



UNIVERSITEIT VAN PRETORIA
UNIVERSITY OF PRETORIA
YUNIBESITHI YA PRETORIA



GORDON INSTITUTE
OF BUSINESS SCIENCE

University of Pretoria

**Successfully Leading Change through a Corporate Sustainability
Intervention**

Rashika Padarath

28531389

**A research proposal submitted to the Gordon Institute of Business Science,
University of Pretoria in partial fulfilment of the requirements for the degree
of Master of Business Administration (MBA)**

11 November 2009

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 at any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Rashika Padarath

(Signature of candidate)

_____ day of _____ 2009.



ABSTRACT

Business has often been accused of being conspicuous by its absence in addressing socio, political and environmental concerns which are exacerbated within a developing market context like South Africa. Over the past decade, the evolving concept of corporate sustainability has aided in increasing the expectations of companies to incorporate these issues more systematically into their core strategic and decision making processes. This research sought to understand how companies have successfully been able to address this through implementing change management interventions within their organizations. Of specific significance were Beer and Nohria's (2000) theory of strategies for change, Kotter's (1996) theory of implementing change in organizations and Bass's (1999) theory of authentic transformational leadership. The qualitative approach utilised in this exploratory study, employed two research mechanisms including semi-structured interviews as well as an analysis of secondary data to conduct the two phases of this research. Experts were interviewed in the first phase to obtain their views on corporate sustainability as well as to list companies that they considered successful in having implemented corporate sustainability change management interventions. The second phase comprised of interviews with sustainability managers from the top ten companies that were identified by the experts. The results of the research are mostly aligned with the core theories of the research and have confirmed the role that context and leadership play in successfully implement corporate sustainability interventions within organisations. The disparities between the rhetoric and practice bring to light the complex and multidimensional nature of corporate sustainability.



DEDICATION

For

Mom, Dad and Andile

ACKNOWLEDGEMENTS

I would like to thank the following people:

- My supervisor, Mr. Donald Gibson, for the constructive guidance, timeous check ins and for allowing me creative freedom through this research process;
- All the experts and company respondents that embraced my research enquiry with such warmth and openness. This research has only been completed because of your willingness to share expertise and experiences and for that, I thank you;
- My MBA class as well as the three syndicate groups that I have been part of. The last two years in your presence has challenged me, encouraged me and motivated me to always seek a silver lining;
- To my MBA family (Masha, Tshinyi, Kamantha, Simon, Nanda, Yashil, Hamed, Kuben, Sharon and Heidi), thank you to each of you for being you, and for allowing me to be me. I will always treasure the special two years that we spent together;
- To my colleagues thank you for your support and generosity through this process. To the Municipal Integrated Development Planning (MIDP) team, thank you for having the patience to allow me to complete this journey as well as the maturity for which you have been able to continue and advance the work that we do. A special thank you to Gloria for helping with the printing and to Anthony for aiding in the editing;
- To my family and friends, I have missed you so much over the last two years. Thank you for encouraging my drive to study, the steadfast support and for always having kind words and acts of encouragement;

- To Lilo, thank you for constantly being close to me and never letting me feel alone through this process, but most of all, for always showing me how much sleep I am missing out on 😊;
- To my mom and dad, for the many words that I have written in this thesis, I can't seem to find the right ones to express my love, gratitude and eternal indebtedness for all that you mean to me and for all that you do for me. I am the person that I am, only because of your love, support and implausible faith in me. I live to make you proud and thank you for being the parents that you are. I love you very much; and
- To my fiancé Andile, your perpetual smile, incredible patience, unfaltering support and resolute love inspire me. You have been my strength over the last two years and I love you very much, I am blessed for every day that I have you in my life, and I look forward to many, many more.

Table of Contents

Contents	Page
DECLARATION	II
ABSTRACT	III
DEDICATION	IV
ACKNOWLEDGMENTS	V
TABLE OF CONTENTS	VII
LIST OF APPENDICES	XIII
LIST OF TABLES	XIV
LIST OF ILLUSTRATIONS	XV
Chapter 1: Introduction	
1.1 Introduction	1
1.2 The Research Problem	1
1.3 The Research Scope	3
1.4 Rationale for this Research	6
1.4.1 Aim of the Research	6
1.4.2 Key Objectives of this Research	7
1.5 The Structure of the Research	7
1.6 Summary	9

Chapter 2: Literature Review

2.1	Introduction	11
2.2	Understanding Corporate Sustainability in South Africa	11
2.3	The Business Case for Corporate Sustainability in South Africa	14
2.4	Understanding a Corporate Sustainability Intervention	17
2.5	Implementing Corporate Sustainability	18
2.5.1	Strategies for Change	18
2.5.2	The Implementation of Organizational Change	20
2.5.3	The Relevant Leadership Required for Change	24
2.6	Summary	26

Chapter 3:

3.1	Introduction	27
3.2	Research Question 1	27
3.3	Research Question 2	28
3.4	Research Question 4	29
3.5	Summary	29

Chapter 4:

4.1	Introduction	31
4.2	The Research Method	32
4.3	The Research Approach	32
4.4	Research Mechanisms	34

4.4.1	Secondary Data	34
4.4.2	Interviews	34
4.5	Formulations of the Interview Guide	35
4.6	Phase 1: Identification of successful companies through interviewing experts	37
4.6.1	Population	37
4.6.2	Unit of Analysis	38
4.6.3	Sampling Method and Size of Sample	38
4.6.4	Data Gathering	40
4.6.5	Data Analysis	41
4.7	Phase 2 Interviewing companies with successful corporate sustainability interventions	43
4.7.1	Population	43
4.7.2	Unit of Analysis	43
4.7.3	Sampling Method and Size of Sample	44
4.7.4	Data Gathering	44
4.7.5	Data Analysis	45
4.8	Data Validity and Reliability	45
4.9	Summary	46

Chapter 5:

5.1	Introduction	47
5.2	Research Sample	47
5.3	Ice Breaker Question	51
5.4	Results for the Theory E and Theory O of Change	52
5.4.1	Goals	52
5.4.2	Leadership	53
5.4.3	Focus	54
5.4.4	Process	54
5.4.5	Rewards	55
5.4.6	The Use of Consultants	56
5.4.7	A Collective Understanding of Change Strategies	56
5.5	Results for Implementing the Organizational Change process	58
5.5.1	Creating Sufficient Urgency	58
5.5.2	The Utilization of Guiding Coalitions	59
5.5.3	The Role of a Clear Vision and Strategy	59
5.5.4	The Role of Communicating the Vision and Strategy	60
5.5.5	The Changing of Systems of Structures	61
5.5.6	Short Term Wins	61
5.5.7	Building Momentum to Consolidate Change	62
5.5.8	Anchoring change in culture	63
5.5.9	The Chronological Stages of Change	63
5.5.10	Question of Reflection	64



5.6	Leadership for Organizational Change	65
5.6.1	Defining the Leadership	65
5.6.2	The Leader and the Vision	66
5.6.3	Idealized Influence	66
5.6.4	Inspirational Motivation	67
5.6.5	Intellectual Stimulation	68
5.6.6	Individualized Consideration	68
5.7	Concluding Question	69
5.8	Summary	70
Chapter 6:		
6.1	Introduction	71
6.2	Strategies for Change	71
6.2.1	Goals	72
6.2.2	Leadership	74
6.2.3	Focus	76
6.2.4	Process	78
6.2.5	Rewards	80
6.2.6	The Use of Consultants	81
6.3.	The Organisational Change Process	82
6.3.1	Creating Sufficient Urgency	82
6.3.2	The Utilization of Guiding Coalitions	84
6.3.3	The Role of a Clear Vision and Strategy	85

6.3.4	The Role of Communicating the Vision and Strategy	86
6.3.5	The Changing of Systems of Structures	87
6.3.6	Short Term Wins	88
6.3.7	Building Momentum to Consolidate Change	89
6.3.8	Anchoring change in culture	90
6.3.9	The Chronological Stages of Change	91
6.4	Leadership for Organisational Change	91
6.4.1	Idealised Influence	92
6.4.2	Inspirational Motivation	93
6.4.3	Intellectual Stimulation	94
6.4.4	Individualized Consideration	95
6.5	Key Themes that transcend the Research as a broad set of guidelines	95
6.6	Summary	102
 Chapter 7:		
7.1	Introduction	103
7.2	Main Findings of the Research	103
7.3	Limitations of the Research	105
7.4	Future Research Ideas	106
7.5	Conclusions and Recommendations	107
 References		 110

List of Appendices

a) Letter of Consent from Experts	Appendix A	119
b) Interview guide for Experts	Appendix B	120
c) List of expert Interviewees (Coding)	Appendix C	127
d) Letter of Consent from Companies	Appendix D	128
e) Interview guide for Companies	Appendix E	129
f) List of Company Interviewees (Coding)	Appendix F	138
g) Fields for Content Analysis	Appendix G	139

List of Tables

Table 1 -:	Defining key concepts that are utilized in this study	4
Table 2 -:	Theories of Change by Beer and Nohria (2000)	19
Table 3 -:	Leading Moral Components of Transformational Leaders	25
Table 4 -:	Details of experts that were interviewed	39
Table 5 -:	Ranking of companies that have successfully Implemented corporate sustainability interventions, as mentioned by Experts	48
Table 6 -:	Various Sustainability Awards for South African Companies	49
Table 7 -:	Details of interviewees from the top ten South African Companies that were interviewed	50
Table 8 -:	The aggregated results of Beer and Nohria's (2000) theory in relation to successful corporate sustainability interventions in South Africa.	57
Table 9 -:	Table 9 -: Key Themes to Consider in a Corporate Sustainability Change Management Intervention	101

List of Illustrations

Figure 1 -:	The Evolution of Corporate Sustainability	12
Figure 2-:	The Business Case Matrix	16
Figure 3-:	The eight stage process of creating Major Change	21



Chapter 1: Introduction

1.1 Introduction

Rapidly changing environments require organizations to generate equally rapid responses that are speedily assimilated into the organization in order to survive and prosper (Porras and Silvers, 1991). When the responses are related to issues of sustainability, it often has far reaching implications for all facets of the business (Berbhart and Slater, 2007). However, the ability of companies to adequately embrace and effectively address issues of sustainability within their businesses, especially in a developing market like South Africa differs (Hamann, 2006).

Yet, amidst the varied challenges that companies in South Africa experience in relation to corporate sustainability, there are some companies that have been able to grapple with the concept within the context of the company and implement corporate sustainability interventions successfully. It is the intention of this research to understand how these companies have been able to achieve this.

1.2 The Research Problem

“In 2000 it was estimated that of the world’s largest 100 economies, 50 were companies, not countries” (Visser, Matten, Phol, and Tolhurst, 2007, p.98). Even though companies have access to resources that often surpass country resources, these entities exist within a model that is championed by profit in isolation of the broader environment that they are part of.



Business has often been accused of being “conspicuous by its absence” (Bonnini, Mendonca and Oppenheim, 2006, p.21) in addressing socio, political and environmental concerns. Yet, business must become involved in social, environment and political issues because it has much to offer and it is in businesses’ strategic interest to do so as social, political and environmental forces can influence the business landscape and businesses reputation through influencing consumer preferences and creating or destroying market opportunities (Bonnini *et al*, 2006). This is particularly true in the context of the developing world where business is often more able to deliver services than government (Hamann, 2006 and Prinsloo, Beukes and de Jongh, 2006).

The challenge that exists is therefore to find a way for “companies to incorporate an awareness of sociopolitical issues more systematically into their core strategic decision making processes.” (Bonnini *et al*, 2006, p.21). At the World Summit on Sustainable Development in 2002 which took place in Johannesburg, the then UN Secretary General Kofi Annan “called on the private sector, NGO’s and governments to work in partnership to address the complex issues of sustainable development. In place of external regulation, the pressure shifted to business to take responsibility for their own environmental impacts through.....policies which would ensure accountability to all stakeholders” (Visser *et al*, 2007, p.292). This call for business to become more involved as well as business’ slow realization that a new strategic fit is required if it does not wish to loose its social license to operate (Appels, van Duin and Hamann, 2006) has led to some businesses now beginning



to consider more than just shareholder value. In becoming corporate citizens, business can embrace corporate sustainability principles “as an alternative to the traditional growth and profit-maximization model” (Wilson, 2003, p.1).

South Africa is also beginning to embrace this ideology through the many initiatives and guidelines that are being created to ensure that business does more than just look after shareholder value. Some of the initiatives in this regard include the Johannesburg Stock Exchange (JSE) Social Responsibility Index (SRI), King III and the trust barometer. However, even with these guidelines and regulations, business in South Africa still often finds it difficult to understand and comprehensively embrace corporate sustainability issues within the business and more importantly, institutionalize this philosophy within the organization.

1.3 The Research Scope

The concept of Corporate Sustainability is broad and multifaceted. The concept of change management is equally broad. In order for this study to be relevant, it had to be framed to ensure that it addressed a particular issue in order to sufficiently contribute to the research realm on corporate sustainability.

It is for this reason that this study will focus on understanding specifically change management interventions with regard to corporate sustainability. The study is based on profit based companies that have a presence in South Africa. These businesses could be local, multinational, corporations or single entities across any sector. The reason that all types of businesses within the private sector were



considered was to ensure an adequate sample size for the study. The study also only considered change management interventions that had an impact on the organization. Furthermore, these interventions had to be successful. Success was defined in terms of the companies that were recommended by experts. This was verified through a process of considering other secondary sources that have acknowledged companies that have successfully addressed corporate sustainability issues. The study also considered the concept of leadership, but particularly from the point of view of the type of leadership that was required to undertake a change management intervention.

This research straddled across several disciplines including sustainability, the behavior of business, and organizational change from a strategy and implementation perspective as well as the type of leadership that was required for organizational change. The lexicon associated with each of these disciplines is extensive. For this reason the table below (Table 1) provides definitions for core concepts as they have related to the rest of the study. Only concepts that have direct reference to this study have been included. It is acknowledged that each of these concepts could be debated and that several definitions could exist for each concept. However, the definitions below have aided in allowing the study to be framed in a manner that adequately addressed this research enquiry.


Table 1:- Defining key concepts that are utilized in this study
A Company (for profit)

“Means a company incorporated for the purpose of financial gain for its shareholders” (Companies Act, 2008, p. 32)

Corporate Citizenship

“Extending the relationship between business and society to include an understanding of the social, environmental and political responsibilities of business” (Visser *et al*, 2007, p.97).

Corporate Culture

“An organization’s unique body of knowledge that is nurtured over a long period of time resulting in commonly held assumptions, values, norms, paradigms and world views” (Visser *et al*, 2007, p.102).

Corporate Governance

“Mainly involves the establishment of structures and processes, with appropriate checks and balances that enable directors to discharge their legal responsibilities, and oversee compliance with legislation” (IoD, 2009, p.6).

Corporate Social Responsibility (CSR)

“Businesses have responsibilities to society that extend beyond their obligations to the stockholders or investors in the firm” (Visser *et al*, 2007, p.122).

Corporate Social Investment (CSI)

“Is one manifestation of Corporate Responsibility. In the narrow sense it refers to donations and other kinds of financial assistance (made for an altruistic purpose), and in the broader sense, includes other kinds of contributions beyond just financial assistance. Whilst Responsible Investment is an important aspect of Corporate Responsibility, it should be an integral component of a broader economic, social and environmental (sustainability) strategy” (IoD, 2009, p.51).

Corporate Sustainability

“A field of thinking and practice by means of which companies and other business organizations work to extend the life expectancy of: ecosystems (and the natural resources they provide); societies (and the cultures and communities that underpin commercial activity); and economies (that provide the governance, financial and other market context for corporate competition and survival). By paying attention to such wider issues, it is often argued companies are better placed to ensure that their own business models remain valid and adaptable” (Visser *et al*, 2007, p.133).

Eco Efficiency

Looking to do more or better while using less. This process looks to integrate ecological considerations notably into industrial or administrative products (Stacey, 2009).

An Expert

“A person with a high degree of skill in or knowledge of a certain subject” (The Free Dictionary, 2009).

Externalities

A non-market effect on the utility of an individual, or on the costs of a firm, from variables that are under the control of some other agent. Includes harmful effects on others of actions and decisions for which the people who cause them will not necessarily be responsible (Stacey, 2009).

Intervention

“Refers to a set of sequenced planned actions or events intended to help an organization increase its effectiveness. Interventions purposely disrupt the status quo; they are deliberate attempts to change an organization or submit toward a different and more effective state” (Cummings and Worley, 2005, p.143).

Multiplier Effect

A term used in systems thinking to describe the process by which changes in one field of human activity (subsystem) sometimes act to promote changes in other fields (subsystems) and in turn act on the original subsystem itself. An instance of positive feedback, it is thought by some to be one of the primary mechanisms of societal change (Stacey, 2009).

**Leader**

“Someone who helps a group create and achieve shared goals” (Nye, 2008, p.18).

Leadership

Is a “dialectical, proactive influence process” (Nkomo and Cook, 2006, p.86).

Share holder

“Means the holder of a share issued by a company and who is entered as such in the certificated or uncertificated securities register, as the case may be” (Companies Act, 2008, 32)

Stakeholders

“Any group affected by the affecting company’s operations” (IoD, 2009, p.60).

Sustainable Development

“Development which meets the needs of the present generation without compromising the ability of future generations to meet their own needs” (WCED, p.1987).

Sustainability

“Sustainability of a company means conducting operations in a manner that meets existing needs without compromising the ability of future generations to meet their needs, It means having regard to the impact that the business operations have on the economic life of the community in which it operates. Sustainability includes environmental, social and governance issues” (IoD, 2009, p.61).

Systems thinking

“Is an approach to integration that is based on the belief that the component parts of a system will act differently when isolated from the system’s environment or other parts of the system” (The Free Dictionary, 2009).

1.4 Rationale of this Research

“...the role of business in sustainable development in Africa is a crucial and complex field of research, with many opportunities for researchers” (Hamann, 2006, p.192). There is also a need for interdisciplinary research that illuminates the multifaceted challenges experienced in addressing issue of corporate sustainability (Hamann, 2006). The reasons above have prompted this research and have specifically guided the intention of the research which aims to contribute to the growing literature on corporate sustainability. Furthermore, it is hoped that research of this nature will prompt and aid business in practically addressing the rhetoric of corporate sustainability issues, particularly within the South African context.



1.4.1 Aim of the Research

The primary aim of this research has been to understand how companies have been able to successfully implement change management interventions with regard to corporate sustainability within their organizations. Of specific significance was an understanding of the change management process which included the need for change, the development of a strategy that guided change, the implementation of that change and the role that leadership played in influencing change, with regard to corporate sustainability. It was hoped that the results of the research could aid other companies embarking on corporate sustainability change management interventions.

1.4.2 Key Objectives of this Research

The key objectives of this research were to:

- Understand the concept of change management in relation to corporate sustainability;
- Understand how companies within the private sector in South Africa have been able to successfully implement interventions in relation to corporate sustainability within their companies; and
- Develop a set of guiding principles in relation to successfully implementing corporate sustainability change management interventions within companies in South Africa.



1.5 The Structure of the Research

This research has been developed through the course of seven chapters. Chapter one comprises of a general introduction, through which the main themes of the research are presented. This chapter also defines the research problem of the study and discusses the scope, rationale, aims and objectives for this study before concluding by describing the structure of this research.

Chapter 2 develops a theoretical framework to guide the research enquiry. This is achieved through a review of the relevant literature pertaining to the key concepts within the study. It begins by understanding the concept of corporate sustainability within the South African context and developing the business case for corporate sustainability. It then explores the key debates relating to the three main theories which focus this research through explaining each of the theories as well as its links to corporate sustainability. The three core theories of this research include Beer and Nohria's (2000) theory on strategies for change (which are explored through three archetypes and six dimensions), Kotter's (1996) theory on implementing change within an organization (which includes the process of eight chronological stages) and Bass's (1999) theory of authentic transformational leadership on the type of leadership (based on four core components) required to lead change.

Chapter three states the three research questions as well the sub-questions that have been developed from the literature review which inform the research enquiry.



The research was conducted through the lens of these three core research questions and it was in answering these research questions, that the set of guiding principles were developed.

The research methodology that was utilized to conduct this research is explained in chapter four. It begins by explaining the exploratory approach as well as the key research mechanisms (semi – structured interviews and secondary data analysis) that were utilized to conduct this qualitative study. It then in detail describes the two phases of the research. Phase 1 is centered on interviewing experts in the field of corporate sustainability, while phase two focuses on interviews with the top ten companies that were cited by the experts. The chapter concludes by discussing the reliability and validity of the data that was collected research.

Chapter five focuses on presenting the results of the data that were collected through the research. The data for each question are presented either in terms of a table, rating system or through highlighting the key responses that were obtained from respondents.

The next chapter analyzes and discusses the results that were presented in chapter five. It draws together key findings in terms of the research questions and began by discussing the results for each of the questions that formed part of the interview guide. The results show that while there is overall consensus with the theory on all three research questions, responses for certain sub-questions differ.



The concluding chapter considers the main findings of the research. It also discusses some limitations of the research as well as future research ideas related to the topic. Then conclusions and recommendations in relation to the research are made.

1.6 Summary

Understanding, embracing and adequately addressing issues of corporate sustainability within the South African context will aid companies as corporate citizens to redefine their role within South African society. This research aimed to contribute to that outcome. It particularly aimed to do so through understanding how successful corporate sustainability interventions were implemented within companies in South Africa.

The next chapter surveys the relevant literature in this regard in order to explore the different debates in developing a theoretical framework from which this research was explored.



Chapter 2: Literature Review

2.1 Introduction

Over the past decade, the concept of corporate sustainability has evolved from traditional philanthropy to business now considering itself as part of society and taking responsibility for its actions as productive members of society (Hamann, 2006). This chapter develops a theoretical framework which shapes the research enquiry. It begins by developing an understanding of the concept of corporate sustainability in South Africa. This is followed by a discussion on the business case relating to corporate sustainability, particularly in a developing economy context like South Africa. Then the three concepts of strategy, implementation and leadership as they relate to change management within an organization are considered through the specific work of Beer and Nohria (2000), Kotter (1996) and Bass (1999), respectively. Each of the components within these theories are explained and debated in aiding to arrive at core issues within each component that will be addressed in the research enquiry.

2.2 Understanding Corporate Sustainability in South Africa

“The company is so integral to society, it is considered as much a citizen of a country as is a natural person who has citizenship. It is expected that the company will be and will be seen to be a responsible citizen” (IoD, 2009, p.11). One of the ways in which a company is able to be a responsible citizen, is through embracing corporate sustainability within the business.

Corporate sustainability as a concept is huge, complex, value laden and sometimes contradictory (Hamann, 2006). It cannot be defined in a static way as it considers all aspects of doing business (Hockerts, 2001, p.1) which often limits a company's ability to adequately address all aspects of it. Hockerts (2001) further states that while most companies do not comprehensively address all issues of corporate sustainability "it is better for a company to take a 'piecemeal' approach rather than not considering" (Hockerts, 2001, p.4) it at all. By paying attention to such wider issues, it is often argued companies are better placed to ensure that their own business models remain valid and adaptable" (Visser *et al*, 2007).

Wilson (2003), states that it is made up of four pillars including sustainable development, corporate social responsibility, stakeholder theory and corporate accountability.

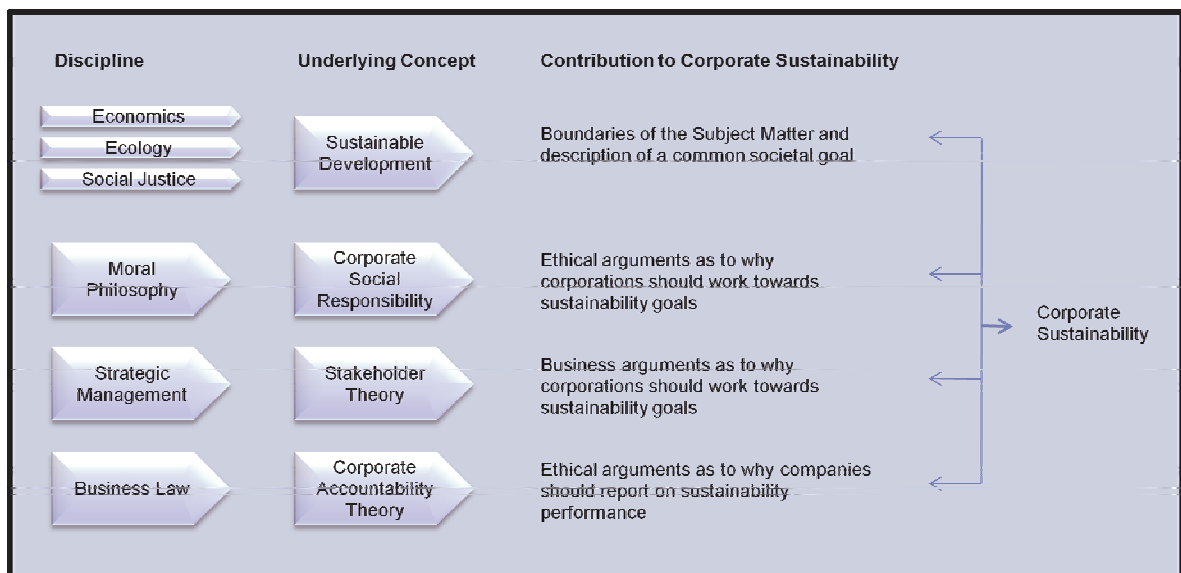


Figure 1-: The Evolution of Corporate Sustainability (Wilson, 2003, p.2)



As can be noted from the figure above (Figure 1), the concept transcends several disciplines and is complex to effectively grapple with. The concept does however, allow business to move beyond its current business model (profit) and find a space within broader society. But, what should this role be, particularly within the South African environment?

South Africa has development challenges, increasing poverty and unemployment, a low skills base as well as high levels of urbanization with low levels of service delivery. Coupled with its historical legacy and limited resources, it is unlikely that the South African government will be able to effectively address these issues and reach The Millennium Development Goal targets, which it has signed (Hamann, 2006). Due to this realization and the evolving concept of the company being a citizen of society, there are now increasing expectations that the private sector has a vital role to play in addressing issues that government can't and achieving the MDG's (Hamman, 2006 and Prinsloo, Beukes and de Jongh, 2006). These new expectations of business, change the traditional role of business (shareholder value) to be more encompassing (stakeholder value) and will ultimately alter the way business operates (Hamann, 2006). Nkomo and Cook (2006) speak of African Leadership within the context of business. They also acknowledge that business in Africa has a particular role to play, through the concept of 'Ubuntu', which epitomizes corporate sustainability in practice.



While the expectation of business as a corporate citizen has been established, it is essential to understand if business will want to embrace these new responsibilities. Does it make business sense for businesses in South Africa to behave as corporate citizens and address issues of corporate sustainability in their strategies and operations? The issue is addressed in the section below.

2.3 The Business Case for Corporate Sustainability in South Africa

“The business case for sustainable development was first advocated by the Business Council for Sustainable Development (WBCSD)” (Visser *et al*, 2007, p.50). It began by allowing businesses to focus on eco – efficiency but has evolved since, and continues to evolve. “The business case is partially founded on the notion that business cannot succeed in societies that fail, and that companies should behave responsibly in order to earn and retain public trust, and thereby secure their license to innovate, operate and grow” (Visser *et al*, 2007, p.51). As a result businesses core contribution to society should be through its activities, not philanthropy. When business operates within the sustainable development paradigm, company leaders can utilize their business strategies to “think several moves ahead in terms of social and environmental value, while continuing to focus on the economic and market values of today (Visser *et al*, 2007).

“The Success of companies in the 21st century is bound up with three interdependent sub-systems – the natural environment, the social and political system and the global economy. Global companies play a role in all three and they need all three to flourish’. This is according to Tomorrow’s Company, UK. In short,



planet, people and profit are inextricably intertwined” (IoD, 2009, p.11). The interdependent nature of business in relation to other systems, ensures that business needs to embrace these issues in its existence.

Furthermore, Puesto en el sitio Communication Initiative, (2002) and Hamann, (2006) state that business should embrace corporate sustainability because of its ability to influence society and be influenced by society, particularly in a developing economy context. They further argue that from a business perspective significant opportunities are available when actively pursuing a more sustainable approach to business. These include:

- Saving costs by reducing environmental impacts and treating employees well;
- Increasing revenues by improving the environment and benefiting the local economy;
- Reducing risk through engagement with stakeholders;
- Building a positive reputation by increasing environmental efficiency;
- Developing human capital through better human resource management; and
- Improving access to capital through better governance.

(Puesto en el sitio Communication Initiative, 2002, p.2)

Figure 2 below, highlights the benefits of embracing sustainability issues in business through understanding how sustainability factors can impact on business



factors. Overall, the business case exists for all companies although the specific elements may vary. While companies of all types in all regions can achieve measurable commercial return by investing in their employees and in environmental process improvements, there is diversity in the business case, with interesting differences between regions as well as between types and sizes of company (Puesto en el sitio Communication Initiative, 2002, p.2).

The Business Case Matrix		Sustainability Factors						
		Governance and Engagement		Environmental Focus		Socio-Economic Development		
		Governance and Management	Stakeholder Engagement	Environmental Process Improvement	Environmental Products and Services	Local Economic Growth	Community Development	Human Resource Managements
Business Success Factors	Revenue growth and Market Access	Medium	Medium	High	Medium	High	Medium	Medium
	Cost Savings and Productivity	Medium	Medium	High	Low	Medium	Medium	High
	Access to Capital	Medium	Medium	Medium	Medium	Medium	Medium	Medium
	Risk Management and License to Operate	Medium	High	Medium	Medium	Medium	Medium	Low
	Human Capital	Low	Medium	Low	Low	Medium	Medium	High
	Brand Value and Reputation	Medium	Medium	High	Low	Medium	Medium	Medium

Figure 2:- The Business Case Matrix (Puesto en el sitio Communication Initiative, 2002, p.3)

Low Benefit
 Medium Benefit
 High Benefit



The business case for sustainability is constantly evolving, reflecting changing expectations and relevance. Companies will need to be flexible in their approach to sustainability and monitor change. Sustainability is itself a continuous process ranging from small activities that bring quick returns to the incorporation of sustainability issues in strategies that bring long-term competitive advantage. Companies will need to choose their focus within this space (Puesto en el sitio Communication Initiative, 2002, p.2).

In South Africa, some of the challenges that have been raised (e.g. no infrastructure in Africa) has actually posed opportunities and room of innovation in business (cell phone provision) (Hamann, 2006). This is also noted by Prahalad (2005) through the notion of the bottom of the pyramid which states that the poor can be a profitable market and is often underserved. For example, Cemex is a cement factory in Mexico that altered its business model in order to provide a service to the poor that were originally not part of the market economy. In doing so, Cemex has become one of Mexico's biggest companies, and in the process has helped several families build homes without a reliance on handouts.

2.4 Understanding a Corporate Sustainability Intervention

As can be noted from above, while issues of corporate sustainability are complex, they do provide several opportunities for business. It is therefore essential to understand how businesses have been able to spot the potential associated with corporate sustainability and transform the organization to embrace the principles.



In this regard more and more organizations are including sustainability issues into the strategies and operations of the business (Cummings and Worley, 2005).

Furthermore, an integrated and interdisciplinary perspective to organizational development and transformation can aid to companies to balance human fulfillment and economic performance by providing a fuller recognition of the systemic and dynamic nature of organizations. This can be achieved through developing improved techniques for managing large-scale, transformational change within and across national cultures (Cummings and Worley, 2005). This creates a clear link between corporate sustainability and organizational development. It is also critical to understand how the rhetoric is transformed into practice.

2.5 Implementing Corporate Sustainability

This section considers the key debates in relation to the change management of an organization that allows principles of sustainability to be adequately implemented within organizations. It discusses issues of change strategies, implementing change within organizations and the role of leadership in change management. The framework is developed through understanding the core concepts of the various theories which formed the basis from which the research was undertaken and analyzed.



2.5.1 Strategies for Change

Beer and Nohria (2000), state that although change is unique for each organization, there are two main arch types of change which exist. They have termed these Theory E change based on economic value and Theory O change based on organizational capability and state that companies rarely use just one approach but often a combination of both (Beer and Nohria, 2000).

Beer and Nohria (2000) have further identified key dimensions that apply to archetypes of corporate change which include: goals, leadership, focus, processes, reward systems and consultants (Table 2). They utilize these dimensions to compare the differences in Theory E, Theory O and a combination of Theory E and O approaches to change.

Table 2-: Theories of Change (Beer and Nohria, 2000, p.137)

Dimensions of Change	Theory E	Theory O	Theories E and O Combined
Goals	Maximize Shareholder Value	Develop Organizational Capabilities	Explicitly embrace the paradox between economic value and organizational capability
Leadership	Mange Change from the top down	Encourage Participation from the Bottom up	Set direction from the top and engage the people below
Focus	Emphasize Structure and Systems	Build up corporate Culture: Employees behaviors and attitudes	Focus simultaneously on the hard (systems and structure) and the soft (corporate culture)
Process	Plan and Establish Programs	Experiment and Evolve	Plan for spontaneity
Reward System	Motivate through Financial Incentives	Motivate through commitment – use pay as fair exchange	Use incentives to reinforce change but not to drive it
Use of Consultants	Consultants analyze problems and shape solutions	Consultants support management in shaping their own solutions	Consultants are expert resources who empower employees



The theory further describes that in addressing the various dimensions of the theory, companies can embrace hard and soft approaches. Hard approaches focus on changing physical systems and processes to implement change within an organization while soft approaches focus on people, in terms of changing the culture and attitudes of people that utilize the hard approaches to implement change. The authors recommend that a context specific blend of the two approaches be utilized in creating a change management strategy for any organization. This theory is relevant as it offers key archetypes and dimensions that companies should embrace in developing change management strategies. In addition to developing change strategies, it is equally important to effectively implement the strategy.

2.5.2 The Implementation of Organizational Change

Beer and Nohria (2000) state that “70% of all change initiatives fail” (Beer and Nohria, 2000, p.133) and Kotter (1998) states that the implementation of change in companies has often been disappointing due to wasted resources, burn out and frustrated employees to name but a few reasons. This research intended to understand how companies have created successful change management interventions with regard to corporate sustainability. This meant that the core part of this research was to understand how these companies have successfully been able to implement their corporate sustainability interventions. While several theories exist in this regard, this research utilizes Kotter’s (1996) eight stage



change process which advocates that change must be implemented in eight sequential steps for it to be sustainable.

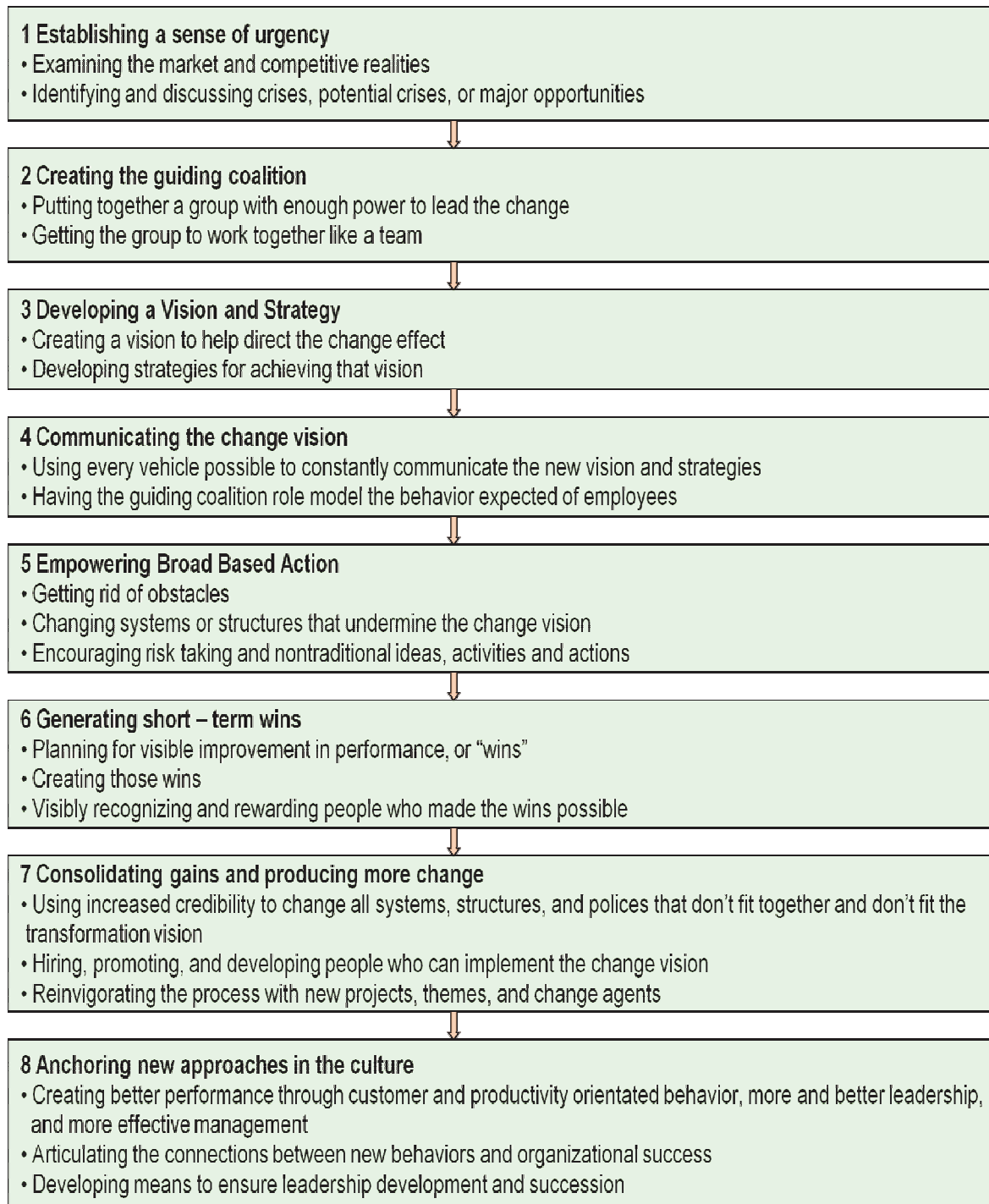


Figure 3-: The eight stage process of creating Major Change (Kotter, 1996)



This approach is considered to be relevant to the research as it provides a basis for understanding a comprehensive process of implanting change. Each of the steps in the process is discussed below.

Establishing a sense of urgency

Kotter (1995) states that when the urgency rate for change is not expressed enough, the success of the transformation process and the long term future of the organization is put in jeopardy. For effective change, it is critical that leadership create the urgency required. This view is supported by Graetz (2000), Covin and Kilman, (1990) and Todd, (1993).

Key issues that limit this success include patience to roll out the change intervention, leaders fear that managers might become defensive and there are often too many options to choose from (Kotter, 1995).

Creating the guiding coalition

The team is often made up of just the leader and a few other people. Successful coalitions are always powerful in terms of titles, information and expertise, reputations and relationships. Efforts that don't have powerful people can go on for a while but then the opposition always shows itself. It is for this reason that the leadership should be at the forefront of change (Kotter, 1996).



Developing a Vision and Strategy

The vision for change needs to be a clear compelling statement that is not time bound, guiding the direction of the organization. Only with a clear vision, do people know what is expected of them (Kotter, 1996). Covin and Kilman (1990) and Collins and Porras (1996) all agree on the important role that a clear vision plays in implementing change.

Communicating the change Vision

“Transformation is impossible unless hundreds or thousands of people are willing to help, often to the point of making short-term sacrifices” (Kotter, 1995, p.63). Successful communication requires executives talking about change in all meetings, using all forms of communication all the time. It is also important that the leadership walk the talk as communication comes in both words and deeds (Kotter, 1996).

Empowering Broad Based Action

Here transformation moves from coalitions to larger numbers of people as employees try new approaches. It is important during this stage, to allow the organization to become active in the change process, as communication is not enough (Kotter, 1995). More people within the organization should feel able to act on the vision, Kotter and Cohen (2002).

Generating Short Term Wins



Real transformation takes time and companies cannot afford to lose momentum over time as urgency levels drop. People also need evidence of change to believe in the process. It is for this reason, that it is critical to create short term wins to aid quick physical change. This can help create commitment, reestablish urgency and allow for detailed thinking to clarify and revise actions (Kotter, 1996).

Consolidating Gains and Producing More Change

“Instead of declaring victory, leaders of successful efforts use the creditability afforded by short-term wins to tackle even bigger problems” (Kotter, 1995, p.66). A success evident from the short term wins provides a good opportunity to change systems and structures that are not consistent with the transformation (Kotter, 1995).

Anchoring New Approaches in the Culture

The transformed organization must make a conscious attempt to show all stakeholders how the new organization functions. The organization must also ensure that the new generation of management understands and personifies the new approaches of the organization through ensuring that this is “the way we do things around here” (Kotter, 1995, p.67). The section below discusses the component of the research enquiry, which addresses the concept of leadership for change.



2.5.3 The Relevant Leadership required for Change

The continuous evolution of the concept of leadership has ensured that several theories exist. The type of leadership that will be discussed in this research is that of authentic transformational leadership. The relevance of this theory to this research is that it discusses issues that are pertinent to the type of leadership that is required to change an organization. Bass (1999) identified four components of authentic transformational leadership. These included idealized influence, inspirational motivation, intellectual stimulation and individualized consideration, each of which is discussed in the table below (Table 3).

Table 3-: Leading Moral Components of Transformational Leaders, adapted from (Bass, 1999, p.185 and Robbins and Judge, 2007, p.437)

Leadership Dynamic	Ethical Concern	Characteristic
Idealized Influence	Whether “puffery” and egoism on part of the leader predominate and whether s/he is manipulative or not	Provides vision and a sense of mission, instills pride, gains respect and trust
Inspirational Motivation	Whether providing for true empowerment and self actualization of followers or not	Communicates high expectations, uses symbols to focus efforts, expresses important purposes in simple ways
Intellectual Stimulation	Whether the leader’s program is open to dynamic transcendence and spirituality or is closed to propaganda and a “line” to follow	Promotes intelligence, rationality and careful problem solving
Individualized Consideration	Whether followers are treated as ends or means, whether their unique dignity and interests are respected or not	Gives personal attention, treats each employee individually, coaches, advises



Authentic transformational leaders are considered to be effective leaders because they are creative (Bass, 1990). They have vision, share information, provide personal attention and stick to their ideals. These components specifically address the type of leadership that is required during a change management process (Bass, 1999). The research will focus on understanding which of these traits, if any, are prevalent in the leaders of companies that have implanted successful corporate sustainability interventions.

2.6 Summary

This chapter surveyed the core literature in relation to corporate sustainability to understand what it means in the South African context and how it could be implemented. It also surveyed the core literature in relation to change management to create a clear framework to guide the research enquiry. Through this search, while several theories exist, the work of Beer and Nohria (2000), Kotter (1996) and Bass (1999) have been chosen to frame this study due to their close alignment in terms of corporate sustainability. The chapter that follows will state the three research questions that have been created as a result of the theoretical framework that has been developed and discussed in this chapter.



Chapter 3: Research Questions

3.1 Introduction

Chapter 3 details the three key research questions that formed the basis of this exploratory study. The research questions were developed and guided by the literature review from the previous chapter and directly address the key aims and objectives of the research.

Each of the three research questions as well as its sub questions sought to explore various components of the research which included developing an understanding of why companies embarked upon strategies of change, how change was successfully implemented within organizations and the role that leadership played in effecting successful change. Collectively, the three research questions have sought to understand the motivation that allowed companies to embark on successful change management processes particularly within the context of corporate sustainability interventions. Each of the research questions are stated below.

3.2 Research Question 1

Does the corporate sustainability strategy exhibit Theory O change, Theory E change or a combination of Theory O and E characteristics, as described by Beer and Nohria (2000)?



3.3 Research Question 2

Kotter (1996) states that eight stages, implemented in sequence, are required for organizational change to be sustainable. Did any or all of these stages contribute to the success of the corporate sustainability intervention within the company?

- a) To what degree were leaders able to create sufficient urgency around the corporate sustainability intervention?
- b) To what extent did leaders utilize guiding coalitions to foster change?
- c) How important was the development of a clear vision and strategy that helped direct the change effect that corporate sustainability required?
- d) To what degree did leaders communicate the corporate sustainability vision and strategy?
- e) To what extent were leaders able to change systems or structures that aided the corporate sustainability intervention?
- f) Were short term wins able to contribute to a continuous corporate sustainability intervention?
- g) Were successes consolidated, used to build momentum and allow for the implementation of more corporate sustainability interventions?
- h) To what extent were new approaches anchored into the culture of the organization?
- i) Did change occur in the order of the stages that as mentioned by Kotter (1996)?



3.4 Research Question 3

To what degree was Authentic Transformational Leadership, as described by Bass (1999) employed by the leadership in implementing corporate sustainability interventions?

- a. Did the leadership provide a clear vision for the corporate sustainability intervention? What impact did this have on the implementation of the intervention?
- b. To what extent did the leadership show pride, respect and trust (buy –in) in the change management process required for the corporate sustainability intervention?
- c. Did the leadership play a motivational role in communicating the corporate sustainability intervention in simple ways?
- d. Did the leadership promote intelligence and allow for careful problem solving with regard to implementing the corporate sustainability intervention?
- e. Did the leadership give personal attention by coaching and providing advice on the corporate sustainability intervention?

3.5 Summary

This chapter detailed the key research questions that have guided this research. Question one focused on understanding why companies embarked upon corporate sustainability interventions through three archetypes as well as key the dimensions that influenced and aided that decision. Question two focused on understanding



how corporate sustainability interventions were implemented within different companies. It particularly focused on understanding the nuances of implementation between various organizations through the eight stage process in the hope of obtaining a better understanding of why these companies were considered successful in their implementation of change. This was achieved by asking questions that related to each of the eight stages.

Finally, question three focused on understanding the role that leadership played in the change management processes. The purpose of this question was to understand how leadership can influence a change management process, particularly in relation to a concept as complex and multi dimensional as corporate sustainability. The following chapter will discuss the research methodology that was employed to address the three research questions stated above.



Chapter 4: Research Methodology

4.1 Introduction

This chapter details and discusses the methodological approach that was utilized for this study. The approach needed to draw out specific yet essential issues that would aid in addressing the research enquiry of this study. It was therefore critical that the appropriate method of research be utilized to adequately understand the relevant issues relating to how corporate sustainability interventions were successfully implemented in organizations. Also, it was important to utilize an approach that allowed for value laden opinions, subjectivity and peoples personal views to come through in the research process as it was this richness of expertise and experience that provided depth to the research.

The chapter begins by describing the research approach that was utilized in the study through explaining its relevance in addressing the key research questions. This is followed by an in depth description of the two phases of the research through understanding key issues within each phase. These issues include understanding the population, unit of analysis, sampling method and size of sample, data gathering and data analysis for each phase of the research. Thereafter the validity and reliability of the data collection process is discussed.



4.2 The Research Method

This exploratory study (Zikmund, 2003) sought to understand the change management processes that resulted in the implementation of successful corporate sustainability interventions within companies. It further attempted to understand the leadership practices that influenced this success. In understanding the concepts that have contributed to successful corporate sustainability interventions within companies, this study aimed to develop a key set of guiding principles that could assist organizations whilst implementing their own corporate sustainability interventions.

4.3 The Research Approach

The research approach that guided this study was adapted from (Douglas, 2008) who sought to understand the role of leadership and organizational change with regard to HIV/AIDS workplace interventions. Some research questions have been altered from the original study in order to provide a clearer understanding of issues that are pertinent to change management processes for corporate sustainability, specifically. In addition, this study further developed the original study as it focused on understanding the role of leadership (not just the role of power in leadership, as in the original study) required to transform organizations through change management processes.

In addition, this study has differed from the original (Douglas, 2008) study as phase one has played a greater role. In this study, not only were the views of experts



sought to identify successful companies, expert's views on the subject (theoretically and in practice) have also aided in contextually understanding and verifying issues, particularly within the South African Context. These views were utilized to provide greater depth through discussing the results in chapter six.

While quantitative data is generally evaluated using statistics, qualitative data contains themes or categories and is evaluated subjectively (Zikmund, 2003). Due to the nature of the research enquiry, a qualitative approach was favored as it aided in obtaining the views of experts and sustainability managers on key issues. Within the qualitative approach for this study there was more emphasis on description and discovery and less on hypothesis testing and verification. This allowed the researcher to be more spontaneous in exploring phenomena which suited this study as it was fundamental to be able to describe and discuss findings in relation to various discourses, rather than just state research findings (Rudestam and Newton, 1992). This was essential in understanding and addressing the research questions in depth.

Furthermore, a qualitative approach allowed for details within each issue to be explored (e.g. the different components of leadership etc.) as well as details between different issues (e.g. the impact of leadership on the process of implementation etc.). This made the research process more flexible and tangible in dealing with complex multi layered concepts.



4.4 Research Mechanisms

This approach was employed through two major research mechanisms in order to adequately obtain sufficient data from a range of sources in differing formats. This included interviews and secondary data.

4.4.1 Secondary Data

“Secondary data consists of information that has already been collected for another purpose but which is available for others to use” (White, 2003, p.67). In a study of this nature policy documents, key legislation, sustainability reports, annual reports and other company information that was available in the public domain helped in understanding pertinent issues within the various companies especially due to time and resource constraints. The secondary data specifically provided insight into the basic status quo of a company, in understanding some of the key priorities and strategies of a company as well as the reasons for specific strategic thrusts that influenced corporate sustainability interventions.

4.4.2 Interviews

Interviews are the most common form of qualitative research, allow for a varied data set to be produced (Kitchin and Tate, 2000) and is often utilized as it compliments other methods of research (Longhurst, 2003). While there are many types of interviews, this research focused on semi-structured interviews with various participants. “A semi – structured interview is a verbal exchange where one person, the interviewer attempts to elicit information from another person by asking questions” (Longhurst, 2003, p.117). The flexibility of this approach provided a space for interviewees to be reflective and critical of their own thoughts and actions on corporate sustainability since they steered the



conversation, as opposed to a structured question answer format or just filling out a questionnaire where the process would be less reflective (Kitchin and Tate, 2000). This format also aided the researcher as valuable insight into the respondent's personal opinions, experience and knowledge about the local context (albeit subjective) that might otherwise be missing (Anderson 2003 and Kitchin and Tate, 2000) was provided, and this variety helped to understand the complexity of the concept of corporate sustainability. The interviews were channelled by interview guides which are discussed below.

4.5 Formulation of the Interview Guide

For this study, two interview guides were developed, one to guide the semi-structured interviews with experts (Appendix B) and one to guide the interview process with company respondents (Appendix E).

The interview guide developed for experts focused on obtaining insights from the experts' on issues of corporate sustainability. This was achieved through the interview guide which allowed key issues (through the questions) to be addressed in a conversational format. These included the experts' views on corporate sustainability, which was followed by obtaining their thoughts and understanding of what corporate sustainability means for business in South Africa as well as how it should be implemented. Thereafter the focus was altered to organizations, where the key questions revolved around the type of change as well as the components of change that were required for successful corporate sustainability interventions. Then, issues of leadership were approached in terms of obtaining the experts views on the type of leaders required for change as well as the role that leaders in



South Africa should be playing in addressing change, particularly in relation to corporate sustainability. Lastly, experts were asked which companies they thought met the above criteria.

The interview guide that was developed for companies was based on the relevant theories applicable to this research. All interviews began with an icebreaker question. Thereafter, the interview process was explained to the respondents in terms of the three theories as well as the nature of the questions. The precursor (Appendix E) to question one was stated before the first set of questions was asked. Thereafter, respondents were informed about the second set of questions, the nature of the question format was explained and the precursor to the questions stated, before the interview continued. The questioning to this section was concluded by asking the respondents what the change process that the company had embarked on meant for the company. The purpose of this question was for respondents to be reflective and think about the results of the process of change, as well as to highlight issues that the company could still address. Respondents were then informed about the third component of the interview process where the precursor was once again stated before questioning began. Here it was critical to establish who the respondent considered to be the leadership of change, as it influenced the questions that followed. The interview was generally concluded by asking respondents what advice they would offer to other companies embarking on corporate sustainability change management interventions. The section below describes the first phase of the research process.



4.6 Phase 1: Identification of successful companies through interviewing experts

The first phase of the study was conducted through interviewing experts in the corporate sustainability field. The reasons for doing this were twofold. Firstly, the intention was to obtain a list of companies that were considered successful by the experts in having created and implemented corporate sustainability interventions. For companies to successfully have implemented interventions meant that the company as an organization was able to understand and address corporate sustainability issues. It is this concept that formed the research enquiry of this research. Secondly, experts were consulted on their views regarding the concept of corporate sustainability. They were also asked for their views regarding key issues that they thought influenced change management processes as well as the leadership thereof, in relation to corporate sustainability.

4.6.1 Population

A population comprises of any complete group that shares similar characteristics (Zikmund, 2003). For the first phase of the research the population was defined as all individuals that were considered to be experts in the field of corporate sustainability in South Africa. These experts are reputable individuals whose opinions around issues of corporate sustainability are considered to be plausible and trustworthy. These experts have also been active in the corporate sustainability environment in varying capacities in different sectors including



academic, private, government, NGOs and Community based Organizations (CBOs).

4.6.2 Unit of Analysis

The unit of analysis for the first part of the study was the opinions, perceptions and judgments of the experts in what they considered to be successful corporate sustainability interventions within companies, based on their knowledge and interactions with private sector organizations in South Africa.

4.6.3 Sampling Method and Size of Sample

Experts were identified through the judgment based snow ball method (Zikmund, 2003). The researcher and supervisor had initially identified potential experts and the researcher then contacted these experts to establish their willingness to be part of the research and also asked about other experts in the field. This non probability convenience sample (Zikmund, 2003) created a sample selection error as the entire population of experts on corporate sustainability in South Africa did not form part of the study.

Experts were approached via email or through a telephone call. Once consent for the interview was granted, a meeting date was set for the actual interview. Experts were reminded the day before the interview about the interview. This process applied to eleven of the twelve experts that were interviewed. During one interview with an expert, another expert informally joined the discussion, offered his/her



opinions and agreed to his/her opinions being utilized in the research. This expert did not however, provide a list of companies that have successfully implemented corporate sustainability change management interventions. This brought the total number of experts interviewed to twelve, but the number of experts that provided input into successful companies were eleven.

Table 4 -: Details of experts that were interviewed

Interview	Expert Name	Company	Title
1	Neil Eccles	University of South Africa (UNISA) Noah Chair in Responsible Investment (RI)	Lecturer Programme Manager
2	Mpumelelo Ncwadi	Incite: A Consultancy	Consultant
3	Derrick De Jongh	University of Pretoria	Director of the Centre for Responsible Leadership (CRL)
4	Loshni Naidoo	Ernst and Young	Climate-change and Sustainability-Services Manager
5	Valerie Geen	National Business Initiative	Director of the Sustainable Futures Unit
6	Cathy Langerman	Trilogue	Heads up Trilogue's Johannesburg office
7	Jonathan Hanks	Incite: A Consultancy University of Cape Town (UCT)	Director: Developing and implementing corporate sustainability strategies and stakeholder engagement processes Lecturer
8	Mark Drewell	3Laws Capital: Globally Responsible Leadership Initiative	Chief Executive Officer
9	Ralph Hamman	University of Cape Town (UCT)	Associate Professor: Graduate School of Business
10	Paul Kapelus	African Institute of Corporate Citizenship (AICC)	Chief Executive Officer (CEO)
11	Julie	Envalution: An	Consultant



Interview	Expert Name	Company	Title
	Stacey	Environmental Consultancy University of the Witwatersrand (Wits)	An independent consultant and honorary lecturer on Sustainable Development
12	Peet Du Plooy	World Wildlife Fund (WWF)	Trade & Investment Advisor (South Africa)

Appendix A shows the consent forms that all experts signed, prior to interviews commencing. During the interviews, respondents stated that they did not mind their names being mentioned as part of the research and while experts are identified here, from this point forward a coding system (Appendix C) will ensure anonymity of what experts have said. The coding system will limit judgment on who said what, and will allow the study to focus on analyzing what was said. After the listing in Table 4, the expert list was scrambled and does not correlate to the numbering utilized in any of the tables below or the coding system. The section below explains the data gathering approach that was utilized for this phase of the research.

4.6.4 Data Gathering

Data was gathered through semi structured interviews with experts. A total of twenty two interviews were conducted as part of this research. Twelve Interviews were conducted with experts in the field. Of these, eight were personal interviews and four were telephone interviews. Three of the four telephone interviews were conducted because the experts live in other cities and the fourth telephone interview was requested by the expert. Interviews lasted for approximately an hour. The experts that were interviewed are active across various sectors within the



corporate sustainability field. Three full time academics, four consultants, two Non Governmental Organisation (NGO) representatives and three experts that are active between sectors (as academics and consultants) formed the sample group for the first phase of the research.

Interviews were approximately one hour long and were recorded. The focus of the interviews was to obtain the names of companies that the interviewee's felt have successfully implemented corporate sustainability interventions. Furthermore, data was gathered on the expert's views regarding issues of leadership and change management processes with regard to corporate sustainability. The expert's views were further considered in the analysis and discussion chapter of the research to highlight synergies and discrepancies between the experts, the theory and the individuals interviewed from companies. The companies that the experts listed were then ranked according to the frequency of which they were mentioned. This list was verified against other secondary data sources to confirm that they were reputable companies that have successfully implemented corporate sustainability interventions. Finally, the top ten companies were contacted to form the focus of phase two of the research.

4.6.5 Data Analysis

The data that was collected in terms of the interviews with experts was analyzed in two ways. Firstly, the substance from the interviews was analyzed through a process of content analysis, where specific characteristics and themes were



identified (Zikmund, 2003). The researcher listened to the recorded interviews to transcribe key statements. The data was then coded and transferred into specific themes which were created in terms of the key research questions (Appendix G). Statements that did not fit into the core themes were placed under a theme called miscellaneous. Some statements were applicable to several themes and were placed in each of these themes. These statements aided in analyzing the results of the data collected from companies as it provided inconsistencies, verifications and explanations for the results of the research. Furthermore, this data was particularly able to address theoretical issues within the South African context.

Secondly, in relation to identifying the top ten companies that were to be interviewed in phase two of the research, the companies that were identified by the various experts were tabulated, their frequencies computed and they were ranked accordingly. Before the top ten companies were chosen to be part of phase two of the research, a verification process was conducted to ensure that the companies that the experts identified were indeed the best performing companies in relation to corporate sustainability interventions. The verification process comprised of considering the results of other secondary sources that have identified companies which have been successful in addressing issues of corporate sustainability. These included:

- A survey of annual reports of companies on the JSE through the SRI. The SRI is developed through a set of criteria that aids to understand the sustainability of a



company as well as a company's intention to allow for responsible investment into emerging markets like South Africa (JSE, accessed, 25/10/09).

- Ask Afrika is a research company that has developed the Ask Afrika Trust Barometer® (through a set of criteria) which highlights the leading, trusted and reputable companies in South Africa (Ask Afrika, accessed 25/10/09).
- The Association of Certified Chartered Accountants (ACCA) of South Africa provides sustainability reporting awards on an annual basis to companies. These awards focus on the manner in which companies are able to address material and long-standing issues through their sustainability reports, in light of their obligations to stakeholders (ACCA, accessed 25/10/09).
- Ernst and Young also provide awards to companies for excellence in sustainability reporting (Ernst and Young, accessed 25/10/09).

These reputable sources were chosen to aid in the verification process because the issues they address consider the various components of corporate sustainability and collectively address most issues within the corporate sustainability ideology.

4.7 Phase 2 Interviewing companies with successful corporate sustainability interventions

Semi structured interviews were conducted with the top ten companies that were identified by the experts above and the verification process. The corporate sustainability managers (or the equivalent thereof) were interviewed to solicit their views on the research questions. Interviews focused on understanding the success of corporate sustainability interventions within companies through understanding



the need for change within companies, the manner in which change was implemented as well as the role of leadership and the influence of leaders as individuals in undertaking change management processes.

4.7.1 Population

The population for this phase of the research was companies within the private sector in South Africa that have successfully implanted a corporate sustainability interventions.

4.7.2 Unit of Analysis

The unit of analysis was the views, perceptions and opinions of individuals that were responsible for the successful corporate sustainability interventions within their organizations.

4.7.3 Sampling Method and Size of Sample

The sampling method was defined in terms of the companies that were identified in phase one of the research. The top ten companies formed the sample size for the second phase of the research.

4.7.4 Data Gathering

Data was gathered through semi structured interviews with sustainability managers (or the equivalent thereof) in the top ten companies. The interviews focused on



understanding why these companies' corporate sustainability interventions were considered to be successful.

Of the ten interviews that were conducted with the sustainability managers (or the equivalent thereof) of companies, as part of the second phase of the research, five were personal interviews, four were telephone interviews and one respondent who postponed two telephone interviews eventually submitted a response to the interview guide via email. Two telephone interviews were conducted because the company respondents live in different cities, one respondent was only available for an immediate interview (when the researcher called to set up an interview) and one respondent requested a telephone interview. These interviews lasted approximately an hour.

4.7.5 Data Analysis

The data that was collected in terms of the interviews with company respondents was also analyzed through the same process of content analysis as the expert interviews were. However, in this instance, due to the manner in which the questions were asked, the company interview guide provided a more direct link to the fields that were created for the content analysis (Appendix G). Again, the analysis was completed in two ways. Firstly, the numerical results of the questions that were asked (either through the Likert-scale or rating system) were documented for each respondent and tabulated (Chapter 5). Secondly, the researcher listened to the recorded interviews to transcribe key statements which



were coded and transferred into specific fields themes which were created in terms of the interview guide which provided the basis for analyzing the results of the data obtained from the interviews.

4.8 Data Validity and Reliability

The validity of the data was sought through the interview process and statements in the interviews were verified by other interviews as well as through a document analysis process, through a method of triangulation (experts, respondents and document analysis) (Paul, 1996).

4.9 Summary

This chapter explained the methodological approach that was utilized throughout the study. This exploratory study sought a qualitative approach to address the three key research questions. This was achieved in two phases through the utilization of semi – structured interviews as well as through secondary data analysis. A total of twenty two interviews were conducted with both experts in the field of corporate sustainability as well as sustainability managers (or the equivalent thereof) of the top ten companies that were identified by the experts and through a verification process. The data that was collected from these interviews were recorded and coded into a system of themes for analysis. While this research was bound by resource and time constraints, the approach provided several opportunities to understand specific phenomenon in depth through the various

research mechanisms that were employed. The following chapter will present the results of the research that was undertaken in this chapter.



Chapter 5: Presentation of Results

5.1 Introduction

This chapter presents the results from phase two of this research. The chapter will begin by presenting the results of the research sample. The results are presented per individual question and have been guided by the three core theories of this research, including Beer and Nohria's (2000) theory of strategies for change, Kotter's (1996) theory of implementing change in organizations and Bass's (1999) theory of authentic transformational leadership are presented. The qualitative responses for each research question form part of the discussion in chapter 6.

5.2 Research Sample

Table 5 below presents in descending order, the companies that were identified by the various experts. Expert 1 (2009) stated that she/he could not identify a single company in South Africa that has successfully implemented a corporate sustainability intervention.


Table 5 -: Ranking of companies that have successfully implemented corporate sustainability interventions, as mentioned by experts

Company	Experts											
	1	2	3	4	5	6	7	8	9	10	11	
Nedbank		•	•	•	•	•	•	•	•	•	•	8
Woolworths		•	•	•		•	•	•	•	•	•	8
Anglo American			•	•		•	•	•	•	•		6
Sasol		•	•	•	•	•	•	•				6
Massmart			•	•	•	•	•	•				6
BHP Billiton			•	•			•		•	•	•	6
Pick 'n Pay		•					•	•		•	•	5
EXXARO			•	•	•	•						4
Bidvest			•	•			•					3
AngloGold Ashanti						•	•		•			3
Other Nominated Companies												
Standard Bank			•							•		2
Unilever							•			•		2
Murray and Roberts			•				•					2
Impala Platinum			•	•								2
Spier Wine		•					•					2
Anglo Platinum				•			•					2
SABMiller				•			•					2
BP		•										1
Lonmin		•										1
Thandi Wines		•										1
NoMU		•										1
Origin Roasting		•										1
StreetWires		•										1
Vodacom				•								1
FirstRand Group						•						1
Extrata						•						1
De Liotte and Touche						•						1
Axiz							•					1
Avis								•				1
Vine Yard								•				1
Engen								•				1
Toyota										•		1
Old Mutual										•		1
BMW										•		1
Mercedes										•		1
MTN											•	1
Neotel											•	1
Siemens											•	1
AL Tech											•	1
Sanlam											•	1



The results from Table 5 were verified through secondary data sources and the results are presented in Table 6 below.

Table 6-: Various Sustainability Awards for South African Companies (verification process)

Company	Type of Rating					
	SRI Best Performers (2008)	Index	Ask Trust Barometer (2009)	Afrika	ACCA Sustainability Awards (2008)	Earnest and Young Excellence in Sustainability Reporting (2008)
Nedbank				•	•	♦
Woolworths				•		♣
Anglo American		•		•		♦
Sasol				•		♥
Massmart		•		•	•	♠
BHP Billiton				•		♥
Pick 'n Pay				•		♣
EXXARO		•				♠
Bidvest		•		•		♦
AngloGold Ashanti		•			•	♥

Key for Ernst and Young Ratings

♥ - Top Five; ♦ - Excellent Reporting; ♠ - Good Reporting; ♣ - Adequate Reporting

Table 7 below, provides the details of the individuals that were interviewed from the various companies.

Table 7-: Details of interviewees from the top ten South African Companies that were interviewed

Interview	Company	Interviewee	Title
1	Massmart	Brian Leroni	Group Corporate Affairs Executive
2	EXXARO	Ramesh Chhagan	Manager: Corporate Sustainable Development
3	Woolworths	Justin Smith	Good Business Journey Manager
4	AngloGold Ashanti	Paul Hollesen	Vice President: Environment and Community Affairs
5	Nedbank	Vicky Beukes	Sustainability Manager
6	Bidvest	Jack Hochfeld	Group Corporate Communications
7	Pick 'n Pay	Erica Warner	National Corporate Marketing
8	BHP Billiton	Andre van der Bergh	Vice President: Asset Protection
9	Anglo American	Dorian Emmett	Chief Operating Officer
10	Sasol	Stiaan Wandrag	Sustainable Development Advisor



Appendix D shows the consent forms that all respondents signed, prior to interviews commencing. During the interviews, respondents stated that they did not mind their names being mentioned as part of the research and while they are identified here, from this point forward a coding system (Appendix F) will ensure anonymity. After the listing in Table 7, the respondent list was scrambled and does not correlate to the numbering utilized in any of the tables below or the coding system. The sections below present the results for each of the questions from the interview guide.

5.3 Ice Breaker Question:

Why do you think your company was successful in implementing a corporate sustainability intervention?

The responses that are provided to the question below, are not analyzed as an individual question in chapter six, but provide insights and are considered in the analyses and discussion of other questions. Some of the responses that were provided include:

- The CEO is a young new generation CEO and understands sustainability (Respondent 1, 2009):
- Corporate sustainability issues are always on the agenda at the board level, thus ensuring that sustainability issues are addressed throughout the organization (Respondent 8, 2009):



- It has been easy for us as we already have an engrained culture of ‘giving’ as social responsibility is one of our core values so the extension into embracing sustainability was a natural progression (Respondent 7, 2009):
- Values, commitment and ethics is what makes us successful (Respondent 5, 2009): and
- The World Summit on Sustainable Development (WSSD) made the company realize that especially because of the industry that the company operated in, it was essential to take cognizance of sustainability issues. It was that early start that now holds the company in good stead (Respondent 2, 2009).

The varied responses highlight the multitude of ways in which respondents defined and acknowledged success in relation to corporate sustainability.

5.4 Results for the Theory E and Theory O of Change

In understanding the archetypes and its dimensions, the researcher was able to obtain a clearer understanding of what influenced the decision and strategy for change, with regard to successful corporate sustainability interventions within companies. To achieve this within the context of this study, the research question was further developed to particularly ask questions in relation to the various archetypes and dimensions that would specifically address corporate sustainability issues within companies. These context specific questions were developed into the framework (question 2 in the interview guide) that sought to address the first



research question. This approach is consistent with the original study that was conducted by Douglas (2008) and the results are presented below.

5.4.1 Goals

Theory O	Theory E	Theory O & E
Goals		
<i>Were the goals of the strategy focused on financial gain?</i>	<i>Were the goals of the strategy focused on developing a culture that embraces issues of corporate sustainability?</i>	<i>Were the goals of the corporate sustainability intervention focused on increasing shareholder value and developing a culture that embraces issues of corporate sustainability?</i>
Responses from Sample Group		
	3	7

While seven companies stated that both financial and moral reasons aided the goals for change to embrace corporate sustainability interventions, three stated the corporate sustainability was adopted purely for moral reasons to aid in creating a culture that was sensitive to issues of sustainability. It is interesting to note that no companies adopted corporate sustainability interventions purely for financial gain.

5.4.2 Leadership

Theory O	Theory E	Theory O & E
Leadership		
<i>Did the leadership enforce a top down approach to the corporate sustainability intervention?</i>	<i>Did the leadership encourage a bottom up approach to the corporate sustainability intervention?</i>	<i>Did leadership provide a clear vision for the corporate sustainability intervention and engage staff on how this should be effected?</i>
Responses from Sample Group		
2		8



Eight of the ten companies cited that both Theory E and Theory O principles were utilized in terms of the leadership practices for change. Here direction was provided from top management through consultations with staff on how change should be affected. Two companies utilized a top down approach where top management dictated the type of change intervention that would unfold in the company. No company utilized a bottom up approach where staff led the corporate sustainability intervention.

5.4.3 Focus

Theory O	Theory E	Theory O & E
Focus		
<i>Did the change procedure focus on physical systems and processes? (Hard issues)</i>	<i>Did the change process focus on employees' behavior, attitudes and buy – in to the intervention? (Soft Issues)</i>	<i>Did the change process simultaneously focus on soft and hard issues?</i>
Responses from Sample Group		
4	2	4

The focus of the corporate sustainability intervention seems to differ between companies. Two companies focused their change management interventions on soft issues in terms of changing employee behavior and attitudes. Four companies focused their change management interventions on physical systems and processes (hard issues). The remaining four companies utilized a combination of Theory E and O principles through the utilization of both hard and soft issues to create their change management strategies.

5.4.4 Process



Theory O	Theory E	Theory O & E
Process		
<i>Did the implementation of the change management process involve a clear plan, with objectives and targets?</i>	<i>Was the implementation of the change management process an iterative one, allowing for changes as the intervention unfolded?</i>	<i>Did the implementation process have a clear plan with measurable objectives and targets but allowed for innovation, change and spontaneity where appropriate?</i>
Responses from Sample Group		
5	4	1

Half of the interviewed companies utilized a Theory O approach in terms of the process that was used to implement change. This required the company to have a clear plan with objectives and targets that guided the intervention. Four companies stated that the process of change was an iterative one. One company stated that both Theory O and E approaches applied to the process of change. This company had a clear plan of what was to be achieved but the process of change through the plan was often iterative and allowed for innovation and spontaneity when appropriate.

5.4.5 Rewards

Theory O	Theory E	Theory O & E
Rewards		
<i>Were managers and staff motivated through financial rewards?</i>	<i>Were managers and staff motivated through understanding the “bigger picture” and committed to the process through understanding the need for change</i>	<i>Was a combination of financial reward as well as buy in and commitment linked to the success of the company?</i>
Responses from Sample Group		
2	6	2



Sixty percent of the companies interviewed stated that staff was not financially rewarded for embracing and implementing corporate sustainability change interventions as staff needed to understand corporate sustainability within the context of doing their jobs. Two companies did reward staff through financial mechanisms for implementing the corporate sustainability interventions. Two companies subscribed to both Theory O and E by ensuring that while employees did understand the “bigger picture” of implementing corporate sustainability interventions, they were financially rewarded.

5.4.6 The Use of Consultants

Theory O	Theory E	Theory O & E
Use of Consultants		
<i>Did consultants play a major role in developing the corporate sustainability intervention?</i>	<i>Was the corporate sustainability intervention developed in house?</i>	<i>Were consultants utilized at some points in developing the corporate sustainability intervention?</i>
Responses from Sample Group		
2	1	7

Most companies (70%) felt that consultants have a particular role to play in a change management intervention which is a combination of Theory E and O ideology. Here, consultants are utilized at strategic points during the development of the intervention, but the intervention is still largely managed internally. Two companies outsourced the creation of the sustainability intervention and one company developed the entire change management intervention internally, where no consultants were involved.



5.4.6 A Collective understanding of Change Strategies

As can be noted from the results above, each of the archetypes have played some role in companies' decisions to embrace corporate sustainability interventions. The table below (Table 8) provides the aggregated results in relation to the research enquiry with regards to Beer and Nohria's (2000) theory on why companies embrace change and the dimensions that influence the change strategy.

Table 8-: The aggregated results of Beer and Nohria's (2000) theory in relation to successful corporate sustainability interventions in South Africa.

	Theory E	Theory O	Theory E and O
Goals	0	3	7
Leadership	2	0	8
Focus	4	2	4
Process	5	4	1
Rewards	2	6	2
Use of Consultants	2	1	7
Total	15	16	29

The table above shows that companies have mostly utilized a combination of Theories E and O in deciding to embrace corporate sustainability interventions. The dimensions where the combination archetype was not dominant were for process and rewards.



However, overall in line with what Beer and Nohria's (2000) propose, most companies utilized a combination of hard and soft approaches to successfully create strategies for change. Therefore there is a business case for financial returns (shareholder value) to embrace corporate sustainability change strategies as well as a moral case (stakeholder value) to change a company's culture and attitude toward embracing corporate sustainability interventions.

5.5 Results for Implementing the Organizational Change process

The sections below present the results for each of the sub questions relating to addressing the second research question. The results presents responses to each of Kotter's' (1996) steps in the eight stage implement process of change management within companies.

5.5.1 Creating Sufficient Urgency

Rate the degree to which leaders were able to create sufficient urgency around the corporate sustainability intervention? How was this achieved?

1 Not Urgent	2	3	4	5 Very Urgent
Responses from Sample Group				
1	1	2	4	2

The results for this question were split across the likert-scale. While only two respondents felt that the leadership was able to create urgency around the issue of corporate sustainability change intervention and rated it at 5, four respondents rated it at 4. A further 2 respondents rated the urgency created around an intervention at 3. One respondent rated this question at 2 and another respondent rated it at 1.



5.5.2 The Utilization of Guiding Coalitions

To what extent did leaders utilize guiding coalitions to foster change? How were guiding coalitions assembled and utilized?

1 No Coalitions	2	3	4	5 Coalitions
Responses from Sample Group				
4	1	1	3	1

Forty percent of the respondents stated that change management interventions were implemented without the utilization of coalitions and rated it at 1. Only one company utilized coalitions throughout the implementation of the intervention and rated it at 5. Three companies utilized coalitions during the implementation of the change management intervention and rated it at 4. One company rated the question at 3 and another rated it at 2.

5.5.3 The Role of a Clear Vision and Strategy

Rate the importance of the development of a clear vision and strategy that helped direct the change effect that corporate sustainability required? How did this influence the change management process?

1 No Clear Vision and Strategy	2	3	4	5 Clear Vision and Strategy
Responses from Sample Group				
		1	2	7

Seven respondents scored the need for a clear vision and strategy at 5. A further two companies scored the need for a clear vision and strategy in implementing a corporate sustainability change management intervention at 4. Only one company



scored the need for a clear vision and strategy at 3. It is interesting to note that no company scored the need for a clear vision and strategy for implementation below 3.

5.5.4 The Role of Communicating the Vision and Strategy

To what degree did leaders communicate the corporate sustainability vision and strategy? How was this achieved?

1 No Communication	2	3	4	5 Clear Communication
Responses from Sample Group				
		5	2	3

No respondent scored the role of communicating the vision and strategy below 3. Five companies scored the role of communicating the vision and strategy at 3. A further two companies scored it at 4. Three companies scored the need to communicate the vision and strategy of the organization at 5.

5.5.5 The Changing of Systems of Structures

To what extent were leaders able to change systems or structures that undermined the corporate sustainability intervention? How was this achieved?

1 No change in systems and structures	2	3	4	5 Changed systems and structures
Responses from Sample Group				
	2	1	2	5



Half of the respondents stated that their companies were able to change systems and structures (rated at 5). A further two companies rated it at 4, while one company rated it at 3. Two companies rated the ability to change systems and structures at 2. These responses provide a varied response to this question.

5.5.6 Short Term Wins

Did short term wins play a role in contributing to a continuous corporate sustainability intervention? Please elaborate?

Yes	To a Certain Extent	I Don't Know	No
Responses from Sample Group			
5	5		

All respondents agreed that short term wins did have some role to play in implementing a corporate sustainability intervention. 50% of respondents felt that short term wins contributed to the implementation of the corporate sustainability intervention while 50% of respondents felt that it contributed in implementation to some extent. No respondents did not know about short term wins or did not utilize them in implementing the intervention.

5.5.7 Building Momentum to Consolidate Change

Were successes consolidated and used to build momentum and allow for the implementation of more corporate sustainability interventions? Please elaborate?

Yes	To a Certain Extent	I Don't Know	No
Responses from Sample Group			
4	6		



Again all respondents' utilized successes from short term wins in varying degrees to aid implement the corporate sustainability intervention. Six of the ten respondents used successes to a certain extent to help build momentum for the change intervention. The remaining four companies did utilize the successes gained from the short term wins to further aid in implementing the corporate sustainability intervention. No companies did not know of or did not utilize successes from initial short term wins to build momentum and consolidate change.

5.5.8 Anchoring change in culture

Rate the extent to which new approaches were anchored into the culture of the organization? How did this occur?

1 New approaches not anchored into the culture	2	3	4	5 New approaches anchored into the culture
Responses from Sample Group				
		2	5	3

Fifty percent of respondents rated this at 4 showing that new approaches were anchored into the culture of the organization. A further 30% rated the question at 5 where the new approach was definitely anchored into the culture of the organization. Only two companies rated the ability to anchor new approaches into the organizational culture at 3. No companies rated this question below 3.



5.5.9 The Chronological Stages of Change

Did change occur in the order of the stages that I have mentioned? Please elaborate further and state if there are there any other stages that can be identified in the change management process?

Yes	To a Certain Extent	I Don't Know	No
Responses from Sample Group			
3	1		6

The results for this question were split. Six of the ten companies did not implement the corporate sustainability intervention in the chronological order as suggested by Kotter (1996). Three companies did implement the change management intervention in terms of Kotter's theory. One company was able to do so to some extent.

5.5.10 Question of Reflection

Can you describe what this change has meant to the company?

The responses that are provided to this question below, are not analyzed as an individual question in chapter six, but provide insights and are considered in the analyses and discussion of other questions. Some of the responses that were provided include:

- It has allowed the company to become more innovative in its approach and the way it considers all aspects of the business as well its impacts (externalities) (Respondent 10, 2009);
- I now feel proud to work for this company (Respondent 6, 2009);



- The company is now more nimble and able to quickly respond to a variety of issues (Respondent 4, 2009); and
- Customers now expect higher standards more from us because we have shown them how this business can operate as a sustainable one (Respondent 3, 2009).

Once again, the varied responses show that addressing issues of corporate sustainability have impacted on companies differently. The section below presents the results with regards to the leadership component of the research.

5.7 Leadership for Organizational Change

The sections below present the results from the interview guide regarding the role of leadership in change.

5.7.1 Defining the Leadership

Who was the core leadership that guided the corporate sustainability Intervention?

The responses that are provided to this question below, are not analyzed as an individual question in Chapter six, but provide insights and are considered in the analyses and discussion of other questions. Some of the responses that were provided include:

- The CEO and some management directors led the process (Respondent 10, 2009);



- The executive leaders of the company led the intervention (Respondent 9, 2009);
- The CEO (Respondent 7, 2009);
- The environmental forum that reports directly to the board led the change process (Respondent 5, 2009);
- A two man task team, that reporting directly to the CEO (Respondent 2, 2009); and
- The CEO (Respondent 1, 2009; Respondent 3, 2009; Respondent 5, 2009 and Respondent 7, 2009).

The results to this question coincide with the theory on change management. Covin and Kilman (1990); Colins and Porras (1996) and Kotter (1996) all state the importance of the need for the leadership of the organization to take charge of the process.

5.6.2 The Leader and the Vision

Did the leadership provide a clear vision for the corporate sustainability intervention? What impact did this have on the implementation of the intervention?

1 No Vision from Leadership	2	3	4	5 Clear vision from Leadership
Responses from Sample Group				
		2	2	6



Six of the ten companies that were interviewed rated this question at 5. These companies felt that their leadership provided a clear vision for the corporate sustainability intervention. Two companies rated this question at 4 and two companies rated this question at 3. No company rated this question below three, which means that the leaders embarking on change management strategies need to have a clear vision.

5.6.3 Idealized Influence

To what extent did the leadership show pride, respect and trust (buy –in) in the change management process required for the corporate sustainability intervention?

1 Leaders did not buy in to the process	2	3	4	5 Leaders did buy in to the process completely
Responses from Sample Group				
			4	6

Again, six of the ten companies rated this question at 5. These companies felt that their leaders bought into the process and completely supported the corporate sustainability intervention. The remaining four companies rated this question at 4. No company rated this question below 4. This shows that pride, trust and respect by the leader played an important role in the change management process.

5.6.4 Inspirational Motivation

Did the leadership play a motivational role in communicating the corporate sustainability intervention in simple ways?



1 No Motivational Communication	2	3	4	5 Motivational Communication
Responses from Sample Group				
		1	3	6

Only one company rated this question at 3 and no companies rated this question below 3. Three companies rated this question at 4. The remaining 6 companies rated this question at 5.

5.6.5 Intellectual Stimulation

Did the leadership promote intelligence and allow for careful problem solving with regard to the corporate sustainability intervention process?

Yes	To a Certain Extent	I Don't Know	No
Responses from Sample Group			
6	4		

No companies felt that their leadership was unable to provide the space for lateral thinking, problem solving and intelligence in addressing the issue of corporate sustainability. Four companies stated that their leadership allowed for problem solving to a certain extent and six companies felt that their leadership did allow for intelligence, problem solving and lateral thinking to be utilized during the development and implementation of the corporate sustainability intervention.

5.6.6 Individualized Consideration

Does the leadership give personal attention by coaching and providing advice on the corporate sustainability intervention process?



Yes	To a Certain Extent	I Don't Know	No
Responses from Sample Group			
10			

All ten companies resoundingly stated that their leadership gave personal attention to the intervention. It is the only question that received a unanimous answer from all companies involved in this research.

5.8 Concluding Question

What advice would you give to other companies in order to allow them to improve corporate sustainability interventions?

The responses that are provided to this question below, are not analyzed as an individual question in chapter six, but provide insights and are considered in the analyses and discussion of other questions. Some of the responses that were provided include:

- Do not consider issues of corporate sustainability as an add on to the core functioning of the business (Respondent 10, 2009);
- If you have not already started considering sustainability as a core part of your business, it is a bit late now (Respondent 9, 2009);
- Sustainability can no longer be considered as a nice to have. It must be central to everything that the company does (Respondent 2, 2009); and
- The bottom line is that your leadership must take this seriously (Respondent 7, 2009).



All respondents state the urgency and need to consider issues of sustainability within the organization. The role of leadership is highlighted once again.

5.8 Summary

The results from phase two of the study were presented in this chapter. Although the research enquiry was made up of three core questions, each of these questions were further broken down to include core components within each question. Through understanding the responses provided on the different components, the researcher was able to understand key issues within each research question as well as issues that transcend the specific research questions.

The results for question one show that companies mostly utilize a combination of theories E and O to embark on change strategies, except in relation to the dimensions addressing issues of process and rewards. Although there were greater variations within the results for each sub – question within question two, the overall results show an agreement to the importance of most stages in implementing change. The results differed from the theory in relation to establishing urgency for change, utilizing guiding coalitions to implement change and the chronological order of change. The results from the research for question 3 were aligned to the theory and concluded that leaders that embarked on change management processes needed to buy into the process, be motivational, provide personal attention and allow for intellectual stimulation in addressing issues throughout the process.



Chapter 6: Discussion of Results

6.1 Introduction

Chapter six analyses and discusses the results that were presented in chapter five. This is addressed through each of the theoretical frameworks that were developed in chapter two in relation to change strategies, implementing organizational change and the role of leadership in change through the lens of corporate sustainability interventions.

The chapter is structured so that firstly, the analysis of the data occurs in the same format as the manner in which the data is presented in chapter five. This allows for an in depth discussion of each component of the research. The chapter then culminates in a section that discusses key themes that transcend the research to aid companies wanting to successfully embark on a corporate sustainability change management intervention. The section below analyses and discusses question 1 of the research enquiry.

6.2 Strategies for Change

The results presented in chapter five, relating to change strategies is consistent with the theory presented by Beer and Nohria (2000) which states that organizations often utilize a combination of Theory E and O approaches in their decisions to embark on change and develop change strategies. In only two of the six dimensions of this strategy, did the results differ from the theory. The results are further discussed in terms of each of the six dimensions in the section below.



6.2.1 Goals

Seventy percent of the respondents stated that the goals which influenced the strategy for embarking upon a change management intervention with regard to corporate sustainability were both for financial gain as well as to develop a culture that embraced corporate sustainability within the organization. One respondent noted that there was not a single driver that prompted the strategy, but rather the acknowledgment that the business could not operate without considering issues of corporate sustainability (Respondent 4, 2009). This practice is aligned to the rhetoric on strategy development. Andrews (1987) states that “corporate strategy is the pattern of decisions in the company that determines..... the kind of economic and human organization it is or intends to be, and the nature of the economic and noneconomic contribution it intends to make to shareholders, employees, customers, and communities” (Andrews, 1987, p13). The response is also consistent with both, theories on change strategies, Beer and Nohria (2000) as well theories on corporate sustainability which state that companies should embrace corporate sustainability as a core part of their strategies, due to the strong business case in support of it (Puesto en el sitio Communication Initiative, 2002 and Hamann, 2006).

While expert 8 (2009) felt that the concept of corporate sustainability could not be articulated into a clear credible business case because it is too broad and could therefore be part of any concept, or “an add” on to any concept, most experts



tended to agree that a strong business case for sustainability did exist. Expert 7, (2009) stated that sustainability has often been packaged badly in terms of doom of gloom due to the limited resources debate. However, if packaged strategically, taking cognizance of the context of the business as well as the value and business case for corporate sustainability, the expert felt that corporate sustainability interventions would be considered to be more credible.

Of the companies interviewed, three companies acknowledged a Theory O approach to defining the goals for the change strategy. One of the companies's stated that "a strong ethical focus" was the core of the company's philosophy (Respondent 1, 2009). All three respondents whose companies focused on just a Theory O approach stated that the company focused on doing what was right first, and then what was commercially smart in terms of defining a business case for sustainability (Respondent 1, 2009; Respondent 2, 2009 and Respondent 3, 2009).

Some experts felt that if one provided an understanding of what corporate sustainability meant in terms of monetary value, then people would understand and engage with it better (Expert 4, 2009 and Expert 12, 2009). One expert went as far as stating that the financial crises has forced people to think about sustainability because of the ripple effect that the housing bubble in the United States of America has caused, which has made people realize the externalities associated with their companies (Expert 1, 2009).



No companies embraced corporate sustainability interventions purely from a Theory E approach. Even though no company chose a theory E approach, some experts still found a need for it as addressing issues of profit (shareholder value), allows companies to still consider corporate sustainability issues through cost cutting, improving productivity etc. This could aid in creating short term wins toward driving the company to become more sustainable (Expert 7, 2009; Expert 8, 2009 and Expert 12, 2009).

6.2.2 Leadership

The results for this component were again in line with the theory as postulated by Beer and Nohria (2000) which states that while direction must be provided by the leadership, employees must be consulted on how to effect change. In this question, only two respondents have acknowledged that a top down approach was utilized by leadership to develop the change strategy. Respondent 6 (2009) has stated that the primary reason for the top/down approach was because of the structure of the business. The business is made up of several independent businesses in different sectors and in order to embrace a corporate sustainability intervention, common approaches across the businesses needed to be adopted. The respondent also admitted that this aided from a reporting perspective and while the approach was a top/down one, each individual business could further interpret and implement corporate sustainability interventions that were relevant to the individual business. The other respondent cited a similar reason for the approach, but stated that a feedback loop had been created to ensure that



businesses in other countries were able to comment on what worked for them and what did not, in terms of country legislation and skills to implement the intervention (Respondent 4, 2009). This allowed interventions to be individualized across the corporation.

Majority of the respondents (80%) stated that while leadership provided the vision, staff was engaged on how the intervention should be implemented. Robbins and Judge (2007) highlight the importance of a leader being able to translate a vision into comprehensible format to be understood and engaged with by followers. Respondent 3 (2009) acknowledged that a combination of top/down and bottom/up approaches were utilized in the intervention, depending who within the organization was being interacted with. This approach is consistent with the opinion that was offered by Expert 7, (2009) who stated that it was important for management to have the dialogue around issues of corporate sustainability and drive it down through the organization.

Respondent 1 (2009) felt that because the Chief Executive Officer (CEO) of the company was a young dynamic, new generation CEO, he was able to allow employees to guide the approach through focus groups. He also had the patience to ensure that the process was effectively carried out, even though it was a timeous exercise. The respondent felt that it was because of the constructive tension that existed between the various chains within the organization and head office that allowed staff within the various chains to engage, define and corporate



on key issues (Respondent 1, 2009). This led to a situation where management was guided by employees on certain issues regarding health and transformation (Respondent 1, 2009). This bottom up approach to leadership was also seen in the literature in the Barloworld case study (Apples, van Duin and Hamann, 2006) where the study proved that employee commitment could fast track implementation of an intervention.

6.2.3 Focus

The results for the focus dimension of the Beer and Nohria's (2000) strategy were straddled across all three theory archetypes proving that the focus of an intervention could be on systems and processes within the organization (hard issues), the culture and attitude of employees within the organization (soft issues) or a combination of both.

Four companies focused on a Theory O approach in terms of altering systems and processes within the organizations for change. Addressing issues of transformation in South Africa, aid toward making companies corporate citizens (Moyo and Rohan, 2006). In this regard, of the four companies that cited this approach, two companies stated that it was policy requirements for transformation that kick started the approach. In both instances the Broad Based Black Economic Empowerment (BBBEE) scorecard, is what triggered the intervention (Respondents 2, 2009 and Respondent 6, 2009) and allowed for systems and processes to be created to address the issue and track the company's progress in



this regard. This also had a spin off effect in terms of addressing and tracking other corporate sustainability issues.

Two companies cited the utilization of a Theory E approach in their change management intervention. Respondent 1 (2009) stated that while the JSE Listing for an ethical policy prompted the intervention which steered the company toward addressing its intervention (hard issue), it aided in addressing the softer issues of ethics, culture and attitudes within the organization and it is what the company focused on. Respondent 3, (2009) stated that it was the nature of the business that guided the intervention approach toward systems and processes. It was through redesigning logistical processes that the company has been able to implement its corporate sustainability intervention.

As can be noted from the responses above, governance with regard to corporate sustainability is important (Expert 1, 2009) and has greatly influenced the interventions of companies. While the debate on whether corporate sustainability issues should be legislated or remain as a guiding governance policy, King III (IoD, 2009) continue, the results from this research show that governance issues have had an impact on the way companies address both the hard and soft issues in relation to corporate sustainability. Respondent 4, 2009 has succinctly summarized that while there is legislation and policy to guide governance on sustainability issues, it makes good business sense to do it (Respondent 4, 2009). Furthermore, Expert 3 (2009) believes that due to governance legislation and policy on



sustainability in South Africa, companies can no longer ignore sustainability issues in their businesses and will now have to engage it in their business models.

A further four companies utilized a combination of theory E and O approaches for the change management strategy. Respondent 10 (2009) stated that it is important to focus on the hard and soft issues as they aid to collectively address sustainability issues (Respondent 10, 2009). Respondent 4 (2009) stated that it was essential that systems and processes were created to aid change but that it was equally important that the people that utilized those systems and processes were also part of that change. The respondent also admitted that it was often the softer issues, albeit more difficult to address, that provided greater success. Another company responded by stating that the company is still in its infancy stages with regard to its strategy and a lot of issues (both hard and soft) were still in a process of being addressed (Respondent 7, 2009).

An equal number of companies have embarked on utilizing hard issues as well as hard and soft issues for change. Effective change requires that systems and processes be changed as current systems and structures do not allow for sustainable outcomes. However, this change cannot be complete without adequately addressing the soft issues as they are dependent on each other for success. The results for this component are consistent with the results from the (Douglas, 2008) study. This dimension is also closely related to Kotter's (1996) fifth stage of change management implementation on Empowering Broad Based action.



6.2.4 Process

Half of the companies interviewed cited the utilization of a Theory O approach in relation to the process that was followed for developing a strategy for change. Respondents noted that, “if you don’t set a target, it will take as long as it takes” (Respondent 3, 2009) to implement an intervention and “the process defines the outcome so you can set the strategic intent” (Respondent 4, 2009) and determine the type of results that should be achieved. These companies stated that a clear plan was necessary to define and guide the intervention.

Only one company utilized a combination of both theories in its strategy development and stated that it had utilized an “integrated approach” to ensure entry into all discussions and that all parties were consulted on intervention ideas (Respondent 4, 2009).

All four companies that did not have a clear plan in terms of the process that was followed for strategy formulation stated that it started off with one requirement and has now snowballed into many things. One respondent noted that it has been a “hodge podge of incremental activities” and the company preferred an incremental approach to a clear targeted approach as the company felt that it was not mature enough to set targets on issues it was still trying to understand. The respondent believes that in time the company would be able to set targets through a plan, but for now, the company was enjoying playing with concepts and focused on



understanding all dimensions of corporate sustainability, rather than just complying. The respondent also stated that due to the prototype iterative approach, it was easy to stop interventions that were not working (Respondent 1, 2009). Other respondents felt that the ever evolving concept of corporate sustainability did not allow for a set approach as new issues were always coming to the fore either through Legislation, policy development or pressure from the public (Respondent 2, 2009 and Respondent 10, 2009)

The results from this dimension are not consistent with the theory. A primary reason for this could be that the complex, multidimensional notion of corporate sustainability does not allow for a single plan to effectively address the entire concept. The successful interventions that have been noted through the research process are varied and address a range of issues, providing a further explanation as to why the process can often not be addressed through a single plan (intervention).

6.2.5 Reward System

One of the key issues that have arisen with regard to providing rewards for sustainability through performance management systems is that most systems focus primarily on financial results. Therefore sustainability issues become an add on to a system that does not truly assess sustainability (Bieker, 2002 and Litten, 2005). However, in contrast with the theory, two companies did reward their staff for addressing issues of corporate sustainability. The rewards were target based in



terms of the scorecard approach (Respondents 5 2009 and Respondent 9, 2009). Respondent 9 (2009) further added that rewards depended on the level at which the person operated within the business, with managers being more accountable for sustainability issues.

Two companies utilized a combined approach of financial and non financial rewards. One of the experts interviewed, agreed with this approach. People within companies should do the right thing but it is good to be reaffirmed about it as some people do need rewards but it does not have to be financial (Expert 7, 2009). Both respondents that acknowledged this response, (Respondent 4, (2009) and Respondent 5 (2009) cited that the approach aided to consolidate and embed the concept of corporate sustainability within the culture of the company.

The remainder of the companies interviewed stated that managers and staff were not rewarded financially for implementing corporate sustainability interventions as it was seen to be part of their daily activities. A number of the experts that were interviewed felt the same way. Some of the statements that were made to support this ideology include “people should not do sustainability for rewards. It is part of our values” (Respondent 2, 2009) and “rewards for addressing issues of corporate sustainability is a no go area. It must be inherent that everything that the company does” (Expert 2, 2009).



Again, the results presented in this section are in contrast with that is proposed in terms of the theory. It is felt that the results have been influenced by the nature of the topic, in terms of the environmental, social and ethic sensitivities that the concept of corporate sustainability embraces. The results presented here, co – inside with the results from the original study (Douglas, 2008), further rationalizing the responses to this dimension.

6.2.6 Use of Consultants

The majority (70%) of companies noted a combined approach of Theory E and O in answering this question. The results from this question are consistent with the theory on corporate sustainability which states that for accountability reasons, companies should be responsible for addressing and reporting on sustainability issues within the company (Litten, 2005). Consultants have a role to play in ensuring that the company is built through facilitation, but responsibility must be internalized, Expert 7, (2009). Expert 2, (2009) and Expert 6, (2009) stated that consultants must coach, but again responsibility for corporate sustainability must lie with the company. Some of the responses from respondents that agree with this approach include, “I don’t like them and we only use them for specific expertise that we do not have in house, but we are always in charge” (Respondent 1, 2009). Respondent 4, (2009) reiterated that consultants were only utilized for specific issues.



Of the two companies that did utilize consultants to play a major role in the development of their corporate sustainability strategy, one stated that they utilized consultants in the early stages of their intervention to allow the company to benchmark against other companies that have been successful in implementing interventions (Respondent 8, 2009). The other company stated that they used consultants because they did not have the skills in house at the time (Respondent 10, 2009).

6.3 The Organizational Change process

Kotter's (1996) process states that there are eight chronological steps of implementation to effect change within organizations. This process forms the core part of research question 2 and its sub questions. The section below analyses and discusses the results that were presented in chapter 5 relating to research question 2.

6.3.1 Establishing a sense of Urgency

In addressing this question, the results were split across the Likert scale. The most common response was a rating of 4 by four companies. A further two companies rated the need for urgency at a 5. The remaining companies rated this question at 3 or lower.

All four companies that rated this question at 4 and above stated that governance requirements due to the nature of the business, a drive to understand social and



environmental issues within the company as well as pressure from CEOs wanting to address various issues of corporate sustainability within the organization as core reasons that drove the urgency within the organization (Respondent 2, 2009; Respondent 3, 2009; Respondent 9, 2009 and Respondent 10, 2009).

The remaining companies rated this question at 3. In providing reasons for the ratings, one Respondent 4, (2009) stated that “sustainability is a broad concept. It is important but not urgent. I am therefore not convinced on the urgency issue. In fact, we need the reverse of it” (Respondent 4, 2009). The respondent goes on to justify this view by stating that companies need to have a constant dialogue with people to make things happen, which is essential especially as the concept is evolving. This view was reiterated by respondent 1 (2009) who further stated that there must also be a willingness to let initiatives fail in order to allow for real learning and commitment to the process. The respondent iterated that risks and opportunities are often not immediate and it is therefore essential to straddle through the process to identify them. This is in contrast with the theory as Kotter and Cohen (2002) state that continuous gradual improvement, by itself is no longer enough for effective change.

The variety of responses in relation to this question highlights the complexity of corporate sustainability as some companies were able to address some issues as a matter of urgency (governance, BEE, electricity etc.) but not all. Other companies chose to dwell on difficult issues (ethics, redefining logistics systems etc) which



require time, especially to institutionalize within an organization. In all responses, the role of leadership was highlighted, either through creating the urgency (Respondent 5, 2009) or initiating concepts for consideration (Respondent 1, 2009 and Respondent 4, 2009).

6.3.2 Creating a Guiding Coalition

Again, the responses to this question were not consistent with the theory. A contributing factor in this regard was that the different respondents understood the concept of guiding coalitions to mean different things (even after the concept was explained by the researcher). This highlights the “newness” of this concept in relation to corporate sustainability interventions, within organizations.

Of the four companies that rated the question at 1, some of the reasons that were provided included a response from Respondent 2 (2009) who stated that the company only had a two man task team throughout the entire intervention process that directly consulted with executive management, and was considered sufficient for the process being undertaken. Yet another respondent stated that “I don’t have task teams, I am the team” (Respondent 6, 2009). Respondent 1 (2009) conferred that no guiding coalitions were used but focus groups formed part of the intervention.

One company that did utilize coalitions to guide the intervention stated that coalitions for various types of change were already in place. It was just about



pulling them together and using them (Respondent 3, 2009). This view is not completely consistent with the theory which states that coalitions must be created often with just the leader and a few people that have a range of skills and power. Another respondent 3 (2009) stated that there is a difference in maturity across the organization and this influenced the way in which the company engaged different parts of the organization. Other respondents' approaches were consistent with the theory in that the interventions did utilize cross functional teams, led by the CEO (Expert 5, 2009 and Expert 7, 2009). An explanation offered in this regard was that it was essential to have the right people in the room for progress (Expert 5, 2009).

6.3.3 Developing a Vision and Strategy

Having a clear vision can help companies understand opportunities aimed at responsible competitiveness (Hamann, Kambalame, Cleene and Ndlovu, 2006). Company responses in agreement with this view include "if you don't have it (a vision) you are not going anywhere" (Respondent 6, 2009). Furthermore, Respondent 4 (2009) noted that having a clear company vision and then trying to understand what this meant for sustainability was empowering. Another respondent stated that while the company did not have a strategy and followed an iterative process over the years while they were educating themselves on the concept of corporate sustainability, the vision of what the company wanted to achieve was always clear (Respondent 1, 2009).



6.3.4 Communicating the Changed Vision

An expert in the field noted that the biggest issue in relation to sustainability within companies is communication, true communication (Expert 11, 2009). In line with theory, almost all respondents felt communication regarding corporate sustainability within the company as well as with external stakeholders could be improved (Appels, van Duin and Hamann, 2006).

All companies contextualized their communication approaches to suit the intervention. Some companies utilized focus groups to discuss ethics (Respondent 1, 2009), while other companies had regular meetings with executives to get their buy in (Respondent 2, 2009). One company utilized events like the corporation's annual dinner, Respondent 1, (2009) and some utilized media drives (Respondent 5, 2009; Respondent 3, 2009 and Respondent 7, 2009) to communicate issues of corporate sustainability. While mechanisms have differed, respondents agree on the importance of communication for success. Some statements in this regard include, "you have to have critical mass if you want consensus" and therefore the company communicates with all stakeholders (internal and external) and collaborates with different organizations (Respondent 4, 2009). Respondent 5, (2009) noted that the company has clients because the company was open to scrutiny from all stakeholders and this has resulted in the company having clients because people know that they are environmentally sensitive. The Barloworld Study Appels, van Duin and Hamann (2006) highlighted the company's ability to create a clear link between sustainability and stakeholders within the overarching



vision statement of the company which allows the company to embed the importance of stakeholders within the company, beyond communication as an integral component of the company's success.

6.3.5 The Changing of Systems of Structures

This question is closely related to the focus dimension from Beer and Nohria's theory (2000) on change strategy. The results from this question are consistent with both theories. Fifty percent of respondents felt that in order for change to be broad based, it was essential to gain critical mass and bring people on board.

Respondent 3 (2009) realized that the intervention had become broad based when finance were providing ideas on how to make the business more sustainable. Respondent 4 (2009) acknowledged the importance of ensuring that all staff members were on board, but stated that a company is a lot more nimble when it is smaller and can achieve a lot more with regard to making change broad based, rather than a multinational corporation that operates in several countries.

Robins and Judge (2007) note the importance of a common understanding of concepts. They state that people often speak the same language, but differ in their understanding of issues. This was highlighted by respondents and experts alike in making change broad based on the same language and across languages (Respondent 4, 2009 and Expert 2, 2009). It was acknowledged that different approaches are required to bring people on board, but all entail collaboration



(Expert 5, 2009 and Expert 7, 2009). Experts also stated that there needs to be a focus on hard and soft issues in addressing the language barrier within companies, especially within the South African context (Expert 1, 2009 and Expert 5, 2009). One expert noted that the lexicon of corporate sustainability issues often did not exist in South African vernacular languages and that if companies wanted to institutionalize the concept, they need to work closely with all staff to ensure that the true meaning of sustainability was not lost in translation (Expert 11, 2009).

Another format of making change broad based to all stakeholders is through corporate sustainability reporting. There are several debates around reporting, including that analysts don't pay attention to processes of reporting which are so important (Respondent 3, 2009) and that companies are measured on "sexy stuff not what would really count" in an organization (Respondent 4, 2009). This often limits the true corporate accountability element of companies to stakeholders as only issues of compliance, not importance are addressed (Wilson, 2003). Reporting is often not done for stakeholders and therefore not its intended purpose (Respondent 2, 2009). Bernhart and Slater (2007) state that it is essential for companies to understand that different information is required for different audiences (with regard to sustainability reporting) and should take the time and effort to repackage and present information for a specific audience. The evolving debates are critical in aiding how change becomes broad based within organizations.



6.3.6 Generating Short Term Wins

All companies utilize short term wins to aid change (to varying degrees). Low hanging fruit is always a good way to influence and encourage people (Respondent 2, 2009). Short term wins also help companies to understand the ripple effect of changes on the company as well as beyond the company (Expert 5, 2009). For example, Respondent 3 (2009) noted that just by switching off the lights the company was able to save 30% on its electricity bill and this permitted the company to consider other sustainability interventions that allowed for cost cutting in the business which included readdressing the value chain of the organization.

Companies were also wary to note that while short term wins do help to a certain degree, it is essential to have a clear strategy to see the bigger picture (Respondent 4, 2009). We used the short term wins as an incentive to build credibility for the roll out of the greater plan (Respondent 10, 2009). One company stated that they focused on value drivers so addressing short term issues was not so easy (Respondent 8, 2009).

6.3.7 Consolidating Gains and Producing More Change

The results show that all respondents have utilized the successes gained from short term wins, in one way or another to produce more change. One Respondent 3, (2009) felt that the confidence gained from short term wins allowed the company to change systems and structures that were not consistent with the transformation. Another respondent felt that it provided credibility to the process and began to



allow for an integrated approach where sustainability could become an entry point into all discussions (Respondent 4, 2009). Respondent 1 (2009) provided an example of this by stating that the company first addressed small issues like water wastage within the company and then realized after a while that they could make money from it. Expert 7 (2009) however, stated that companies should be weary of utilizing fads as short term wins and that short term interventions must be consistent with the overall intervention, or else it could jeopardize the implementation of the overall intervention.

6.3.8 Anchoring new Approaches in the Culture

Responses to this question reiterated the importance of being able to embed change within the organization where everyone understands their role in relation to corporate sustainability. Sustainability issues were addressed in various ways within companies, including through being placed within the scorecards of people across the organization (Respondent 3, 2009) and speaking about it at every meeting (Respondent 5, 2009). One company stated that change was embedded in the organization to a point where people that didn't have the same value set as what the company now stands for, are often uncomfortable in the company and leave after a while (Respondent 4, 2009).

It is however, imperative to note that while most respondents stated that interventions have aided in making corporate sustainability issues part of the organization, they acknowledged that interventions were still in progress, therefore



making it difficult to assess the true anchoring of change within the culture of the organization. An expert also noted that in relation to corporate sustainability, change is constant and companies need to always know what is going on and be able to address it (Expert 2, 2009). In this regard, it would mean that only the alpha or beta components of Porras and Silvers' (1991), concept of individual cognitive change would apply to corporate sustainability interventions as these interventions are still in progress.

6.3.9 The Chronological Order and Addition or Subtraction of Stages

Respondents provided varied responses to this question. Again, this highlighted the broad nature of the concept of corporate sustainability. The aggregated results show that respondents often did not agree with the first two stages of the process, thus influencing its impact on implementing the process in a chronological order. Some of the comments in this regard included that the company did not follow this order of change as the approach has been iterative (Respondent 4, 2009). Another respondent noted that while the company did have a plan, the implementation of the plan often varied (Respondent 7, 2009).

A company that did follow this order of change stated the CEO created the urgency and led the team which developed the vision and communicated it to everyone within the organization. At the same time short term wins from a media perspective were launched, which aided the consolidation of the broader plan and allowed



sustainability to be mainstreamed through the organization in becoming part of the culture (Respondent 5, 2009).

6.4 Leadership for Organizational Change (Vision)

The results from understanding the leadership required for organizational change are presented in chapter 5. The results for each of these questions in this section align to the theory on authentic transformational leadership and are discussed in further detail below.

6.4.1 Idealized Influence

All respondents stated that their CEO's bought into the concept of corporate sustainability, respected the process and showed pride in the change that was taking place within the organization. This view was repeated by experts. One expert stated that it was essential that leaders understand sustainability in the context of their organizations (Expert 2, 2009), yet it is common practice that issues of sustainability are often not sufficiently appreciated by many CEOs (Expert 7, 2009). A further view was that the CEO as the accounting officer must understand take direct responsibility for corporate sustainability issues within the organization (Expert 12, 2009). One expert noted that younger CEO's allow for more change and are more innovative because they still have a twenty year career ahead of them, they want to make the most difference (Expert 5, 2009). Respondent 1, (2009) was in agreement with this view.



All respondents and experts provided adjectives of what a leader should be. Some of these included visionary, passionate, dynamic, have imagination, courage, creativity, be an activist, have a willingness to engage, embrace difficult discussion's, humility to say I don't have answers, foresight in understanding how trends will impact on the business now and in the future (no short term focus) and must walk the talk (don't preach sustainability and drive a Ferrari) (Respondent 1, 2009; Respondent 6, 2009; Respondent 8, 2009; Respondent 9, 2009; Expert 4, 2009; Expert 5, 2009 and Expert 7, 2009). Expert 6 (2009) however, stated that leaders require no specific set of qualities but must have the right values (Expert 6, 2009). The adjectives utilized above, co-inside with the characteristics of a transformational and authentic leader as described by Robbins and Judge, (2007) and Bass (1999).

The responses above acknowledge the importance of the role that a leader should play with regard to the change process. In addition, expectation has been created about the way a leader should behave and the qualities of a leader that will be respected through the change management process.

6.4.2 Inspirational Motivation

Respondents agreed that the leader has a critical role to play in terms of motivating for change. Nye (2008) states that good leaders consider motivate and empower their followers. As a CEO it was considered essential to mainstream the vision and strategy through simplifying it and allowing others to see and believe in it



(Respondent 5, 2009), in line with Robins and Judge (2007). Respondent 1 (2009) felt that the CEO's workshopped ideas all the time and often utilized this process to motivate people (Respondent 1, 2009).

Some companies, particularly Respondent 4, (2009), explained that while motivation from the CEO is critical, the nature of the business within this company does not allow the CEO to speak to every individual. In this regard, the CEO ensures that country managers are informed and it is often the country managers that are even more important to staff in terms of motivating them. This motivation is however, guided through the way the CEO expresses importance on issues of corporate sustainability (Respondent 4, 2009).

6.4.3 Intellectual Stimulation

Corporate sustainability as a theoretical concept is complex and multidimensional. Being able to adequately address the concept within a particular context requires people to think differently (Expert 2, 2009). Continuous learning needs to be inherent through a systems approach that allows for multiple issues to be considered simultaneously and also fosters creativity (Expert 5, 2009 and Expert 7, 2009).

Another issue that was raised by several interviewees was that South African leaders often do not engage in creative tension and are often not emotionally mature enough (Nye, 2008) to embrace it (Respondent 1, 2009; Expert 8, 2009 and Expert 9, 2009). Respondent 1 (2009) however, felt that companies are doing



it but have not intellectualized it that way. The company that Respondent 1 (2009) works for, has been guided by the CEO in addressing sustainability issues through a prototype approach that focuses on an Afro centric view to sustainability. This entrepreneurial approach allows interventions to fail, but focuses on constantly having a dialogue with its decentralized companies, around issues of change. The decentralized companies only implement interventions if they see the benefit. This is constant with Kotter and Cohen (2002) who state that “People change what they do less because they are given analysis that shifts their thinking than because they are shown a truth that influences their feelings” (Kotter and Cohen, 2002, p.1).

6.4.4 Individualized Consideration

All respondents speak about the individual consideration that CEO’s provide to embracing change through the utilization of various communication tools. For example, Respondent 1 (2009) stated that the CEO talks about interventions for as long as he has to until people start talking about it themselves (Respondent 1, 2009). Respondent 9 (2009) also stated that it was important for a CEO to recognize his/hers sphere of influence and to consciously utilize it in positive ways within the company. This visible form of managing change often contributes to the success of the intervention (Kilmann, 1990).

6.5 Key Themes that transcend the Research as a broad set of guidelines

The section below discusses key themes that have been highlighted through the research process. These themes take cognize of the individual component issues



that are addressed in earlier sections of this chapter, but are discussed in a manner that transcends the individual components. In developing corporate sustainability change management interventions, business could take cognizance of the issues below.

“Business principles are the normative guidelines of business” (Bieker, 2002, p.13) and at the outset of guiding business is the acknowledgement that South Africa needs to develop sustainability orientated companies (Expert 3, 2009; Expert 11, 2009 and Prinsloo, Beukes and de Jongh, 2006). In this context, issues of people, planet and prosperity (Expert 5, 2009) are considered to be equally important. The results of this research concur with the views of the experts in highlighting the need for business to embrace new models of operations.

South Africa still has a long way to go in this regard. This was highlighted while undertaking phase 1 of the research process, when the most common response to the question posed around companies that have successfully been able to implement sustainability was that experts were struggling to find companies that were truly successful (Expert 2, 2009; Expert 4, 2009; Expert 5, 2009; Expert 6, 2009 and Expert 7, 2009). One expert noted that due to the complexity of the issue of corporate sustainability, different companies were good at different aspects of sustainability (Expert 12, 2009). Another expert noted, that there were not even five companies that were doing well in implementing corporate sustainability (Expert 3, 2009) and yet another expert stated that no company in South Africa is doing well in implementing issues of sustainability (Expert 1, 2009).



These responses highlighted the complexity of the concept as well as the fact that corporate sustainability interventions have not been uniform, unlike in the Douglas, (2008) study. Under the umbrella of corporate sustainability, companies have began addressing issue in various ways that range from social, ethical, environmental and political subjects. These subjects are addressed through various mechanisms for the interventions including the media, the development of reports and cost cutting operational exercises to name but a few. These varied approaches and mechanisms draw attention to the multi disciplinary nature of corporate sustainability and make it difficult to have a focused comparative research enquiry.

One of the lessons that were learnt early in the research process was that there is no clear, systematic way to approach the complex concept of corporate sustainability. This complexity has therefore been indulged throughout the research process by moving through the various paradigms that influence corporate sustainability as well as change management. While the results do not allow for single suggestions to improve the implementation of corporate sustainability interventions, it does allow for a multitude of issues to be addressed and discussed, because if no particular paradigm is correct, then companies can choose the one or two that will help them achieve their purpose (Meadows, 1999).



The complexity in relation to corporate sustainability has further highlighted the fact that sustainability is still an evolving concept and business has an opportunity to define the “grey” in terms of what the concept means, how to address it, how to report on it, how to mainstream it etc (Expert 10, 2009 and IoD, 2009). Bloom and Dees (2008), in writing about social entrepreneurs, stated that entrepreneurs should not only understand the environment that they exist in, but must aid to shape those environments. This philosophy could be extended to all companies in relation to addressing issues of sustainability.

However, in order to do so, more than just a series of interventions are required. Business needs to challenge current philosophies and gear itself toward a pragmatic model of operation that is able to embrace the complexities associated with corporate sustainability. This could include utilizing concepts like systems thinking (Hassan, 2000), unintended consequences and externalities to frame the business model of a company (Expert 5, 2009; Expert 6, 2009; Expert 9, 2009 and Expert 11, 2009).

Companies need to change their mindset to ensuring that issues of sustainability become a strategic driver to impact on all aspects of the business including operations, marketing, investment and culture (Expert 3, 2009). This will further aid companies in understanding the risk and opportunities that exist within the business, including competition (Expert 5, 2009 and Henderson, 1989). For this to take effect companies need to be adaptive and resilient (Hamel and Valikangas,



2003) as most successful companies have changed their core strategies at least once (Respondent 3, 2009 and Expert 7, 2009).

It is equally important that sustainability be part of the core strategy (Expert 2, 2009; Expert 4, 2009; Expert 7, 2009 and Expert 11, 2009) of all companies. Porter (1996) states that a strategy can only be considered as sustainable if it is able to understand all aspects of the business and make trade-offs to benefit the company. Therefore, irrespective of the approach (incremental or through a guided plan), corporate sustainability issues need to be embedded within the strategy of a business (Expert 12, 2009).

Sustainability monitoring and reporting is a key aspect that reduces risks, provides knowledge about and organization and an education about how to improve the organization. There are several benefits from monitoring and reporting in a proper way and companies should take cognizance of this (Litten, 2005). This means that while a plethora of monitoring and reporting mechanisms exist, companies need to understand their business well enough to tailor make reports that are relevant to the company and its stakeholders. It is essential for companies to begin to embrace this beyond standardized reporting.

Another issue to consider is the framing and packaging of the concept to stakeholders. For a company to allow stakeholders to evaluate the company, shows the companies confidence in its ability to adequately address issues. It also



provides a platform to learn from stakeholders in relation to improving the business model (Respondent 3, 2009; Expert 6, 2009 and Expert 7, 2009).

However, within the context of South Africa, companies would achieve great success through education and training, within their organizations and with all their stakeholders on issues of sustainability (Expert 4, 2009 and Prinsloo, Beukes and de Jongh, 2006). Sharp (2006) notes the importance of companies being able to engage stakeholders and particularly communities as equal partners to limit consequences and implications, often intended (e.g. communities dependence on companies for hand outs).

Companies need to be cognizant of the context that it operates in as it influences the development, operations and future the company (Andrews, 1987). The nature of the business, the sector that the business is involved in and the skills base of the organization influence the corporate sustainability response. Therefore there is no clear set of principles that any one company can embrace to ensure success. Success can only occur when responses are contextually created.

In addressing all of the above themes, is the core theme of leadership. Through each of the various components that have been addressed in this research, the role of leadership has been clear. This is the overarching concept required in addressing corporate sustainability change management interventions. Successful interventions within companies will require leadership that believes in addressing



issues of sustainability buys into the change management process and is able to motivate change in various ways. While the results from the research show that respondents felt that the leaders of their companies possessed all the traits of authentic transformational leadership, (Goffee and Jones, 2000) state that there are myths that leaders possess all traits of leadership.

This section has highlighted the complexities that are inherently part of the concept of corporate sustainability. As a result, no clear model or set of guiding principles (as was the research intention) have been developed to guide the implementation of the corporate sustainability interventions. Instead, this research has culminated in highlighting the core issues that have arisen as a result of the research process. It is hoped that the insight gained through the research process resulting in these core issues, could still aid companies that are undertaking corporate sustainability change management interventions.



Table 9 -: A Summary of Key Themes to Consider in a Corporate Sustainability Change Management Intervention

Over Arching Issues

- Leadership
- Context

In Creating a Vision for the Company

- Sustainably Orientated Companies
- Equal focus on People, Planet and Prosperity

Understanding Corporate Sustainability and its impact on an Intervention

- Complex
- Non Uniform
- Cross Cutting
- Multidisciplinary
- Pragmatic Model
- Systems Thinking
- Unintended Consequences
- Externalities

Key Issues to Consider in a Corporate Sustainability Intervention

- Political
- Economic
- Social
- Technological
- Governance
- Ethics
- Environment

Considering Key Issues in implementing a Corporate Sustainability Intervention

- Strategy
- Stakeholders
- Communication
- Monitoring and Reporting
- Consider short and long term issues
- A contextual balance between hard and soft issues
- Embed change in the culture of the organization



6.6 Summary

The general the results from the three research questions which have framed this study coincide with the theory. Reasons for results differing from the core theory are summarized in the following chapter.

The results of the research highlight the complexity or corporate sustainability. In addressing this complexity for successful corporate sustainability interventions, some core themes including the role of leadership, context and process should be considered. These themes transcend the research questions in order to provide a comprehensive understanding of addressing issues of corporate sustainability within a change management process. The following chapter concludes the research enquiry



Chapter 7: Conclusion

7.1 Introduction

Corporate sustainability as a concept is still evolving and while there has been much discussion, and a steady evolution of ideas and debates in terms of the rhetoric of the concept, in practice the concept has not been mainstreamed (Hamann, 2006). This study began by raising this issue particularly from the perspective of utilizing change management processes within organizations to embrace the concept and in this final chapter returns to this issue. The discussion that follows addresses key themes that have emerged through the research in terms of the three main research questions.

7.2 Main findings of the Research

The research conducted has not produced a panacea to addressing the issues raised through the research questions. Instead, it has aided in highlighting the involvedness required in embracing issues of corporate sustainability through change management. It has also showcased a number of South African companies that have begun to embrace and indulge in this complexity toward becoming sustainably orientated companies.

The general result from the three research questions which have framed this study coincide with the theory. In addressing research question 1, except for two dimensions (process and rewards) the rest of the responses coincided with Beer



and Nohria's (2000) thinking that change strategies require a combination of financial and moral approaches. The nature of the subject matter could have influenced responses with regard to the question on rewarding staff for embracing issues of corporate sustainability.

In terms of research question 2 relating to the implementation of change within organizations (Kotter, 1996), the results also show close alignment to the theory except for the first two stages (creating a sense of urgency and utilizing guiding coalitions for change). In relation to companies not considering the implementation of corporate sustainability issues as a matter of urgency, this could be attributed to the nature of the concept of corporate sustainability, which does not allow for a single intervention, but several interventions which requires time and effort. Also, the concept of corporate sustainability is considered to be an evolving concept. Therefore several approaches are required to address the various components of the concept. This varied approach often allows interventions to be addressed in an incremental manner, thus influencing the process Beer and Nohria (2000) to be less structured and also lessening the urgency of the intervention.

The utilization of the concept of coalitions has been defined and utilized differently within different company environments (depending on sector and nature of business). This has impacted on the manner in which the question was answered and while the final answer does not differ much from the proposed theory, it has skewed the result.



All results obtained from research question 3 align directly with the theory and confirm the role that leaders should be in effecting successful corporate sustainability interventions within organizations.

7.3 Limitations of the Research

While this study has contributed to research by providing some insights into change management interventions with regard to corporate sustainability for companies within the South African context, there were some limitations. The utilization of the lens of change management interventions provides a specific perspective on the very complex multidimensional issue of corporate sustainability and does not allow for a detailed understanding of all variables within the concept.

In conducting the study in a 'vacuum', other pertinent issues may not have come to the fore while issues that possibly were not too important, might have been elevated, due to the focus of the research enquiry. This limitation was further perpetuated as the research enquiry was embedded in the theoretical work of Beer and Nohria (2000), Kotter (1996) and Bass (1999) and did not allow for issues that are not covered by these theories to be explored.

Only the sustainability managers (or the equivalent thereof) in the various companies were interviewed. These individuals were often directly involved in the change management process and their views and opinions on the intervention



could differ from other employees. If time and resources permitted, more attention could have been paid to finding alternate voices to provide a greater variety of thoughts and understanding of corporate sustainability interventions within companies.

The research process allowed for a method of verification of the data that was collected from companies through a method of triangulation. The secondary data analysis that was conducted after company interviews often revealed key issues which could, not be addressed.

The companies that formed the sample of this research were from various sectors and varied in size. The type of interventions that were undertaken by these companies also varied. This assortment limited the research enquiry's ability to make inferences between various companies as well as to explore issues in greater depth.

7.4 Future Research Ideas

In light of the limitations that have been highlighted above, this section provides some ideas for future research. They include:

- A study could be conducted within a specific sector, to provide more depth, understand nuances within the industry and provide specific recommendations that will be relevant to that industry;



- This study did not specify any type of interventions. In the context of corporate sustainability, the interventions ranged from ethics policies to redefining logistics processes within the company. A further study could try to understand a specific type of intervention. Once again, this would allow for greater depth in the research;
- A continuation from this study could be to interview employees within the ten companies to ascertain if they share the same views that the sustainability managers provided; and
- A study could focus on understand how the top ten companies that formed part of this research has been able to utilize the success that it has achieved to consolidate change within the organization, in line with step seven of Kotter's (1996) eight step approach.

7.5 Conclusions and Recommendations

The intended purpose of this qualitative study was to understand how companies that were considered successful in implementing corporate sustainability interventions achieved this.

While a company might be doing well on some components of corporate sustainability it may not be adequately addressing all issues of corporate sustainability. This has created difficulty in truly classifying good companies.



The results of this research show the corporate sustainability interventions have been piecemeal. Therefore, a fundamental question, with regard to sustainability still exists, which is, “how can companies be expected to address the three dimensions simultaneously without increasing complexity beyond impossibility?” (Hockerts, 2001, p.1).

One of the key conclusions has been that interventions in most companies are still being implemented and it is therefore difficult to state if they are truly successes or not. Also, due to the early stages of implementation, it is difficult to assess if the intervention has been adopted and is truly embedded in the culture of the organization.

Another conclusion is that the results from this study have been a lot more scattered than the original study. This could be attributed to the fact that corporate sustainability as a concept is much broader than just addressing issues of HIV and AIDS. This leaves greater room for interpretation and the results of the study have not been as succinct.

While, the results have coincided with the theory, a clear approach for success could not be developed (due to the various approaches that the different companies utilized). Instead a guide of themes to consider has been formulated and should be considered by companies that are embarking on change



management interventions with regard to corporate sustainability, but should adapt them to suit the context of the business in terms of sector and type of business.

The results have influenced the discussion on key issues that companies could consider in implementing corporate sustainability interventions within their organizations. The overarching notion is to ensure that leadership buys into the process and is at the helm of change. It is equally important to ensure that the intervention is grounded within the context of the business as there is no “one size fits all” approach. For a company to successfully achieve this, the company needs to have a clear understanding of all aspects of the business as well as the environment within which it operates. From a strategy perspective, it is essential to consider both financial and moral issues through hard and soft approaches. In implementing change it is essential to have a clear vision, communicate it, ensure that all staff understands the change and becomes part of the change process to ultimately change the culture of the organization in relation to the desired change. The process of change should be iterative, yet cognizant of the vision of the company.

The rhetoric of corporate sustainability is still being defined and the debates in this regard continue. However, even in muddling through in trying to understand the concept, the practice of corporate sustainability should be focused on pragmatic approaches that embrace complexity, yet streamline the manner in which it is entrenched in organizations.



References

1. Anderson, J.E. (2003) *The Study of Public Policymaking*. Boston: Houghton Mifflin Company.
2. Andrews, K.R. (1987) *Custom Edition of the Concept of Strategy*. New York: The McGraw-Hill Companies, Inc.
3. Appels, C., van Duijn, L. and Hamann, R. (2006) Institutionalising corporate citizenship: the case of Barloworld and its 'Employee Value Creation' Process. *Development Southern Africa*, 23(2), 241 – 250.
4. Ask Afrika. (2009) *Trust Barometer: The Corporate Reputation Benchmark*. Available from http://www.askafrika.co.za/survey_tb_2009_results.htm (accessed 25/10/09).
5. Bass, B. (1990) *Bass and Stogdill's Handbook of Leadership 3rd Edition*. New York, Free Press.
6. Bass, B. M. and Steidlmeier, P. (1999) Ethics, Character, and Authentic Transformational Leadership Behavior. *Leadership Quarterly*, 10(2), 181-217.
7. Beer, M. and Nohria, N. (2000) Cracking the Code of Change. *Harvard Business Review*. May-June 2000, 133-141.

8. Berbhart, M. and Slater, A. (2007) How Sustainable is your Business? *Communication World*, November – December, 18 – 21.
9. Bieker, T. (2002) *Managing corporate sustainability with the Balanced Scorecard: Developing a Balanced Scorecard for Integrity Management*. PhD, Summer Academy – “Sustainability, Corporations and Institutional Arrangements, University of St. Gallen.
10. Bloom P.N. and Dees, J.G. (2008) Cultivate your Ecosystem. *Social Innovation Review*, Winter 6(1), 47 – 53.
11. Bonnini, S. M. J., Mendonca, L. T. and Oppenheim, J. M. (2006) While Social Issues Become Strategic. *The McKinsey Quarterly*, 2, 19 – 31.
12. Collins, J. C. and Porras, J. I. (1996) Building Your Company’s Vision. *Harvard Business Review*, September – October 1996.
13. Covin, J. and Kilmann, R. (1990) Participant Perceptions of Positive and Negative influences on large-scale change. *Group and Organization Studies*, 15(2), 233 – 248.
14. Cummings, T. G. and Worley, C. G. (2005) *Organization Development and Change*, 8th edition, United States of America: Thompson, South-western.



15. Douglas, R. (2008) *Leadership of Organizational Change in Successful HIV/AIDS Workplace Interventions*, MBA Thesis, Gordon Institute of Business Science (GIBS) at the University of Pretoria.
16. Ernst and Young. (2009) *Excellence in Sustainability Reporting Awards: 2008*, Available from <http://www.ey.com> (accessed 25/10/09).
17. Goffee, R. and Jones, G. (2000) Why should Anyone be Led by You? *Harvard Business Review*, September – October, 63 – 70.
18. Graetz, F. (2000) Strategic Change Leadership. *Management Decision*, 32(8), 550 – 562.
19. Hassan, Z. (2006) Connecting to the Source. *The Systems Thinker*, 17, 2 – 7.
20. Hockerts, K. (2001) *What Does Corporate Sustainability Actually Mean from a Business Strategy Point of View?* Greening of Industry Network Conference, 21 – 24 January, 2001, Bangkok.
21. Hamann, R. (2006) Can Business make decisive contributions to development? Towards a research agenda on corporate citizenship and beyond. *Development Southern Africa*, 23(2), 175 – 195.



22. Hamel, G. and Valikangas, L. (2003) The Quest for Resilience. *Harvard Business Review*, September, 2 – 13.
23. Institute of Directors Southern Africa (IoD). (2009) *King Code of Governance for South Africa*. Johannesburg: Institute of Directors Southern Africa (IoD).
24. Kilman, R. H. (1990) Participant Perceptions of Positive and Negative Influences on Large-Scale Change. *Group and Organisation Studies*, 15(2), 233 – 248.
25. Kitchin, R. and Tate, N. J. (2000) *Conducting Research in Human Geography Theory, Methodology and Practice*. England: Prentice Hall.
26. Kotter, J. (1995) Why Transformation Efforts Fail. *Harvard Business Review*, 73(2), 59 – 67.
27. Kotter, J. (1996) *Leading Change*. Boston: Harvard Business School Press.
28. Kotter, J. (1998) Winning at Change. *Leader to Leader*, 10(Fall), 27-33.
29. Kotter, J. P., and Cohen, D. S. (2002) *The Heart of Change: Real-life Stories of how people change their organizations*. Boston: Harvard Business School Publishing.



30. Litten, L. (2005) *Measuring and Reporting Institutional Sustainability*, Annual Forum of the Association for Institutional Research, San Diego, 1 June.
31. Longhurst, R. (2003) Semi-structured interviews and focus groups, in Clifford, N. J. and Valentine, G., (eds), *Key Methods in Geography*. London: SAGE Publications Ltd.
32. Meadows, D. (1999) *Leverage Points: Places to Intervene in a System*. United States of America: The Sustainability Institute.
33. Moyo, T. and Rohan, S. (2006) Corporate citizenship in the context of the financial services sector: what lessons from the Financial Services Charter? *Development Southern Africa*, 23(2), 289 – 303.
34. Nkomo, S. M. and Cook, J. T. (2006) Leadership in Africa, in Luiz, J. (ed) *Managing Business in Africa*. California: Oxford University Press.
35. Nye, J. S. (2008) *The Powers to Lead*. New York: Oxford University Press.
36. Paul, J. (1996) Between – method triangulation in organizational diagnosis. *International Journal of Organizational Analysis*, 4(2), 135 – 153.
37. Porras, J. I. and Silvers, R. C. (1991) Organisation Development and Transformation. *Annual Review Psychology*, 42, 51 -78.



38. Porter, M. (1996) What is Strategy? *Harvard Business Review*, Dec, 59 – 74.
39. Prahalad, C. K. (2005) *The Fortune at the Bottom of the Pyramid*. Upper Saddle River: Wharton School Publishing.
40. Prinsloo, P., Beukes C. and de Jongh D. (2006) Corporate citizenship education for responsible business leaders. *Development Southern Africa*, 23(2), 196 – 211.
41. Puesto en el sitio Communication Initiative. (2002) *Developing Value: The Business Case for Sustainability in Emerging Markets*, The International Finance Corporation (IFC), and the Ethos Institute of Business and Social Responsibility, 19 October.
42. Robbins, S. and Judge, T. (2007) *Organizational Behavior 12th Edition*. Upper Saddle River: Pearson Prentice Hall.
43. Republic of South Africa, (2008) *Companies Act No. 71 of 2008*, Government Gazette, Cape Town.
44. Ruderstam, K. E., and Newton, R. R. (1992) *Surviving your Dissertation*, UK: Sage Publications.



45. Sharp, J. (2006) Corporate social responsibility and development: An anthological perspective. *Development Southern Africa*, 23(2), 213 – 222.
46. Stacey, J., (2009) Lecture Notes: Sustainable Development Lexicon, *Centre for Sustainability, Mining and Industry (CSMI)*, at the University of the Witwatersrand (WITS).
47. The Association of Chartered Certified Accountants (ACCA). (2009) *Winners of the 2008 ACCA SA Sustainability Awards*. Available from <http://www.accasa.co.za> (accessed 25/10/09).
48. The Free Dictionary. (2009) The Free Dictionary. Available from <http://encyclopedia.thefreedictionary.com/Systems+thinking> (access 08/11/09).
49. The Johannesburg Stock Exchange (JSE). (2009) *The Social Responsibility Index (SRI) 2008 Best Performers*. Available from <http://www.jse.co.za/sri> (accessed 25/10/09).
50. Todd, J. (1993) *Managing Change: Cases and Concepts, Implementing Change*, Richard Irwin Inc. Publishing.
51. Visser, W., Matten, D., Phol, M. and Tolhurst, N. (2007), *The A to Z of Corporate Social Responsibility*. England: John Wiley and Sons Ltd.



52. White, P. (2003) Making use of secondary data, in Clifford, N.J and Valentine, G., (eds), *Key methods in geography*. London: SAGE Publications, Ltd.
53. Wilson, M. (2003) Corporate Sustainability: What is it and where does it come from? *Ivey Business Journal*, March/April, 1-5.
54. World commission on environment and development (WCED), (1987) *Our Common Future*. Oxford, Oxford University Press.
55. Zikmund, W. (2003) *Business Research Methods*, 7th ed. South-Western, a division of Thomson Learning.

List of Appendices

h) Letter of Consent from Experts	Appendix A
i) Interview guide for Experts	Appendix B
j) List of expert Interviewees (Coding)	Appendix C
k) Letter of Consent from Companies	Appendix D
l) Interview guide for Companies	Appendix E
m) List of Company Interviewees (Coding)	Appendix F
n) Fields for Content Analysis	Appendix G



Appendix A: Letter of Consent from Experts



Universiteit van Pretoria
University of Pretoria



GORDON INSTITUTE
OF BUSINESS SCIENCE

Good Day

I am currently studying for my Masters of Business Administration (MBA) degree at the Gordon Institute of Business Science (GIBS) with the University of the Pretoria. I must complete a research project as a partial requirement for the degree. In this regard, I am conducting research on trying to understand how successful corporate sustainability interventions are implemented within companies. The research also attempts to understand the leadership practices that have influenced this success.

As a suggested expert in the field, I wish to request your permission to interview you about your views on the subject. Our interview is expected to last about an hour, and will help me understand your views on what contributes toward successful corporate sustainability interventions in companies. I am also interested in you providing me with a list of companies that you consider to be successful.

Your participation is voluntary and you can withdraw at any time without penalty. Of course, all recorded data will be kept confidential. If you have any concerns, please contact my supervisor or me. Our details are provided below.

Researcher: Rashika Padarath
Email: rashikap@gpg.gov.za
gibsond@gibs.co.za

Phone: 082 330 5043

Supervisor: Donald Gibson
Email:

Phone: 082 782 9455

Signature of Participant: _____

Date: _____

Signature of Researcher: _____

Date: _____



Appendix B: The Interview Guide for Experts



Universiteit van Pretoria
University of Pretoria



GORDON INSTITUTE
OF BUSINESS SCIENCE

Name: _____

Occupation: _____

Date: _____

2) Introduction

Corporate sustainability is a complex, multi faceted value laden concept. What do you think companies understand about corporate sustainability?

3) The Value of Corporate Sustainability

Is the complexity of the concept one of its biggest down falls? How can the concept be adequately addressed in business practice?

4) Implementing Corporate Sustainability

What do you think companies should do to implement corporate sustainability successfully?



5) Organisational Change

Do you think that organisations have to change in order to effectively implement corporate sustainability?

6) Components of change

What are your views on the following issues in relation to the change required for a corporate sustainability intervention?

Issue	Comments
The vision of the intervention	
The Strategy of the intervention	
The Goals of the intervention	
The Urgency and Focus of the Intervention	
Communication around the Intervention	
The processes, systems and structures that require change during an intervention	
The reward system of an intervention	



The utilisation and impact of consultants on being able to anchor change into the culture of the organisation	
What other issues do you think are pertinent for consideration during a change management process	

7) Leadership

What are your views on the following issues in relation to leadership in a corporate sustainability intervention?

Leadership	Comments
What should the role of the leader be in a change management process?	
The vision of the Leader	
The Leadership Approach	
The leaders ability around communication of the Intervention	
What should the leaders role be in the reward system of the intervention ?	
Should the leader take responsibility for coaching and advising on an intervention?	
What other issues do you think are pertinent for consideration during a change management process	

8) Nomination of Successful Companies

Which companies, in your opinion have successfully been able to lead organisational change through a corporate sustainability intervention?

No.	Company	Reasons	Contact Details
1			



2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			

9) Conclusion



What would you advise companies to do in order to achieve success with their corporate sustainability interventions?

**Appendix C: The List of Expert Interviewees (Coding)**

Interview Order	Coding Name	Interview Date	Time	Reference
1	Expert 1	01 September 2009	09:30 am	(Expert 1, 2009)
2	Expert 2	01 September 2009	1:00 pm	(Expert 2, 2009)
3	Expert 3	02 September 2009	noon	(Expert 3, 2009)
4	Expert 4	03 September 2009	08:00 am	(Expert 4, 2009)
5	Expert 5	03 September 2009	12:30 pm	(Expert 5, 2009)
6	Expert 6	04 September 2009	2:00 pm	(Expert 6, 2009)
7	Expert 7	04 September 2009	4:30 pm	(Expert 7, 2009)
8	Expert 8	09 September 2009	10:00 am	(Expert 8, 2009)
9	Expert 9	09 September 2009	12:30 pm	(Expert 9, 2009)
10	Expert 10	09 September 2009	12:30 pm	(Expert 10, 2009)
11	Expert 11	09 September 2009	4:00 pm	(Expert 11, 2009)
12	Expert 12	18 September 2009	1:00 pm	(Expert 12, 2009)

Appendix D: Letter of Consent from Companies



Good Day

I am currently studying for my Masters of Business Administration (MBA) degree at the Gordon Institute of Business Science (GIBS) with the University of the Pretoria. I must complete a research project as a partial requirement for the degree.

I am conducting research on trying to understand how successful corporate sustainability interventions are implemented within companies. I am particularly interested in understanding the change management processes within the organisation that allowed for this change as well as the role of leadership that was required in undertaking this change management process.

The company that you are involved with has been suggested by several experts as such a company. I therefore, wish to request your permission to interview you about the company's corporate sustainability intervention, in order to develop an understanding of key elements of its success.

Our interview is expected to last about an hour, and will help me understand the success of the corporate sustainability intervention in your company.

Your participation is voluntary and you can withdraw at any time without penalty. Of course, all recorded data will be kept confidential. If you have any concerns, please contact my supervisor or me. Our details are provided below.

Researcher: Rashika Padarath
Email: rashikap@qpg.gov.za
gibsond@gibs.co.za

Phone: 082 330 5043

Supervisor: Donald Gibson
Email:

Phone: 082 782 9455

Signature of Participant: _____

Date: _____

Signature of Researcher: _____

Date: _____



	sustainability?	developing a culture that embraces issues of corporate sustainability?	
Score:	Score:	Score:	
Leadership			
Did the leadership enforce a top down approach to the corporate sustainability intervention?	Did the leadership encourage a bottom up approach to the corporate sustainability intervention?	Did leadership provide a clear vision for the corporate sustainability intervention and engage staff on how this should be effected?	<ul style="list-style-type: none"> Who in leadership was involved? Did the type of leader involved influence the process? How?
Score:	Score:	Score:	
Focus			
Did the change procedure focus on physical systems and processes? (Hard issues)	Did the change process focus on employees' behaviour, attitudes and buy – in to the intervention? (Soft Issues)	Did the change process simultaneously focus on soft and hard issues?	<ul style="list-style-type: none"> How did leadership influence the focus of the intervention? How do you understand the impact of soft issues on employees?
Score:	Score:	Score:	
Process			
Did the implementation of the change management process involve a clear plan, with objectives and targets?	Was the implementation of the change management process an iterative one, allowing for changes as the intervention	Did the implementation process have a clear plan with measurable objectives and targets but allowed for innovation,	<ul style="list-style-type: none"> How can the process be improved to ensure further success?



	unfolded?	change and spontaneity where appropriate?	
Score:	Score:	Score:	
Reward			
Were managers and staff motivated through financial rewards?	Were managers and staff motivated through understanding the “bigger picture” and committed to the process through understanding the need for change	Was a combination of financial reward as well as buy in and commitment linked to the success of the company?	<ul style="list-style-type: none"> • Is reward essential to a corporate sustainability intervention? • How are soft issues measured?
Score:	Score:	Score:	
Comments:			
Use of Consultants			
Did consultants play a major role in developing the corporate sustainability intervention?	Was the corporate sustainability intervention developed in house?	Were consultants utilised at some points in developing the corporate sustainability intervention?	<ul style="list-style-type: none"> • Do consultants add value in a change management process? How?
Score:	Score:	Score:	
Comments:			

12)Organisational Change

We have spoken about strategies for change and we know that strategies without implementation are futile. The next set of questions is based on a Theory by Kotter (1996) who states that eight stages are required for adequate implementation of change. Some questions are in the form of a Likert-scale so please rate your responses for me. Please also provide reasons, examples etc. to explain your



ratings. Other questions require a yes / no answer. Again please elaborate on your answer.

- a) Rate the degree to which leaders were able to create sufficient urgency around the corporate sustainability intervention? How was this achieved?

1 Not Urgent	2	3	4	5 Urgency Created
Comments:				

- b) To what extent did leaders utilise guiding coalitions to foster change? How were guiding coalitions assembled and utilised?

1 No Guiding Coalitions	2	3	4	5 Guiding Coalitions
Comments:				

- c) Rate the importance of the development of a clear vision and strategy that helped direct the change effect that corporate sustainability required? How did this influence the change management process?

1 No Clear Vision and Strategy	2	3	4	5 Clear Vision and Strategy
Comments:				

- d) To what degree did leaders communicate the corporate sustainability vision and strategy? How was this achieved?

1 No Communication	2	3	4	5 Clear Communication
Comments:				



e) To what extent were leaders able to change systems or structures that undermined the corporate sustainability intervention? How was this achieved?

1 No change in systems and structures	2	3	4	5 Changed systems and structures
Comments:				

f) Did short term wins play in contributing to a continuous corporate sustainability intervention? Please elaborate?

Yes	To a Certain Extent	I Don't Know	No
Comments:			

g) Were successes consolidated and used to build momentum and allow for the implementation of more corporate sustainability interventions? Please elaborate?

Yes	To a Certain Extent	I Don't Know	No
Comments:			

h) Rate the extent to which new approaches were anchored into the culture of the organisation? How did this occur?

1 New approaches not anchored into the culture	2	3	4	5 New approaches anchored into the culture
Comments:				



- i) Did change occur in the order of the stages that I have mentioned? Please elaborate further and state if there are there any other stages that can be identified in the change management process?

Yes	To a Certain Extent	I Don't Know	No
Comments:			

- j) Can you describe what this change has meant to the company?

Comments:

13)Leading Change

A critical component of change is leadership. I would like to understand the kind of leadership that guided the change management process and how this might have influenced the corporate sustainability intervention in your company. I would like to do this, through asking some questions relating to a theory by Bass (1999) which talks about authentic transformational leadership. Again, some of the questions are in the form of a Likert Scale and require a rating while others are a yes / no answer. Please elaborate on all your responses.

- a. Who was the core leadership that guided the corporate sustainability Intervention?

Comments:

- b. Did the leadership provide a clear *vision* for the corporate sustainability intervention? What impact did this have on the implementation of the intervention?

1 Leaders played no Role	2	3	4	5 Leaders led the process
-----------------------------	---	---	---	------------------------------

Comments:

- c. To what extent did the leadership show *pride, respect and trust* (buy –in) in the change management process required for the corporate sustainability intervention?

1 Leaders did not buy in to	2	3	4	5 Leaders did buy in to the process
--------------------------------	---	---	---	--



the process				completely
Comments:				

d. Did the leadership play a motivational role in communicating the corporate sustainability intervention in simple ways?

1 No Motivational Communication	2	3	4	5 Motivational Communication
Comments:				

e. Did the leadership promote intelligence and allow for careful problem solving with regard to the corporate sustainability intervention process?

Yes	To a Certain Extent	I Don't Know	No
Comments:			

f. Does the leadership give *personal attention* by coaching and providing advice on the corporate sustainability intervention process?

Yes	To a Certain Extent	I Don't Know	No
Comments:			

14) **Conclusion**

a. What advice would you give to other companies in order to allow them to improve corporate sustainability interventions?

Comments:


Appendix F: The List of Company Interviewees (Coding)

Interview Order	Coding Name	Interview Date	Time	Reference
1	Company 1	11 September	noon	(Respondent 1, 2009)
2	Company 2	14 September	10:00 am	(Respondent 2, 2009)
3	Company 3	16 September	10:00 am	(Respondent 3, 2009)
4	Company 4	17 September	3:00 pm	(Respondent 4, 2009)
5	Company 5	18 September	11:00 am	(Respondent 5, 2009)
6	Company 6	25 September	09:30 am	(Respondent 6, 2009)
7	Company 7	28 September	11:00 am	(Respondent 7, 2009)
8	Company 8	30 September	2:00 pm	(Respondent 8, 2009)
9	Company 9	01 October	08:30 am	(Respondent 9, 2009)
10	Company 10	02 October	7:00 am	(Respondent 10, 2009)



Appendix G: Fields for Content Analysis

The qualitative data collected from the interviews were analyzed through content analysis. Statements were coded and placed into the fields below, which align to the three research questions. Where statements were applicable in more than one field, they were placed in all the relevant fields. Statements that did not apply to any field were placed in the miscellaneous section. This data, collated from both the experts and the company respondents was utilized in the discussion of each field.

Strategies for Change

Theory E and Theory O, By Beer and Nohira, (2000)

- Goals
- Leadership
- Focus
- Process
- Rewards
- Use of Consultants

Implementing Change within an Organization

The Eight Stage Process, By Kotter (1996)

- Establish a sense of Urgency
- Create a Guiding Coalition
- Develop a Vision and Strategy
- Communicate the Change Vision
- Empowering Broad Based Action
- Generating Short term Wins
- Consolidating Gains and Producing more Change
- Anchoring new Approaches in the Culture of the Organization

The Leadership required for Change

Authentic Transformational Leadership, By Bass (1999)

- Idealized Influence
- Inspirational Motivation
- Intellectual Stimulation
- Individualized Consideration

Miscellaneous

- Miscellaneous