by competitors (Johnson, 2007).

In addition, this classification of routines is where bottom-up strategy is shared across the micro level of the firm. Wolf (2013) states that particularly in the service sector, the front-line employees are in a unique position; they understand the organisation’s customers as well as are in a position to identify future trends that are based on firm-specific knowledge that have the ability to generate unique and innovative solutions to environmental issues. In addition, “like any other stakeholder groups, employees may have personal interest” in environmentalism (Wolf, 2013, p. 105). This is in agreement with Lacy *et al.* (2009, p. 491) who found that many employees would like the opportunity to “play a role in their company’s sustainability efforts”, adding, “When employees are engaged with their company’s sustainability strategy, they proactively identify, communicate and pursue opportunities to execute the [green] strategy.” This study found a number of green champions (see 4.2.3.2) who had a personal interest in green initiatives and issues and were actively involved in adopting, adapting or developing green routines, as well as sharing these across the case businesses.

Shared routines are considered the process of developing green norms across the organisation, as part of a green organisational culture. This relates to authentic strategy as the green norms and culture are based on the perceptions based on comparisons to the organisation’s green core values as well as the individual’s green values.

An example of this is replacing Post-It notes with A4 whiteboards at Case B. In this example, the green routine has been communicated horizontally across the organisation to other business sites within the firm, as well as to senior management. Another potential example is the laminated tickets at Case A; however, this will require the FL2aCaseA to share this across other business sites, something they indicated they would do after the interview. Although these have not been universally adopted by the other sites of the organisation, information about these green routines are accessible by other managers and staff. FL2aCaseA, the front-line employee who has instigated the laminated ticket idea, spoke of what other green solutions had been

implemented at other sites which had influenced the development of their green routine of the laminated tickets.

These two examples are routines that are repeated by many individuals at a specific business site, with communication across the firm using both formal and informal communication channels, allowing other business sites to adopt, adapt or use as a basis for the development of a routine. However, these are not considered capabilities as the management and development of these routines remains at the micro-level of the business sites of the organisation. For these shared routines to be aggregated as capabilities requires senior management at the meso-level of the business to manage these across the firm, including allocating the required resources, equipment and budgets. (Diagram 5.5)

The identification of shared routines answers Yang *et al.*'s (2010, p. 170) call for further research: "clearly a lack of theory development and empirical testing regarding the roles of lower-level management and non-management in strategy implementation process."

5.2.6. Capabilities

Capabilities are at the meso level of the firm and is the collective green routines of the organisation. Capabilities are defined as an organizationally embedded non-transferable firm-specific resource" (Makadok, 2001, p. 389). This is the level where Abel et al. (2008) state:

... routines are deemed to be institutionalized to the extent that they are not overly sensitive to the turnover of employee and management turnover (and perhaps depreciation of substitutable capital assets) in realizing the capability (p, 495).

It is in the institutionalisation of these capabilities that potential sources of competitive advantage lie: the firm-specific, path dependent, non-transferable, as an intangible asset.

The best example of this was the check-out recycling routine developed at Site 1 of Case C (MM1CaseC, FL1aCaseC, FI2aCaseC). This green routine was shared horizontally across the organisation where MM1CaseC implemented this at another two sites: one site they were also managing and another site where they were not meeting the waste reduction KPI. This green routine was further examined by senior management, including SMCaseC, at a special Road Show to document and video this green routine for sharing across the whole organisation.

Other examples of meso level collective green routines include Eco-cleaning products at Cases A and B, and the various charities the three cases support which are capabilities for competitive advantage to do with reputation and branding. At Case A there was also a senior management lead community volunteering program which was compulsory for all members of the organisation. Whereas, at Case C the community volunteering was a managed routine as it was voluntary for managers and employees.

Routines are considered capabilities once they are institutionalised by senior management. i.e. the routines are managed by senior management and implemented across the whole firm (Diagram 5.5). In the examples from the interviews this has been inferred from the interview participant's 'stories', particularly where the 'stories' were disused by the different levels of management and non-management within each firm. This multi-level discussion and identification was possible as senior managers at the meso level of the firm, and middle managers and front-line customer facing employees at the micro-level of the business sites were interviewed, the multi-level approach suggested by Salvato and Rerup (2011).

Green routines were the focus of the interviews for this study, the purpose was to examine the green differentiation strategy implementation processes. Green capabilities were not explicitly discussed in the interviews. Therefore, a limitation of this study is the classification of capabilities is based on analysis of information after the interviews. Future research could re-interview the senior managers to confirm the capabilities identified in the analysis.

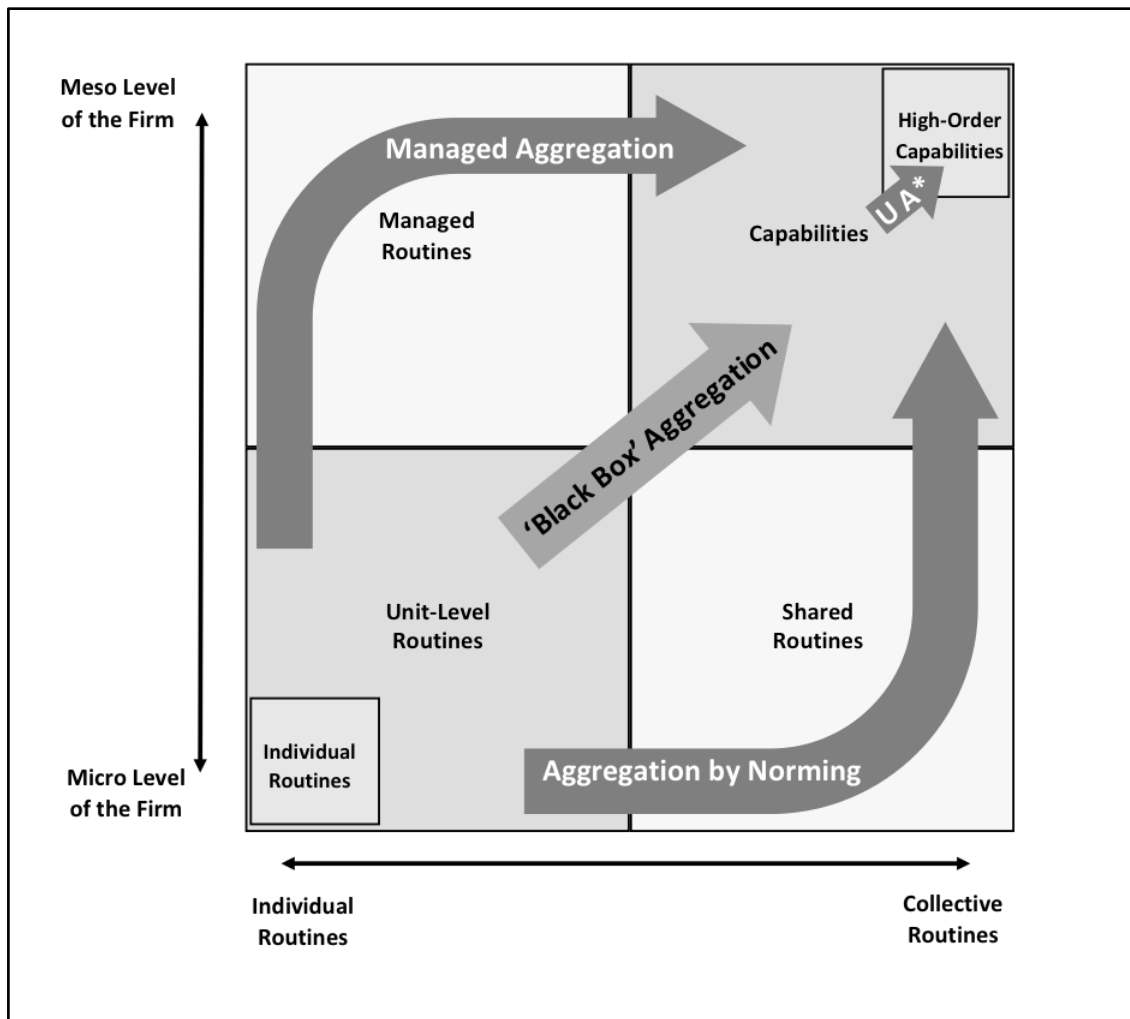
5.2.7. High-Order Capabilities

The highest level of routines and capability hierarchy is what Collis (1994, p. 149) refers to as "higher-order organizational capabilities" defined as "capabilities that allow firms to overcome the path dependence that led to the inimitability of the lower-order capabilities." The example of the check-out recycling green routine at Case C has the potential to be a high-order capability. (See Diagram 5.5)

However, what Diagram 5.5 does not clearly show is the routine aggregation processes. The multi-level methodology has allowed for this aggregation and capability development process to be examined. Diagram 5.6: Green Capability Development Process, is a model developed by combining the academic literature, the thematic analysis, and the processes in Diagrams 5.1, 5.2, 5.3 and 5.5. This model arranges the classified types of routines and capabilities on two axes.

The first axis is micro level of the individual business site vs meso level of the firm to identify the level of the firm the routines is managed, either the meso level of senior management or the micro level of the business site. The second axis is the to distinguish whether the routines is performed as an individual routine or as a collective routine; a routine that is common across the whole business.

Diagram 5.6: Green Capability Development Process



(Note: U A* is the path of Ultimate Aggregation)

In Diagram 5.6 the classified routines and capabilities of unit-level routines, managed routines, shared routines, and capabilities, form the main quadrants of this model. High-order capabilities are at the top of the hierarchy in terms of being located at the meso-level of the firm as well as being collective routines the whole firm performs; therefore, high-order capabilities are located within the capabilities quadrant. Similarly, individual routines are at the low end of the hierarchy as they are performed by an individual at the micro-level of the firm, therefore individual routines are placed within the unit-level routines quadrant. Individual action has not been included in this model (Diagram 5.6) as these are not considered routines (see 5.2.1).

A key element of Diagram 5.6 is to identify the pathways of capability development through routines aggregation: 'black box' aggregation, managed aggregation, aggregation by norming, and ultimate aggregation. This contributes to strategic management theory as prior research into the capability development processes have been vague (Able *et al.*, 2008; Molina-Azorín, 2014), particularly under economic frameworks such as RBT. Each of the capability aggregation pathways are discussed with examples from the case studies.

5.2.8. Capability Development Path: 'Black Box' Aggregation

The capability development process path of 'black box' aggregation is the approach where unit-specific green routines at the micro level of the firm transform into green capabilities: meso level collective green high level-routines. This aligns with Winter's (2000, p. 983) definition of capabilities: "An organizational capability is a high-level routine (or collection of routines)." This is the central pathway in Diagram 5.5 where a repeated action is performed by many individuals, is not specific to a business site, and is managed by senior management at the meso-level of the firm and implemented across the whole business.

Where the literature is vague is in the explanation of how capabilities emerge from routines (Abel *et al.*, 2008), specifically under RBT, asking:

... what is the relative importance and influence of individual versus collective variables on firm performance?... how do individual characteristics scale to collective variables?, how do collective capabilities emerge through social processes of aggregation and interaction of individual variables? (Molina-Azorín, 2014, p. 104)

The understanding of capability development processes emerged during the thematic analysis of the semi-structured interviews. Therefore, the construct of capability development was not discussed at length in the interviews, even with management, it was an emergent process.

One potential example is the discussion at Case C about the way customer returns are handled. FL1bCaseC and FL4bCaseC both spoke of a new green routine where the central distribution centre will now collect customer returned products for fixing, resale or proper disposal, a decision that now resides at the meso level of the firm and not the individual stores. This is an example of a green routine that is now managed by senior management at the meso-level of the firm, including the provision for the required resources, that has been consistently implemented across the whole business (Diagram 5.5).

The concept that capabilities are heterogeneous, path dependent, higher-level routines based on the individual experience, learning and routines as they interact with the allocated resources and the external environment in order to provide service or produce goods is well established theoretically (Felin *et al.*, 2012; Lockett & Thompson, 2001; Makadok, 2001; Mathews, 2002; Nelson, 1991; Thompson & Wright, 2001; Winter, 2000). However, in the RBT approach to strategic management, the process of how capabilities develop from routines remains in a 'black box'. What emerged in this study from the interpretivist thematic analysis of the interviews were two alternative paths of capability development: as an extension of the performance management process through formalisation and control (the path of Managed Aggregation), and as an element of the organisational culture process through the norming process (the path of Aggregation by Norming). It is through examining these two paths that the 'black box' of the capability development process can be opened.

5.2.9. Capability Development Path: Managed Aggregation

The path of managed aggregation in the capability development model is where unit-level green routines are adopted by senior management at the meso level of the firm and then implemented as a collective green routine across the firm as a green capability. In this path the unit-level routine (5.2.1) develops into a managed routine (5.2.2), and then develops into a capability (5.2.4): the green routine transforms from a micro level routine into a meso level routine, and then moves from an individual, unit-level routine, to become a meso level collective routine. The routine becomes a high-level institutionalised routine, by definition a capability.

An example of this path of managed aggregation is the checkout recycling routine to achieve the goal of waste reduction at Case C (see 4.32.6.3 for a fuller explanation of this routine). This green routine was developed by the front-line employees, with the assistance of the middle manager at Site 1 of Case C. The green routine became an established unit-level routine (see 5.2.1) at Site 1. Additionally, MM1CaseC implemented this green routine at another site they were managing. This was recognised by SMCaseC who did a special Road Show to observe and video record the recycling green routine in action (MM1CaseC, FL1bCaseC). Therefore, this green routine was aggregated to the meso level of Case C, transforming into a managed routine (see 5.2.2).

This is also recognised as a managed routine as MM1CaseC was asked to implement this green routine, the recycling system, at another site of Case C that was not meeting the waste diversion goal. This also involved senior management at the meso level of the Case C who allocated the

resources and budgets to do this at the additional site. Where this has the potential to become a capability (see 5.2.4) is the potential for implementation across the whole organisation through the sharing of the green routine via information and videos on the internal network, managed by SMCaseC at the meso level of the firm.

In this process the path of managed aggregation was followed. The senior management identified green routines at the unit-level through the performance management systems that consistently meets or exceeds the green goals and KPIs. The senior management then creates the capability by formalising these green routines into higher-level routines, moving the green routine up the routine hierarchy (Abell *et al.*, 2008; Winter, 2000) to become a managed routine. This higher-level routine is transmitted across the whole organisation by senior management, as well as provide the necessary resources (equipment, facilities, and/or budgets), to other business sites. However, this path of managed aggregation for capability development is unlikely to be so linear. The institutionalisation of the unit-level green routine may be an aggregation of more than one unit-level routine, with the addition of new or additional information, technologies, resources or systems.

This path of managed aggregation is not just restricted to the development and institutionalisation of unit-level routines. This path also provides an explanation of how a managed routine (5.3.2) develops into a capability. At Case C the discussion with SMCaseC around green KPIs around levels of waste diversion from landfill, they identified a specific store that was falling below 50% waste diversion: the KPI goal is for 95% waste diversion from landfill. SMCaseC suggested that this could be due to the options for recycling is that specific part of New Zealand; however, they added that they would also contact the Regional Manager (RM) and work with them to identify if this was a one-off or a trend, and to find ways to correct this. The solution to the issue has the potential to be developed further within the performance management system to develop into a collective routine.

Another example of a capability developed through managed aggregation from a managed routine was the use of the third party 'challenge', an online carbon footprint activity, at Case A. Senior management at the meso level of the firm as an education tool for managers, and later on front-line employees. The external 'challenge' measures the carbon footprint of the business, including the personal footprints of the managers and employees, and compares this to other businesses with the potential to win a trophy. SM1CaseA indicated that when they first used this challenge there was some sites that enthusiastically competed this online challenge,

however, they also lamented that at some of the sites did not, citing one site in particular that no one had completed the challenge.

Elements of this managed green routine were aggregated to a capability within in the performance appraisal system: managers were required to complete this 'challenge' as part of their annual performance review. This was indicated by MM2CasA, MM1CaseA, as well as MM3CaseA who said "it is threaded through our performance process, which is linked directly to pay and stuff like that so it encourages, hopefully, doing things well."

In both of these examples, the managed routine (see 5.2.2) was aggregated by the meso level of senior management and implements across the whole organisation as a capability (see 5.2.4).

5.2.10. Capability Development Path: Aggregation by Norming

The path of aggregation by norming in the capability development model is where unit-level green routines (5.2.1) are shared and implemented horizontally across the firm (5.2.3) and are then adopted by senior management vertically into the meso level of the firm as an organisational green capability (5.2.4). The two examples of this path, where bottom-up green routines have the potential to transform into green capabilities, are the laminated tickets at Case A and the A4 whiteboards at Case B. At the present these are shared routines at the micro level of the firm. To transform into a green capability will require the adoption of these green routines by senior management at the meso level of the firm and implementation across the collective organisation.

The laminated tickets were developed by FL2aCaseA as a way to reduce paper waste. This involved a search of what other sites within Case A were doing to with their paper tickets for a class: "I know [location] they still have the paper ones. At [location] they've got plastic tags that hang off the bikes as their tickets.". This green routine was developed as a unit-level green routine (5.2.1). This has the potential to become a shared routine (see 5.2.3) by transmitting this across the case business via the internal communication channels. When asked if FL2aCaseA had shared their idea of laminated tickets, the reply was: "Yes, it's definitely something I should do, to tell the other branches." Later in their interview, they added: "I am actually going to contact the other reception managers, about that tickets thought, you really forced me to do that now, it's a good idea." (FL2aCaseA) Therefore, this green routine has the potential to influence other sites, managers and front-line staff during the discussion and search phases of the green routine

development process (Diagrams 5.1, 5.3 and 5.5), as indicated by FL2aCaseA comment that they knew what other sites were doing.

The A4 whiteboards was developed as a unit-level routine at the call centre of Case B as a way to reduce paper waste by removing Post-It notes from the site. This has been communicated across the business, with the potential of becoming a shared routine.

These shared routines have the potential to become aggregated to the meso level of the organisation as a potential capability if the senior managers formalise and institutionalise these green routine.

This study found that this path of aggregation by norming aligns with the capability building process described by Bhatt (2000, p. 12): “the integration of knowledge and skills.” This path assists in the “understanding of how microfoundations contribute to heterogeneity among firms” (Felin *et al.*, 2012, p. 1352) and is a movement from ways from top-down management towards a multi-actor approach (Volberda, 2004). The path of aggregation by norming is the process of developing green norms across the organisation, adding to the green culture of the organisation, by a process that makes “connections with other actors that enable the transfer of information and promote shared understandings” (Turner & Fern, 2012, p. 1410).

This path is monitored and controlled by the creation and implementing of green norms. The interview participants spoke of correcting other staff if they did not perform the green routine correctly. Some typical responses about how green routines are normalised were:

Yes, we just go no, that goes in that bin and they go oh yeah and then it just becomes routine (FL1aCaseC).

The more you do it the more it snowballs, and people just start naturally doing it and seeing something and thinking that’s not right, that’s the wrong thing to do. So yes we are quite conscientious, and I think it becomes a lifestyle (FL2bCaseA).

As discussed, the majority of the interviewees felt confident and comfortable doing this correction. Having adequate information, and an understanding of the guiding principles of the green organisational core values were important elements for this norming of the green routines. A consequence of relying on green norms or green culture is this creates the possibility of variations of the performance of the expected green routines across the different sites within each firm. However, this adds to the heterogeneous, idiosyncratic nature of capabilities.

The path of aggregation by norming is also the process by which shared routines (5.2.3) are identified and adopted by senior management at the meso level of the firm, making these higher-level routines into capabilities. As McShane and Cunningham (2012, p. 98) propose: “Managers should take note of how this process occurred (e.g., procedurally just, actions align with statements) and employees’ reactions to the initiative (e.g., emotional engagement).” This part of the process includes the allocation of resources by senior management: information, budgets, facilities, and/or equipment.

5.2.11. Capability Development Path: Ultimate Aggregation

The path of ultimate aggregation in the capability development process is where capabilities are institutionalised into high-order capabilities as defined by Collis (1994): “higher-order organizational capabilities are really capabilities that allow firms to overcome the path dependence that led to the inimitability of the lower-order capabilities.” In other words, these are the capabilities that are institutionalised into the firm in a way that has evolved beyond the original path dependency and is “not overly sensitive to the turnover of employee and management turnover (and perhaps depreciation of substitutable capital assets) in realizing the capability” (Abel *et al.*, 2008, p. 495). Therefore, this capability is embedded in the management processes and culture of the firm in a way that is not reliant on specific organisational members. In this study this path is considered theoretical, as Abel *et al.* (2008, p. 495) state this aggregation into high-order capabilities is “a matter of degree and it is difficult to precisely characterize it.”

The checkout recycling routine at Case C and the use of the external carbon footprint ‘challenge’ at Case A could be considered high-order capabilities. In both examples the firms have institutionalised these across the business in a way that does not require specific managers to be involved in their future implementation. At Case C this includes the video recording to memorialise this green routine to make this system accessible by any organisational member in the future. The ‘challenge’ is now part of the manager’s performance appraisal system at Case C. Therefore, these green capabilities have potentially developed along the path of ultimate aggregation into high-order capabilities (see also Diagram 5.5).

5.2.12. Concluding How Green Routines Developed into Capabilities?

The quadrants in Diagram 5.6 of unit-level routines and capabilities, as well as the ‘black box’ aggregation path of capability development, align with the traditional ‘black box’ approach to

understanding how routines become capabilities in the academic literature (see Abel *et al.*, 2008; Hoopes & Madsen, 2008; Molina-Azorín, 2014). The remaining parts of this model of capability development were identified in the thematic analysis of the empirical information, including during the classification process used to identify the nuanced hierarchy levels of routines (Diagram 5.5). The additional quadrants of managed and shared routines, as well as the additional paths of capability development, identify some intermediary processes in the capability development process. A limitation of this model is the focus on green routines and green capabilities; further research could be conducted to evaluate if this model can be applied to other core organizational values and strategies.

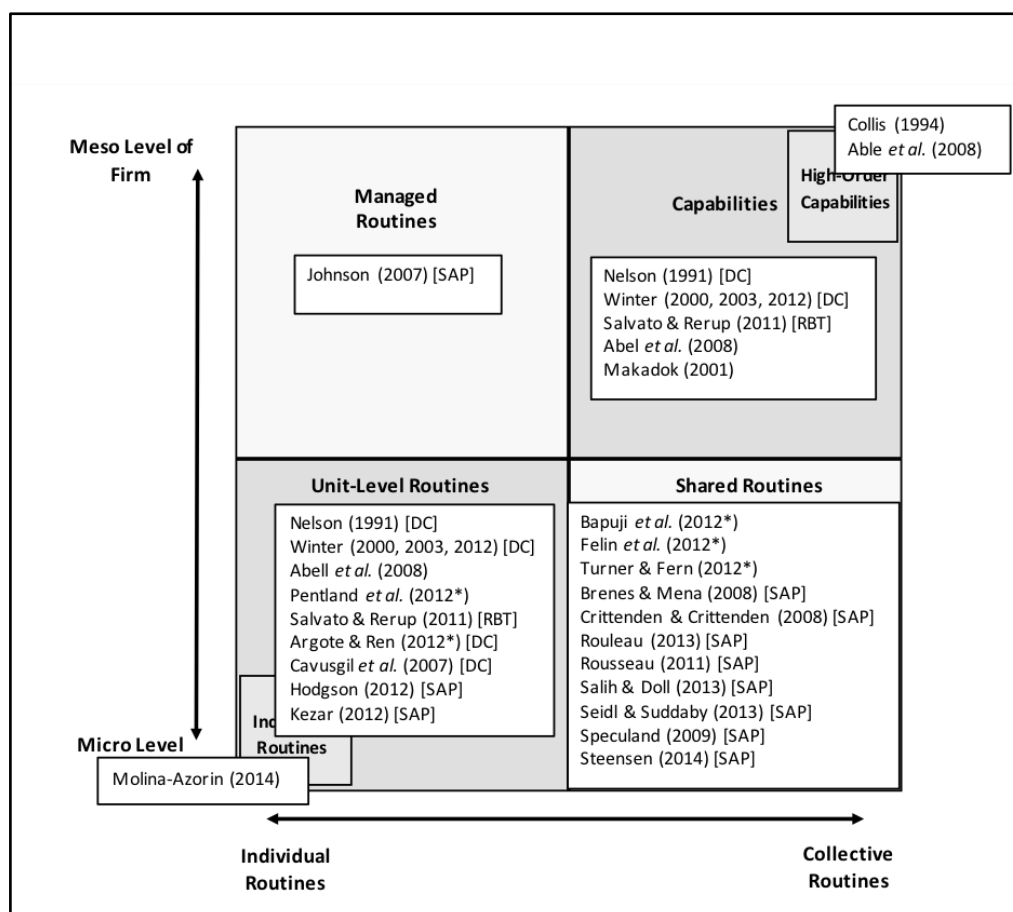
A contribution this research makes is to examine the development of the green capabilities, as a potential source of competitive advantage, identifying that this process resides within the whole of the organisation, not just the senior management level: it is also at the micro level of the individual sites where the green routines are implemented and developed. These micro level routines are even more idiosyncratic as each site implements green routines within site restriction (facilities, equipment, budgets). This is in agreement with Porter's (1991) proposition that if the strategy is well understood throughout an organisation, while it may rule out some actions, it allows the individual to "devise their own ways to contribute to the strategy that management would be hard pressed to replicate" (p. 96). This was the 'freedom within framework' approach at all three case organisations. It is a conjecture of this study that the idiosyncratic development and implementation of green routines at the micro level that has the potential to be developed into firm-specific green capabilities for sustained competitive advantage. This is in agreement with the concept that capabilities are developed over time in idiosyncratic ways based on the interactions within the organisational members, as well as the interaction with the external environments (Lockett & Thompson, 2001; Makadok, 2001; Mathews, 2002; Penrose, 1995; Thompson & Wright, 2001).

These models of the capability development process (Diagrams 5.1, 5.2, 5.3 and 5.6) contribute to the academic literature, particularly the microfoundations debate. Diagram 5.7 categorises the authors in the literature review of this study (See Chapter 2) to identify the prior research that has contributed to the development of emergent capability development process in this study (Diagram 5.6). The key academic definitions of routines and capabilities stem from the research by Nelson (1991) and Winter (2000, 2003, 2012) from the DC Economic perspective, with Salvato and Rerup (2011, p. 470) conclude that whilst "Existing conceptualizations of capabilities and routines describe them as aggregate, collective phenomena." However, whilst there is are clear

definitions for routines and capabilities, the process by which the routines develop into capabilities is vague: hence the 'Black Box' Aggregation path suggested in this study.

The concept of the Microfoundations of strategy was the subject of a special issue of the *Journal of Management Studies* (2012, 49(8)): the authors relevant to this study are indicated with (2012*) in Diagram 5.7. These articles are located in the Unit-Level Routines and Shared Routines quadrants of Diagram 5.7: Pentland *et al.* (2012) and Argote and Ren (2012) focused on the individual performances of routines, whereas Bapuji *et al.* (2012), Felin *et al.* (2012), and Turner and Fern (2012) researched the concept of shared understandings of routines across the organisations, and how these shared routines become established. However, a main limitation of the microfoundation literature is the limited research into understanding how the micro level routines develop into the meso level capabilities.

Diagram 5.7: Capability Development Model Identification of Authors



Whilst this study has taken a RBT perspective, this study has examined other perspectives of strategic management research. In Diagram 5.7 there are a number of authors from the SAP perspective listed in the Shared Routines quadrant, which aligns with the focus of the SAP perspective on “how routines are put to work by individuals and their internal dynamics”

(Parmigiani & Howard-Grenville, 2011, p. 443), to create shared understandings of the strategies and associated routines. The exception is the study by Johnson (2007) which examined the processes used by individuals to understand and perform routines from established strategies. This study takes these SAP concepts and expands these to link with RBT research by examining the process of aggregation of unit-level and shared routines to the meso level of the firm as managed routines and organisational capabilities.

The concept of higher-order capabilities (Diagrams 5.5 and 5.6) originates in the articles by Collis (1994) and Abel *et al.* (2008) which discuss how capabilities can be developed into capabilities that are not reliant on specific organisational members for their performance. At the other end of the axes is the concept of individual routines, which originate in the article by Molina-Azorin (2004), included in this article is a call for further research into how the individual routines are aggregated at the meso level of the firm: a call this study has aimed to answer.

A contribution this study makes by taking a multi-level approach, examining the meso and micro levels of the case organisations, is to consider the elements of the capability development process involving the whole firm. In doing so, this study has aimed to answer the criticism of Klein & Kozlowski (2000) that too often research into strategic management results in either an “ecological fallacy”: “When macro [meso] researchers attempt to generalize findings from aggregated data back to the lower level at which it was collected” (p, 213), or an “atomistic fallacy”: “Just because the relation holds at the lower level does not mean it will also hold at higher levels” (231) (See 2.5.1). This study has done this by examining the two end swings of the pendulum between meso and micro to understand the relationships and processes.

Therefore, these models of the capability development process (Diagrams 5.1, 5.2, 5.3 and 5.5) contribute to the academic literature by identifying the internal processes involved in the capability development process, particularly how green routines at the microfoundation of an organisation transform into meso level capabilities of the firm. Prior research into the capability development processes have been vague, particularly under economic frameworks such as RBT. The qualitative approaches in this study has allowed for the ‘black box’ of capability development, the traditional shorthand approach (Able *et al.*, 2008), to be opened and examined from a multi-level approach to incorporate the emerging literature on microfoundations of strategy to understand the complex processes involved in the development of capabilities as sources of competitive advantage.

5.3. Authentic Green Differentiation Strategies as a Source of Competitive Advantage

This study examined the proposition put forward by Hart (1995, p. 991) in their article about the NRBV: “it is likely that strategy and competitive advantage in the coming years will be rooted in capabilities that facilitate environmentally sustainable economic activity” (see also Gupta *et al.*, 2013; Leonidou *et al.*, 2013; Mysen, 2012). In addition, Morrow and Mowatt (2015, p. 656) conclude: “Environmental and ecological sustainability are increasingly being identified by organizations as important to the creation of competitive advantage, particularly for the ability to differentiate.” However, Morrow and Mowatt (2015, p. 656) caution: “This niche differentiation needs to be authentic, as a criticism of ‘green’ strategies is that they may be seen as superficial, invite accusations of ‘greenwash’ and undermine the organization’s competitive position.” However, Delmas *et al.* (2011, p. 120) conclude: “Surprisingly, very few studies have looked at the relation between organizational capabilities, environmental proactivity, and competitive advantage.”

In order to test this proposition by Hart (1995) and to answer the call for further research by Delmas *et al.* (2011), including the note of caution by Morrow and Mowatt (2015), the interview participants were questioned as to whether they perceived the green differentiation strategies, green core organisational green values, or green routines, as having the potential to be sources of competitive advantage. The analysis of the findings indicates that most of the interview participants understood the importance of green strategies as a source of differentiation for their case organisation.

It is suggested by Cox and Mowatt (2012) that an effective differentiation strategy requires the active participation and involvement of all the members of the organisation. In the service industry the front-line employees act as ambassadors for the green differentiation strategies during the customer service process, yet what is missing from prior research are the perceptions of the authenticity of the differentiation strategies by lower-level managers and “consideration for the employee perception of authenticity” (McShane & Cunningham, 2012, p. 82; see also Epstein & Buhovac, 2010; Morrow & Mowatt, 2015; Orlitzky *et al.*, 2011). A contribution of this research is to examine the construct of authentic strategy by taking a multi-level approach to the interviews: senior management, middle management, and front-line customer-facing employees, across different sites within each case.

This section begins with a discussion of the construct of authentic strategy, including a model for the authentic strategy perception process. This section then discusses how green differentiation strategies are considered a source of competitive advantage. The final part of this section brings these two discussions together to discuss the importance of authentic green as a source of competitive advantage.

5.3.1. Authentic Strategy

This research has examined green differentiation strategies with the aim of uncovering the processes by which internal stakeholders of a firm form their perception as to the authenticity of these green strategies. The literature indicates that the perception of authenticity is dependent on how the organisation's core values are integrated into the behaviour, routines and actions of the members within the firm (Maio, 2003; Stites & Michael, 2011; Vellecco & Mancino, 2010). In other words, as Freeman and Auster (2011, p. 29) state: "if you say you have this value, then your actions need to be consistent with that value", a point made by MM1CaseB: "Yes, we walk the talk."

This study proposes that if the internal stakeholders perceive the green differentiations strategies as authentic, then this will be reflected in an authentic performance of the green strategies and green routines during the customer service process. However, this construct of authentic strategy is underdeveloped in the strategic management literature (Mazutis & Slawinski, 2015; McShane & Cunningham, 2012; Morrow & Mowatt, 2015).

Understanding the perceptions of authenticity is complex as "Individuals may rely on multiple standards to inform their authenticity judgement" (McShane & Cunningham, 2012, p. 97), as well as individuals interpret authenticity "in light of both personal meanings ... and the social context in which those values emerge" (Edwards, 2010, p. 196). What emerged from the thematic analysis of the interviews was an understanding of the process of authentic strategy perception; this is presented as the dark solid arrows in Diagram 5.8.

In this process the green differentiation strategies, and related policies, are judged by the organisational members against the organisation's core green values, including green information provided by the organisation (shown as a dark dashed arrow in Diagram 5.8), as well as the individual's green values and knowledge (shown as light dashed arrows in Diagram 5.8), to ascertain if the green strategies can be perceived as being authentic. The next step in

the process is the implementation of the authentic green strategies as green routines, which similarly judged as to the authenticity.

Diagram 5.8: Authentic Strategy Perception Process

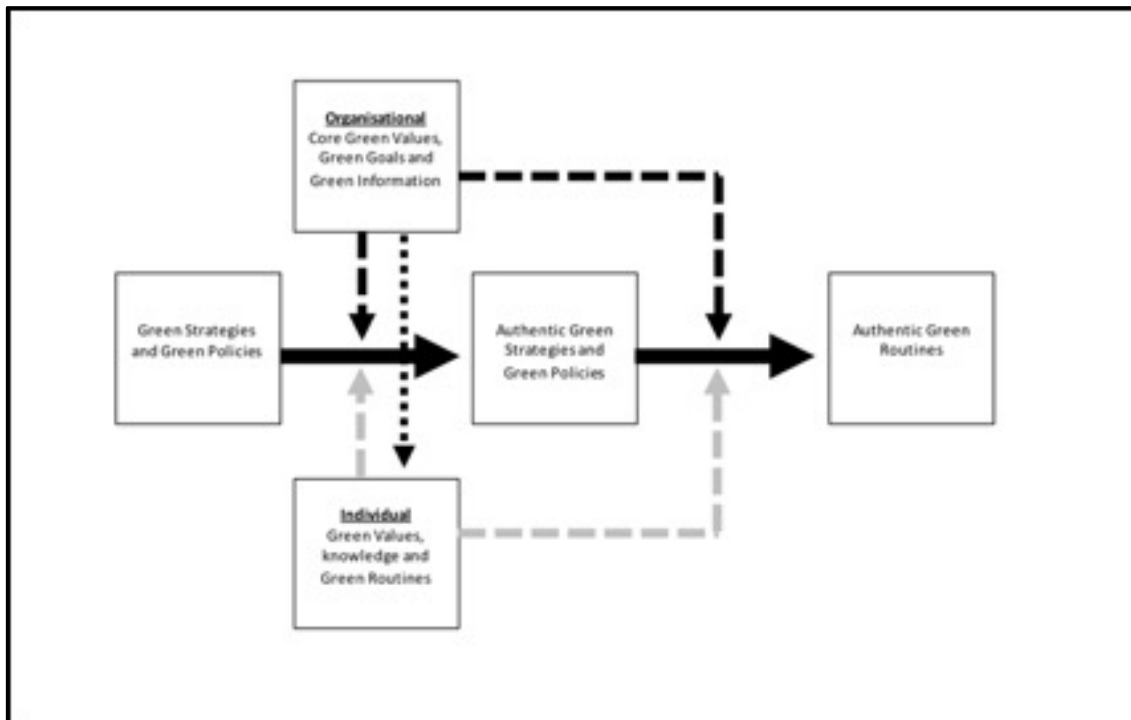






Table 5.2: Key for Diagram 5.8

Symbol	Description	Indicates
	Solid Black Arrows	The process of authenticating the green strategies and green routines
	Dark Dashed Arrows	Influence of organisational core green values, green goals and information
	Light Dashed Arrows	Influence of individual green values, knowledge and green routines
	Dark Dotted Arrow	Influence of organisational core green values, green goals and information on the individual's green values, knowledge and green routines

5.3.1.1. Individual Participant's Green Values and Green Routines

The perception as to the authenticity of the green strategies by the individual organisational member is an extension of what Liedtka (2008, p. 239) terms the “authentic voice”, where an individual expresses themselves consistent with their “inner thoughts and feelings.” In Diagram 5.8 these are the elements of the individual: their personal green values, knowledge and green

routines they perform at home. In this study, the perception of the managers and front-line employees as to the authenticity of the green strategies was directly and indirectly examined.

It was found in this study that there were differing level of personal interest and engagement in green strategies and green routines, with some of the interview participants can be considered green champions (see 4.2.3.2) who brought their personal green values, knowledge and skills to the case organisations through developing, implementing or suggesting green routines and suggestions for future green initiatives, whilst other participants were less involved in these processes. In the opening questions of the semi-structured interviews, the participants were asked about their personal green values and green routines. The results indicate a range of levels of interest in green values, as well as the level of green routines performed at the interview participant's homes: ranging from basic green routines such as recycling (see 4.2.3.1 and Table 4.3), to a few participants that have been described as green champions (see 4.2.1.3.2). Additionally, in a number of interviews, the participants spoke of bringing their personal values to work, and whenever possible to make suggestions and implement green routines as part of their job. This indicates that organisational members access their individual green values when assessing the authenticity of the organisation's green strategies, policies and green routines (Diagram 5.8).

5.3.1.2. Organisational Core Green Values

The perception of authenticity is also dependent on how the organisation's core values are integrated into the behaviour, routines and actions of the members within the firm (Maio, 2003; Stites & Michael, 2011; Vellecco & Mancino, 2010). This study found that in the process of judging the authenticity of the green strategies, the organisational members will also compare the green strategies against the organisation's core green values, green policies, as well as information about green issues, initiatives and solutions provided by the organisation (Diagram 5.8). These green elements can also be used to form the green vision, a "broad outlines of a strategy, while leaving the specific details to be worked out" (Mintzberg, 1993, pp. 37-38, see also Hart, 1995) to set the future direction of the organisation with the intention of integrating green values throughout the organisation (Amran *et al.*, 2014; Leonidou *et al.*, 2013).

What emerged from the analysis was the three cases examined placed emphasis on providing clear guiding principles for the core green organisational values, to create a common understanding of these green values, and to link these green values to the green differentiation strategies and green routines. This information was shared at the induction of new staff, during

on the job training, in targeted newsletter and information, on the internal network as well as internal social media webpages. Examples of this were the “Be Green” e-newsletters at Case A, and the green goal of 95% waste diversion and related KPIs that are reported to management and front-line staff to acknowledge progress, or otherwise, at Case C.

Additionally, the green strategy implementation process involved feedback during the development of organisation-wide green routines, as well as during the implementation process (see SQ 1: How are green differentiation strategies implemented? 4.2.1 and 5.2.1). Typical responses included:

There’s definitely a link to our values and I know with my team they definitely do make an effort to do things (FL3bCaseA).

We practice what we preach... we’re kind of setting a precedence in the market of pursuing what we say we are actually doing (FL5CaseB).

Always everything we do is about thinking about being green. That’s one of our things, one of our five things. So that is something that’s considered every time we do something (FL2bCaseA).

This is in agreement with the conclusion by McShane and Cunningham (2012, p. 83) “by engaging in strategy-making processes where individuals have voice, are active participants and are emotionally engaged.”

5.3.1.3. The Influence of Core Organisational Green Values on the Individual Organisational Member’s Personal Green Values

An unexpected theme that emerged was the influence the organisation’s core green values, including green information, had on the home values and green routines of the interview participants. SM1CaseA suggested that as a service organisation there were limited ways of reducing the firm’s impact on the natural environment, and by encouraging organisational members to take home the core green value guiding principles and green routines had a bigger impact on the natural environment. Both Case A and Case C had previously used an online carbon footprint challenge to evaluate the individual’s carbon footprint, as well as the organisations, and as a way to share information of green routines that could be done at home. SMCCaseC spoke of an example where the business had offered discounted energy efficient light bulbs as part of this challenge; an offer taken up by a large number of staff. When asked directly

if the green values and green routines had made an impact on the interview participant's home green routines, most indicated that it had. Some typical responses were:

I think it has affected what I do at home... (FL2bCaseA)

Yes, I think so (FL4aCaseC).

You do pick out some good little bits for home life... (FL1bCaseA)

I would like to think so (FL5CaseB).

This is indicated in Diagram 5.8 as a dark dotted arrow from organisational core green values box, to the individual green values box. It is presented as a dotted arrow as the relationship varies between organisational members due to their different levels of interest in green issues and solutions. This contributes to theory as the influence of an organisations core green themes on individual organisational member's green values or routines has not been identified, particularly in the RBT literature.

5.3.2. Green Differentiation Strategies as a Source of Competitive Advantage

The literature indicates a growing awareness that green strategies can become a source of competitive advantage by differentiating a business from the competition (Gupta *et al.*, 2013; Leonidou *et al.*, 2013; Mysen, 2012). The cases were selected on their use of green strategies as a differentiation strategy for competitive advantage (see 3.2.1 Phase One: Preliminary Case Selection), where each of the cases leveraged their green strategies as part of their customer services processes to differentiate their organisations by creating a positive reputation, a positive brand image and identity, brand loyalty from customers (Gupta *et al.*, 2013; Hart, 1995; Insch, 2011; Maio, 2003; Morgan, Pritchard & Piggott, 2003; Porter, 1991, 1997; Siegel, 2009; Volberda, 2004). However, differentiation based on these elements are about the firm *appearing* to be green to customers and external stakeholders. This study aimed to find how the firms are *being* green by focusing on the implementation processes for green strategies to reduce the firm's impact on the natural environment. This can include "process efficiencies" (Bansal & Roth, 2000, p. 724) where the firm reduce their resource use or reduces their waste.

Where these cases diverged from the literature on differentiation strategies was a lack of premium pricing based on the green differentiation strategies; a benefit of differentiation strategies suggested by Porter (1991, 1997) and Hart (1995). The differentiation strategies were

more in tune with creating customer loyalty or a greater market share, for example, SMCaseB stated:

Our most committed and loyal customers like us for those reasons, so it's like a self-fulfilling kind of thing. That same research showed us that the people who we could potentially poach from other retailers also value our environmental positioning so clearly the brand differentiation kind of works (SMCaseB).

In the cases studied, the green differentiation strategies formed the framework to guide the implementation of green routines and the development of green capabilities. It is in these processes where the firms are able to leverage these strategies as sources of sustained competitive advantage as the green capabilities are “dependent on unique historical conditions”, are “causally ambiguous”, and are “socially complex” (Barney, 1991, p. 107). Whilst all three cases use green strategies, as well as core green values, to differentiate their firms for competitive advantage, there were differences between the cases.

At Case B, the energy company, the interview participants perceived the green strategies as the main source of their firm's differentiation strategy. In SMCaseB's in-depth discussion about competitive advantage, they said of green strategies: “I think it has the potential to differentiate you in the retail market”, adding, “So it is a brand position, so it is a way of being different in the market.” Case B was identified as a strong exemplar in the document analysis used for potential case selection (see 3.2.3.1): this was based on the reading and interpretation of Case B's website (Bowen, 2009a), as well as being “recognized and/or reported in multiple [media] outlets” (Pagell and Wu, 2009, p. 40). This was evident in some of the responses of interview participants, typical examples were:

Absolutely, it's one of our lead points I think (FL3CaseB).

When I speak to my customers that's a very, very key reason why they choose [company name] compared to other [energy] supplier (FL1CaseB).

Case A and Case C were identified in the case selection process as potential exemplar cases (see 3.2.3.1). However, the document analysis also indicated that the green strategies were only a part of these firm's overall differentiation strategy.

At Case A, the sports and recreation firm, the green strategies were part of their overall differentiation mix; however, they had a greater emphasis on differentiating based on the values

surrounding fitness, health and wellbeing, due to the nature of their service. When asked specifically about the green differentiation strategies as a source of competitive advantage, typical responses were:

I would say yes probably, I think so. ... I know we're leading in our industry (MM1CaseA).

Yes, for sure. It sort of shows the care and that the company is there to do good, not just for the sake of profit and that's all that matters at the end of the day because we need more of these people that really care (FL1aCaseA).

In addition, SM1CaseA spoke of "living the five values" of their firm, of which the green core value is one.

As a retailer Case C integrate the green strategies part of the overall differentiation mix, however, there was a greater emphasis on the products being sold. Typical responses about green differentiation strategies for competitive advantage were:

I think it does (FL4aCaseC).

Yes, I do, I do, I do. How long have you done it for? Oh, six months, a year. 30 years, you know, it's been in our core purpose since day one so that's I think competitive advantage for us (MM1CaseC).

The intention of using document analysis for potential case identification was to identify cases where the green strategies formed the key source of differentiation. However, only one of the case organisations used green strategies as the main differentiation strategy, with the other two using green strategies as part of an overall differentiation mix. This limitation also became a contribution of this research as this allowed for the examination of how green strategies and green values were implemented, understood and embedded throughout the organisations including in cases where the green strategies were part of the overall strategic mix for differentiation.

The following are discussions of relevant themes to emerge from the thematic analysis relating to the concepts within competitive advantage. These have been included here to further inform the discussion on the links between competitive advantage and authentic strategies.

5.3.2.1. Community Expectations

A strong theme that emerged was perceived expectations of the local community, and New Zealanders in general, that larger organisations are actively engaged in green strategies to reduce their impact on the natural environment. This theme links to the concept that being green is no longer considered marginal or radical (Prasad & Elmes, 2005; Spetic *et al.*, 2012; Yeoman, Durie *et al.*, 2005). Additionally, there is a shift in consumer purchasing activities towards being more environmentally proactive (Freestone & McGoldrick, 2008), and an expectation that businesses are becoming greener. Typical responses were:

So it's sort of like a growing culture in New Zealand, which is sort of embedded (FL3aCaseA).

New Zealand is a beautiful place and Kiwis at heart really do I think cherish the environment that we have, the beauty of the natural environment that we have, so we feel that is an advantage for us to be able to show that we're doing our part in the community because we obviously use a lot of resources (MM3CaseC).

It's very much becoming a forefront in people's minds these days and looking after the environment and looking after the planet and whether it has a long-term effect on climate change, it doesn't matter. It's all about our environment so let's look after it because it's giving a lot to us (FL2CaseB).

What also emerged from the discussion and analysis was that it was not so much having green strategies that were a competitive advantage, rather it was not having green strategies could be seen as a competitive disadvantage. MM4CaseC explains:

So in terms of a competitive advantage, I think if we didn't do it we would definitely feel the results of it, but I don't think that people come here because we do it. I think it would be irresponsible if we didn't do it and for that reason the community trusts us. However, if we didn't do it I think we would have a backlash coming from there (MM4CaseC).

There is a limited discussion on the concept of not having a green strategy as a potential source of competitive disadvantage. Powell (2001) states:

... if competitive advantage stems from inimitable, idiosyncratic resources, competitive disadvantage is not merely the non-existence of such resources (which would create economic parity), but rather the failure even to satisfy the minimum success requirements. (p. 877)

Therefore, based on Powell's (2011) description of competitive disadvantage, not having a green strategy could be considered a competitive disadvantage for other reasons, not just the lack of a green strategy. Additionally, Jones and Mowatt (2016) conclude that identifying with New Zealand's perception as being clean and green was not enough for competitive advantage, particularly in the agricultural sector, as there was a perception among consumers that the agricultural products are produced in this perceived clean and green natural environment. This has the potential to be the subject of future research in strategic management to examine whether external stakeholders perceive not having green strategies puts the businesses at a competitive disadvantage.

5.3.2.2. The Differentiation Promotion and Marketing Balancing Act

As part of the discussion on competitive advantage, the interview participants were also asked their perception of the organisation's external promotion and marketing of green strategies, green values, and green routines. Inch (2011) suggests one way a business can differentiate from the competition is by the "promotion of philosophies, values and practices of environmental sustainability" (p. 283). Many of the interview participants indicated that they thought that businesses should do more external promotion and marketing of green strategies. Some typical comments were:

I don't think we tell our [customers] enough about what we do. I did some research in a focus group and they said they didn't know we did a lot of stuff we do (MM2CaseA).

[Name of company] does some amazing stuff that they don't talk about. We don't talk about it. We don't tell the story. We don't tell the story about what we do with the plantings we do along the banks down by the assets. It's not a story we tell (SMCaseB).

I don't think a lot of people actually know some of the good stuff we do, and I think that from a competitive advantage is actually a disadvantage. But at the same time it would be really great for people to know that actually we do these great things like we put 10,000 tonnes into landfill, actually that was 10,000 less than last year, [company name] has made a thing of, hey we've donated some of our old containers or something to help make affordable housing over in a war-torn area or something like that, would be quite cool (FL4aCaseC).

However, after prompting for more detail, many then indicated that there could be a risk associated with promoting everything that the organisation does. As concluded in Morrow and Mowatt (2015):

This niche differentiation needs to be authentic, as a criticism of 'green' strategies is that they may be seen as superficial, invite accusations of 'greenwash' and undermine the organization's competitive position (p. 656).

Some of the interview participants directly addressed the issue of greenwash. Two good examples of this came from interview participants at Case C, the retailer:

We try not to blow up what we do because we don't want the company to think that we're using it as a marketing ploy because we don't want the community to think that we're using it as a marketing tool because that's not why we do it. We do it because we genuinely care for the environment. Our CEO always uses 'we live here too' so we've got to look after it (MM4CaseC).

Everything is about how you approach it, what you say. If you are making a statement you are asking for trouble. If you are being considerate and honest, I think it is okay. It depends on how you are phrasing it and how prominent you are making it or it depends on how you are doing it. I think if you have a weird agenda, which people don't know about, then it is always a problem. If your intentions are clear and transparent, then it usually doesn't cause any further problems (FL2bCaseC).

Insch (2011) states to avoid the accusation of greenwash business must consistently deliver on "this promise to an environmentally savvy and discerning market" (p. 288). What some of the interview participants advocated for was a balancing act: getting the balance between promoting green strategies for competitive advantage, and not promoting all of the green strategies to avoid the accusation of greenwash. Comments from MM2CaseB and SMCCaseC summarise this very well:

I think that's where the balancing act comes in. You don't want to talk about everything that you're doing, but every now and then when we're doing something awesome I think we need to celebrate it and talk about it, even if it's on social media. Let our customers know that we actually do do the things that we talk about. It's important (MM2CaseB).

We do a lot of good work, but it is easier to keep it quiet, but our board is now telling us to make more noise about it because that will help us against the [competitor's name], against the [competitor's name] and that sort of stuff. It is a very careful balance, very, very careful balance (SMCaseC).

Another related theme was the promotion of green strategies during the customer service process. At Case C, was the charging of 10 cents per plastic shopping bag, where the front-line staff can explain the green strategies to reduce plastic and reduce waste. At Case B, the call

centre staff try to connect and engage with the customers to explain some of the green routines and green initiatives. This is also a way the businesses are able to demonstrate that their green strategies and green routines match the green rhetoric, as opposed to just insisting they are 'environmentally friendly' (Freeman & Auster, 2011; Tang *et al.*, 2012; Wolf, 2013); that the commitment to green strategies are "truthful, accurate, reliable and genuine" (McShane & Cunningham, 2012, p. 82; see also Wolf, 2013): in other words, perceived as being authentic.

5.3.2.3. Employees

It is well established in the literature that employees are considered a source of competitive advantage to an organisation as employee skills, knowledge, experiences, and more importantly, relationships, are difficult to duplicate but competitors (Branco & Rodrigues, 2006; de la Cruz Déniz-Déniz & De Saá-Pérez, 2003; Stead & Stead, 2008; Wagner, 2013). Additionally, employees may derive a positive sense of identity with an organisation that has positive values (Paterson, 2004), and green strategies can also improve "worker morale and loyalty" (Lantos, 2001, p. 624). The commitment and loyalty of the employees will be reflected in the ability of the business to retain the employees, reducing the costs of recruitment and training due to employee turnover (Aguilera *et al.*, 2007; Branco & Rodrigues, 2006; Brønn and Vidaver-Cohen, 2009; Lacy, *et al.*, 2009; Litt & Sharma, 2014; Mahoney, Thorne, Cecil & LaGore, 2013; Wagner, 2013). An added benefit of employee loyalty and commitment is this may prevent employees from acting in a way that is unwanted or detrimental to the business (Branco & Rodrigues, 2006). There is also existing literature on the link between green differentiation strategies and recruitment: Job seekers are attracted to firms that are actively and authentically engaged in green strategies (Brønn & Vidaver-Cohen, 2009; Evans & Davis, 2011). With Lacy *et al.* (2009, p. 489) adding: "Smart businesses are tapping this energy by demonstrating their commitment to sustainability."

An unexpected theme to emerge was the positive effects of green differentiation strategies on employees: retaining and attracting employees with strong personal green values, and green knowledge and abilities that can contribute new ideas and knowledge to the development of routines and capabilities (See Diagrams 5.1, 5.2 and 5.3). This was an unexpected theme as there were no direct questions about the link between employees and green differentiation strategies. The information was volunteered by the interview participants during the discussion on competitive advantage:

I think the only advantage it gives us is our staff are happier (FL4CaseB).

I guess that's another thing about working for this company, there's a lot of us that are proud of the fact that we have those core values. Does it also give the company a competitor advantage? Yes it actually does in the fact that we've got a lot of team members that are proud and they love working for this company and they turn up every day to do their best and it's not because we have high sales, it's not because we get a bonus, it's because they feel they're doing something good and that's a good part. The community environment is a big part of why our team members feel good about their job (MM1CaseC).

So those values we do carry with us and the main reason many people look forward to join [name of company] is the reason why it's 100% renewable, the reason why it's sustainable and most of the employees I believe are passionate about what we do and how we do it (FL1CaseB).

The people who actually apply for the job itself are passionate about the core values of the company and they strongly believe that what [name of company] is doing is good and they do believe in giving something back to the community is also what we do... (FL1CaseB)

The perception was that competitive advantage could be gained by recruiting employees with strong green personal values as there is potential to reinforce the green strategies and green core values at the firm, as well as adding to the pool of personal knowledge and expertise around green values and green routines at the business.

5.3.3. Concluding Authentic Green Differentiation Strategies as a Source of Competitive Advantage

The thematic analysis of the interview findings confirms that green differentiation strategies, and related green capabilities, are an intangible resource that can be considered a source of sustainable competitive advantage. Under the RBT perspective, Barney (1991) states sustained competitive advantage requires resources, tangible and intangible, must be "be imperfectly imitable" (p. 106), and "socially complex" (p. 107). Whilst the green strategies of a business could be imitated, the competitive advantage comes from the differentiation of the business is based on its intangible assets of green branding and reputation, with the addition of green capabilities (see 5.3). It is in the idiosyncratic, path-dependent nature of these intangible assets, and the heterogeneous nature of the microfoundations of resources and capabilities: creating sources of sustained competitive advantage.

A theme that emerged in the analysis was the perceived community expectations that large businesses should be actively engaged in green strategies, as these businesses use a large

number of resources and potentially produce a large amount of waste. This theme was linked to the context of the New Zealand culture of being 'clean and green'. Some of the interviewees indicated that they perceived it as a competitive disadvantage if a company does not have green strategies.

This research has contributed to the understanding of the construct of authentic strategy: a construct that was underdeveloped in the strategic management literature (Mazutis & Slawinski, 2014; McShane & Cunningham, 2012; Morrow & Mowatt, 2015). What emerged from this analysis was an understanding of the process of authentic strategy perception (Diagram 5.8). An authentic green strategy can be defined where the green differentiation strategy is perceived as being consistent with the guiding principles of the organisation's green core values. This perception is reliant on a common understanding of the green values, and their guiding principles, as well as the active involvement of all members of the organisation in the implementation process. To ensure a common understanding of the green core values occurred, the three cases used a variety of channels to transmit information about green values, green issues and solutions, as well as creating clear guiding principles for the core green values.

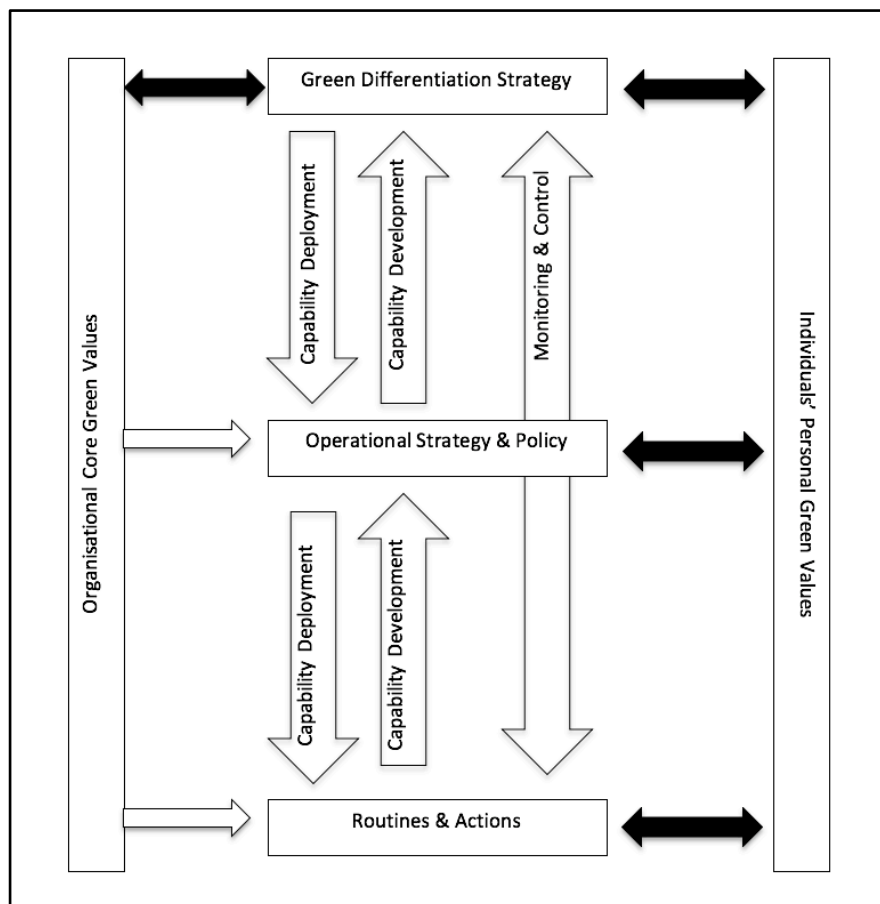
In addition, this study found the members of the three case organisations were encouraged and empowered to include their personal green values, green routines, and knowledge of green issues and solutions, in the green strategy implementation process: suggesting ideas, during the development of the green strategies and green routines, to be empowered to give informed feedback during the implementation process, as well as the ability to give constructive feedback after the implementation process.

An unexpected theme that emerged was the influence the organisation's core green values, including green information, had on the home values and green routines of the interview participants. This was seen as a way to overcome a limitation on the amount of 'greenness' that can be achieved by service organisations; the aim was to have a greater positive impact on the natural environment by encouraging members of the firms to take home green routines and green values.

In light of the results and analysis, the conceptual model introduced in the literature review chapter needs to be amended (see Diagram 2.9 Initial Conceptual Model). The altered model is shown in Diagram 5.9. This amended model focuses on the relationships between the organisation's core green values, the individual green values, and the firm. Changes are shown in solid arrows.

On the left-hand side of this model, the top arrow connecting the organisational core green values to the senior management level of the green strategy has been changed to show a two-way relationship. At this level of the organisation, the senior management are responsible for the development of the core green values, and the related guiding principles. On the right-hand side, all of the arrows have been changed to a two-way relationship to indicate the influence the organisation's core green values, including green information, have on the home values and green routines of the interview participants. This amended model will be integrated into the model in section 6.3 Implications for Theory.

Diagram 5.9: Amended Initial Conceptual Model of Authentic Strategy



(Note: the changes made to Diagram 2.9 are indicated as solid dark arrows)

In conclusion, this research found that the construct of authentic strategy lies in the perception that the green differentiation strategies and green routines are aligned with the core organisational green values of a firm. To ensure this occurs, the business needs to ensure a common understanding of the core green values, as well as involve the members of the organisation, and their personal green values and knowledge, in an open process.

5.4. The Green Differentiation Strategies Implementation Processes

This research undertook a whole organisational approach to examine green differentiation strategy implementation processes, as suggested by Ghanam and Cox (2007). Taking a multi-level approach across a number of sites within each firm allowed for exploration the internal processes involved in implementing green differentiation strategies; an area of strategic management that is under researched (Kärreman & Costas, 2013). The interviews were conducted with senior management, middle management and front-line customer-facing employees, to examine the different perceptions of this implementation process. This also was a way to test Salvato and Rerup's (2011) proposition that lower level routines and "higher level organisational entities" (p. 484), such as vision, strategy and organisational identify, are interrelated. To do this the focus on the interviews were the front-line green routines, more importantly, the perceptions of the interviewees, as to what green routines do they do, who told them to do these green routines and how did they know about these green routines and how to perform them.

What emerged during the interviews and thematic analysis is that the implementation processes for green differentiation strategies occur at two distinct levels: the meso level of the firm at the level of senior management and the micro level of the individual sites containing the middle managers and the front-line staff. Diagram 5.10: Authentic Green Differentiation Strategy Implementation Map, illustrates these two levels.

This study has used a multiple case analysis across different industries within the service sector to identify case or industry specific variations; however, this study found few differences between the strategy implementation processes at each of the three cases. Therefore, this strategy implementation map is a combination of the individual case strategy implementation maps from Chapter 4 (see Diagrams 4.1 – 4.3).

In addition, the amended initial conceptual model of Diagram 5.9 has been integrated to identify the relationships between the organisation's core green values, the individual green values, and the firm. In Diagram 5.10 the strategic levels of Green Differentiations Strategy, Operational Strategy and Policy, and Routines and Action (Diagram 5.9) have been amended to identify the relationship to the meso and micro level so the organisation. This study found that the green differentiation strategy is at the level of the meso level of the firm, where senior managers develop the strategy. The initial conceptual model's operational strategy and policy, and routines and actions are combined as these occur at the micro level of the individual sites of the case organisations.

Diagram 5.10: The Authentic Green Differentiation Strategy Implementation Map

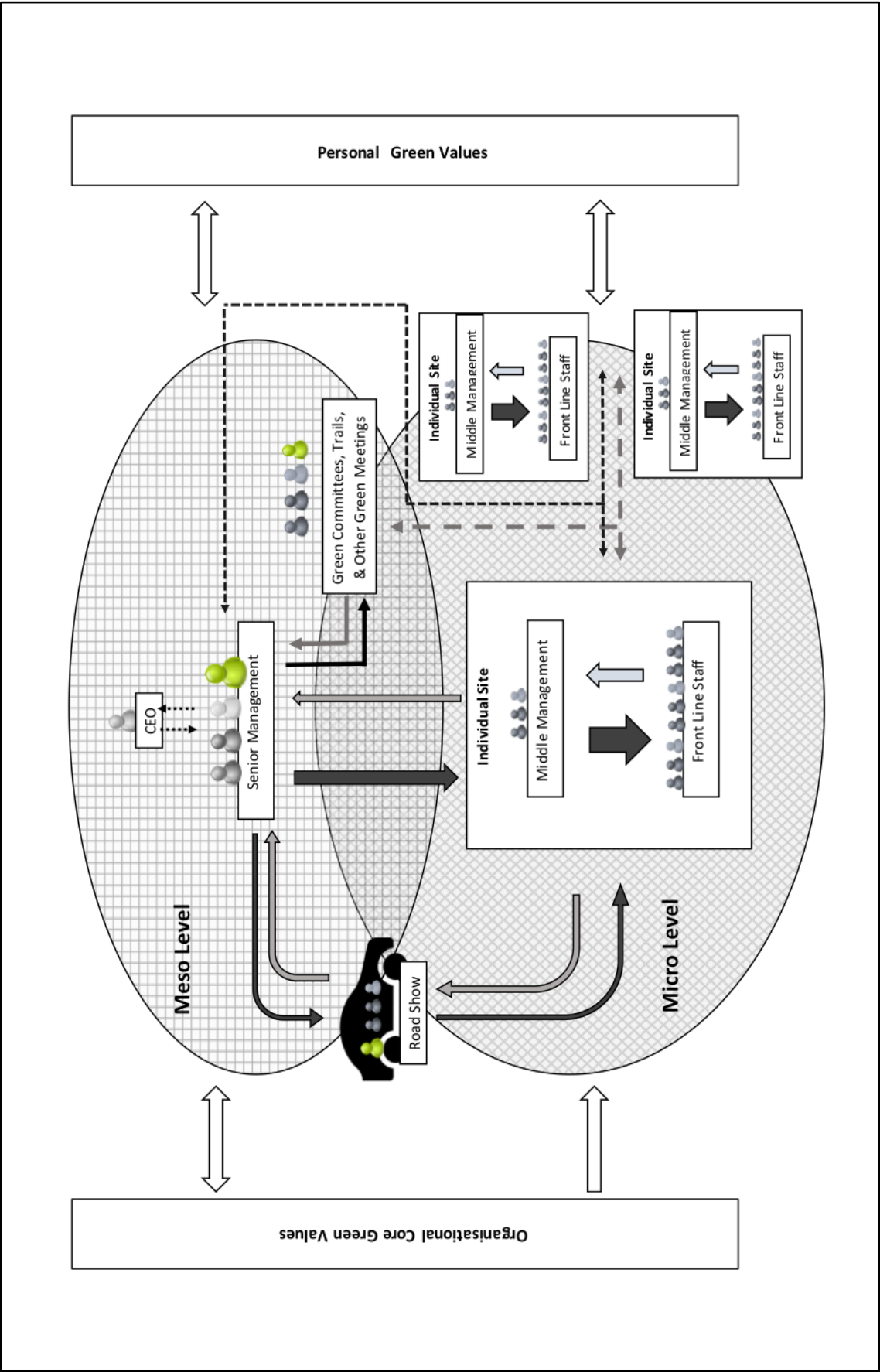




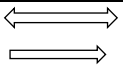


Table 5.3: Key for Diagram 5.10		
Symbol	Description	Indicates
	Green person	The senior green manager(s)
	Dark arrows	Top-Down processes
	Light arrows	Bottom-Up processes
	Dashed, double-ended arrows	Information flows between individuals/groups
	White arrows	Relationships between green values and the levels of the firm

5.4.1. Green Differentiation Strategy Implementation: The Meso Level

This study found at the meso level of the firm, in all three cases examined, the Senior Management were ultimately responsible for the development and implementation of the green differentiation strategies and policies, as well as the associated green core organisational values guiding principles, green goals and KPIs (Diagram 5.10). In addition, the senior management at the meso level of the firm allocate the firms resources, including equipment, facilities and set the budgets for the individual sites of the business. Therefore, under traditional “narrow neoclassical economic rationality” thinking of RBT (Kraaijenbrink *et al.*, 2010, p. 367) that strategy is a rational, top-down, planned, static process (Hart, 1992; Mintzberg & Lampel, 1999; Volberda, 2004), on the surface this appears to conform to the Design School paradigm of strategy, where:

Strategy formation as achieving the essential fit between internal strengths and weaknesses and external threats and opportunities. Senior management formulates clear, simple, and unique strategies in a deliberate process of conscious thought (Mintzberg & Lampel, 1999, p. 22).

However, this is an oversimplification of green differentiation strategy implementation processes: this is still only grasping one part of the strategic “elephant” (Mintzberg & Lampel, 1999, p. 26). During the analysis of this study it emerged that for green differentiation strategies the three case firms also had elements of Learning School and Culture School of strategy formation, confirming the comment by Mintzberg and Lampel (1999): “we take pleasure in noting that some of the more recent approaches to strategy formation cut across these ten schools in eclectic and interesting ways” (p. 26).

Evidence from the interviews indicated that elements of the Learning School exist, where “strategies can be found throughout the organization, and so-called formulation and implementation intertwine” (Mintzberg & Lampel, 1999, p. 25). In this research the senior management team act as meso level co-ordinators of information about strategies; not

restricted to the traditional top-down information flow of the Design School. In Case A and Case C, the interview participants spoke of the senior management Road Show, where a group of the senior management team, including the green senior manager, travelled to each of the firm's sites. This allows the senior managers to investigate the performance and routines at each of the sites, as well as have direct discussions with the middle management (site managers) and the front-line customer-facing staff. In addition, specialist green meetings, special green committees, regional meetings of management, as well as trials of new or altered green routines and initiatives, were conducted by senior management.

Additionally, elements of the Culture School were also evident, where "strategy formation as a social process rooted in culture" (Mintzberg & Lampel, 1999, p. 25). In a number of interviews, across all case organisations, the interview participants spoke of the green routines are 'the way we do things here', a typical response was FL4CaseB: "We walk the talk and you can see that impact on our staff."

The other way the cases studies deviated from the Design School paradigm was in the creation of 'freedom within framework', a concept discussed by senior and middle managers. The 'framework' is based on the objectives of the green differentiation strategies, including specific green goals and KPIs, as well as the guiding principles of the core green organisational values. This also formed part of the monitoring and control aspects of the green strategies, where senior managers could measure the progress of the business sites based on green goals and KPIs, and feed this information back to the site managers, the middle managers, to indicate their level of achievement and compliance of the green strategies and goals.

One strong element of the Design School that emerged from the analysis was the importance of the personal green attitude and interest of the CEO. This is in agreement with Hart's (1992) analogy that senior management should act more like a sports coach whose job is to "motivate and inspire organisational members" (p. 337), and aligns with Ervin *et al.* (2013, p. 402) statement that: "pro-environment management attitudes are positively associated with proactive environmental management." This was identified where the CEOs of Case A and Case C, as well as previous CEOs of Case B, had strong personal interests in green values, routines and actions, therefore the CEOs acted as drivers of green strategies and policies. This allowed the senior green manager decision-making power, resources and budgets to allocate for the development and implementation of these green strategies and green values as green routines within the case organisations.

Whilst it is clear that the meso level of senior management can be conceptualised under RBT as having a strong connection to the Design School paradigm, this is an oversimplification; the strategy implementation process for green differentiation strategies is more complex, involving the micro level of the individual sites, as well as the individual managers and front-line employees at these sites.

5.4.2. Green Differentiation Strategy Implementation: The Micro Level

A contribution this research makes to theory is the examination of the micro level of the business, which is vital to the implementation of green differentiation strategies (see Diagram 5.10). In this research, the micro level of the firm is located at the individual sites within the organisation; this includes the middle managers (site managers) and the front-line customer service staff. It is at this level of the firm that the green differentiation strategies and policies are implemented as green routines performed in the customer service process. This research has aimed to answer the critique from Yang *et al.* (2010): there is “clearly a lack of theory development and empirical testing regarding the roles of lower-level management and non-management in strategy implementation process.” This study has added to theory by interviewing the managers and front-line customer services employees at this micro level of the firm under RBT, different from traditional meso level research under this theory and other economic strategic management theories. This also has the level of the microfoundations of green routines, capabilities and strategies.

Whilst the meso level of the firm develops green differentiation strategies, it is at the micro level of the firm where the strategies are ultimately implemented. All three of the case organisations studied allow ‘freedom within framework’, meaning the site managers and front-line employees are encouraged to integrate their personal green values within the organisation, as opportunities to suggest and implement green routines. This correlates to the decentralised concept of Aragón-Correa and Sharma (2003) where lower-level managers use their “discretion to anticipate strategic futures and to develop capabilities accordingly” (p. 76): Mintzberg’s (1987) emergent strategy concept (see Figure 2.5).

What was found in this research was the middle managers, the managers of each site, used their personal values and beliefs to influence the level of green initiatives and green routines at each site, in agreement with the conclusions of Collins *et al.* (2007), Gupta *et al.* (2013), Hemmingway and MacLagan (2004), Mirvis *et al.* (2010), and Papagiannakis and Liokas (2012). In addition, there were additional green champions identified within each site, supervisors and front-line

employees, that took on personal responsibility for green routines, including instigating new or changes to green routines, as well as to support the middle manager's efforts; a concept put forward by Bansal and Roth (2000), Cocks, (2010), Papagiannakis and Liokas (2012), and Williams and Schaefer (2013). These green champions motivated and inspired other organisational members: Hart's (1992) sports coach analogy. This is in agreement with Wolf's (2013) suggestion that organisations must tap into the personal green values and interests, as well as Lacy *et al.* (2009, p. 491) who state: "When employees are engaged with their company's sustainability strategy, they proactively identify, communicate and pursue opportunities to execute the [sustainability] strategy."

Routines are defined as "standard behaviours, rules of thumb or even strategies that are used, consciously or not, in largely repetitive fashion" (Johnson, 2007, p. 42, see also Felin *et al.*, 2012; Parmigiani & Howard-Grenville, 2011; Pentland *et al.*, 2012; Salvato & Rerup, 2011), that are explicitly collective rather than individual phenomena" (Felin *et al.*, 2012, p. 1355). This research discovered that whilst there were some common routines across each case organisation, there were variations of routines at each site, as well as site-specific routines, as Salvato and Rerup (2011) conclude:

Existing conceptualizations of capabilities and routines describe them as aggregate, collective phenomena ... Our analysis suggests that capabilities and routines actually comprise assorted, heterogeneous elements (p. 470).

These variations between sites form the basis of the unit-level routines quadrant in the green capability development process (Diagram 5.6). The following are some of the identified variations between individual sites at the case organisations.

At Case A, all of the sites reduced their waste by recycling; however, only the Head Office had access to a green waste (organic material) bin for food scraps. Also, the green strategy of reducing paper waste and reducing printing was followed in different ways, for example, at Site 1 they had removed the paper suggestion box and replaced it with an iPad, Site 2 had printed and laminated tickets for a class.

It was at Site 2 of Case A where the greatest number of green routines and initiatives were discussed. At this site, the site manager and some of the front-line employees were example of Green Champions (discussed in 4.2.3.2) as they held very strong individual green values and interest in green issues and routines. This was reflected in the number of green routines they

had implemented: the laminated tickets, additional recycling and donation of used equipment, personal clothing, footwear, books and furniture, and marketing signage.

At Case B, the interviews were conducted at a single site and a single department: a customer services call centre. Whilst this did not allow for confirmation of variations, the interview participants did discuss department/site-specific green routines. One green routine was the replacement of Post-It notes with A4 sized whiteboards, as a way to reduce paper usage. This green routine was department specific, as the interview participants spoke of other departments within the same site still using Post-It notes for meetings and messages.

At Case C, there was a distinct difference between each site, closely related to the level of personal interest in green initiatives by each site manager. Site 3 was the most proactive, including creating a system of bins/container/boxes to separate the waste for recycling or disposal at the check-out counter. However, at Site 2 of Case C, the interview participants indicated they completed the minimum green routines, ensuring that any green KPI or goal was satisfied. At this site, the middle manager had a greater focus on other organisational values and goals, such as Health and Safety, and financial performance.

At the individual sites, the micro level of the firm, the 'freedom within framework' also created methods for the monitoring and control of the green differentiation strategies as they are performed as green routines. In order to do this the 'framework', the principles and guidelines of the green strategies and core organisational green values, were transmitted in different ways. The information about these was accessible within the internal network, including internal social media webpages. An introduction to the green routines, green strategies, and green core organisational values, was part of the induction process at each of the cases. Whilst Case A had an organisational-level induction process conducted by the senior management team, held four times per year, Case B and Case C inductions were conducted at the site-level. In addition, green routines were explained and demonstrated as part of the on-the-job training at each individual site.

The on-the-job training was also a way the new green routines or changes to existing green routines could be introduced. The interview participants spoke of the on-the-job training as being more than just the procedures, systems, and physical processes of the green routines, there was also a discussion of the reason as to why these green routines were being performed, linking the green routine to the green strategies and core organisational green values. In order

to do this, the site members need to have a good understanding of the green strategies, the principles and guidelines of the core green value, as well as any related green goals or KPIs.

Creating a common understanding of the green strategies, policies and values, through the induction process, on-the-job training, and access to information allowed the members of the organisation to evaluate the effectiveness of the green routines (do they satisfy the green strategies, policies, values and goals?), the efficiency of the green routines (do they improve the performance of the green strategy, do they meet the required KPIs?), and the ease of performance of the green routines. This also was a way to examine the authenticity of the strategies: in this process, the organisational members, management and front-line employees, were encouraged to compare and contrast the green strategies, policies and green routines against the guiding principles of the core organisational green values.

One way suggested to enhance the transmission and understanding of green differentiation strategies, and core green values are the use of strategic vision (Hart, 1995; Mintzberg, 1994; Morden, 1997; Nutt & Backoff, 1997; Porter, 1991). The use of slogans at each case was evident, with most participants able to 'name' the green core organisational value: Be Green (Case A), Sustainability (Case B), and Community and the Environment (Case C). However, just having catchy slogans was not always enough for the front-line staff to remember them. At Case A, most front-line staff could name the five core value slogans. At Case B, none of the interview participants could name all five core value slogans; however, most could name three. The difference is the visual display of these slogans. At Case A, the five core value slogans were on display around the sites, particularly in the staff areas. At Case B, these slogans used to be on display at the old site building but were not on display at the new site building. At Case C, the interview participants didn't always know the core value slogans but knew where to find the information on the internal systems. What was more important was the interview participants were able to explain what the core organisational values, particularly the green core value, meant.

What emerged from the interviews, was that the transmission of the information about green strategies, green core values, and green routines, was not just from a top-down direction. Whilst the measurements of KPIs and reports were a way the senior management at the meso level could communicate the effectiveness and efficiency of the green routines; this was only part of what was discovered. The green senior managers regularly updated the information on the internal networks about the green strategies to provide new relevant external information about green issues and solutions, as well as to communicate what green initiatives and green

routines were being performed throughout the whole organisation: what specific sites are doing. This is the basis of Path of Managed Aggregation in the green capability development process (see 5.3). In addition, there were horizontal communication across the firms including internal networks and Facebook pages that any member of the organisation could use to communicate what routines they were doing, ideas for new routines or changes, ideas for bigger green initiatives. This is the Path of Aggregation by Norming in the green capability development process (See 5.3).

5.4.3. Green Differentiation Strategy Implementation:

The Overlap between the Meso Level and the Micro Level

Whilst the results and discussion of this research indicates that green differentiation strategy implementation processes can be presented as separate meso level and micro level, there is also an overlap between these two levels (see Diagram 5.10). McShane and Cunningham (2012) conclude the senior managers often assess the success of the green initiative, but what they should be focusing on is how the green routines and processes occurred, as well as the “employees’ reaction to the [green] initiative” (p. 98). The overlap between the two levels of the firm is where the senior management, at the meso level, directly interact with the micro level, the management and front-line staff at the individual sites. This occurs in a number of ways. At Case A and Case C, the participants spoke of a road show (discussed in 4.2 and 4.2.5.2), SMCASEB admitted that they had not been out to the sites since their return to the company but had made plans to do so in the near future.

There were also opportunities to feedback information directly between each level. One way was through the use of internal systems to make suggestions to senior management, including new or changes to green routines. At Case A, this was a direct email to the green senior management team. At Case C, they had a system, called ‘Brain Waves’, where the CEO’s PA sorts and forwards these onto the relevant senior manager. At this case, there was a direct communication from senior management to the suggester as to the outcome to their suggestion: will be introduced, will not be introduced, or will possibly be introduced at a later date, along with the reasons behind the decision. This personal communication had the effect of encouraging members of the organisation, particularly the front-line staff, to use this system for big as well as small ideas. The participants at Case B typically relied on their middle managers to do this on their behalf.

Also included in the overlap is the provision for front-line staff and management to be involved in the meso level development phase for green routines. Case B interview participants spoke of special project teams (SPITs) set up to discuss a specific green issue and the proposed solutions and routines to address this issue. Case C had a number of opportunities, the management spoke of meetings at regional and national conferences, and there were also trials of green routines with the opportunity to give feedback. Whilst these differ between the cases but have the same effect of directly bridging the meso and micro levels.

The interaction between the meso and micro levels found in this study is in agreement with Rousseau (2011) who stated that concepts such as organisational values, strategies “are now understood not only in terms of top/down dynamics but bottom/up processes too, enacted by those who apply them as well as those affected by them” (Rousseau, 2011, p. 431; see also Brunton *et al.*, 2017; Hitt *et al.*, 2007). This overlap demonstrates that the process of “instilling values also takes participation and two way communication, not just a decree from above.” (Mirvis *et al.*, 2010, p. 321, see also Brunton *et al.*, 2017)

5.4.4. Concluding the Green Differentiation Strategies Implementation Process

The exploration of the three cases has identified commonalities and differences in green differentiation strategy implementation processes. The commonalities between the cases have allowed for generalisations to be made, and the creation of a conceptual model for the green differentiation strategy implementation process to be identified and examined (see Diagram 5.10). What emerged from taking a qualitative methodological approach of interviewing organisational members with multi-level approach across different sites within each case, and thematic analysis of the interview information, was that the green differentiation strategy implementation process can be considered at two levels with each organisation: the meso level of the firm and the micro level of the individual sites.

On the surface the meso level of the firm, the senior management, appears to conform with the Design School paradigm, where the green senior manager is responsible for the development and administration of the green differentiation strategies, as well as the green core organisational values, green policies, the guidelines and principles of the green values, as well as set the specific green goals and KPIs. However, the green senior manager also coordinates the green information across the whole organisation, including from the bottom-up level of the site, as well as directly interacts with the micro level of the business sites, and develops and

maintains the framework for the 'freedom within framework' concept for the lower levels of the firm.

It is the micro level of the businesses where the green differentiation strategies are actively implemented as green routines. There were variations in green routines between each site; some were actively engaged with green core values; some other sites performed the basic green routines to satisfy the green KPIs. Whilst some of this can be explained based on resources, equipment or budgets, the main difference was the attitude and personal interest of the middle manager, the site manager, as well as the presence of green champions at the front-line staff level.

This study found a key element in the success of the implementation of the green differentiation strategies was the transmission of the information across the organisation: formally through internal webpages, newsletters, emails from senior management, but also informally between sites and staff, including the use of internal web pages and Facebook. This facilitated a free flow of information to allow 'freedom within framework' for the development and implementation of green routines. A key aspect of this process was the ability of all members of the organisations, including the front-line staff, to make suggestions for green routines that were outside of the restrictions for each site, to make a comment and give feedback on existing or proposed green routines, and to share site-specific routines with others. The sharing of site-specific routines allowed these to be adopted or adapted to other sites, creating a higher-level routine: a green capability (see 5.3).

In conclusion, successful implementation of green differentiation strategies was found to involve the whole organisation: meso level and micro level. The meso level of senior management, in this research specifically the green senior manager, sets the direction of the top, develop and maintains clear green strategies, green core organisational values, green goals and KPIs. It is at the micro level of the individual sites that the green differentiation strategies are actively implemented as green routines. An important aspect for this is the attitudes and interest of the middle manager, supported by green champions from the front-line staff that creates sites that are actively engaged with the implementation of green differentiation strategies and green organisational core values.

This study also found that a key part of the green differentiation strategies implementation process is at the intersection of the meso and micro levels. This is where the senior green management at the meso level act as an information conduit, sharing information relevant to

green issues and solutions, as well as site-specific green routines so other sites can adopt or adapt these, or to be used as a source of inspiration for discussion of green routines, ideas, or changes in current routines. It is in the sharing of information and success that creates the higher-level green routines that have the potential to develop into green capabilities (see 5.3).

5.5. Conclusions about the Research Problem:

Answering the Research Questions

To answer the research question “In what ways do service organisations implement green differentiation strategies to ensure that internal stakeholders perceive these as authentic strategies?”, this study has taken an interpretivist and qualitative approach using a cross-industry multiple case study technique to allow for the findings at each firm to be compared and contrasted, with similarities and differences identified. During the thematic analysis of the findings of this research three key interconnected themes were identified, first, how green routines develop into capabilities, second, the use of authentic green differentiation strategies as a source of competitive advantage, and third, green differentiation strategy implementation processes. These key themes have been discussed in detail in chapter 5, as well as their contributions to strategic management research and implications for theory in this chapter (see 6.2 and 6.3). This section revisits the research questions in order to answer these in turn.

The research question for this study was:

In what ways do service organisations implement green differentiation strategies to ensure that internal stakeholders perceive these as authentic strategies?

To answer this primary research, question the following was considered:

SQ 1: How are green differentiation strategies implemented?

SQ 1.1: What green routines/actions do organisational members perform as part of the service process?

SQ 1.2: How do front-line employees know what green routines to perform? (or what not to perform?)

SQ 1.3: Who are the drivers of the green differentiation strategies/routines?

SQ 1.4: What guides choice for flexible routines?

SQ 1.5: How is the information about green routines and strategies transmitted?

SQ 1.6: How are green routines developed into strategic capabilities?

SQ 2: In what way are green differentiation strategies perceived as being a source of competitive advantage?

SQ 3: What makes a strategy authentic to internal stakeholders?

The following is answers to these supplementary research questions.

5.5.1. SQ 1: How are green differentiation strategies implemented?

The first supplementary research question focuses on the central aim of this study: the green differentiation strategy implementation process. This question of strategy implementation processes has a number of different elements to consider; therefore, this supplementary research question has been divided into six elements. A simplified version of this implementation process question was to ask: what routines the employees do, who told them to do these routines and how they knew about these routines and how to perform them.

5.5.1.1. SQ 1.1: What green routines/actions do organisational members perform as part of the service process?

The list of what green routines or actions organisational members perform is found in Table 4.2 (see 4.2.1). In Table 4.2 the green routines across all three cases have been combined and categorised into common themes of reducing waste, energy use, transport, and a miscellaneous category. In addition, Table 4.2 also lists some case-specific green routines. This question asked a direct 'what' question and was used to start the conversation, the semi-structured interviews, about the implementation processes.

Included in this question was a discussion on barriers to implementation. The information gathered was combined with the analysis of other elements to SQ 1.

5.5.1.2. SQ 1.2: How do front-line employees know what green routines to perform? (Or what not to perform?)

The question of how front-line employees know what green routines to perform is covered in detail in 4.2.2. This question also is closely related to SQ 1.5 on how this information about green differentiations strategies, green values and green routines are transmitted within the internal communication channels.

How front-line employees know what green routines to perform, and how to perform these green routines, is a dynamic process that begins with an induction process. The three cases had variations in their induction processes, with Case A the only firm where senior management are directly involved in this process: at Case B and Case C, the induction is completed at the site level (See 4.2.2.1). In all cases on the job training was the main way members of the cases were trained in the expected green routines (see 4.2.2.2 and 4.2.2.3), which was an ongoing process to accommodate new employees and management, changes in green routines or expectations, and correction of performances of the green routines. In many instances interview participants spoke of explicitly linking the green values to the green routines in this process.

One key finding of this study was most of the front-line employees perceived that they had sufficient knowledge of the green routines as well as the applicable green strategies and green organisational core values to give them the knowledge and confidence to intervene and correct other's performance of green routines.

The information identified in answering this question has been used to develop the following models: the capability development process diagrams (Diagrams 5.1, 5.2, 5.3, 5.5 and 5.6), authentic strategy perception process (Diagram 5.8) and the authentic green differentiation strategy implementation process (Diagram 5.10).

5.5.1.3. SQ1.3: Who are the drivers of the green differentiation strategies/routines?

The answer of who are the drivers of green strategies and green routines at each case study can be separated into two groups: senior management at the meso level of head office, and the management and employees at the individual business sites (see 4.2.3). All three cases conformed to the traditional, design school paradigm where senior management were responsible for the development of the green differentiation strategies and green core organisational green values, as well as establishing the internal drivers of green goals and related KPIs. However, the stronger drivers of the green strategies were the individual site managers, who were supported by green champions within each site: other organisational members who had strong personal green values. This is reflected in the authentic green differentiation strategy implementation process (Diagram 5.10) which has identified the separate levels of the organisational process of strategy implementation, as well as an overlap where these two levels directly interact.

5.5.1.4. SQ 1.4: What guides choice for flexible routines?

At all three cases the interview participants, senior managers, middle managers and front-line employees, spoke of their ability to make choices to amend, adopt or adapt the green routines at the individual business site. The key for this flexibility came from a common understanding of the green strategies and the guiding principles of the organisation's core green values, giving members of the organisation a 'freedom within framework' to make informed decisions. This is discussed in 4.2.4 and informs the capability development process diagram (Diagram 4.4) as well as the additional diagrams where this process has been separated into the meso and micro levels of the firm (Diagrams 5.1 and 5.2), as well as the capability development 'Loop' (Diagram 5.3). This common understanding of the guiding principles, the 'framework' of the organisational core green values is a vital part of the authentic strategy perception process (Diagram 5.8) as this allows the organisational members the information and knowledge to judge the authenticity of the green differentiation strategies and related green routines (See 6.3.2).

5.5.1.5. SQ 1.5: How is the information about green routines and strategies transmitted?

The complex way the information relating to green strategies, green routines and green values are transmitted within the case firms is captured in Diagram 5.10. The transmission of information is both vertical between the meso level of the firm and the micro level of the individual sites, as well as horizontally between the individual sites. Additionally, the transmission also occurs in the overlap of these two levels during the road shows, in green committees, during trials at a site, as well as other green-focused meetings. What was also found in this study was the use of formal communication channels where green goals and KPIs were communicated, as well as systems for direct communication with senior management. This study also identified informal channels such as internal social media web pages and email, where any member of the organisation could post suggestions, comments and ideas about green initiatives, green routines and future trends.

5.5.1.6. Answering SQ 1: How are green differentiation strategies implemented?

To answer SQ 1: How are green differentiation strategies implemented is a combination of SQ 1.1 – 1.5. The intention of dividing this supplementary question into smaller parts was to identify the interdependent elements of this process. The final analysis of this research questions has been presented in the discussion of Chapter 5 (see 5.4), which has informed the creation of a number of models based on the empirical evidence. The central aim of this study was to examine the strategy implementation process, which is presented in Diagram 5.10. This model illustrates

the transmission channels, direction and the key finding of the separation of the firm into meso level of senior management at head office and the micro level of the individual sites/business units, as well as how these two levels within the firm interdependently interact.

In addition, the transmission of information, knowledge and ideas forms the basis for the capability development process diagrams (Diagrams 5.1, 5.2 and 5.3) which form the basis of the capability development process model of Diagram 5.6. These models answer SQ 1.6 How are green routines developed into strategic capabilities, which has emerged as a separate major theme from SQ 1 (See 6.4.2).

The information and analysis of SQ 1 also inform the answers for SQ 2 In what way are green differentiation strategies perceived as being a source of competitive advantage (see 6.4.3), and SQ 3 What makes a strategy authentic to internal stakeholders (see 6.4.4).

5.5.2. SQ 1.6: How are green routines developed into strategic capabilities?

The analysis of the findings of SQ 1.6 how are green routines developed into strategic capabilities, emerged as a major theme worthy of separate deeper analysis and discussion (see 5.2). This analysis has enabled diagrams of the capability development processes to be identified at the meso level and micro levels of the businesses (Diagrams 5.1 and 5.2). Further to this, the process of how green routines develop into green capabilities, an area of prior strategic management research that is vague, has allowed for the development of a model (Diagram 5.6) that aims to illustrate this complex process. It is in these models and discussion that the answer to this supplementary question is found.

5.5.3. SQ 2: In what way are green differentiation strategies perceived as being a source of competitive advantage?

The findings of SQ 2 in what way are green differentiation strategies perceived as being a source of competitive advantage are presented in detail in 4.3 and are combined with the findings of SQ 3 on authentic strategy in the discussion chapter (see 5.3). This study found that most of the interview participants perceived their firm's green differentiation strategies were a source of competitive advantage. Each of the cases leveraged their green strategies as part of their customer services processes to differentiate their organisations by creating a positive reputation, a positive brand image and identity, and brand loyalty from customers. Whilst all three cases use green strategies, as well as core green values, to differentiate their firms for competitive

advantage, there were differences between the cases: for Case B this was the main source of differentiation, whereas Case A and Case C this was part of their overall differentiation mix.

However, the focus of this study was on how businesses are perceived by internal stakeholders as *being green*, not just how the firms *appear to be green* as perceived by external stakeholders. This study found the members of the organisation were actively involved in the green routine development process as part of the green differentiation strategy implementation process. This study found this involvement of organisational members also created potential competitive advantage through “process efficiencies” (Bansal & Roth, 2000, p. 724) where resource use and/or waste is reduced, reducing the cost for the business.

The thematic analysis of the interview findings confirms that green differentiation strategies, and related green capabilities, can be perceived to be intangible resources that can be considered a source of sustainable competitive advantage. Whilst the green strategies of a business could be imitated, competitive advantage comes from the differentiation of the business is based on its intangible assets including green branding and reputation, with the addition of green capabilities. In addition, the firm may also gain cost leadership competitive advantage from the green strategies and green routines through process efficiencies, by reducing resource use and waste reductions. It is in the idiosyncratic, path-dependent nature of these intangible assets, and the heterogeneous nature of the microfoundations of resources and capabilities, where the sources of sustained competitive advantage are found.

5.5.4. SQ 3: What makes a strategy authentic to internal stakeholders?

The findings of SQ 3 what makes a strategy authentic to internal stakeholders are presented in detail in 4.4, as well as being combined with the SQ 2 in the discussion in 5.3. The thematic analysis of this supplementary question has been used to develop a model for the authentic strategy perception process (See 5.3.1 and Diagram 5.8). In this study, ‘green’ defines specific strategies, values, routines and capabilities that are focused on protecting and/or enhancing the natural environment. This study has found that an authentic green strategy can be defined where the green differentiation strategy is perceived as being consistent with the guiding principles of the organisation’s green core values.

This perception is reliant on a common understanding of the green values, and their guiding principles, as well as the active involvement of all members of the organisation in the implementation process. To ensure a common understanding of the green core values occurred

the three cases used a variety of channels to transmit information about green values, green issues and solutions, as well as creating clear guiding principles for the core green values.

In addition, having a clear and open process encouraged members of the organisations, particularly the front-line employees, to be involved and bring their personal green attitudes and values into the workplace. This study found the members of the three case organisations were encouraged and empowered to include their personal green values, green routines, and knowledge of green issues and solutions, in green strategy implementation processes. This was done by managers and front-line employees suggesting ideas, during the development of the green strategies and green routines, to be empowered to give informed feedback during the implementation process, as well as the ability to give constructive feedback after the implementation process.

Therefore, this study concludes that the perception as to the authenticity of the green strategies are reliant on the members of an organisation, the internal stakeholders in this study being the managers and front-line employees, are based on the green strategies being judged based on clear guiding principles of the organisation's core green values as well as the personal green attitudes and values of these members.

5.5.5. Answering the Research Question

To answer the research question "In what ways do service organisations implement green differentiation strategies to ensure that internal stakeholders perceive these as authentic strategies?" involves combining the various elements in the answers of the supplementary questions. The process of green differentiation strategy implementation occurs at two different interdependent levels of a service organisation: the meso level of senior management and the firm as a whole, and at the micro level of the individual business sites involving middle managers and the front-line employees, as well as direct and indirect interaction between these two levels.

At the meso level of the firm, senior management are responsible for the development and maintenance of green differentiation strategies, green values, and green goals consistent with the Design School paradigm. However, this is a dynamic process as new green issues, solutions and information arise both internally from managers and non-management, as well as from the external environment, which is more analogous to the Learning School paradigm. The senior managers at the meso level are also responsible for the allocation and coordination of resources

for the performance of green routines, including equipment, facilities, as well as the key resource of information.

It is at the micro level of the individual business sites within each service organisation where the green differentiation strategies are implemented as green routines performed as part of the service process. This is the level where middle managers and non-management employees, in this study the front-line customer-facing employees, directly engage with the green differentiation strategies, organisation's core green values and green goals, as well as their personal green values, interest and knowledge, as they perform, develop, adopt and amend green routines to suit the individual site's resources, equipment and facilities. This is the level of the microfoundation of the green routines that have the potential to develop into green capabilities: the heterogeneous, path dependent, idiosyncratic sources of intangible resource and capabilities with the potential for sustained competitive advantage. In these processes, the firm combines the Design School and Learning School with elements of the Culture School, confirming Mintzberg and Lampel's (1999) conjecture that firms can be a combination of schools.

Additionally, these processes of strategy implementation identified in this study involves the vertical transmission of information between the meso and micro levels of the firm as well as horizontal transmission of information between the different business sites within each firm.

The findings and analysis of this study have been developed into three distinct models. First, a model to illustrate the capability development process (Diagram 5.6), based on the information of the generic process maps of the meso level of the firm (Diagram 5.2) as well as at the micro level of the business sites (Diagram 5.1), as well as the combined 'loop' (Diagram 5.3). Second, a model of the authentic strategy perception process mode, as well as a definition for authentic strategy (Diagram 5.8). Third, a model to illustrate the process of authentic green differentiation strategy implementation (Diagram 5.10), that combines the analysis of all the elements within this study.

In conclusion, this study found service organisations implement green differentiation strategies to ensure that internal stakeholders perceive these as authentic strategies by developing clear guidelines for organisational core green values and green goals, and by encouraging organisational members to integrate their personal green values, interest and knowledge. This involves an interdependent interaction between the two levels of the firm, the meso level of the firm involving senior management, and the micro level of the middle managers and employees at the micro level of the firm. To do this, the service organisation needs to have clear and open

transmission channels, formal and informal, vertical between the meso and micro levels, as well as horizontal between the individual business sites within the firm.

5.6. Summary of the Discussion Chapter

This chapter has discussed three main themes found during thematic analysis of the interview information. A conclusion for each of these themes follows the theme discussion: how green routines develop into capabilities see 5.2.9, authentic green differentiation strategies as a source of competitive advantage see 5.3.3, the green differentiation strategies implementation process see 5.4.4. The research question, in what ways do service organisations implement green differentiation strategies to ensure that internal stakeholders perceive these as authentic strategies, has been answered in this chapter (see 5.5). Chapter 6 will identify the contributions this study has made to theory, and implications for theory, policy and practice, as well as identifying limitations of this study and suggestions for further research.

6. Conclusions and Implications

6.1. Introduction

This chapter aims to answer the primary research question: In what ways do service organisations implement green differentiation strategies to ensure that internal stakeholders perceive these as authentic strategies? To do this, the contributions this study makes to the strategic management research are examined, followed by an exploration of the implications for theory from this study. The research questions of this study are then answered.

This study also has implications for managerial practice. This is presented here in two way, first, as an analogical model and second, as ten key elements for implementing authentic green differentiation strategies. These, along with the model of the authentic green differentiation strategy implementation process (Diagram 5.10), have been fed back to the interview participants as a business report (Appendix K).

This chapter then discusses the limitations of this research and makes some suggestions for avenues of further research. This chapter ends with some closing remarks.

6.2. Contributions of this Research

This research makes a number of contributions to the field of strategic management. The chosen methodology for this study, multiple case studies with a multi-level approach of interviewing senior managers, middle managers and front-line customer-facing employees across different business sites within each firm, using the qualitative tools of semi-structured interviews and thematic analysis, has allowed for some ‘black boxes’ of the firm within RBT research field to be opened to examine the strategy implementation and capability development processes. This section outlines the contributions this study has made, as well as linking these contributions to the implications for theory and managerial practice that follow.

The first contribution this research makes is to the academic understanding of routines and capabilities, specifically how green routines develop into green capabilities as a potential source of competitive advantage. The concept that capabilities are higher-level routines based on the individual experiences, learning and routines as they interact with the allocated resources in order to provide service or produce goods is well established theoretically (Felin et al., 2012; Nelson, 1991; Winter, 2000). The definition of routines is also well established as “repetitive,

recognizable patterns of interdependent actions, carried out by multiple actors” (Pentland *et al.*, p. 1486, see also Felin *et al.*, 2012; Parmigiani & Howard-Grenville, 2001; Salvato & Rerup, 2011), and considered as “standard behaviours, rules of thumb or even strategies that are used, consciously or not, in a largely repetitive fashion” (Johnson, 2007, p. 42). However, the literature is vague on how routines develop into capabilities. Winter (2000, p. 983) concludes that whilst “capabilities are necessarily known at least in the minimal sense that the control levers and their intended effects are known... routines are sometimes entirely invisible and unknown to the management”.

This concept of capability development from routines is the basis of the microfoundations research agenda. However, in the introduction of a recent online special issue of the *Strategic Management Journal*, Foss and Pedersen (2016, para. 2) note “Specifically, microfoundation research has focused on anchoring higher-level concepts like dynamic capabilities, routines and social capital on lower levels.” Even though Foss and Pedersen (2016, para. 2) indicate that research has aimed to understand “how individual action and interaction constitute the capabilities that drive performance, [and] how routines emerge from such individual action and interaction”, microfoundation research still has a tendency to focus on the managerial levels within a firm. This neglects the study of non-management employees, particularly front-line employees, who enact these routines as part of the service processes. The other criticism of the microfoundations research field is a lack of empirical studies. Foss and Pedersen (2016, para. 25) suggest a reason for this is “that empirical microfoundational work requires data sampling on at least two levels.” Foss and Pedersen (2016, para. 25) conclude: “strategic management is fundamentally an empirical discipline, and new research may not pass muster if they are not productive of new empirically corroborated insights.”

This study has utilised a qualitative methodology for research in strategic management, which is a novel approach under the RBT framework. This also involved taking a multi-level approach to interview senior management, as well as middle managers and front-line customer-facing employees across different business sites within each case firm. Additionally, the qualitative technique of semi-structured interviews gave an ability to examine the ‘hows’ and why’s of organisational processes of strategy implementation and capability development. This has allowed for an understanding of the perceptions of members within the whole organisations by taking the multi-actor approach to exploring strategy as suggested by Volberda (2004), as well as an empirical study of multiple levels within each firm as suggested by Foss and Pedersen (2016) and Salvato, and Rerup (2011). Therefore, this study is different from much of the traditional RBT research that often takes a top-down approach to research in line with the Design School

paradigm (Mintzberg & Lampel, 1999; Volberda, 2004), or SAP research considered to be from a bottom-up perspective, which could be aligned with the Configurations School (Mintzberg & Lampel, 1999; Rouleau, 2013), but is from the perspective of the middle managers. What is missing from extant academic research are the viewpoints of the non-management employees, in agreement with Hart's (1992, p. 333) view that "strategy making is both top-down and bottom-up." Multi-level viewpoints are found in research in the Applied Studies perspectives (see 2.2.3.3, 2.5 and Diagram 2.6), however, the Applied Studies perspective lacks empirical testing. The contribution of this study's methodology has allowed for a greater understanding of the strategy implementation processes, including to examine the green capabilities aggregation processes.

The findings of this study suggest that whilst senior management at the meso level of the firm formulates the green differentiation strategies, it is at the micro level of the individual sites where the implementation of these strategies occur through the development and implementation of green routines. These micro level green routines are even more idiosyncratic than first thought as each site implements green routines within site restrictions (facilities, equipment, budgets). This process of green routine development supports Porter's (1991) proposition that if the strategy is well understood throughout an organisation, while it may rule out some actions, it allows the individual to "devise their own ways to contribute to the strategy that management would be hard pressed to replicate" (p. 96).

The analysis within this study has allowed for the creation of process maps based on interview information to illustrate routine and capability development processes. First, the analysis in this study indicates that whilst the microfoundations of green routines and capabilities are idiosyncratic by nature based on the individuals involved in the processes, as well as some business site restrictions, generic processes for these could be identified. The generic processes occur at two levels of the firm, first, the development of green routines at the micro level of the business sites (Diagram 5.1), and second, the development of green routines and capabilities at the meso level of the firm (Diagram 5.2). Diagram 5.3, the capability development loop, is a combination of the micro and meso level processes that includes the dynamic nature of these processes, particularly the removal of the 'start' and 'end' points to acknowledge that this process is on-going and may begin at different stages of this process. This 'loop' in Diagram 5.3 also indicates that the green routine development process also occurs at the meso level of the case organisations, treating the head office of each case like a business site. Additionally, these process maps indicate how organisational green strategies, green core values, and knowledge,

individual green values, attitudes, knowledge and personal green routines, as well as external information on green issues and solutions, are integrated into this process.

The model in Diagram 5.6 explores the aggregation of green routines at the meso level of the firm from the green routines at the micro and meso levels of the business sites. In this model, the path of 'Black Box' Aggregation indicates the traditional 'black box' approach to capability development from routines. The use of the Social Sciences tool of Coleman's boat by Abel *et al.* (2008) (Figure 2.3 and Diagram 5.4) highlighted the limitation of prior research into capability development processes. However, Coleman's Boat can be used to explain the concept of alternate pathways of capability development, a point made by Foss (2016) as part of the microfoundations debate.

The analysis of the findings indicated green capability development is more complex than the vague 'black box' approach of prior research. The green capability development process model (Diagram 5.6) indicates two alternative paths. First, the path of Managed Aggregation is an extension of the performance management process through formalisation and control by senior management. Secondly, the path of Aggregation by Norming is an element of the organisational culture process through the norming process. This contribution of capability development is discussed detail in 6.3.1 Implications for Theory: The Capability Development Process.

A conclusion of this study is these green routines further develop into green capabilities with the involvement of an interdependent interaction between the micro level of the individual sites or business units and the senior management at the meso level of the business. The sharing of the green routines and other green information, formally and informally, horizontally and vertically, allows other sites to adopt or adapt these green routines to their specific site within each firm. This supports the concept that capabilities develop over time in idiosyncratic ways based on the interactions within the organisational members, as well as the interaction with the external environments (Lockett & Thompson, 2001; Makadok, 2001; Mathews, 2002; Thompson & Wright, 2001).

The second contribution this study makes is to further the understanding of the construct of authentic strategy, an area of study where Mazutis and Slawinski (2015, p. 139) conclude that "until recently surprisingly little attention has been paid to authenticity in the management literature." In particular, there has been limited "consideration for the employee perception of authenticity" (McShane & Cunningham, 2012, p. 82; see also Epstein & Buhovac, 2010; Morrow & Mowatt, 2015; Orlitzky *et al.*, 2011). This study has focused on green differentiation strategies;

therefore, an authentic green strategy can be defined where the green differentiation strategy is perceived by stakeholders as being consistent with the guiding principles of the organisation's green core values. Prior research has focused on the perception as to the authenticity of the green strategies from the perspective of the customers and other external stakeholders, particularly a focus on 'greenwash' (see Arendt & Brettel, 2010; Balmer *et al.*, 2011; Beder, 2002; Bowen & Argon-Correa, 2014; Freeman & Auster, 2011; Insch, 2011; Liedtka, 2008; Mirvis *et al.*, 2010; Papagiannakis *et al.*, 2014; Rhee & Lee, 2003; Tang, *et al.*, 2012; Wolf, 2013). In this study, the internal stakeholders comprise of the managers and front-line employees, were interviewed. The contribution this study makes is to consider the perceptions of the internal stakeholders of the case organisations, managers and front-line employees, where the perception of authenticity is dependent on how the organisation's core values are integrated into the behaviour, routines and actions of the members within the firm (Maio, 2003; Stites & Michael, 2011; Vellecco & Mancino, 2010).

Whilst prior research indicates a growing awareness that green strategies can become a source of competitive advantage by differentiating a business from the competition (Gupta *et al.*, 2013; Leonidou *et al.*, 2013; Morrow & Mowatt, 2015; Mysen, 2012), Morrow and Mowatt (2015, p. 656) caution that "niche differentiation needs to be authentic, as a criticism of 'green' strategies is that they may be seen as superficial, invite accusations of 'greenwash' and undermine the organization's competitive position." It is suggested by Cox and Mowatt (2012) that an effective differentiation strategy requires the active participation and involvement of all the members of the organisation, therefore, this research proposed that if the internal stakeholders perceive the green differentiation strategies as authentic, then this will be reflected in an authentic performance of the green strategies and green routines during the customer service process.

The findings of this study have allowed for an understanding of the authentic strategy perception process (Diagram 5.8). This framework illustrates the process of how green differentiation strategies, and related policies, are judged by the organisational members against the organisation's core green values, including green information provided by the organisation, as well as the individual's green values and knowledge, to ascertain if the green strategies can be perceived as being authentic. This model includes the next step in this process where the authentic green strategies and policies are implemented as authentic green routines, as judged by the members of the organisation. This simplified model of the authentic perception process (Diagram 5.8) is also integrated into the capability development process diagrams (see Diagram 5.1, 5.2 and 5.3): the individual's green knowledge and interests and external green

information, and the organisation's green core values guidelines, green goals and KPIs, as well as organisational learning based within this development process.

The third contribution this research makes is to examine the strategic management 'black box' of the firm. Strategic management research following Economic perspectives such as RBT have considered the firm as a single entity, hence the 'black box', where strategy is implemented, resources are allocated, capabilities are developed, and competitive advantage occurs. This is the Design School of strategy formation identified by Mintzberg and Lampel (1999) and Ghanam and Cox (2007) (see 2.2 and Table 2.1) where strategy formation is a rational, top-down, planned, static process (Mintzberg & Lampel, 1999; Volberda, 2004). A criticism of RBT perspective by Kraaijenbrink *et al.* (2010, p. 367) is the RBT research "community has clung to an inappropriately narrow neoclassical economic rationality." This study has taken a position that in order to open some of RBT's theoretical 'black boxes' further research needs to take more empirical process-based methods, as suggested by Kraaijenbrink *et al.* (2010).

What emerged from this research was firms should be considered as two interrelated levels: the meso level of senior management and the micro level of the individual business sites. The meso level of the firm is responsible for the development of the strategies and act as the main driver of these strategies (see 5.4.1). It is at the micro level of the firm, the business site level, where strategies are implemented in the form of green routines (see 5.4.2). Variation between business sites in the performance of green routines was identified as based on the site budgets, facilities, and equipment. Additionally, the personal interest and green values of the middle managers (site managers) and front-line employees determined the level of engagement with the organisation's green core values and green strategies, as well as the overall level of the perceived greenness at the business site. This implementation process was also reliant on an overlap between these meso and micro levels (see 5.4.3), the communication channels to connect the whole organisation both vertically and horizontally, particularly between the individual business sites. The model of the authentic green differentiation strategy implementation process is presented as part of Diagram 5.10 (6.3.3).

The findings of this study also align with Mintzberg and Lampel's (1999) suggestion for combining the schools of strategy formation and propose that whilst RBT is mostly within the design school, it also contains elements of the cultural and learning schools (Mintzberg and Lampel, 1999). Therefore, this study has tried to avoid the issue of grasping "one part of the strategic management elephant and prate about it as though none other exists, but dismiss them as irrelevant" (Mintzberg & Lampel, 1999, p. 26).

This contribution has implications for theory (see 6.3.3) as well as implications for managerial practice (see 6.4) as this model has the potential to be used as a way to explain the complex strategy implementation processes to practitioners.

This research has contributed to academic theory and managerial practice in a number of ways. These contributions are discussed further in the following two sections of this chapter: 6.3 Implications for Theory and 6.5 Implications for Managerial Practice.

In addition, this study has implications for strategic management research and theory based on the qualitative approach used, as well as research in the service sector. These are discussed in detail in 6.3.4 and 6.3.5 respectively.

6.3. Implications for Theory

This research has added to academic knowledge by developing a better understanding of how green differentiation strategies are implemented, how capabilities are developed from green routines, and further developed the concept of authentic strategy. In doing so, this research has expanded the understanding of how the natural environment and employee individual values and beliefs are incorporated into business strategy that has the potential to be sources of competitive advantage. This section examines the implications for theory based of this study.

6.3.1. Implications for Theory: The Capability Development Process

A central theme of strategic management research under the RBT paradigm is to examine the way organisations develop and deploy scarce resources in such a way that this is not easily imitated, creating competitive advantage (Barney, 1991; Bhatt, 2000). Added to this is a growing awareness that green strategies can become a source of competitive advantage by differentiating a business from the competition (Leonidou *et al.*, 2013; Mysen, 2012). Gupta *et al.* (2013, p. 289) found that many managers now embrace environmental sustainability “not for altruistic purposes, but for creation of competitive reasons and demonstration of a differentiation.” However, Delmas *et al.* (2011, p. 120) state “Surprisingly, very few studies have looked at the relation between organizational capabilities, environmental proactivity, and competitive advantage.”

Capabilities are considered a source of competitive advantage, particularly under RBT, as they are an intangible resource based on the knowledge and skills of the organisational members (Bhatt, 2000). Therefore, capabilities are path dependent as they depend “upon the sequence of decisions managers make with respect to exploiting the opportunities they perceive” (Thompson & Wright, 2005, p. 58; see also Lockett & Thompson, 2001; Mathews, 2002; Penrose, 1995). While the accepted definition of a capability as “a high-level routine (or collection of routines)” (Winter, 2000, p. 983), there is scant empirical detail on how or when routines transform into higher-level routines, or capabilities.

This research has examined the capability development process, with a focus on how green routines at the micro level of the individual business sites of the firm are aggregated, formalised, systemised and institutionalised into green capabilities at the meso level of the firm. One implication for strategic management theory is that the restrictive mostly top-down, quantitative research under RBT would benefit from qualitative approaches, as suggested by Delmas *et al.* (2011) and that a differing perspective should be used to develop a more “holistic understanding of routines” (p. 443).

In order to take a holistic approach, Salvato and Rerup (2011) suggest the use of multi-level analysis of the firm to examine the whole of a firm. This study examined capability development processes from this multi-level perspective to examine the perceptions of both management and non-management. This was through semi-structured interviews of senior management at the meso level of the firm, as well as middle managers and front-line customer facing employees at the micro level of the business sites within each firm. The purpose was to examine the perceptions of these different levels within an organisation to understand the whole firm, as movement away from the traditional top-down and ‘black box’ approach to research under RBT (see Diagram 2.6: The Direction of Strategy Implementation).

This study contributes to the strategic management field by creating different types of empirically based models for the capability development process based on this multi-level methodology.

The first type of model are the routine and capability development process maps based on the information identified in the thematic analysis and build on the initial capability development process map (Diagram 4.4). The process of routines and capability development were separated into meso and micro processes to indicate that these processes occur as interdependent processes at the meso level of senior management (Diagram 5.2) and at the micro level of the

business site (Diagram 5.1). These two processes link through information transmission. First, the internal communication documents, the information on internal networks including internal social media, is a feature of both diagrams as both an input and output of these processes. Second, the information provided by senior management, indicated as “Information *From* Senior Management”: senior management reports, information about green strategies, core organisational green values, green goal and KPIs. Similarly, the “Information *For* Senior Management” is the direct transmission via email or during a Road Show. Therefore, the links between these two processes are formal and informal, vertical and horizontal information transmission systems.

An additional model the capability development process: the loop (Diagram 5.3) furthers the understanding of the processes identified in Diagrams 5.1 and 5.2 by combining the meso and micro levels of the firm into one model. In addition, this ‘loop’ model captures the dynamic nature of this process, where there is no specific start or end points. This ‘loop’ model indicates the routine development process, the outside of the loop, as well as the potential capability development process, the inside of the loop.

The implication of these process maps demonstrates Bhatt’s (2000, p. 120) conclusion that “it is the integration of knowledge and skills which describe the process of capability building.” This study identifies the integration points within this process where organisational members personal green values, knowledge and interest are integrated, and how this process interacts with the external environment, as postulated by Lockett and Thompson (2001), Makadok (2001), Mathews (2002), and Thompson and Wright (2001). These process maps also indicate the input points for where the organisational green knowledge, information and experiences are inputted and aggregated. What this diagram explains is the heterogeneous, path dependent, and idiosyncratic nature of green routine and green capabilities development processes. However, Diagram 5.1, 5.2 or 5.3 do not explain how organisational green capabilities are developed from green routines.

The second type of model represents the classification process used in this study to identify the various hierarchical routines and capabilities identified in the interviews and analysis based on the academic literature. In this classification model (Diagram 5.6) a routine is developed when an action is repeated, changing from an individual action, consistent with the definition of routines. A capability is developed once a routine has been implemented across the whole organisation as well as being managed by senior management at the meso level of the firm. This

classification into hierarchical levels of routines was possible due to the methodological approach of this study, the multi-level approach across different business sites within each case.

A combination of these models has allowed for the development of a model for the green capability development process (Diagram 5.6). This model aims to clarify the existing vagueness in the strategy literature to explain how capabilities emerge from routines (Abel *et al.*, 2008; Molina-Azorín, 2014). The analysis of the findings indicated the processes for green capability development is more complex than unit-level routines directly developing into capabilities indicated as the 'Black Box' Aggregation arrow (Diagram 5.6). What emerged in this study was two alternative paths. First, the path of Managed Aggregation as an extension of the performance management process through formalisation and control by senior management. Second, the path of Aggregation by Norming as an element of the organisational culture process through the norming process. The multi-level approach to research and analysis has allowed for these new pathways to be identified. (These models are discussed in detail in 5.2)

An additional implication for research in strategic management is that although these models are based on green routines, green differentiation strategies, and green core organisational values, this model could be applied to other types of routines, strategies or core values. One implication for DC research is to offer an explanation and understanding of how routines are accumulated within a firm. This offers an example of how organisational members write passages in Winter's (2012, p. 1405) "book" of stories, recipes and the origins of capabilities. Furthermore, these models could be applied across other different schools of strategic management research, such as the economic perspectives such as RBT, social sciences including SAP, as well as implications for the applied studies perspective.

6.3.2. Implications for Theory: Authentic Strategy

A construct central to this research was authentic strategy. However, understanding the perceptions of authenticity are complex as "Individuals may rely on multiple standards to inform their authenticity judgement" (McShane & Cunningham, 2012, p. 97), as well as individuals interpret authenticity "in light of both personal meanings ... and the social context in which those values emerge" (Edwards, 2010, p. 196). What emerged from the thematic analysis of the interviews was an understanding of the process of authentic strategy perception (Diagram 5.8).

The implication for theory of this process (Diagram 5.8) is that green differentiation strategies, related green policies and green routines are judged by organisational members based on the

organisation's core green values, including green information provided by the organisation, as well as the individual's green values and knowledge. Therefore, this study adds to the research areas of authenticity, ethics and organisational values.

This construct of authentic strategy has implications to how green strategies are used for competitive advantage. Each of the cases leveraged their green strategies as part of their customer services processes to differentiate their organisations by creating a positive reputation, a positive brand image and identity, brand loyalty from customers (Gupta *et al.*, 2013; Hart, 1995; Insch, 2011; Maio, 2003; Morgan *et al.*, 2003; Porter, 1991, 1997; Siegel, 2009; Volberda, 2004), linked to the perceptions of external stakeholders as the organisation *appearing to be green*.

However, this study focused on an additional source of competitive advantage where an organisation is perceived as *being green* by internal stakeholders, by developing and implementing authentic green routines that align with the organisation's core green values. This includes creating opportunities for "process efficiencies" (Bansal & Roth, 2000, p. 724) to reduce resource usage or waste; a source of competitive advantage through a focused cost leadership approach.

Where this study deviated from past research was to focus on the perceptions of the internal stakeholders of the firms, both the management and non-management. This answers the call for research from McShane and Cunningham (2012) to examine the perceptions of the authenticity of the differentiation strategies by lower-level managers and "consideration for the employee perception of authenticity" (McShane & Cunningham, 2012, p. 82; see also Epstein & Buhovac, 2010; Morrow & Mowatt, 2015; Orlitzky *et al.*, 2011). This expands the understanding of the authenticity of green strategies, including the concept of greenwash, to inside the firm (internal stakeholders), and not just an external stakeholder and customer focus.

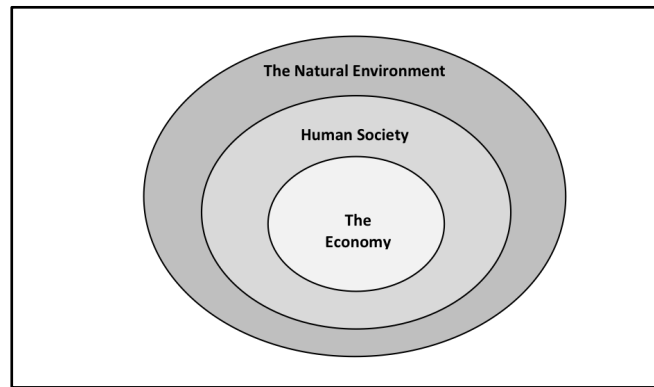
The processes identified involving authentic strategy also add to the understanding of processes of strategy development and implementation. At all three cases, middle managers and the front-line customer facing employees, were encouraged to judge the green strategies and top-down driven green routines, based on the organisation's core green values and green goals, as well as against their individual green values, knowledge and experiences. It gave the ability to adopt, adapt or develop green routines based on these judgements of the green strategies and values at the micro level of the business sites, encouraging bottom-up driven green routines. This is in agreement with Hart's (1992) conclusion that "strategy making is both top-down and bottom-

up”, and Volberda’s (2004) conclusion that there has been a movement away from top-down management towards a multi-actor approach to organisational strategy. This also aligns with Yang *et al.*’s (2010, p. 170) call for “empirical testing regarding the roles of lower-level management and non-management in strategy implementation process.”

In instances where there was a difference of perception of the authenticity of the green strategies and/or related green routines between the micro level and the meso level, this was communicated to senior management at the meso level. This feedback process encouraged open discussions and critiques about the authenticity of the strategies, policies and green routines, giving all members of the organisations an opportunity to be actively involved in these processes and to suggest other green issues and solutions, as well as a way to encourage the identification of green trends. Whilst this relates to the field of strategic management, it also has implications for the field of organisational behaviour, as this is a process of developing green norms and a green organisational culture.

Another implication of the authentic strategy perception process is the impact the organisations’ core green values and information provided about green issues and solutions have the potential to impact on the individual organisational members’ personal green values, including the performance of green routines at home. This has implications for research into green strategy in two ways. First, Wolf (2013) states “like any other stakeholder groups, employees may have personal interest” in environmentalism” (p. 105), however, the author cautions that whilst employees may understand some environmental issues and potential solution, that some employees lack the training or technical ability to solve organisation specific environmental problems. This issue can be potentially solved through the sharing of information, training and development within the business. Secondly, some interview participants perceived that service organisations have limited ways of reducing their impact on the natural environment. What was discussed in the interviews was that some interviewees perceived that encouraging organisational members to take home the core green value guiding principles and green routines had a bigger impact on the natural environment, compared to the organisation acting alone. Some of the information and activities at each case were used to share information about green routines and actions that managers and staff could do at home, including an example of offering discounts for energy efficient light bulbs at Case C. This aligns with the sustainability concept of the nesting Triple Bottom Line model (Diagram 6.1), where the firm is conceptualised within the economy as a part of human society, which is nested within the natural environment.

Diagram 6.1: The Nesting Triple Bottom Line Model



(adapted from Steffen *et al.*, 2007, p. 622)

6.3.3. Implications for Theory: The Strategy Implementation Process

The central aim of this research was to examine and understand strategy implementation processes. There is a paucity of research in strategic management into the implementation process as the focus of prior research has largely been in the formulation of strategy (Crews, 2010; Rapert *et al.*, 2002; Yang *et al.*, 2010). Smith (2010, p. 259) states “while it leaves room for future research, [this] leaves present-day executives with a lack of research-based guidance about how to ensure their carefully-crafted strategic plans are realised in practice”, additionally, Kärreman and Costas (2013, p. 395) conclude that “little attention is paid to the internal organizational processes” for green strategies. McShane and Cunningham (2012, p. 98) suggest management should do more than assess whether or not green strategies are successfully carried out, they “should take note of how this process occurred (e.g., procedurally just, actions align with statements) and employees’ reactions to the initiative (e.g., emotional engagement).”

Green differentiation strategies were chosen for this study as an area of personal interest to find how organisations are *being* green, different than *appearing* to be green. In addition, green strategies have become more than a passing fad and need to be authentically embedded into the way the organisations operate (Cameron, 2012, Galpin & Whittington, 2012). This is because businesses need to be accountable for the environmental consequences of their actions and behaviour (Balmer *et al.*, 2011, p. 1), as well as have transparent environmental strategies (Kashmanian, Wells & Keenan, 2011). However, Crews (2010) notes that much of the research in the field of environmental strategies focuses on the evaluation and monitoring of these strategies, “with little attention to strategy formulation, and implementation” (p. 15); Murthy (2012) suggests that this should be the starting point for environmental strategy research.

Green strategies, green values and green routines have also been selected as the focus of this study as these are elements of the strategy implementation process that can be identified by

managers and non-managers within an organisation separate from other strategies, values and routines. In the interviews, senior and middle managers were able to discuss the implementation processes for these green strategies by discussing what green routines should be identified and followed by lower level organisational members as part of this process. This study found the green strategies, green values and green routines were able to be identified by the front-line customer facing employees, separate from other strategies, values and routines. This gave the opportunity to discuss their perceptions of the implementation processes. This was an important part of this study as the front-line employees ultimately responsible for the green differentiation strategy implementation during the service process (Wolf, 2013). Additionally, the discussions of the green differentiation strategies identified in this study were not hampered by commercial sensitivity or secrecy.

The green differentiation strategy implementation process has been discussed in depth in 5.4. The thematic analysis of the interviews has been used to create case-specific maps of green strategy implementation process (Diagrams 4.1 – 4.3). Whilst there are some differences between each case, the strategy implementation processes at all three case firms have a number of similarities which have been combined into one strategy implementation process map (see Diagram 5.10). The implication for strategic management theory is also in the inclusion of authentic strategy perception process (Diagram 5.8). This is shown as a new model (Diagram 5.10), as opposed to just an amended Diagram 2.9 Initial Conceptual Model, as the thematic analysis identified more elements within the strategy implementation process models. In addition, the relationships between the green differentiation strategy implementation process, organisational core green values and personal green values have been simplified to show conceptualisation of the strategy process as being located at the meso level and micro level of the firm.

At all three case firms there were more core organisational values other than the green values. Diagram 5.10 is a composite of the three case organisations, whilst this shows the implementation and transmission process for green strategies other strategies could be used in a similar study. One green specific feature of Diagram 5.10 is the green committees, SPIT's groups, trials and Road Show, future research could examine strategies linked to other core organisational values have similar elements.

At Case A, SM1CaseA, SM2CaseA, FI2bCaseA, discussed that all of the five core organisational values were considered for new or amended strategy. This open discussion, linking to the five core organisational values, was to ensure the strategy is aligned with each of these five core

values before the proposed strategy was implemented or put out to the rest of the firm for consultation. They also gave some instances where all five core values were not necessarily relevant but were still considered. Further research into the strategy implementation processes could examine other types of strategies and core organisational values.

This model (Diagram 5.10) highlights a contribution of this research: the green differentiation strategy implementation can be conceptualised as existing at two levels: the meso level of the firm and the micro levels of the individual business sites within the firm. This model also indicates the two-way relationship between senior management and the core organisational green values, as well as the organisation and the individual green values (see 5.4). This model is an applied mapping process of strategy implementation, as such, it would also be a good way to explain this complex process to practitioners.

Although this model is based on empirical research on green differentiation strategies, the implication for strategic management theory is that this model has the potential to be applied to other strategies.

6.3.4. Implications for Theory: A Multi-Level Methodology

This research also used a multi-level approach to examine the whole organisation's approach to strategy implementation from different levels within the firm, including management and non-management employees. Ho *et al.* (2014), Salvato and Rerup (2011) and Yang *et al.* (2010) note there is little empirical research on these multi-actor, multi-level perspectives, in particular, the role of lower-level managers and front-line employees in the strategy implementation process. The implication for theory is a multi-level approach of research is needed in strategic management research as "is necessary to consider different points of view across the organization, because we cannot see the whole entity from a single perspective" (Salvato & Rerup, 2011, p. 482).

In this study, interviews took place at business sites separate from the organisations' head office. This gave another dimension to the analysis of each case organisation as different business sites could also be compared with each other to find similarities and differences between the sites within each case. Ontologically the case organisations were considered entities: social constructs, based on the perceptions and social actions of the employees (Bryman & Bell, 2011). However, if the findings were only aggregated to the whole organisation, in line with Ghanam and Cox's suggestion that "Research work should embrace the whole of strategy and not its

dissected parts.” (2007, p. 61), this would reinforce the ‘black box’ approach to the firm. The implication for theory is to reinforce the concept that firms are social constructs (Bryman & Bell, 2011), this includes the sub-construct of the level of the individual business site.

This multi-level approach also addresses a significant gap that exists in strategic management research. Under Economic perspectives, such as RBT, the focus of the research is on the meso level of senior management where a “narrow neoclassical economic rationality” (Kraaijenbrink *et al.*, 2010, p. 367) perspective of strategy examined: a rational, top-down, planned, static process (Mintzberg & Lampel, 1999; Volberda, 2004). Even social science perspectives, such as SAP, “has concentrated on techniques and practices used by middle managers to influence strategy” (Salih & Doll, 2013, p. 33), neglecting the lower level non-management employees actually performing these routines. Only the applied studies perspective examines the firm as a whole; however, this perspective is based on personal experiences and lacks empirical testing and grounding in theory. This point is illustrated in Diagram 2.6: Direction of Strategy.

The multi-level approach also leads to a greater ability to make generalisations as this technique integrates the meso level and micro level of a firm (Hitt *et al.*, 2007; Klein & Kozlowski, 2000). This multi-level approach also addressed Klein and Kozlowski’s (2000) criticisms. First, the “ecological fallacy”: “When macro researchers attempt to generalize findings from aggregated data back to the lower level at which it was collected.” Second, “atomistic fallacy: “Just because the relation holds at the lower level does not mean it will also hold at higher levels.” (Klein & Kozlowski, 2000, p. 231). The issue is that taking either a meso or micro approach to understand behaviours within an organisation “yields an incomplete understanding of behaviours occurring at either level” (Hitt *et al.*, 2007, p. 1385).

Therefore, the multi-level approach contributed to RBT research by examining the perceptions of senior managers, the traditional level of examination and analysis under economic perspectives such as RBT and DC, the perceptions of middle managers, the focus of social sciences research frameworks such as SAP, as well as the perceptions of non-managers, in this study the front-line customer facing employees. This research has taken the position that successful strategy implementation involves a combination of top-management driven central planning and analysis, and bottom-up driven initiatives, in agreement with Hart (1992, p. 333): “strategy making is both top-down and bottom-up.” This study also answers the call for further research by Yang *et al.* (2010, p. 170) that there is “clearly a lack of theory development and empirical testing regarding the roles of lower-level management and non-management in strategy implementation process.” However, it should be noted that RBT is still considered a

meso level strategy perspective with a focus on resources allocations and the deployment of capabilities (See Diagrams 2.7 and 2.8).

The multi-level methodology also contributes to microfoundations research. Abel et al. (2012), Molina-Azorín (2014), Pentland et al. (2012), Salvato and Rerup (2011), and Winter (2012) argue the micro level of the firm should be examined to understand the process by which the routines at the micro level are aggregated into the capabilities of the meso level of the firm. Salvato and Rerup (2011) conclude that whilst there is an understanding of how the strategy and vision shape routines and actions, there is “less known about the relationship in the opposite direction” (p. 484). In addition, Foss and Pedersen (2016, para. 2) indicate that microfoundations research has aimed to understand “how individual action and interaction constitute the capabilities that drive performance, [and] how routines emerge from such individual action and interaction”, however, microfoundation research still has a tendency to focus on the managerial levels within a firm. This neglects the study of non-management employees, particularly front-line employees, who enact these routines as part of the service processes. This research has aimed to answer these calls for further research.

This study adds to the microfoundations field by developing an understanding of the capability development process (Diagram 5.6) based on the concepts within Coleman’s Boat (Diagram 5.4) to explain the concept of alternate pathways of capability development, a point made by Foss (2016) and Abel *et al.* (2008; see also Figure 2.3) as part of the microfoundations debate. The additional pathways of Managed Aggregation, Aggregation by Norming and Ultimate Aggregation, contribute to the microfoundations field of research on capability development.

The examination and discussion of the aggregation process for capabilities also contributes to the competitive advantage debate within the RBT and DC perspectives. Molina-Azorín (2014) state: “A relevant theme in this type of research is how individual actions and characteristics aggregate through some processes to create and develop collective phenomena” (pp. 110-111) in order to understand how “collective variables emerge through transformation and aggregation processes of individual variables” (p. 111). Winter (2012, p. 1405) concludes: “A researcher stationed at an incipient site of capability ‘origin’, and with good access to the participants, could learn a lot about where the knowledge was coming from”, the bottom-up perspective that traditional approach of Economic perspectives, such as RBT and DC, have neglected. In addition, for green differentiation strategies, the focus of this study, Strass *et al.* (2017) conclude: “We need to ask ourselves how different organizational actors work together to develop the capabilities that enables organizational to change towards greater sustainability”

(p. 1350). The multi-level approach of this study allows for the transformation process of Molina-Azorín (2014), Winter (2012) and Strass *et al.* (2017) to be examined.

The routine and capability development processes discussed, including Diagrams 5.1, 5.2, 5.3, 5.5 and 5.6., have been developed from the analysis of interview information, particularly the ‘stories’ of the routines performed at each of the case organisations. What this analysis and diagrams highlight are the heterogeneous, path dependent and idiosyncratic ways routines and capabilities are developed over time, based on the interactions within the organisational members, as well as the interaction with the external environments (Lockett & Thompson, 2001; Makadok, 2001; Mathews, 2002; Molina-Azorín, 2014; Thompson & Wright, 2005). As stated by Bhatt (2000, p. 120) “it is the integration of knowledge and skills which describe the process of capability building.” (see Diagram 2.2) In addition, the processes of aggregation of the routines and capabilities can also be considered firm specific, path dependent and idiosyncratic in nature. Therefore, a contribution of this study to RBT, as well as DC, is to further the understanding of capability and routine development processes as examples of intangible “organizationally embedded non-transferable firm-specific resources” (Makadok, 2001, p. 389) with the potential to be sources of sustained competitive advantage.

6.3. Implications for Managerial Practice

This research has the potential to add to managerial practice by adding to knowledge about strategy implementation processes. This research interviewed management and front-line employees at three large service organisations in New Zealand. A part of the preparation for this research included the attendance of a number of industry-based sustainability conferences. At these industry events, the purpose and methodology of this study were discussed with managers, including managers responsible for the green strategies at their organisations. What emerged was a desire to find out how other organisations are getting their managers and employees to do green routines, as well as be proactively involved in the strategy process. SM1CaseA commented post-interview that this question of ‘how’ was often raised at meetings of local sustainability managers, with organisations hoping for a simple answer: a ‘magic blueprint’ for green strategy implementation.

Academic research should connect with industry to share any relevant findings to improve policy and practice. This research has focused on the strategy implementation process with particular reference to green differentiation strategies. As such the mapping of strategy implementation

processes in Diagram 5.10 is one useful way to visualise the process in a way that is easy to explain to practitioners.

Another way to explain the findings on the strategy implementation process is to build on Hart's (1992, p. 340) analogy of "wild ducks". In Hart (1992), strategic management is categorised into either command mode or generative mode. Command mode is where the CEO dictates the strategy to the other members of the business: the "sheep", who follow instruction and are not "active participants in the strategy process" (p. 339). At the other extreme, the generative mode, where management abdicates strategic control, allowing projects proposed from the bottom-up, result in "wild ducks" that miss the big picture of strategy (Hart, 1992, p. 340). The multi-level approach of this study, interviewing senior managers as well as middle managers and front-line customer-facing employees at business sites across each case firm, suggest that the strategy implementation processes under RBT are closer to Hart's (1992) generative mode of "wild-ducks" than the command mode "sheep".

The green differentiation strategy could be visualised as a river, flowing in a planned direction, with the meso level of the firm responsible for developing and maintaining this river. If the senior managers were to observe this river, they would observe a number of different rafts of ducks, each representing the individual sites of the firm, floating down this (strategic) river. The rafts of ducks would be led by the site manager, supported by green champions, followed by the other members of the site. Some of the rafts of ducks would be in front, further down the river, whilst other rafts of ducks would be further back upstream, and some rafts would be stuck in back eddies or against rocks (strategic barriers). The rafts of ducks in front are the sites who have the higher-level engagement and implementation of the green strategy: more effective and efficient green routines, with the trailing duck being less engaged. What the senior managers need to understand is why some rafts are further ahead down-river and communicate these raft's paths, techniques and ways to overcome barriers, to the other rafts lagging behind or are stuck in back eddies or against rocks.

In addition to the use of Diagram 5.10 and the 'Duck' analogy, the findings of this research have also been distilled into ten key elements to implementing authentic green differentiation strategies. The purpose of this is to provide the findings of this study in a language suitable for reporting back to management practitioners: which aligns with the concept of bridging academic research and managerial practice. This summary formed the basis of a business report of the findings emailed to the interview participants on request (Appendix K).

6.5.1. The Ten Key Elements to Implementing Authentic Green Differentiation Strategies

The green core organisational values need to be memorable which means easy to remember as well as easy to communicate. One way suggested of doing this is to create simple slogans (Nutt & Backoff, 1997) of strategic vision (Hart, 1995; Mintzberg, 1994; Morden, 1997; Nutt & Backoff, 1997; Porter, 1991). The use of slogans at each case was evident, with most participants able to 'name' the green core organisational value: Be Green (Case A), Sustainability (Case B), and Community and the Environment (Case C).

However, just having catchy slogans was not always enough for the front-line staff to remember them. At Case A, most front-line staff could name the five core value slogans. At Case B, none of the interview participants could name all five core value slogans, however, most could name three. The difference is the visual display of these slogans. At Case A, the five core value slogans were on display around the business sites, particularly in staff areas. At Case B, these slogans used to on display at the old site building but were not on display at the new site building. At Case C, the interview participants didn't always know the core value slogans but knew where to find the information on the internal systems.

What this study found was that creating simple slogans for core organisational values was only effective if the organisational members could remember them. The green core value was identified by interview participants, but they were primed as they knew prior to the interviews the questions were about the organisation's green strategies and green routines, and therefore the green core values. The inference is clever slogans are only useful for organisational core values if the organisational members can remember them.

A recommendation of this study is to create simple slogans for the organisation's core values and to have these on display at the business sites. This is particularly effective if the slogans are placed next to relevant facilitates/equipment for the performance of the core value: for example, at Case A their green slogan and information was displayed next to the drinking fountains and recycle bins.

Key Element 1: Have memorable green core organisational values

In addition to being able to name the organisational green core values, the interview participants were also able to explain what the core organisational green value meant. This allows for all members of the organisation the ability to judge the appropriateness of the green differentiation strategies as well as related green policies, routines or actions. These guidelines are developed and maintained by senior managers. Additionally, this study found having clear

guidelines and principles of the green values allowed for staff to correct others' performance of green routines on the job: they were able to explain the links between the green routine and the green core value, goal or KPI.

Key Element 2: Create clear guiding principles for these green core organisational values

An important element of the green strategy implementation process is the transmission of the guiding principles of the organisation's core green value, in order to create a common understanding of the core green values. This also allows for members of the organisation, including the middle managers and front-line staff, the knowledge and empowerment to question and discuss the green strategies and green routines. There were variations in the methods of transmission of the guiding principles for the green values at each of the cases. One good example came from Case A where the slogan for the green value was prominently used in communications about green strategies, green values, or proposed green initiatives, including newsletters, emails and on the internal social media and web pages.

A suggestion as to how to do this is to include the core value slogan on the webpage, social media site, particularly in the message heading or subject. The purpose is to connect the core value with the message and information.

Key Element 3: Consistently communicate the green core organisational values and related guiding principles

What emerged from the analysis was the concept of 'freedom within framework' was used by senior managers at the three case firms to guide the implementation of the green differentiation strategies into green routines at the business site level. Porter (1991) proposes that if the strategy is well understood throughout an organisation, while it may rule out some actions, it allows the individual to "devise their own ways to contribute to the strategy that management would be hard pressed to replicate" (p. 96):

Our approach is very much freedom within framework, so stores have a fair amount they must recycle and those sorts of things, but how they go about it is up to them. We give them guidelines and stuff about what needs to go in what bin and we help them out with getting all the services they need, but at the end of the day they work out how to make it really work and some regions do an extraordinarily good job... (SMCaseC)

We have a thing we call freedom within framework, so if there's a structural set routine and we can follow it, but if there is something you could do a bit better there's generally the opportunity to do that. (FL4aCaseC)

Having clear green core values and guiding principles allows for managers and employees flexibility in how they implement the green differentiation strategies as green routines, that overcome business site-specific barriers, such as budgets, resources, equipment or facilities. The site managers (middle managers) and front-line staff in service organisation are considered ambassadors of the organisation during the service process and are in a unique position to understand bottom-up ideas for green routines as they are final implementers of the green differentiation strategies as green routines (McShane & Cunningham, 2012; Wolf, 2013).

Key Element 4: Create and support 'Freedom within Framework'

Many employees may have a personal interest and strong ideas about environmentalism and want to take a more active role in the business' efforts (Frandsen *et al.*, 2013; Lacy *et al.*, 2009; Wolf, 2011). SMCasB acknowledges this link between individual values and organisational green values: "I think behaviour change starts with making connection to people's values." This is what where Kurland and Zell (2011, p. 53) refer to as the "hidden" organisation, where "employees already engaged in eco-friendly behaviour both at work and at home." In addition, "Staff should not underestimate their potential contributions but see eco-sustainability as a part of their job" (Teh & Corbitt, 2015, pp. 43-44).

The key to encouraging individuals to bring their personal green values to work was to have a clear and open process. The members of the three case organisations were encouraged and empowered to include their personal green values, green routines, and knowledge of green issues and solutions, in the green strategy implementation process: suggesting ideas, during the development of the green strategies and green routines, to be empowered to give informed feedback during the implementation process, as well as the ability to give constructive feedback after the implementation process.

Key Element 5: Encourage organisational members to incorporate their personal green values, knowledge and skills into their workplace green routines

A key element in the success of the implementation of the green differentiation strategies was the transmission of the information across the organisation: formally, through internal web pages, newsletters, emails from senior management, but also informally between sites and staff, including the use of internal web pages and Facebook. This facilitated a free flow of information to allow 'freedom within framework' for the development and implementation of green routines. A key aspect of this process was the ability of all members of the organisations, including the front-line staff, to make suggestions for potential future green routines, to make a comment and give feedback on existing or proposed green routines, and to share site-specific

routines with others. The sharing of site-specific routines allowed these to be adopted or adapted by other sites, creating a higher-level routine: a green capability. This confirms that the process of “instilling values also takes participation and two way communication, not just a decree from above.” (Mirvis *et al.*, 2010, p. 321; see also Brunton *et al.*, 2017)

What emerged from the interviews, was that the transmission of the information about green strategies, green core values, and green routines, was not just from a top-down direction. The green senior managers regularly updated the information on the internal networks to provide new relevant information about green issues and solutions, as well as to communicate what green initiatives and green routines were being performed throughout the whole organisation: what specific sites are doing. In addition, there was horizontal communication across the firms including internal networks and Facebook pages, that any member of the organisation could use to communicate what routines they were doing, ideas for new routines or changes, and ideas for bigger green initiatives.

There were formal communication channels identified at the cases to feedback information directly between the meso and micro levels of the firm. At Case A, this was a direct email to the green senior management team. The participants at Case B typically relied on their middle managers to do this on their behalf. At Case C, they had a system where the CEO’s PA sorts and forwards email messages to the relevant senior manager. An additional step in this communication process at Case C was a direct communication from senior management to the suggester as to the outcome to their suggestion, informing them whether the suggestion will be introduced, not be introduced, or be introduced at a later date, along with the reasons behind the decision. This additional personal communication had the effect of encouraging members of the organisation to use this system.

A recommendation from this study is to create and maintain the formal communication channels and make all members of the organisation aware of their existence and purpose. Additionally, the senior management should encourage the use informal communications channels, particularly horizontally across the firm, as this allows the employees to communicate in a less formal language to convey their routines and ideas to others within the organisation.

Key Element 6: Create formal and informal communication channels

In the three cases, different techniques were used to connect senior management directly with the business sites’ managers and front-line employees. A common technique was the use of a Road Show: where a group of the senior management team, including the green senior manager,

travelled to each of the firm's sites. This allows the senior managers to observe and examine the performance of routines at each of the sites, as well as have direct discussions with the middle management (site managers) and the front-line customer-facing staff. SM1CaseA gave a good description of the Road Show process:

So, I will go around and see all the [sites] and talk through, the majority of it is facility based and I'll go along their cleaning and maintenance standards, but it would also be an opportunity to discuss any sustainability initiatives or get any feedback. (SM1CaseA)

In addition, Case B interview participants spoke of special project teams (SPITs) set up to discuss specific green issues, or proposed solutions and routines to address these issues. Case C had a number of techniques: meetings at regional and national conferences, and trials of green routines.

All of these different techniques were aimed to bridge the meso and micro levels within each firm directly. This interaction between the meso and micro levels is in agreement with Rousseau (2011) who stated that concepts such as organisational values, strategies "are now understood not only in terms of top/down dynamics but bottom/up processes too, enacted by those who apply them as well as those affected by them" (Rousseau, 2011, p. 431; see also Hitt *et al.*, 2007).

This research recommends that senior managers engage with both managers and non-manager employees at their business site; for example, conducting a Road Show. This will also allow for the performance of green routines to be observed, with the ability to discuss these routines: how they developed, what barriers they overcome, what additional facilities or equipment would improve the performance of the routines, etc.

Key Element 7: Connect senior management directly with the site-level managers and front-line customer-facing employees

One significant driver of the green differentiation strategies and green routines are the green goals, KPIs, and other measurement tools from the senior management levels. This aligns with a Porter and Kramer's (2011, p. 75) recommendation that "Companies will make real strides on the environment when they treat it as a productivity driver rather than a feel-good response to external pressure." These also allow for a discussion at each site about potential ideas for green routines, as well as to assess the effectiveness and efficiency of current, new, or augmented green routines at each business site.

At Case C, there was a specific target KPI to have 95% waste diversion (SMCaseC, MM1CaseC). The amount of waste at each site is reported to the regional managers as well as the business site (retail store) managers. Having a specific waste diversion target, and associated KPI allowed the management, both senior and middle, to understand how the individual site is performing, and alert senior management to any sites that underperform or where anomalies occur. This also has the benefit of being able to discuss the green routines in absolute values, for example: “We’re told that your landfill has decreased by 20% or your landfill has decreased by.... And I think it’s good that the company is keeping track of it, it’s good” (FL2aCaseC).

Case A had previously used external tools to assist in the measuring of their greenness. The information gathered was also used as part of the individual performance appraisals of the management and front-line staff.

So, we talk around that, as well as at performance review time, staff do a self-assessment on how they believe they are when it comes to being green and gives us a little bit of detail around that as well to help to support it. (MM1CaseA)

This study recommends having measurable green goals and KPIs allows the senior management at the meso level of the firm to evaluate the effectiveness of the implementation of the green strategies into green routines at the micro level of the firm. As part of these measures, there need to be clear guidelines as to what happens if the measures are not met.

Key Element 8: Make the Green Differentiation Strategies Measurable

The organisations need to celebrate success, of the individual, the business site, and the whole firm. Whether these are internal awards and recognition, or external, success should be celebrated and communicated throughout the firm. At Case A the individual business sites were very competitive, with each site vying for the coveted company based environmental award: “We won the trophy seven times in a row at [location]” (FL2bCaseA), “yes, I think [location] manages to take out quite a few trophies, so we’ll see how long we can retain that one for. We’re getting a little bit competitive amongst each other” (MM1CaseA). At Case C they also had an internal environmental award. FL1aCaseC was quite proud when they said, “We won the Environmental Award last year so that’s pretty good at the conference.” This award was then displayed as a plaque in the store (MM4CaseC). Normally this award is given to the top performing retail site,

Whilst there was strong competition for some environmental awards to recognised outstanding levels of ‘greenness’, it was also important to have awards that celebrate the business sites that

had made significant improvements in their level of 'greenness'. MM1CaseC spoke of the decision to give the environmental award to a site that had shown a great improvement from "right at the bottom, and then they were in the top 20 and that's because of their hard work." With MM1CaseC adding: "I think you've got to recognise that, as much as it's great to be number one, it's great to see those stores that have been well behind the pack and they've moved forward."

This study suggests that success is recognised throughout the business. It should recognise the outstanding performances of individuals and business sites, as well as outstanding efforts of individuals and business sites to improve their greenness.

Key Element 9: Celebrate Success

There needs to be a continual updating and communication of green information, sharing of green routines and capabilities throughout the whole organisation. The green strategy implementation process is an on-going process that includes forecasting of future green initiatives, green routines, as well as forecasting green social trends, issue and solutions. In addition, many organisational members have a personal interest, knowledge and skills of green issues and solutions that should be integrated into this process (Lacy *et al.*, 2009; Wolf, 2013). Firms and strategies are complex and continually interact "with outside systems (e.g., the market) and inside systems (e.g., departments)" (Lopes Costa *et al.*, 2013, p. 8; see also Eisenhardt, 1989; Ghanam & Cox, 2007; Gioia & Chittipeddi, 1991; Patton & Appelbaum, 2003). In other words, "Strategic management involves continuously scanning and adapting to the environment rather than just scanning the environment at the annual planning review" (Stead & Stead, 2008, p. 66).

The final recommendation of these ten key elements is that this is an on-going process, requiring continual dedication of the senior managers, as well as the continual effort of business site level managers and employees.

Key Element 10: Implementation is an On-Going Process

6.3.2. Summary of Implications for Managerial Practice

The findings of this research have been fed-back to the organisations involved, both management and front-line employees (on request) to communicate the findings of this study and examples of practice that other managers and employees are using to implement authentic green strategies. This feedback has been done in two ways. Firstly, as a business report directly

to the manager and employees who took part in this research as interview participants. Secondly, the findings of this study have been prepared for submission to relevant industry-based magazines.

Table 6.1: Ten Key Elements to Implementing Authentic Green Differentiation Strategies

1. Have memorable green core organisational values
2. Create clear guiding principles for these green core organisational values
3. Consistently communicate the green core organisational values and related guiding principles
4. Create and support 'Freedom within Framework'
5. Encourage organisational members to incorporate their personal green values, knowledge and skills into their workplace green routines
6. Create formal and informal communication channels
7. Connect senior management directly with the site-level managers and front-line customer-facing employees
8. Make the green differentiation strategies measurable
9. Celebrate success
10. Implementation is an on-going process

The business report contained the findings of this study in three different ways: the authentic strategy implementation process map (Diagram 5.10), the 'duck' analogy, as well as the ten key elements for implementing authentic green differentiation strategies (Table 6.1). The purpose of presenting the findings of this study in different ways was to create a business report in a language suitable for management and non-management practitioners.

6.4. Limitations of this Study

There are a number of limitations of this research that occurred because of either theoretical or methodological reasons.

A limitation of this study is the use of case study techniques to identify causal relationships in order to make generalisations about the strategy implementation and capability development processes. The use of a multiple case approach, studying three cases, has reduced this limitation but is still considered a low number of cases. However, Foss (2016) calls for further case study research into microfoundations as a source of exploratory research, particularly within management research. Foss (2016) further suggests researchers should "allow research to accumulate in a research community" (p. 119) to increase generalisability.

A limitation of the case selection has been that interviews of management and front-line employee occurred at three large multi-site organisations with head offices geographically separate from the sites of customer service. Therefore, a limitation of this study is to not engage single site businesses, SMEs, or organisations with head offices in the same geographic location as one of the service sites.

In addition to this limitation, the intention was to identify cases where the green strategies formed the key source of differentiation. Document analysis of publicly available information was used to identify these potential cases based on authentic strategy case criteria (Table 3.2), with the potential cases categorised and ranked based on the results of this document analysis. The three case businesses engaged with fulfilled all of the selection criteria. However, only one of the case organisations used green strategies as the main differentiation strategy, with the other two using green strategies as part of an overall differentiation mix. However, this limitation also became a contribution of this research as this allowed for the examination of how green strategies and green values were implemented, understood and embedded throughout the organisations including in cases where the green strategies were part of the overall strategic mix for differentiation.

This research interviewed internal stakeholders of the firms to examine the perspectives of the senior managers, middle managers and front-line customer-facing employee, on the green differentiation strategies, green core values, and green routines. This study proposes that if the internal stakeholders perceive the green differentiations strategies as authentic, then this will be reflected in an authentic performance of the green strategies and green routines during the customer service process. A limitation of this study is that this proposition was not tested by interviewing customers or other external stakeholders to gauge their perceptions of the authenticity of the green strategies or green routines.

The research did not measure the 'greenness' of the firms, including the effectiveness of green routines, as these have been the subject of prior research in the sustainability field. The intention was to use perceptions of the managers and front-line customer-facing employees of the case organisation's green strategies, green values and green routines to examine strategy implementation processes. A potential limitation of this approach is to focus on the perceptions of organisational members of the green strategies and descriptions of the green routines during the interviews, as opposed to observing the performance of the green routines and/or to judge the 'greenness' of these routines.

6.5. Further Research

The nature of research means that parameters are set to focus the study. As a result of this narrowing of focus not all aspects of the theory are examined. In addition, the findings of this research are based on a qualitative analysis, in this study, the models and processes have been developed based on a multiple case methodology. Whilst taking a multiple case study approach allows for better generalisations to be made, the findings of this study still contain case-specific elements that need consideration. This section outlines some opportunities for further research based on the findings, discussions and conclusions of this study.

The focus of this research was on green differentiation strategies, green routines and capabilities. Further research could be conducted to evaluate if the assumptions, generalisations and models can be applied to other core organisational values, strategies and routines.

This research examined three case firms that had a head office separate from the business sites. This creates two avenues for further research: SMEs and single site firms, including where the head office is not geographically separated from the customer service sites.

Further research could also examine the effect on the individual's personal green values and green routines; this emerged during the interview process. Further research could examine how the core green values, information, green strategies and green routines of the organisation affect the personal green values and home green routines of the organisational members.

This research examined three cases firms in the service sector as this is a sector that has limited research yet comprises a large proportion of the New Zealand economy. Further research could be conducted in the primary or manufacturing sectors. Additionally, the cases were selected from customer services firms; further research could examine Business to Business (B2B) firms, as well as mixed customer services and B2B firms in the service sector.

Further research could examine the concept of whether customers perceive a firm not having green strategies puts the businesses at a competitive disadvantage or has a measurable effect on the perceptions of external stakeholders, the business performance or profitability.

A final construct further research could examine is authentic strategy. This study defines authentic strategy and has developed a framework to explain the processes used by managers and employees to judge the authenticity of a green strategy. However, the construct of authentic strategy is still somewhat conceptual needing further research, including for other

organisational values. Additional, further research could also examine the concept of authentic strategy from an external stakeholder perspective.

6.6. Closing Remarks

The inspiration for this study stems from a personal drive to understand how things work: during my childhood, it was not uncommon for things to be dismantled to find out how they worked. This research has continued this personal obsession by dismantling the 'black box' of the firm to examine the parts to understand how strategy implementation processes work. This research has examined green differentiation strategies, green organisational values and green routines, but has taken a different approach to other studies on businesses being green. This differs from other research that examines why organisations go green, what organisations do to be green, or to judge the level of greenness. Instead, this study has examined the perspective of the organisational members to understand how firms implement green strategies. This has been achieved by interviewing the members of the organisation: senior management, middle management and front-line employees, to understand their perceptions of green strategies, green values and green routines.

The focus of the semi-structured interviews was to discuss the green routines at each business site within each case: how do organisational members know what green routines to do, who tells them what and how to do these, and the process for the involvement of the individual members in this process. In addition to an examination of the green strategy implementation process, the conversation style of the interviews also gave information, particularly the stories of how green routines were developed, shared and implemented across the whole organisation, that once analysed illuminated the 'black box' process of capability development.

The parable of the 'strategic elephant' (Mintzberg & Lampel, 1999; see Figure 2.5) has been used throughout this research. Although the aim could have been to try to see the elephant as a whole entity, this would have still been to treat the firm as a 'black box' as opposed to the sum of its parts. Taking a different methodological approach, by examining the perceptions of the organisational members under a qualitative paradigm. What emerged was an understanding of the processes by which the elephant is understood within the whole organisation.

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Appendix A: AUTECH Ethics Approval Letter



AUTECH Secretariat

Auckland University of Technology
D-88, WU406 Level 4 WU Building City Campus
T: +64 9 921 9999 ext. 8316
E: ethics@aut.ac.nz
www.aut.ac.nz/researchethics

9 August 2016

Simon Mowatt
Faculty of Business Economics and Law

Dear Simon

Ethics Application: **16/292 The implementation of authentic strategy in service organisations: the case of environmental strategies**

Thank you for submitting your application for ethical review to the Auckland University of Technology Ethics Committee (AUTECH). I am pleased to confirm that your ethics application has been approved for three years until 4 August 2019.

As part of the ethics approval process, you are required to submit the following to AUTECH:

- A brief annual progress report using form EA2, which is available online through <http://www.aut.ac.nz/researchethics>. When necessary this form may also be used to request an extension of the approval at least one month prior to its expiry on 4 August 2019;
- A brief report on the status of the project using form EA3, which is available online through <http://www.aut.ac.nz/researchethics>. This report is to be submitted either when the approval expires on 4 August 2019 or on completion of the project;

It is a condition of approval that AUTECH is notified of any adverse events or if the research does not commence. AUTECH approval needs to be sought for any alteration to the research, including any alteration of or addition to any documents that are provided to participants. You are responsible for ensuring that research undertaken under this approval occurs within the parameters outlined in the approved application.

AUTECH grants ethical approval only. If you require management approval from an institution or organisation for your research, then you will need to obtain this. If your research is undertaken within a jurisdiction outside New Zealand, you will need to make the arrangements necessary to meet the legal and ethical requirements that apply there.

To enable us to provide you with efficient service, we ask that you use the application number and study title in all correspondence with us. If you have any enquiries about this application, or anything else, please do contact us at ethics@aut.ac.nz.

All the very best with your research,



Kate O'Connor
Executive Secretary
Auckland University of Technology Ethics Committee

Cc: Jeremy Morrow

Appendix B: Count and Types of Strategic Management Journal Articles

In their research, Molina-Azorin (2012) searched the *Strategic Management Journal (SMJ)* from its inception in 1980 to 2006. In this research articles were categorised as non-empirical or empirical: quantitative, qualitative or mixed methods. (Table A.1)

Table A.1: Count and Types of Strategic Management Journal Articles (1980-2006)						
Year	Total Number of Articles	Number of Non-Empirical Articles	Empirical Articles			
			Total Number of Empirical Articles	Number of Quantitative Articles	Number of Qualitative Articles	Number of Mixed Methods Articles
1980	24	11	13	8	4	1
1981	28	11	17	12	3	2
1982	30	17	13	11	0	2
1983	28	10	18	12	5	1
1984	26	16	10	7	0	3
1985	23	8	15	11	1	3
1986	35	14	21	17	4	0
1987	44	10	34	27	1	6
1988	57	22	35	27	1	7
1989	51	4	37	30	3	4
1990	53	16	37	27	6	4
1991	64	17	47	37	7	3
1992	60	16	44	30	4	10
1993	57	14	43	35	5	3
1994	60	14	46	35	4	7
1995	49	12	37	30	3	4
1996	66	17	49	38	5	6
1997	64	7	57	50	0	7
1998	70	21	49	38	1	10
1999	63	14	49	39	3	7
2000	69	10	59	39	9	11
2001	61	9	52	38	4	10
2002	71	13	58	42	3	13
2003	78	12	66	54	6	6
2004	67	4	63	51	2	10
2005	70	9	61	47	0	14
2006	63	7	56	43	2	11
Total	1431	345	1086	835	86	165
% of Empirical Articles				77%	8%	15%

(Adapted from Molina-Azorin, 2012, p. 38)

The methodology of Molina-Azorin (2012) was followed to examine the articles in SMJ from 2007 to 2016. Table A.2 is the results of this analysis.

Table A.2: Count and Types of Strategic Management Journal Articles (2007-2016)						
			Empirical Articles			
Year	Total Number of Articles	Number of Non-Empirical Articles	Total Number of Empirical Articles	Number of Quantitative Articles	Number of Qualitative Articles	Number of Mixed Methods Articles
2007	73	21	52	45	3	4
2008	76	25	51	49	0	2
2009	71	17	54	51	1	2
2010	76	21	55	51	1	3
2011	75	24	51	47	2	2
2012	82	22	60	58	1	1
2013	91	36	55	54	1	0
2014	123	58	65	63	1	1
2015	123	29	94	90	1	3
2016	152	37	115	107	5	3
Total	942	290	652	615	16	21
% of Empirical Articles				94.3%	2.5%	3.2%

Appendix C: Document Analysis Results

The following are the results of the document analysis that was completed to identify exemplar case organisations for this research. The document analysis was based on the case selection criteria (see Table 3.1: Authentic Strategy Case Selection Criteria, in 3.2 Case Selection and Participant Sampling).

Table B.1: Potential Exemplar Case Organisations, lists the final cases, these are in alphabetical order as a way to increase the confidentiality of the organisations, not the ranked order used to determine the order of recruitment (see 3.2.4 The Case Organisations and 3.4 Information Collection).

Table B.1: Potential Exemplar Case Organisations								
Business Name	Selection Criteria							
	1.1	1.2	1.3	2.1	2.2	2.3	2.4	2.5
Banking and Finance								
Bank of New Zealand	X	X	X	X	X	X	X	X
Money Matters Ltd	X	X	X	X	X		X	
IAG	X	X	X	X	X		X	
NZI	X	X	X	X			X	
Westpac NZ	X	X	X	X	X	X	X	
Energy								
ecotricity	X	X	X	X	X	X		
Energy Alternatives NZ Ltd	X	X	X	X	X	X		
Flick Electric Co.	X	X	X	X	X	X	X	
Gull New Zealand Ltd	X	X	X	X	X	X	X	
Meridian Energy	X	X	X	X	X	X	X	X
solarcity New Zealand	X	X	X	X	X	X	X	
Sunergise International	X	X	X	X	X		X	
Vector Ltd.	X	X	X	X			X	X
Z Energy	X	X	X	X	X	X	X	X
Retail								
Commonsense Organics Ltd	X	X	X	X			X	X
Countdown (Progressive Enterprises Ltd)	X	X	X	X	X	X	X	X
Foodstuffs NZ Ltd	X	X	X	X		X		X
OfficeMax	X	X	X	X	X	X		X
Ooooby Ltd	X	X	X	X				
The Warehouse Group Ltd	X	X	X	X	X	X	X	X
Tourism and Travel								
Accor Hotel Group	X	X	X	X	X	X	X	X
Adventure Capital	X	X	X	X			X	
Air New Zealand	X	X	X	X	X		X	X
Explore Group	X	X	X	X	X			
Green Cabs Ltd	X	X	X	X		X	X	
SKYCITY Entertainment Group	X	X	X	X	X	X	X	X
Tourism Holdings Limited	X	X	X	X	X		X	
TIME Unlimited Limited	X	X	X	X	X	X		
Other								
Fletcher Building Ltd	X	X	X	X				X
GHD Ltd	X	X	X	X	X		X	X
Junk Run Limited	X	X	X	X	X	X		
Les Mills Group	X	X	X	X	X	X	X	X
Treescape Limited	X	X	X	X	X	X	X	
Vodafone NZ Ltd	X	X	X	X	X		X	X

Table B.2: Excluded Organisations, lists the organisations that were excluded at the various stages of the document analysis. The businesses were excluded as they did not meet the selection criteria. For Criteria 1.1 1.1 Service organisations that operate within New Zealand, the excluded organisations have been classified for future reference; the businesses were assigned a code as part of the document analysis to serve as a reminder as to why these businesses were excluded. For example, Kiwibank is a service organisation, but was excluded from the list of potential case organisations as it is Government owned and operated, therefore classified as a Government Sector Organisation. Organisations classified as 'other organisations' were information, education and lobby groups, e.g. EcoQuest Education Foundation, WWF New Zealand.

The list of potential cases were sourced from the member organisation lists of Sustainable Business Council (SBC) and Sustainable Business Network (SBN).

Table B.2: Excluded Organisations			
Phase One: Setting General Parameters			
Criteria 1.1 Service organisations that operate within New Zealand			
Government Sector Organisations			
<ul style="list-style-type: none"> ○ Auckland Council ○ Auckland District Health Board ○ Auckland Tourism Events and Economic Development (ATEED) ○ Auckland Transport ○ Bay of Plenty District Health Board ○ Bay of Plenty Regional Council ○ KiwiRail ○ Ports of Auckland 	<ul style="list-style-type: none"> ○ Christchurch City Council ○ Department of Conservation ○ EECA Business ○ Hutt City Council ○ Kiwibank Limited ○ Ministry of Social Development ○ New Zealand Post Group ○ NZTA, Highways & Network Operations 	<ul style="list-style-type: none"> ○ Palmerston North City Council ○ Regional Facilities Auckland ○ Tauranga City Council ○ Upper Hutt City Council ○ Waikato Regional Council ○ Waitemata District Health Board ○ Watercare Services Ltd 	<ul style="list-style-type: none"> ○ Wellington City Council ○ Wellington Zoo ○ WellSouth Primary Health Network ○ Western Bay of Plenty District Council ○ Whakatane District Council
Primary Sector Organisations			
<ul style="list-style-type: none"> ○ All Good Bananas Ltd ○ Aotearoa Fisheries Limited ○ Bathurst Resources Ltd ○ BioBrew Ltd ○ Biogrow (2013) Limited 	<ul style="list-style-type: none"> ○ Caltex (Chevron New Zealand) ○ Cemix Ltd ○ Contact Energy ○ Fruition Horticulture (BOP) Ltd ○ Fulton Hogan 	<ul style="list-style-type: none"> ○ Gladstone Vineyard ○ Lothlorien Winery Ltd ○ Mighty River Power Ltd ○ Sanford Ltd ○ Shell ○ Taupo Beef 	<ul style="list-style-type: none"> ○ Terra Moana Ltd ○ Trevelyan's Pack and Cool Limited ○ Yealands Family Wines
Manufacturing Sector Organisations			
<ul style="list-style-type: none"> ○ ABB Ltd ○ Abilities Incorporated ○ Abodo Wood Ltd ○ AgriSea New Zealand ○ Angel Food ○ Applied Chemicals NZ ○ Archeus 	<ul style="list-style-type: none"> ○ Environmental Choice NZ ○ Envirospec ○ Ethique ○ Fonterra Co-Operative Group Ltd ○ Freedom Farms NZ Limited ○ Friendlypak 	<ul style="list-style-type: none"> ○ Line's Knæekbrød ○ Lion NZ ○ Living Earth Ltd ○ Locus Research ○ Lovenotes Limited ○ Low Impact Limited ○ Madeblunt Limited ○ Metal Art Ltd ○ Method 	<ul style="list-style-type: none"> ○ Rekindle ○ Resene Paints Ltd ○ Return to Sender Caskets ○ SATO New Zealand ○ Scarborough Fair Ltd ○ Silver Fern Farms ○ Smart Energy Homes ○ Soil & Health Assn

<ul style="list-style-type: none"> ○ Arrow Uniforms ○ Ashbec Trading Ltd ○ Biopolymer Network Limited ○ Bird On A Wire ○ Bluebird Foods Ltd ○ BMW Group New Zealand ○ Bokashi NZ Ltd ○ Central Heating Solutions Ltd ○ Chemical Solutions Ltd ○ CHEP New Zealand ○ Comvita ○ Conway Sylver Limited / Kate Sylvester ○ Croxley Recycling ○ DB Breweries ○ Devan Group ○ Divine Foods Ltd ○ DK Signs Ltd ○ Dulux NZ ○ Easyforms Ltd ○ Econergy Limited ○ Ecostore ○ Ecoware 	<ul style="list-style-type: none"> ○ Fuji Xerox New Zealand Limited ○ Furniture Works Ltd ○ Futonz Ltd ○ Good Choices NZ Limited ○ Green Fuels NZ Ltd ○ Greenlane Technologies Limited ○ Hakanoa Handmade Drinks Limited ○ Hallertau Brewery ○ Hobsonville Land Company Limited ○ Honda NZ Limited ○ Honeywrap Ltd ○ House of Dumplings ○ Hubbards Foods Ltd ○ Innocent Packaging ○ L'Oréal New Zealand Ltd ○ La Boca Loca Ltd ○ Life Health Foods NZ Ltd 	<ul style="list-style-type: none"> ○ Methven ○ microCAR NZ Ltd ○ Miltek NZ Ltd ○ MIX LIMITED ○ MSA ○ Munch ○ New Zealand Food Innovation Auckland ○ New Zealand Steel ○ NZ Louvres ○ O-I New Zealand ○ Oasis Engineering Ltd ○ Paradigm Associates ○ Peoples Coffee Ltd ○ Philips New Zealand Limited ○ Phytomed Medicinal Herbs Ltd ○ Powersmart Solar ○ Progressive Group ○ Purefresh Organic ○ Quikes Ltd Co ○ Raw Essentials ○ Reid Technology 	<ul style="list-style-type: none"> ○ Stone Arrow Jewellery ○ The Better Drinks Company ○ The Misprint Co ○ The Smart Hot Water Company ○ The Stone Paper Company Limited ○ Thunderpants Ltd ○ Tommy & James Ltd ○ Tork Professional Hygiene ○ Toyota New Zealand Ltd ○ Trilogy ○ We'ar Righteous Limited ○ Wishbone Design Studio ○ WOCA Denmark - woodcare ○ World Organic Ltd ○ ZEN Energy Systems
Other Organisations			
<ul style="list-style-type: none"> ○ 350 Aotearoa ○ Borderless Productions Limited ○ Canterbury Employers' Chamber of Commerce ○ Chartered Accountants Australia and New Zealand ○ Child Labor Free ○ EcoQuest Education Foundation 	<ul style="list-style-type: none"> ○ Generation zero ○ Global Action Plan Oceania ○ Greenpeace New Zealand Inc ○ Health Promotion Forum of New Zealand ○ Inspiring Stories ○ Manukau Beautification ○ Charitable Trust 	<ul style="list-style-type: none"> ○ ME Family Services ○ New Zealand Council For Educational Research ○ New Zealand Red Cross ○ Otago Museum ○ Oxfam New Zealand ○ Samples Plus ○ Te Kaahui o Rauru ○ Te Whangai Trust 	<ul style="list-style-type: none"> ○ The Urban Ecoliving Charitable Trust ○ Two Tales Limited ○ Vincent House Work Experience Centre ○ Working Well ○ WWF New Zealand ○ ZEALANDIA, Karori Sanctuary Trust
Criteria 1.2 Customer Service Organisations: Mostly B2B			
<ul style="list-style-type: none"> ○ 3R ○ AECOM ○ Ahika Consulting Ltd ○ Ākina Foundation ○ Apparelmaster ○ Ayrshire E.B.A. Ltd ○ BioGro New Zealand Limited ○ Blacksmith ○ Booker-Spalding Ltd ○ BRANZ Ltd ○ Communications 	<ul style="list-style-type: none"> ○ Energy and Technical Services ○ Cadence Energy NZ Ltd ○ Energy Solution Providers Ltd ○ EnergyLogic ○ Enspiral ○ Enviro-Mark Solutions Limited ○ Envirostate ○ Envirotech ○ Maintenance Ltd 	<ul style="list-style-type: none"> ○ Landcare Research New Zealand Ltd ○ Little Lot ○ LMAC Consulting ○ MacLeod & Associates (NZ) Ltd ○ Mark Collins NZ Ltd ○ Maven Consulting Ltd ○ McHugh & Shaw ○ Megabyte NZ ○ Morpium ○ Environmental Ltd ○ Morton Investment Partnership 	<ul style="list-style-type: none"> ○ Stepup Coaching & Facilitation ○ Styles Project Management Ltd ○ Superloo Sanitation Ltd ○ Sustainability Matters ○ Sustainability Trust ○ Sustainable Electricity Association of New Zealand ○ Sustainable Projects ○ Sustainable Winegrowing NZ

<ul style="list-style-type: none"> ○ Capability Group Limited ○ Catalyst® Ltd ○ Catapult ○ Cheeky Rooster ○ Chorus NZ Ltd ○ ChowHill ○ Clean Planet Limited ○ Clear Facilities Ltd ○ Colmar Brunton ○ Communication by Design ○ Conscious Consumers ○ Conversant Ltd ○ Cooks Global Foods Ltd ○ Creative Capital Arts Trust ○ Creative Spaces Ltd ○ CS-VUE - EH&S Compliance Online ○ Dairy Transport Logistics (DTL) ○ Dale Jennings Associates Ltd ○ Dawson McKenzie Consulting ○ Deloitte ○ DNA ○ Dovetail ○ Downer EDI Works Ltd ○ Downer New Zealand Limited ○ e Cubed Building Workshop ○ Ecoeffect ○ ecoPortal ○ Ecotize NZ Ltd ○ EEO Trust ○ Ekos ○ EncoreNZ Recruitment Limited ○ Energy & Technical Services Ltd 	<ul style="list-style-type: none"> ○ Envision NZ ○ ERM New Zealand ○ Evident ○ Fabriko Limited ○ Film New Zealand ○ Fuji Xerox New Zealand ○ Fujitsu New Zealand Ltd ○ Fuse Creative ○ FuseIT ○ GETBA ○ Go Green Expo ○ Golder Associates (NZ) Ltd ○ GoodSense Ltd ○ GoodTeam ○ Green Business Lab ○ Green Drop ○ Green Inc ○ Green Living Network ○ Greenair ○ GreenShoot Pacific NZ ○ GSL Promotus ○ Ideas Shop Ltd ○ Ideqa Limited ○ Improvement Direct ○ Inbound ○ Indigo Pacific Education Limited ○ Infoactiv Logistics Solutions Pty Ltd ○ Information Logistics Company Limited ○ International Certifications Ltd ○ Intouch Design ○ Inzide Commercial Ltd ○ Isthmus Group Limited ○ J Walter Thompson NZ Ltd ○ JCCA Chartered Accountants & Business Consultants ○ Karrikins Group ○ Katalyst Office Management Ltd ○ King St Advertising and Marketing agency ○ Koromiko Group Limited ○ Kuaka New Zealand Limited 	<ul style="list-style-type: none"> ○ Moxie Communications Limited ○ MRCagney Pty Ltd ○ Multi-Media Systems Ltd ○ National Lighting ○ NativeAwa ○ NaturalEdge Ltd ○ Nelmac ○ New Zealand Eco Fashion Week ○ Nexus Planning and Research Ltd. ○ Ngāi Tahu Holdings Corporation Ltd ○ OCS ○ Optimal Fleet Solutions Ltd ○ Opus International Consultants ○ Passion PR ○ Potter Building Services Ltd ○ Premium Flooring Ltd ○ Professional Property & Cleaning Services Ltd ○ Public Relations Institute of New Zealand ○ Qrious Limited ○ Quigley and Watts Ltd ○ RCR Infrastructure ○ RDT Pacific ○ Reclaim Ltd ○ REDCO NZ Ltd ○ Reeve Davies & Associates Limited ○ Reputation Matters ○ Ricoh New Zealand Limited ○ RSM Prince ○ Serviceworks Group Ltd ○ Siemens (NZ) Ltd ○ SilverStripe Ltd ○ SLR Consulting NZ Ltd ○ Soar Printing Co Ltd ○ Spiffmedia Limited ○ Staples New Zealand Limited ○ Stay and Play - New Zealand Tourism Connections 	<ul style="list-style-type: none"> ○ Sustained Consulting Limited ○ Synergy Health Limited ○ TDG ○ TetraMap International ○ The Agribusiness Group ○ The Ākina FoundationS ○ The EcoPro Cleaning Co ○ The Greenfield Limited ○ The Oversew Fashion Awards ○ The Workplace Culture Consultancy ○ thebigevent.co.nz Ltd ○ thinkstep ○ Thomas Civil and Environmental Consultants Ltd ○ Thought Partners Ltd ○ Toimata Foundation ○ Total Group ○ ToTal Property Services (Auckland) Ltd ○ Tourism Industry Association New Zealand ○ Transformations International Consulting & Training Ltd ○ Type B ○ United Cleaning Services ○ UV Solutionz Ltd ○ Vanity Walk Modelling School ○ Vapour Ltd ○ VEGA ○ Waste Not Consulting ○ We Compost ○ wheretofromhere? ○ Wildland Consultants Limited ○ Winsborough Limited ○ Wraight & Associates Ltd ○ Wright Communications Ltd ○ Write Ltd ○ Y brand Limited ○ Yoogo ○ 4Sight
Meet Criteria 1.3 Have Environmental Strategy. However, Not Criteria 1.4 Actively Promoted			
<ul style="list-style-type: none"> ○ Absolute Energy Ltd ○ Ace Rental Cars ○ altezano brothers ○ AMP Capital ○ Apex Group 	<ul style="list-style-type: none"> ○ Connect Supporting Recovery ○ Davis Funerals ○ Dawsons Catering Limited 	<ul style="list-style-type: none"> ○ Johansson Group ○ Kokako Organic ○ LeasePlan New Zealand Ltd ○ Modern Energy Ltd 	<ul style="list-style-type: none"> ○ Sovereign Assurance Company Ltd ○ Sustainability Options ○ Switched on Bikes

<ul style="list-style-type: none"> ○ Auckland Airport ○ Auckland Auto Clinic Ltd ○ AUT Business School ○ Barbarian Productions Ltd ○ Beca Group Ltd ○ Bicycle Junction ○ Black Pine Architects ○ Blend - Beautiful Coffee, Bikes & Accessories ○ Buddle Findlay - Wellington ○ Chancellor Construction Ltd ○ Chapman Tripp ○ Charge.net.nz ○ Charissa Snijders Architect Ltd ○ Cityhop ○ Collective Hospitality Ltd ○ Collingridge and Smith Architects UK Ltd 	<ul style="list-style-type: none"> ○ EcoDeals ○ Electric Bike Hub ○ EV Imports Ltd ○ Fisher & Paykel Healthcare Ltd ○ Fonebank Recycling Ltd ○ Formula E Indoor Raceway ○ Garden to Table Trust ○ George Walkers Office Furniture Megastore ○ Giving Architects Limited ○ Green Acres Franchise Group Ltd ○ Greenstar energy Solutions ○ Holistic Vets ○ Integrity Solar NZ Limited ○ Irie Architectural Design ○ JAE Group Inc 	<ul style="list-style-type: none"> ○ Mojo Coffee ○ Mortlock McCormack Law ○ Mt Eden Village Centre ○ New Zealand Institute of Technical Training ○ Paradise ice skating ○ PAUA Architects Ltd ○ PlugnDriveMan Ltd ○ Ponsonby and The Attic Backpackers ○ Presland & Co ○ Research and Enterprise, Otago Polytechnic ○ Ripe Deli Ltd ○ Rise Financial Ltd ○ Scout Hairdressing ○ Sharp Tudhope Lawyers ○ Solar Group ○ Solar King ○ Sovereign 	<ul style="list-style-type: none"> ○ The Great Catering Company ○ The Green Kitchen ○ The New Zealand Motor Caravan Association Inc. ○ The Sleep Store ○ Trade Me ○ Tritone Audio Ltd ○ Unitec New Zealand ○ University of Auckland ○ University of Waikato Management School ○ Victoria University of Wellington ○ Waiariki Insititute of Technology ○ Waikato Management School ○ Warren and Mahoney Architects Ltd ○ Wellington Institute of Technology ○ Your Drive ○ YWCA of Hamilton Inc
Phase Two: Structure and Size of Potential Case Organisations			
<ul style="list-style-type: none"> ○ Adam Taylor ARCHITECTURE ○ Anderson Lloyd Lawers ○ Art Hotel Great Ponsonby ○ Blue Cars Limited ○ Commonsense Organics Ltd 	<ul style="list-style-type: none"> ○ Earth Angel ○ Eco Design Group Ltd ○ Ecobob Ltd ○ EcoMatters Environment Trust ○ ecotricity ○ Green Gorilla ○ Hotel St Moritz ○ Solscape 	<ul style="list-style-type: none"> ○ State of Grace ○ Tahi Estate Ltd ○ The Mussel Inn ○ Ti Kouka café ○ Waiheke Resources Trust ○ Gecko ○ Harrison Grierson ○ Kennedy Construction 	<ul style="list-style-type: none"> ○ Wanaka Wastebusters ○ Uber ○ The Goodness Grocer ○ Wisker Contracting Limited ○ McCoy + Heine Architects ○ Studio Of Pacific Architecture

Appendix D: Semi-Structured Interview Resource

Semi-structured interviews were used in this research; the following is a guide for these interviews. The questions and structure are designed to ensure that all relevant information is gathered at each interview. However, it should be noted that this is merely a guide. During the interviews the participants were encouraged to openly and freely discuss the issues/key concepts as a conversation, removing the necessity to follow this guide verbatim.

This interview guide contains both general indicative questions and group-specific indicative questions. The general questions are common across all groups. The group-specific questions are to elicit role specific responses from senior managers who develop and set the strategy, goals and vision, the middle managers who are tasked with strategy implementation, as separate from the employees: the active implementers of strategy during the service process.

To link the research question, supplementary research questions, as well as the initial constructs to the indicative questions used in the semi-structured interviews, the following two tables have been created. Table C.1 is the key to the research questions. At the end of each question the relevant constructs are listed; Table C.2 is the full list of the initial constructs.

Table C.1 Research Question Key
<p>Research Question</p> <p>RQ: In what ways do service organisations implement green differentiation strategies to ensure that internal stakeholders perceive these as authentic strategies?</p>
<p>Supplementary Research Questions</p> <p>SQ 1: How are green differentiation strategies implemented?</p> <p> SQ 1.1: What green routines/actions do organisational members perform as part of the service process?</p> <p> SQ 1.2: How do front-line employees know what routines to perform? (Or what not to perform?)</p> <p> SQ 1.3: Who are the drivers of the green differentiation strategies/routines?</p> <p> SQ 1.4: What guides choice for flexible routines?</p> <p> SQ 1.5: How is the information about routines and strategies transmitted?</p> <p> SQ 1.6: How are the routines developed into strategic capabilities?</p> <p>SQ 2: In what way are green differentiation strategies perceived as being a source of competitive advantage?</p> <p>SQ 3: What makes a strategy authentic to internal stakeholders?</p>

Table C.2: Initial Constructs in this Research Project
Strategy Implementation <ul style="list-style-type: none"> • Strategic Vision
Differentiation <ul style="list-style-type: none"> • Competitive Advantage • Green Differentiation
Authentic <ul style="list-style-type: none"> • Authentic Strategy
Values <ul style="list-style-type: none"> • Organisational Values • Personal Values
Capabilities <ul style="list-style-type: none"> • Capability Deployment • Capability Development • Routines <ul style="list-style-type: none"> ○ Fixed Routines ○ Flexible Routines • Actions
Monitoring and Control

Table C.3: Semi-Structured Interview Resource
Employment Information
<p>Managers were selected using a purposive sampling technique, as these are individuals “that bring to the fore the phenomenon of interest” (Onwuegbuzie & Leech, 2007, p. 112): these are the managers that develop and set the environmental strategies and are responsible for the implementation of these strategies.</p> <p>The front-line staff will be selected from customer-facing employees that directly interact with strategy as they interact with customers, and may have different interpretations, perceptions and priorities of an organisation’s authentic strategies than management (Brønn & Vidaver-Cohen, 2009; Pugh & Bourgios, 2011).</p> <p>This research excludes participants who have been in their position for less than six months. This was to ensure that the managers were not recent appointments and had a familiarity with the organisation’s environmental strategies, consistent with the purposive sampling technique used. Similarly, new employees may offer limited knowledge of this or case-specific environmental strategies, policies, routines and/or actions examined and discussed in this research (Wolf, 2013). The exception is front-line employees who have undergone an induction process or relevant employee training provided by the organisation.</p>
General Indicative Questions
<ul style="list-style-type: none"> • Job title • Length of time in this position • Full length of employment at this business, including in current position • Responsibilities of position

Participants Views on Environmental Action	
<p>These question the participant's personal views on environmental action with the purpose of gauging the level of interest in environmental routines and actions in the participant's private life (Morrow & Mowatt, 2015) as well as to build a rapport with the participants to make them feel at ease to encourage an open and honest dialogue (Qu & Dumay, 2011).</p> <p>These questions were used to compare and contrast the participant's personal and work practices and actions, as a way to reduce the possibility of bias due to the participant wanting to ensure that they are representing the organisation in a positive light: potentially giving answers that are inconsistent with their personal views, routines and actions (Morrow & Mowatt, 2015).</p>	
SQ 1, SQ 1.1, SQ 1.3, SQ 1.4, SQ 3	
General Indicative Questions	
<ul style="list-style-type: none"> • Would you say that you have an interest in environmental sustainability? [Personal Values] • Can you list the environmental actions you do at home? (e.g. recycling, water conservation, reusable shopping bags) [Routines, Actions, Personal Values] • Do you routinely do these actions? [Routines, Personal Values] • 	
Strategy, Strategic Vision and Core Values	
<p>Porter (1991) proposes that if the strategy is well understood throughout an organisation, while it may rule out some actions, it allows the individual to "devise their own ways to contribute to the strategy that management would be hard pressed to replicate" (p. 96): "the task of strategy is to maintain a dynamic, not static balance" (p, 97) between the firm and the business environment, this can be achieved through strategic vision. The strategic vision must be based on core values of the firm and be used to guide not only the strategic goals but also the firm's decision-making (Nutt & Backoff, 1997; Stead & Stead, 2008). The goal is to ensure a shared vision within the firm, which reduces potential barriers to strategy implementation (Miller, Hickson & Wilson, 2008; Ho, Wu & Wu, 2014; Rapert, Velliquette & Garretson, 2007; Salih & Doll, 2013). The key to a successful strategic vision is clear and compelling imagery; it may even be communicated and expressed in a way that resembles a slogan (Mirvis et al., 2010; Nutt & Backoff, 1997).</p>	
RQ, SQ 1, SQ 1.1, SQ 1.3, SQ 1.4, SQ 1.5, SQ 3.	
Senior Management Indicative Questions	Middle Management and Front-Line Employees Indicative Questions
<ul style="list-style-type: none"> • Can you tell me about the environmental sustainability strategies at your business? [Strategy Implementation] • From these strategies what policies have been implemented throughout your organisation? [Strategy Implementation] <ul style="list-style-type: none"> ○ How are these strategies and/or policies implemented? ○ What is the implementation process that is followed? • How do these strategies and policies link to your organisational core values? [Organisational Values] <ul style="list-style-type: none"> ○ How are these core values communicated within your organisation? 	<ul style="list-style-type: none"> • What can you tell me about your business' core values? [Strategy Implementation, Organisational Values] <ul style="list-style-type: none"> ○ Are there any sayings, slogans? ○ Where do you find these? Posters, webpage, training manuals? • Can you tell me what environmental sustainability policies and/or strategies that your business has? [Strategy Implementation] <ul style="list-style-type: none"> ○ How do you know these? ○ Why not?

<ul style="list-style-type: none"> If I was to ask any member of this organisation, what key core values should they be able to discuss with me? [Organisational Values] 	
The Implementation of Green differentiation Strategies	
<p>Salvato and Rerup (2011, p. 482) state: “Different participants perform different activities and hold different understandings of a routine.” With Rapert, Velliquette and Garretson (2002, p. 303) cautioning: “Organizational members who do not have a clear, common understanding of strategic issues create a major barrier to strategic implementation.” However, it important that common or general understanding of the strategy occurs to ensure that the strategy is implemented in a way to have the desired actions performed and outcomes achieved. In order to examine common understandings and routines “it is necessary to consider different points of view across the organization, because we cannot see the whole entity from a single perspective” (Salvato & Rerup, 2011, p. 482), therefore the viewpoints and perceptions of both employees and management need examination.</p> <p>Employees may already be “spontaneously engaged” in extra role behaviours (Galpin & Whittington, 2012, p. 45), what Kurland and Zell (2011, p. 53) refer to as the “hidden” organisation, where “employees already engaged in eco-friendly behaviour both at work and at home.” Cameron (2012, p. 4) adds, employees should take an active part in implementing environmental strategies, as “Its employees that keep their computers running, run the taps, forget to switch off the lights, print out, bin instead of recycling, drive to the business meeting and so on.” As Teh and Corbitt (2015, pp. 43-44) conclude: “Staff should not underestimate their potential contributions but see eco-sustainability as a part of their job.”</p>	
RQ, SQ 1, SQ 1.1, SQ 1.2, SQ 1.3, SQ 1.4, SQ 1.5, SQ 3	
Senior Management Indicative Questions	Middle Management and Front-Line Employees Indicative Questions
<ul style="list-style-type: none"> Can you explain for me the environmental sustainability actions the member of this organisation, particularly the front-line customer-facing employees, should perform as part of their daily work? [Actions, Routines, Fixed Routines] How did you they know to do these actions? [Actions, Routines, Fixed Routines, Flexible Routines] <ul style="list-style-type: none"> How is this communicated? Part of training/induction? What routines are you expecting the front-line customer-facing employees to follow when interacting with customers that are specifically linked with the business’ environmental sustainability strategies and/or policies? [Fixed Routines] How do they know about these routines? [Fixed Routines] <ul style="list-style-type: none"> Is there a list, procedure or script to follow? 	<ul style="list-style-type: none"> Can you explain for me the environmental sustainability actions you perform as part of your daily work? (e.g. recycling, shutting down your computers at the end of the day – prompt from individual responses from previous question on personal actions if necessary) [Routines, Actions] How did you know to do these actions? [Fixed Routines, Flexible Routines] <ul style="list-style-type: none"> Who told you? How was this communicated? Part of training/induction? Are there any routines you follow when dealing with customers to do with environmental sustainability? [Fixed Routines, Flexible Routines] <ul style="list-style-type: none"> E.g. Asking about electronic forms rather than printing information? Is there any specific environmental sustainability information that you give to customers?

<ul style="list-style-type: none"> • Are front-line employees encouraged/allowed to change or adapt environmental sustainability actions or routines? [Flexible Routines] <ul style="list-style-type: none"> ○ How do you find out about these changes/adaptions? • Are there any consequences for unauthorised changes/adaptions of actions or routines, if these are not followed? [Monitoring and Control] <ul style="list-style-type: none"> ○ How are the actions and routines monitored/enforced? • Are there any incentives given to members of your organisation to implement the environmental sustainability strategies and policies, or to perform environmental sustainability actions or follow specific routines? [Monitoring and Control] <ul style="list-style-type: none"> ○ Are there any consequences for members of your organization who make unauthorised changes/adaptions of actions or routines, if these policies, actions or routines are not followed? 	<ul style="list-style-type: none"> • How do you know about these routines? [Fixed Routines, Flexible Routines] <ul style="list-style-type: none"> ○ Is there a list, procedure or script to follow? • Are there any environmental sustainability actions or routines that you have adapted/changed? [Flexible Routines] <ul style="list-style-type: none"> ○ Why? What needed to be changed? ○ Are you allowed to make changes/adaptions? ○ What was the reaction from management? Do they know? • Have these changed/adapted actions and/or routines been adopted by the business? I.e. are they now the way these actions/routines are performed? [Capability Development] <ul style="list-style-type: none"> ○ Can you describe the process of how you changed these actions/routines? Who else was involved? • Are there any actions you do not do or routines that you do not follow? [Flexible Routines] <ul style="list-style-type: none"> ○ Why? ○ What has been the reaction from other members at your business? • Are there any incentives to follow the environmental strategies, policies, routines and/or actions? [Monitoring and Control] <ul style="list-style-type: none"> ○ Are there any consequences for not following these?
Middle Management and Front-Line Employees Indicative Questions	
<ul style="list-style-type: none"> • Do you have any autonomy in the implementing of environmental strategies, policies, including developing and implementing environmental sustainability actions and routines? [Flexible Routines] • 	
<p>This research takes the position that successful strategy implementation involves a combination of top-management driven central planning and analysis, and bottom-up driven initiatives, in agreement with Hart (1992, p. 333): “strategy making is both top-down and bottom-up.” McShane and Cunningham (2012) suggest management should do more than assess whether, or not, the environmental strategies are successfully carried out: “Managers should take note of how this process occurred (e.g., procedurally just, actions align with statements) and employees’ reactions to the initiative (e.g., emotional engagement)” (p. 98).</p>	
RQ, SQ 1, SQ 1.2, SQ 1.3, SQ 1.5, SQ 1.6	
Senior Management Indicative Questions	Middle Management and Front-Line Employees Indicative Questions
<ul style="list-style-type: none"> • What is the process to review the actions and routines? [Monitoring and Control, Capability Development] 	<ul style="list-style-type: none"> • Can you describe how the strategies, policies, routines and/or actions are developed? What is your involvement in this process? [Capability Development]


<ul style="list-style-type: none"> How are the middle management and front-line employees involved in this process? [Monitoring and Control] <ul style="list-style-type: none"> Can you describe the process of how the changed/adapted actions and/or routines are incorporated into this review process? 	<ul style="list-style-type: none"> How are these strategies, policies, routines and actions monitored? By whom? [Monitoring and Control] How are you made aware of any changes or updates to the policies, routines or actions? [Monitoring and Control, Capability Deployment]
Capabilities and Competitive Advantage	
<p>Capabilities are an “organisationally embedded non-transferable firm-specific resource” (Makadok, 2001, p. 389) used to deploy resources to achieve specific goals (Branco & Rodrigues, 2006; Cavusgil, Seggie & Talay, 2007). Whilst Hart (1995, p. 991) concluded “it is likely that strategy and competitive advantage in the coming years will be rooted in capabilities that facilitate environmentally sustainable economic activity”, Delmas, Hoffman and Kuss (2011, p. 120) state: “Surprisingly, very few studies have looked at the relation between organizational capabilities, environmental proactivity, and competitive advantage.”</p>	
SQ 2	
General Indicative Questions	
<ul style="list-style-type: none"> Do you think that the environmental sustainability strategies, policies, routines and/or actions: <ul style="list-style-type: none"> Makes you different from your competitors? Give you a competitive advantage/edge over your competition? <ul style="list-style-type: none"> Why do you think this? Why not? <p>[Green Differentiation, Competitive Advantage, Capability Deployment]</p>	
Authentic Strategy	
<p>There is a growing interest in authenticity in business, which is dependent on the integration of values into an organisation’s behaviours (Liedtka, 2008; Maio, 2003). The purpose of these questions is to explore the concept of authentic strategy. This research is interested in how environmental strategy, routines and actions relate to the core values and beliefs of the business: how the business ‘walk the talk’, as Freeman and Auster (2011, p. 19) state: “if you say you have this value, then your actions need to be consistent with that value.”</p>	
RQ, SQ 1, SQ 1.2, SQ 1.4, SQ 3	
Senior Management Indicative Questions	Middle Management and Front-Line Employees Indicative Questions
<ul style="list-style-type: none"> Can you tell me of any instances where the environmental strategy, including policies, routines and actions, has been influenced by the core values of your business, [Authentic, Authentic Strategy, Organisational Values] <ul style="list-style-type: none"> Or have been used as part of a review of these core values? 	<ul style="list-style-type: none"> From this discussion about actions and routines, how well do you think these actions and routines fit with the core values of your organisation? [Authentic, Authentic Strategy, Organisational Values] <ul style="list-style-type: none"> Why? Why not? If the participant does not know the core values, it may be useful to state the core values that managers have discussed in prior interviews.


General Indicative Question	
<ul style="list-style-type: none"> Do you think the green routines and/or information about green values have made an impact on your personal values and/or home green routines?" 	
The Implementation of Green differentiation Strategies	
<p>Whilst this research is not focused on exposing the barriers to strategy implementation, by examining these as well as what facilitators exist for this process will add to the understanding of the process of strategy implementation involving the whole organisation. This is in agreement with the suggestion by McShane and Cunningham (2012, p. 98) that rather than managers assessing the success of the environmental initiatives, the "managers should take note of how this process occurred" and the "employees' reaction to the initiative."</p>	
RQ, SQ 1, SQ 1.2, SQ 1.3, SQ 1.4, SQ 1.5, SQ 3	
Senior Management and Middle Management Indicative Questions	Front-Line Employees Indicative Questions
<ul style="list-style-type: none"> In your opinion what facilitates the implementation of environmental sustainability policies, including actions and routines? [Strategy Implementation, Strategic Vision, Organisational Values] Are there any barriers that inhibit the implementation process? [Strategy Implementation] (How are you as senior management informed) (or) (How do you inform senior management) of these facilitators and/or barriers? [Strategy Implementation, Monitoring and Control] <ul style="list-style-type: none"> Is this part of a monitoring and control process, or a strategy/policy review process? 	<ul style="list-style-type: none"> In your opinion, what things have helped you understand and perform these environmental sustainability actions and routines? [Strategy Implementation, Strategic Vision, Organisational Values] <ul style="list-style-type: none"> Including the reasons why these actions routines have been implemented? Is there anything that has hindered or acted as a barrier to your understanding or performing these actions/routines? If you could, what would you change? [Personal Values, Monitoring and Control] <ul style="list-style-type: none"> Is there any actions/routines that you would like to do: <ul style="list-style-type: none"> More? Better? Less? Why?
Conclusion of Interviews	
<p>To allow for any further expansion or clarification of concepts discussed during the interview, and to allow the participant to ask any questions of the researcher.</p>	
General Indicative Questions	
<ul style="list-style-type: none"> Do you have any questions for me about this research? Is there anything else you would like to add/clarify? 	

Appendix E: Recruitment Information

This appendix contains exemplars of resources used in the recruitment process.

E.1: Advertising Poster





Are you interested in Sustainability?

Do you know the policies your business has to address the issues of sustainability or to protect the natural environment?

Do you perform sustainability and environmental actions as part of your daily work routines?

Are you a customer services representative, or manager of these representatives, who has been in your position for over six months?

Then I want to talk to You

Hi my name is Jeremy Morrow and I am Doctoral Candidate at Auckland University of Technology (AUT). I would like to invite you to be part of my PhD research project:

The implementation of authentic strategy in service organisations: The case of environmental strategies

I am interested in how organisations implement environmental strategies in a way that makes these strategies authentic. To do this I will be asking questions about:

- Your organisation's environmental strategies, policies, routines and actions.
- How environmental strategies are developed, implemented, monitored and updated.
- Your views on how these environmental strategies fit within your organisation.

If you would like to be interviewed as part of my research, or would like further information, please contact me:

Jeremy Morrow (Doctoral Candidate): Jeremy.morrow@aut.ac.nz
(09) 921 9999 extn 7914

Or my Supervisor:

Associate Professor Dr Simon Mowatt: simon.mowatt@aut.ac.nz,
(09) 921 9999 extn 5424

Approved by the Auckland University of Technology Ethics Committee on [date], 2016
AUTEK Reference number [number/number]

E.2: Newsletter Advertisement

Are you interested in Sustainability?

Do you know the policies your business has to address the issues of sustainability or to protect the natural environment? Do you perform sustainability and environmental actions as part of your daily work routines? Are you a customer services representative, or manager of these representatives, who have been in your position for over six months?

Then I want to talk to You

Hi my name is Jeremy Morrow and I am Doctoral Candidate at Auckland University of Technology (AUT). I would like to invite you to be part of my PhD research project: **The implementation of authentic strategy in service organisations: The case of environmental strategies**

I am interested in how organisations implement environmental strategies in a way that makes these strategies authentic. To do this I will be asking questions about:

- Your organisation's environmental strategies, policies, routines and actions.
- How environmental strategies are developed, implemented, monitored and updated.
- Your views on how these environmental strategies fit within your organisation.

If you would like to be interviewed as part of my research, or would like further information, contact:

Jeremy Morrow (Doctoral Candidate): Jeremy.morrow@aut.ac.nz
(09) 921 9999 extn 7914

Or my Supervisor:

Associate Professor Dr Simon Mowatt: simon.mowatt@aut.ac.nz,
(09) 921 9999 extn 5424

Approved by the Auckland University of Technology Ethics Committee on [date], 2016 AUTEK Reference number [number/number]

E.3: Email Contact Exemplars

Initial Contact Email for Senior Management

Dear [XX],

I am writing to introduce myself as a PhD researcher from Auckland University of Technology (AUT). For the past few years I have been researching the process of strategy implementation, with particular reference to environmental policies, routines and actions.

I have contacted you to specifically invite you to participate in my study as in your capacity as a manager within [name of business] you have a responsibility to develop and implement your business' environmental strategies, through the establishment of environmental policies, practices, routines and actions. In addition to this, I would like to ask for your permission to use [Name of business] as a case organisation for my research. [Name of business] has been chosen as a case organisation for this research as it has been identified as a business that actively promotes their environmental policies and actions.

Attached is an information sheet about my research. If you are interested I would like to interview you as part of my PhD research study, to get your insights into the environmental strategy process at [name of business].

Kind regards,
Jeremy

Email for Other Potential Interview Participants – Middle Management

Dear [XX],

I am writing to introduce myself as a PhD researcher from Auckland University of Technology (AUT). For the past few years I have been researching the process of strategy implementation, with particular reference to environmental policies, routines and actions.

I have contacted you to specifically invite you to participate in my study as in your capacity as a manager within [name of business] you have a responsibility to implement your business' environmental strategies, through the establishment of environmental policies, practices, routines and actions. I am interested in your opinion and perception of your organisation's environmental strategy as often in strategic management research the view of middle management, such as you, are absent.

[Name of business] has been chosen as a case organisation for this research as it has been identified as a business that actively promotes their environmental policies and actions.

Attached is an information sheet about my research. If you are interested, I would like to interview you as part of my PhD research study, to get your insights into the environmental strategy process at [name of business].

Kind regards,
Jeremy

Email for Other Potential Interview Participants - Front-Line Employees

Dear [XX],

I am writing to introduce myself as a PhD researcher from Auckland University of Technology (AUT). For the past few years I have been researching the process of strategy implementation, with particular reference to environmental policies, routines and actions.

I have contacted you to invite to you participate in my study because in your capacity as a customer services representative within [name of business] you have a responsibility to implement your business' environmental strategies, through environmental policies, practices, routines and actions. I am interested in your opinion and perception of your organisation's environmental strategy as often in strategic management research the view of front-line employees, such as you, are absent.

[Name of business] has been chosen as a case organisation for this research as it has been identified as a business that actively promotes their environmental policies and actions. In addition to this, your [division department branch – select which one] has been selected as a team that has embraced the environmental strategies of [name of business] and are actively involved in the implementation of these environmental routines and consistently performing environmental actions.

Attached is an information sheet about my research. If you are interested, I would like to interview you as part of my PhD research study, to get your insights into the environmental strategy process at [name of business].

Kind regards,
Jeremy

E.4: Information Sheets for Management and Front-Line Employees

There are two variations of this information sheet: for Management and for Front-Line Employees. The variation occurs at the question: How was I identified and why am I being invited to participate in this research?



Participant Information Sheet for Management

An Invitation:
Hello, my name is Jeremy Morrow, I am a Doctoral Candidate at AUT and I would like to invite you to contribute to my doctoral study on authentic strategies:

The Implementation of Authentic Strategy in Service Organisations: the case of environmental strategies

What is the purpose of this research?
This research is in the field of strategic management, which is concerned with the creation of competitive advantage and the achievement of organisational goals. This study will focus on the strategy implementation process to understand how environmental strategies are implemented in firms

This research will form the basis of my thesis for the completion of a Doctorate of Philosophy. In addition the findings may also be used as the basis for publications in academic and trade journals as well as presentations at conferences.

How was I identified and why am I being invited to participate in this research?
[Name of business] has been chosen as a case organisation for this research as it has been identified as a business that actively promotes their environmental policies and actions on their website and in the media. You have received this invitation based on a selection from a pool of contact details at [name of business].

You have been invited to participate as you have a responsibility to implement your business' environmental strategies, through the establishment of environmental policies, practices, routines and actions. This research is interested in the implementation process, as well as your perceptions of the environmental strategies. However, if you are a recent appointee in your position, i.e. you have been in your management position for less than six months, you may be excluded from this study. If this is the case, please advise the researcher of this potential exclusion so that another potential interview candidate may be approached if necessary.

How do I agree to participate in this research?
If you would be willing to be interviewed for this study please contact me (Jeremy Morrow, contact details below). Your participation in this research is voluntary and whether or not you choose to participate will neither advantage nor disadvantage you. You are able to withdraw from the study at any time. If you choose to withdraw from the study, then you will be offered the choice of having any data contributed by you removed from the study. However, once the findings have been produced, removal of your data may not be possible. A written consent form will be provided at the interview to record your agreement to be part of this research project. If you would like a copy of this consent form prior to the interview, please contact me

What will happen in this research?
With your consent, you will be interviewed about implementing environmental strategies, policies, practices, routines and actions at your organisation. The information gathered at this interview will be collated with other interview information from your business, and compared and contrasted with other case organisations and the academic literature. Interviews will be conducted with both managers and front-line employees of each case organisation to elicit a range of perspectives and perceptions on the business' environmental strategies.

What are the discomforts and risks?
It is envisioned that you will not be put at risk during this research project, and with an expectation that you will experience a minimum level of embarrassment or discomfort. Whether you chose to participate, or withdraw, will not be disclosed to your employer and safeguards have been put in place to ensure that whether you wish to participate or not you will not be disadvantaged.

How will these discomforts and risks be alleviated?
The data will be collected in an interview where you will have the right to stop the interview and/or choose not to answer specific questions, as well as the ability to withdraw from the research at any time. Participants will be given pseudonyms in the write up of this study. In addition to this the businesses will be only identified by a name that gives the type of service the business provides. Other third parties, including managers, will not be informed of the specific information divulged by you during the interview, including whether you have withdrawn from the study or refuse to answer specific questions.

What are the benefits?

This research will add to management practice by adding to knowledge about strategy implementation. The findings of this research will be fed-back to the organisations involved as well as other organisations including Government and NGOs, and other interested communities, to communicate examples of practice, policy and actions that other managers and employees are using to implement authentic strategies; in particular environmental strategies.

This research will add to academic knowledge by developing a better understanding of how capabilities are developed for competitive advantage from routines, and in doing so, expand the understanding of how the natural environment and employee individual values and beliefs are incorporated into business strategy. This research will also add to academic knowledge by further developing the concept of authentic strategy.

This research will also enable the completion of a Doctorate of Philosophy qualification. The findings may also be used as the basis for publications in academic and trade journals, as well as presentations at relevant conferences.

How will my privacy be protected?

To protect your privacy and confidentiality a pseudonym will be assigned to each participant; only the researcher will know all identifying details. In addition to this, the organisation or other third parties will not be given a list of the participant's names or what was discussed during the interview. However, this confidentiality is limited as there is a possibility that participants may be identified through their responses to questions in the final reports. To address this, applicants have the right to withhold information or to withdraw from the study at any time, as well as having the ability to review the transcripts of their interviews to make comments or clarifications.

What are the costs of participating in this research?

There are no direct financial costs associated with participating in this research. The primary cost is that of time. The interviews are expected to last from 30-60 minutes. They will be held in a private location, either on site or in a nearby location (e.g. at AUT, rented office space or café).

What opportunity do I have to consider this invitation?

You will have up to two weeks from [this email] [date of the advertisement being posted] [delete one]. You will be contacted after this time to ascertain whether or not you wish to participate in the project, and to make an arrangement for an interview.

Will I receive feedback on the results of this research?

A summary of the research findings will be available on request. The completed research thesis will be available via the AUT library. However, specific or individual responses to interviews or site-specific data will not be available to protect the privacy of participants.

What do I do if I have concerns about this research?

Any concerns regarding the nature of this project should be notified in the first instance to the primary Project Supervisor, Dr Simon Mowatt, Associate Professor of International Business, Auckland University of Technology (09) 921 9999 ext. 5424, (021) 631 009, simon.mowatt@aut.ac.nz

Concerns regarding the conduct of the research should be notified to the Executive Secretary of AUTEK, Kate O'Connor, ethics@aut.ac.nz, 921 9999 ext 6038.

Whom do I contact for further information about this research?

Please keep this Information Sheet and a copy of the Consent Form for your future reference. You are also able to contact the research team as follows:

Researcher Contact Details:

Jeremy Morrow, Doctoral Candidate, Faculty of Business, Economics and Law, Auckland University of Technology (09) 921 9999 ext. 7914, jeremy.morrow@aut.ac.nz

Project Supervisors Contact Details:

Dr Simon Mowatt, Associate Professor of International Business, Faculty of Business, Economics and Law, Auckland University of Technology (09) 921 9999 ext. 5424, (021) 631 009, simon.mowatt@aut.ac.nz

Dr Helen Tregidga, School of Management, Royal Holloway University of London, Helen.Tregidga@rhul.ac.uk

Date Information Sheet Produced: 4th August 2016

**Approved by the Auckland University of Technology Ethics Committee on 4th August 2016,
AUTEK Reference number 16/292**

Participant Information Sheet for Front-Line Employees

An Invitation:

Hello, my name is Jeremy Morrow, I am a Doctoral Candidate at AUT and I would like to invite you to contribute to my doctoral study on authentic strategies:

The Implementation of Authentic Strategy in Service Organisations: the case of environmental strategies

What is the purpose of this research?

This research is in the field of strategic management, which is concerned with the creation of competitive advantage and the achievement of organisational goals. This study will focus on the strategy implementation process to understand how environmental strategies are implemented in firms

This research will form the basis of my thesis for the completion of a Doctorate of Philosophy. In addition the findings may also be used as the basis for publications in academic and trade journals as well as presentations at conferences.

How was I identified and why am I being invited to participate in this research?

[Name of business] has been chosen as a case organisation for this research as it has been identified as a business that actively promotes their environmental policies and actions on their website and in the media. You have received this invitation based on a selection from a pool of contact details at [name of business].

You have been invited to participate because as a front-line staff member you are considered ambassadors of the business' environmental policies when dealing with customers, however, yours is the voice that is often left out of strategic management research. This research is interested in the environmental strategy implementation process, as well as your perceptions of the environmental strategies. However, if you are a recent appointee in your position, i.e. you have been in your job for less than six months or have not been through any company induction process, you may be excluded from this study. If this is the case please contact the researcher to determine your suitability for this research.

How do I agree to participate in this research?

If you would be willing to be interviewed for this study please contact me (Jeremy Morrow, contact details below). Your participation in this research is voluntary and whether or not you choose to participate will neither advantage nor disadvantage you. You are able to withdraw from the study at any time. If you choose to withdraw from the study, then you will be offered the choice of having any data contributed by you removed from the study. However, once the findings have been produced, removal of your data may not be possible. A written consent form will be provided at the interview to record your agreement to be part of this research project. If you would like a copy of this consent form prior to the interview, please contact me

What will happen in this research?

With your consent, you will be interviewed about implementing environmental strategies, policies, practices, routines and actions at your organisation. The information gathered at this interview will be collated with other interview information from your business, and compared and contrasted with other case organisations and the academic literature. Interviews will be conducted with both managers and front-line employees of each case organisation to elicit a range of perspectives and perceptions on the business' environmental strategies.

What are the discomforts and risks?

It is envisioned that you will not be put at risk during this research project, and with an expectation that you will experience a minimum level of embarrassment or discomfort. Whether you chose to participate, or withdraw, will not be disclosed to your employer and safeguards have been put in place to ensure that whether you wish to participate or not you will not be disadvantaged.

How will these discomforts and risks be alleviated?

The data will be collected in an interview where you will have the right to stop the interview and/or choose not to answer specific questions, as well as the ability to withdraw from the research at any time. Participants will be given pseudonyms in the write up of this study. In addition to this the businesses will be only identified by a name that gives the type of service the business provides. Other third parties, including managers, will not be informed of the specific information divulged by you during the interview, including whether you have withdrawn from the study or refuse to answer specific questions.

What are the benefits?

This research will add to management practice by adding to knowledge about strategy implementation. The findings of this research will be fed-back to the organisations involved as well as other organisations including Government and NGOs, and other interested communities, to communicate examples of practice, policy and actions that other managers and employees are using to implement authentic strategies; in particular environmental strategies.

This research will add to academic knowledge by developing a better understanding of how capabilities are developed for competitive advantage from routines, and in doing so, expand the understanding of how the natural environment and employee individual values and beliefs are incorporated into business strategy. This research will also add to academic knowledge by further developing the concept of authentic strategy.

This research will also enable the completion of a Doctorate of Philosophy qualification. The findings may also be used as the basis for publications in academic and trade journals, as well as presentations at relevant conferences.

How will my privacy be protected?

To protect your privacy and confidentiality a pseudonym will be assigned to each participant; only the researcher will know all identifying details. In addition to this, the organisation or other third parties will not be given a list of the participant's names or what was discussed during the interview. However, this confidentiality is limited as there is a possibility that participants may be identified through their responses to questions in the final reports. To address this, applicants have the right to withhold information or to withdraw from the study at any time, as well as having the ability to review the transcripts of their interviews to make comments or clarifications.

What are the costs of participating in this research?

There are no direct financial costs associated with participating in this research. The primary cost is that of time. The interviews are expected to last from 30-60 minutes. They will be held in a private location, either on site or in a nearby location (e.g. at AUT, rented office space or café).

What opportunity do I have to consider this invitation?

You will have up to two weeks from [this email] [date of the advertisement being posted] [delete one]. You will be contacted after this time to ascertain whether or not you wish to participate in the project, and to make an arrangement for an interview.

Will I receive feedback on the results of this research?

A summary of the research findings will be available on request. The completed research thesis will be available via the AUT library. However, specific or individual responses to interviews or site-specific data will not be available to protect the privacy of participants.

What do I do if I have concerns about this research?

Any concerns regarding the nature of this project should be notified in the first instance to the primary Project Supervisor, Dr Simon Mowatt, Associate Professor of International Business, Auckland University of Technology (09) 921 9999 ext. 5424, (021) 631 009, simon.mowatt@aut.ac.nz

Concerns regarding the conduct of the research should be notified to the Executive Secretary of AUTEK, Kate O'Connor, ethics@aut.ac.nz, 921 9999 ext 6038.

Whom do I contact for further information about this research?

Please keep this Information Sheet and a copy of the Consent Form for your future reference. You are also able to contact the research team as follows:

Researcher Contact Details:

Jeremy Morrow, Doctoral Candidate, Faculty of Business, Economics and Law, Auckland University of Technology (09) 921 9999 ext. 7914, jeremy.morrow@aut.ac.nz

Project Supervisors Contact Details:

Dr Simon Mowatt, Associate Professor of International Business, Faculty of Business, Economics and Law, Auckland University of Technology (09) 921 9999 ext. 5424, (021) 631 009, simon.mowatt@aut.ac.nz

Dr Helen Tregidga, School of Management, Royal Holloway University of London, Helen.Tregidga@rhul.ac.uk

Date Information Sheet Produced: 4th August 2016

**Approved by the Auckland University of Technology Ethics Committee on 4th August 2016,
AUTEK Reference number 16/292**

Appendix F: Transcriber Confidentially Form


The semi-structured interviews were recorded, audio only, and transcribed by the researcher and a third party AUT approved transcriber.

This is a scan of the signed transcriber confidentiality form.

Confidentiality Agreement		AUT TE WĪNANGA ARONUI O TĀMAKI MAKAU RAU
Project title:	<i>Implementing Authentic Strategies in Service Organisations: The case of environmental strategies</i>	
Project Supervisors:	<i>Associate Professor Simon Mowatt and Associate Professor Helen Tregidga</i>	
Researcher:	<i>Jeremy Morrow</i>	
<input checked="" type="checkbox"/> I understand that all the material I will be asked to transcribe is confidential.		
<input checked="" type="checkbox"/> I understand that the contents of the tapes or recordings can only be discussed with the researchers.		
<input checked="" type="checkbox"/> I will not keep any copies of the transcripts nor allow third parties access to them.		
Transcriber's signature:	<i>Tracy Menden</i>	
Transcriber's name:	<i>Tracy Menden</i>	
Transcriber's Contact Details (if appropriate):		
Contact details redacted		
Date: <i>16 June 2017</i>		
Project Supervisor's Contact Details (if appropriate):		
...Associate Professor Simon Mowatt.....		
...simon.mowatt@aut.ac.nz		
...(09) 9210 9999 ext 5424 (AUT).....		
Approved by the Auckland University of Technology Ethics Committee on 4th August, 2016, AUTEK Reference number 16/292		
Note: The Transcriber should retain a copy of this form.		

Appendix G: Participant Consent Form Exemplar

Consent was obtained from each participant prior to the commencement of the interviews, including the ability to audio record the interviews, and was recorded on a consent form with the participant's signature.

	
Consent Form	
Project title:	Implementing Authentic Strategies in Service Organisations: The case of environmental strategies
Project Supervisors:	Associate Professor Simon Mowatt and Dr Helen Tregidga
Researcher:	Jeremy Morrow
<p><input type="radio"/> I have read and understood the information provided about this research project in the Information Sheet dated dd mmmm yyyy.</p> <p><input type="radio"/> I have had an opportunity to ask questions and to have them answered.</p> <p><input type="radio"/> I understand that notes will be taken during the interviews and that they will also be audio-taped and transcribed.</p> <p><input type="radio"/> I understand that taking part in this study is voluntary (my choice) and that I may withdraw from the study at any time without being disadvantaged in any way.</p> <p><input type="radio"/> I understand that if I withdraw from the study then I will be offered the choice between having any data that is identifiable as belonging to me removed or allowing it to continue to be used. However, once the findings have been produced, removal of my data may not be possible.</p> <p><input type="radio"/> I agree to take part in this research.</p> <p><input type="radio"/> I wish to receive a summary of the research findings (please tick one): Yes <input type="radio"/> No <input type="radio"/></p>	
Participant's signature:
Participant's name:
Participant's Contact Details (if appropriate):
Date:
Approved by the Auckland University of Technology Ethics Committee on type the date on which the final approval was granted AUTECH Reference number type the AUTECH reference number	
<i>Note: The Participant should retain a copy of this form.</i>	

Appendix H: Thematic Maps

Thematic analysis was used to analyse the information gathered at the interviews. The six-phase thematic analysis technique of Braun and Clarke (2006) was followed. What is presented here is the thematic maps created during this process.

The first round was the initial analysis of the interview transcripts. In this round the identified themes were grouped into proposed parent themes.

Themes - First Round		
Parent Theme	Theme	Next Level
Authentic	Authentic routines or actions	
Competitive Advantage	Community Expectations	
		Gen Y
	Comp Adv Probably NOT	
	Comp Adv YES	
	Marketing	
Individual Values	Routines Home	
	Routines to Home	
Monitor and Control	Examples	
	External M&C	
	Incentives	
	Individual Performamnce Reviews	
	M & C Feedback	
	M & C Informaiton and reporting	
	Reason for NOT	
	Specific KPI	
	Team Challenges	
Org Core Values	Org Core Values Info	
	Principles	
	Slogans	
Routines Work	Non-Routine Activities	
	Routine Work info	
		induction
		on job training
		meetings
		reviews - KPI
		appraisals
	Routine Development	
	Work Routine Examples	
Strategy Process	Barriers	
	Bottom-Up Ideas	
	Feedback	
	Forecasting ideas	
	Green Champions	
		Senior Mgt
		Middle Mgt
		Front-line
	Implementing - How?	
	Senior Management	

In the second round the themes were revised, and hierarchies were developed.

Themes - Secoed Round			
Research Question Area	Theme	Sub-theme	Next level themes
Strategy Process	Process Map		
	Senior Management		
		Development of Strategy	
		Top-Down Implementation	
		Roadshow	
	Middel Management		
		To Front-Line	
	Green Champions		
		Senior mgt	
		Middle mgt	
		Front-line	
	Feedback		
		Formal	
			KPIs
			SPITs
		Informal	
			Social media
		Trial & Review	
Routines			
	Routines (Site Specific)		
	Fixed Routines		
		Strategic Vision	
		Org Values	
			Slogans
			Principles
		Personal Values	
	Bottom-Up Routines		
Monitoring and Control			
	Trial		
		Feedback	
	KPIs		
	Roadshow		
Capabilities			
	Capabilities Development		
		Feedback	
			Feedback to Snr Mgt
			Communication to other sites
	Site Specific Routines		
Competitive Advantgae			
	Green Differentiation		
	Green No-Differentiation		
	Marketing Green		
	Community Expectations		
		Green	
		Millennials	
		Older Generations	
	Employment		
		Attract employees	
		Recruit/select Employees	
Authentic Strategy			
	Org Vlaues		
		Slogans	
		Principles	
	Personal Values		
		Home to Work	
		Work to Home	

In the third round, the themes were re-ordered and sorted to align with the supplementary research questions. This round was used to guide the initial write-up of the findings and analysis of the research (Chapter 4).

Themes - Third Round			
Research Question	Theme	Sub-theme	Next level themes
SQ 1: How are green differentiation strategies implemented?			
	Strategy Process Maps		
		Case A	
		Case B	
		Case C	
	Elements of Process		
		Senior Management Committee	
		SPITs	
		Trials	
SQ 1.1: What green routines/actions do organisational members perform as part of the service process?			
	Work Routines Examples		
		Non-Routines Activities	
	Routines - Barriers		
	Green Strategy		
SQ 1.2: How do front-line employees know what routines to perform? (or what not to perform?)			
	Induction & Training		
		Routine Specific	
		Core Org Values	
	On Job		
		Training	
		Monitoring	
		Correction	
		Feedback	
	New and Changes		
		Informaiton	
		Forecasting	
		Physical Objects	
		Monitoring and Feedback	
			Easy?
			Further changes
	Reports and Meetings		
		Head Office & Middle Managers	
			KPIs
			Reports
			Trends & Issues
		Site Specific	
			KPIs and reports
			Disucssions
			Questions
SQ 1.3: Who are the drivers of the green differentiation strategies/routines?			
	Direction from the top		
		CEO/Owners	
		Senior Management Team	
	Green Champions		
		Middle Management	
		Front-line	
	Formal		
		KPIs	
		Incentives	
		Awards	
		Appraisals	
		External Drivers	
			Accreditation & Affiliation
			Team Challenges
SQ 1.4: What guides choice for flexible routines?			
	Site Specific		
		Small Changes	
		Open discussion and feedback	
	Big Ideas		
		Feedback to Senior Mgt	
	Core Org Values Guiding Principles		
	Barriers		

Themes - Third Round			
	Core Organisation Values		
		Slogans	
		Principles	
		Know where to find Information	
			Internal, Facebook (electronic)
			External Website
			Information booklets
	Localised Site Meetings		
		KPIs and Reports	
		"I'd like to know why?"	
		Follow up	
	Bottom-Up		
		Sharing to other sites	
			Site specific changes/ideas
			Internal, Facebook, newsletters
			Stories & Experiences
			Success - Awards
		Big Ideas	
			Feedback to Senior Mgt Team
			Feedback to Green Manager
			Feedback to Suggester
		Roadshow	
			Senior Management Observation
	Signage		
SQ 1.6: How are the routines developed into strategic capabilities?			
	Green Senior Manager's Job		
	Formal		
		New Ideas (Big)	
		Direct to Green Mgr	
	Semiformal		
		Sharing to other sites	
			Internal, Facebook
		Roadshow	
			Senior Management Observation
SQ 2: In what way are green differentiation strategies perceived as being a source of competitive advantage?			
	Competitors		
		Cost Advantage	
	Community Expectations		
		Mainstream	
		Gen Y	
		Older Generations	
	Information sharing		
		Site Specific	
		Internal (Marketing)	
		External (Marketing)	
			Should do more
			Risk
	Employees		
		Attract	
		Retain	
		Specific hire (value congruence)	
SQ 3: What makes a strategy authentic to internal stakeholders?			
	Link of Core Organisation Values		
		Ability to question strategy & routines	
	Link to Individual Values		
		Home to Work	
			Routines
			Values
		Work to Home	
			Values
			Routines
			Information

The fourth round was the final round of arranging the themes. This was the themes used in the final write-up of the findings and analysis (Chapter 4).

Themes - Fourth Round (Write-Up)			
Research Question	Theme	Sub-theme	Next level themes
SQ 1: How are green differentiation strategies implemented?			
	Strategy Process Maps		
		Case A	
		Case B	
		Case C	
	Elements of Process		
		Senior Management Committee	
		SPITs	
		Trials	
SQ 1.1: What green routines/actions do organisational members perform as part of the service process?			
	Work Routines Examples		
		Site-Specific Routines	
		Non-Routines Activities	
	Routines - Barriers		
SQ 1.2: How do front-line employees know what routines to perform? (or what not to perform?)			
	Induction & Training		
		Routine Specific	
		Core Org Values	
	On Job		
		Training	
		Monitoring & Correction	
	Changes and New Routines		
		Informaiton & Forecasting	
		Monitoring and Feedback	
SQ 1.3: Who are the drivers of the green differentiation strategies/routines?			
	Direction from the top		
		CEO/Owners	
		Senior Management Team	
	Green Champions		
		Middle Management	
		Front-line	
	Internal Drivers		
		KPIs	
		Incentives	
		Awards	
		Appraisals	
	External Drivers		
		Accreditation & Affiliation	
		Team Challenges	
SQ 1.4: What guides choice for flexible routines?			
	Site Specific		
		Small Changes	
		Open discussion and feedback	
		Core Org Values Guiding Principles	
		Barriers	
SQ 1.5: How is the information about routines and strategies transmitted?			
	Core Organsiation Values		
		Slogans	
		Principles	
		Know where to find Information	
			Internal, Facebook (electronic)
			External Website
			Informaion booklets
			Signage
	Localised Site Meetings		
		KPIs and Reports	
		"I'd like to know why?"	
		Follow up	
	Between Sites & Bottom-Up		
		Sharing to other sites	
			Site specific changes/ideas
			Internal, Facebook, newsletters
			Stories & Experinces
			Success - Awards
		Big Ideas	
			Feedback to Senior Mgt Team
			Feedback to Green Manager
			Feedback to Suggester
		Roadshow	
			Senior Management Observation

Themes - Fourth Round (Write-Up)			
	Capability Development Process		
	Case Examples of Potential Capability Development		
		Case A	
		Case B	
		Case C	
	Not Capabilities		
SQ2: In what way are green differentiation strategies perceived as being a source of competitive advantage?			
	Competitors		
		Cost Advantage	
	Community Expectations		
		Mainstream	
		Gen Y	
		Older Generations	
	Information sharing		
		Site Specific	
		Internal (Marketing)	
		External (Marketing)	
			Should do more
			Risk
	Employees		
		Attract	
		Retain	
		Specific hire (value congruence)	
SQ3: What makes a strategy authentic to internal stakeholders?			
	Linking Green Strategies to Core Organisation Green Values		
	Link to Individual Values		
		Home to Work	
			Routines
			Values
		Work to Home	
			Values
			Routines
			Informaiton

Appendix I: Physical Audit Trail

The following Table H.1 outlines the steps taken in this research project.

Table H.1: Physical Audit Trail		
Step in Process	Purpose of Step	Resources/Elements in Step
1. Preliminary Research	To explore potential gaps in the literature to ascertain the scope and feasibility of this research project as a PhD study.	<ul style="list-style-type: none"> • PGR2 Admission to Doctoral Programme: approved 19th February 2014
2. Literature review	To understand the current research and to identify the gaps in the literature (See Chapter 2: Literature Review)	<ul style="list-style-type: none"> • Academic Journals • Other academic publications
3. Develop research questions	Once the gaps in the literature were identified, the research question and supplementary questions were created to address these gaps. (See Chapter 2: Literature Review, 2.7.1. Exposing the gap and developing the research question)	<ul style="list-style-type: none"> • Academic Journals • Other academic publications
4. Methodology development and selection	<p>To identify the methodology to use to address the gaps identified in step 2. This included an analysis of <i>SMJ</i>, to examine the use of qualitative research in a leading strategic management journal.</p> <p>Selected:</p> <ul style="list-style-type: none"> • Qualitative research • Multiple case study, cross-industry, in the service sector • Multi-level interviews within each case • Semi-structured interviews (See chapter 3: Methodology) 	<ul style="list-style-type: none"> • Academic Journals • Other academic publications • Strategic Management Journal
5. Submission of the research proposal, including	The formal presentation of the research proposal to other academics, to gather feedback, and refine the proposal for submission to AUT.	<ul style="list-style-type: none"> • PGR9 Presentation: 24th April 2015 • PGR9 Research Proposal: approved 25th October 2015

presentation (PGR9)	Alterations made to the literature review and methodology chapters to incorporate feedback.	
6. Development of semi-structured interview questions and resources	A semi-structured interview resource was created to guide the interviews based on the academic literature. (see Appendix C)	<ul style="list-style-type: none"> • Academic Journals • Other academic publications
7. Document analysis to identify potential exemplar cases	<p>Document analysis was used to gather background information sources to develop a rich insight into the potential cases in order to guide exemplar case selection.</p> <p>The authentic strategy case criteria (Table 3.1) were used to conduct document analysis of publicly available information to identify potential case organisations.</p>	<ul style="list-style-type: none"> • Academic Journals • Other academic publications • Websites: <ul style="list-style-type: none"> ○ SBC & SBN ○ Organisation's websites ○ New Zealand Herald, Stuff.co.nz ○ Google.co.nz
8. AUTECH Ethics Application	<p>Application to Auckland University of Technology Ethics Committee (AUTECH) to gain permission to recruit cases and interview participants, and to conduct interviews.</p> <p>This process also further refined the literature review and methodology chapters.</p>	<ul style="list-style-type: none"> • EA1 Ethics Application: approved 9th August 2016, with minor changes. • AUTECH Reference number 16/292
9. Case selection and recruitment of case organisations	<p>The potential exemplar cases were categories and ranked. The recruitment process began with approaching the top-ranked organisations in each category. Where recruitment was not successful, the next ranked business was approached.</p> <p>Nine organisations were approached, six organisations declined or did not respond to the invitation, with interviews occurring at three case organisations.</p>	<ul style="list-style-type: none"> • Contact information for potential case organisations. • Attendance of SBN conference and Environmental Panel Discussion • Correspondence Log • Invitation to participate in research • Information sheets for managers and front-line staff

	(Chapter 3: Methodology, 3.2 Case Selection and Participant Sampling, 3.4.1 Participant Recruitment. Appendix B: Document Analysis Results)	<ul style="list-style-type: none"> Advertising material (Appendix D: Recruitment Information)
10. Recruitment of interview participants at each case	The recruitment of middle managers (site managers) and front-line customer-facing employees.	<ul style="list-style-type: none"> Invitation to participate in research Information sheets for managers and front-line staff Advertising material (Appendix D: Recruitment Information) Correspondence Log
11. Interviews with participants	<p>In-depth semi-structured interviews were conducted with participants: senior manager, middle managers and front-line employees at each case organisation.</p> <p>Research field notes were written at the end of each interview, as well as at the conclusion of the interviews at each organisational site. These noted any insights, issues, or suggestions for future interviews, as well as for reference during the analysis of the information.</p>	<ul style="list-style-type: none"> Consent form (Appendix D: Recruitment Information) Semi-structured interview resource (Appendix C) Audio recording of interviews
12. Transcription of interview audio recordings	<p>An AUT approved third-party contractor was employed to transcribe the interviews.</p> <p>The transcriptions were checked for accuracy by reading these whilst listening to the interview recordings. Corrections were made where necessary, including where the transcriber could not understand the audio recording.</p>	<ul style="list-style-type: none"> Transcriber Confidentially Form (Appendix E) Audio recording of interviews

13. Thematic analysis of findings	<p>The six phases of thematic analysis suggested by Braun and Clarke (2006) were followed:</p> <ol style="list-style-type: none"> 1. Familiarizing yourself with your data 2. Generating initial codes 3. Searching for themes 4. Reviewing themes 5. Defining and naming themes 6. Producing the report <p>(see 3.5 Data Analysis)</p>	<ul style="list-style-type: none"> • Transcribed interview audio recordings • Research field notes • Meeting notes from supervision meetings • Document analysis results and information • NVivo software
14. Write up of research findings, discussion and conclusions	<p>The findings of the thematic analysis were written up. (Chapter 4: Findings)</p> <p>The findings and analysis of the study were compared and contracted to the literature to answer the research question and supplementary research questions. (Chapter 5: Discussion)</p> <p>Contributions to theory and managerial practice were identified. Conclusions made from the study. (Chapter 6: Conclusions and Implications)</p>	<ul style="list-style-type: none"> • Findings of thematic analysis of interviews and case analysis • Literature review • Research questions
15. Submission of thesis	The thesis was prepared for submission, including editing and proof-reading.	

In addition, meetings were held with my supervisors, via email and face-to-face, to discuss drafts of the chapters, and application forms, as well as to discuss progress of the study. Meeting notes were kept and sent to my supervisors. Regular progress reports (PGR8) were filed with AUT University Postgraduate Board, which involved an open and honest discussion of progress with my supervisors as to the progress of this study.

Appendix J: Intellectual Audit

Inspiration

The inspiration for this research has its origins in my MBus dissertation: Translating the 100% Pure Marketing Campaign into an Authentic Sustainability Management Strategy: Practices, Policies and Perceptions of New Zealand Tourist Visitor Information Centres (i-SITEs). It was during this research that potential areas for a larger study in strategic management became apparent. Firstly, there is a lack of understanding of the process of strategy implementation from the senior management to the front-line employees: how green strategy becomes front-line green routines. The focus on green strategies links to a personal interest in the natural environment and a curiosity to understand how businesses implement green strategies. Secondly, the concept of authentic strategy is underdeveloped: there is a limited understanding of how green values are accessed during strategy implementing processes.

Research Proposals

PGR2: Admission to a Doctoral Programme

Approved 20th February 2014

The PGR2 was submitted after an initial investigation into the academic literature. The focus was on the main concepts of authentic strategy implementation. The initial research question was: How is sustainability embedded into an organisation through the implementation of authentic sustainability strategies: policy, procedures and actions?

This also outlined the proposed methodology: a multiple case study of a number of service organisations, using semi-structured interviews with branch managers and front-line employees. This included content analysis of the organisations: financial reports, web-based media, and other publicly available information. Addition, a direct observation of the buildings to guide and validate the data collected was suggested.

PGR9: Confirmation of Candidature Research Proposal

Presentation 24th April 2015

PGR9 Approved (Confirmation of Candidature to PhD program): 28th October 2015

The next step in the process was to begin an in-depth literature review into the concepts outlined in the PGR2. The PGR9 process is in two parts: the PGR9 presentation, and the application of the PGR9 form to the Faculty and University Postgraduate Board.

This presentation was an opportunity to present the research proposal to a group of academic staff and other postgraduate students, and to gather feedback. Participants were encouraged to ask questions during and at the end of the presentation. This feedback was then considered in the process of preparing the written application (PGR9).

Key information from this presentation led to the following amendments:

- The research parameters were narrowed

- RBT was clarified as the strategic framework for the study, but additional frameworks of SAP, DC and applied studies were added to the literature search and review to identify commonalities and differences that could inform this study.
- A decision was made to focus the research on environmental sustainability: “Green”
- The focus of the examinations moved to green routines and capabilities as a way to understand the green differentiation strategy implementation processes.
- The concept of micro, meso, and macro level of strategy were clarified. The focus moved away from a bottom-up perspective and developed into examining the strategy implementation process involving the whole organisation: senior management, middle management as well as the front-line customer-facing employees.

In addition, the methodology was clarified:

- The document analysis will be based on criteria used to select potential exemplar business organisations.
- Semi-structured interviews will still be the main source of information, but will now be conducted with senior management, middle management, and front-line customer services staff.
- The physical building observation will take place during the interviews.

The PGR9 was submitted to the Faculty PhD committee for their 19th August 2015 meeting. The committee asked for a specified sample of potential case organisations, which was provided based on an analysis of SBN and SBC membership web pages.

Drafting of Literature Review and Methodology Chapters

The next step in this process was to further develop the literature review, in order to narrow the research and to clarify gaps in the literature that was being examined. This process took a lot longer than initially thought, a number of changes were made during this process to the order of the literature.

What changed was to better integrate the major concepts: the strategy implementation process, green differentiation strategy, and authentic strategy. This was in no way a linear process. In some of the drafts it became apparent that the literature on green strategies had been reduced too much. Also, a major change was the focus on capabilities and routines as a way to explore the implementation process. A more succinct and cohesive chapter was developed.

The research question and supplementary questions were refined. In addition to this a conceptual model was developed (See Diagram 2.9):

The changes to the methodology chapter was more complex in some respects. As part of the process of writing the methodology chapter, the document analysis for the identification for potential exemplar cases was conducted. Details of the document analysis and methodology are outlined in the physical audit (Appendix H: Physical Audit Trail).

The use of multiple-case studies was clarified, Eisenhardt was selected as the guide for this method. Semi-structured interviews became the main source of information gathering:

interview guides were created (Appendix C). The physical observations of the building were dropped as a technique; it was felt that this wouldn't add any additional information.

EA1: Application for Ethics Approval by AUTC

Ethics approval granted 9th August 2016 (reference 16/292)

As part of the process of drafting the literature review and methodology chapters, the ethics application was lodged (EA1). The EA1 was very useful in the development of the methodology chapter. The EA1 asks for specific information about the research process particularly the interview process: participant recruitment, ethical treatment of the participants, preparation of documentation including information for potential participants. The information provided in the EA1 was then incorporated into the methodology chapter drafts.

The Interviews

This section outlines thoughts from each of the case organisations. (Based on research notes from individual site visits and interviews)

Case A: Sports and Rec

- Embedding the values: 5 core values, easy two-word slogans: “Be Green”
- Principles are easy to understand and to compare to routines/strategy for feedback
- Induction process (booklet), ongoing communications linking to the core value, ongoing training and development, posters in staff areas
- Green information in public areas of facilities.
- Flexibility of routines: Can staff do/suggest a better way. This relates to having a good understanding of the principles of the core values (green). Allowing staff and centre management to make small changes creates a better green ‘culture’.
- Top management support is essential. The personal green drive of the CEO allows for green strategies/routines to be considered, particularly if there is a substantial associated cost. The focus is on the green impact of the decision.
- Creating leaders at all levels of the organisation
- Effects on Individual behaviour at home. This was a surprise. The case organisation aims to increase the green effect by giving staff information and encouraging them to perform green routines at home. (for example, reducing the overall Carbon Footprint)

Case B: Energy

- Core values: 5 core values, “sustainability”. However, staff were not able to articulate all five core values, they understood the principles and could explain these. These were on display in the old building, not in staff areas of the new building.
- Staff encouraged to bring personal enthusiasm and knowledge to the case business. They are encouraged to use their personal knowledge and experiences in their green routines.
- Flexibility to make changes. Seems to be encouraged at the site level, particularly if low cost and/or easy to implement new routine. Eg Post-It Notes and A4 whiteboards, taking coffee cups to the local café (With other business following this idea, café is more than happy to do this!). These have been communicated to other sites and HO.

- Creating green leaders within the company. Everyone is comfortable and confident to correct other's behaviour. Links back to embedding the core values
- Strategy implementation process outlined in detail.

Case C: Retail

- Core values: community and environment. Established at the inception of the organisation. Staff unable to articulate the actual core values, but knew where to find the information on these, and were able to explain the principles and goals behind them. Again, gives them the confidence and information to question/critique strategies, policies and routines. Also, gives the mgt and staff the ability to suggest new initiatives and to alter routines
- Flexibility" Able to make small changes within each store. Not always communicated to other stores, unless the change makes a large difference.
- An example given was adding additional bins to collect used till receipts, hangers, recyclables and waste at the check-out. The way it was planned did not work as it involved staff having to leave their check-out and sorting the waste/recyclables out in the storeroom. Idea from staff to use boxes, including shoe boxes, to sort at the till, then collect with a trolley to take out back and place in appropriate bins. Made this process faster, and easy for staff to do as they served customers. Also meant that they did not have to leave their stations, and customers, to do this, particularly if busy. Simple and easy. So much so that HO came and discussed this with the mgt and staff of store and made short instructional videos to upload to the internal Facebook page to demonstrate how this was done, to other stores, mgt and staff. Also had the benefit of making the staff feel proud of their idea and efforts.
- Another Example: moving the soft plastics collection bin across the entrance so that customers see it as they come in, and it is not tucked around the corner.
- Staff feedback
 - "I've would like to know..." - Ask it as a question: for further information, for reasoning why it is done a specific way.
 - "Brain Waves" – an ability of staff to send messages to HO as a suggestion, comment or question, sorted at HO and send to relevant senior manager. The staff are directly contacted as to the result: change made/approved, as part of a bigger discussion, not at this time. Makes staff feel heard, and therefore more likely to use this communication channel.
- Make it measurable: Set targets and goals, e.g. 95% waste diversion from landfill. Means that this can be measured, and the store can know if they are doing better, worse or the same as last month/year, and compared to other stores. Any anomalies can be identified, and reasons asked by snr mgt. (Done at RM level first, then senior management if a persistent issue). Takes away the personal and makes this a team/store goal, so everyone is involved in doing the routines.
- Strategy implementation process explained in detail.

Thematic Analysis

The thematic analysis followed the method of Braun and Clarke's (2006) six phase process for thematic analysis, as outlined in 3.5 Data Analysis and Table 3.10: Phases of Thematic Analysis. As part of this process, Thematic Maps were produced (Appendix G). The themes were allowed to emerge during this process and were then sorted into the relevant research supplementary question for deeper analysis and write up in Chapter 4.

The analysis of the green differentiation strategy implementation process identified that this process occurs at two interdependent levels: the meso level of senior management, and the micro level of the business sites. Once mapped out the implementation process models (Diagrams 4.1 – 4.3) had striking similarities, which allowed a combined model to be created (Diagram 5.10).

The capability development process was a major theme that emerged from the thematic analysis. It was the subject of supplementary research question 1.6 but was considered a significant finding to warrant further analysis and separated discussion in Chapter 5. Diagram 4.4 was further developed when compared to the academic literature into two separate diagrams: Diagram 5.1: Capability Development Process: Micro Level and Diagram 5.2: Capability Development Process: Meso Level. This was in-line the findings on the strategy implementation process, the meso and micro are interdependent parts of the whole firm. This construct was further developed in a model of capability development to explain how green routines can be developed into green capabilities, with the paths identified and examples given (Diagram 5.6).

The thematic analysis of the construct of Authentic Strategy (SQ 2) became enmeshed with the analysis of Competitive Advantage (SQ 3). Therefore, these were combined in the discussion chapter. The initial conceptual definition for Authentic Strategy held and a model was developed to explain the process involved (Diagram 5.8). What was an important finding for this discussion was not only did the case firms encourage the individual members to bring their individual green values, knowledge and experiences to the firm, the firms also aimed to have a positive impact on the personal values by encouraging the managers and front-line employees to take home information, knowledge to perform green routines at home (This is reflected in the model).

Discussion and Conclusion Chapters

The thematic analysis identified three main themes that are discussed in Chapter 5 and form the basis of the contributions and implications for theory, policy and practice in Chapter 6. These were rearranged into the order of capability development, authentic strategy for competitive advantage and the green differentiation strategy implementation process, based on the strength and impact these themes had on the contributions to theory, policy and practice.

Chapter 6 also includes explicit answers to the research question and supplementary research questions. This unpacking of the thematic analysis and discussion ensured that the Research Questions were actually explicitly answered, not just answered within other parts of the discussion and conclusion chapters. In addition, the initial conceptual model was amended and combined with the new models of the strategy implementation process to create a model to answer the Research Question: Diagram 6.6: The Authentic Green Differentiation Strategy Implementation Process.

End Thoughts

This study answered the question how businesses try to “*Be Green*” as opposed to how they try to “*appear to be green*” (particularly to external stakeholders). Whilst this was the initial

intention of inspiration for this study, the processes identified that emerged were more than expected. The main issue faced during this study was to narrow the scope, not just to make this manageable, interestingly this also allowed for higher quality findings to emerge. What happened is the narrowing of the scope of the study allowed for deeper analysis and understanding of the processes to be considered.

The capability development process became a major contribution to this study, based on an interpretivist approach to allow this to emerge from the thematic analysis. Additional consideration on existing literature on this construct was needed. However, this contribution might have been down-played if I had stuck to the original idea/focus for this research: the strategy implementation process. Therefore, I might have missed a significant part of the 'Elephant'.

Appendix K: Business Report

The following is the contents² of the business report sent to the interview participants: the managers and front-line employees (on request).

Executive Summary

The purpose of this report is to feedback the findings of my PhD research to the case firms and interview participants who took part in this study. It is my belief that academic research should connect with industry to share any relevant findings to improve policy and practice. This research has focused on the strategy implementation process with particular reference to green differentiation strategies. This study has taken a cross-industry multiple case study approach by interviewing three case firms from different industries within the New Zealand service sector. In addition, this study used a multi-level approach with each firm to interview senior managers, middle managers and front-line customer-facing employees across different business sites within each case firm.

The findings of this study are presented in this report in three different ways. First, as a graphical model of the Authentic Green Differentiation Strategy Implementation Process as a way to visualise the strategy implementation processes. Second, is a duck analogy as an alternative synopsis of this model. Third, as 10 key elements to the implementation process, which includes recommendations for firms based on the findings of this study. These 10 key elements are: Have memorable green core organisational values; Create clear guiding principles for these green core organisational values; Consistently communicate the green core organisational values and related guiding principles; Create and support 'Freedom within Framework'; Encourage organisational members to incorporate their personal green values, knowledge and skills into their workplace green routines; Create formal and informal communication channels; Connect senior management directly with the site-level managers and front-line customer-facing employees; Make the green differentiation strategies measurable; Celebrate success; and Implementation is an on-going process.

This study found that for service organisations to implement authentic green differentiation strategies, the organisation should develop clear guidelines for organisational core green values and green goals. In addition, the organisation should encourage the organisational members to bring their personal green values, interest and knowledge, to work to assesses green strategies as they adopt, adapt and develop relevant green routines. These processes involve an interdependent interaction between the two levels of the firm, including having clear and open transmission channels, formal and informal, vertical between the firm's meso and micro levels of the firm, as well as horizontal between the individual business sites within the firm.

² Note: the title page, researcher contact details, ethical approval and reference list have not been included in this appendix version of the business report.

The Implementation of Authentic Strategy in Service Organisations: The Case of Environmental Strategies

Report for managers and front-line staff interviewed

This research is located in the field of strategic management, which is concerned with the creation of competitive advantage and the achievement of organisational goals. This study has focused on the strategy implementation process to understand how environmental strategies are implemented in firms as green routines.

This research interviewed management and front-line employees at three large service organisations in New Zealand. A part of the preparation for this research included the attendance of a number of industry-based sustainability conferences. At these industry events, the purpose and methodology of this study was discussed with managers, including managers responsible for the green strategies at their organisations. What emerged from these discussions was a desire to find out how other organisations are getting their managers and employees to do green routines, as well as be proactively involved in the strategy process. One senior manager interviewed commented post-interview that this question of 'how' was often raised at meetings of local sustainability managers, with organisations hoping for a simple answer: a magic blueprint for green strategy implementation as green routines.

This report briefly outlines the methodology used in this study, before exploring the findings from the analysis of the interviews conducted for this research. The findings are presented in three different ways: graphical as a model of strategy implementation, a duck analogy, and as 10 key elements to the implementation process. This is followed by a conclusion.

Methodology of the Study

This study has taken a cross-industry multiple case study approach by interviewing at three case firms from different industries within the service sector in New Zealand: Case A is a sports and recreation firm, Case B is an energy firm, and Case C is a retailer. In addition, this study has taken a multi-level approach within each case firm: interviewing senior management at the meso level of the firm, as well as middle managers and front-line customer-facing employees at the micro level of the individual business sites across the businesses. This multi-level approach was used to elicit a range of perspectives and perceptions on the business' environmental strategies.

This study used a qualitative and interpretivist approach to examine the strategy implementation process. This study used semi-structured interviews and thematic analysis to identify common themes and differences across the different cases and levels within each case organisation. Pseudonyms have been applied to disguise the interview participants and their respective firms.

Findings of this Study

There have been three main findings from this study that have implications for strategic management literature. First, the strategy implementation process, specifically for how green

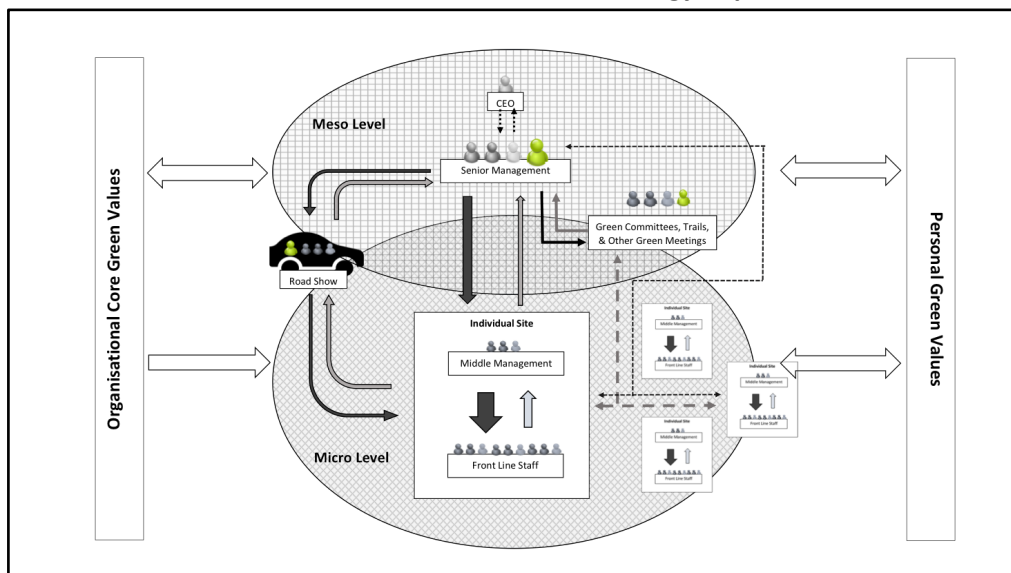
differentiation strategies are implemented, has been identified and explored. Second, the concept of authentic strategy has been further developed including to define an authentic green strategy to be where the green differentiation strategy is perceived as being consistent with the guiding principles of the organisation's green core values. Third, is an understanding of how green routines are developed within an organisation into green capabilities at the meso level of the firm for use as a source of competitive advantage. In each of these findings empirically based models have been developed for further research. These findings form the basis of this report for business practitioners: the management and front-line employees who participated in this study.





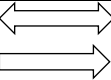
The Green Strategy Implementation Process

The central aim of this research was to explore the strategy implementation process of service organisations as they implement green differentiation strategies as green routines. The analysis of the interview information led to the creation of a process map for the strategy implementation process. This model highlights a contribution to strategic management research: the green differentiation strategy implementation can be conceptualised as existing at two interdependent levels: the meso level of the firm and the micro levels of the individual business sites of the firm. This model also indicates the two-way relationship between senior management and the core organisational green values, as well as the organisation and the individual green values.

At the meso level of the firm, the Senior Management were ultimately responsible for the development and implementation of the green differentiation strategies and policies, as well as the associated green core organisational values guiding principles, green goals and KPIs. In addition, the senior management at the meso level of the firm allocate the firms resources, including equipment, facilities and set the budgets for the individual sites of the business. However, the strategy implementation process for green differentiation strategies is more complex, involving the micro level of the individual business sites, as well as the individual managers and front-line employees at these sites. It is at this business site level of the firm that the green differentiation strategies and policies are implemented as green routines performed in the customer service process.

Model of the Authentic Green Differentiation Strategy Implementation Process



Key for Diagram		
Symbol	Description	Indicates
	Green person	The senior green manager(s)
	Dark arrows	Top-Down processes
	Light arrows	Bottom-Up processes
	Dashed, double-ended arrows	Information flows between individuals/groups
	White arrows	Relationships between green values and the levels of the firm

The implementation process is not limited to a top-down or a bottom-up process. What was identified in the analysis was the importance of horizontal communication between the individual business sites (identified as a dashed, double-ended arrow in the diagram above). This is where the site managers and employees shared their green routines, ideas for green routines, and green issues, between other members of the organisation, independent of the senior management team. This could take the form of internal web pages and social media pages, or direct email. The advantage that this horizontal communication process creates is the ability to share the green routines and issues with other sites, who are then able to copy these green routines, adapt these green routines to their specific site, or to discuss how these green routines could be improved.

A Duck Analogy

Another way to explain the findings on the strategy implementation process is to build on Hart's (1992, p. 340) concept of "wild ducks". In Hart (1992), strategic management is categorised into either command mode or generative mode. Command mode is where the CEO dictates the strategy to the other members of the business: the "sheep", who follow instruction and are not "active participants in the strategy process" (p. 339). At the other extreme, the generative mode, where management abdicates strategic control, allowing projects proposed from the bottom-up, result in "wild ducks" that miss the big picture of strategy (Hart, 1992, p. 340). The multi-level approach of this study, interviewing senior managers as well as middle managers and front-line customer-facing employees at business sites across each case firm, has identified that the strategic management process is closer to Hart's (1992) generative mode of "wild- ducks" than the command mode "sheep".

The green differentiation strategy could be visualised as a river, flowing in a planned direction, with the meso level of the firm responsible for developing and maintaining this river. If the senior managers were to observe this river, they would observe a number of different rafts of ducks, each representing the individual sites of the firm, floating down this (strategic) river. The rafts of ducks would be led by the site manager, supported by green champions, followed by the other members of the site. Some of the rafts of ducks would be in front, further down the river, whilst other rafts of ducks would be further back upstream, and some rafts would be stuck in back eddies or against rocks (strategic barriers). The rafts of ducks in front are the sites who have the higher-level engagement and implementation of the green strategy: more effective and efficient green routines, with the trailing duck being less engaged. What the senior managers need to examine is why some rafts are further ahead down-river, to understand these raft's paths, techniques and ways to overcome barriers. This information can then be

communicated to other to the other rafts of ducks lagging behind or are stuck in back eddies or against rocks.

The Ten Key Elements to Implementing Authentic Green Differentiation Strategies

A part of the preparation for this research included the attendance of a number of industry-based sustainability conferences. What emerged during conversations at these conferences was a desire to find out how other organisations are getting their managers and employees to do green routines, as well as be proactively involved in the strategy process. This question of 'how' was often raised with managers hoping for a simple answer: a magical blueprint for green strategy implementation. To answer this, the findings of this research have been distilled into ten key elements to implementing authentic green differentiation strategies.

The first finding is the green core organisational values need to be memorable which means easy to remember as well as easy to communicate. One way suggested of doing this it to create simple slogans (Nutt & Backoff, 1997). of strategic vision (Hart, 1995; Mintzberg, 1994; Morden, 1997; Nutt & Backoff, 1997; Porter, 1991). The use of slogans at each case was evident, with most participants able to 'name' the green core organisational value.

What this study found was that creating simple slogans for core organisational values was only effective if the organisational members could remember them. At Case A, most front-line staff could name the five core value slogans. At Case B, none of the interview participants could name all five core value slogans; most could name three. The difference being the visual display of these slogans. At Case A, the five core value slogans were on display around the business sites, particularly in the staff areas. At Case B, these slogans were on display at their old building but were not on display in their new building. At Case C, the interview participants didn't always know the core value slogans but knew where to find the information on the internal systems.

A recommendation of this study is to create simple slogans for the organisation's core values and to have these on display at the business sites. This is particularly effective if the slogans are placed next to relevant facilitates/equipment for the performance of the core value: for example, at Case A their green slogan and information was displayed next to the drinking fountains and recycle bins.

Key Element 1: Have memorable green core organisational values

In addition to being able to name the organisational green core value the interview participants were also able to explain what the core organisational green value meant. This allows for all members of the organisation the ability to judge the appropriateness of the green differentiation strategies as well as related green policies, routines or actions. These guidelines are developed and maintained by senior managers. Additionally, this study found having clear guidelines and principles of the green values allowed for staff to correct others' performance of green routines on the job: they were able to explain the links between the green routine and the green core value, goal or KPI.

Key Element 2: Create clear guiding principles for these green core organisational values

An important element of the green strategy implementation process is the transmission of the guiding principles of the organisation's core green value, in order to create a common understanding of the core green values. This also allows for members of the organisation, including the middle managers and front-line staff, the knowledge and empowerment to question and discuss the green strategies and green routines. There were variations in the methods of transmission of the guiding principles for the green values at each of the cases. One good example came from Case A where the slogan for the green value was prominently used in communications about green strategies, green values, or proposed green initiatives, including newsletters, emails and on the internal social media and web pages.

A suggestion as to how to do this is to include the core value slogan on the webpage, social media site, particularly in the message heading or subject. The purpose is to connect the core value with the message and information.

Key Element 3: Consistently communicate the green core organisational values and related guiding principles

What emerged from the analysis was the concept of 'freedom within framework' that was used by senior managers at the three case firms to guide the implementation of the green differentiation strategies into green routines at the business sites. Porter (1991) proposes that if the strategy is well understood throughout an organisation, while it may rule out some actions, it allows the individual to "devise their own ways to contribute to the strategy that management would be hard pressed to replicate" (p. 96). Some typical responses from interview participants related to this were:

Our approach is very much freedom within framework, so stores have a fair amount of they must recycle and those sorts of things, but how they go about it is up to them. We give them guidelines and stuff about what needs to go in what bin and we help them out with getting all the services they need, but at the end of the day they work out how to make it really work and some regions do an extraordinarily good job... (A Senior Manager at Case C)

We have a thing we call freedom within framework, so if there's a structural set routine and we can follow it, but if there is something you could do a bit better there's generally the opportunity to do that. (A Front-Line Employee at Case C)

Having clear green core values and guiding principles allows for managers and employees flexibility in how they implement the green differentiation strategies as green routines, that overcome business site-specific barriers, such as budgets, resources, equipment or facilities. The business site managers (middle managers) and front-line staff in service organisation are considered ambassadors of the organisation during the service process and are in a unique position to understand bottom-up ideas for green routines as they are final implementers of the green differentiation strategies as green routines (McShane & Cunningham, 2012; Wolf, 2013).

Key Element 4: Create and support 'Freedom within Framework'

Many employees may have a personal interest and strong ideas about environmentalism and want to take a more active role in the business' efforts (Frandsen *et al.*, 2013; Lacy *et al.*, 2009; Morrow & Mowatt, 2015; Wolf, 2011). A Senior Manager at Case B acknowledges this link between individual values and organisational green values: "I think behaviour change starts with making connection to people's values." This is what Kurland and Zell (2011, p. 53) refer to as the "hidden" organisation, where "employees already engaged in eco-friendly behaviour both at work and at home." In addition: "Staff should not underestimate their potential contributions but see eco-sustainability as a part of their job" (Teh & Corbitt, 2015, pp. 43-44).

In the opening questions of interviews, the participants were asked about their personal green values and green routines. The results indicate a range of levels of interest in green values, as well as different levels of green routines performed at the interview participant's homes. In a number of the interviews, the participants spoke of bringing their personal values to work, and whenever possible to make suggestions and implement green routines as part of their job. A Middle Manager at Case B suggests that the inclusion of the individual's green values makes their routines, and performance of the routines: "it's authentic and it's real."

There were also some individuals who were identified as 'Green Champions': individuals with strong green values that are most actively engaged in green strategies and green routines at work. These Green Champions were interested in implementing or suggesting green routines, or changes to green routines, to improve the effectiveness of the green routines and greenness of the firm, by suggesting new, novel and innovative solutions and ideas. It was found in this research that there can be a number of green champions at each site, not just the business site managers (highlighted in the 'Duck' analogy).

An unexpected theme that emerged was the positive influence the organisation's core green values, including green information, had on the home values and green routines of the interview participants. This was seen as a way to overcome a limitation on the amount of 'greenness' that can be achieved by service organisations; the aim was to have a greater positive impact on the natural environment by encouraging members of the firms to take home green routines and green values.

The key to encouraging the individuals to bring their personal green values to work was to have clear and open processes. The members of all the case organisations were encouraged and empowered to include their personal green values, green routines, and knowledge of green issues and solutions, in the green strategy implementation process: suggesting ideas, during the development of the green strategies and green routines, to be empowered to give informed feedback during the implementation process, as well as the ability to give constructive feedback after the implementation process.

Key Element 5: Encourage organisational members to incorporate their personal green values, knowledge and skills into their workplace green routines

A key element in the success of the implementation of the green differentiation strategies was the transmission of the information across the organisation: formally through internal web pages, newsletters, emails from senior management, but also informally between business sites and staff, including the use of internal web pages and Facebook. This facilitated a free flow of

information to allow ‘freedom within framework’ for the development and implementation of green routines. A key aspect of this process was the ability of all members of the organisations, including the front-line staff, to make suggestions for potential future green routines, to make comments and give feedback on existing or proposed green routines, and to share site-specific routines with others. The sharing of site-specific routines allowed these to be adopted or adapted by other business sites, creating a higher-level routine: a green capability. This confirms that the process of “instilling values also takes participation and two-way communication, not just a decree from above.” (Mirvis et al., 2010, p. 321)

This study found the green senior managers regularly update the information on the internal networks to provide new information about green issues and solutions, as well as to communicate what green initiatives and green routines were being performed throughout the whole organisation: what specific business sites are doing. In addition, there was horizontal communication across the firms including internal networks and Facebook pages, that any member of the organisation could use to communicate what routines they were doing, ideas for new routines or changes, ideas for bigger green initiatives.

There were formal communication channels identified at the cases to feedback information directly between the meso and micro levels of the firm. At Case A, this was a direct email to the green senior management team. The participants at Case B typically relied on their middle managers to do this on their behalf. At Case C, they had a system where the CEO’s PA sorts and forwards the email messages to the relevant senior manager. An additional step in this communication process at Case C was a direct communication from senior management to the suggester as to the outcome to their suggestion: will the suggestion be introduced, not be introduced, or possibly be introduced at a later date, along with the reasons behind the decision. This additional personal communication had the effect of encouraging members of the organisation to use this system.

A recommendation from this study is to create and maintain the formal communication channels and make all members of the organisation aware of their existence and purpose. Additionally, the senior management should encourage the use informal communications channels, particularly horizontally across the firm, as this allows the employees to communicate in a less formal language to convey their routines and ideas to others within the organisation.

Key Element 6: Create formal and informal communication channels

In the three cases, different techniques were used to connect senior management directly with the business sites’ managers and front-line employees. A common technique was the use of a Road Show: where a group of the senior management team, including at times the green senior manager, travelled to each of the firm’s sites. This allows the senior managers to observe the performance of routines at each of the sites, as well as have direct discussions with the middle management (site managers) and the front-line customer-facing staff. A Senior Manager at Case A gave a good description of the Road Show process:

So, I will go around and see all the [sites] and talk though, the majority of it is facility based and I’ll go along their cleaning and maintenance standards, but it would also be an opportunity to discuss any sustainability initiatives or get any feedback.

In addition, Case B interview participants spoke of special project teams (SPITs) set up to discuss specific green issues, or proposed solutions and routines to address these issues. Case C had a number of techniques: meetings at regional and national conferences, and trials of green routines.

All of these different techniques were aimed to directly bridge the meso and micro levels within each firm. This interaction between the meso and micro levels is in agreement with Rousseau (2011) who stated that concepts such as organisational values, strategies “are now understood not only in terms of top/down dynamics but bottom/up processes too, enacted by those who apply them as well as those affected by them” (Rousseau, 2011, p. 431; see also Hitt et al., 2007).

This research recommends that senior managers engage with both managers and non-manager employees at their business site; for example, conducting a Road Show. This will also allow for the performance of green routines to be observed, with the ability to discuss these routines: how they developed, what barriers they overcome, what additional facilities or equipment would improve the performance of the routines, etc.

Key Element 7: Connect senior management directly with the site-level managers and front-line customer-facing employees

One significant driver of the green differentiation strategies and green routines are the green goals, KPIs, and other measurement tools from the senior management levels. This aligns with a Porter and Kramer (2011, p. 75) recommendation: “Companies will make real strides on the environment when they treat it as a productivity driver rather than a feel-good response to external pressure.” These also allow for a discussion at each site about potential ideas for green routines, as well as to assess the effectiveness and efficiency of current, new, or augmented green routines at each site.

At Case C, there was a specific target KPI to have 95% waste diversion (A Senior Manager at Case C, A Middle Manager at Case C). The amount of waste at each site is reported to the regional managers as well as the business site (retail store) managers. Having a specific waste diversion target allowed the management, both senior and middle, to understand how the individual business site is performing, and alert senior management to any sites that underperform or where anomalies occur. This also has the benefit of being able to discuss the green routines in absolute values, for example: “We’re told that your landfill has decreased by 20% or your landfill has decreased by.... And I think it’s good that the company is keeping track of it, it’s good” (A Front-Line Employee at Case C).

Case A had previously used external systems to assist in the measuring of their greenness. The information gathered was also used as part of the individual performance appraisals of the management and front-line staff.

So we talk around that, as well as at performance review time, staff do a self-assessment on how they believe they are when it comes to being green and gives us a little bit of detail around that as well to help to support it. (A Middle Manager at Case A)

This study recommends having measurable green goals and KPIs to allow the senior management at the meso level of the firm to evaluate the effectiveness of the implementation of the green strategies into green routines at the micro level of the firm. As part of these measures there need to be clear guidelines as to what happens if the measures are not met.

Key Element 8: Make the Green Differentiation Strategies Measurable

The organisations need to celebrate the success of the individual, the business site, and the whole firm. Whether these are internal awards and recognition, or external, success should be celebrated and communicated throughout the firm. At Case A the individual business sites were very competitive, with each site vying for the coveted company based environmental award: “We won the trophy seven times in a row at [location]” (A Front-Line Employee at Case A), “yes, I think [location] manages to take out quite a few trophies, so we’ll see how long we can retain that one for. We’re getting a little bit competitive amongst each other” (A Middle Manager at Case A). At Case C they also had an internal environmental award. A Front-Line Employee at Case C was quite proud when they said, “We won the Environmental Award last year so that’s pretty good at the conference.” This award was then displayed as a plaque in the store (A Middle Manager at Case C). Normally this award is given to the top performing retail site,

Whilst there was strong competition for some environmental awards to recognised outstanding levels of ‘greenness’, it was also important to have awards that celebrate the sites/units that had made large improvements in their level of ‘greenness’. A Middle Manager at Case C spoke of the decision to give the environmental award to a business site that had shown a great improvement from “right at the bottom, and then they were in the top 20 and that’s because of their hard work.” With the Middle Manager at Case C adding: “I think you’ve got to recognise that, as much as it’s great to be number one, it’s great to see those stores that have been well behind the pack and they’ve moved forward.”

This study suggests that success is recognised throughout the business. It should recognise the outstanding performances of individuals and business sites, as well as outstanding efforts of individuals and business sites to improve their greenness.

Key Element 9: Celebrate Success

There needs to be continual updating and communication of green information, sharing of green routines and capabilities throughout the whole organisation. The green strategy implementation process is an on-going process that includes forecasting of future green initiatives, green routines, as well as forecasting green social trends, issue and solutions. In addition, many organisational members have a personal interest, knowledge and skills of green issues and solutions that should be integrated into this process (Lacy *et al.*, 2009; Wolf, 2013). Firms and strategies are complex and continually interact “with outside systems (e.g., the market) and inside systems (e.g., departments)” (Lopes Costa *et al.*, 2013, p. 8; see also Eisenhardt, 1989; Ghanam & Cox, 2007; Gioia & Chittipeddi, 1991; Patton & Appelbaum, 2003). In other words, “Strategic management involves continuously scanning and adapting to the environment rather than just scanning the environment at the annual planning review” (Stead & Stead, 2008, p. 66).

The final recommendation of these ten key elements is that this process is on-going, requiring continual dedication of the senior managers, as well as the continual effort of business site level managers and employees.

Key Element 10: Implementation is an On-Going Process

Ten Key Elements to Implementing Authentic Green Differentiation Strategies
<ol style="list-style-type: none"> 1. Have memorable green core organisational values 2. Create clear guiding principles for these green core organisational values 3. Consistently communicate the green core organisational values and related guiding principles 4. Create and support ‘Freedom within Framework’ 5. Encourage organisational members to incorporate their personal green values, knowledge and skills into their workplace green routines 6. Create formal and informal communication channels 7. Connect senior management directly with the site-level managers and front-line customer-facing employees 8. Make the green differentiation strategies measurable 9. Celebrate success 10. Implementation is an on-going process

Conclusion

In conclusion, this study found that for service organisations to implement authentic green differentiation strategies, the organisation should develop clear guidelines for organisational core green values and green goals. In addition, the organisation should encourage the organisational members to bring their personal green values, interest and knowledge, to work to assesses green strategies as they adopt, adapt and develop relevant green routines. These processes involve an interdependent interaction between the two levels of the firm, including having clear and open transmission channels, formal and informal, vertical between the firm’s meso and micro levels of the firm, as well as horizontal between the individual business sites within the firm.