

**Assessing green sustainability strategy implications –  
Investing in the future**

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## **Abstract**

Recent years have seen an increase in the demand for sustainability reflected in organisations, society and academic literature. The overall objective of this study was to examine organisations who actively manage their carbon footprint as part of their sustainability strategy through implementing green initiatives.

This research study used a qualitative and exploratory approach of the research method, design, population, sampling method and size and data analysis to strengthen the selected approach for this study. A total of 16 semi-structured, in-depth interviews were conducted which provided a rich perspective and new insights into the area of study due to the knowledge and expertise of each interviewee.

The key findings from the research indicated that there are three dominant factors that influence an organisation in order to implement green initiatives in to their sustainability strategy. It was determined that reducing the organisation's carbon footprint, the dynamic and forward thinking leadership and the overall image and reputation of an organisation was essential when deciding to implement these green initiatives into the strategy. Through implementing these initiatives the organisation could achieve a sustainable change model, a tipping point towards profitability. This model illustrates the relationship between all the identified factors and conceptualises a method that can be followed in order for organisations to develop an overall "green" sustainability strategy while being profitable. The findings from this research will add in the field of sustainability and the implications green initiatives have on an organisations overall strategy and profitability.

**Keywords:** Sustainability, Strategy, Green Initiatives, Profitability, Innovation

### **Declaration**

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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7 November 2018

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# Chapter 1: Introduction to Research Problem

## 1.1 Introduction and Description of the Problem

“The world is too much with us; late and soon, getting and spending, we lay waste our powers: Little we see in Nature that is ours.” – William Wordsworth

The last few decades have seen an increased commitment from organisations towards sustainability as they strive to ensure that sustainable resources are maintained for future generations. In order to play their part in addressing sustainability, it has become common for organisations to maintain awareness of their environmental impact when striving to find a balance between their corporate social responsibility (CSR) and their ongoing economic success, and in this manner contribute towards the creation of a sustainable society (Barnett, Darnall & Husted, 2014).

In order to collaborate with the larger economy, organisations need to add an environmental dimension and sustainability focus to their profile, with a clear emphasis that incorporates social and political concerns. Effective sustainable measures will require the consumers to consider it as importantly as the organisations. Ultimately humanity drives civilisation forward, therefore, knowledge from both ends of the consumption scale would increase consumers understanding of sustainability (Lim, 2017).

Current levels and patterns of consumption of natural resources are not sustainable. Encouraging sustainable consumption and understanding how changes in sustainability have to be undertaken, is evident (Lim, 2017). Organisations would need to decentralise their manufacturing areas. A Native American proverb states “We do not inherit the earth from our ancestors; we borrow it from our children”. Therefore, how our most precious resources, namely land, energy and water are exploited, contributes towards climate change (Howells et al., 2013).

The COP21 Climate Change conference held in December 2015 produced the Paris Agreement. The Paris Agreement is a global agreement between nations that aims to maintain global temperature warming to only 1.5°C and ensure that the temperature rise remains well below 2°C above pre-industrial times (UNFCCC, 2015). The Montreal Protocol Agreement outlines that, in order to achieve these temperature restrictions,

global greenhouse gas emissions need to be both stabilised and reduced (Razman, 2015)

Social awareness leads governments to develop new legislation, like the Paris Agreement (UNFCCC, 2015), in order to protect the natural environment. This can have a costly impact on organisations that need to change their approach to doing business (Harvey, 2018). Depending on the specific policies and new regulations, such as the Paris Agreement, businesses and governments will need to adhere to emissions rights or face taxations due to their emissions (Jeffrey & Perkins, 2015). Sustainability is reducing the carbon footprint. The United Nations has developed 17 Sustainable Development Goals (SDGs) with the aim to address inequalities and challenges that are faced globally today. These goals will aid in the development and protection of the environment with the co-operation of governments, organisations and members of the public (United Nations Sustainable Development Goals, 2015). In Africa, climate change seems to have the most impact on the future that is to come (Ben Youssef, Boubaker, & Omri, 2017).

Sustainable development was defined in 1987 by the Brundtland Commission as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (Emas, 2015). Sustainable development is a controversial concept for organisations and speaks to a fundamental transformation that is required to reduce environmental and social impacts that are currently created by unsustainable organisational practices (Hall, Daneke, & Lenox, 2010). Most organisations are executing a triple bottom line approach, which communicates to an organisations’ financial, environmental and social performance (Hall, Daneke, & Lenox, 2010).

Recent economic and financial downturn has added another layer of concern to both the supplier and purchaser in order to adjust their lifestyle and the impact thereof on the outlook of the environment. Companies must balance their growth objectives with the need to pursue sustainability, along with meeting new challenges (Kotler, 2011).

Salzmann, Ionescu-Somers, and Steger, (2005, p. 27) state that “corporate sustainability is a strategic and profit-driven corporate response to environmental and social issues caused through the organisation's primary and secondary activities”.

An organisation's main long-term goal remains based on developing a strategy that favours both the shareholders and also the stakeholders, involved both directly or indirectly (Poddi & Vergalli, 2009). In order to develop a sustainable strategy and implement it successfully in the organisation, careful planning is needed and this must combine both profitability and stakeholders' interest. Consumers play a significant role in today's society and have influenced a lot of organisations to act ethically on their behalf as part of the new "social consciousness" trend.

Once an organisation's primary needs are met, they may decide to take socially responsible action to meet ethical values (Poddi & Vergalli, 2009). From this, the term Corporate Social Responsibility (CSR) has developed. It takes on many meanings but CSR is best defined as "the task of a business to contribute to sustainable economic development, working together with workers, their families, the local community and society in general to improve quality of life." (WBCSD, 2017).

Sustainability activities are expensive and perhaps incompatible with an organisation's financial success and performance, dampening sustainability investment. Sustainability investments are disregarded because, in tough times that relate directly to the bottom line, organisations move their focus to core strategic issues rather than peripheral initiatives that may be loosely coupled with the financial performance of an organisation. However, organisations have indeed shifted their sustainability strategy in innovative ways, to enable them to do more with less and increase the organisation's value. Some organisations see sustainability, not as peripheral, but as being integral to their long-term success (Barnett et al., 2014)

Many sustainability innovators see themselves as niche market players and have incorporated sustainability principles into their business model strategy as the foundation which challenges them to grow to contribute to the changing market conditions (Schaltegger, Lüdeke-Freund, & Hansen, 2016). In the last couple of years, organisations like Unilever and Walmart have linked their business models to aspects of sustainability (Barnett et al., 2014) to stimulate and revitalise old and new business philosophies towards their strategy (Schaltegger, Hansen, & Lüdeke-Freund, 2016).

## **1.2 Purpose of the Research**

From an academic point of view, this study contributes towards the theoretical knowledge about environmental management in relation to organisational evaluation

and future performance. Supplementary factors that need to be taken into account are King IV, corporate governance and carbon tax legislation.

Corporate governance speaks to a system of rules, practices and process by which an organisation is managed. It involves balancing the accurate, truthful and consistent interests of all the stakeholders to deliver long-term success of the organisation (Barton & Wiseman, 2015). Corporate governance can add value to an organisation through having policies and procedures in place (IODSA, 2016) that aid towards productive and efficient work practices, in order to develop performance and manage risk involved in the organisations operations (Subramanian, 2015). Carbon tax implementation will be announced by the Minister of Finance in the budget for 2018 or 2019, to be preliminary implemented in January 2019; in addition “carbon tax would be deductible for income tax purposes to the extent that it forms part of a company’s business expense” (KPMG, 2018). Russo and Fouts (1997), argue that environmental regulation increases economic performance through an efficiency and innovation relationship. The pioneers of today will be the ones who carve the roads in unforgiven terrain instead of the ruts made by others before them (Clarke D. , 2017). A code of corporate governance will aid in the correct direction towards appropriate stakeholder relations and provide accountability to the organisation’s stakeholders (Kocmanová, Hřebíček, & Dočekalová, 2011).

Organisations today are seen as part of the environment and hold extensive responsibilities in that respect and from a business perspective view. The reduction of going green and reducing carbon emissions is widely regarded as a critical objective for organisations. Although organisations want to be seen as being active in reducing their carbon footprint, demonstrating initiatives towards going green and driving down their footprint as part of their strategy; it is unclear if they communicate their concerns regarding the issues it causes to the public or if they take these into account when investing in future products or services.

To enhance resource productivity and reduce environmental impact through creative solutions and initiatives, organisations need to align their growth strategy (Wubben, 2001) by developing these solutions into greener, innovative technology-driven solutions (Kralisch et al., 2018) that enable economic growth, while reducing water consumption, lowering emissions and committing to an overall greener environment.

There is still little literature available on why organisations make certain decisions about ecological issues and how these impact their strategic choices (Sharma, 2000).

The aim of this research is to provide an integrative framework and a successful analysis of an organisation's implementation of green initiatives, into a sustainable strategy. Furthermore, to establish which of the factors identified play the biggest role on the influence of green sustainability to address this "gap" and an overview of the exploring role of organisations for sustainable development (Hall et al., 2010).

The main objective of this study was to investigate and assess the factors that are involved in the successful implementation of a corporate sustainability strategy, the variables that influence the organisation's behaviour regarding sustainability (Engert & Baumgartner, 2016) and to identify the implications these factors have on the position and value of the organisation. This study will also explain the reasons that lead organisations to implement green initiatives into their sustainability strategies and the link between green sustainability, CSR, sustainable development, organisational brand and organisational financial performance. As a result of this study, the main objective is to prove and validate that the implementation of green initiatives into an organisations sustainability strategy, have multiple benefits.

### **1.3 Research Problem**

Organisations are under pressure to adapt and implement suitable corporate sustainability strategies due to rising concerns about environmental and social issues (Engert & Baumgartner, 2016). New opportunities can be created to increase the organisation's short- and long-term goals; it is simply an evolutionary phase of growth. Corporate sustainability stems from the concept of sustainable development (Engert & Baumgartner, 2016). A critical objective is to integrate all psychological, social and technical variables (Sharma, 2000) and link them together in order to implement a successful strategy.

Although several environmental challenges exist, this research project is focused on the impact of climate change and how organisations implement green initiatives into their strategy to address climate change, as well as the reasons for doing so. The purpose of this study was to gain an improved and in-depth understanding of how and why organisations implement green initiatives into their strategy and in so doing, create a sustainable solution for the current market demand. This is attained by analysing the

effectiveness of green initiatives and evaluating the relationship between all the factors, in order to make well-reasoned decisions for achieving strategic objectives.

The research aimed to:

- Determine the nature and diversity of green sustainability that challenge 'business as usual' thinking in an organisation's strategy.
- Identify the factors that drive green initiatives within the sustainability strategy of the organisation.
- Explore the benefits gained from implementing green initiatives into the organisation sustainability strategy.
- Understand the cost of going green.

In order to understand the factors that influence green initiatives in an organisation's strategy, in-depth interviews were held. This helped to build a framework by providing an understanding of new insights pertaining to creating a green sustainability strategy.

The following chapter provides a review of the literature on the factors involved in driving a green sustainability strategy and how they influence the early adopters of green initiatives and sustainability strategy. In essence, the research intends to provide information which may help organisations see the benefit, or lack thereof, in implementing innovative green initiatives into their sustainability strategy.

## Chapter 2: Literature Review

### 2.1 Introduction

For more than half a decade there has been a growing awareness of environmental problems that societies face. As a result, social behaviours have gradually changed and have encouraged organisations to include sustainability and environmental criteria as part of their strategy (Menon & Menon, 1997).

An organisation's business undertakings are the key cause for many environmental and social problems, and therefore critical to the sustainability concerns we face today (Schaltegger, Lüdeke-Freund, et al., 2016). As such, it is essential to add a sustainability focus and environmental dimension to an organisation's profile (Saunila, Ukko & Rantala, 2018). There is also an economic demand to move from old traditional to new modern, innovative energy sources to meet the growing demand of the expanding urban population.

Recent economic and financial downturn has added yet another layer of concern to both the supplier and purchaser, in order to adjust the outlook of their lifestyle and habits on the environment and the impact thereof (Sáez-Martínez, Lefebvre, Hernández & Clark, 2016). Organisations must balance their growth objectives with the need to pursue sustainability, along with meeting new challenges (Kotler, 2011). As sustainability is growing as a general concern for the future and what it may hold, organisation's need to create awareness and offer new insights that build on current knowledge, as well as strive to develop sustainable methods (Vezzoli, Ceschin, Diehl & Kohtala, 2015).

Current levels and patterns of consumption of natural resources, are not sustainable. Therefore, there is a demand for conservation and the reduction of natural resources. It is also evident that there is a need to encourage sustainable consumption and promote an understanding of how changes in sustainability have to be undertaken. This understanding requires a holistic comprehension approach towards the entire production chain (Lim, 2017). Organisations would need to decentralise their manufacturing areas, focus on the supply chain impacts and then look at alternative distribution channels (Gittell, Magnusson, & Merenda, 2012).

## **2.2 Strategy**

A strategy is selected in order to deliver the vision of the organisation within the environment it finds itself, and in order to achieve a sustained competitive advantage (Halliburton & Bach, 2012). Organisations try to integrate economic, ecological and social aspects into their sustainability strategy (Günther, 2016).

As defined by Mullins, Walker and Boyd (2008, p.2/12) “a strategy is a fundamental pattern of present and planned objectives, resource deployments, and interactions of an organisation with stakeholders and environmental factors”, and it recognises the need to focus on all stakeholders as part of the organisation’s ecosystem (Mysen, 2012). A broader holistic understanding of strategy entails addressing sustainability as well as identifying opportunities for future improvements (Bonn & Fisher, 2011).

### **2.2.1 Sustainability Strategy**

A sustainability strategy is defined by Stead and Stead (2014, p.104) as, “integrative strategies designed to provide long-term competitive advantages to organisations by taking advantage of external opportunities and minimising external threats” (Günther, 2016).

In order to implement sustainability in an organisation, there needs to be commitment towards integrating it into the organisation’s strategic decision-making process, and it must be incorporated within the corporate, business and functional level strategies of the organisation (Bonn & Fisher, 2011). Supported by what is essential and an improved understanding of the rapidly changing environment as part of the organisation’s mission, vision, values, goals and strategy (Galpin, Whittington, & Bell, 2015). The strategic decision-making process helps in leading the way decisions are reached, and the activities that lead up to and support the choice of strategy within the organisation (Bonn & Fisher, 2011).

Bonn and Fisher (2011) designed a framework for sustainability and how it can be incorporated into the organisation’s strategy (refer Figure 1). This framework considers the global and national context, looking at how the vision of the organisation inputs into the culture of the organisation, and tests how the strategic decision-making process, along with the strategy, lead to sustainability initiatives being implemented on an economic, social and environmental level.

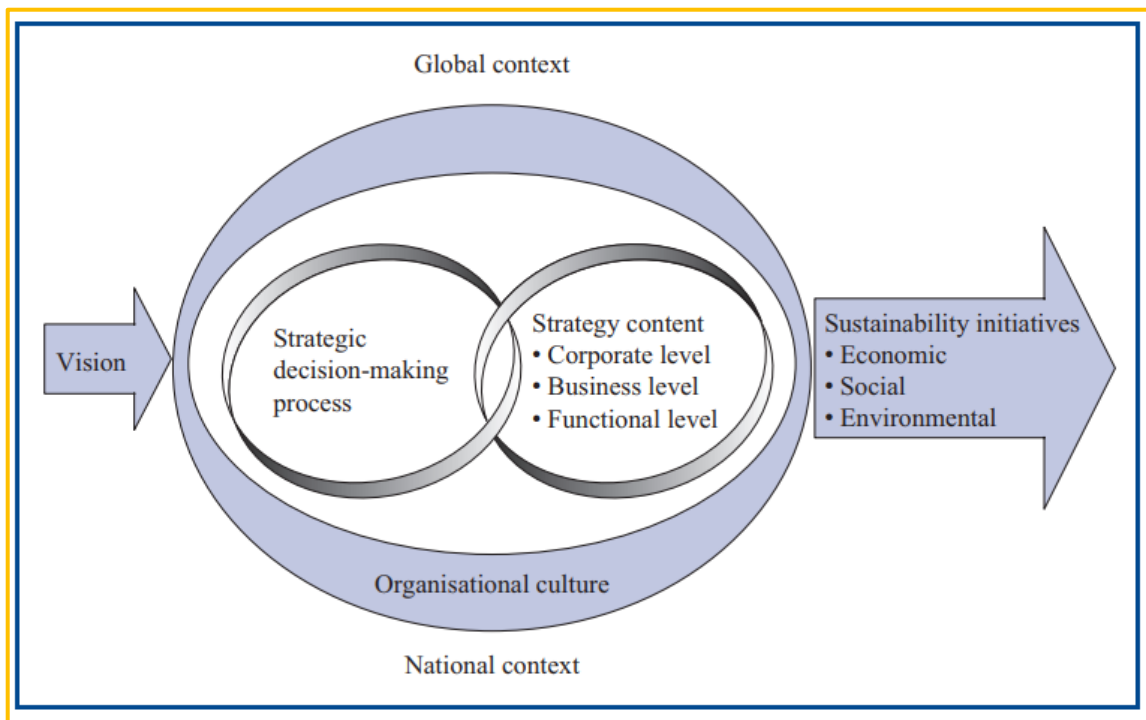


Figure 1: Sustainability as an integral part of a strategy  
 (Bonn & Fisher, 2011, p.6)

### 2.3 Sustainability Focus

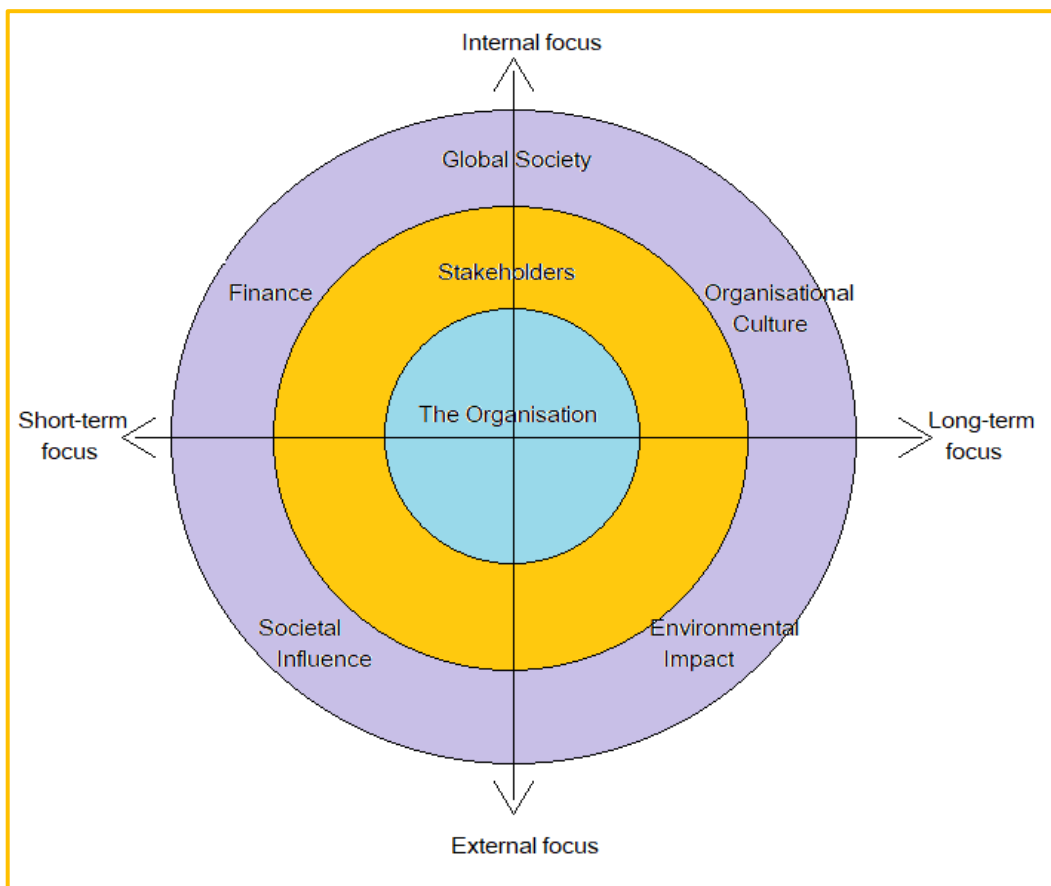
For most organisations the sustainability imperative for society is clearly to operate responsibly and ethically in order to ensure products and operations offered by the organisations are safe for society and for the environment (White, 2009).

When organisation merely do “window dressing” of sustainability or superficially use it as a marketing tactic, they run the risk of being accused by their stakeholders of being unethical (Galpin et al., 2015). Sustainability issues can be influenced by the national and global context in which the organisation operates, perhaps from a standards for emissions and waste disposal point of view (Bonn & Fisher, 2011). Ethics addresses human behaviour and sustainability addresses the relationship between economics and the environment, along with the conceptions of efficiency, environmental issues and how it develops which are of an ethical nature (O’Hara, 1998).

As mentioned by Galpin et al. (2015, p.1), “Sustainability has become the strategic imperative of the new millennium”. Furthermore, they speak to CSR, corporate social performance (CSP), going green within an organisation, and the “triple bottom line”. All

of these refer to organisations enhancing their long-term economic, social and environmental performance in the ecosystem in which they find themselves.

Figure 2 illustrates the long- and short-term, internal and external focus and demonstrates the different layers of sustainable development within an organisation (Aras & Crowther, 2008). Sustainable development, therefore, requires the participation of all the stakeholders involved in order to achieve a world (ecosystem) in which basic human needs are met without destroying the natural systems and environment on which we all depend (Kates, Parris, & Leiserowitz, 2005).



**Figure 2: Model of Sustainable Development**

(Aras & Crowther, 2008, p.438)

### **2.3.1 Strategic Growth: The Role of Innovation and Early Adopters**

Fisher and Price (1992, p.477) proclaim that, “the diffusion of new products is motivated by the pursuit of social rewards from early adoption behaviour”. The process repeats itself in an ongoing cycle of change. Early adoption behaviour therefore, has social and communicational value (Fisher & Price, 1992). In the past, risk has been

seen as a significant factor in reducing the rate of adoption of new technologies (Marra, Pannell & Abadi, 2003).

The diffusion of innovations speaks to a theory about how new ideas or technologies that are in the process of being innovated, are spread among participants in a social system, over a period of time. Innovations are not adopted by all in this social system at the same time; however, they tend to adopt in a time sequence (Rogers, 2003).



**Figure 3: Adopter Categorisation on the Basis of Innovativeness**

(Rogers, 2003, p.247)

Adopter distributions follow a bell-curve over a time period (Rogers, 2003). Figure 3 shows the normal frequency distributions divided into the five categories: 2.5% Innovators, 13.5% Early Adopters, 34% Early Majority, 34% Late Majority and 16% Laggards (Rogers, 2003). Sustainability within an organisation focuses on the first three categories in the bell-curve, as these groups tend to accept new ideas or setbacks in ideas that prove to be unsuccessful. Furthermore, sustainability has been used by leaders in order to guide their organisation change initiatives and embrace sustainable development within their organisation (Doppelt, 2017).

Most companies have ambitious growth goals (Cooper, 2011). Thus, the question that will always be asked is how organisations will survive in the face of change? Are organisations able to adapt in these times of change and uncertainty? (O'Reilly & Tushman, 2008). "It is not the strongest of the species that survive, nor the most intelligent, but the one that is most responsive to change" (Charles Darwin cited in O'Reilly & Tushman, 2008, p.186).

Innovative sustainability solutions provide a win-win outcome for the entire ecosystem; the environment, society and organisations, It is dependent upon leaders who promote a culture of sustainability within an organisation. Therefore, leaders need to encourage awareness among employees, that sustainability not only reduces the impact the organisation has on the environment, but also impacts the long-term health and success of the organisation (Galpin et al., 2015) providing a sharper focus on what is important and an improved understanding of the rapidly changing environment (Anderson, 2000), as well as supporting the decision towards sustainability (Bonn & Fisher, 2011).

Climate change has placed an increased focus on environmental sustainability globally and presents a significant opportunity to those who recognise the advantages thereof (Wilson, 2015). These opportunities stress the importance of innovation and the challenges it faces, elements like climate change, adopting new technologies, creating new kinds of entrepreneurs, and to build institutions and organisations that will manage these elements (Ben Youssef et al., 2017). The primary environmental innovation drivers are technology push, market pull and the regulatory push-pull effect (Sáez-Martínez et al., 2016).

As a result, the role of innovation plays a vital role in achieving sustainability (Ben Youssef et al., 2017) and organisations are an essential aspect for developing sustainable products and services (Hall et al., 2010), as well as the execution of new innovative projects that address environmental and social concerns (Ben Youssef et al., 2017). There is a definite relationship between organisations and sustainable development where there is innovation and institutional quality (Ben Youssef et al., 2017).

Theory of disruptive innovation, evaluates the significant differences between innovative organisations, investing into the future, and building distinctive capabilities in order to access their customer's needs (Reinhardt & Gurtner, 2015). This theory explains that if an established organisation does not listen to the opinion of their current customers about their current technology, they stand the chance of being replaced. This was the case for Blackberry and Kodak. Blackberry customers were satisfied with their 'keyboard' phone, however by not looking into new technologies like touch screen phones they have been displaced (Reinhardt & Gurtner, 2015).

The Eastman Kodak Company was founded in 1880 by George Eastman and developed the first snapshot camera in 1888. For Kodak it was crystal clear that their main revenue came from consumables. Hence, they invested heavily in film and even when colour photography was introduced into the market, Kodak had the knowledge and processes in place to succeed (Anthony, 2016). Kodak was synonymous with quality. When the demand came to move to new technology (digital), Kodak underestimated how quickly this would happen (King & Baatartogtokh, 2015) and did not invest enough in potentially disruptive technologies (Wang, Li, & Ding, 2018). A belief in sustainability and “going green” needs to extend throughout the organisation, changing the overall strategy and focus of the organisation. Organisations should not be of the opinion that new innovative solutions will affect ‘traditional’ business negatively (Christensen & Overdorf, 2000).

Christensen and Overdorf, (2000) speak to what organisations are capable of accomplishing when they address their capabilities by looking at how to recognise different kinds of change in the organisation and make suitable responses that arise from these changes. Employees of the organisation perform the day-to-day tasks, and it falls on them how they will handle and address changes. How they go about adjusting to these changes’ forms part of their values. The values of employees make up the culture of the organisation and define what it can and cannot do. The culture of the organisation will determine if it is a disadvantage when confronting a new innovation (Christensen & Overdorf, 2000).

In the famous book by Christensen (1997), *The Innovator’s Dilemma*, the author describes the challenges facing organisations attempting to adapt to changes in technology, markets, competition and regulatory environments. Emerging innovation speaks to when opportunistic entrepreneurial individuals within the organisation, create advanced new ideas for addressing the organisation’s customer needs and dynamically changing market conditions (Arena, Cross, Sims & Uhl-Bien, 2017).

O’Reilly and Tushman (2008) describe the debate around the ability of organisations to adapt in the face of change. They state that one perspective is organisational ecology which “presents evidence suggesting that most organisations are largely inert and ultimately fail” (p.185), and the second perspective is that organisations learn and adapt to the ongoing shifting environment in which they operate (O’Reilly & Tushman,

2008). Christensen and Overdorf (2000) argue however, that if the organisation does not see a demand from its customers for the new innovation, the organisation does not adapt to the new disruptive technology. Furthermore, the 'ideas' are disregarded and not explored further. Senior management needs to emphasise the change process required to adopt a disruptive technology, convincing other employees to bring about change in the organisation. According to Christensen, Hall, Dillon and Duncan (2016), a recent poll done by McKinsey revealed that 84% of global executives believe innovation is significant to their growth strategies, but 94% of these executives were displeased with their organisation's innovation overall performance.

### **2.3.2 Shared Value**

Porter and Kramer (2011) suggest that organisations are the key contributors towards social, environmental and economic problems. However, "The concept of shared value resets the boundaries of capitalism" (Porter & Kramer, 2011, p.7). Organisations are stuck in an ongoing cycle that plays its part in economic growth but in order to grow and be sustainable as an organisation, a critical focus area should be creating shared value.

Organisations are only looking at the short-term and not at the long-term customer focus which will lead to the sustainability of the organisation. In order to accomplish this, organisations need to create a link between building their organisation and society. This approach goes beyond just complying with legal and regulatory requirements, hence it takes a proactive stance towards sustainability (Bonn & Fisher, 2011).

The solution is to create shared value, which would involve creating economic benefit as well as creating value for the society around it, by addressing the needs and challenges of the social environment. Shared value is a new way of economic success; it focuses not only on the profit of the organisation, but also on driving innovation and productivity growth in the global economy. A shared value approach focuses on improving techniques and strengthening the local cluster of supporting suppliers and other institutions to increase the overall efficiency, quality and sustainability of the society; creating benefits for all participants involved (Porter & Kramer, 2011).

Organisations need thriving communities around them to create a demand for their products but also to provide a supportive environment (Porter & Kramer, 2011). For

any organisations, the starting point in creating shared value is to identify all the societal needs, benefits, and harms that are, or could be, embodied in the organisation's offerings. This needs to be an ongoing process and long-term focus as external influences like technology, play a significant role and continuously change. Elements of sustainability relate to the reduction of energy use, reducing carbon emissions as well as cost (Mysen, 2012).

### **2.3.3 Corporate Sustainability**

Corporate sustainability refers to “a company's activities - voluntary by definition – demonstrating the inclusion of social and environmental concerns in business operations and in interactions with stakeholders” (Van Marrewijk & Werre, 2003, p.107). Corporate sustainability incorporates the adoption of both strategies and processes within the organisation, to sustainable development, in order to achieve CSR within the organisation (Muñoz, Rivera & Moneva, 2008).

According to Dyllick and Hockerts (2002, p.130), corporate sustainability is not just eco-efficiency; it involves “eco-efficiency, socio-efficiency, eco-effectiveness, socio-effectiveness, sufficiency and ecological equity”. Furthermore, corporate sustainability can be defined as meeting the needs of an organisation's direct and indirect stakeholders, without compromising the requirements of the future stakeholders (Dyllick & Hockerts, 2002).

Every organisation needs to decide on their own approach towards corporate sustainability interlinking with the organisation's goals and overarching strategy (Van Marrewijk & Werre, 2003). In order to achieve successful implementation of the corporate sustainability strategy, it needs to align to the organisation's vision, values and goals (Günther, 2016). The bulk of literature that can be found on corporate sustainability focuses on how organisations can reduce their environmental impacts and how it provides a competitive advantage (Hall et al., 2010). Ambec and Lanoie (2008) propose that through corporate sustainability, environmental responsibility offers unique opportunities for increased revenues. According to Ambec and Lanoie (2008), there are a few financial benefits that stem from sustainability investments, include, but not limited to:

- a) Better access to certain markets;
- b) Differentiated products;

- c) Revenue that comes from providing and selling green technology;
- d) A clear better risk management and relations with all stakeholders in the organisation;
- e) Lower cost of capital;
- f) Lower cost of labour

Two key drivers are essential in order to obtain corporate sustainability; firstly partnerships that are formed throughout the value chain; and secondly where the organisation's board drives corporate sustainability so that top management are interested in setting the sustainability strategy (Avery, 2015).

According to Jacques Schraven, there is no one size fits everything when it comes to sustainability. He reckons that "there is no standard recipe: corporate sustainability is a custom made process". A clear focus within the organisation needs to be made aware from the start of implementation throughout the entire process of sustainability, as it must form part of the organisation's core values and system design process (Van Marrewijk & Werre, 2003).

#### **2.3.4 Sustainability Initiatives**

Pacheco, Dean and Payne (2010) explore sustainability choices through a game theory lens. They use the prisoner's dilemma as their base problem for the cost of pursuing sustainability in advance of one's competitors before norms and institutions for green organisations are established. In addition, they encourage green organisations to apply effort into improving "the competitiveness of sustainable behaviours" to generate communal institutions (Pacheco, Dean, & Payne, 2010, p.465).

Parrish (2010) analyses the difference between opportunity-driven and sustainability-driven entrepreneurs. Whereas an opportunity-driven entrepreneur's primary goal is to build a profitable venture, sustainability-driven entrepreneurs look for opportunities that contribute to sustainability. Parrish (2010, p.511) finds five key factors that stand out from these entrepreneurs including resource perpetuation, benefit stacking, strategic satisficing, qualitative management, and worthiness of the contribution. These factors place increased weight on the extension of resources in the long run (Parrish, 2010).

## **2.4 Environmental Perspective (Sustainability)**

The realisation of environmental sustainability forms part of the “triple bottom line” concept, where there needs to be a balance between environmental, social and economic demands (Wilson, 2015). The basic principles of sustainability, from an environmental perspective, focus on the effective management of physical resources, addressing issues like the depletion of non-renewable resources, and the effect of industrialisation on biodiversity and the production of pollution (Bonn & Fisher, 2011).

Organisations must consider their social, economic and cultural impact when protecting the natural environment (McKinsey, 2009). Green strategies have been developed due to the promotion of sustainable practices in order to improve environmental performance (Smith & Perks, 2010). Furthermore, going green within your organisation is no longer costly, but a critical aspect for driving innovation, generating new opportunities and creating wealth (Clarke et al., 1994). The key is to build sustainability into the organisation rather than presenting it as an additional activity (White, 2009).

### **2.4.1 Green Strategy: “going green”**

Zhang, Shen, Wu, and Qi, (2011, p. 33), define green strategy as, “the approaches for helping developers achieve friendly environment, ecological responsiveness and social responsibility to improve long-term profitability and gain sustained competitive advantage”. Green strategy aims to achieve performance and sustainability in the long run, looking at various factors like lowering operational costs through energy saving in an organisation and preserving the health of all involved (Smith & Perks, 2010).

As described by Unruh and Ettenson, (2010, p.94), “a recent IBM survey found that two-thirds of executives see sustainability as a revenue driver, and half of them expect green initiatives to confer competitive advantage.” This shift reflects the growing awareness seen today by organisations and shows that environmental responsibility can be a platform for growth and differentiation (Unruh & Ettenson, 2010).

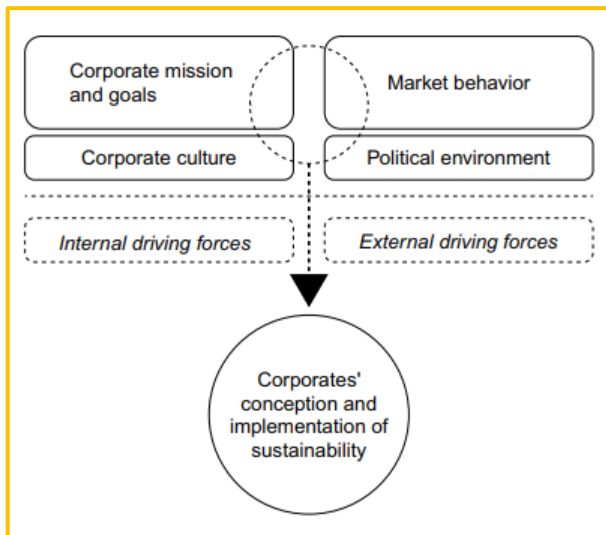
The benefits of going green can be defined as when an organisation reduces its negative impact on the environment and preserves natural resources; either by reducing water and energy costs, recycling, reusing procedural programs, or buying green products or services for the service of the organisation (LaMarco, 2018).

#### **2.4.2 Benefits of Sustainability and “going green”**

Porter and Kramer (2011), promote that each organisation should identify a set of societal issues the organisation is equipped to solve. Through solving these issues, it can gain the benefit of not only providing value to society, but also gaining a competitive advantage over its competitors (Galpin et al., 2015). Embedding sustainability into the strategy of the organisation has multiple benefits. Benefits and opportunities to meet new customer needs, build top-line organisations, reduce costs, build employee morale and identify (associate) with their values, whilst delivering greater value to the organisation's stakeholders (White, 2009).

In order to develop a culture of sustainability within the organisation, it needs to start at the core, the mission statement. A sustainability culture within an organisation is based upon the linkage of the organisation's mission, vision, values, goals and overall strategy. The mission statement refers to an equilibrium between the financial and social performance of the organisation and seeks to achieve high performance in both these areas (Galpin et al., 2015). In previous research, it has been noted that a mission statement provides direction to the organisation's stakeholders regarding the aim and goals of the organisation, and can lead to positive outcomes that benefit the organisation as a whole (Atrill, Omran & Pointon, 2005). The core values should include economic, environmental and social elements, and guide the leaders of the organisation towards a view of success that integrates profitability with the responsibility for social justice and environmental protection (Bonn & Fisher, 2011). Interaction between the strategy of the organisation and its goals, values, mission and vision, determines the unique philosophy of the organisation and the direction in which it is going (Halliburton & Bach, 2012).

According to Mysen (2012), the corporate culture and political environment and how these influence an organisation are internal and external driving forces for the implementation of sustainability, as seen in Figure 4.



**Figure 4: Conceptual Model of Relationships between Driving Forces and Sustainability**

(Mysen, 2012, p.503)

The Global Reporting Initiative's list of more than 70 sustainability performance indicators can help organisations identify green benefits that are suited to their sustainability strategy and which initiatives like investments, reputation or competencies the organisation will require for implementation (Unruh & Ettenson, 2010).

Benefits of "going green", according to Lagas (2015, p.1), include but are not limited to, the following:

- a) A reduction in water and energy costs
- b) Building a better brand/reputation: attracting new customers and an increase in revenue
- c) Tax incentives in certain countries
- d) Increased innovative environment
- e) Societal impact for future generations

A key focus is who are the stakeholders that will benefit from implementing green initiatives into the organisation's strategy (Rodriguez, 2006). Organisations that succeed in growing their green initiatives distinguish themselves through their commitment towards sustainability as well as the performance of their green offerings (Unruh & Ettenson, 2010).

## **2.5 Competitive Advantage**

The term “Economic Moat” as described by Warren Buffet, refers to a competitive advantage that one organisation has over other organisation that is in the same industry (Archer, 2018). Hence, the wider this economic moat, the bigger and more sustainable the competitive advantage of the organisation (Gallant, 2017). Organisations that have this economic moat come from a result of various business tactics and strategies that the organisation has done in order to have a better competitive advantage and be more sustainable in the long run. These organisations demonstrate solid financial performance (Hargreaves, 2017).

Unruh and Ettenson (2010, p.1), identify a “dramatic shift in corporate mindset and practices”, which leads to a growing awareness that environmental responsibility can generate growth and differentiation within an organisation. Hence, “going green” is not just a trend, it is a competitive advantage that an organisation implements.

Sustainability and “going green” is not the same expression, however, they go hand-in-hand. Sustainability looks at the organisation holistically, whereas “going green” refers to a singular product or process. Therefore, when looking at the bigger picture, it optimises the advantages of an environmental focus (Lagas, 2015). Also, “going green” can reduce costs, attract new customers and improve overall sustainability. From Russo and Fouts (1997), it was found that the benefits of improved corporate environmental behaviour did outweigh the cost thereof. Becoming a learning organisation and learning faster than that of your competitors is the only form of sustainable competitive advantage (Wilson, 2015).

According to Halliburton and Bach (2012), an organisation’s performance, mostly in a positive direction, is correlated to the reputation it has that supports sustainable competitive advantage. Additionally, reputation enhancement value is created through innovation and consequently the possibility of long-term developments of new capabilities and activities which will enhance the competitive advantage of the organisation (Cabral, 2016). Good governance and ethical behaviour improve the positive effect on reputation within an organisation. In addition, as pointed out by Ramos-González, Rubio-Andrés and Sastre-Castillo (2017), the reputation of the organisation is a multidisciplinary concept which in turn enables the organisation to gain a long-term sustainable competitive advantage (Barney, 1991).

## **2.6 Investing in the Future**

Organisations are recognising opportunities for profit-making in designing new products or services to address sustainability challenges (Alberti & Varon Garrido, 2017). One approach is to treat sustainability goals within the organisation as a trade-off between profit and societal impact, looking at societal demands; another is to incorporate these societal demands and re-think the entire organisation in order for the compromises to become new sustainable strategies (Alberti & Varon Garrido, 2017).

Organisations that are listed on the Dow Jones Sustainability Index and the FTSE4 Good Indexes, demonstrate higher share price performance than that of the organisations that belong on the World Business Council for Sustainability Development (Galpin et al., 2015). Organisations use these indices to demonstrate their green and social credentials (Wilson, 2015). The Dow Jones Sustainability Index, addresses sustainability, corporate responsibility and ecological dimensions. The FTSE4Good index measures social responsibility, sustainable development and respect for human right, twice a year. For an organisation to be part of these indexes, they need to undergo an audit by an independent agency, on “corporate governance, risk management and branding, employment practices and environmental actions” (Wilson, 2015, p.435). Through implementing these elements within the organisation, the overall image will be enhanced along with reduced costs and a competitive advantage.

As mentioned by Gittell, Magnusson and Merenda (2012, p.133), accountability refers to a “concept in corporate governance that is the acknowledgement of responsibility by an organisation for actions, decisions, products, and policies that it undertakes”. Accountability is an organisation taking responsibility for all the decisions and actions it makes, on its services or products, in order to improve quality and effectiveness (Gray & Bebbington, 2007); furthermore, sustainability is an organisation taking accountability for its social and ecological impacts.

## **2.7 Profitability and Risk**

Bodoff (2011) created a model that measures the organisation’s value after implementing certain initiatives (Table 1) and it incorporates strategy, risk, value and sustainability of earnings. For the purpose of this research study the model has been modified in order to see where the tipping point towards being a profitable organisation

is when implementing green initiatives and sustainability. This model which is based on Panning's model identifies how much an organisation's strategic position is worth.

**Table 1: Profitability Model**

			Company A
1	Expected Earnings	E	100
2	Interest	r	10%
3	Discounted Future Earnings	$DF = 1 / (1 + r)$	90.9%
4	Growth rate	g	5%
5	Earnings growth factor	$GF = 1 + g$	1.05
6	Initial Probability of sustainability	p	96%
7	Maximum amount of improvement in Probability	$1 - p$	4%
8	Value	V	1043.5
9	P / E multiple	Value / Expected earnings	10.4
$(8) = (1) * [(6) * (3)] / [1 - (5) * (6) * (3)]$ $(9) = (8) / (1)$			

(Bodoff, 2011, p.10)

## 2.8 Conclusion

This study aimed to have a better understanding of implementing green initiatives and sustainability into an organisation's strategy. According to Rivera, Muñoz and Moneva (2017) implementing sustainability strategies are favourable for the organisation's performance and can showing commitment towards specific social and ethical values, attracting and keeping top performance and increase employee productivity, along with creating a better reputation and obtaining improved financial terms.

"Unless sustainability is adopted by all members of society there will be no planet and no business" (Wilson, 2015, p.444), To an extend organisations have realised the importance of adapting to their environment and the issues faced, through implementing new sustainability strategies to achieve a competitive advantage. Developing innovative ways that align with profit and sustainability is a critical challenge for organisations (Alberti & Varon Garrido, 2017).

Organisations that innovate their strategies in such a way that goes beyond current conceptualisations, making it their mission profitable, rather than making profit their only purpose, will be sustainable in the long-term (Epstein, 2018).

Through a combination of these models mentioned in Figure 1, Figure 2 and Figure 4, a new model was developed which incorporates green initiatives within a sustainability strategy model that is geared towards optimal organisational performance in accordance with the progression of this research study. A successful strategy implementation needs to be supported by top management and communicated throughout the organisation (Günther, 2016).

## Chapter 3: Research Questions

### 3.1 Introduction

The research questions focus on identifying the fundamental green initiative factors that organisations implement into their strategy and how the overall focus can be sustainable. This is done in order to understand the implications on brand, CSR, accountability, environmental and social issues, revenue, sustainable development, etc. The following research questions will be investigated:

### 3.2 Research Questions

#### **3.2.1 Research Question 1: Determine the nature and diversity of green sustainability that challenges ‘business as usual’ thinking in an organisation’s strategy.**

Research Question 1 attempts to determine the diversity of green sustainability implications within an organisation’s strategy and how certain organisations are early adopters instead of followers to implement these green initiatives. Is implementing green into an organisation’s strategy the new touch screen or digital photo? (Are you investing in film or Instagram?) Furthermore, analysing the environmental and social impacts on an organisation’s strategy and overall performance.

#### **3.2.2 Research Question 2: Identify the factors considered that drive green initiatives within the sustainability strategy of the organisation.**

Research Question 2 aims to identify the key factors that drive green initiatives within an organisation. This will strive for similarities with the factors that have been identified from the literature review. Impact on the organisation brand; sales revenue down the line; brand perception; reduce carbon footprint. In addition, it will aim to find supplementary insights into factors that have yet to be considered.

#### **3.2.3 Research Question 3: What are the benefits gained from implementing green initiatives into the organisation’s sustainability strategy?**

Research Question 3 identifies the benefits gained from spending on green initiatives and forming it part of the organisation's overall strategy. Furthermore, it will support the additional forces of “going green”. It’s easy to assume that the economy’s green strategies are further than expected (advanced). However, the forces of “going green” have yet to become mainstream.

#### **3.2.4 Research Question 4: The cost of going green.**

The final Research Question (4) evaluates whether the benefit (value) of green initiatives into the sustainability strategy, exceeds the cost. Company performance: How much money have you spent on green initiatives? Giving up revenue in the short term for higher profitability in the longer term?

## **Chapter 4: Research Methodology**

### **4.1 Introduction**

Methodology refers to the theory of how research should be approached (Saunders, Lewis & Thornhill, 2009). This chapter defines the scope as well as the limitations that could be expected when doing this study. The research involves the process of green sustainability strategies that have had an effect on the overall value of the organisation. It provides an evaluation of sustainable expenditures and decisions on strategic manoeuvres designed to enhance the organisation's strategic position. Therefore, this chapter describes the chosen research methodology that was used in this study. Previous chapters formed the foundation for the design of the methodology.

This study adopted a mono method qualitative and exploratory approach to the research method, design, population, sampling method and size, and data analysis to strengthen the selected approach for this study. The data collection came from organisations that have implemented green sustainability initiatives as part of their overall strategies. This research aimed to examine organisations who actively manage their carbon footprint as part of their strategy.

The data analysis was carried out in two phases. Firstly, "face to face" interviews were held with the organisations that were analysed. The objective was to ensure that questions were understood and therefore reduced the potential biases.

Secondly, based on the first stage, if the organisation allowed the researcher, the researcher then analysed the respective organisation's financials in order to get a more in-depth look into the implications of implementing these green initiatives into their respective strategies. Furthermore, media and social networks were considered to determine the reputational impact of going green on the organisation from the wider population.

Finally from these two approaches, a satisfactory level of validity and reliability was reached when analysing the whole sample of the study.

## **4.2 Research Methodology and Design**

### **4.2.1 The rationale for the chosen method of research**

The purpose of this study was to determine 'gaps' in the literature, and provide new insights into these gaps. Understanding what has been researched in the past, building on it, and developing new concepts in order to comprehend the existing 'gaps' and provide new insights (Saunders et al., 2009). This entailed a detailed study of the factors that are influencing green initiatives, sustainability, strategy and innovation in organisation's green sustainability strategy, using theory as an iterative process between interviews, data collection and analysis (Myers, 1991).

As mentioned in the introduction this was a qualitative (non-statistical) and exploratory approach (Saunders & Lewis, 2012). This study consisted of collecting data through semi-structured, in-depth, one-on-one interviews, which provided a rich perspective for the researcher.

The research philosophy for this study was interpretivism and pragmatism. According to Goldkuhl (2004, p.1), "Pragmatism can be understood as a philosophy that fully acknowledges this mutual permeation of knowledge and action". Pragmatism speaks to the research questions as the most significant factors you undertake. Furthermore interpretivism relates to the learning of social occurrences in everyday life (Saunders & Lewis, 2012).

Exploratory research explores research questions in varying levels of depth, collecting data even through observations (Kele, 2018), and does not determine solutions to the research problems, but helps to give a better understanding of the problems. It highlights the need where certain areas are unexplained within an area of study. As is the case of this research, exploring why organisations implement green initiatives into their sustainability strategy. According to Singh (2007, p.64), exploratory research "is the initial research, which forms the basis of more conclusive research. It can even help in determining the research design, sampling methodology and data collection method. In some cases, exploratory research serves as the formative research to test concepts before they are put into practice." Furthermore, Habib, Pathik, and Maryam (2014) describe exploratory research as the initial research that is done to determine the root of the research problem.

## **4.3 Population and Sampling**

### **4.3.1 Population**

The population of a study is “any complete group that share some common set of characteristics” (Zikmund, Babin, Carr, & Griffin, 2013, p.385). In a research study the researcher makes inferences and predictions about a population based on a sample of data the researcher has taken from the population in question.

The population for this study consisted of all business leaders who have knowledge or expertise around strategies or sustainability in an organisation which spends on green initiatives. These business leaders can be described as chief executive officers, managing directors, directors, executives and senior managers that work in the field of management and currently lead an organisation or a division thereof.

### **4.3.2 Sampling Method and Size**

The sample size and techniques that are used in research are usually influenced by the availability of resources. Non-probability sampling techniques enable the researcher to select the sample intentionally and to come into contact with members of the population that are hard to identify (Saunders et al., 2009).

Judgemental sampling allows the researcher to use their judgement when selecting a sample that is best suited to answer the research questions (Saunders et al., 2009). When a population is difficult to identify, Saunders et al. (2009) suggest that snowball sampling would be a good route to take. Convenience sampling is the most natural type of sampling, and occurs when the researcher chooses a sample that is convenient to him or her, due mainly to the ease of obtaining them. This type of sampling is prone to bias and influences, beyond the researcher's control (Saunders et al., 2009). Therefore, the approach to sampling for this study was a non-probability sampling using judgemental, convenience and snowball sampling techniques (Saunders & Lewis, 2012). The sample included in this research study was taken from business leaders (managers) across different industries who were selected due to their knowledge or expertise of the research topic area. However, each industry could not be equally represented.

A key guideline when discussing the sample is to be non-discriminatory. Also, to be confident that the sample size is large enough. Patton (2002) suggests that the sample size is dependent on the research questions the researcher wants to ask. When

conducting semi-structured interviews, the researcher needs to conduct interviews until saturation is reached. However, when using a heterogeneous population the sample size needs to be between 15 and 25 and for a homogeneous population around 10. This gives a good indication of number of interviews required (Saunders & Lewis, 2012).

The sample size to be used in this research study was taken across different industries consisting of business leaders (managers) due to the knowledge or expertise each person has. The researcher used her private and professional network to secure interviews with 16 business leaders in identified companies. Table 2 provides further details about the industry that each of the research participants worked in, as well as their current position within the respective organisations.

**Table 2: Industry and Position of Sample**

Participant	Industry	Position
P1	Environmental management	EMI: Legal Support (Admitted Attorney)
P2	Diversified Industrial	Group Head: Sustainability
P3	Retail	National Account Manager
P4	Construction	Chief Executive Officer
P5	Retail	Property and Development Director
P6	Environmental management	Managing Director
P7	Construction	Business Development Manager
P8	Energy: Oil & Gas	General Manager
P9	Construction and Built Environment	Head of Sustainability and Utilities
P10	Industrial	Head of Safety and Sustainable Development
P11	Manufacturing: Electrical and Technology	Head of Sustainability
P12	Built Environment	Co-founder
P13	Manufacturing	Applications Engineer
P14	Retail	Group Sustainability Projects and Innovations Engineer
P15	Safety and Environment	Managing Director
P16	Built Environment	Founder and Chief Executive Officer

### **4.3.3 Units of Analysis**

“Descriptive research can be used to describe a unit of analysis” (Habib, Pathik, & Maryam, 2014, p.8). The individuals that were chosen for this study, as mentioned before were leaders of an organisation. They have knowledge and expertise of what factors would influence green initiatives towards sustainability strategies such as how to become a more sustainable organisation, including factors like climate change, organisation culture, reputation etc.

## **4.4 Data Collection Tool/ Research Instrument**

Data collection for this research was done using primary and secondary sources available to the researcher. Primary sources include the interviewees, whereas secondary sources comprise of strategies, websites, social media and financial reports from the organisations. Secondary data helped with the preparation for each interview as well as confirming facts as mentioned in each interview, making sure the information was adequate and accurate. “Interpretivist research poses as epistemological assumption that knowledge about the world is acquired through social constructions such as language, consciousness, and shared meanings” (Cardoso & Ramos, 2012, p.78).

The measurement instrument for this study was a semi-structured interview questionnaire (Appendix 5) containing open ended questions which the interviewer was able to explore further during the interview. Interview questions were formulated for each of the research questions through the use of a consistency matrix (Appendix 2) to assist the researcher in ensuring that all the research objectives have been covered during the interview.

Prior to conducting the interviews, the research interview questionnaire was piloted twice to identify any potential problems with the way in the questions were being asked, to have the opportunity to make any necessary adjustments to the questions and to check the length of the interview. Before the interviews took place, the questionnaire was submitted and approved by the ethical committee of the university.

## **4.5 Data Collection Process**

The main data collection technique used in this study was semi-structured interviews, which included participant observation and questionnaires and focused on human

interpretations and meaning (Walsham, 2006). All interviews were held in English by the researcher herself, thereby gathering information from various interviewees' viewpoints. The mapping of the questions that were developed in Chapter 3 is presented in Appendix 1.

The interviews were conducted with the researcher meeting each participant at their office. There was an exception of three interviews which were conducted telephonically due to the availability and location of the participants. Each interview was expected last an average of 60 minutes in an isolated room. Each interview was audio-recorded, while the researcher made notes throughout. Afterwards all the interviews were transcribed and analysed by the researcher.

#### **4.6 Data Analysis**

The data analysis was done through the identification of common and overarching themes, identifying recurrent terms or phrases and identifying links that emerged from the data that was collected through the semi-structured interviews (Zikmund, Babin, Carr & Griffen, 2013). Thematic analysis was done using an inductive approach (Saunders & Lewis, 2012). This type of analysis helps to identify and analyse patterns or themes in the data, and offers an accessible and theoretical flexible approach to analyse qualitative data (Braun & Clarke, 2006).

In order to understand the underlying themes, most analysis took place after the interview, by listening to the audio recordings and using transcripts of the interviews. Thematic analysis of the data was conducted on a question by question basis using Braun and Clarke's (2006) step-by-step guide as illustrated in Table 3. It is critical to note that this involved an iterative process and not a linear process, which means that there was movement back and forth throughout the phases. A big advantage from using this method was that it can generate unanticipated insights, finding the "gaps" in the research.

**Table 3: 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)

Each interview was then processed and details of each question captured on a Microsoft Excel sheet. The codes, categories, themes and insights that emerged from this analysis were linked together, supported by the thematic analysis and supported by the frequency of phrases that occurred during the interviews.

#### **4.7 Data Validity and Reliability**

According to Saunders and Lewis (2012, p.128 validity refers to the “credibility of research findings and conclusions”. This relates directly to the research strategy. Saunders and Lewis (2012) also mention that in order for the research to be reliable, the techniques used in order to collect the data must produce consistent findings.

In order to ensure validity and reliability of this research, a number of measures were taken by the researcher. Firstly, data validity and reliability was controlled through the use of standardised questions for each interviewee. All techniques used in going about collecting the data are set out clearly from the start which, according to Saunders et al. (2009), will make it easier to assess the validity and reliability of collection methods.

Through an inductive approach the data analysis occurred during and after the interviews. The analysis helped to form the trend coming from the data collection and shaped a framework (Kele, 2018). The interviews allowed the researcher to develop a

trusting relationship and connection with each participant to comprehend the implications the initiatives have on the entire organisation. Furthermore, interviews were coded to have a full record of each interview.

The data that was collected for this study was cross-sectional, also often termed a 'snapshot'. All the data was collected in interviews that was conducted in a short period of time (Saunders & Lewis, 2012). The researcher reflected on the data to ensure personal bias do not influence the data collected.

#### **4.8 Research Limitations**

The research limitations for this study were mostly generalisation of the findings. Due to the fact that the research was exploratory, the interviews were subjective to the researcher herself which can be prone to being biased. Also, for this type of study it is merely a sample and not a true representation of the population itself.

Another research limitation relates to the sample. There are difficulties in obtaining access to leaders of organisations, particularly in the field of sustainability and green. This limited the research being done as information was not easy to obtain from the table of companies mentioned in the proposal, due to availability and time commitment confirmation from business leaders. Companies were not as open to share information with the researcher as originally perceived.

While green sustainability remains ambiguously defined and controversial, it has emerged as an influential concept for the future of organisations. There remains considerable uncertainty regarding what the influences are for organisations to implement green initiatives into their strategies. Barriers like the lack of green technologies and green awareness and expertise within organisations created a research limitation.

Another limitation to the study was that the researcher was not skilfully trained in the art of interviewing, and potential biases could affect the results collected from all the interviews that were done.

## **Chapter 5: Results**

### **5.1 Introduction**

The interviews conducted provided valuable insights into each organisation's strategy and how they decide what to implement towards sustainability. The reflective nature of the interviews allowed each leader to make certain connections with the researcher and to develop a trusting relationship between them in order to understand the implications these initiatives have on the holistic view of the organisation.

In this chapter, the results are presented and summarised in accordance with the Research Questions as stated in Chapter 3. This section of the study provides the key findings of the analysis of data that was collected through each of the semi-structured, in-depth, one-on-one interviews. The interview questions were derived through the use of a consistency matrix (Appendix 2).

These questions were mapped and evaluated against the three Research Questions in Chapter 3, which supported and ensured a golden thread between the Literature Review, the Research Questions and the data collection and methods of analysis. The constructs and themes that were identified for each of the Research Questions, are substantiated by quotations from the interviews. Only a few quotes have been stated in this chapter, where relevant, along with additional research data that was identified inductively through the coding and analysis of the 16 interview transcripts.

The analysis of each interview was done by looking for patterns; in order for the researcher to gain insights into what was missing ('gaps') from previous research, develop a strong body of evidence and evaluate the results. Firstly the researcher will describe the interviewee, age, background etc. in order for the reader to have a holistic view and gather better insights of each participant in the study.

This chapter firstly provides a description of the sample achieved, together with the organisation they represented, and provides general commentary on certain noteworthy points that were observed during the process of the interviews. The remainder of Chapter 5 will confer which themes emerged and were identified during the interviews as well as throughout the subsequent thematic analysis as was discussed in Chapter 4's methodology.

## **5.2 Description of Sample**

Judgemental, convenience and snowball sampling allowed the researcher to select a sample that was best suited to answer the Research Questions. A sample of 16 individuals participated in the research. They were all seen as experts in their organisation on the subject of strategy and sustainability, specifically on how strategy is implemented and executed; reflecting their knowledge or expertise on the subject matter.

Table 4 provides a summary of the interviewees, including the role they represent, the industry they serve, as well as the reason they were selected for this research study. All of the participants held high positions and had experience in strategy or sustainability in their respective organisations. Each had their own opinion, thoughts and perceptions regarding sustainability.

The participants interviewed came from a variety of industries. This can perhaps be a flaw in the research study, as some industries can be more advanced in terms of their strategic focus on sustainability, however, due to the same flaw, limited participants were available for this research study. The researcher was however, satisfied that all the data gathered from the sample through the interviewing process, was credible in order to draw insights and recommendations in the field of sustainability and green initiatives found within the strategy of the respective organisations.

**Table 4: Information and Details of Interviewees**

Participant	Industry	Position	Additional Information
P1	Environmental management	EMI: Legal Support (Admitted Attorney)	Participant one works for the Department of Environmental Affairs where she is an admitted attorney. She has a background in legal support and legal advisory for environmental scientists, industrial mines and organisations that apply for environmental authorisations, along with doing compliance auditing for legislative purposes.
P2	Diversified Industrial	Group Head: Sustainability	Participant number two works for one of the largest logistics organisation in South Africa. He heads up the group's sustainability objectives with a critical focus on reducing the organisation's carbon footprint.
P3	Retail	National Account Manager	Participant number three is a national accounts manager at a major retail organisation. She has a key interest in how they market their products to consumers who want to see a difference. Their entire organisation implements their Sustainability Living Plan.
P4	Construction	CEO	Participant four is CEO of one of the leading infrastructure development and construction material supply groups in South Africa. The organisation has a key focus on transforming the construction industry in an ethical manner.
P5	Retail	Property and Development Director	Participant number five is the director of property and development for a food retailer in South Africa. Being part of this big restaurant chain, he has a keen interest in what sustainability and green initiatives hold for each restaurant; from refurbished table tops to where they source their ingredients.
P6	Environmental management	Managing Director	Participant number six, is the managing director for a recycler of PET bottle materials. Their expertise lies in the reclaiming and converting of waste PET bottles into various PET chips and flakes for converting into other materials for additional applications
P7	Construction	Business Development Manager	Participant seven works in the construction industry, and is the business development manager. They focus on providing energy-efficient solutions to their clients with a key focus on being sustainable in the long-run and their environmental impact.
P8	Energy: Oil & Gas	General Manager	Participant number eight is General Manager for an energy organisation in South Africa. Their vision has identified areas where they can have the biggest sustainable impact: climate change, work and human rights, providing access to energy.
P9	Construction and Built Environment	Head of Sustainability and Utilities	Participant nine works in the construction and built environment. They are the leading property fund. As head of sustainability and utilities this participant focuses on implementing and executing the organisation's sustainability strategy.

<b>Participant</b>	<b>Industry</b>	<b>Position</b>	<b>Additional Information</b>
P10	Industrial	Head of Safety and Sustainable Development	Participant ten is Head of Safety and Sustainable Development at a leading industrial equipment organisation. He has a PhD in Environmental Sciences from the University of Johannesburg. Sustainability is included in the company code as one of the group's five core values that informs employees' individual and collective behaviour.
P11	Manufacturing: Electrical and Technology	Head of Sustainability	Participant number eleven, is Head of Sustainability at a leading manufacturing organisation in South Africa, with responsibilities that cover the sustainability strategy along with a key focus on reducing their carbon footprint.
P12	Built Environment	Co-founder	Participant number twelve is the co-founder of a boutique consultancy firm that focuses on sustainability projects.
P13	Manufacturing	Applications Engineer	Participant number thirteen works for a manufacturing organisation; their mission statement articulates to responsibly provide products and solutions creating sustainable value for the world.
P14	Retail	Group Sustainability Projects and Innovations Engineer	Participant number fourteen is Group Sustainability Projects and Innovations Engineer at a retail organisation. He is very passionate about creating a sustainable environment; even at their head office they have a Green Building award. Their ambition is to become a waste-free business, with a clear focus on turning waste into value; a more water-smart business and an energy self-sufficient business
P15	Safety and Environment	Managing Director	Participant fifteen is managing director for a safety organisation, with a key focus on the environment and how sustainability forms part of it.
P16	Built Environment	Founder and CEO	Participant number sixteen is the founder of a built environment consultancy firm; they are geared towards sustainable projects in South Africa. Their mission is to develop a world towards shared value, entrepreneurship and true empowerment.

### **5.3 The Interview and Transcribing Process**

The interview questionnaire, Appendix 5, was used as the format for conducting each interview and to guide the interviewees through the required research questions. The interview questionnaire was used to set the scene for the required outcome from the research. From the introductory question, it was established that the researcher was trying to understand the implications that sustainability and green initiatives have within an organisation, and how it challenges the day-to-day business actions that can be seen in an organisation's strategy in today's world.

The interviews were conducted over a period of eight weeks, depending on the availability of the participants. Most interviews lasted an average of 30 minutes; all interviews were recorded and backed up onto a cloud account, from where they were transcribed by a professional transcriber. All transcripts were checked by the researcher to ensure accuracy and once all transcripts were completed they were analysed using Microsoft Word and Excel.

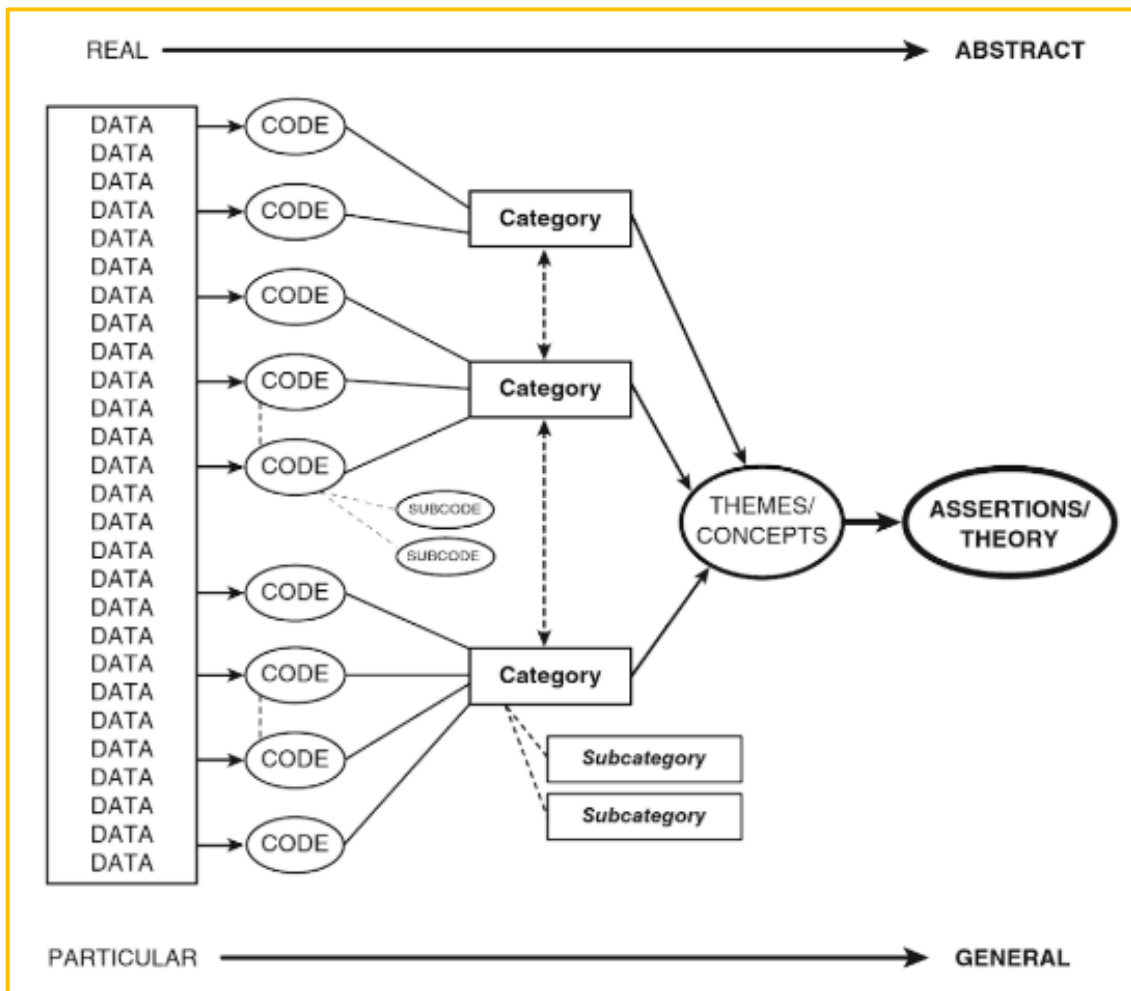
Since the interviews being conducted were semi-structured the questions did not necessarily follow the same order every time, as documented in the interview questionnaire; instead the researcher tried to keep the interview as natural as possible, almost as a light conversation to ensure the interviewees were honest in their opinions and reveal certain aspects which they would perhaps not have shared, and discuss their sentiments according to the flow of the discussion. This type of answering process provided rich data to the researcher which indicated substance and validity to the research being done.

Analysing the research data can be complex, therefore, the data needs to be prepared and organised through the transcripts from the interviews; from there reduced into constructs and themes through a process of coding, next condense the codes and constructs to be finally represented through figures, tables and followed by a thorough discussion of the entire analysis (Creswell, 2013). This links back to the Data Analysis done in Chapter 4.6 step-by-step guide by Braun and Clarke (2006) "Phases of thematic analysis".

Creswell (2013) recommends using a basic coding table based on the review of theory, allowing the codes to develop throughout the analysis as additional information gets revealed. The initial coding was done at a very basic and simplistic level using the

coding table. From there, all new codes discovered through the process were added to the code list, in an attempt to keep certain fragments gained from the interviews from becoming lost in all the chaos of codes. Some phrases fell within more than one code which was monitored closely to keep the essence of each interviewee's response.

Once all the transcripts were coded from the data gathered, a total number of 386 codes were evident. As mentioned above, the codes were grouped into categories or constructs which were then clustered into themes. Figure 5 is a representation of the coding process followed, as denoted by Saldana (2013) is his explanation of how the data transcends towards thematic analysis. The constructs that were derived from the analysis are used for the reporting of the findings in this research study.

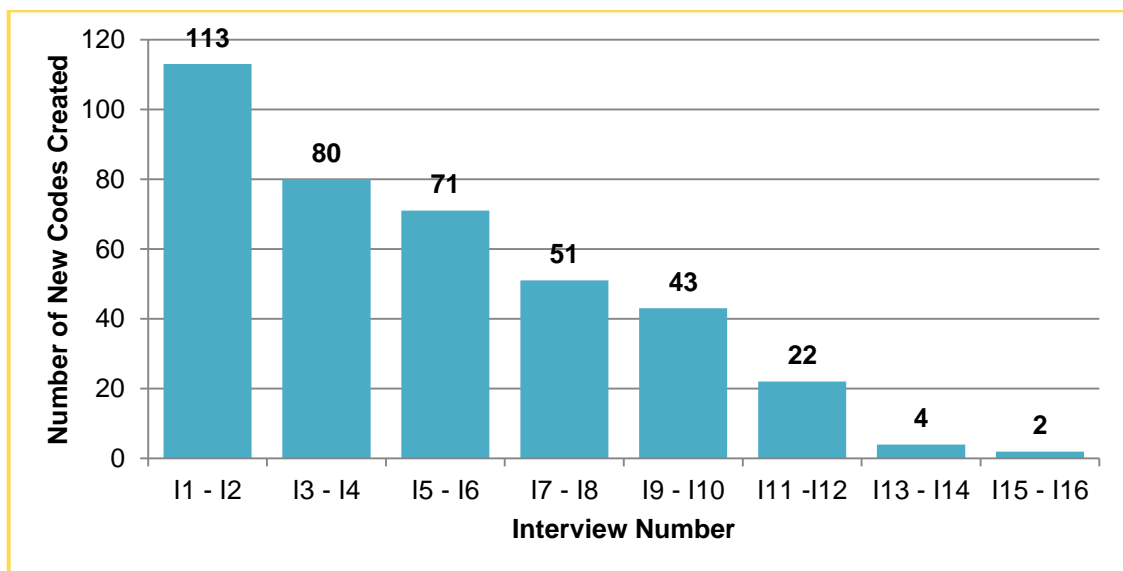


**Figure 5: A Streamlined Codes-to-Theory Model for Qualitative Inquiry**

(Saldana, 2013, p. 14)

## 5.4 Understanding the Development of the Constructs

It was imperative for the researcher to code within the context of each question being asked during the interviewing process. An overall number of 386 codes were established after all the interviews had been coded. Although 16 interviews were conducted, it was observed during the coding process that by the 14<sup>th</sup> interview there was no new substantial information emerging from the data. This indicated that saturation of data had been reached. According to Guest, Bunce and Johnson (2006, p.59), saturation is “the point at which no new information or themes are observed in the data”. Figure 6 illustrates the number of new codes created by each additional interview during the process of coding and data analysis.



**Figure 6: Number of New Codes Created During Coding of each Additional Interview**

(Source: Researcher's own)

The validation of each code was analysed retrospectively, after the interviews, and in the following manner. Each code was analysed by summing the number of times the code or construct was pointed out by each participant. The resulting frequency count relates to the amount of times all the participants mentioned a code; this can relate to a participant mentioning the code itself or perhaps even implying a phrase and not using the exact words of the code. These frequency counts provided the researcher with an idea of the importance behind the meaning of the code to the participants. The respective frequency tables are provided within the following presentation of key findings for each of the Research Questions identified in Chapter 3.

## **5.5 Presentation of Key Findings**

The researcher asked some introductory questions at the start of each interview in order to gain an understanding of the participants perspectives and opinions on sustainability in order to establish context and understand where the participants were coming from in their answers. Most answers came from the participants' experiences, their insights or thoughts on the subject matter, and how they perceive the overarching sentiments on sustainability and how profitable it is, or can be, for any organisation.

In following presentation of key findings from the interviews, the researcher uses brackets ( ) to clarify or to provide context for the participants' quotations; this is the researcher's own words. However, when square brackets [ ] are used, the researcher has replaced specific organisation details or specific reference to people with generic information.

## **5.6 Findings for Question 1**

**Research Question 1: Determine the nature and diversity of green sustainability that challenge 'business as usual' thinking in an organisation's strategy.**

The aim of question one was to determine the implications of green sustainability actions on an organisation's strategy and to understand how certain organisations are quicker to lead than to follow. In addition, the researcher wanted to identify if implementing these initiatives early on had an impact on an organisation's overall profitability and overall performance on the triple bottom line.

### **5.6.1 Participants Thoughts on Why Certain Organisations Adopt Quicker to Green Initiatives than Others**

The first interview question was intended to gain an understanding of why the interviewee's thought certain organisations adopt quicker to green initiatives than others. The nature and diversity of green sustainability that challenges 'business as usual' thinking in an organisation's strategy, depends mainly on the "nature of the business" according to one participant, along with what is important to them. Most participants started their interview, with a brief background of where they come from and their experience within sustainability and/or strategy. One participant introduced the notion that there are multiple factors that can be gained through the consideration of implementing these initiatives. Table 5 illustrates the major factors identified for why certain organisations adopt quicker than others.

**Table 5: Factors that Drive Early Adoption with an Organisation**

Rank	Factors/Construct	Frequency
1	Leadership buy-in: Corporate Governance	13
2	Ethical	12
3	Long-term focus	12
4	Environmental impact	11
5	Reputation	9
6	Legislation	7
7	Climate Change	6
8	Culture	5
9	Values	5
10	Technology	4
11	Shared Value	3
12	Global trends	1

Table 5 clearly indicates that in order for any organisation to become an early adopter, there needs to be leadership buy-in. As illustrated in Table 5 above, there are far more factors involved than what was originally identified, thus proving the complexity of this topic and the context which it has enacted.

One participant indicated that their organisation formulated top-down approach towards being sustainable, whereby initiatives are “formalised at the board meeting to actually formalise a sustainability infrastructure...board approval with board support in terms of looking at sustainability initiatives and formalising a framework for sustainability and how we should actually approach sustainability”. Another participant communicated that certain organisations adopt quicker than others due to the fact the “the management of those organisations, ...is in tune with being sustainable, and the more of those managers that have sustainability on their mind, the easier and quicker policies will be added in relation to green policies, the sustainability policies”. Not only should management be driving this, but the entire sustainability strategy needs to be “driven by the shareholders...they want to make sure that their share value is maintained or increased, and some of the initiatives that they want to see, the green initiatives, they believe over time should get them better return”.

A participant felt that certain “organisations adopt quicker green initiatives than others because of how they have structured the organisation and why they do what they do. So, their values are aligned easily with green. Others I think it is because mainly the leadership of that organisation is generally conscious of what the global trends are... trend is just purely what is going in the culture. So, they are not doing it because it is trendy, but they have observed what is happening globally”. He continued in saying

that another reason why organisations do adopt quicker is “pressure from their clients or shareholders”, therefore the organisation is voluntarily required to adapt to these initiatives.

Another factor that came from the interviews speaks to legislation. One participant helped companies apply for environmental authorisations, going into compliance auditing, in order to see if organisations complied with legislation or not; being mostly South African legislation, national, provincial and municipal by-laws. Another participant commented that in their organisation “(when) green environment legislation came into place, we (the organisation) work with a lot of hazardous products, anti-green products in the construction environment, and we had to adjust accordingly, and we complied to legislation, and that’s been the whole drive with us in the construction-related field. Previously, in the old years, construction and the green environment were two worlds apart, but that has changed now through the legislation”.

One participant indicated that Governments globally are “putting up policy and legislation which is disincentivising business as usual. So, the cost comparisons of being green, which was always seen as an added cost, suddenly that hold cost paradigm changes and now there is actually a cost benefit in being green”. Another supported this by saying, [Company X], an organisation she was auditing, has very big green initiatives that they were implementing as it’s very important to them as a company. [Company X], is very corporate and a large international facility, therefore their reputation is very important to them, along with business opportunities created from the International Standards or ISO14001; managing your “environmental impact, that’s’ basically ISO14001 in a sentence”; which speaks to corporate governance as well within an organisation. These opportunities can be created, according to one participant, through compliance and implementations of these legislations will put you as an organisation in a better position to “get business from international companies, and part of ISO 140001 is that you have to implement energy efficiency”. However, according to the same participant she felt that only larger organisations, like [Company X], benefit from implementing ISO legislation. She comments that, “you know, let’s be honest, people in the business sector, it is all about production and money”. Therefore, small organisations are not willing to implement green initiatives as they do not want to spend a lot of money, if they are not “reliant on international funding or a reputation”. Consequently, it comes down to being ethical, and doing the right thing.

Another participant mentioned that we are behind when it comes to compliance of regulations, and not aware of the requirements, which can be due to there being “so many Acts, Environmental Acts”; there are “subordinate legislation, green regulations and NUMSA standards, and then there is provincial and municipal by-laws”. Therefore, it is impossible to stay up to date with the latest requirements of what is expected from an organisation. Furthermore, she mentions that “most of our legislation in terms of environmental legislation is great legislation, most of it, but it’s not implemented”. Continuing that, “we (government) don’t have resources, we don’t have funding, so we can’t implement this, we can’t send inspectors out to monitor this”.

One participant mentioned that, “I think it depends on your field you operate in, what industry you’re in. For us, ... (as an organisation) going green, I think happened a bit later than maybe some of the initial people who got onto the green initiative, so I think it is industry dependent. On our side it has yet to be fully emerged within the industry”. Supporting this statement, another participant continued by also saying, it depends on the “type of organisation; so, it would depend on the vision, the values and culture of the company. So, if you want to do the right thing you would want to invest in areas that are sustainable, that help address the major issues of our times. Now if you look at those major issues they are basically planetary resources.... you can be a compliant company or you can be an early adopter and pioneer”, speaking to the bell curve of early adopters as mentioned in the literature review by the researcher. Another participant seconded this by saying, “you’ve got to do it as a collective and you’ve got to measure it, so you’ve got to measure your development impacts of your social investment... (as an organisation) you don’t want to be behind the experience curve, the cost curve, the learning curve. You don’t want to be behind that because you could miss out on what you are actually saying, there are a lot of opportunities that are in there”. However, when looking at green initiatives, one participant mentioned that “SA is a bit behind the curve.... (however), we might just be turning that curve now, where suddenly the value of green in its own right is becoming aware”.

One participant mentioned that he thinks “customers of today sort of want to see that you are committed to sustainability, so there is one of their sorts of drives towards using your business will always be that you are doing the right thing ... and that is going to become more and more of a factor as we go forward. So, I think our customer wants to see us doing the right thing but (they) want to see us being smart about how we do it, and that it actually has a real impact... And even though that might be a small

measure at the moment, it will grow". He continued in closing that, "there's scope for growth in the business and it becomes a factor that drives the business as opposed to an influence that is being forced on it".

If the funds are made available all organisations would be implementing green initiatives. Unfortunately however, there are limited funds allocated towards these initiatives and they are not prioritised, the organisation's sustainability or environmental manager knows they have "to implement this stuff, and become energy efficient, but they don't have resources". Subsequently, another felt that in order to adopt green initiatives it has to be part of "core business", otherwise it will not be implemented.

On the other hand, another participant explained the reason why certain organisations adapt quicker than others is because they "understand the challenge that we have with climate change and the fact that effectively we cannot continue as we are", continuing in saying that "customers or consumers are far more aware of the impact we are having on the environment, and so therefore organisations also understand that in order for them to survive, in order for them to be relevant to their consumers, they have to start adopting these initiatives".

Whilst the question was not designed to establish links between the different factors, themes emerged through each interview with one participant stressing the importance of "cost saving in terms of your bills, but that is eventually", after operating costs which will play a role when implementing green initiatives. Furthermore, "cost reduction in the products or the services that you render, because if your bills are low you don't need to provide such expensive quotes on your products to cover those costs". This will provide a competitive advantage, which goes hand in hand with the organisation's reputation.

One participant stated, "You know, people see 'oh this company is going green', so they are fearing that people in society will say, 'But let's rather support them than going with the one that is not implementing green', you know? Because it is an ethical thing". The disadvantage of this cost reduction is that "unfortunately, it is a long process, but yes (green initiatives), for sure that can happen" within an organisation. Sustainability is therefore a long-term focus every organisation needs to understand in order to implement and execute it through the strategy that is in place.

In addition to the above mentioned, a construct that emerged from this question, however less prominent, is the impact of global trends. Even though South Africa is an emerging country, we as organisations need to follow global trends if we want to be an early adopter and have a long-term focus.

### **5.6.2 Participants Thoughts on Why Early Adopters are Perhaps Seeing Higher Returns on Revenues, Profits or Opportunities**

Participants' implementing these initiatives have seen both advantages and disadvantages. The participants believe that the reasons why organisations, their own or others, implement green initiatives, can be seen in Table 6 below.

**Table 6: Factors that Influence Higher Returns, Profits or Opportunities**

Rank	Factors/Construct	Frequency
1	Cost advantage	15
2	Accountability	14
3	Education and awareness	12
4	Opportunities and business growth	10
5	Risk	10
6	Competitive advantage	8
7	Reputation	8

Firstly, the participants were very transparent when asked if a cost reduction can be seen, with one stating that, "I don't have first-hand experience...from what I've read and what people have told me, they do see a reduction in costs...cost saving...but it is eventually. And unfortunately, you have to have a lot of capital up front, you know spending time and resources, and then eventually, there is cost reduction". Organisations are not very keen on spending if the ROI is not big enough. The participant felt strongly that even though she was making a "broad statement, from my (her) experience, corporations are mostly reluctant, unfortunately". It is more where organisations "have that ethical standing" when these initiatives are implemented and pilot projects offer profits or additional opportunities. Supporting the previous statement another participant mentioned that "there is global focus on issues of sustainability...And if you're not on board then you are simply out...the financial benefits that comes with it... (along with) the future business" is advantageous, otherwise you will soon find yourself as an organisation "out of business".

Another participant mentioned that despite there being definite costs involved, implementing green initiatives into the strategy of the organisation provides "a

competitive edge in the market, being able to brand ourselves being green friendly in the construction environment”; it provides the organisation with a slight edge within the industry they find themselves, along with clients pushing for a green environment, especially for a client like “[government organisations], it does help to say to them that you are practising in the green environment”. From a government’s perspective they are pushing to “make certain the green movement stays; they want to have a better environment. So for them, one of their stakeholder returns is to work in a better environment as far as the green environment is”.

A participant mentioned that from implementations came “innovative, opportunities, market opportunities”, for their entire organisation’s supply chain. One participant mentioned that they are already in a better position in monitoring their systems, and have seen where there are certain spikes in their supply chain. For them, it’s about doing “differently here; we can get a better efficiency”; which shows their board where are they saving which in turns help with future developments and investments, as this is factual data.

As part of their sustainability strategy, one participant mentioned that “one of the pillars is being green and the impact on the environment”. She continued saying that they, as an organisation, “have seen a big impact on brands where we have been able to do a very good message communicating the impact we are having on the environment and our saving”. Whereas, with the brands where it’s not well communicated, they have seen the opposite from their consumers; the message needs to be clear to consumers and resonate with them. Within Organisation X they have noticed that “when there is quite a tangible benefit to the consumer and it is linked to something that they directly care about .... people don’t understand the urgency of the future when they are dealing with the urgency of now”. She continues to say, very honestly that, “although we are early adopters I don’t think we do a good enough job, and I just don’t think it resonates with consumers because it’s not tangible, it’s not like... like the water thing, it should make sense, but water at this stage in SA is still not expensive. The minute water becomes very expensive, the minute it becomes even more scarce, then people will start to understand it, but unfortunately, almost like it has to happen!” Her solution to the problem is, “if you want an impact on a mass scale in SA, I think it’s a challenge, and there is a lot of education (needed)”. This resonates with the old saying, “Give a man a fish, and you feed him for a day; show him how to catch fish, and you feed him for a lifetime”.

One participant said that “higher returns could be on a technology level, but the other higher return could be that you as a tenant at [a customer], believe that your environment, the environment that you are on and the staff that are in our buildings, perform better than if they were in another building”. This is said due to an efficient building that is green and sustainable delivering a higher productive workforce. Evidently not all participants agreed, and one participant felt that as an early adopter you don’t perhaps see returns: “I would say that early adopters probably incur greater costs because of green initiatives so they pay a higher price for their product and for the service they offer because they are trying to offer it in a greenly efficient way, and at the moment the input costs of most green products is higher than a non-sustainable product.” In order to see any returns, one participant mentioned that “you need to make sure that you have got the team that can do that, and you need to make sure you have the skills that can do that, you need to ... the whole supply chain, you need consultants, you need the monitoring and evaluation of it, and you know you need to know what the returns are”.

According to one participant, “what I’ve found through green (initiatives), is that resistance comes because of the additional cost and because of lack of knowledge, and then the products being offered are not sufficiently developed or evolved to actually satisfy the needs of the business. So, the barriers against green sustainability are too high for a commercial business; whereas if the commercial business takes a targeted approach... and uses commerciality as the sort of gear, then you start to create opportunities through what already exists in your business...and once you create that sort of culture around it then people start to explore more opportunities, more products, and then your space starts to evolve.”

## **5.7 Results for Question 2**

### **Research Question 2: Identify the factors considered that drive green initiatives within the sustainability strategy of the organisation.**

Question 2’s purpose was to identify the factors that drive green initiatives within the sustainability strategy of the organisation. The participants had to identify the factors they felt had the greatest impact and most influence when driving sustainability.

Interviewees were prompted to draw on their personal and organisational experience in order to identify these factors. This question was set up specifically to identify an in-

depth understanding of the concept of sustainability. Furthermore, to understand what lessons have been learned throughout the process of implementing these green initiatives into the strategy. Additionally, the question sought to confirm if the factors that have been identified in Chapter 2 of the literature review, were in fact impacting the organisation’s reputation, sales revenue down the line;, brand perception and reduced carbon footprint. Time was spent on each factor to gain a deeper understanding as to why the participant believed that it had an influence and was a key driver.

The first two questions in Question 2, tried to identify and understand what the participant viewed as sustainability and how “going green” implicates into the organisation’s strategy. Furthermore, to determine what lessons have been learned through implementing these changes and if they were considered when investing in future products or services; lastly, recommendations were drawn.

### 5.7.1 Does Sustainability Form Part of the Organisation’s Strategy?

Each participant was asked if sustainability formed part of their organisation’s strategy and if so, what factors drive sustainability within the strategy. Table 7 below illustrates the factors that drive sustainability within an organisation’s strategy.

**Table 7: Factors that Drive Sustainability within an Organisation's Strategy**

Rank	Factors/Construct	Frequency
1	Accountability	12
2	Leadership buy-in	9
3	Education and awareness	9
4	Reputation	8
5	Efficiency	7
6	Climate Change	5
7	Long-term focus	4
8	Partnerships	3
9	Corporate governance	3
10	Culture	2
11	Legislation	2

A prominent factor that arose from the interviews was the macro-environment, with specific reference to sustainability, how organisations are each responsible for their own actions, and how they are deemed to do business.

The fact that one participant mentioned that sustainability has become “our core strategy; it’s no longer that you have to generate revenue and then do a little bit of sustainability on the side, it has replaced it, it’s now and it’s not new, it has now been for a while that it is core to our business”, shows that it shaped the way he implements and executes his strategy in the organisation, looking at the strategy holistically at the end of the day.

Continuing on the previous questions, another participant added that sustainability is “core to the service we provide, so it would be very hypocritical of us not to also be a sustainable business in our own right” and not have it as part of their organisation’s strategy. He continued in saying that from implementing sustainability into their strategy, they have developed “new opportunities from the waste of the waste, which has been with hindsight, just a wonderful development”.

One participant clearly stated that sustainability forms part of their strategy and that he thinks “South Africa is getting in line with world practices now. We were far behind, but certainly, I think it is sustainable what we are doing and trying to do, and I think it can be a way of life going forward” and incorporating sustainability into every other business the organisation owns. Another mentioned that their tagline for their organisation is “‘beyond sustainability’...we work within the build environment profession, we do design and architecture, marketing and communications and education and advocacy. So those are the things we do as a business and this is very much part of our strategy. So, the work we are doing is about embedding sustainability in the business overall”.

As an organisation “(they) follow the King protocol in terms of governance. Sustainability is a holistic concept which includes the social aspects, economic aspects, and how it affects your business and so on”. Continuing on corporate governance and regulations, one participant said “(they as an organisation) have to conform to legislation, so we have certain things and certain environmental aspects that we need to adhere to. So, we have to, in order to stay in business, we have to look at everything. We have to look at sustainability, we have to look at going green, the environmental aspect plays a huge part in our day to day business because we work along the roads, there are cars driving by so there’s often nature and animals and green fields”. Hence, it is apparent that sustainability is key to their strategy and long-term plan as is being part of the ecosystem in which they operate.

One participant told the researcher that sustainability is “is one of our values...for about two years now we adopted it as part of it... (and through this implementation) there is a lot of top management commitment that is required. I mean, I was talking about the financial benefits, but you have to spend to get more; so, in terms of capital required you need that top management commitment, and values are driven from the top management perspective”. This forms part of the fundamental buy-in that is required from the entire management team as well as being “well-entrenched in the organisation”. Another mentioned that, “Definitely, it’s a big part of our strategy because we firmly believe that...buildings are technically our sort of highest performing assets and also they are our most valuable assets, if you can call them that, because they become more sustainable to run, the knock-on effects of energy efficiency and all the initiatives that we are doing hopefully means less maintenance costs, less operating costs”.

Another participant mentioned that they try to “collaborate with them (their suppliers) because they also have campaigns that they do (initiatives and sustainability). So, I work, for example, when I work with [company X], the self-esteem project, then we would have something they were doing themselves and they always tried to collaborate on those platforms. So that’s how we bring sustainability to life”. They bring it to life through collaboration, which builds longer standing relationships, which in turn is the essence of sustainability.

One participant mentioned a business case, where as we have seen there was a drought in the Cape, which meant that there was strain on the farmers. As [company X] they’ve “got a whole fleet that is designed for picking up maize and sunflower and stuff like that because we’ve got clients that we need to move goods for; now if there’s a drought...there’s no maize to pick up. It affects our business... That’s why climate change, people don’t realise it, but climate change has a very huge impact in terms of how we actually operate as well, in terms of our business”. Climate change is a very big part of their business which means that as an organisation their entire business model shifted towards a sustainable long-term focused strategy.

Interestingly, another participant mentioned that, “(in) terms of your people, make sure that you train them (on sustainability), you know training on waste and water usage and energy usage, those are the main three that are important for the corporate

environment; and try to change human behaviour because if you have this green drive it doesn't help if you only have the facilities built in a green way, you have to maintain that", this will ensure an organisation's long-term sustainability. However, these quotes also illustrate why it is still difficult for any organisation to implement sustainability into their strategy and that there is a lot of red tape that is noticeable in the market.

### 5.7.2 Participants' Understanding of the Concept of Green Sustainability

This question dealt with each individual's understanding of the concept of green and sustainability. It was imperative to establish a common definition and all of the interviewees were clearly able to articulate their understanding of the concept of sustainability. Table 8 illustrates the top ranked six most common understandings that came out through the data and coding analysis. The highest ranked understanding is to reduce the carbon footprint of an organisation without depleting natural resources. It has a total frequency of 7, which shows that this is still a very complex term with multiple understandings.

**Table 8: Understanding of the Concept of Sustainability**

Rank	Factors/Construct	Frequency
1	Carbon footprint reduction	7
2	Long-term focus on the triple bottom line: people, planet and profit	6
3	Accountability and leadership: responsible resource usage in a sustainable way	5
4	Efficiency	3
5	Triple bottom line: people, planet and profit	2
6	Ethical: the right thing to do	2

In analysing the top three constructs that emerged from the interviews, there were a lot of different views. This can be noted due to the low frequency of codes. There were a few different understandings of the concept which justifies why it is defined in different manners. One participant summarised her understanding of the concept by stating that sustainability can be defined as "reduc(ing) your energy footprint; energy being resources consumption, your natural resource consumption, your water, electricity, basically...energy. Carbon footprint". Another participant focused on explaining that they "monitor our (their) carbon footprint on a monthly basis, and we have done a lot of initiatives, especially where our carbon footprint was on the higher side, on fuel and diesel demands, we try and bring it down". Throughout their organisation they have "installed better practices, world class practices, and to try and improve the carbon thing, so we are monitoring it and we are doing it according to regulatory requirements,

the carbon footprint. We are trying to reduce it and we have successfully reduced it...through different storage facilities in the heating process to improve the problem of efficiencies” within one of their businesses in the organisation’s group.

This theme continued as another mentioned, “green sustainability. It would be basically the reduction of your footprint...your carbon footprint. Trying to look at responsible resource usage in a sustainable way.” One participant mentioned that green sustainability “you cannot compromise. It has to be green and it has to be sustainable, and the best way to do it is to do that carbon footprint analysis. At the end of the day I am net positive, and in some instances people are not, organisations are not”, regarding their carbon footprint. Some organisations just want to go “light green”, they want to be green as sort of window dressing, without having to pay too much for it. Another mentioned “the word ‘green’ has become a little bit of a catchphrase where someone has coined on to it. For us it is more about being sustainable in the long run, it’s about being able to give customers the right product from our point of view for the right purposes... there has to be a balance”.

Yet another participant declared that for them as an organisation, sustainability “means for me, things that don’t impact the environment, that have a zero impact on the environment”, from the product to the packaging of the products for their organisation. One participant explained his definition quite simply by saying, “sustainability in a broader scheme for me, is how can we use fewer natural resources to do what we are doing, to provide the needs of people”. This theme is evident as another participant described sustainability as “being environmentally conscientious” and that as an organisation you have to “have a consistent environment that you work (in) and not destroy the environment around you in your work place”.

A further participant shared his view on sustainability and clearly stated that “strategically, and I will repeat this word, it’s all about efficiency”. As illustrated in Table 8, another factor that emerged quite often throughout the interviews was accountability and how it affects organisations. One participant mentioned that “sustainability is a holistic concept which includes the social aspects, economic aspects, and how it affects your business and so on”. This falls under the reason why they include sustainability in the organisation. He continued to mention that, as an organisation the managers “become accountable” towards sustainability. Suitability, one participant mentioned that as a world, “we couldn’t continue the way the world was going on and

the consumption of energy we cannot continue, so in other words if we didn't adopt renewables and other strategies because it was a nice thing to do, it was the only way to have a sustainability for, to say in, a thirty to fifty year lifespan, is how the way to do it is in a sustainable way and it was no longer possible to have any other view".

Qualifying this statement, another participant felt that "going green or sustainable has the meaning in terms of your property and your facility, transformation thereof; your vehicles or your assets; your moveable assets and then also your people working in your environment, changing their mind-set and making them aware" of their surroundings, their ecosystem in which they find themselves. Throughout our ecosystem we are all involved and have to take accountability for our daily actions. Therefore, in holistically approaching this concept, one participant defined sustainability as, "the incorporation of those three elements of people, planet and profit and it is about looking at today and tomorrow, with a view to ensuring that the comfort levels and human delight, the things that make us human or human conditions, are not at all compromised, and we believe it is possible to do that".

From another participants perspective, he argues that "in terms of any commercial business you need to create sustainability, and if you have commercial sustainability you look at how do you reduce your input costs, how do you get maximum value out of your assets, (as well as) lifespan". Through all this, it creates value for the organisation at the end of the day.

Sustainability is "about doing the right thing and always looking at it from an environmental perspective, but also having to look (at) the social aspect of it. It doesn't make sense if you go all out green and yet you impact negatively on the social element; people are suffering and there are job losses and it has to be balanced, and again, you go all out green, but you are losing money, you are not getting any financial benefit into the process; it has to always balance those three pillars" as mentioned by another participant, the balance of financial, social and environmental.

### **5.7.3 Why Would Organisations Include Green Initiatives Within their Strategy?**

Certain organisations have already adopted green initiatives and sustainability as part of their strategy. Table 9 identifies five factors that were common understandings

throughout the interviews. Table 9 shows the reasons why they are included along with the frequency each construct was mentioned during the interviews.

**Table 9: Constructs that Emerged from Implementing Green Initiatives**

Rank	Factors/Construct	Frequency
1	Ethical	7
2	Environmental impact with a focus on reduced carbon footprint	4
3	Reputation: Organisation's brand and brand perception	3
4	Education and awareness	2
5	Sales revenue down the line	2

Sometimes, according to one participant, including green initiatives are “almost like window-dressing, what they are doing at the front but then at the back” it’s something else completely. The researcher likes to call this light-green; light-green refers to organisations or people who would like to “go green” or be sustainable, however they do not want to pay for it; they just need to have an image they are reflecting to the world.

One participant explored the role organisations play when implementing sustainability into their strategy; reflecting that he himself, needed convincing at first. In addition, another participant mentioned that “the top management supports these initiatives and we have to do it in a way that supports the annual budget as well. So, if you are planning to do certain things during the year then you have to budget for it”. Supporting this statement, another mentioned that it is a personal thing for their top management, “in their personal capacities they have realised it’s the right thing to do. The ethical thing”, with one individual further stressing the importance of the entire eco-system being involved through the adoption of sustainability.

This theme continued with another saying that it is ethical reasons, “from the top...But also our people know, and we have tool box talks, and we have training, and they know what the right thing is to do. It is not always easy to follow and sometimes there are slip ups, but we manage them”. Continuing, with one participant concluding with the reason why they include green initiatives into the organisation’s strategy is that “the most important thing there is an ethical consideration, but I know for corporations that is not always the most important thing”. However, in the new millennial generation they are more conscious about the environment and would like to see the change happening within the organisation with whom they identify with.

The reason why this participant includes green initiatives within their strategy is because “It’s the right thing to do. We (as an organisation) took a decision as well to match the international standard, the environmental management standards, for example ISO 14001. Some of our operations are already certified with regards to that, there is management commitment, but the business as a whole operationally; we need to be environmental... (it provides a competitive advantage during) the tender process”. Another participant mentioned that they “feel we have a moral obligation to do it (include green initiatives). So even when addressing human basic needs, or we are working, providing service at the bottom of the pyramid, you know, it is just a way of doing, it is not an add on, it is part of the DNA that we do it, that’s why we include it as part of our strategy. So, whenever we check our strategy, we double check and make sure that we are still on course, are we still being true to our values and the reasons why we do what we do”.

One participant mentioned that they include green initiatives within their strategy “because the spotlight is on us. And if we are service provider to companies who need green sustainable solutions they are forever then looking at our operation to say is that also green and sustainable. And the danger is the day comes and technology evolves, or energy costs, or you know utilities go to a point where you are sustainable today and not tomorrow, and then you’re out of business. So, for us to be very close to that space and forever to evaluate and re-evaluate how we do what we do, is critical”.

In this organisation’s case, another participant framed his common misunderstanding of green initiatives by concluding his thoughts around the concept and stating the reason why they include green initiatives, is more from an operational point of view. It is to be able to go “off the grid in certain aspects of our business, it would allow us stability, it would allow us, for instance, not to be impacted by load shedding...So if we can be self-sustainable from an operational point of view it would help us a lot; it would guarantee us constant supply of product, which is no standing time; standing time for us is losing a lot of money.” Another participant mentioned that for them as an organisation, they wanted to be ready when carbon tax came into play. They “wanted to be proactive. You know we’re getting a lot of pressure, from clients, to say ‘Listen here, what is your footprint, what is your... you know, how are you coming to the party?’ Woolworths is a big client of ours and they also put a lot of pressure on us in

terms of (our carbon footprint) ... we actually partner with them, because it's in our interest...And it has tremendous savings and benefits for us as well."

One participant said that "It's a bottom line word for me, I always emphasise it. Because if you get your sustainability initiatives in place, and there is so much opportunity for our businesses, and that's where they have to use it to their advantage". Another mentioned simply, "because you have to. Because you cannot ignore what's happening in the environment and also consumers are far more aware. So, I work in the fast-moving goods industry so ultimately the product that we sell is to the end consumer. Consumers are educated, they have access to more data, they know the impact basically the products are having on the environment, and so they know what our products are doing. So, they are becoming far more aware and they are demanding organisations to be responsible for the environment that they play in". One participant argues that the reason why they include green initiatives within their strategy is "In order to avoid driving your brands just purely on price and profits. You have to give a reason to believe in your brands and a reason to be loyal to your brands". The reason why this participant's organisation includes green initiatives within the strategy is because of "the environmental impact on the way we use energy, the way we use water... to build our buildings. Again, you know, for me the greener the building, the knock-on effects of the greener initiatives mean possibly less maintenance, longer life cycles".

A challenge for one organisation is "to provide sustainable or greener energy but without the cost element... the challenge is to become, on an ongoing basis, more efficient...sustainability and renewable energy is not something like it was ten years ago, a nice to have. So, if you open this website which is our portal to the world, everything here is speaking about climate, renewable energy and improving energy efficiency", speaking to how they as an organisation has shifted towards embedding sustainability within their strategy. One participant feels strongly that "sustainability needs to be incorporated and look at sustainable solutions and how we tackle or mitigate some of these risks (reduction of renewables)".

The participant felt that even in light of advantages of going green, there are " (the) costs (which) are very high thereof, and businesses are reluctant to spend money on something that is not going to help them make money right now. You know if it's not cost reduction now, that's one thing. And the other thing is that human behaviour is

very difficult to change in terms of your employees. So, you can have this big, big drive, a sustainability project, but at the end of the day even your facilities management sector, if they are not as committed and invested in this drive as the top management is, then nothing will work as they want it". For sustainability to work within an organisation, there needs to be a top down approach, buy-in from the top, which makes it easier to sell to all stakeholders involved, as everyone has a vested interest in the long-term existence of the organisation.

On a different note, when discussing green initiatives, one participant mentioned, "if you define green initiative, that's probably your first loophole...So the definition of a green initiative is very broad, so obviously you get what's called a sort of, like a perceived value out of being a green business, but that definition is so loose it allows you to claim the recognition through various avenues... there are standards, like the green star ratings...which give you a certain level of recognition. However, as a business there are many avenues to receive the recognition without having to necessarily have the accreditation in what you're doing...I mean the accreditation doesn't give you any additional value as a business. You know, there's no commercial value to having a green star rating... value comes out of a customer value perception that they feel an affinity for your business because you have this sort of green approach to things".

#### **5.7.4 Lessons Participants have Learned During the Process of Going Green and Being Sustainable**

During the interviews, this question aimed to understand what lessons participants have learned along the way, of implementing green initiatives within their organisations or perhaps in their personal capacity. In Table 10 below, the main lesson is highlighted as 'education and awareness'. Most participants allured to the idea that in order for sustainability to have an impact within an organisation, all stakeholders must be educated and made aware of the impact it has on the entire business.

**Table 10: Lessons Learned During the Process of Implementing Green Initiatives and Being Sustainable**

Rank	Factors/Construct	Frequency
1	Education and awareness	3
2	Leadership buy-in	3
3	Long-term focus	2
4	Human behaviour	1

Lesson's learned from one organisation "is that of taking all stakeholders along". He continued in saying that there is still a lot of lobbying to do in terms of getting buy in from all the stakeholders and the reason for implementing these initiatives. According to one participant, she mentioned a lesson she tries to implement within their organisation, that is to figure out how to make products or services "affordable, but (also) make it sustainable". Continuing, that as organisations we don't do "enough education". However, "the entire business strategy is based on a sustainable living plan", trying to educate their own in order to have a bigger impact in the ecosystem they find themselves in. Another participant supported this statement by mentioning that by just increasing education and awareness they became more sustainable; therefore, an increased focus needs to be on "Education, education, education all the time".

Another participant mentioned that for them the lessons learned "was certainly a new lifestyle for (the organisation and that), it was something we had to get the buy in from the people for everybody; it must become a way of life, and not a tick box. And I think we've achieved that at the moment. So certainly, I think for us the sustainability in going green, we would like to be in ten years' time even at a better place than we are today". One participant mentioned that lessons he learned were to be "thick-skinned, you learn to have a very focused attention span, you learn not to be distracted by the naysayers, sadly, or in a good way, and I think most importantly you learn to stay connected".

One participant mentioned that "if we (as an organisation) didn't have the activation and the activation didn't give us the right return on investment; we would never repeat it. Even though we know that it probably has an impact sustainability wise, but if it doesn't deliver a certain amount of Rands and cents we wouldn't do it, which is logical business sense". Sometimes it is not always that practical to implement green initiatives and it can be very costly; and according to one participant, "sustainability is a holistic thing, it covers all... for me sustainability is about efficiency as well".

Lessons one participant learned from going green is, "you will always want to be at the forefront of technology, and sometimes because you become the first mover, because you're the first pioneer, sometimes it costs you a lot more than what it would. For example, solar, I mean you do solar now, it's almost a third of the price it was when we started doing solar. So, do you wait, or do you just go ahead? Do you wait for LED

lighting to get cheap, cheap, cheaper, do you quantify that cost, or do you just carry on and do it because you know this is the right thing to do”.

On the other hand, another participant opened with the statement that, as “early adopters and those in the initial phase, there’s a lot of learning that happens, there is a lot of change that happens and there is a lot of sort of additional costs that come through being inefficient and unestablished, and as it starts to evolve, the opportunities start to increase so there is more available in the market, there is more affordable options available. And I think then people’s understanding starts to change as well, so you start to realise that you can approach sustainability from different perspectives, and how you do that”.

### **5.7.5 Through These Lessons, Do Participants Take Them into Account When Investing in Future Products or Services?**

From the previous question, it evaluated the lessons learned from implementing green initiatives within the organisation. This question however looks at the future, and what lessons have an influence in investments for future products or services, as can be seen in Table 11.

**Table 11: Lessons Participants Take into Account when Investing in Future Products or Services**

Rank	Factors/Construct	Frequency
1	Opportunities and system improvements	2
2	Legislation	2

When looking at investing in sustainability, one participant mentioned that “every step forward is sustainable, so it’s an improvement to our system. And then we roll that out through the system as we go”. Another participant said that they “pay capex for all the projects, and then we share in the savings (with their clients). We’ve got it on the meeting platform, where we can show the (client) how much he’s saved and how much money the return is, et cetera. So, it’s easily quantifiable”.

One participant mentioned, it is essential to have sustainability at the core of the organisation and that they “have got a couple of pillars that form part of sustainability: it’s utility management, it’s consumption efficiencies which is water, waste and electricity; we look at renewable energy mix; we’ve got sustainable development as part of the developments we’re building, and then strategic projects as part of our

sustainability plan". It is something that the entire organisation strives towards, creating a sense of purpose. When planning for the future, one participant said, "it's part of our planning...it is part of our values, and our planning does also involve that: so when we put the project teams, we ensure that it is balanced and everyone has a say on how we move things forward".

When investing into the future, you have to consider that if you create opportunities to employ more people, "employ all those people you're generating wealth for, and what happens when you generate wealth is that you increase consumption, and the direct result of increased consumption is increased waste". This can however be a disadvantage as we are in a consumption economy.

Another participant was adamant that they definitely look at past lessons learned when looking at investments; they will be doing "(an) expansion which will be in the region of R200 million. It's interesting when we look at those kinds of investments, the technology and the advancement". Technology plays a big role when it comes to future investments, the 4th Industrial Revolution is here and moving fast, we are living in a digital age, and digitisation forms part of sustainability for the future and long-term focus of an organisation.

One participant goes on to describe when investing into new products or services as an organisation, they look "at new outfits, new refurbishments of asphalt plants for example, new ventures, we first of all take the green considerations into consideration and we make certain that whatever we do now in our new ventures, that we are already fully compliant with the green legislation" one participant mentioned.

Sometimes, when trying to invest in future products or services "it comes down to ethical considerations". The participant goes on to say however, that as being in government when they appoint a service provider, "the only criteria and the most important one is BBBEE, unfortunately, so ... nothing else matters. So, sustainability is really not actually a consideration at all in terms of the appointment of service providers", at this moment in time within the South African government.

Continuing on this statement, two other participants also mentioned that South Africa as a country, does not always have the luxury of spending on sustainability. We are "resource challenged, what is going to get priority? It's going to be health care, it's

going to be education, it's going to be housing! Sadly, the environment always slips down to the bottom. I have done this long enough to know it's probably an affordable thing. It's easy to be morally and ethically correct when you can afford to. It's not so easy when you can't afford food or you can't put your kids into school".

### 5.7.6 What Would Participants Recommend for Future Implementations?

Table 12 shows the top recommendations that emerged from the 16 interviews conducted.

**Table 12: Recommendations for Future Implementations**

Rank	Factors/Construct	Frequency
1	Stakeholder buy-in	3
2	Environmental impact	2
3	Creating Shared Value	1

One participant mentioned that for future implementations to be successful, "commitment from top management is always very, very important, and then also training and awareness of employees in an organisation and trying to change human behaviour". Another mentioned that we are in changing times, "all of a sudden everyone is tuned in...the more we can get the stakeholders involved the better the chances of us being green and sustainable". Organisations' customers expect you to be proactive. One participant confirmed the challenges when enforcing sustainability, getting the buy-in from all departments of the organisation; buy-in being the overarching challenge.

Another participant mentioned that there is, "the Climate Change Bill that is actually now being published this year for comment...that bill should actually be finalised and if it is implemented I think it can help a lot because it will enable the municipal sector targets for specific industries, and they have to comply with that". Moreover, "there's the phasing out of synthetic greenhouse gas emissions (which) if that is implemented, it will not only be an ethical or a financial consideration for companies to go green, but it would also be compulsory in terms of legal requirement for them to go green as well".

One participant mentioned that any future recommendations have to consider "the environment and the carbon footprint of yourself (as an organisation), so we try and whatever we do now, we make certain it complies (with legislation and environmental law) and it allows us to improve in the environment operation where we operate",

thereby improving the entire ecosystem in which the organisation operates, and not just from an operating perspective, but also from a people perspective. "People are very important because if you make a successful green initiative, you need the buy in of the people. It must be a kind of culture for them, to live green, work green, and operate green, not only for us but for our grandchildren. So, it is very much from a people perspective because that's the one that does the implementation. And then from an operational aspect obviously we try and instil the practices when it comes to operations".

Some participants believed that the process of implementing green initiatives required senior management to illustrate the connection between the factors found. Furthermore, emphasis is placed on the structure of the organisation. As mentioned above, the participant concludes by highlighting the importance of culture of the organisation; a number of the participants referred to the culture.

For future implementations, one organisation feels that "obviously electricity is a big issue; some of the risk factors that I see in sustainability is actually availability of electricity and water. So, with the current issues around municipalities not being able to maintain infrastructure, you know that's a huge risk for us (as an organisation)". Another said that in their organisation, they look at their business requirements and then "meet those needs through sustainable resource usage, not the other way around". He continued that in order to look further, "it's not about that you want this green banner for your business, it's a thing where if you roll it out that it's commercially viable and you build step by step, and that may take you ten years. Eventually you will reach the status and it's part of the system; rather than forcing it into the system and then it doesn't integrate". This will create true and transparent sustainability within any organisation.

One participant said that in order to invest in future products they "have to do a lot more research and we have to look into each project and look at all the aspects (project by project including) all the variables". Continuing this sentiment, another participant reflected that all stakeholders should be taken along for the ride, "do a proper feasibility assessment and analyse things well before you start with the process...have an eye on the future, research best practices so that you can always improve on what's available (out in the market in terms of sustainability)".

Another participant's recommendations for future implementations is to "start with getting the basics right first, you know going back to first principles and then start creating the future that is desired. These global trends are going to continue to happen but they still benefit a few unfortunately, and it's the nature of the economic system. Even initiatives, that is why we are now saying move away from CSR or CSI, and look at CSV, creating shared value".

## 5.8 Results for Question 3

### Research Question 3: What are the benefits gained from implementing green initiatives into the organisation sustainability strategy?

As the research is focused on green initiatives, Question 3 aimed to identify the benefits gained from implementing these initiatives into the organisation's sustainability strategy. It helped in narrowing in on the additional forces of going green that has lacked in the literature. It is easy to assume that going green has become mainstream; however, for most leaders the benefits still need to outweigh the cost thereof, and business leaders need to convince their superiors, or others in the organisation, that in fact it forms part of the entire eco system in which the organisation finds itself. Furthermore, to identify the interplay between the benefits identified, that drive implementing these initiatives. Question 3 allowed participants to identify how the benefits are possibly united together in order to have a holistic effect.

#### 5.8.1 What Benefits do Participants Perceive Green Initiatives and Sustainability to have for an Organisation?

Table 13 illustrates the benefits gained from implementing green initiatives and sustainability within an organisation. The major benefits that arose are those of competitive advantage, reputation partnerships being formed, and the environmental impact.

**Table 13: Benefits gained from implementing green initiatives and sustainability**

Rank	Factors/Construct/Benefits	Frequency
1	Competitive advantage	7
2	Reputation and partnerships	6
3	Environmental impact	2

The benefits that come from implementation of green initiatives can be "cost saving", according to one participant, whereas another mentioned the "business opportunities in terms of foreign investments as well". As an organisation, "you create a benchmark for

(your)self in terms of competitiveness, and then also your reputation that you get (from implementing these initiatives)". Customers would "recognise the brand with that".

A supportive environment appears to be a key aspect in the development of implementing green initiatives into the strategy, as mentioned by another participant. Green initiatives "create a better platform or environment for all our workers and the society around us...the eco system..(as well as giving the organisation) a competitive edge to our (their) products" and service they offer to all their stakeholders.

A benefit that one participant mentioned was that it gives them an competitive edge, it "sets us apart from our competitors, definitely, because I think in our industry the uptake for things like this has been very slow, we have been on the back foot when it comes to this; there is a resistance to change because it costs money. So, I think it will differentiate us from our competitors to a certain degree".

Another strong benefit that arose from the interviews were partnerships. One participant spoke about the key partnerships being built between them and their customers; "going green, we are getting a lot of questions from our customers already as to say 'how can we partner in some of the areas where we think we are doing well...(Our customers) want to partner with us in some of the green initiatives that we have put forward...and if you partner with a customer it is a guarantee for a long-term relationship". Another participant also mentioned partnerships; "(The organisation) announced that to our shareholders already so it is now into of all your questions we are now in the implementation phase and it means now, that as much as you need to find more renewable energies, you need to become energy efficient. Um, it's also become the norm so if you now bid for very large businesses, we provide some of this innovation and tools to our customers to say we can assist you to... monitor your carbon footprint".

Benefits one participant mentioned was that through implementing green initiatives they "have established (that sustainability) provides a commercial benefit, so that is why that approach is there. (It) reduces consumption, which reduces your monthly cost". However, as the participant continued. he discussed how it is not always viable or feasible, but instead it needs to be "a very targeted approach. So, you have to define what will have a commercial benefit, and those are the ones you implement". Furthermore, another participant mentioned bluntly that with green initiatives, "...on a

superficial level an organisation looks good”, speaking to the brand and reputations of an organisation. One participant admitted that it was due to his previous business experience and personal growth that he found that spending on these initiatives accomplished long-term growth for both the brand as well as the bottom line.

Leaders that have experienced positive benefits from implementing green initiatives before, have led them to see the growth that stems from investing in the green initiatives. Although the learnings from these benefits are mostly understood by these leaders, the financial implications play a big role in the decision making. Supporting this statement, one participant mentioned that “just because it’s green doesn’t mean it has to cost more”. Therefore, as organisation’s we need to look at the cost structure of everything, “benefit justifies it, definitely, because obviously it has an impact on the environment, people live better, live longer and are healthier”. Furthermore, speaking to the cost structure she mentions that, as an organisation “you can find other efficiencies and use that to offset whatever costs you are incurring when you are doing this, because you have a mix, there’s a combination of things that result in your cost. So, I think if the focus shifted that way and people understood as well that at the end of the day this will make you relevant, this will ensure your survival in the eyes of your consumer, because that is where your consumer is going. It’s a competitive edge. If you don’t do it, you are just going to get left behind. It’s the reality of the time that we live in”. Another participant mentioned that development comes from implementing green initiatives, “it is creating a lot of innovation” within the organisation.

An additional insight is that the nature of these leaders was ethical and was based on the magnitude of the impact these benefits held for the organisation.

## **5.9 Results for Question 4**

### **Research Question 4: The cost of going green**

The fourth and final question sought to understand the cost of going green, and if in fact by implementing these green initiatives into the sustainability strategy, would exceed the capital and operational costs of going green. There are a range of factors that can influence this discussion within a company and at the end of the day you need to be able to prove why you have spent money on these initiatives.

### 5.9.1 If these Identified Benefits are Implemented into the Strategy of the Organisation, do Participants See it as Exceeding the Cost Thereof?

A clear focus is also about how much money is too much money, and where the tipping point is. As an organisation, you are clearly giving up revenue in the short term in order to gain higher profits in the long-term. There is a variety of costs that will be implicated and to conclude if the benefits mentioned in Question 3, outweigh the costs to execute in the strategy. Table 14 shows the key constructs that came through the process of the interviews.

**Table 14: Does the Benefit of Implementing Green Initiatives into the Strategy Exceed the Cost?**

Rank	Factors/Construct	Frequency
1	Long-term focus	16
2	Leadership and accountability	9
3	Competitive advantage	5
4	Future investing and implementations	3

During the interviews, all participants (100% of the sample) mentioned the long-term focus an organisation requires in order to see benefits outweighing costs. However, all of them stressed the importance of context. These individuals showed a keen interest in their own development and provided the organisation with their opinion on the way forth. The prominent activity arising from these leaders were their caring notion for the environment. A strong sense of leadership and accountability was found throughout all the interviews.

The four main themes that emerged were long-term focus, leadership and accountability, competitive advantage and future investing and the implementation thereof. It becomes evident that these initiatives and the cost for implementing sustainability in the long-term is “changing for everybody so it’s not a unique scenario...everything that you need to do on a global scale to replace your energy has in any case become a lot more expensive...so you have to find your own renewables and your own products and you have to find a way to make it competitive...you have to be competitive”. One participant agrees with saying that, “I think organisations hide behind costs and profit margins and at the end of the day we have to think about other ways of making a business sustainable, of making a business relevant. That’s the reality”. In order to see if the cost outweighs the benefit they “need to know what works, what doesn’t work, where the costs are, where the cost reductions are, where the opportunities are. In terms of our business, what are the cost drivers, what is impacting

on our carbon footprint. You know it's very dynamic". Another answered that "In certain aspects of our business yes... (when the) ROI is two to three years, yes, the benefits will outweigh the costs, (however sometimes it) is just not feasible...But there are definitely certain areas where we can do small things to change, and the ROI and return on those things at this moment look favourable for us".

Certain influences during the participants' lives created the need for them to invest into new possibilities and take chances. Those who made an active effort to impact mentioned that, "it always depends on how you look at it. Green initiatives, the benefits are always long term and are always about sustainability and sustaining those things. So, you should not always look at immediate benefits. They may be long-term, that's why I was saying it is very important to communicate, to get everyone involved, the right people on board, so that everyone understands why we do these things. It should not always be because of financial benefit".

A key concept which the interview data substantiates is the role which a leader of the organisation plays and was exposed to, which contributed to suitability development in the organisation. Another said that for the longest time, implementing these initiatives were far too costly and the support of the industry was critical, however now, "the industry saw (sees) the value in backing it...It's only now that potentially we could be looking at the benefits of just being sustainable". He continued in closing that "what are the emotional, spiritual buy in, you know, on the virtues of sustainability, otherwise it is always a cost dynamic".

Many participants found this question challenging as they were forced to be honest about whether they thought spending on sustainability and different types of green initiatives were significant. Even though they highlighted the fact that they know it was the right thing to do, they acknowledged their hesitance in following through. Most of their organisations had the tendency to talk about implementing these initiatives, however, some or even none, were followed through on, creating the perception that, in fact, it was just a "nice to have" and "reputational" strategy. One participant closed off by asking, "what is the cost of not doing or implementing green initiatives? ...The other part is, is it a cost or is it an investment". He continued in saying that "when you see it as an investment in one's attitude an appreciation of it is different and the benefits are valued differently. So, in some instances when it is not done right, the implementation,

the benefits from it, do not exceed the cost. In other words, the financial benefits do not exceed the costs initially...hopefully we are investing in something of the future”.

### **5.10 Risk**

When discussing additional considerations, some interviewees mentioned that there is a risk involved when implementing green initiatives and sustainability within the organisation’s strategy, one participant said, “I think if you force the green agenda you would incur the risk of basically increasing your build costs, it affects your feasibility”. Another said that, “I don’t think we would implement something if we weren’t 100% sure that it would work. That is where the research comes in. So, we won’t just go and dive into something head first without knowing (if the end result will be positive and advantageous)”.

Another participant mentioned that we, as organisations, need to “find sustainable solutions as there are a lot of issues in Africa” and we should not just give everything away for free because “that is also against sustainable”. When speaking to if there is any risk involved if your organisation is in South Africa, one participant mentioned, “I think you can get it in any country, unfortunately the legislation and the governments of today that have signed the reduction in minus two degrees or any of those elements, most governments sign it irrespective of in South Africa as such, have also signed and committed to it. So you have an automatic alignment, it might be implementing my groups strategy but it’s also the same commitment that South Africa, as a country, has made, and just to give you this okay, so this is the committed to better energy.”

One participant mentioned that the risk comes from being “limited by the regulatory framework that you need to operate within; especially on renewable energy as an example... the legislation and enforcement that goes with it is not yet balanced”. The risk of not implementing green or sustainability within your organisation can be purely from a standpoint where you are no longer relevant or you as an organisation have been replaced by technology.

### **5.11 Constructs**

There were 15 top constructs that emerged from this research study and which formed the basis for the discussion of the results, along with the framework for sustainability. These can be seen in Table 15, in no particular order.

**Table 15: Top 15 Constructs**

No	Construct
1	Leadership and Stakeholder buy-in
2	Ethical: Corporate Governance
3	Long-term focus on the triple bottom line: people, planet and profit. Taking into account global and local trends
4	Environmental impact: Carbon footprint reduction
5	Reputation: Organisation's brand and brand perception
6	Accountability and leadership: responsible resource usage in a sustainable way
7	Education and awareness
8	Legislation
9	Climate Change
10	Culture and Values: Human behaviour
11	Creating Shared Value
12	Competitive advantage: Cost advantage and efficiency
13	Future investing and implementations: Opportunities and business growth
14	Partnerships
15	Risk

These constructs were provided and expressed by the majority of the participants and formed part of the basis that drives sustainability within an organisation. Furthermore, it provided the foundation for the formulation of the framework. Specific importance was however, placed on leadership, accountability, ethical, education and awareness, reputation and long-term focus.

## **5.12 Conclusion**

The results from all the interview questions relating to each of the research questions in Chapter 3 were presented in this Chapter. Each of the Research Questions helped the researcher to develop a "Sustainable Change Model" that can be used in the form of a sustainable strategy implementation and risk model for long-term profitability, further discussed in detail in Chapter 6, in relation to existing literature on the subject matter.

It will help the organisation understand where to start on the sustainability journey and what is available for spending on green initiatives, without hurting the bottom line, and by giving the organisation the opportunity to take a risk and look at the organisation holistically, as an eco-system of sorts. It is imperative that organisations not become too focused on their environmental impact and forget key functions like customer

service in the process. However, implementing some initiatives can have a great impact in the long-run of the organisation and provide a competitive advantage.

The support structure within an organisation is critical to any development taking place. It is important to note that a few individuals can change the entire outlook and long-term profitability of the organisation. The support structure extends past the organisation; it includes the suppliers and customers, thereby affecting the entire supply chain in which the organisation exists.

The commonality between all three parties shows a genuine and concerned interest in the development of the entity. It shows commitment from all involved, looking towards the potential that is yet to be untapped. A love for the environment was present in most of the interviewees, they all shared some sort of story or experience that affected them throughout their life, and this led to them being open to green initiatives and sustainability in their organisations, demonstrating leadership and accountability towards a better future for all stakeholders. A definite selflessness was demonstrated through the interviews, in spite of uphill battles they received from their peers. They had all taken the responsibility and decided to accept the challenge of sustainability that has been laid in front of them. In a few quotes stated above, the leaders displayed willingness to sacrifice what they stood for in order to complete the project of sustainability that was assigned to them, action was taken. Regardless of the initial intention, motivation was gained in order to succeed in the long-term profitability of the organisation. All participants felt that the factors work better in combination and can bring together an overall long-term focused sustainability strategy.

The constructs that emerged from each interview concluded in gaining new insights and knowledge on the subject matter; which resulted in the findings that will be discussed further in Chapter 6.

Each of these interviews illustrate how leading organisations have recognised the importance of embedding sustainability into the core values of their organisation, as part of the effort to align employee behaviour with the organisation's sustainability goals and agenda. Most of the participants represented an achievement towards the organisation's goals and a sense of fulfilment is accomplished through the implementation of sustainability.

## Chapter 6: Discussion of Results

### 6.1 Introduction

In Chapter 6, the discussion of the results aims to interpret the results discussed in Chapter 5 in the context of the study and through the lens of the literature that was presented in Chapter 2. The insights that were gathered through the findings are discussed in this chapter along with analysing and comparing the concepts to the literature review. In certain instances, the results appear to complement the current literature, improving the understanding of the factors, while it also confirmed the literature, finding the gaps where it is unexplored. Overall the research findings contribute, and the relevance is discussed in the following sections.

Narrative synthesis summarises and combines both “qualitative and empirical information addressing various aspects of the same phenomenon to provide a larger picture of that phenomenon” (Galpin et al., 2015, p.3). It is particularly helpful when developing new models and deep and rich perspectives on issues that are still quite new, providing further research with an easier way for advancement into this type of research.

The researcher adopted a narrative synthesis for the Sustainable Change Model within an organisation. The framework is based upon a narrative synthesis of both the various literature and the findings from the interviews that were held.

### 6.2 Discussion of Results for Question 1

**Research Question 1: Determine the nature and diversity of green sustainability that challenge ‘business as usual’ thinking in an organisation’s strategy.**

Research Question 1 sought to identify the implications that green sustainability has on an organisation’s strategy with a critical focus that speaks to innovation and early adopters (Fisher & Price, 1992; Rogers, 2003). The main focus was to comprehend if these organisations have seen any profitability towards their triple bottom line since these initiatives were implemented (Galpin et al., 2015; Wilson, 2015). The triple bottom line approach introduced the concept of a balance between the environmental, social and economic demands (Wilson, 2015), which speaks to sustainable development (Emas, 2015; Hall et al., 2010).

### **6.2.1 Participants Thoughts on Why Certain Organisations Adopt Quicker to Green Initiatives than Others**

The interview started with a brief overview of the entire research study in order to establish the direction as well as open up the conversation. The participants were asked what they thought on why certain organisations adopt quicker to green initiatives and sustainability than others.

The main drive towards green initiatives pointed towards leadership buy-in. When leadership buy-in is created, the entire organisation's culture strives towards being sustainable, from the CEO to the employee at reception; it is driven from the core of the organisation. In this question most of the participants felt that they had to explain their background first before answering the question, transparency featuring throughout all the interviews; the researcher took this into account. Furthermore, this added to the confirmation that the participants in this study are subject matter experts in the field of sustainability.

Menon and Menon (1997) agree that as we face new environmental problems, society's behaviour has changed and this has encouraged organisations and their leadership to start implementing sustainability as part of the organisation's strategy (Bonn & Fisher, 2011; Vezzoli et al., 2015). The researcher noted that most of the organisation's leaders had implemented sustainability and green initiatives in their private capacity, they walk the talk, which leads to the second construct that emerged.

The second prominent construct that emerged was 'Ethical'; twelve out of the sixteen interviewees felt that certain organisations adopt quicker due to their leadership wanting to do the right thing. Organisations have increased their commitment towards sustainability through incorporating a balance of social and environmental focus to their profile (Barnett et al., 2014; Lim, 2017).

The third construct focuses on an organisation in the 'long-term'; as sustainability within an organisation's strategy is an ongoing development (Barton & Wiseman, 2015). It is not just about efficiency. However, it needs to look at all the different aspects of the organisation. The organisation needs to meet the needs of the stakeholders in the future as well as today. However, the dilemma is that the short-term gains might be higher than the distant long-term ones (Dyllick & Hockerts, 2002). Therefore, organisations need to manage their capital in the short-term as well as long-term. An

organisation's long-term success depends not only on the efficiency but also on the effectiveness of processes designed to be sustainable in the first place. As per Aras and Crowther's, (2008, p.438) model of sustainable development (Figure 2), it is clear that sustainability is focused on the future.

The fourth construct was an environmental impact; this can also refer to climate change or social awareness, which in turn leads governments to develop new policies. The UN established the 17 Sustainable Development Goals (United Nations Sustainable Development Goals, 2015) in order to address inequalities and challenges we face globally. In order to protect the environment in which organisations operate, they need to change the way business has always been done, otherwise it will have a costly impact in the long-run, especially with taxations coming into play (Harvey, 2018; Jeffrey & Perkins, 2015).

Reputation was the fifth construct why organisations adopt quicker than others (Halliburton & Bach, 2012; Lagas, 2015; Unruh & Ettenson, 2010). It can perhaps be seen as a superficial construct, a mere window-dressing. However some organisations and participants felt, that in South Africa we have a lot more critical issues like food scarcity or homelessness that needs to be addressed first.

The sixth construct that emerged through this question was legislation (Russo & Fouts, 1997), and how certain organisations which adhere to new regulations can perhaps have a competitive advantage (Halliburton & Bach, 2012; Smith & Perks, 2010; Unruh & Ettenson, 2010); there is also a cost benefit to implementing these initiatives as an early adopter, being first.

Other constructs that emerged through this question, however less prominent, were climate change, culture, values, technology, shared value and global trends.

### **6.2.2 Participants Thoughts on Why Early Adopters Perhaps See Higher Returns on Revenues, Profits or Opportunities**

The question intended to comprehend the value of being an early adopter; aiming to understand if participants have seen higher returns on their revenues, profits or perhaps if additional opportunities were created through being first. Most participants mentioned the cost-saving advantage that goes hand-in-hand with the implementation of green initiatives and sustainability within their organisation's strategy.

As mentioned by Fisher and Price (1992, p.477), “the diffusion of new products is motivated by the pursuit of social rewards from early adoption behaviour”. This highlights that early adoption behaviour has both social and commercial value. The cost advantage of implementing green initiatives encourages organisations to adopt different methods of doing business and change their approach (Harvey, 2018). The second factor indicated that to most participants, ‘accountability’ is a consequence of why early adopters perhaps see higher returns. Accountability speaks to the alignment between individual values and the values of the organisation, and leaders holding themselves accountable for decisions they make for the organisation to be more sustainable (Mansouri & Rowney, 2014).

Thirdly, ‘education and awareness’ was mentioned by twelve participants indicating that to find a solution to the overarching problem, an understanding of what is causing the problem is needed. In South Africa, employees need to be trained and educated in order for each one to understand the importance and impact each individual has on the environment. Any positive implications will be forward fold and will help us as a society in the long-run. Educating the stakeholders will create more opportunities and growth within our organisation and can change human behaviour.

‘Reputation’ is a factor that emerged and should be considered when analysing returns. The reputation of an organisation is essential when deciding to implement green initiatives in an organisation’s strategy (Unruh & Ettenson, 2010). Through building a green reputation, it will attract new customers which in turn will increase the revenue of the organisation (Lagas, 2015). Organisations are increasingly becoming aware of the opportunities and profits in addressing sustainable solutions by designing new products or services (Alberti & Garrido, 2017).

### **6.2.3 Conclusive Findings for Research Question 1**

We are currently living in the fastest economy the world has ever seen. To understand the nature and diversity of green sustainability that challenges ‘business as usual’ thinking in an organisation’s strategy, the researcher concludes that certain organisations adopt quicker due to leadership buy-in. The leadership focus of an organisation implicates the revenues, profits and opportunities of the organisation in the long-run, indicating that being sustainable opens a lot of doors for future investments.

Implementing green initiatives challenges the status quo and indicates who will be leaders in the field, providing each organisation with a slight edge in today's world and the future of the organisation. There is a definite impact on the triple bottom line in any organisation that takes the route of being an early adopter towards green initiatives and sustainability. As mentioned in the literature review, an organisation's performance is correlated to its reputation which provides a competitive advantage (Halliburton & Bach, 2012).

### **6.3 Discussion of Results for Question 2**

#### **Research Question 2: Identify the Factors Considered that Drive Green Initiatives within the Sustainability Strategy of the Organisation.**

Research Question 2 sought to identify what the participants perceived to be the drivers of green initiatives and sustainability within an organisation. It was necessary to determine what the participants observed the concept of sustainability to be, before determining any particular drivers of green initiatives and sustainability. Furthermore, the Research Question aimed to confirm the factors identified in Chapter 2 of the literature review.

##### **6.3.1 Does Sustainability Form Part of the Organisation's Strategy?**

The question aimed to identify if sustainability formed part of the organisation's strategy. The highest construct that emerged was accountability, following on that there should be top management buy-in for sustainability to feature within the organisation and gain top priority. The data was analysed based on the frequency of the constructs as they appeared throughout each interview.

Sustainability was seen as being core to the organisation and the service or products each one provides. Sustainability needs to be part of the entire process, and the organisation needs to be aware and always have it as part of their implementation of the strategy (Van Marrewijk & Werre, 2003). The most significant construct that emerged from the analysis was accountability. The core of the organisation leads to the culture of the organisation, as the culture is based on the mission, vision, values, goals and strategy (Bonn & Fisher, 2011; Galpin et al., 2015; Halliburton & Bach, 2012). Furthermore, the mission statement of the organisation provides the direction of the organisation regarding the goals and can lead to positive outcomes that can benefit the organisation and its stakeholders (Atrill et al., 2005; Rivera et al., 2017).

Through the interviews, the participants all alluded to certain key constructs that were experienced within their organisations. See Table 16 for the drivers that support the constructs. The participants offered some advantages and disadvantages pertaining to these drives throughout the interviews.

**Table 16: Drivers that Support the Constructs**

No	Drivers
1	Strategy in place for the organisation
2	Management of the organisation
3	The overall culture of the organisation
4	Vision, mission, values and goals of the organisation
5	Corporate environment
6	Long-standing relationships
7	Financial benefits

Most of the participants could identify with one or more of these drivers. All participants did recognise that the organisation’s strategy had to be updated and continuously moving with the times, instead of being stagnant. This is echoed by Bonn and Fisher (2011), where they feel that in this rapidly fast-moving changing environment, the strategic decision-making process helps lead the way in what to incorporate within each organisation’s strategy. Furthermore, building on their framework of ‘Sustainability as an integral part of strategy’, as illustrated in Figure 1, ‘leadership buy-in’ is critical when incorporating sustainability into the strategy of the organisation.

Corporate governance is another construct that emerged through this question in the interviews (Wilson, 2015). “Integrated with sustainability which is defined as corporate strategy, long-term corporate goals are followed along with effectiveness, performance and competitiveness by means of incorporating economic, environmental and social aspects into corporate governance” (Kocmanová et al., 2011, p.543). Corporate governance will help in achieving a balance between economic and social benefits and create sustainable value in the long-term of the organisation (Aras & Crowther, 2008). Corporate governance can be seen as being an environment of trust, ethics, values and confidence (Kocmanová et al., 2011).

### **6.3.2 Participants understanding of the concept of green sustainability**

The concept of sustainability was supported by the data received from the 16 interviews held. It was important for each interviewee to understand the concept of

green sustainability within an organisation; and all participants were able to state and articulate their personal concept of 'green' and 'sustainability' (White, 2009).

All the data that was gathered was based on frequency and aggregated counts. The top three understandings of the concept of sustainability as seen in Table 8 in section 5.7.2., shows that the most common understanding and perception is 'carbon footprint reduction (Bonn & Fisher, 2011; Mysen, 2012). This had a frequency ranking of 7. The second highest ranking construct with a frequency count of 6, was 'long-term focus on the triple bottom line: people, planet and profit' (Galpin et al., 2015) and thirdly was 'accountability: responsible resource usage in a sustainable way' with a total frequency count of 5.

The finding from this study is that sustainability is key to the long-term success of any organisation, improving efficiency and effectiveness of processes, with a clear focus on reducing one's carbon footprint, helping organisations enhance their triple bottom line, therefore confirming the literature. In reviewing the top three constructs that emerged it can be assumed that sustainability is still a very complex and new term, hence, the difference of opinions between the participants. As mentioned by Mysen (2012), elements of sustainability are the reduction of energy use, reducing carbon emissions as well as cost for an organisation.

### **6.3.3 Why Would Organisations Include Green Initiatives Within their Strategy?**

Interview Question 5 identified why green initiatives are being implemented in the organisations. In analysing these factors, the majority of participants agreed, that to implement green initiatives within an organisation, the organisation's ethical outlook, environmental impact and reputational brand, are the most affected. What was most interesting when analysing the data, was that more than one participant had mentioned two of the four factors that were identified in the literature.

For a lot of the interviewees, they mentioned that 'going green' has become a sort of catchphrase, window dressing, and that as the researcher mentioned before it can be seen as 'light-Green'. People want the advantages, the image, the opportunities that go with going green. However they don't want to pay for it, or they want to see results upfront; there is a risk involved in being first at implementation.

On the other hand, the highest ranked construct was being 'ethical', where participants mentioned more than once, "it is the right thing to do". As leaders of the organisation, it is their commitment to sustainable business practices that translates to the mission, objectives and goals of the organisation (Lashley, 2016).

The other four top-ranked constructs were 'environmental impact with a focus on reduced carbon footprint'; 'reputation - the organisation's brand and brand perception'; 'education and awareness'; and 'sales revenue down the line'.

#### **6.3.4 Lessons Participants have Learned During the Process of Going Green and Being Sustainable**

The results from each of these participants caused the organisation to shift either towards or away from implementing these initiatives in their sustainability strategy; resulting in them being an early adopter or follower. The most significant construct was 'education and awareness', which should be embedded into every system of the organisation. Education of the entire ecosystem is crucial, otherwise the organisation can become stagnant, and this leads to the second construct that emerged from the data analysis, 'leadership buy-in'.

'Leadership buy-in', as mentioned before, provides all stakeholders with the choice to be part of the shift within the organisation; a shift towards a sustainable business model with a long-term focus. In Chapter 2, the researcher references Bonn and Fisher (2011) saying that in order to have a long-term sustainable focus, the organisation needs to create a link between the organisation and society, having a holistic approach on the ecosystem in which it finds itself (Alberti & Garrido, 2017).

#### **6.3.5 Through These Lessons, do Participants Take Them into Account When Investing in Future Products or Services**

This question aimed to look at service or product investments for the future. It is evident that during the interviews, 'opportunities and system improvements' were prominent during the participant's work life experience.

Significant emphasis was placed on the use of sustainable technology within the organisation with almost all participants mentioning it (Ben Youssef et al., 2017; Reinhardt & Gurtner, 2015). Sustainable technology speaks to innovation within the organisation (Christensen, 1997), and the theory of disruptive innovation as mentioned

in section 2.3.1. of Chapter 2. Christensen and Overdorf (2000) express how innovative solutions will affect business as usual, and organisations should be open to the new opportunities investing in these innovative solutions will bring.

The other construct was 'legislation'; in order for organisations to grow, sustainable policies need to be implemented through governments, for example, the Paris Agreement that protects the environment (Jeffrey & Perkins, 2015; UNFCCC, 2015).

### **6.3.6 What Would Participants Recommend for Future Implementations**

Interview Question 8, tried to identify what each participant would recommend for future implementations, understanding what they felt working for them or have experienced successfully in their organisation.

This question, following what was said in the previous questions asked each participant what they would recommend for future implementations. In order to be proactive about implementing sustainability as part of your strategy, all stakeholders must be involved in the process. 'Stakeholder buy-in' was the top construct that came through the data analysis, with a frequency of 3. Stakeholders benefit from implementing green initiatives into the organisation's strategy (Rodriguez, 2006), along with distinguishing themselves from their competitors through their commitments towards sustainability, as well as the performance of their green services and products (Unruh & Ettenson, 2010).

Some participants mentioned that the organisation does not feel comfortable with going this route, as what they have been doing works. This just indicates another "cycle loop" as mentioned in the literature. Kodak for example, had all the opportunities to change, however, lacked the people with vision to pull it through and make a success along with a profit for the organisation (Anthony, 2016; King & Baatartogtokh, 2015). The spirit in which sustainability is led, needs to filter down from leadership in the organisation and be incorporated in all strategic talks going forward. Some organisations, like ABB, use 'townhall'-meetings to communicate the organisation's strategy to all stakeholders. Implementing these initiatives can be hindered if employees think it will affect their performance, which can lead to being a follower rather than an early adopter as previously mentioned. Employees often feel uncomfortable in this type of environment. Secondly, the construct that emerged was 'environmental impact'. Stakeholders are now, more than ever, focused on the impact they have on the environment around

them; resources are depleting; hence organisations need to start implementing new initiatives in order to reduce their carbon footprint and become aware of their ecosystem in which they operate (Menon & Menon, 1997; Saunila et al., 2018). Organisations need to shift their growth goals with an objective towards sustainability and the challenges it brings (Kotler, 2011).

Thirdly, participants felt that 'creating shared value' was a key construct when recommendations are made for future implementations. From the literature review, it is known that a critical focus for organisation's today should be on creating shared value (Porter & Kramer, 2011). A shared value approach focuses on both the profit as well as driving innovation and productivity growth within the cluster and global economy in which the organisation exists; improving the overall efficiency of the organisation long-term and not just the profit now.

### **6.3.7 Conclusive Findings for Research Question 2**

Through the entire process, a few key factors have emerged, factors like triple bottom line; education and awareness; transparency; leadership; engage suppliers; engage employees; engage customers; product innovation; new policies within the organisation; CSR; creating shared value; accountability; etc.

These factors demonstrate the checklist and starting point for organisations that plan to manage and implement sustainability as part of their strategy (Wilson, 2015). Through the research findings, it is concluded that sustainability is very complex and has various meanings to each participant; there are overarching themes that emerge. However, this word 'sustainability' is still a new concept to some. While a common understanding was established, 'reducing your carbon footprint, without depleting natural resources', there was a significantly large number of constructs that emerged through the data coding and analysis illustrating the above statement of differing individual perceptions on the topic.

## **6.4 Discussion of Results for Question 3**

### **Research Question 3: What are the benefits gained from implementing green initiatives into the organisation sustainability strategy?**

Question 3 aimed to identify the benefits gained from implementing green initiatives into the organisation's sustainability strategy. In addition, it tried to analyse if the current economy's green strategies are further than expected or not yet mainstream.

From the interviews, it was clear that benefits are industry dependent, as well as being integrated and united together.

#### **6.4.1 What Benefits do Participants See Green Initiatives and Sustainability Have for an Organisation ?**

The ninth interview question required participants to deliberate on which benefits they identify as sustainable for an organisation. The major benefits that were noticed were 'competitive advantage', 'environmental impact' and 'reputation and partnerships'.

As mentioned above the main benefit that occurred during the interviews, were the competitive advantage organisations experienced from implementing green initiatives. Competitive advantage could be gained through cost-saving initiatives, implementation of efficiency within the organisation, or through business opportunities created through partnerships (Hall et al., 2010; Lagas, 2015; Pacheco et al., 2010).

Benefits that can be gained from going green, according to the literature, are the reduction of negatively impacting the environment and its natural resources, by either reducing water or energy costs, recycling, or perhaps buying products or services of a green nature, in the service of the organisation (LaMarco, 2018). A major, perhaps superficial benefit, is the advantage of recognition with the brand. This has come up in previous questions as well, which illustrates that reputation has a significant impact when looking at the sustainability or green initiatives of an organisation.

As mentioned in Chapter 2, through corporate sustainability, environmental responsibility provides distinctive opportunities for increased revenues (Ambec & Lanoie, 2008). According to Lagas (2015), the benefits of going green are also not limited to a reduction in water and energy costs but can benefit the organisation by building a better brand/reputation thereby attracting new customers and increasing revenue; benefitting from tax incentives in certain countries; and by having an increased innovative environment and/or societal impact for future generations.

Even though there are benefits to implementing green initiatives, participants mentioned that there are some barriers as well. Barriers like additional costs to the implementation of green initiatives; increased consumption and increased waste; a definite resource challenge; a lack of understanding of sustainability; and flaws in the execution within the organisation. However, most of all it is easy to be morally and

ethically correct when you can afford to (Gittell et al., 2012). This speaks to government intervention and policies; implementing these initiatives do need to make business and financial sense, and organisations that adhere to protecting the environment should be given some sort of incentive, perhaps tax advantages as in other countries. Therefore, sustainability needs to be approached from a different perspective, and it shouldn't be a luxury spending on green initiatives.

#### **6.4.2 Conclusive Findings for Research Question 3**

The results indicated that having a competitive advantage has the most significant influence when analysing benefits within an organisation.

Benefits of implementing green initiatives into the strategy can be meeting new customer needs which in turns offer diversity of products or services, which rolls over into having a competitive edge over your competitors. It can provide a reduction in costs, either operating due to increased efficiency or perhaps due to packaging, most of all a large benefit is that of improved employee morale and performance; as an organisation delivering greater value to all its stakeholders (White, 2009).

### **6.5 Discussion of Results for Question 4**

#### **Research Question 4: The cost of going green.**

The fourth and final Research Question aimed to find out if the cost of implementing green outweighs the cost thereof. If so, if the organisation's look at the long-term focus or short-term gains. The range of factors that can influence this decision within an organisation has to prove why Capex needs to be allocated towards implementing green initiatives.

#### **6.5.1 If These Identified Benefits are Implemented into the Strategy of the Organisation, do Participants See it as Exceeding the Cost Thereof?**

The major construct that emerged from the data analysis was the importance of 'long-term focus' within the organisation. All of the participants mentioned or alluded to this construct in their respective interviews, indicating that it is critical to the sustainability of the organisation. The short-term focus in an organisation perpetuates instability and risk, whereas long-term focus provides value creation and prosperity. From a financial perspective, looking at 'future investing and implementations', organisations that look beyond short-term will be rewarded through long-term performance. Risk management

and mitigation are essential in the long-term due to green initiatives taking over as we face a reduction in natural resources.

'Leadership and accountability' was the second largest benefit to emerge during this question. Through leadership and the accountability of decisions, an organisation will see benefits outweigh the cost; this will be critical if an organisation makes a shift towards sustainably achieving desired results.

According to Russo and Fouts, (1997), the benefits of an improved overall corporate environmental behaviour, outweigh the cost thereof by offering a competitive advantage above that of your competitors though being a learning and forward-thinking organisation (Wilson, 2015). Halliburton and Bach (2012), claim that there is a direct correlation between an organisation's performance and its reputation that supports sustainable competitive advantage.

#### **6.5.2 Conclusive Findings for Research Question 4**

Research Question 4 aimed to identify if the cost of going green is, in fact, worth it. Looking at the benefits that can be implemented in order to prove it makes financial sense, along with reducing the risk and implementing green initiatives within the organisation.

Financial benefits, as mentioned in Chapter 2, include but are not limited to better access to certain markets, differentiated products, revenue that comes from providing and selling green technology, an explicit better risk management and relations with all stakeholders in the organisation, lower cost of capital; and lower cost of labour (Ambec & Lanoie, 2008).

One participant did, however, mention something which answers Question 4, with another question: "What is the cost of not doing or implementing green initiatives?" As organisations we can look at implementing initiatives and perhaps it will show an ROI. However, if we look at the organisation in the long-run, what are the implications of not becoming more green or sustainable? Will we, as organisations, be replaced as was done by Kodak? It is imperative to understand this concept as the future as well as the profitability of the organisation depends on it.

## **Chapter 7: Conclusion and Recommendations**

### **7.1 Introduction**

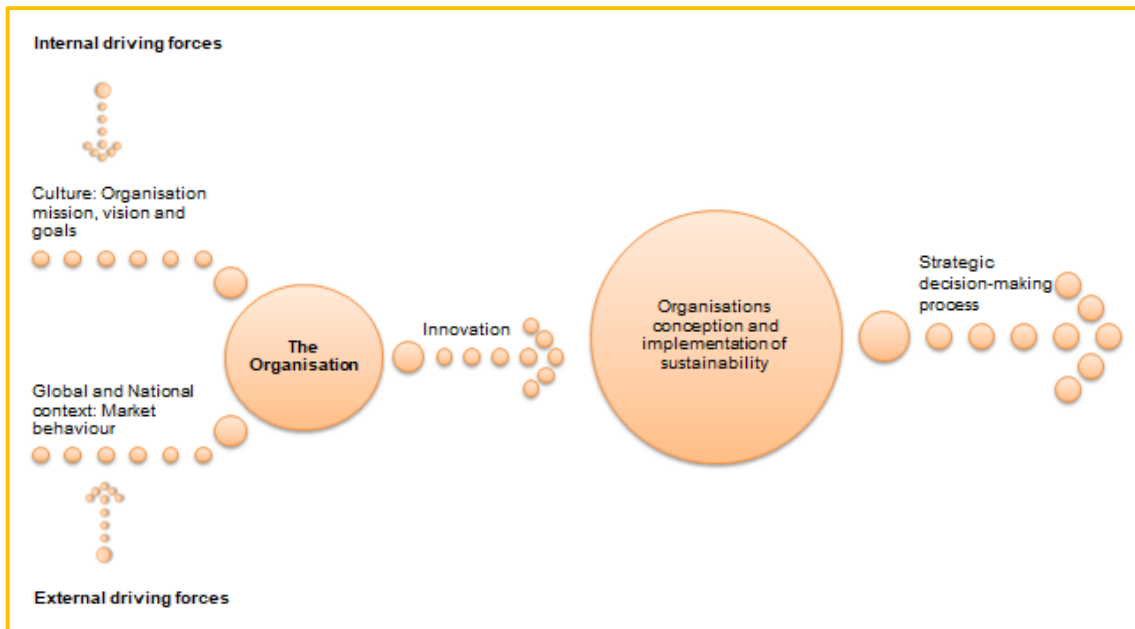
The research aimed to understand and provide an integrative framework for an organisation's implementation of green initiatives into a sustainable strategy. In addition, to establish the factors involved and which play the most significant role in the influence of green initiatives and sustainability in an organisation's strategy. This chapter aims to consolidate the results from the previous chapters and consolidate all the findings so as to meet the research objective.

In this Chapter, the "Sustainability Change Model" is discussed in terms of what was initially identified and developed through the literature review in Chapter 2. Based on the findings in previous chapters, recommendations are made for organisations in order to be sustainable and profitable in the long run. Philosophies are recommended for future research, along with limitations that were unresolved.

### **7.2 Key Findings**

#### **7.2.1 The Rationale Behind Creating the "Sustainable Change Model, A Tipping Point Towards Profitability"**

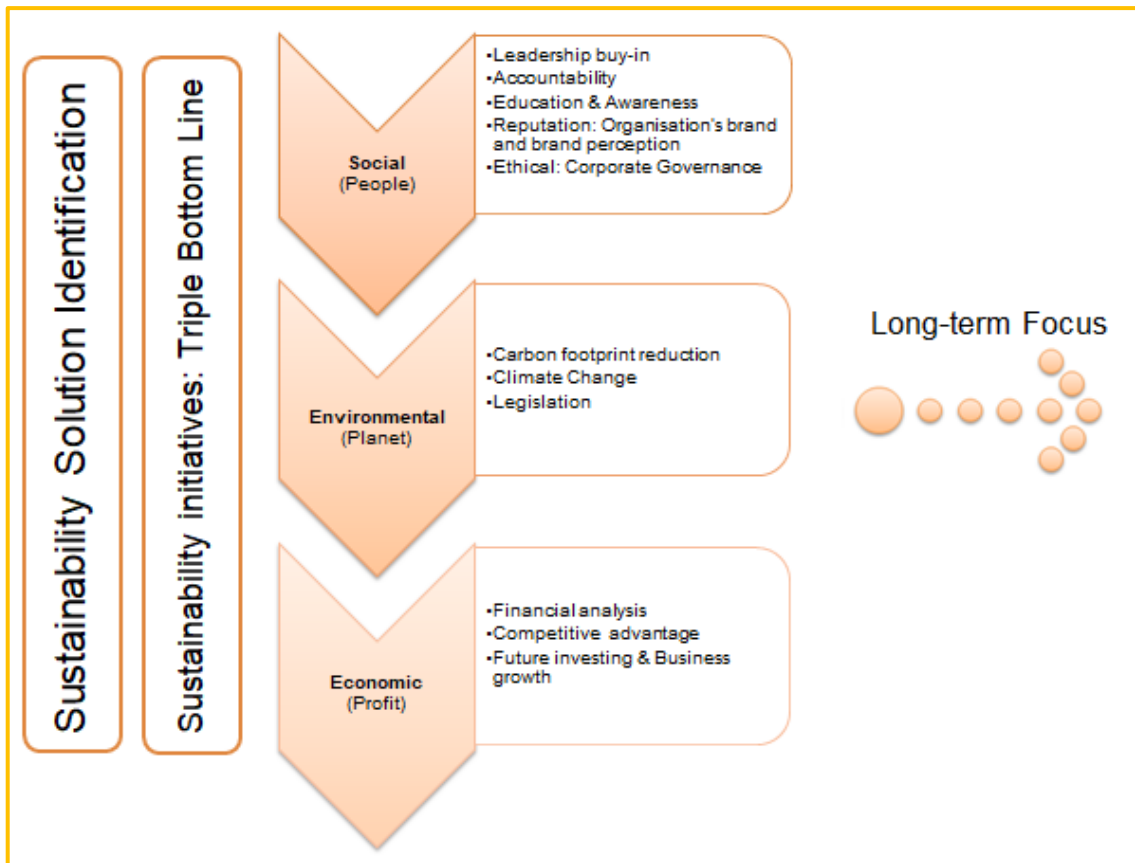
Through this research study it was observed that certain factors played a significant role when implementing green initiatives into the organisation's sustainability strategy; however, they were not the only cause when considerations were taken. The framework was formulated using three steps; the first step looks at the internal and external driving forces and the effect it has on the organisation as seen in Figure 7.



**Figure 7: STEP 1 - Internal and External Driving Forces**

(Researcher's own)

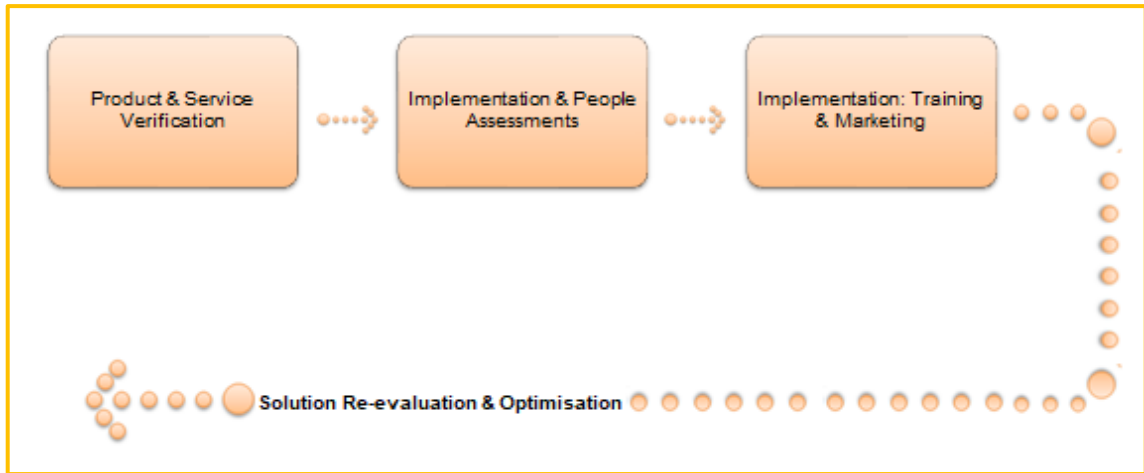
Through the literature and interviews conducted, three key constructs have been identified that can be seen as the drivers of sustainability initiatives within an organisation (Figure 8). These are the social, environmental and economic, "Sustainability initiatives: Triple Bottom Line"; this is step 2 in the process.



**Figure 8: STEP 2 - Sustainability initiatives: Triple Bottom Line**

(Researcher's own)

Each construct has its own level of influence, and can perhaps even go hand-in-hand with another in order to execute sustainability. These constructs that have been identified are demonstrated as part of the “Sustainable Change Model, A tipping point towards profitability”. It is critical to note that these constructs are on a long-term focus. The third step, Figure 9, in the process of the framework looks at the verification of products or services that needs to be created in order to implement into the sustainability strategy. It was formulated through modifications of Growthpoint’s sustainability strategy which the researcher came across through her interview background research (Growthpoint, 2017). After the implementation process is done, an organisation must always go back to the beginning and re-evaluate the solutions and options available for desired optimisation.

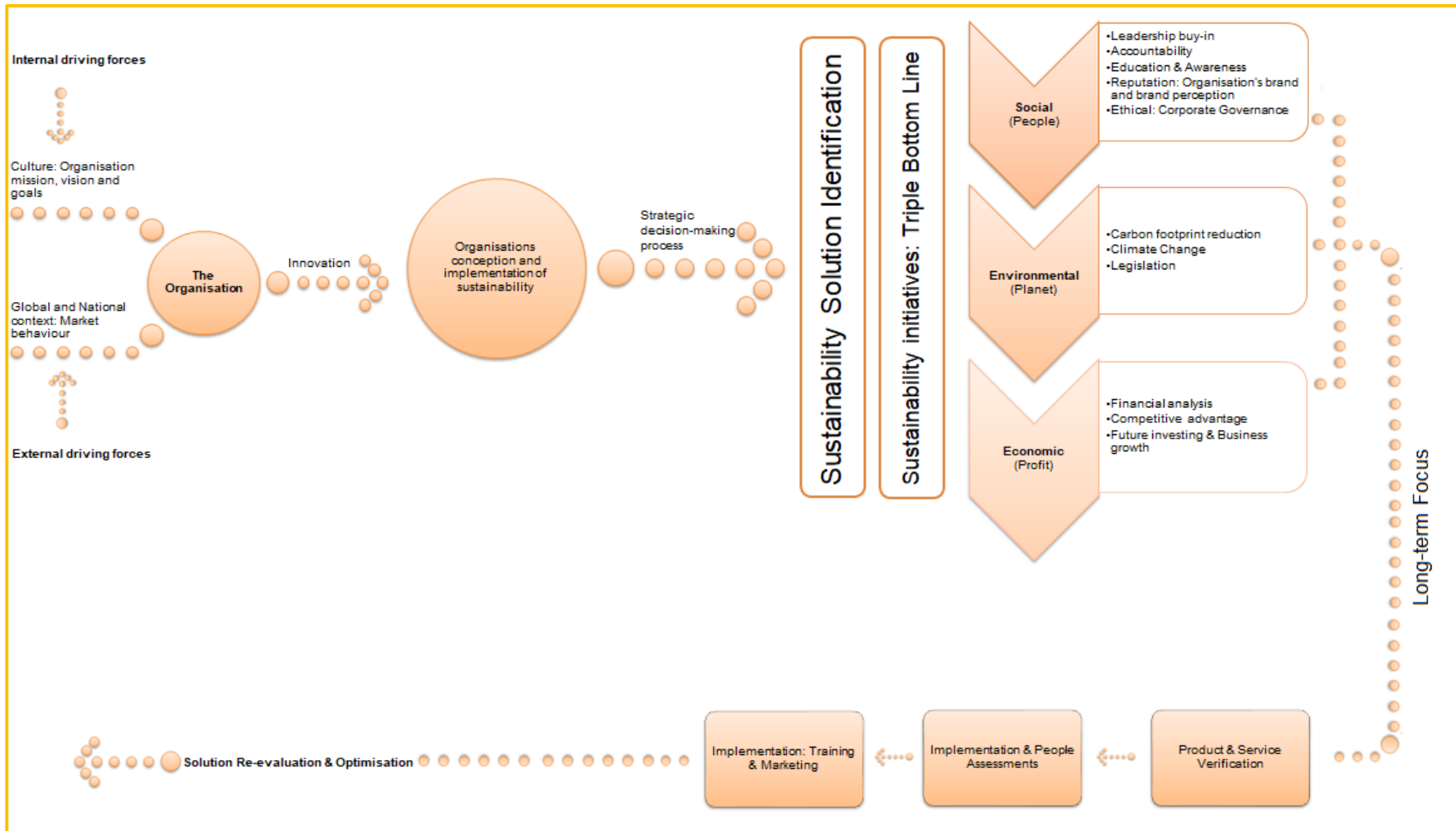


**Figure 9: STEP 3 - Implementation and Re-evaluation**

(Researcher's own)

In conclusion, the model was created in order for an organisation to find its optimal point of sustainability and profitability, and aims to navigate the complexity of sustainability as highlighted in the literature review in Chapter 2. All the findings have been integrated into a single visual detailed image representation in Figure 10.

Figure 10 illustrates the intricate interdependence of all the constructs (factors) and how they are intertwined, working together as a whole to ensure an organisation achieve sustainability and optimal profitability through implementing these initiatives as opposed to business as usual thinking.



**Figure 10: The “Sustainable Change Model, A tipping point towards profitability”**

(Researcher’s own)

### **7.2.2 Interpretation of the “Sustainable Change Model, A Tipping Point Towards Profitability”**

The factors identified that make up the model are all significant and need attention from all employees in the organisation. Each of these factors are made up of a particular set of processes, as mentioned in Chapter 6 that enable the factors to be implemented.

Steps to sustainable change within an organisation start out with the pre-sustainability phase, where there is no ambition from within the organisation, except when forced externally, like legislation. It looks at compliance within and outside the organisation as well as the global and national context in which the organisation finds itself.

Through these forces, the organisation implements innovation within and starts formulating sustainability as part of the decision-making process for the organisation's strategy. From here identification of sustainable solutions take place and can be divided into three constructs, social, environmental and economic, which speaks to the bottom line.

Sustainability initiatives:

- a) Social (People)
  - Leadership buy-in
  - Accountability
  - Education and awareness
  - Reputation: Organisation's brand and brand perception
  - Ethical: Corporate Governance
- b) Environmental (Planet)
  - Carbon footprint reduction
  - Climate Change
  - Legislation
- c) Economic (Profit)
  - Financial analysis
  - Competitive advantage
  - Future investments and business growth

Each of these constructs shows factors that have been identified throughout the research study with a long-term focus in mind. In order to see any profitable returns the implementation needs to be balanced; economic, social and ecological, with a critical

focus on social responsibility and attention for the environment. There should be well-balanced solutions throughout the sustainability strategy that will in turn create value in the economic, social and ecological aspects of corporate performance for all stakeholders involved in the ecosystem.

Next products and services are verified for the organisation, which needs to be implemented firstly through assessing the opportunity at hand and secondly through the implementation through training and marketing of all the stakeholders involved. From here the solutions identified in the beginning are re-evaluated and optimised. Finally, sustainability will be fully integrated and embedded in every aspect of the organisation and each employee has a focus on driving sustainability within their area.

### **7.2.3 Profitability and Risk**

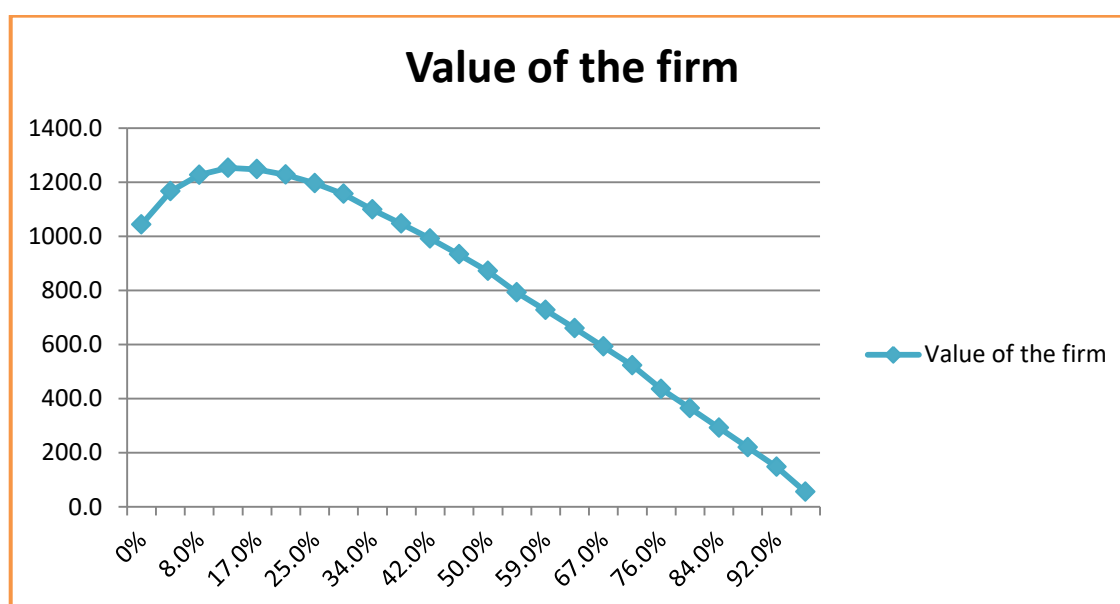
The profitability of an organisation is dependent upon the innovative solutions that take place and how they are being implemented. In Table 17 and Figure 11 below a holistic approach is taken, as this is integrated into the social, ethical and ecological aspects of the organisation's operations and design-making, all-and-all it focusing on the bottom line.

At the end of the day, the organisation is still a business and needs to make a profit in order to survive in the long-term, therefore, considerable financial attention needs to be modelled in order to analyse the amount of capital that needs to be invested into sustainability initiatives. The model was created through using an existing risk model (Bodoff, 2011) as mentioned in Chapter 2, and modifying it towards a profitable sustainability model; which focuses on future sustainability strategic conditions. Through focusing on the sustainability of earnings the following framework is developed. For future research this framework can be tested in a quantitative manner. All the calculations can be seen in Appendix 9.

**Table 17: Sustainable Profitability Model Data Example**

		<b>Company A</b>
Expected Earnings	E	100
Interest	r	10%
Discounted Future Earnings	$DF = 1 / (1 + r)$	90.9%
Growth rate	g	5%
Earnings growth factor	$GF = 1 + g$	1.05
Initial Probability of sustainability	p	96%
Maximum amount of improvement in Probability	1 - p	4%
Value	V	1043.5
P / E multiple	Value / Expected earnings	10.4
Additional new expenditures to enhance sustainability (as a % of current earnings)	x	0%
Estimated parameter	k	10%
Additive amount of percentage points of improvement in p	$f(x) = (1 - p) * x / (x + k)$	0.0%
Improved probability p of sustainability	$g(x) = p + f(x)$	96%
Revised p	new p	96%
New Value	New V	1043.5

(Bodoff, 2011)



**Figure 11: Value of the Firm - Tipping Point**

(Researcher's own)

An organisation needs to integrate the sustainability initiatives into the strategy, therefore measuring the organisation's total risk as well as highest performance and tipping point.

### **7.3 Recommendations for Future Research**

This study provides a foundation for future research in the field of sustainability and profitability of implementing these into an organisation, looking at implications of certain improvements which extracts and develops an improved workplace. Even though there is little empirical evidence on the influence of the drivers identified in previous chapters on sustainability in organisations, certain recommendations are made for future research in this area. The performance of the organisations can be analysed in further research using multiple regressions, allowing for a range of variables to influence the data. Through these tests, one could find which variables are significant.

It is interesting to investigate the links between each of the factors and their effect on sustainability, furthermore, ethical implications that arose from certain organisations in which the leaders themselves form a pillar of authentic leadership, which filters down throughout the organisation.

The research study offers considerable insights; however, there remain opportunities for further research in this emerging area of sustainability. A recommendation for future research is to test the validity of what was proposed in this research; increasing the effectiveness of each of the factors that influence sustainability. It is essential to realise the importance of sustainability and the need to look for continuous improvements within the organisation, enforcing it throughout the ecosystem in order to have an impact. Therefore, it is recommended to implement the model of sustainable change that was developed through this research.

Further research could be done within one sector or industry as this can influence the importance of sustainability within that industry. It will provide a more detailed view of participants involved and have a look at how strategies are implemented differently.

Another area for future research could explore conditions where educating the organisation on sustainability at work and at home, this could add additional complexities, with implications for improvement holistically. It would be valuable to

understand which drivers are more powerful than others and should perhaps be implemented first; this, however, depends entirely on the organisation and industry.

#### **7.4 Implications for Management**

As was evident from the results of this research study, leadership and stakeholder buy-in is critical when sustainability and green initiatives are implemented within an organisation's strategy. Employees who do not seem to understand the change, as was the case in Kodak, mentioned in Chapter 2, will distance themselves and withdrew themselves from the overall strategy.

There needs to be constant training and guidance in order not to lose the best candidates, and keep job satisfaction high. It is therefore important for managers in the organisation to understand their role in enforcing a sustainability mind-set and outlook and the need to think outside the box in order to have an impact. Even though most participants had different opinions or perceptions towards what sustainability meant, they do see the benefits it holds for the organisation. As a consequence, the communication within the organisation is vital for a successful implementation of the sustainability strategy.

Consequently, managers are recommended to use the step-by-step model that was developed through this research to implement sustainability into the strategy. This will create the desired corporate culture that strives for green initiatives within each aspect of the sustainability strategy and all stakeholders will increasingly become more aware of their own ecosystem. Management should therefore aim to incorporate and link the factors identified from this research study through the entire implementation process.

Most importantly as mentioned before, the primary objective for managers should be to ensure and attract the right kind of individual with the same sustainable vision, mission, values and goals as that of the organisation. With a key focus on the individual ethics and values and that they are aligned to that of the organisation's strategy and long-term focus.

#### **7.5 Research Limitations**

When qualitative exploratory research is used, it is subjective and may be influenced by the researcher's own bias (Saunders & Lewis, 2012) and might influence how the

researcher interprets the research findings given the context. Also, as mentioned before, the researcher has no training in interviewing and this could have affected the way the interviews were conducted.

The population proved to be a significant limitation, as the researcher found it challenging to obtain the correct business leaders for the study; because most organisations in South Africa have yet to incorporate a sustainability manager or similar. Although the research ensures the validity of data by interviewing the right individuals as defined by the population, a larger sample size could have been used to result in more reliable data being found.

Another limitation to the research study was the time spent with the interviewees; each interview lasted between 30 to 60 minutes, and only one interaction was had with each business leader. This created a time constraint which could restrict the depth of the responses attained from each interviewee.

In this study the researcher highlighted the importance of innovative sustainable solutions for organisations, however, will organisations rise to the challenge and step up to become early adopters of green initiatives?

Lastly, the literature available on green initiatives and sustainability was mainly based on international research, and the researcher should bear in mind that there are still large “gaps” that exist in this field. Therefore, there is a need for further research in order for this to become a sound and comprehensive study.

## **7.6 Conclusion**

During the initial part of the research study, four questions were identified which served to enhance the researcher’s understanding of green initiatives and sustainability and how these fit into an organisation, and the implications they have on an organisation’s brand, reputation, CSR, accountability, environmental and social issues, sustainable development and profitability. In other words, where is the tipping point for spending on these drivers of sustainability? At the start, it is essential to understand and have a clear awareness of both the external trends taking place as well as the core values of the organisations and how they are influenced.

The strategic question is whether there is value-relevance associated with the addition of sustainability and green initiatives as part of the strategy. In this research report the organisations were analysed according to their orientation towards their shareholders, stakeholders, customers and the market they find themselves in.

While many organisations are acknowledging the importance of sustainability, they face a challenge when it needs to be implemented. In order to achieve this, sustainability needs to be embedded into the core of the organisation and when this happens several benefits can occur. Finally, a commitment towards sustainability can be rewarded by increases in brand equity, market share, higher performing employees and customer loyalty; having a forward fold effect on the entire ecosystem of the organisation and the future thereof.

While sustainability development remains ambiguously defined and controversial, it has emerged as an influential concept for improving the overall competitive advantage of an organisation. Organisations that are able to align profit and impact on the environment will strengthen their sustainability and survival as well as the community on which they depend. This is merely organisations who are pushing the early adopter boundaries of sustainability towards strategies in which profit and social purpose are more equal. There still remains however, considerable uncertainty regarding how much revenue should be spent on these types of initiatives; therefore, the organisation needs to find their “tipping point” for optimal profitability and long-term sustainability. The main outcome seems to support that organisations who implement sustainability strategies have a better long-run performance. There is an initial cost; however, these organisations obtain higher sales and profits due to a reduction in the longer run costs.

Through doing this study, the researcher herself admits to having a different point of view. She was certain that green initiatives lead to sustainability; however, the truth is it is merely an aspect, something small, when compared to the overarching sustainability concept. Green initiatives do not always mean sustainability and can be hazardous to the environment. Therefore, when looking at society as a whole, we need to see how we as an organisation can reduce our overall carbon footprint in order to leave this world in a better state than that in which we found it; leaving a future for our children and their children to come.

The overall conclusion of this research report is that there lays value-relevance attached to the implementation of sustainability and green initiatives. There is a definite need for policy and regulations on green issues and sustainability, which will be achieved by the initiatives promoted by the government. As a consequence, to rationalise implementing sustainability into the strategy, the organisation's leaders (executives) need to communicate and be transparent about their thinking and the way they see the organisation going forward. They test the validity of the communication within the context of the organisation and the ecosystem; furthermore, they are able to understand the difficult decisions to be made to ensure financial sustainability.

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## APPENDICES

### Appendix 1: Research Questions and Interview Question Mapping

<b>Research Questions from Chapter 3</b>	<b>Interview Questions</b>
<p><b>Research Question 1:</b> Determine the nature and diversity of green sustainability that challenge 'business as usual' thinking in an organisation's strategy.</p>	<p>Why do certain organisations adopt quicker to green initiatives than others?</p> <p>Despite green initiatives being seen in different organisations and the advancement therefore, are early adopters seeing higher returns on revenues, profits or opportunities?</p>
<p><b>Research Question 2:</b> Identify the factors considered that drive green initiatives within the sustainability strategy of the organisation.</p>	<p>Does sustainability form part of your strategy?</p> <p>What is your understanding of the concept green sustainability within an organisation?</p> <p>Why include green initiatives within your strategy?</p> <p>What lessons have been learned during the process of going green?</p> <p>Do you take these into account when investing in future products or services?</p> <p>What would you recommend for future implementations?</p>
<p><b>Research Question 3:</b> What are the benefits gained from implementing green initiatives into the organisation sustainability strategy?</p>	<p>What benefit do green initiatives hold for the organisation?</p>
<p><b>Research Question 4:</b> The cost of going green.</p>	<p>Does the benefit of implementing green initiatives into the strategy exceed the cost?</p>

## Appendix 2: Consistency Matrix

Title: Assessing green sustainability strategy implications – Investing in the future

Questions	Literature Review	Data Collection Tool: Qualitative Data	Analysis Technique
<p><b>Research Question 1:</b> Determine the nature and diversity of green sustainability that challenge 'business as usual' thinking in an organisation's strategy.</p>	<p>(Lim, 2017)</p> <p>(United Nations Sustainable Development Goals, 2015)</p>	<p>Full interview data</p> <p>Observations</p>	<p>Categorisation and interpretation of data in terms and common themes.</p>
<p><b>Research Question 2:</b> Identify the factors considered that drive green initiatives within the sustainability strategy of the organisation.</p>	<p>(Kotler, 2011)</p> <p>(Ben Youssef, Boubaker, &amp; Omri, 2017)</p>	<p>Full interview data</p> <p>Observations</p> <p>Online research</p>	<p>Identification of the underlying structures that forms the basis of the strategy.</p> <p>Identification of patterns.</p>
<p><b>Research Question 3:</b> What are the benefits gained from implementing green initiatives into the organisation sustainability strategy?</p>	<p>(LaMarco, 2018)</p> <p>(Smith &amp; Perks, 2010)</p>	<p>Full interview data</p> <p>Observations</p>	<p>Identification of benefits.</p> <p>Construction of a framework from the categories and themes</p>

		Company documents (Annual reports, brochures, website)	identified.  Continual interlinking of data collection and data analysis.
<b>Research Question 4:</b> The cost of going green.	(Hall, Daneke, & Lenox, 2010)	Company documents (Annual reports, brochures, website)  Online research	Tabulations and perhaps analysis to be done to answer the research question.

### Appendix 3: Invitation to Participate in Research Study

---

Dear XXXX,

Thank you for taking my call earlier today. As discussed, I am completing an MBA at Gordon Institute of Business Science (GIBS) and in the process of completing the compulsory research report component of my degree. My research project title is “Assessing green sustainability strategy implications – Investing in the future.” The purpose of this study is to be able to gain an improved understanding and determine in a qualitative manner how and why organisations implement green initiatives into their strategy and how the overall focus can be sustainable.

I plan to conduct the interviews during July and August. Please find attached the consent form that you will read prior to the interview commencing. The interview will be confidential and data will be stored without identifiers.

The research questions I aim to answer are as follows:

1. Determine the nature and diversity of green sustainability that challenge ‘business as usual’ thinking in an organisation’s strategy.
2. Identify the factors considered that drive green initiatives within the sustainability strategy of the organisation.
3. What are the benefits gained from implementing green initiatives into the organisation sustainability strategy?
4. The cost of going green.

Please can you confirm your agreement to take part as per our conversation. Also, your availability during July and August 2018.

I look forward to hearing from you.

Kind Regards,

Mischa Tessendorf

[29188777@mygibs.co.za](mailto:29188777@mygibs.co.za); 083 636 7314

## Appendix 4: Interview Consent Form

---

Date: XXXX

Dear XXXX,

I am currently completing an MBA at Gordon Institute of Business Science (GIBS) and in the process of completing the compulsory research report component of my degree. My research is titled “Assessing green sustainability strategy implications – Investing in the future.” The aim of the research is to provide an integrative framework and a successful analysis of an organisations implementation of green initiatives into a sustainable strategy.

I humbly request the opportunity to interview you regarding this topic and subsequently am able to use the data gathered from the interview for the completion of my research report.

Interviews can take place at the Gordon Institute of Business Science or at a location of your choice. They will be approximately 60 minutes long. Your participation is voluntary and you can withdraw at any time without penalty. The audio recording of this interview is also voluntary and you may choose not to be recorded.

In line with GIBS, all the information gathered will be kept confidential and will be collected for the purpose of the research report, therefore assuring confidentiality of everything shared during the interview. Data will be stored without identifiers.

Please can you confirm your agreement to take part, as per our communication and indicate your availability during the months of July and August 2018.

If you have any concerns, please contact my supervisor or I. See our details below.

I look forward to hearing from you.

Kind Regards,

Mischa Tessendorf

[29188777@mygibs.co.za](mailto:29188777@mygibs.co.za)

083 636 7314

Research Supervisor: Thea Pieterse

[theap@gold.co.za](mailto:theap@gold.co.za)

082 891 8207

**Participant's Name:** \_\_\_\_\_

**Participant's Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Researcher's Name:** \_\_\_\_\_

**Researcher's Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

## Appendix 5: Interview Questionnaire

---

**Research Title:** Assessing green sustainability strategy implications – Investing in the future

<b>Name</b>	
<b>Job Title</b>	
<b>Organisation</b>	
<b>Industry</b>	
<b>Date</b>	
<b>Start time</b>	
<b>End time</b>	

I would greatly appreciate your participation in this research by agreeing to be interviewed on the subject matter. Your inputs and knowledge will be highly appreciated. The interview will be semi-structured and take approximately 60 minutes. The interview will be confidential and data will be stored without identifiers.

**In order to get a better understanding of green sustainability implications, I wish to understand the following:**

- The nature and diversity of green sustainability that challenge 'business as usual' thinking in an organisation's strategy.
- The factors considered that drive green initiatives within the sustainability strategy of the organisation.
- The benefits gained from implementing green initiatives into the organisation sustainability strategy?
- The cost of going green.

### **Interview Questions**

1. Why do certain organisations adopt quicker to green initiatives than others?
2. Despite green initiatives being seen in different organisations and the advancement therefore, are early adopters seeing higher returns on revenues, profits or opportunities?
3. Does sustainability form part of your strategy?

4. What is your understanding of the concept green sustainability within an organisation?
5. Why include green initiatives within your strategy?
6. What lessons have been learned during the process of going green?
7. Do you take these into account when investing in future products or services?
8. What would you recommend for future implementations?
9. What benefit do green initiatives hold for the organisation?
10. Does the benefit of implementing green initiatives into the strategy exceed the cost?

**Participant's Name:** \_\_\_\_\_

**Participant's Signature** \_\_\_\_\_

**Date** \_\_\_\_\_

**Researcher's Name:** \_\_\_\_\_

**Researcher's Signature** \_\_\_\_\_

**Date** \_\_\_\_\_

## Appendix 6: Ethical Clearance Letter

**Gordon  
Institute  
of Business  
Science**  
University  
of Pretoria

12 July 2018

Tessendorf Mischa

Dear Mischa

*Please be advised that your application for Ethical Clearance has been approved.*

Approved, however please add the line that '...data will be stored without identifiers...' to your consent letter as this is where participants sign and acknowledge you have advised them of all relevant information

*You are therefore allowed to continue collecting your data.*

*Please note that approval is granted based on the methodology and research instruments provided in the application. If there is any deviation change or addition to the research method or tools, a supplementary application for approval must be obtained*

*We wish you everything of the best for the rest of the project.*

*Kind Regards*

GIBS MBA Research Ethical Clearance Committee

## Appendix 7: Information and Details of Interviewees

Participant	Industry	Position	Additional Information
P1	Environmental management	EMI: Legal Support (Admitted Attorney)	Participant one works for the Department of Environmental Affairs where she is an admitted attorney. She has a background in legal support and legal advisory for environmental scientists, industrial mines and organisations that apply for environmental authorisations, along with doing compliance auditing for legislative purposes.
P2	Diversified Industrial	Group Head: Sustainability	Participant number two works for one of the largest logistics organisation in South Africa. He heads up the group's sustainability objectives with a critical focus on reducing the organisation's carbon footprint.
P3	Retail	National Account Manager	Participant number three is a national accounts manager at a major retail organisation. She has a key interest in how they market their products to consumers who want to see a difference. Their entire organisation implements their Sustainability Living Plan.
P4	Construction	CEO	Participant four is CEO of one of the leading infrastructure development and construction material supply groups in South Africa. The organisation has a key focus on transforming the construction industry in an ethical manner.
P5	Retail	Property and Development Director	Participant number five is the director of property and development for a food retailer in South Africa. Being part of this big restaurant chain, he has a keen interest in what sustainability and green initiatives hold for each restaurant; from refurbished table tops to where they source their ingredients.
P6	Environmental management	Managing Director	Participant number six, is the managing director for a recycler of PET bottle materials. Their expertise lies in the reclaiming and converting of waste PET bottles into various PET chips and flakes for converting into other materials for additional applications
P7	Construction	Business Development Manager	Participant seven works in the construction industry, and is the business development manager. They focus on providing energy-efficient solutions to their clients with a key focus on being sustainable in the long-run and their environmental impact.
P8	Energy: Oil & Gas	General Manager	Participant number eight is General Manager for an energy organisation in South Africa. Their vision has identified areas where they can have the biggest sustainable impact: climate change, work and human rights, providing access to energy.

<b>Participant</b>	<b>Industry</b>	<b>Position</b>	<b>Additional Information</b>
P9	Construction and Built Environment	Head of Sustainability and Utilities	Participant nine works in the construction and built environment. They are the leading property fund. As head of sustainability and utilities this participant focuses on implementing and executing the organisation's sustainability strategy.
P10	Industrial	Head of Safety and Sustainable Development	Participant ten is Head of Safety and Sustainable Development at a leading industrial equipment organisation. He has a PhD in Environmental Sciences from the University of Johannesburg. Sustainability is included in the company code as one of the group's five core values that informs employees' individual and collective behaviour.
P11	Manufacturing: Electrical and Technology	Head of Sustainability	Participant number eleven, is Head of Sustainability at a leading manufacturing organisation in South Africa, with responsibilities that cover the sustainability strategy along with a key focus on reducing their carbon footprint.
P12	Built Environment	Co-founder	Participant number twelve is the co-founder of a boutique consultancy firm that focuses on sustainability projects.
P13	Manufacturing	Applications Engineer	Participant number thirteen works for a manufacturing organisation; their mission statement articulates to responsibly provide products and solutions creating sustainable value for the world.
P14	Retail	Group Sustainability Projects and Innovations Engineer	Participant number fourteen is Group Sustainability Projects and Innovations Engineer at a retail organisation. He is very passionate about creating a sustainable environment; even at their head office they have a Green Building award. Their ambition is to become a waste-free business, with a clear focus on turning waste into value; a more water-smart business and an energy self-sufficient business
P15	Safety and Environment	Managing Director	Participant fifteen is managing director for a safety organisation, with a key focus on the environment and how sustainability forms part of it.
P16	Built Environment	Founder and CEO	Participant number sixteen is the founder of a built environment consultancy firm; they are geared towards sustainable projects in South Africa. Their mission is to develop a world towards shared value, entrepreneurship and true empowerment.

## Appendix 8: Certification of Additional Support

---

(Additional support retained or not - to be **completed by all students**)

***Please note that failure to comply and report on this honestly will result in disciplinary action***

I hereby certify that (please indicate which statement applies):

- *I DID NOT RECEIVE* any additional/outside assistance (i.e. statistical, transcriptional, thematic, coding, and/or editorial services) on my research report: .....
- *I RECEIVED* additional/outside assistance (i.e. statistical, transcriptional, thematic, coding, and/or editorial services) on my research report.....

If any additional services were retained – ***please indicate below which:***

- Statistician*
- Coding (quantitative and qualitative)*
- Transcriber***
- Editor***

***Please provide the name(s) and contact details of all retained:***

NAME: Julie Rathbone.....  
EMAIL ADDRESS: julie@qualquarter.co.za.....  
CONTACT NUMBER: 082 657 3177.....  
TYPE OF SERVICE: Transcriber.....

NAME: Sandra Reinbrech.....  
EMAIL ADDRESS: Sandra@librasquared.com.....  
CONTACT NUMBER: 061 442 6182.....  
TYPE OF SERVICE: Editor.....

**I hereby declare that all interpretations (statistical and/or thematic) arising from the analysis; and write-up of the results for my study was completed by myself without outside assistance.**

NAME OF STUDENT: Mischa Tessendorf.....

SIGNATURE: .....

STUDENT NUMBER: 291 88 777.....

STUDENT EMAIL ADDRESS: 29188777@mygibs.co.za.....



## Appendix 10: Copyright Declaration Form

Student details			
Surname:	Tessendorf	Initials:	M
Student number:	29188777		
Email:	<a href="mailto:29188777@mygibs.co.za">29188777@mygibs.co.za</a>		
Phone:	083 636 7314		
Qualification details			
Degree:	MBA	Year completed:	2018
Title of research	Assessing green sustainability strategy implications – Investing in the future		
Supervisor:	Thea Pieterse		
Supervisor email:	<a href="mailto:theap@gold.co.za">theap@gold.co.za</a>		
Access			
Please select			
<b>A.</b>			
<input type="checkbox"/>	My research is not confidential and may be made available in the GIBS Information Centre and on UPspace.		
I give permission to display my email address on the UPspace website			
<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	X
<input type="checkbox"/>	No	<input type="checkbox"/>	
<b>B.</b>			
<input type="checkbox"/>	My research is confidential and may <b>NOT</b> be made available in the GIBS Information Centre nor on UPspace.		
Please indicate embargo period requested			
<input type="checkbox"/>	Two years	Please attach a letter of motivation to substantiate your request. Without a letter embargo will not be granted.	
<input type="checkbox"/>	Permanent	<b>Permission from the Vice-Principal: Research and Postgraduate Studies at UP is required for permanent embargo.</b> Please attach a copy permission letter. Without a letter permanent embargo will not be granted.	
Copyright declaration			
<p>I hereby declare that I have not used unethical research practices nor gained material dishonesty in this electronic version of my research submitted. Where appropriate, written permission statement(s) were obtained from the owner(s) of third-party copyrighted matter included in my research, allowing distribution as specified below.</p> <p>I hereby assign, transfer and make over to the University of Pretoria my rights of copyright in the submitted work to the extent that it has not already been affected in terms of the contract I entered into at registration. I understand that all rights with regard to the intellectual property of my research, vest in the University who has the right to reproduce, distribute and/or publish the work in any manner it may deem fit.</p>			
Signature:			Date:
Supervisor signature:			Date: