

**STRATEGISING PRACTICES OF SUSTAINABILITY CHAMPIONS: A CASE STUDY AT A
STATE-OWNED ENTERPRISE**

by

ANDANI THAKHATHI

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SUPERVISOR: Ms. Catherine le Roux

CO-SUPERVISOR: Prof. Annemarie Davis

Date submitted: 4th November 2016

DECLARATION

Name: Andani Thakhathi

Student number: 49054104

Degree: Master of Commerce in Business Management

Exact wording of the title of the dissertation or thesis as appearing on the copies submitted for examination:

Strategising practices of sustainability champions: a case study at a state-owned enterprise

I declare that the above dissertation is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.



4th November 2016

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My parents both came from disadvantaged backgrounds, but despite their various challenges they both obtained PhDs while working and meeting family responsibilities. I will never forget growing up as a little boy and hearing people say: “You’re so lucky to have a father who is a professor.” I did not know what on earth that meant. I will also never forget being in primary school and waking in the middle of the night to go to the toilet, and seeing my mother up at about 2 am when the whole house was asleep. She was working on her PhD. My parents are now both academics who serve as examples from which I can draw. They blazed a trail that made my journey all the more inspiring as I had their stories as reference points whenever the going got tough. Thank you, Mom and Dad, your love and faith in me buoy me as I travail life’s journey!

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Abstract

The purpose of this study was to explore the strategising practices of sustainability champions at Transnet, a South African state-owned enterprise (SOE). The study set out to discover what these micro-strategising practices were and what strategic outcomes they had for the organisation at the corporate level of strategy praxis. The problem that this research sought to address was the need for greater progress towards corporate sustainability and the lack of research into the role, contributions and practices of sustainability champions in formal sustainability roles within relatively large organisations. This exploration was carried out in the form of a qualitative single-case study which drew on serial interviews (two per participant) and case documentation as sources of evidence. The data were analysed using Applied Thematic Analysis (ATA) in the CAQDAS software Atlas.ti. The study answered the research questions and found that sustainability champions engaged in seven sets of strategising practices with seven corresponding strategic outcomes. While it was not the intention of the study to develop a conceptual model, the process of synthesising the main findings resulted in a model termed the *web of sustainable strategising*. The study concludes that sustainability champions are strategists who aid their organisation in the pursuit of corporate sustainability while influencing the direction of macro-institutional arrangements towards sustainable development. These results cannot be generalised, but they are transferrable to similar contexts.

Keywords: sustainability champions, strategising practices, strategic outcomes, strategy-as-practice, state-owned enterprise

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List of Abbreviations

ATA	Applied Thematic Analysis
CAQDAS	Computer-Assisted Qualitative Data Analysis Software
COP21	21st Conference of the Parties (or COP) to the United Nations Framework Convention on Climate Change (UNFCCC)
CSI	Corporate Social Investment
DPE	Department of Public Enterprises
EXCO	Executive Committee
GRI	Global Reporting Index
IAS	Investment Analysts Society
IIRC	International Integrated Reporting Council
JSE	Johannesburg Stock Exchange
MDGs	Millennium Development Goals
NDP	National Development Plan
OD	Operating Division
OECD	Organisation for Economic Cooperation and Development
RBV	Resource-Based View
SAP-IN	Strategy-as-Practice International Network
S-as-P	Strategy-as-Practice
SDGs	Sustainable Development Goals
SOC	State-Owned Company
SOE	State-Owned Enterprise
TC	Transnet Capital Projects
TE	Transnet Engineering
TFR	Transnet Freight Rail

TNPA	Transnet National Ports Authority
TMT	Top Management Team
TPL	Transnet Pipelines
TPT	Transnet Port Terminals
UN	United Nations
UNGC	United Nations Global Compact
UNISA	University of South Africa
WBC	World Business Council
WCED	World Commission on Environment and Development
WEF	World Economic Forum

Definition of Key Terms

The key terms used in this study are defined as follows:

Corporate Sustainability: Corporate sustainability is a business model which entails that societal goals; environmental (protection and enhancement); social (justice and equity); and economic (growth, development and profit maximisation) are simultaneously pursued by corporations, business, organisations and institutions engaged in commerce and trade (Wilson, 2003).

Practices: Practices are the routines, discourses, technology and concepts, and the social, symbolic and material tools used in organisational work (Jarzabkowski & Whittington, 2008b; Jarzabkowski & Spee, 2009).

Practitioners: Practitioners are actors and individuals that are both directly and indirectly involved in strategy making, and who draw on practices in order to act (Jarzabkowski, Balogun & Seidl, 2007).

Praxis: Praxis is the work that comprises strategy and the stream of activity that interconnects the micro-actions of individuals and groups with the wider institutions in which those actions are located and to which they contribute (Jarzabkowski, *et al*, 2007; Jarzabkowski & Spee, 2009; Jarzabkowski & Whittington, 2008b).

SOE: Any corporate entity recognised by national law as an enterprise, and over which the State exercises ownership (OECD, 2015).

Strategic Outcomes: Consequential outcomes for the direction and/or survival of the group, organisation or industry (Jarzabkowski, *et al*, 2007).

Strategising: Strategising comprises those actions, interactions and negotiations of multiple actors and the situated practices that they draw upon in accomplishing an activity. It consists of the doing of strategy, emphasising the myriad micro-actions through which human actors shape activity in ways that are consequential for strategic outcomes (Jarzabkowski, *et al*, 2007; Johnson, Melin & Whittington, 2003).

Strategising Practices: Strategising practices are those situated routines, discourses, technology and concepts, and the social, symbolic and material tools that practitioners draw on when engaging in actions that comprise the doing of strategy which relate to strategic outcomes (Jarzabkowski & Whittington, 2008b; Jarzabkowski & Spee, 2009; Johnson, *et al*, 2003).

Strategy: Strategy is a situated and socially accomplished activity that has strategic outcomes (Jarzabkowski, *et al*, 2007).

Strategy-as-Practice: Strategy-as-Practice is a distinct field of research that studies strategic management, organisational decision-making and managerial work with a focus on micro-level social activities, processes and practices that characterise organisational strategy and strategising (Golsorkhi, Rouleau, Seidl, Vaara, 2010; Jarzabkowski, *et al*, 2007; Johnson, *et al*, 2003).

Sustainability Champion: An individual who seeks to lead change in an organisation to transform that organisation into a smarter, more successful and more sustainable enterprise (Bucklund, Brown, Coucoules, Crocker, Graham, Hartridge-Beam, Meyer & Webb, 2016).

Sustainable Development: Human and societal progress that meets the needs of the present without compromising the ability of future generations to meet their own needs through a convergence of three pillars, namely economic development, social equity and environmental protection (Drexhage & Murphy, 2010; WCED, 1987).

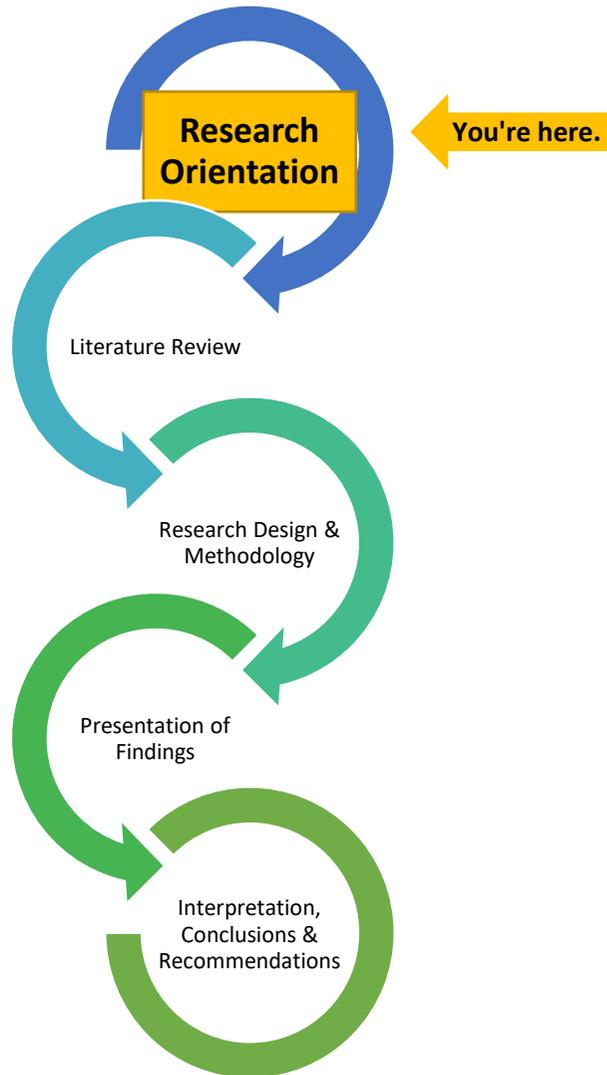
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Figure 1.0: Chapter 1 Overview



Chapter 1: Research Orientation

Chapter 1 introduces the reader to the research. It introduces the study, its background, the problem, the purpose and research questions. Thereafter it raises the importance of the study and outlines the delimitations. It concludes with a brief overview of methods used and an overview of the dissertation structure.

Chapter 1 Contents

- 1.1. Introduction
- 1.2. Background
- 1.3. Problem Statement
- 1.4. Purpose of the Study
- 1.5. Research Questions
- 1.6. Importance and Benefits of the Study
- 1.7. Delimitations
- 1.8. Methodology (Brief Overview)
- 1.9. Dissertation Chapter Outline
- 1.10. Conclusion

1 Research Orientation

Long live the planet. Long live humanity. Long live life itself – COP21.

1.1 Introduction

In recent times, there has been a surge in the number of prophets of doom. Using different platforms and media, they have been warning: Beware climate change! Pollution! Poverty! War! Social unrest! Ecological degradation! Water shortages! Food shortages! Power shortages! Economic depressions! We're running out of time!

What is often overlooked in such discourse is that the current problems that humanity is facing are not new, they are only becoming more apparent. The reason they are becoming so apparent is that the world population has exploded to over 7.3 billion people, and it continues to grow exponentially (UN Population Division, 2015). This makes the impact of our footprint on the earth much more visible than before, and difficult to ignore. Why is this so important to mention?

It is noteworthy because we are at the edge of an evolutionary leap. Contrary to popular opinion, there has not been a single civilisation on this planet that has been able to live sustainably as we conceptualise the term today (Wilber, 2003; Wilber, 2008). If we could realise the vision of sustainable development, it would be a first in world history. And there is hope!

The United Nations Conference on Climate Change (COP21) held in Paris from 30 November to 11 December 2015 represented a monumental leap towards the realisation of sustainability. For the first time in human history, 195 countries made a binding agreement to tackle climate change in unison (UNFCCC COP, 2015). In a civilisation whose history speaks more of wars and the dark side of humanity, we are beginning to see a side of ourselves that is full of love and light, a side that cares for others, for nature and for life itself, as espoused in the concept of sustainability.

Climate change is just one of many issues, at macro-level, that the concept of sustainability encompasses (Hamann, 2013). Other noteworthy issues include biodiversity, non-renewable resource usage, waste management, poverty, health, hunger and economic welfare (UN, 2016). The macro-national cooperation that was displayed at COP21 must filter down to organisations and communities. At these micro-levels, the sustainability agenda can only be advanced by individuals or groups of individuals whom this research regards as *sustainability champions*.

This research was aimed at contributing to the global sustainable development agenda by exploring strategising practices at the microlevel of analysis. The research studied the strategising practices of sustainability champions in a Company with over 66 000 employees and worth over R50 billion in annual revenues in order to explore how these champions strategise for corporate sustainability.

In order to explore their practices in depth, the study adopted the Strategy-as-Practice (S-as-P) theoretical framework. Think about strategy as a world of its own. This world can be viewed from far away with a telescope and seen as a coherent whole. From a distance its waters are all the same blue colour, its landscapes all seem to be an interconnected combination of green and brown. It looks like a fascinating, giant marble. This telescopic view or “big picture” is what has dominated the strategy literature through macro-economic and industry analysis that have only sought to understand how organisational strategy affects firm-level performance at the macro-level of analysis (Jarzabkowski & Seidl, 2012).

Now, consider being plunged into this world and being given a microscope. Through this microscope you can now see the minutest details of the strategy world. You see details that were invisible to you when you looked through the telescope at the big picture. Now you notice miniature strategy cells that make up strategic organisms and beings. You can inspect the very ground on which the strategy reality lives and smell the varying scents that pervade the air.

This is the newly emerging micro-level of strategy discourse and research. This level of analysis is engendering an awareness of the individual human beings that play a role in organisational strategy, big or small (Jarzabkowski & Seidl, 2012). It reveals

that there are communities in every organisation. And in each community there are groups of people. And, ultimately, these groups of people are made up of units – individuals. This is the view that this research sought to offer by utilising the S-as-P theoretical framework as a microscope with which to view sustainability champions in the contemporary business world.

S-as-P studies phenomena through three lenses: practitioners (those who do strategy); praxis (different levels of strategy); and practices (the actual doing of strategy). It facilitates the understanding of complex social phenomenon at the micro-level (Jarzabkowski & Spee, 2009; Whittington, 2006).

This chapter (Chapter 1 – Research Orientation) introduces the study's research orientation by discussing the research problem which gave rise to the need and purpose of this research. It also discusses the key research questions which guided the research and briefly introduces the overall research approach. The background to this study is discussed in the following section.

1.2 Background

Sustainability is one of the biggest developmental challenges of the 21st century (UN, 2016). It is a worldwide problem and has risen to the top of the global development agenda as evidenced by the UN's renaming of the Millennium Development Goals (MDGs) to the Sustainable Development Goals (UN, 2016). Transforming organisations towards the achievement of corporate sustainability is a key contribution to solving this problem (Bonini & Bove, 2014; Lozano, 2015). The relationship between institutions, organisations (public and private) and society should be re-negotiated for the betterment of humanity (Buchholtz & Carroll, 2015).

The need for sustainable development and sustainable social structures exists at all levels of society, from the macro (nations and institutions) to the meso (organisational) and all the way down to the micro (small groups and individuals). When conceptualising this study, the researcher opted to focus on the micro- and meso-levels of analysis. This is in accordance with the line of reasoning that the aggregate

(society) is composed of parts (groups), and that these groups are composed of units (individuals) (Allen, 1909; Allen, 1910; Wilber, 2008).

It follows that change can only occur in society if it is championed by individuals, and therefore all change must start at the individual level (Allen, 1903, Allen, 1909; Allen, 1910). At this micro-level, organisations and individuals in them constitute the fabric of society and are important catalysts for driving change towards sustainable development (Joseph, 2015).

Sustainability is now a significant concern for industry and business. Businesses are facing global mega forces that are the result of unsustainable social practices that will impact and in some cases disrupt the business sector in the coming two decades (KPMG, 2012; Brebbia, 2012; Wong, 2014; Haigh & Hoffman, 2012). These mega forces include climate change, energy and fuel scarcity, material resource scarcity, water scarcity, population growth, wealth distribution, urbanisation, food security, ecosystem decline and deforestation (Boons, Montalvo, Quist, Wagner & Marcus, 2013; KPMG, 2012; Politics & Government Week, 2012; Starbuck & Singer; 2010).

Such considerations have caused sustainability to filter into boardrooms, integrated reports and governance frameworks, and ultimately into strategic management in academia and practice (Barker, 2011; Laszlo & Zhexembayeva, 2011; Louw & Venter, 2013; Porter & Cramer, 2006). It has become increasingly important for organisations to embed sustainability concerns in all core business operations and support functions (Bonini & Bove, 2014).

Yet, in order to do this effectively, competent and capable sustainability champions are required as drivers of successful organisational progress towards corporate sustainability (Benn, Dunphy & Griffiths, 2014; Scheirer, 2005). Despite the critical role of sustainability champions, too little research has been conducted into who they are, the work that they do and the outcomes of their work (Schaefer, 2004; Taylor, Cocklin & Brown, 2012).

To make matters worse, the existing literature reveals even less about their strategising practices (i.e. what they do, how they *do* what they do, and the strategic

significance thereof) and has mostly focused on the psychosocial dynamics of *environmental* champions (Hoffman & Bazerman, 2007; Taylor, *et al*, 2012; Visser, 2007; Visser & Crane, 2010). However, the protection of the environment is just one aspect of what sustainability champions do. They also address the social and economic aspects of sustainability.

Taking the above into account, this study sought to address the research gap in order to make a potentially meaningful contribution. The dominant discourse has moved from an exclusive focus on the “ecological” and “green” movements towards a new integrated view of sustainability (Lorek & Joachim, 2014). This integrated view encompasses environmental, social and economic sustainability (Hamann, 2013). It was therefore important for this research to go beyond the investigation of environmental champions and to research sustainability champions’ practices in order to understand the pragmatic aspects of what they do and the strategic outcomes of their actions.

In this vein, this research explored the strategising practices of sustainability champions employed in formal roles as sustainability practitioners at a South African state-owned enterprise (SOE). The choice to research the practices of formal sustainability champions was informed by a prevalent trend in companies the world over to establish sustainability roles, jobs and divisions headed by Chief Sustainability Officers (CSOs) or Heads of Sustainability Divisions and Departments (Haigh & Hoffman, 2014; Longworth, Doran & Webber, 2012; Miller & Serafeim, 2014).

Exploring sustainability champions’ practices in this unique social context provided valuable insights for scholarship and practice within the spheres of sustainable development and sustainable strategic management (Stead & Stead, 2014). The study adopted an S-as-P theoretical framework in order to explore this complex social phenomenon in depth. S-as-P was apt because it emphasises the practitioner and the role of human beings in strategy practice and scholarship (Jarzabkowski & Seidl, 2012).

S-as-P is a view of strategy that emphasises *people*, and it seeks to understand “how what people do in the name of strategy shapes the strategies that the firm may pursue

or that may emerge” (Jarzabkowski & Seidl, 2012:1). S-as-P enabled the researcher to explore sustainability champions’ strategising practices at the micro-level of the organisation relative to corporate strategy outcomes at the meso-level of strategy praxis.

It is important for contemporary management research to investigate organisational and corporate sustainability so that the management thereof can be enhanced for sustainable development. This is especially important in the South African context, so much so that these sentiments were institutionalised by South Africa’s National Department of Environmental Affairs and Tourism when they developed the National Strategic Framework for Sustainable Development (NSSD) and stated unequivocally that South Africa would now be “obliged by our international commitments, constitutional principles and statutory laws to justify our national policies and development strategies in terms of sustainable development” (DEA, 2008:2). The South African government has noted that businesses, corporations, non-profit organisations and institutions of all types are key participants in the implementation of the action plan for the realisation of the sustainable development in South Africa (DEA, 2008).

The dire need for sustainability in businesses, corporations and commercial organisations of all kinds was echoed by the Institute of Directors of Southern Africa, which implored companies in the King III Report on Corporate Governance to focus on sustainability by saying:

Sustainability is the primary moral and economic imperative of the 21st century. It is one of the most important sources of both opportunities and risks for businesses. Nature, society, and business are interconnected in complex ways that should be understood by decision-makers. Most importantly, current incremental changes towards sustainability are not sufficient – we need a fundamental shift in the way companies and directors act and organise themselves (IODSA, 2009:9).

Therefore, this research sought to make a contribution to this sustainable development problem by exploring how sustainability champions strategise for corporate

sustainability within Transnet, a relatively large SOE in South Africa. Transnet is a key engine for the realisation of state policy imperatives such as employment, export-led growth, economic growth, infrastructure development and the creation of an enabling economic environment for business in South Africa. It is also a key company in the SADC community given its cross-border logistics network, and it has a notable footprint on society and the environment (DPE, 2016).

In essence, this study engaged in rich contextual research that sought to explore the strategising practices of sustainability champions and the strategic outcomes of those practices through the S-as-P perspective at a South African SOE. It is globally accepted that unsustainable social activity is a threat to humanity and the planet at large (UN, 2016), therefore micro-level research is required to help illumine context-specific aspects of realising sustainability (Joseph, 2015). This research was conducted in this spirit, with the aim of drawing from practitioners' practices in order to shed pragmatic light on the practical aspects of sustainability and strategy, and how these relate in the contemporary Southern African business environment.

1.3 Problem Statement

Sustainability champions are important success factors in the effective implementation of corporate sustainability at the strategic level within organisations. They aid organisations in making progress towards corporate sustainability (Benn, *et al*, 2014; Scheirer, 2005). Yet there is little research on these individuals and their strategising practices (Taylor, Cocklin & Brown, 2012), and even less in the South African corporate context. Therefore, the problem that this research sought to address is twofold:

1. The need for corporate sustainability aligned decision-making and behaviour among Southern Africa's company management
2. A lack of research into the strategic outcomes of the practices of sustainability champions in sustainability divisions of relatively large organisations

The logic of this research is that by exploring the strategising practices of sustainability champions, problem 1 will be addressed, thus aiding practitioners, scholars and policy-makers with results that may assist them in dealing with problem 2.

1.4 Purpose of Study

The purpose of the study was to explore the strategising practices of sustainability champions and the strategic outcomes of these practices. The research set out to contribute to the sustainability and Strategy-as-Practice body of knowledge by shedding light firstly on what these practices are, and secondly on what outcomes these practices have for corporate strategy.

1.5 Research Questions

The research was guided by research questions rather than research objectives, as research questions are suited to exploratory qualitative research (Guest, MacQueen & Namey, 2012). These consisted of “(a) a central question and (b) associated subquestions” (Creswell, 2014:139). Research questions in qualitative inquiry do not assume relationships among variables. Rather, they are aimed at developing an understanding of how a unique case may provide insight into a particular issue (Creswell, Hanson, Plano & Morales, 2007) in this case the strategising practices of sustainability champions. Therefore, the central and subquestions guiding the research were the following:

1.5.1 Central Research Question

- How do sustainability champions strategise for corporate sustainability?

1.5.2 Research Subquestions

1. What are the strategising practices of sustainability champions?
2. What are the strategic outcomes of sustainability champions’ practices?

1.6 Importance and Benefits of the Study

This study has the following importance and benefits:

1.6.1 Benefits for Strategy-as-Practice

The research adds to the S-as-P body of knowledge by illuminating a different kind of practitioner, namely the sustainability champion. A review of the S-as-P bibliography (SAP-IN, 2016b) shows that, at the time of the review, only two studies noted by the Strategy-as-Practice International Network (SAP-IN) have researched strategy and strategic planning champions (Mantere, 2005; Nordqvist & Melin, 2008).

This suggests, from a S-as-P perspective, that sustainability champions have not been adequately studied and there is a paucity of understanding of what their strategising practices are. According to the SAP-IN bibliography (SAP-IN, 2016b), no previous research has looked at sustainability champions, their strategising practices or their strategic significance from an S-as-P perspective. The research done for this dissertation has been the first research into these topics in the South African SOE context.

1.6.2 Benefits for the Sustainable Development Agenda

Strategic corporate sustainability is a significant current issue for organisations the world over, yet literature has revealed that the embeddedness of sustainability in strategy is still facing significant challenges (Bonini & Bove, 2014; Bonn & Fisher, 2011; Witjes, Vermeulen & Cramer, 2016). In response to this, the research under consideration has contributed to the global sustainable development agenda and to the corporate sustainability agenda by studying the strategising practices of sustainability practitioners (champions).

The research results foster a better understanding of what the strategising practices of sustainability champions are, and provide insight into the strategic outcomes of these practices. This research benefits these agendas by revealing how formally appointed sustainability champions' practices result in strategic outcomes, and thus contributes to the literature on sustainability champions and their strategic significance. The findings contribute to the closing of a widely acknowledged gap between rhetoric and action when it comes to sustainability (Mulder, 2016).

1.6.3 Additional Benefits

This was a single-case study and, though the aim of the study was not to generalise, the findings of the study may still be *transferable* to other contexts (Jensen, 2008; Shaw, 2013). The findings can therefore also benefit other organisations that are seeking to establish formal roles for sustainability practitioners, or have already established them and wish to improve their corporate sustainability strategising. The findings could also assist decision-makers and managers in the pursuit of sustainability by helping them to determine which practices to adopt or abandon based on the desired strategic outcomes. The findings may also benefit other practitioners who wish to use them to augment their own practices, bearing their unique desired outcomes in mind.

1.7 Delimitations

The participating champions were limited to those in formal sustainability-related roles. No other form of champion, such as *innovation champions* or *champions of change*, were studied. No champions other than those with formal sustainability roles, such as champions in the finance, information technology or human resources divisions, were studied. Only champions occupying formal sustainability roles in the Group Sustainability Department of the organisation were studied at one SOE in South Africa's transport, freight and logistics industry. No other organisation or industry was studied.

1.8 Methodology

This was a qualitative single-case study, which was apt due to the exploratory nature of the research (Creswell, 2014). The research context was a relatively large South African SOE which employs over 66 000 employees and earns annual revenues in excess of R50 billion. Purposeful participant selection was used based on selection criteria to enhance quality (Yin, 2011).

Two primary sources of data were used, namely interviews and case documentation (Yin, 2014). However, as advised by Yin (2014), the researcher collected additional evidence in the form of informal observations and artefacts of strategy practices,

including images taken on site and personal journals of participants during fieldwork (all with the permission of the case company in line with ethical requirements). This additional evidence served to confirm or refute the findings based on the two primary sources of data (interviews and documents).

The prolonged case study interview approach, referred to as *serial interviews* and known in S-as-P as *narratives of practice*, was used. Each participant had two interview sittings (Hitchings, 2012; Rouleau, 2010). Also, artefacts of strategy practice, including documentation, images and informal observations (Yin, 2014), were collected. A type of qualitative thematic analysis specifically known as *Applied Thematic Analysis* (ATA) was used to analyse the data (Guest, *et al*, 2012; Saldaña, 2013).

1.9 Dissertation Chapter Outline

The chapters in the dissertation are sequenced according to the following structure: Figure 1.0 shows that the reader is currently reading Chapter 1, Research Orientation. At the start of each chapter there is a similar figure which aids the reader in locating where they are in the study. These figures can be used to navigate through the dissertation. Chapter 1 explicates the research and introduces the study. Chapters 2 and 3 contain the literature reviews: Chapter 2 focuses on the literature pertaining to strategy, corporate sustainability and sustainability champions, while Chapter 3 focuses on S-as-P literature and introduces the S-as-P theoretical framework. Chapter 4 covers the research design and methodology. Chapter 5 presents the research findings, and Chapter 6 contains the interpretation, synthesis, conclusions and recommendations.

1.10 Conclusion

This chapter served as an introduction to the dissertation entitled *Strategising Practices of Sustainability Champions: A Case Study at a State-owned Enterprise*. It introduced the problem the research sought to address, namely the lack of insight into sustainability champions' strategising practices and their strategic outcomes, and demonstrated how this had given rise to the purpose of this case study and its guiding research questions. After considering the importance and key benefits of the research,

clear delimitations were outlined. These were followed by a brief description of the methods employed to gather and analyse data. The following chapter, Chapter 2, will review the published literature on sustainability champions and the strategy–sustainability nexus. Thereafter Chapter 3 will review the literature covering the Strategy-as-Practice theoretical framework adopted by this study.

Figure 2.0: Chapter 2 Overview



Chapter 2: Strategy, Corporate Sustainability and Sustainability Champions

Chapter 2 forms part of the dissertation's literature review. It covers the extant literature on contemporary strategic management and new concepts in strategy. Thereafter it reviews published research into the sustainability problem and the role of corporate sustainability in solving the problem. Lastly it reviews literature on SOEs, given that an SOE is the context of the champions in this study.

Chapter 2 Contents

- 2.1. Introduction
- 2.2. Contemporary Strategic Management
- 2.3. The Sustainability Problem
- 2.4. The Role of Corporations in Addressing the Sustainability Problem
- 2.5. An Integrated Definition of Corporate Sustainability
- 2.6. The Strategic Nature of Corporate Sustainability
- 2.7. Sustainability Champions
- 2.8. What Do Sustainability Champions Do?
- 2.9. Sustainability Champions Context: State-owned Enterprise Sector
- 2.10. Conclusion

2 Championing Strategic Corporate Sustainability

Sustainability is not just a biophysical problem. If it were, then maybe it would be easier to confront. However, as we discussed, sustainability is a human development problem, with all of the ethical, cultural, social, religious, political, civil, and legal implications that it entails

– Jean Stead & Ed Stead.

2.1 Introduction

This chapter reviews the existing published literature in the topic areas of Strategy, Corporate Sustainability and Sustainability Champions. It synthesises the literature and illustrates the nexus of these subject fields as they relate to this research. The chapter begins by reviewing what the literature reveals about contemporary strategic management, because S-as-P research should not be divorced from existing strategy literature (Jarzabkowski & Whittington, 2008a).

It then proceeds to outline emerging views on strategy that predate the S-as-P perspective. Thereafter, it clearly outlines the *sustainability problem* and shows how it has led to the emergence of sustainable development in general, and corporate sustainability in particular. Literature about the key role-players in corporate sustainability is then reviewed and sustainability champions are conceptualised.

2.2 Contemporary Strategic Management

This study falls within the Business Management subject field and focuses on Strategic Management. Therefore, this literature review first explores what characterises contemporary strategic management and how contemporary strategic management is defined, before looking at new views of strategy that are gaining ground, such as S-as-P and Sustainability. In so doing, the researcher intends to demonstrate how the research contributes to strategic management in general, and the Strategy-as-Practice literature in particular.

2.2.1 Strategy: The Term

There are multiple perspectives on what strategy entails. What has been missing in the development of strategy scholarship is consensus on what a strategy *actually* is (Bogdan, 2014; Gupta & Gupta, 2013; Hambrick & Fredrickson, 2001; Nag, Hambrick & Chen, 2007). There is still much fragmentation within the strategy lexicon and inexactness about the essence of strategy (Ronda-Pupo & Guerras-Martin, 2012; Mainardes, Ferreira & Raposo, 2014). Despite this absence of scholarly congruency, some attempts have been made to define strategy and some definitions have been widely adopted.

Seminal Attempts: Early management gurus put forth different initial perspectives on what strategy is (Bracker, 1980). Drucker (1954) describes strategy as comprising situational and resource analysis. Chandler (1962) segments strategy into three parts: the determination of (1) long-term goals; (2) courses of action; and (3) resource allocation. Ansoff (1965) emphasises that decision-making is the core of strategy underpinned by product scope, market scope, growth potential, synergy and competitive advantage. Ackoff (1974) takes a bird's-eye view of the notion that strategy is centred around long-range objectives that should be pursued systemically. One of the most seminal early contributions is Mintzberg's Five Ps of Strategy. Mintzberg (1987) asserts that strategy can be conceptualised as a plan, ploy, pattern, position and perspective. Mintzberg's conceptualisation of strategy was influential and filtered into contemporary attempts to define the term.

Contemporary Attempts: As the field developed in the 1990s and into the 21st century, new attempts to stabilise the concept emerged, yet the lack of consensus persisted. During the 1990s scholars asserted that strategy is a *pattern* of settlement that reveals an organisation's purpose or objectives (Andrews, 1991). Henderson (1991) emphasises that strategy is a deliberate *action plan* designed for the pursuit of competitive advantage. Thompson and Strickland (1995) emphasise that strategy is a *plan* that seeks to maximise firm performance through market positioning and customer satisfaction.

The positioning school of thought has been added to the discourse and solidified by Michael Porter, who asserts that strategy is about strategic market positioning and competitive advantage (Porter, 1996; Porter, 2008). Using a co-word analytic method, contemporary scholars suggest that the strategy concept comprises “the dynamics of the firm’s relation with its environment for which the necessary actions are taken to achieve its goals and/or to increase performance by means of the rational use of resources” (Ronda-Pupo & Guerras-Martin, 2012:180). Yet some of the recent scholarly work insists that given the myriad views of the term, strategy cannot be given a closed definition and should rather be seen as a term whose specific meaning is shaped by context (Mainardes, *et al*, 2014).

Taking all the above into consideration, it may be suggested that despite this conceptual incongruence, the “overarching purpose of a strategy remains the attainment of a long-term position of advantage” (Venter, 2014:10). Therefore, regardless of the approach to strategy taken by firms, the aim of strategy remains the attainment of competitive advantage; it is this notion that unifies strategy theory and scholarship. Having considered what strategy is, attention can now be turned to the management of strategy today, that is the cotemporary concept of strategic management.

2.2.2 Conceptualising Strategic Management

Following on from the above, the management of strategy, that is strategic management, can be conceptualised as a broad term that speaks to an organisation’s vision, mission, long-term goals and the pursuit of these, taking into account the internal and external environment (Mainardes, *et al*, 2014). Other scholars define strategic management as “the process by which managers of the firm analyse the internal and external environments for the purpose of formulating strategies and allocating resources to develop a competitive advantage in an industry that allows for the successful achievement of organisational goals” (Cox, Daspit, McLaughlin & Jones, 2012:28–29).

Another key concept that seems to be prevalent in definitions of strategic management is the idea of firm or organisational performance (Furrer, Thomas & Goussevskaia,

2008). Performance has been found to be one of the most prevalent terms in strategic management scholarship in the 26 years leading up to 2007 (Furrer, *et al*, 2008). Similarly, empirical work conducted by Nag, *et al* (2007) has developed a consensual definition of the strategic management field drawing on contemporary literature and the views of leading international strategy scholars. The authors' findings confirm that the focal aim of strategic management is "to enhance the performance" of firms (Nag, *et al*, 2007:943). To put it into perspective, the conceptual element *performance* has the highest incidence (86%) of appearance in definitions of strategic management – an overwhelming majority (Nag, *et al*, 2007).

A common emphasis emerges from the above: Strategic management is concerned with (1) internal and external environments; (2) objectives or goals; and (3) competitive advantage (Gupta & Gupta, 2013; Raduan, Jegak, Haslinda & Alimin, 2009). In essence, this is where strategic management is today. However, even though contemporary strategic management emphasises performance and competitive advantage, there are new views of strategy work and scholarship that are more concerned with other aspects of strategy. They are discussed in the following section.

2.2.3 New Views of Strategy

The roots of strategy were highly influenced by economics, as can be seen in the fact that "strategy researchers have largely focused on employing large-scale quantitative studies to test their deductively derived theoretical models" (Lockett & Wild, 2014:372). However, today strategic management is not an exact science, but rather a social science that "involves both quantitative and qualitative assessment and analysis" (Ehlers & Lazenby, 2010:6). The field has continued to grow and is incorporating new approaches and methods of analysis (Johnson, Scholes & Whittington, 2008). These approaches address the realisation that managers are not purely rational calculators, but that they are also complex and unpredictable social beings. As a result, new views on strategy have grown to incorporate the following three key perspectives and areas of research: Complexity Theory; Discourse Theory; and Strategy-as-Practice (Johnson, *et al*, 2008).

Complexity Theory, which is drawn from the physical sciences, facilitates an understanding of perplexing social patterns of behaviour. Discourse Theory has also become prominent in strategy literature as a means of illuminating how strategy talk, language and discourse can construct social reality, shape what goes on in organisations and impact strategic outcomes. S-as-P has emerged as a theoretical framework, a research lens and a view of strategy that is underpinned by sociological theories which enable the researcher to understand the micro-activities and socially complex means by which strategic objectives are pursued (Johnson, *et al*, 2008).

The body of published literature about S-as-P is increasing rapidly (SAP-IN, 2016b), and even traditional strategy texts acknowledge the need for a more action-oriented approach to strategy. Well-recognised international and Southern African strategy textbooks also express this view, as can be seen in Table 2.1 below:

Table 2.1: Recognition of the Practice Perspective in Traditional Strategy Texts	
On Strategies	<ul style="list-style-type: none"> ➤ “At their simplest, strategies help to explain the things that managers and organisations do” (Thompson & Martin, 2010:9). ➤ “Strategy is what people do, not what organisations have” (Venter, 2014:7).
On Strategists	<ul style="list-style-type: none"> ➤ “To some extent all managers are strategy makers” (Thompson & Martin, 2010:10). ➤ Strategy is not just the responsibility of top management; it is a “total and continuous organisational process” (Ehlers & Lazenby, 2010:4). ➤ “Strategy is not solely the domain of top management” (Venter, 2014:7).
On Strategising	<ul style="list-style-type: none"> ➤ “In a nutshell, strategy is about what organisations do. It is about doing the right things right – and for the right reasons. These activities are carried out by everyone in the organisation. Managers 'everywhere' and at all levels affect the choices, decisions and tactics” (Thompson & Martin, 2010:784). ➤ “Strategic management is not a neat and rational process” (Venter, 2014:7). ➤ “Strategy is a conversation” (Venter, 2014:7).
Source: Own compilation.	

Table 2.1 shows that strategies have ceased to be seen as objects or mere artefacts of intent, and are beginning to be seen as verbs – something that people actually *do* and implement (Brown & Thompson, 2013).

Further, it is important to note that traditional strategic management has previously seen strategy as the work of top management alone. However, leading strategy texts are beginning to acknowledge that responsibility for strategy is shared throughout different levels of the organisation, though top management still retains the ultimate accountability for strategy implementation (Jarzabkowski, *et al*, 2007; Jarzabkowski & Spee, 2009; Vaara & Whittington, 2012; Venter, 2014). Lastly, strategy is beginning to be seen as a messy, socially accomplished activity that is evident in the everyday discourse and actions of varying actors (Jarzabkowski & Whittington, 2008b).

Over and above these aforementioned lenses through which strategy is newly perceived, there is another key component of strategy that has risen to the top of the global organisational agenda: sustainability. The following section discusses the emergence of sustainability, starting with the *sustainability problem* that has given rise to the concept of sustainable development, and then proceeds to discuss corporate sustainability.

2.3 The Sustainability Problem

Sustainability has risen to the top of the global development agenda in recent times (Mauser, Klepper, Rice, Schmalzbauer, Hackmann, Leemans & Moore, 2013; COP21, 2015; UN, 2016). This has filtered into the business world and affects decisions about how businesses produce, serve and strategise (Fernando, 2012; Coenen, Benneworth & Truffer, 2012). Stakeholders and interest groups have increased pressure on business to contribute meaningfully to sustainability and to report on their actions taken in pursuit of sustainable development (Atkinson, 2000; Bell, Soybel & Turner, 2012; Hahn & Scheermesser, 2005; Isaksson & Steimle, 2009). Despite these developments in the business environment, there is still much to be accomplished in terms of business's contribution to sustainable development

(Biermann, Abbott, Andresen, Bäckstrand, Bernstein, Betsill, Bulkeley, Cashore, Clapp & Folke, 2012; CISL, 2015; Johnson, 2015).

It is the recognition of the sustainability problem that has caused the Institute of Directors of Southern Africa (IODSA) to assert that it is imperative for business to make fundamental shifts towards operating sustainably (IODSA, 2009). Motesharrei, Rivas and Kalnay (2014) reveal, based on empirical evidence, that excessive economic stratification (inequality), excessive resource use and excessive negative ecological impacts may lead to catastrophic outcomes for the global economy as we know it. The authors warn that a complete collapse of modern civilisation is imminent if these issues are not addressed (Motesharrei, *et al*, 2014). The nature of the social and ecological problems experienced by the global economy is explored in more detail in Table 2.2 below.

Table 2.2 highlights some of the key challenges facing the global economy at present. Such concerns have significant implications for organisations, specifically businesses. As a result of the potential impact of climate change, resource scarcity, social unrest, food insecurity, deforestation and ecosystem decline, corporate sustainability will no longer be an option, but will become the new normal way of doing business (Fernando, 2012). In other words, current economic activity on our planet is unsustainable and there is still much to be accomplished in terms of progress towards sustainable development (Benn, *et al*, 2014; Markard, Raven & Truffer, 2012).

Sustainability is therefore the concern of every sector of society. As such, researchers, public sector structures, independent organisations, businesses and corporations have been recognised as key players in addressing the sustainability problem (Garud & Gehman, 2012).

Table 2.2: The Nature of Global Ecological and Socioeconomic Problems

Problem	Severity of Problem
Global Ecological Strain	<ul style="list-style-type: none"> • 25 to 45 million fish and 30 million birds and animals are killed daily. • 20 thousand land animals are killed per minute. • There is anthropogenic interference (pollution) with one-half of the terrestrial ecosystems and one-quarter of the freshwater supply. • Biodiversity continues to decrease at rates 100 to 1,000 times their pre-human levels. • Global CO₂ emissions from fossil-fuel burning, cement manufacture and gas flaring have increased at an accelerated rate. • 41% of the oceans showed high human induced impacts on marine ecosystems in 2012. • Human settlements now cover 7% of the world's ice-free land and their croplands by another 21%. • There is a loss of half of the world's forests historically to domestication. • Tropical forests declined at around 12 - 14 million hectares per year in both the 1990s and 2000s, and a similar amount was degraded. • The proportion of overexploited fish stocks tripled from 10% in 1970 to 30% in 2012.

Social and Economic Stratification!	<ul style="list-style-type: none"> • Richest 1% in the world will own more than all the other 99% of the world's population by 2016. • Almost half the world — over three billion people — live on less than \$2.50 a day. • More than 80% of the world's population lives in countries where income differentials are widening. • 22,000 children die each day due to poverty. • Less than one per cent of what the world spent every year on weapons was needed to put every child into school by the year 2000 and yet it didn't happen. • Water problems (lack of access to water; polluted water sources, lack of sanitation) affect half of humanity. • One in every two children on the planet live in poverty.
Sources: Shah, 2013; Asongu & De Moor, 2015; Cousens, 2008; Elliot & Pilkington, 2015; Oxfam International, 2015; UN, 2014.	

2.4 The Role of Corporations in Addressing the Sustainability Problem

The *Brundtland Report*, a seminal UN report that coins the term *sustainable development*, identifies that industry is pivotal to the realisation of progress towards sustainable development because of its ability to meet human needs while generating the resources and wealth required for economic development (WCED, 1987). Further, it clearly articulates that firms should take responsibility for their contribution to the risks and threats to sustainable development in the form of waste, pollution, excessive use of resources and the promotion of inequality (WCED, 1987).

By outlining a macro-framework for sustainable development and emphasising the importance of corporations and industry in the realisation of sustainability, the *Brundtland Report* sets the stage for sustainability to gain increased importance in organisations and, ultimately, to shape business. It calls for the integration of

economic, social and environmental concerns in the day-to-day running of companies (Crews, 2010; Sharma, Starik & Husted, 2007).

The notion that business, companies and corporations are pivotal to broader sustainability concerns has been echoed by contemporary scholars (Carroll & Buchholtz, 2014; Høgevold, & Svensson, 2012; Linnenluecke & Griffiths, 2010). The realisation that the business sector is a key contributor to society through its ability to manage, control and deploy resources has led to a call for corporations to embark on the sustainability journey (Hahn, Pinkse, Preuss & Figge, 2015).

The main reason for this call is that “without big corporation’s participation it will be hard for nations to drive sustainable development” (Isaksson & Steimle, 2009:170). Furthermore, business can facilitate the innovation, the technological advancement, the development of competencies, the capital mobilisation, the creation of new markets and the structural changes which are crucial to the realisation of sustainable development (Murthy, 2012).

This has not always been the case though. Historically, sustainable development and economic objectives of industry and business were seemingly juxtaposed and characterised by adversarial relations (Murthy, 2012). It was the WCED that brought about the resurgence of the centrality of business to sustainability (WCED, 1987). This recognition of the importance of firm contribution to *sustainable development* has given rise to the emergence of the term *corporate sustainability* (Hahn, *et al*, 2015).

2.5 An Integrated Definition of Corporate Sustainability

The term *corporate sustainability* is used increasingly by scholars in the literature (Atkinson, 2000; Dyllick & Hockers, 2002; Van Marrewijk, 2002; Van Marrewijk, 2003; Schaefer, 2004; Griffiths, Dunphy & Benn, 2005; Steger, Ionescu-Somers & Salzmann, 2007; Baumgartner & Ebner, 2010; Benn, *et al*, 2014; Hockerts, 2015; Engert, Rauter, & Baumgartner, 2016; Martin, Farndale, Paauwe & Stiles, 2016; Witjes, *et al*, 2016). In fact, *corporate sustainability* “is receiving considerably increased attention internationally, and the material link with economic, social and

environmental benefits is becoming increasingly appreciated” (Klettner, Clarke & Boersma, 2014:150).

Amid ambiguity surrounding the term (Montiel & Delgado-Ceballos, 2014; Hoffman & Bazerman, 2007), there is a general consensus that corporate sustainability is underpinned by social, environmental and economic considerations, also commonly referred to as the *Three Ps* (people, planet and profits) or the *triple bottom line* (Edgeman, Eskildsen & Neely, 2015; Elkington,1997; Milne & Gray, 2013; Willard, 2012).

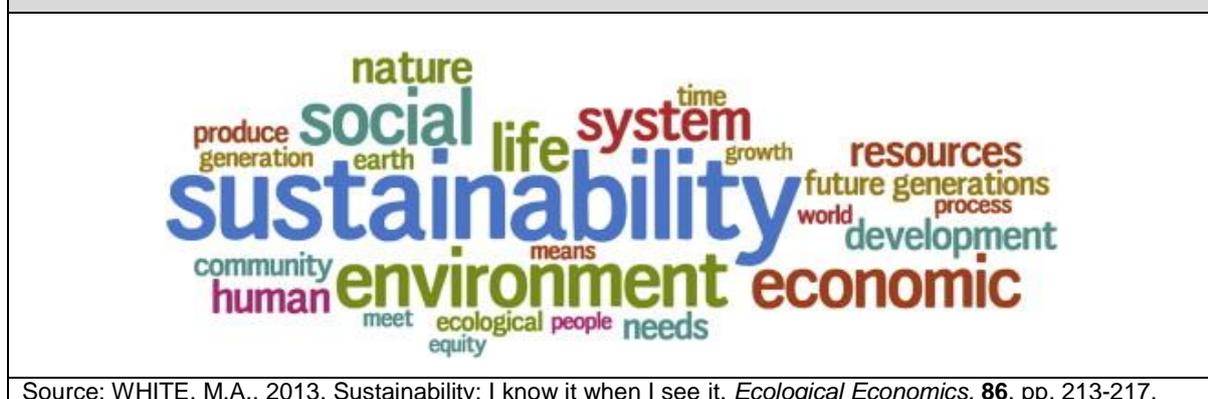
Thus it has come to be widely accepted that the essence of corporate sustainability is an organisation’s pursuit of social, environmental and economic prosperity for itself and all its stakeholders over the long term. This integrated conceptualisation of corporate sustainability is supported by recent literature. Table 2.3 below illustrates this definitional consensus:

Table 2.3: Definitional Consensus of Corporate Sustainability	
References (oldest to most recent)	Definition: Corporate Sustainability...
Dyllick & Hockerts (2002:131–132)	“... can accordingly be defined as meeting the needs of a firm’s direct and indirect stakeholders (such as shareholders, employees, clients, pressure groups, communities etc), without compromising its ability to meet the needs of future stakeholders as well. Towards this goal, firms have to maintain and grow their economic, social and environmental capital base ...”
Hahn & Scheermesser (2005:3)	... posits “that private sector companies should not only create economic value and provide goods and services that enhance the standard of living, but that they should also engage actively in mitigating the different

	environmental and social problems they cause through their activities”.
Montiel (2008:254)	... is “a tridimensional construct that includes environmental, economic, and social dimensions”.
Baumgartner & Ebner (2010:77)	“... contains, like sustainable development, all three pillars: economic, ecological and social.”
Holton, Glass & Price (2010:152)	“... can be defined as improving corporate social, environmental and financial performance in a balanced and integrated way.”
Linnenluecke & Griffiths (2010:358)	... integrates “corporate economic activities with organisational concern about the natural and the social environment”.
Asif, Searcy, Zutshi & Ahmad (2011:353)	“... encompasses economic, environmental and social issues that have business implications.”
Bell, et al (2012:72)	“... implies attending to environmental and social issues while seeking profits.”
Hamann in Louw & Venter (2013:50)	... refers to “proactive efforts to design and implement financially viable business models that simultaneously contribute to solving some of the complex social and environmental problems we face”.
Haywood, Trotter, Faccar & Brent (2013:112)	... incorporates “social and environmental aspects into the conventional financial focus; primarily to address the demands of tough global competitive pressures exerted by a range of stakeholders”.
Hahn, et al (2015:297)	“... requires firms to address interconnected and interdependent economic, environmental and social concerns at different levels.”
Martin, et al (2016:31)	“... extends beyond a simple market/democratic dichotomy, introducing other economic, social and environmental sustainability logics.”
Source: Own compilation.	

As can be seen in Table 2.3 above, there is general consensus in the literature that the term *corporate sustainability* is concerned with the pursuit of maximising welfare in three key dimensions: social, environmental and economic. This is confirmed in a study done by White (2013) that uses 103 scholarly and colloquial definitions of the term *sustainability* to generate a tag (word) cloud in order to highlight visually where definitional consensus of sustainability exists. The visual word cloud upholds what this literature review has found and illustrates that the terms social, environment and economic are central to the conceptualisation of sustainability (White, 2013). This engaging visual is shown in Figure 2.1 below:

Figure 2.1: Colloquial and Academic Definitional Consensus of Sustainability



However, this emerging integrated view of Corporate Sustainability (CS) is not without its limitations. Its broadness can lead to a plurality of operational meanings as CS comprises complex considerations that apply differently in different situations (Searcy, 2012). Indeed, “sustainability constitutes such a broad set of issues that each organisation has to determine for itself those specific sustainability concerns that the organisation can effectively address and that are relevant to the organisation’s industries, markets, geographic locations, and stakeholders” (Bell, *et al*, 2012:72). As a result, the specific mechanics of how corporate sustainability manifests itself on the ground is addressed in many different ways in literature and practice (Hahn & Scheermesser, 2005; Hahn, *et al*, 2015; Haywood, *et al*, 2013; Isaksson & Steimle, 2009; Linnenlueke & Griffiths, 2010; Montiel & Delgado-Ceballos, 2014; Murthy, 2012; Smith & Sharicz, 2011).

Regardless of these limitations, the three-pronged integrated definition of corporate sustainability remains widely accepted as work in progress. The nuanced details of how each organisation seeks to realise corporate sustainability can only be constructed in context, as different firms approach sustainability differently based on context (Formentini & Taticchi, 2016). As such its broadness suffices to guide organisations, in general, towards the common goal of contributing to the global sustainable development agenda. This three-pronged integrated definition consisting of three key concepts – social, environmental and economic is therefore the primary definition of corporate sustainability adopted by this study.

2.6 The Strategic Nature of Corporate Sustainability

Scholars say that strategy and sustainability can no longer be regarded as separate from each other (Lloret, 2016; Mulder, 2016; Porter & Kramer, 2006; Engert, *et al*, 2016). Corporate sustainability has gone from being a “greenwashing” or purely philanthropic exercise, to being an aspect of doing business that is slowly gaining importance in the strategic direction of companies. As such, sustainability and strategy are becoming inseparable (Louw & Venter, 2013; Hamann, *et al*, 2010; Dyllick & Hockerts, 2002; Laszlo & Zhexembayeva, 2011; Porter & Kramer, 2006; Tsai, Tsai & Chang, 2013; Lloret, 2016).

In fact, “companies are striving to achieve long-term benefit by adopting sustainability activities as core of corporate strategy” (Goyal, Rahman & Kazmi, 2013:362). Other scholars note that there has been a progression from “Sustainability 1.0”, which focused largely on openness, transparency and risk management, to “Sustainability 3.0”, which aligns sustainability priorities with *strategic* business objectives (Bell, *et al*, 2012:72). Therefore, it can be said that “the emerging new paradigm for sustainable business is strategic corporate sustainability as a means of embedding sustainability in corporate strategy and creating sustainable value” (Fernando, 2012:585).

This is also true for the Southern African context. Practitioners such as the business leaders who are members of the Institute of Directors of Southern Africa (IODSA) echo

these sentiments in the globally recognised *King III Code of Corporate Governance* (IODSA, 2009). In its preamble, the IODSA King III states the following:

Sustainability is the primary moral and economic imperative of the 21st century ... current incremental changes towards sustainability are not sufficient – we need a fundamental shift in the way companies and directors act and organise themselves (IODSA, 2009:9).

This emergent discourse has noted that sustainability is an inescapable priority for business leaders, and that the major reasons why the attempts of businesses to become more sustainable have failed are that sustainability initiatives are not aligned with strategy (Baumgartner & Ebner, 2010; Fernando, 2012; Porter & Kramer, 2006). Beyond the normative motivation for sustainability to be recognised as a strategic concern, there are some important economic benefits that sustainability yields for some organisations.

In this vein, corporate sustainability has been identified as a source of innovation and new growth, while other scholars have noted its ability to engender a reduction of costs, the management of risks and its role as a driver of key strategic structural changes (Haywood, *et al*, 2013; Holton, *et al*, 2010). In some cases, corporate sustainability has emerged as a source of strategic competitive advantage (Loorbach & Wijsman, 2013). Therefore, the link between sustainability and performance has also become an increasingly notable focus area of research, with scholars calling for the investigation of this link utilising varying research methods of both qualitative and quantitative natures (Goyal, *et al*, 2013; Schreck, Van Aaken & Donaldson, 2013; Schreck, 2011; Schreck, 2009).

Taking the above into account, it can be seen that corporate sustainability is the new way of conceptualising business, and in the face of our current global problems, it is here to stay. Sustainability is no longer a separate “nice to have” public relations exercise. It is becoming increasingly essential to long-term business survival, corporate governance, reporting and strategy (Benn, 2012; Russel, 2013; Walsh, 2012). An organisation’s success is no longer merely about financial gains at the expense of nature and society; going forward, business success will be determined by

the degree to which it adopts sustainability as part of its core strategy (Louw & Venter, 2013).

Hamann *et al* (2010:51) assert that “instead of philanthropy or legal compliance, the overarching approach to the relationship between an organisation and its social and environmental context must be fundamentally about organisational strategy”. More than a decade ago, the literature had already begun to call for a movement *beyond* the purely instrumental *business case* for corporate sustainability. Sustainability should, in essence, become both a normative ethical and a value-adding, wealth-creating *strategic concern* that relates to *core* business (Dyllick & Hockerts, 2002).

The notion of corporate sustainability is also entering into practitioners’ perceptions. Board members, CEOs and top management teams (TMTs) are becoming increasingly aware of the significance of corporate sustainability to their business operations, and strategy practitioners in companies are beginning to acknowledge publicly that sustainability is the most urgent issue of contemporary business strategy (Bonini & Bove, 2014; Galbreath, 2012; Kiron, Kruschwitz, Haanaes, & Von Streng Velken, 2012; Klettner, *et al*, 2014; Russel, 2013). It is also noteworthy that research has found “that sustainability concerns have become a factor of strategic planning over the past 10 years” (Barker, 2011:1).

As a result of its implications for the internal, external and market environments of organisations (Boerner, 2010), corporate sustainability is indeed strategic. Some of the key drivers of strategic sustainability include stakeholder pressure, macro-institutional developments, market trends or market forces and an increasingly established business case for sustainability. These are discussed in more detail below.

2.6.1 Pressure Exerted by Stakeholders and Interest Groups

More than a decade ago, the literature had already begun to note stakeholder pressure on corporate entities to demonstrate a commitment to sustainability objectives (Atkinson, 2000). Bell, *et al* (2012:71) state that “companies are inundated with requests for changes in, and information about, their behaviours and products” towards corporate sustainability.

This pressure is emanating from the public, government, regulatory bodies, primary and secondary stakeholders, interest groups, activists, academia, shareholders, employees and customers who are increasingly becoming conscious of sustainability concerns (Hahn & Scheermesser, 2005; Hahn, *et al*, 2015; Haywood, *et al*, 2013; Isaksson & Steimle, 2009; Linnenluecke & Griffiths, 2010; Moore & Wen, 2008). Over and above this stakeholder pressure there are some key macro-institutional developments that have driven corporate sustainability onto the strategic agendas of organisations the world over.

2.6.2 Macro-institutional Developments

While sustainable development issues have been prevalent since the Bruntland Commission's *Our Common Future* report was first published, corporate sustainability issues have recently gained momentum as institutions, regulators and governing bodies began to take note of it. In South Africa, there have been some key macro-developments since the publication of King II. These developments have added impetus to the prominence of corporate sustainability in corporate governance and organisational strategy (IODSA, 2009).

These developments include the publishing of the United Nations Global Compact (UNGC) for businesses and organisations, the Global Reporting Initiative (GRI), CSR White and Green Papers published in the European Union, regional ethical guidelines for multinational corporations such as in the OECD, and the promulgation of CSR-related legislation (UNGC, 2014; IODSA, 2009). More recently, the adoption of the UN's Sustainable Development Goals (SDGs) has served to give greater global legitimacy to the importance of sustainability (UN, 2016).

In South Africa, the National Department of Environmental Affairs (DEA) states that the government's position on sustainability focuses on the protection of biodiversity, climate change mitigation, developing sustainable communities and moving towards a green economy (DEA, 2011). In the South African private sector, the Johannesburg Stock Exchange (JSE) launched the Social Responsibility Index (SRI) in 2004 as a tool to assist responsible investors in identifying companies that incorporate

sustainability practices into their business activities to enable investors to channel capital in the direction of sustainable development (JSE, 2014).

These key developments have given momentum to corporate sustainability considerations, as extraneous institutions and authorities have increasingly required private companies and SOEs the world over to adopt a socially responsible approach to business, and to clearly and transparently report their progress on these issues (Klettner, *et al*, 2014). Over and above these macro-institutional developments, some key market developments and industry forces have caused companies to take deeper cognisance of the significance of corporate sustainability to their organisations. These are discussed below.

2.6.3 Market Trends and Forces

Changes in the market environment and the associated radical transitions have started causing companies and management to increasingly consider corporate sustainability concerns in their business operations (Coenen, *et al*, 2012). These changes have been identified as several different forces and trends (Garud & Gehman, 2012; Markard, *et al*, 2012). For example, ten mega forces have been identified by practitioners, namely: climate change; energy and fuel; material resource scarcity; water scarcity; population growth; wealth; urbanisation; food security; ecosystem decline; and deforestation (KPMG, 2012).

Three mega trends have also been identified by scholars. They are declining resources; radical transparency; and increasing stakeholder expectations. Laszlo and Zhexembayeva (2011:5) note that “together, these trends are becoming a major market force that is redefining the way companies compete. It has now reached a critical point, changing the rules for profit and growth in almost every sector of the economy”. Such statements reaffirm the significance of sustainability to business and strategy today.

2.6.4 Business Case for Corporate Sustainability

Another driver for corporate sustainability to become strategic is the business case and potential rewards that an organisation may reap from embedding sustainability in

its primary objectives and operations (Schaltegger & Lüdeke-Freund, 2012; Willard, 2012; Wong, 2014). These rewards include higher levels of growth, a higher return on equity, higher profitability, greater product differentiation and more innovation than conventional profit-driven firms (Artiach, Lee, Nelson & Walker, 2010). Firms that aim to achieve corporate sustainability have been found to have gone further and have added more value than ordinary companies through the subsequent entrepreneurial thinking engendered by the pursuit of corporate sustainability (Bell, *et al*, 2012).

As such, more organisations are pursuing corporate sustainability as a means of generating greater stakeholder value (Haywood, *et al*, 2013). Companies are increasingly becoming engaged in proactive sustainability initiatives and realising economic, social and environmental returns (Wu, He & Duan, 2013). Furthermore, “sustainable companies demonstrate successful long-term performance amid the restrictions imposed by economic, social, and environmental systems by developing a strategy that sustainably generates and captures value into the future” (Lloret, 2016:418).

As a result, the business case for strategic sustainability has been made and is becoming increasingly established (Brokaw, 2012; Bertoneche & Van der Lugt, 2013; Dooley, 2014; Henderson, 2015; Hockerts, 2015; Schaltegger, Lüdeke-Freund & Hansen, 2012). In fact, some scholars suggest that sustainability is now mainstream in business management scholarship and practice (Haigh & Hoffman, 2014).

The salience of sustainability is beginning to seep into practitioner viewpoints and are changing perceptions of the value of corporate sustainability. This shift in perception began at the dawn of the last decade, when Arthur D. Little found that, with regard to sustainability, “95% of companies believe that Sustainability-Driven Innovation has the potential to bring business value” and “60% of companies see potential benefits to their top line” (Hedstrom, Keeble, Lyon, Pardo & Vassallo, 2005:10).

More recently, Lacy and Hayward (2011:349) have noted that “a total of 93 percent of CEOs see sustainability as important to their company’s future success, a figure even higher in emerging markets, at 98 percent”. However, even though there is a growing

acknowledgement of the significance of sustainability to organisational strategy and success, some key challenges still prevail.

2.7 Sustainability Champions

While corporate sustainability has become a significant concern for companies, they are still facing various challenges in realising corporate sustainability (Baumgartner & Ebner, 2010; IODSA, 2009; Engert, *et al*, 2016; PWC, 2014; Vermeulen & Witjes, 2016). These challenges exist and must be addressed in all the different phases of the strategic management process: formulation, implementation and review (Bonn & Fisher, 2011; Epstein & Buhovac, 2014; Stead & Stead, 2014; Vermeulen & Witjes, 2015). Sustainability champions are critical in helping organisations surmount these challenges (Strand, 2014; Wolfgramm, Flynn-Coleman & Conroy, 2015).

In this study, *sustainability champions* are defined as individuals who seek to lead change in an organisation to transform that organisation into a more sustainable enterprise (Bucklund, *et al*, 2016). These champions are key drivers of corporate sustainability and they act as change agents in this regard (Benn, *et al*, 2014; Bonnini & Bove, 2014; Ferrer-Balas, Adachi, Banas, Davidson, Hoshikoshi, Mishra, Motodoa, Onga & Ostwald, 2008; Lozano, 2013; Scheirer, 2005; Wolfgramm, *et al*, 2015). Yet the literature on corporate sustainability focuses largely on firm-level phenomena and not on individuals, and “comparatively little research exists on the role of the individual manager as a change agent for sustainability” (Tang, Robinson & Harvey, 2011:1372).

There is a need for current and relevant education and training that will enhance business ethics and corporate sustainability practices (Nowak, Rowe, Thomas & Klass, 2008). Thus research into the sustainability champion domain would enhance the business and management curriculum along with its associated pedagogy by enabling students to understand the practice of sustainability (DuPuis & Ball, 2013). It was therefore important for this research to focus on sustainability practitioners so as to shed light on their strategising practices and the strategic outcomes thereof; this study sought to address this gap within the literature.

2.7.1 The Emergence of Sustainability Champions

The concept of *sustainability champions* derives from the earlier concept of *environmental champions* (Visser & Crane, 2010). This early notion of champions in the sustainability or sustainable development field of study was slanted towards the championing of environmental and “green” issues (Anderson & Bateman, 2000; Walley & Stubbs, 2000; Visser & Crane, 2010). At the turn of the 20th century, the literature defined champions as those individuals who were positively associated with successful “greening” within organisations (Post & Altma, 1994; Walton, 1998). That is, environmental champions were empirically found to improve environmental sustainability practices within organisations.

The early literature defined the environmental champion as “someone who can attractively express a personal vision about environmental protection that is in tune with both industry's needs and wider public concern” (Fineman & Clarke, 1996:726). Walley and Stubbs (1999:27) offered a more simplified definition and defined an environmental champion as “an individual within an organisation, who champions environmental progress within that organisation”. In essence, the managers or individuals in organisations that displayed the greatest commitment to environmental sustainability were classified as environmental champions in the early literature (Visser & Crane, 2010). Companies which had string environmental paradigms were noted as conducive environments for environmental champions (Anderson & Bateman, 2000).

As the concept of sustainability in organisations grew beyond a focus on environmental sustainability and broadened to include social considerations, the role of environmental champions expanded too (Wilson, 2003). Environmental champions have begun to play multiple roles: they act for example as environmental and social responsibility champions, therefore they can now be called *sustainability champions* in the integrative sense of the term (Schaefer, 2004). Further empirical research has found that these sustainability managers are no longer just managers, they are now also sustainability champions (Visser, 2007).

However, despite these developments, the body of research into sustainability champions is still in its infancy (Taylor, *et al*, 2012), and until now it has largely focused

on the psychosocial aspect of champions as a unit of analysis. Its focus has been on individual champion attributes, personality traits and resistance to sustainability, as well as on identifying contextual factors that enable or constrain sustainability champions (Hoffman & Bazerman, 2007; Taylor, *et al*, 2012; Visser, 2007; Visser & Crane, 2010). There is a need to look further than the attributes, characteristics and contextual enablers of sustainability champions in order to understand the nature of their work and its strategic implications (Schaefer, 2004; Visser, 2007).

Research should therefore explore what sustainability champions actually *do*, how they do it, and how what they do relates to or influences the organisation's strategy. This study sought to address this gap by exploring the strategising practices of sustainability champions and the strategic outcomes of those practices at a South African SOE.

The following section outlines how sustainability champions are conceptualised in this study.

2.7.2 Conceptualising Sustainability Champions

According to the *Dictionary of Sustainable Management*, a sustainability champion can be defined as follows:

[A sustainability champion is an] individual who seeks to lead change in an organisation to transform that organisation into a smarter, more successful, and more sustainable enterprise. This individual may exist at any level within an organisation and in any type of organisation, from the Chief Executive Officer to administrative assistant, from Mayor to city staffer, from university president to student leader (Buckland, *et al*, 2016:1).

This conceptualisation of sustainability champions is rooted in the work of Bob Willard (2009). He defines *sustainability champions*, a term he uses interchangeably with *sustainability intrapreneurs*, according to a set of characteristics. A synthesis of the definition of sustainability champions according to Willard (2009:4) and Buckland, *et al* (2016) is tabulated in Table 2.4:

Table 2.4: Characteristics of Sustainability Champions	
Location	<ul style="list-style-type: none"> • Found throughout corporate hierarchies. • Exist at any level of the organisation in any organisation. • May hold junior, middle or senior management positions.
Outlook	<ul style="list-style-type: none"> • Are passionate about sustainability. • Aspire for their companies to become model sustainable enterprises. • Seek to transform their companies into more sustainable corporate citizens.
Actions	<ul style="list-style-type: none"> • Cleverly exert influence and solicit buy-in from those who can make things happen. • Promote dialogue that creates cultural change towards sustainability. • Promote dialogue that transforms governance towards sustainability. • Facilitate organisational change. • Integrate environmental and/or social values and behaviours deeply into their companies.
Source: Adapted from Willard (2009:4) and Buckland <i>et al</i> (2016).	

Table 2.4 lists the characteristics of sustainability champions according to the organisations they can be found in, where they are located within organisations, their outlook and the actions they take. The definition of sustainability champions offered by Bucklund *et al* (2016) and the characteristics of sustainability champions listed in Table 2.4 provide some of the criteria that this study used to identify sustainability champions whose practices were researched. Furthermore, it was pertinent to discover what the outcomes of their practices on organisational strategy (at the meso-level of praxis) were.

2.8 What Do Sustainability Champions Do?

Given the myriad of ways in which champions manifest within organisations, there is little consensus on who champions are, what attributes they have and what they do (Bossink, 2013; Lozano, 2013). This makes sense, because just like the concept of sustainability, the championing of sustainability cannot be neatly pigeon-holed (Bell, *et al*, 2012; Searcy, 2012; Van Marrewijk, 2003; Visser & Crane, 2010; Willard, 2009). Recent empirical studies have revealed different yet enlightening perspectives about who sustainability champions are, what they do and in what contexts they can be found. These perspectives are discussed below.

Quinn and Dalton (2009) do not use the term *champions* explicitly but, drawing on leadership theory, they refer to champions as *sustainability leaders*. They focus on top management in their research. One of their findings is that sustainability leaders should be able to communicate sustainability effectively while making the necessary structural adjustments to enable sustainability (Quinn & Dalton, 2009).

Looking at TMT sustainability positions, such as the Chief Sustainability Officer (CSO), Strand (2014:688) finds that those sustainability champions who are given TMT positions can help ensure that sustainability considerations “extend beyond the tenure of a corporate sustainability position within the TMT” of the organisation. Strand (2014) therefore regards the sustainability champion as a lone senior leader who helps to initiate the company’s movement towards sustainability. The efficacy of sustainability champions is seen in the recognition that their role extends beyond their formal position as sustainability executives.

The notion that sustainability resides with senior executives is echoed by Lueneburger and Goleman (2010). They highlight specific executive competencies required for sustainability initiatives during different stages of the initiatives and demarcate these stages into three distinct phases. These phases are described as follows: During Phase 1, *Early*, the executive competencies required are the abilities to lead change and to foster collaboration around sustainability. In Phase 2, *Intermediate*, the executive should start delivering measurable results and establish the commercial benefits (business case) of the initiative. During Phase 3, *Advanced*, the commercial

orientation established in Phase 2 needs to be upheld by the executive, while they also elevate the sustainability programme to the strategic level of significance within the organisation. In other words, at the advanced level, commercial viability and sustainability cannot be divorced from each other.

Aaron (2010) includes and transcends these executive management or senior leadership notions of sustainability champions (Wilber, 2008). She writes: “So while I agree with Daniel Goleman that some people may be inclined to be more effective in championing sustainability strategies, I vote for using an all-hands-on-deck approach to allow all employees to engage in the process” (Aaron, 2010:14). This view is more consistent with the S-as-P view of strategists and it supports the egalitarian view of sustainability champions taken by this dissertation (see Section 2.7.2).

Like some of the authors of early literature on sustainability champions, Tang, *et al* (2011) take a phenomenological existential-psychological approach and develop a typology of sustainability managers (Hoffman & Bazerman, 2007; Taylor, *et al*, 2012; Visser, 2007; Visser & Crane, 2010). This typology categorises sustainability champions into four groups, namely scientists, messengers, artists and storytellers. The *scientist* represents the technical expert or specialist. The *storyteller* brings teams and groups together, and is therefore a generalist. The *messenger* leans towards the top end of the organisation by providing visionary, political and strategic input, thus acting as a futurist. Lastly, the *artist* is society oriented and contributes to sustainable development that is larger than the organisation itself, thus acting as an activist (Tang, *et al*, 2011:1378).

Research has also pointed out that sustainability champions act as change agents within organisations and engage in sense-making in order to embed sustainability effectively in different subsidiary contexts (Van der Heijden, Cramer & Driessen, 2012). Such change agents are key links in the organisation’s sustainability *learning process* as they communicate sustainability in local jargon while demonstrating that “the element of building relationships is crucial for effective embedding” (Van der Heijden, *et al*, 2012:554). They are motivated by the desire to achieve zero emissions targets, but their primary goal is to contribute to a “growing awareness of sustainability in society” (Van der Heijden, *et al*, 2012:554).

Lozano (2013) points out that sustainability champions are key drivers of sustainability. He therefore echoes the problem statement of this research, which was aimed at investigating champions' strategising practices and strategic outcomes in greater detail. Wolfgramm, *et al* (2015) has sought to understand agentic strategies of sustainability leaders, that is, how they behave as agents of sustainability. Here, sustainability leadership occurs when agents' individual agentic ontology (or view of themselves) displays a commitment to the collective drive for positive social change towards sustainability (Wolfgramm, *et al*, 2015). The agents must transcend structural inhibitors, reward desired behaviour and enhance leader–follower agency through habit, imagination, learning and judgement (Wolfgramm, *et al*, 2015).

Interestingly, other research has found that sustainability is inseparable from innovation and so conceptualised sustainability champions as eco-innovators (Bossink, 2013). As eco-innovators, these champions fulfil the roles of promoters, inventors, gatekeepers and integrators (Bossink, 2013). These eco-innovation sustainability champions are essentially key nodes that facilitate the spreading of the sustainability agenda throughout an organisation.

All the literature above discusses attempts by scholars to explain sustainability champions and their actions from different perspectives, and from it we can infer what these champions do. However, only one concise attempt has been made to illumine the practices of sustainability champions and the outcomes of these practices in a large organisational setting. This attempt has been made by Bob Willard in his book *The Sustainability Champion's Guidebook: How to Transform Your Company* (Willard, 2009). Willard (2009) holds that sustainability champions influence, convince, promote progressive dialogue, align the organisational culture and aid in transforming governance mechanisms towards corporate sustainability. Willard (2009) also identifies the following seven key practices of sustainability champions:

1. **Establishing Credibility:** Champions establish credibility in order to sell sustainability more effectively.
2. **Promoting Dialogue:** Champions get progressive conversation about sustainability going within the organisation.

3. **Collaborating, Educating and Networking:** Champions act as nodes of collaboration which bring people together around sustainability.
4. **Connecting, Relating and Persuading:** Champions are able to communicate sustainability to people at different levels and in different units throughout corporate hierarchies. They make sense of sustainability and convey its importance.
5. **Leverage Existing Initiatives:** Champions can leverage existing initiatives in order to introduce sustainability in the organisation more effectively.
6. **Influence Decision-makers:** They influence those with authority and power who are typically at the top of organisational structures to pursue sustainability.
7. **Practising *Planful Opportunism*:** Champions are future oriented and visionary in their approach, but they can also adapt the pursuit of their vision to prevailing organisational circumstances, which can be enabling or constraining.

The *Dictionary of Sustainable Management* (Bucklund, *et al*, 2016) bases its definition of sustainability champions on the above-mentioned groundwork done by Willard (2009). That definition, as discussed in Section 2.7.2 of this dissertation, is adopted by this research. This section, Section 2.8, asks the question: “What do sustainability champions do?” and seeks answers in the extant published literature. The answers are mostly fragmented; they are based on different research questions or objectives, and therefore on varying ontologies, epistemologies and methods.

One of Willard’s (2009) key contributions is a concise, lucid description of who champions are and what their practices are (what they do). However, at the time of the writing of this dissertation, these practices have not been tested, explored or used as a framework in academic literature on champions other than in the online *Dictionary of Sustainable Management* (Bucklund, *et al*, 2016). Indeed, the literature on sustainability champions is riddled with different perspectives. Some studies adopt a macro-focus on champions as drivers of sustainability (Lozano, 2013) or key role-players in organisation-wide eco-innovation (Bossink, 2013). Other studies are leadership based and view sustainability championship as a function of executive TMTs or key sustainability programmes and initiatives (Quinn & Dalton, 2009; Strand, 2014; Lueneburger & Goleman, 2010).

The more phenomenological published research sees sustainability champions as practitioners that exist throughout organisations (Aaron, 2010) and so dives into the world of champions using psychological, sense-making and agentic theoretical lenses (Tang, *et al*, 2011; Van der Heijden, *et al*, 2012; Wolfgramm, *et al*, 2015). This upholds the purpose of this research, which was to explore the strategising practices of sustainability champions and their strategic outcomes. The research followed a qualitative approach that looked at the agents (sustainability champions), agentic actions (strategising practices) and their structural consequences (strategic outcomes).

This research therefore reconciled the structure–agency dualities which formerly dominated social-managerial research and which the S-as-P research agenda wishes to address (Feldman & Orlikowski, 2011; Whittington 2010). Understanding what individual sustainability champions *do*, how they do what they do and the associated strategic outcomes of their actions necessitated undertaking S-as-P research that would enable the researcher to get closer to and zoom in on the practitioners under consideration (Jarzabkowski, 2005; Johnson, *et al*, 2003; Whittington, 2006).

This enabled the researcher to view sustainability champions as practitioners and social beings involved in the situated activities of doing strategy (Jarzabkowski, 2005). However, these champions were not just viewed as any social beings; the researcher recognised that “the most powerful force for shaping the sustainable corporation of the future will be the collaborative initiatives of a variety of employees as change agents for sustainability” (Benn, *et al*, 2014:19).

2.9 Sustainability Champions’ Context: State-owned Enterprise Sector

This study focused on the strategising practices of sustainability champions, but these champions could not be divorced from their context. This section therefore reviews literature on SOEs in the contemporary management environment to give a brief background of their relation to contemporary management scholarship and research.

2.9.1 Defining State-owned Enterprises

An SOE is a company in which the government (public sector or state) exercises ownership (OECD, 2015). The OECD (2015:12) offers the following counsel when it comes to defining SOEs:

Countries differ with respect to the range of institutions that they consider as state-owned enterprises. For the purpose of the guidelines, any corporate entity recognised by national law as an enterprise, and in which the state exercises ownership, should be considered as an SOE. This includes joint stock companies, limited liability companies and partnerships limited by shares. Moreover, statutory corporations, with their legal personality established through specific legislation, should be considered as SOEs if their purpose and activities, or parts of their activities, are of a largely economic nature.

This is the definition of SOEs adopted for this dissertation. The next section explores the contemporary form of SOEs and their relevance to modern society more deeply.

2.9.2 SOEs Today

SOEs are of great significance to human history and development, but their numbers have dwindled globally owing to privatisation that resulted from the growth of free markets (Bolívar, Sánchez & Hernández, 2015). Regardless of this trend, SOEs are still important to the functioning of utility and network industries in developed and emerging economies. These industries include telecommunications, banking, transport, water and energy (Kowalski, Büge, Sztajerowska & Egeland, 2013). In developing economies such as the BRICS nations, SOEs are still very significant as they are responsible for a large portion of the gross domestic product (GDP) and economic growth of developing nations (Johnson, Whittington, Scholes, Angwin & Regnér, 2014).

In fact, SOEs are significant in many economies. They represent 10% of global GDP with aggregate sales that represent 6% of world gross national income (GNI) (Bruton, Peng, Ahlstrom, Stan & Xu, 2015; Kowalski, *et al*, 2013). They are therefore significant role-players in the global socioeconomic landscape.

It is important to consider SOEs in sustainable development scholarship because “SOEs constitute an important sector in different countries, and their response to existing and future challenges can greatly influence the development (not only economic growth) of many regions in the planet” (Córdoba-Pachón, Garde-Sánchez & Rodríguez-Bolívar, 2014:207). As with many other facets of modernity, SOEs and the sectors they operate in around the world have been subject to many changes that have altered their nature over time.

2.9.3 The Characteristics of SOEs

Globalisation has been largely driven by declining barriers to international trade and technology, and includes the globalisation of production and markets. This has led to the rise of a new kind of SOE that transcends former rigid views of this form of organisation (Hill, 2013). One functional characteristic of the contemporary SOE is that it may have commercial interests or non-commercial interests (Kowalski, *et al*, 2013). Many SOEs are still not profit maximisers (Bruton, *et al*, 2015) and their main function is to achieve state policy objectives as contained in the prevailing macroeconomic, political, developmental and social policies of their government (Córdoba-Pachón, *et al*, 2014; Cunningham, 2011; Bolívar, *et al*, 2015; Heath & Norman, 2004).

The dual role of SOEs, namely to pursue commercial interests and to realise key policy objectives, has led scholars to call for SOEs to be seen as hybrid organisations. The notion that SOEs are hybrids seeks to transcend the former dichotomy in management sciences which viewed firms only as either privately owned or state-owned (Bruton, *et al*, 2015), because “today’s SOEs have much more private ownership compared to those of the last century” (Bruton, *et al*, 2015:73).

Furthermore, even those firms who have high levels of state ownership are independent in their operations (Bruton, *et al*, 2015). As a result, they can engage in international trade across traditional national borders and even compete with firms in the global market (Kowalski, *et al*, 2013). In this sense, SOEs are very different from their traditional predecessors. “It cannot be assumed that SOEs will behave (or should be managed) in the same manner as private firms” and therefore “SOEs need to be

examined in new ways to better understand this crucial organizational form” (Bruton, *et al*, 2015:93).

The S-as-P approach to researching the micro-practices of sustainability champions in a South African SOE followed by this study may also contribute to the call for further research. Before reviewing some of the gaps that exist in extant SOE research, this dissertation will now discuss key socioeconomic benefits of SOEs in today’s economy that make them worthy research contexts for management inquiry.

2.9.4 Socioeconomic Benefits of SOEs

SOEs aid countries by boosting production, creating jobs and correcting market failures, which are inconsistent with the sole pursuit of profit maximisation (Bolívar, *et al*, 2015; Córdoba-Pachón, *et al*, 2015). As a result, they remain significant to many countries, even those with advanced economies (Kowalski, *et al*, 2013). In sub-Saharan Africa, SOEs play a crucial role. They make up one of the largest economic sectors in African countries and so they are key drivers of economic development. They create an enabling environment within which other businesses can operate, and they facilitate cross-border trade for developing countries (OECD, 2014).

These roles and traits of SOEs point towards the pivotal role that they play in the development of sub-Saharan Africa. SOEs are enablers of economic activity and catalysts of large-scale development. However, SOEs can only play this role when they can allocate resources efficiently in accordance with their mandates. This makes it all the more important to undertake research that could point out how SOEs can become more efficient (OECD, 2015).

2.9.5 The SOE Research Landscape

The literature suggests that SOEs are under-researched because scholars pay them little attention, especially in top-tier management scholarship. Bruton, *et al* (2015) state that leading management journals only published 39 articles about SOEs in the 15-year period from 2000 to 2014. Reflecting on this, the authors state that “it is surprising that an organisational form that generates so much impact on global GDP has

attracted such limited research attention in the top tier scholarly literature” (Bruton, *et al*, 2015:95).

What little research there is either comes from a public administration perspective or takes an agenda-laden stance which positions SOEs as targets of privatisation (Bruton, *et al*, 2015). It tends towards east-west extremisms by either being too U.S.A.-centric or focusing solely on Chinese SOEs, while ignoring the many other contexts in both advanced and developing economies that may contribute to this body of knowledge (Bruton, *et al*, 2015; Yu, Choi & Zhang, 2015).

Therefore, more research on SOEs is required because they have a lot to offer contemporary management scholarship. Management scholars may lose their relevance if they do not recognise this (Bruton, *et al*, 2015), because research has shown that countries with a strong SOE presence have high trade levels (Kowalski, *et al*, 2013). Indeed, “for management and organizational research to further build its relevance and insight into important contemporary issues, we must address the disconnect between the limited scholarly coverage in top-tier journals and the wide-ranging real-world realities of the major organisational form of the SOE” (Bruton, *et al*, 2015:97). One key area of management scholarship that SOEs may contribute to is corporate sustainability.

2.9.6 SOEs and Sustainability

SOEs are important for contemporary scholarship because, given their natures and varying mandates, they are responsible for a wide range of issues which are located in or overlap with the social and environmental space (Córdoba-Pachón, *et al*, 2014). Some scholars have begun to look at sustainability within SOEs, but the volume of scholarship about this topic is still limited. There has been some research specifically into strategic corporate sustainability (Yu, *et al*, 2015), but its focus has largely been on CSR in East Asian contexts (Dan, 2010; Koswara, Verity, Nugraha & Lukman, 2015; See, 2009; Shen, Xingguo & Xiaohu, 2009; Wang, 2008).

It has also been noted that SOEs are suitable for theory development. Córdoba-Pachón, *et al* (2014: 207) note that “SOEs should be an ideal testing ground for

probing assumptions and theorisations of CSR that have been derived from studying private sector organisations”. This implies that although SOEs may have features that make them unique, there is a sense in which findings within SOE and privately owned contexts are iteratively *transferrable* from one context to the other. These theoretical possibilities are well captured by Bruton, *et al* (2015:93) who state that “state ownership offers a wide variety of rich theoretical issues for study...” because “SOEs often represent a means to contextualise theory more fully than if private firms alone were being studied”.

SOEs are also attractive for sustainability-related scholarship because they are expected to go beyond profit seeking, as their main aim is not profit maximisation, but to correct market failures, to catalyse public policy and to do some form of public good (Bolívar, *et al*, 2015). This functional view of SOEs gives them a unique advantage for sustainability scholarship because they can become role-models of corporate sustainability and set an example for other organisations (Bolívar, *et al*, 2015; Córdoba-Pachón, *et al*, 2014; Heath & Norman, 2004) given the stakeholder influence that they wield and the powerful social position that they occupy.

The S-as-P lens which this dissertation adopts is deeply interested in the micro-practices that shape firm-level phenomena (Seidl & Whittington, 2014; Vaara & Lamberg, 2015). It is therefore apt to note that the extant SOE literature also looks at individual managers within SOEs. This work has found that SOE managers are not only aware of CSR principles, but in some instances also committed to different aspects of sustainability. Further, it highlights that SOE managers’ perceptions about CSR can have moderating effects and that managers within SOEs are key to the realisation of sustainability (Bolívar, *et al*, 2015; Córdoba-Pachón, *et al*, 2014). While SOEs as a collective offer all these insights, there is power in focus (Goleman, 2013). Therefore, this research chose to focus on the strategising practices of sustainability champions in one state-owned company within the transport and freight logistics industry in South Africa.

2.9.7 The Importance of the Transport and Freight Logistics Industry

Traditionally the transport, freight and logistics industry has been a significant contributor to greenhouse gas emissions that have a negative impact on the economy, society and environment (Angheluta & Costea, 2011; Browne & Allen, 2011; Guenther & Farkavcová, 2010). The significance of this industry has moved the United Nations to assert that sustainable freight transport is a prerequisite for sustainable development, particularly because “freight transport grows in tandem with the growing world population, consumption needs, industrial activity, urbanisation, trade, and economic growth” (UN, 2015b:5).

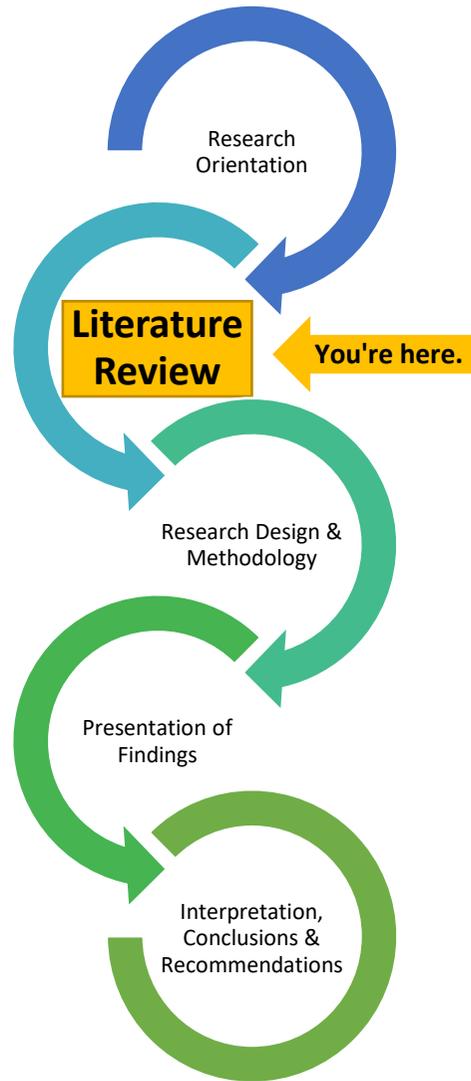
As a result, research into sustainable transport has increased. Scholars in the field of economic and management sciences now focus on developing insights into and solutions for the sustainable development of the industry (Blanco & Cotrill, 2014; Cosimato & Troisi, 2015; Eng-Larsson & Kohn, 2012; Eng-Larsson & Norrman, 2014; Halldórsson & Kovács, 2010; Manohar & Kumar, 2013; Pazirandeh & Jafari, 2013). The South African transport, freight and logistics industry has also been researched (Havenga, Simpson, Fourie & De Bod, 2011). This dissertation may contribute to the literature about this industry. Transnet operates in the South African transport, freight and logistics industry, and a key aim of sustainability champions’ practice in Transnet is to ensure that the impacts of Transnet’s freight, transport and logistics systems and networks do not impede sustainable development.

It was therefore important to study the strategising practices of sustainability champions in Transnet, particularly because Transnet is a monopoly in the South Africa’s logistics industry and so its actions have large ramifications for the South African economy, environment and society. The South African government’s national Department of Public Enterprises (DPE) describes Transnet as “the largest and most crucial part of the freight logistics chain that delivers goods to each and every South African” (DPE, 2014:1).

2.10 Conclusion

This chapter reviewed the published literature about the topics of contemporary strategic management, new views emerging in the field of strategic management, corporate sustainability, sustainability champions and SOEs. It demonstrated where all these topic areas meet, and how they relate to the study which sought to research the strategising practices of sustainability champions in a corporate environment. The following chapter discusses S-as-P in more detail, from its emergence to its development as a distinct field of study, while also taking into account its value as a theoretical framework for this research.

Figure 3.0: Chapter 3 Overview



Chapter 3: The S-as-P Theoretical Framework

Chapter 3 is a continuation of the literature review section of this dissertation. The focus is on literature pertaining to the Strategy-as-Practice theoretical framework adopted by this study. A background to the departures from traditional strategy that have led to S-as-P is given before the S-as-P framework is outlined. Thereafter the three notions of “practice” and the specific notion of practice employed by this study is distinguished. Lastly, the study is situated in previous S-as-P research and clearly distinguished from other S-as-P studies.

Chapter 3 Contents

- 3.1. Introducing Strategy-as-Practice
- 3.2. Departure 1: The Process-turn
- 3.3. Departure 2: The Practice-turn
- 3.4. The Strategy-as-Practice Theoretical Framework
- 3.5. Three Notions of Practice
- 3.6. Strategic Outcomes
- 3.7. Delineating this Study
- 3.8. Conclusion

3 The S-as-P Theoretical Framework

You are what you do, not what you say you'll do — C.G. Jung.

3.1 Introducing Strategy-as-Practice

Strategy comprises more than just strategic planning getaways, long important documents and top management's views. Strategy exists in organisations, and organisations are made up of people. Understanding how these people enact, practice, make sense of, relate to, influence and construct strategy on a day-to-day basis is what S-as-P is all about.

S-as-P is based on the shift from the notion that strategy is something a firm *has*, to the idea that strategy is something that a firm and the people in it *do* (Jarzabkowski, 2004; Jarzabkowski & Spee, 2009; Johnson, Langley, Melin & Whittington, 2007). It is a people-centric view of strategy, and it seeks to understand how what people do in the name of strategy shapes the strategies that the firm may pursue or that may emerge (Jarzabkowski & Seidl, 2012; Johnson, *et al*, 2007).

The emergence of S-as-P has been inspired by a departure from traditional strategy based on large-scale quantitative studies and the adoption of a practice-based view of strategy (Lockett & Andrew, 2014). This emergent practice-based view is underpinned, firstly, by a move away from a mainstream economic view of strategy to the *process-turn* and, secondly, by a departure inspired by the broader *practice-turn* in management disciplines (Jarzabkowski & Seidl, 2012; Nicolini, 2012a; Whittington, 2011). Each of these turns are discussed in more detail below.

Scholars respond to these departures, and to concerns to bring human beings and their activities back into strategy, by engaging in strategy research from a practice perspective (Jarzabkowski & Seidl, 2012; Johnson, *et al*, 2007). Johnson, Melin and Whittington (2003) call for a shift towards a *micro-perspective* on strategy and strategising. They highlight the need to emphasise “the detailed processes and

practices which constitute the day-to-day activities of organisational life and which relate to strategic outcomes” (Johnson, *et al*, 2003:3). Whittington (2006) echoes this need to contextualise micro-actions, and a myriad of other scholars have joined in and begun to develop the field (Golsorkhi, *et al*, 2010; Jarzabkowski & Spee, 2009; Johnson, *et al*, 2003; Langley, 2010; Rouleau, 2013; Vaara & Whittington, 2012).

As a result, S-as-P is now a distinct field of research. S-as-P seeks to transcend the dichotomy of theory and practice by bringing the two together; “it is concerned with explanatory theory, endeavouring to reflect actual practice with some accuracy” (Jarzabkowski & Whittington, 2008b:283). The two departures from the dominant macro-quantitative view of strategy (the *process-turn* and the *practice-turn*) which have inspired the emergence of S-as-P are discussed in more detail in the following section.

3.2 Departure 1: The Process-turn

The first departure from economic strategy and the subsequent adoption of a strategy process have happened as follows:

3.2.1 Strategy and Economics

Strategy and *strategic management* as fields of study came into being during the 1950s and 1960s (Furrer, *et al*, 2008). As it evolved during the 1970s, strategy was increasingly influenced by economic paradigms and theories such as the Structure-Conduct-Performance (S-C-P) paradigm led by Joe Bain and Edward Mason, and Industrial Organisational Economics led by Micheal Porter (Furrer, *et al*, 2008). From the 1980s onwards, two streams of research in organisational economics attracted the interest of researchers in strategic management, namely transaction costs economics (TCE) and agency theory (Furrer, *et al*, 2008).

This caused strategic management scholars to be lured away from the essence of strategy research, which was seized by economic theories of profit maximisation and lost sight of strategy practitioners (Jarzabkowski & Whittington, 2008b; Jarzabkowski & Seidl, 2012). Over time the assumptions and prescriptive nature of economic models began to attract criticism, such as that voiced by Masten (1993:127): “Rules of

behaviour prescribed by economic models, however logical, cannot be normative if managers are not capable of implementing them or if the assumptions on which the models are built do not apply.”

The realisation that economic models lacked in their ability to shed light on how strategy was done at the micro-level established the basis of the first departure from an economics-based view of strategy and the adoption of a practice-based view of strategy. As a result, the notion that macro-economic justifications of what firms did in markets could not adequately explain what people did in the name of strategy emerged: macro-economic models “explain what we assume a manager should *do* instead of describing what managers *do*” (Jarzabkowski & Seidl, 2012:4).

The insufficiency of economic firm-based and industry-based explanations of strategy was reiterated in empirical work. Researchers demonstrated that models such as the classic Porter’s Five Forces Model or perspectives such as the Resources Based View (RBV), which had come to be synonymous with strategic management, had gaps and explanatory limitations (Kraaijenbrink, Spender & Groen, 2010; Jarzabkowski & Seidl, 2012).

Kraaijenbrink, *et al* (2010) state that “we feel the RBV community has clung to an inappropriately narrow neo-classical economic rationality thereby diminishing its opportunities for progress”. Jarzabkowski and Seidl (2012:4) state that Porter’s Five Forces Model “permits us to analyse the competitive forces impacting the firm, yet empirical research has shown that these industry influences account for only between 4% and 18% (Misangyi, Elms, Greckhamer & Lepine, 2006) of overall variance in firm profitability”. This gap in the ability of economic models to illumine strategic management and its dynamics gave rise to the *process-turn* in strategy.

3.2.2 Strategy process

The process-turn in strategy came into being as an attempt to humanise strategy by describing how strategy processes, such as resource allocation, shaped strategy outcomes (Jarzabkowski & Seidl, 2012). It developed as a result of descriptive studies of strategy formulation and implementation (Furrer, *et al*, 2008). Scholars were

interested in *strategy as action* and *emergent strategy* (Furrer, *et al*, 2008; Jarzabkowski & Seidl, 2012). Influential work in this regard includes research done by Henry Mintzberg and Andrew Pettigrew in the 1970s and 1980s (Johnson, *et al*, 2007; Jarzabkowski & Whittington, 2008a).

The focus on process, content, context and strategic change provided an effective counterpoint to the emphasis on the economics-based view of strategy (Jarzabkowski & Seidl, 2012). Yet for a while in the beginning there was still an over-emphasis on content, tools and “stuff”. This caused another key question to be asked: “Where are the people doing strategy with stuff?” (Jarzabkowski & Seidl, 2012:5). In order to answer this question, scholars had to delve into the *process* and verbs such as *strategising*, *doing* and *acting* became ever more pertinent (Jarzabkowski & Seidl, 2012). Thus the process-turn paved the way for the emergence of practice-based strategy.

3.3 Departure 2: The Practice-turn

Practice is a conceptual lens used to understand the actions of people in many avenues of research (Jarzabkowski & Seidl, 2012). Practice approaches gained ground and became increasingly influential in different fields, including science, policy-making, medicine, language, culture, consumption and learning (Nicolini, 2012a). Business studies in general saw the influence of practice approached in the fields of Accounting, Technology, Marketing, Information Systems, Human Resource Management, Leadership and Institutional Theory (Jarzabkowski & Seidl, 2012; Whittington, 2011). In organisation studies and management disciplines the practice-turn was evident in knowledge management (KM) and organisational learning (OL) and, more aptly, in strategy research through S-as-P (Miettinen, Samra-Fredericks & Yanow, 2009).

S-as-P emerged as a result of the shift from seeing strategy as a property of organisations to seeing it as a practice (Whittington, 2006). As discussed in Section 3.2, the disenchantment with economic models led to the process-turn. While the process-turn led to an interest in micro-processes of strategy, the key question about the micro-activities of strategists and how they use the tools with which they strategise

remained. S-as-P as a field of research was introduced in an attempt to answer this remaining question.

While prominent authors such as Henry Mintzberg had already attempted to study managerial work closely, the examination of social forces which made the *context* left much to be desired (Whittington, 2006). S-as-P integrated the broader practice-turn in a manner that was relevant to strategy research while addressing key concerns about the practices, actors and social contexts which had formerly been omitted from strategy research (Whittington, 2006).

To understand such social complexity, plurality in strategic management had to be researched (Johnson, *et al*, 2007). Johnson, *et al* (2007:12) emphasise that there was a need “to move from the relatively unitary perspectives that have characterised strategy research in terms of levels of analysis, explanatory variables and theoretical perspectives, to greater plurality that distinguishes research in our field [the field of strategy]”. This included a need for plural levels of analysis (strategic planning, strategy workshops, strategic change), a plurality of actors beyond the traditional top managers (middle managers, consultants, champions) and a plurality of theories which could address institutional-level practices, organisational actions, actors’ actions and routinised activities (Johnson, *et al*, 2007).

The need for greater plurality led to the development of a theoretical framework consisting of three strategy lenses, namely Praxis, Practices and Practitioners. This framework had to guide strategy research in an ontologically and epistemologically coherent direction that would take practice into account (Whittington, 2006). This sums up the second departure from traditional strategy. The practice-turn, resulting from a paucity of understanding of practices and *doing*, led to the development of a practice-based perspective of strategy. Both the process-turn and the practice-turn led to the emergence of S-as-P as a distinct field of study guided by a three-pronged theoretical framework.

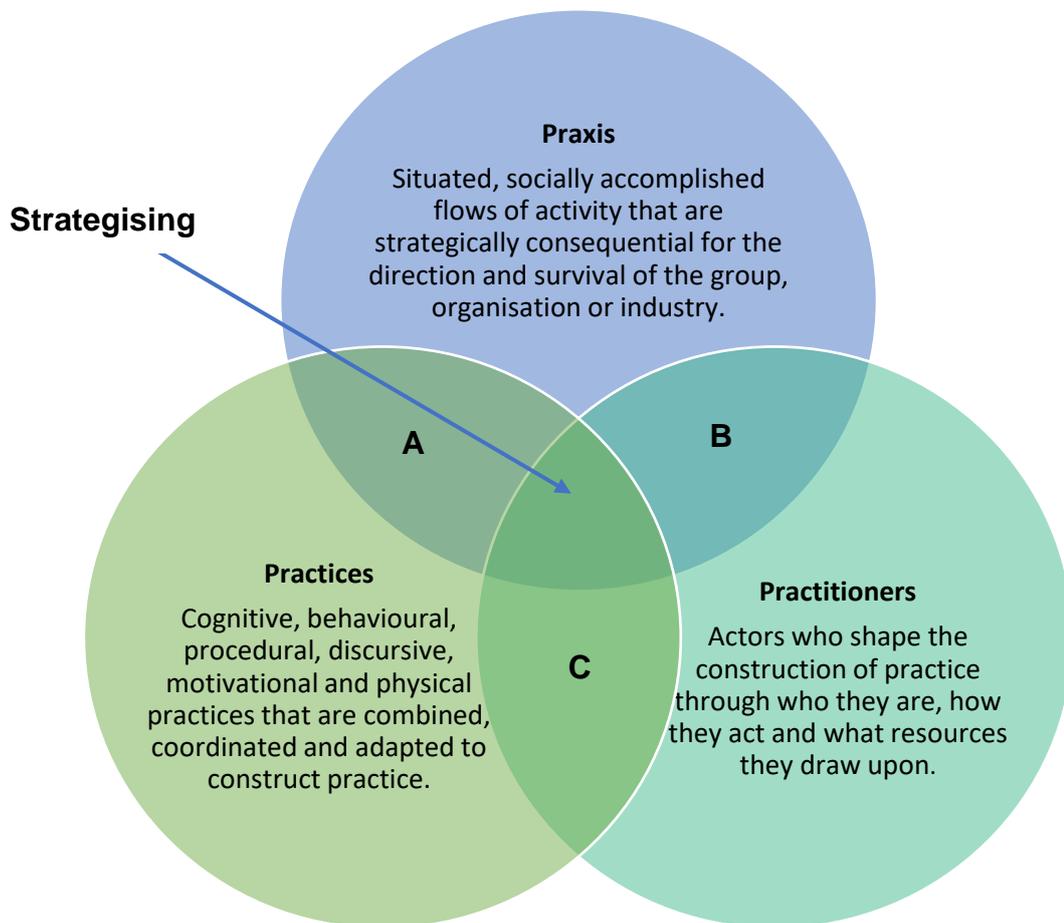
3.4 The Strategy-as-Practice Theoretical Framework

S-as-P is a distinct field of research that has been seminally conceptualised as research which is concerned “with what people do in relation to strategy and how this is influenced by and influences their organisational and institutional context” (Johnson, *et al*, 2007:7). In this sense S-as-P studies “strategic management, organisational decision-making and managerial work ... with a focus on the micro-level social activities, processes and practices that characterise organisational strategy and strategising” (Golsorkhi, *et al*, 2010:1).

Strategy can therefore be seen as a situated and socially accomplished activity that has strategic outcomes and, as previously shown, is something that organisational members *do*, not something an organisation *has* (Jarzabkowski, *et al*, 2007). The three lenses (practitioners, praxis and practices) scholars use to study S-as-P constitute the theoretical framework that guides and enables research in the field (Jarzabkowski & Spee, 2009; Jarzabkowski & Whittington, 2008b). (Each lens of the S-as-P theoretical framework is defined in the *Definition of Key Terms* section of this dissertation.)

Figure 3.1 below illustrates the theoretical framework under discussion. The shaded nexus interlinking the three lenses constitutes *strategising*. Areas A, B and C show how the conceptual lenses relate to one another. It also demonstrates the importance of studying any one conceptual phenomenon in relation to the others. In other words, regardless of the core focus of any S-as-P study, each strategy lens “will have to draw on the other two foci to some extent” (Jarzabkowski & Seidl, 2012:13).

Figure 3.1: Strategy-as-Practice Research Framework



Source: JARZABKOWSKI, P., BALOGUN, J. & SEIDL, D., 2007. Strategizing: The challenges of a practice perspective. *Human relations*, **60**(1), pp. 5-27.

It is important to reiterate that practitioners are the actors who draw on practices to act, as shown in Figure 3.1. They are not limited to top management (Jarzabkowski, *et al*, 2007; Jarzabkowski & Whittington, 2008b). Praxis is the flow of work comprising strategy (Jarzabkowski & Whittington, 2008b), while Practices are those discourses, routines, technologies and tools used in the doing of strategy (Jarzabkowski & Whittington, 2008b; Jarzabkowski & Spee, 2009).

Given that this study's unit of analysis is strategising practices, it is important to clarify what is meant by the term *practice* as it relates to this research. The following section describes the specific conceptualisation of *practice* adopted by this study.

3.5 Three Notions of Practice

Given scholars' and researchers' increasing utilisation of a practice lens, Feldman and Orlikowski (2011) have developed three key approaches to practice-based investigations which are applicable to research that seeks to study practices empirically and/or to use practice ideas theoretically. These three notions of practice are categorised as those with (1) an empirical focus; (2) a theoretical focus; and (3) "a philosophical focus on the constitutive role of practices in producing organisational reality" (Feldman & Orlikowski, 2011:1240). It therefore can be said that these three approaches or notions of practice see practice as an *empirical phenomenon*, a *theoretical lens* or a *social ontology* (Jarzabkowski & Seidl, 2012). While they are not mutually exclusive, they do have some differences in assumptions and foci (Orlikowski, 2010). Each notion is discussed below.

3.5.1 Empirical Notion of Practice

The empirical notion of practice is interested in the practicalities of strategy – the doing of strategy (Jarzabkowski & Seidl, 2012). This approach to practice emphasises and focuses on the "centrality of people's actions to organisational outcomes and reflects an increasing recognition of the importance of practices in the ongoing operations of organisations" (Feldman & Orlikowski, 2011:1240). It emphasises the "what" of practice by focusing on routines and adaptations to routines or any improvisations that may emerge in agent/practitioner activity (Feldman & Orlikowski, 2011; Nicolini, 2012a).

This notion recalls the capacity of agents and practitioners to act, and as a result brings balance to the lopsided emphasis on structures as determinants of social reality (Feldman & Orlikowski, 2011). Orlikowski (2010:23) captures it well when she states that "what is most important in organisation research is understanding what happens 'in practice' as opposed to what is derived or expected from 'theory'". This represents the essence of studying practices as empirical phenomena.

Studying practices as empirical phenomenon does not necessitate the use of practice theory (the second notion) or a practice ontology or philosophy (the third notion) (Orlikowski, 2010). That is to say, one can conduct research that is solely concerned

with the empirical aspects of practice without using a practice theory or ontology. From this perspective, the researcher is concerned with what people actually *do* in practice. Note that the term *practice* here can also refer to a practical activity or a direct experience (Orlikowski, 2010).

This first notion of practice clearly differentiates between theory and practice, and does not assume that complex and very eloquent theories of organisational phenomenon are a direct reflection of organisational reality. This first notion of practice therefore encapsulates the famous words of Alfred Korzybski (1958) – “the map is not the territory” – in acknowledgement of the gap between scientific theory and lived reality.

3.5.2 Theoretical Notion of Practice

The theoretical notion of practice applies theories of social practice as theoretical frameworks with which to interpret organisational phenomena (Jarzabkowski & Seidl, 2012). It uses theories such as Bourdieu’s Habitus Theory, Giddens’ Praxeology or Structuration Theory, the Heidegger and Wittgenstein traditions, Activity Theory, Community of Practice Theory, Ethnomethodology, Discourse Analysis and Actor Network Theory (Nicolini, 2012b).

Seen from the perspective of this second notion of practice, theory is central and “although it includes a focus on everyday activity, it is critically concerned with a specific explanation for that activity” (Feldman & Orlikowski, 2011:1241). This notion deals with the “how” of the practice lens by considering theoretical relationships and how these relationships can lead to interpretations and explanations of everyday life (Feldman & Orlikowski, 2011).

It is important to point out that there is no unified and coherent practice theory (Nicolini, 2012a). In other words, practice theory is characterised by a plurality of sources, assumptions, applications and emphases (Feldman & Orlikowski, 2011; Johnson, *et al*, 2007; Nicolini, 2012a; Nicolini, 2012b). According to Nicolini (2012a) this plurality constitutes a strength in that it allows practice research to take the heterogeneous nature of social reality into account by using multiple theories of practice to interpret phenomena contextually.

It is necessary for research which adopts the theoretical notion of practice to draw from empirical phenomenon, but it is not necessary for research which adopts a theory of practice also to adopt an ontology of practice (Orlikowski, 2010). Studies underpinned by a theory or theories of practice draw on practice as empirical phenomenon in order to interpret them through theory, but need not hold a fundamental practice philosophy (Orlikowski, 2010). In essence, this approach to practice as a perspective puts forth the “theoretical claim that practices shape reality in particular ways, and these need to be explicated through practice theoretic accounts of organisational phenomenon” (Orlikowski, 2010:27).

3.5.3 Philosophical Notion of Practice

The third approach to practice research, namely the notion of practice as a philosophy or ontology, emphasises the primacy of practices in social reality (Jarzabkowski & Seidl, 2012; Nicolini, 2012a). In other words, this approach asserts that practices, instead of practitioners, the structure or praxis, should be the unit of analysis (Jarzabkowski & Seidl, 2012; Nicolini, 2012a). Therefore, “rather than seeing the social world as external to human agents or as socially constructed by them, this approach sees the social world as brought into being through everyday activity” (Feldman & Orlikowski, 2011:1241). According to this view, reality unfolds within and through bundles of practices. This view rejects the distinction between micro- and macro-phenomena (Nicolini, 2012a).

This philosophical approach answers the “why” of practice and is underpinned by the view that practices are the building blocks of social reality. It is therefore a radical and meta-theoretical approach as it posits practice as constitutive of all social reality, including strategic, managerial and organisational reality (Jarzabkowski & Seidl, 2012; Orlikowski, 2010). Unlike the preceding two notions of practice, practice as an ontology engages with all three approaches, namely practice as empirical phenomenon, practice as theoretical lens and practice as social ontology. Therefore research which adopts this notion of practice must study empirical practices using a practice theory framed in a worldview that reduces the reality to bundles of practices (Orlikowski, 2010).

3.5.4 Approach to Practice Adopted by this Study

This study adopts the first notion of practice, because it sees practice as an empirical phenomenon. It neither uses an interpretive practice theory nor stands on an all-pervasive ontology of social reality as being the outcome of practices. Rather, it sees practices – actions and sociomaterial phenomenon – as central to organisational outcomes in general and strategic outcomes in particular (Feldman & Orlikowski, 2011). It is therefore interested in the link between practitioners' (sustainability champions') actions and organisational strategic outcomes at the meso-level (corporate strategy). In this sense it is in line with the call of Johnson, *et al* (2003:3) for “an emphasis on the detailed processes and practices which constitute the day-to-day activities of organisational life and which relate to strategic outcomes”.

Having clarified this dissertation's notion of practice, this literature review will now proceed to discuss another key concept that is central to this study, namely *strategic outcomes*.

3.6 Strategic Outcomes

Johnson, *et al* (2003) call for an activity-based view of micro-strategising, and thus for a focus on detailed processes, practices and micro-activities which are contained in daily organisational life and which relate to *strategic outcomes*. It is important to note that these strategic outcomes are not necessarily quantitatively measurable, nor are these outcomes solely determined by establishing cause and effect relationships, for that would be a return to the mainstream economic viewpoint of strategy which S-as-P seeks to transcend (Johnson, *et al*, 2007; Rouleau, 2013). Rather, the focus on strategic outcomes constitutes a “concern with what people do in relation to strategy and how this is influenced by and influences their organisational and institutional context” (Johnson, *et al*, 2007:7). It follows that these outcomes can be qualitative and may occur at the micro- and macro-levels.

The aim is therefore for strategy research to demonstrate how the micro-level practices of an organisation result in strategic outcomes, rather than emphasising the macro-outcomes alone or excessively focusing on micro-practices in isolation without

demonstrating how they affect organisational outcomes (Johnson, *et al*, 2003, Wilson & Jarzabkowski, 2004). It is important to strike a balance, which is exactly what this dissertation seeks to do by focusing on exploring micro-strategising practices and their organisational strategic outcomes.

Jarzabkowski and Spee (2009:71) capture the need for S-as-P research to be outcome-related when they state that “it is crucial for S-as-P to contribute to traditional strategic management theory and to inform practice by being clear about the outcomes of practice based studies and theories”. As such, there are five primary, but not exhaustive, outcomes with which S-as-P research can demonstrate links, namely personal outcomes, group outcomes, strategising process outcomes, organisational outcomes and institutional outcomes (Jarzabkowski & Spee, 2009).

It can be seen that these outcomes need not be quantitatively established, and they are therefore a crucial part of the research questions guiding this study. Some of these outcomes, in contrast with traditional firm-level outcomes, are situated in social contexts and may seem inconsequential at face value, but they can have significant strategic results (Wilson & Jarzabkowski, 2004). For example, one strategy episode or strategic interaction may constrain the implementation of a new project or result in a change in strategic direction for the organisation (Jarzabkowski & Seidl, 2012).

This study is concerned with meso-level praxis (corporate strategy) and therefore focuses on strategising practices that result in outcomes at this level of praxis. This research is situated in the S-as-P literature in the following section, which demonstrates how this research fits into broader S-as-P scholarship.

3.7 Delineating this Study

Figure 3.2 below illustrates how Jarzabkowski and Spee (2009) delineate the S-as-P field using a matrix that differentiates the typology of S-as-P research by type of practitioner and level of praxis. It further demonstrates that S-as-P has three levels of *Praxis* within which *Practitioners* who draw on different *Practices* can be found as per the theoretical framework.

Figure 3.2: Typology of Strategy-as-Practice Research

		Type of Practitioner		
		Individual actor within organisation	Aggregate actor within organisation	Extra-organisational aggregate actor
Level of Praxis	Macro	<u>C</u>	<u>F</u>	<u>I</u>
	Meso	<u>B</u>	<u>E</u>	<u>H</u>
	Micro	<u>A</u>	<u>D</u>	<u>G</u>

Source: Adapted from JARZABKOWSKI, P. and SPEE, A.P., 2009. Strategy-as-Practice: A review and future directions for the field. *International Journal of Management Reviews*, 11(1), pp. 69-95.

When studying practices or practitioners, it is important to understand the level of praxis concerned. Admittedly, Jarzabkowski and Seidl (2012:13) note that “praxis is hard to define as a clear unit of analysis but makes a very helpful ‘level’ of analysis in terms of asking what level we are looking at”. In other words, one can study practitioners in a single meeting or over an annual cycle, because either of those could be praxis – the flow of work within which the practitioner or practices are studied. Praxis is therefore a scalable concept that aids in clarifying the level of work being studied (Jarzabkowski & Seidl, 2012).

As iterated by Jarzabkowski and Spee (2009), Domain A in Figure 3.2 above refers to research that focuses on individual practitioners at the micro-level of praxis. Domain B deals with individual practitioners at the meso-level, while Domain C deals with individual practitioners at the macro-level of praxis. Similarly, Domain D refers to research that focuses on aggregate practitioners such as middle managers or top managers at the micro-level of praxis. Domains E and F deal with aggregate

practitioners at the meso- and macro-levels of praxis respectively. Likewise, Domains G to I focus on extra-organisational practitioners such as consultants at the three corresponding micro-, meso- and macro-levels of praxis. This study can be briefly situated as follows:

This study is situated in Domain E. It has sought to explore the practices of sustainability champions (aggregate actor/practitioners) in terms of what these champions *do* and how their practices relate to organisational strategy (meso-praxis). In the S-as-P literature, Domain E in Figure 3.2 researches how practitioners' actions shape organisational strategy, and this is also what this study has sought to explore (Jarzabkowski & Spee, 2009). Figure 3.2 demonstrates that this research is located in the broader S-as-P field of study and is also clearly situated within the theoretical framework which informs S-as-P research.

3.8 Conclusion

This chapter reviewed the literature pertaining to the theoretical framework adopted by this study. It reviewed the emergence of the practice lens in general, and how this has led to the development of the S-as-P field of research in particular. The chapter outlined that this study views practice as an empirical phenomenon and emphasised that S-as-P research from this point of view must demonstrate strategic outcomes which can be qualitative in nature. The chapter concluded by clearly situating the study within the published S-as-P literature and demonstrating how the S-as-P theoretical framework was used in studying the strategising practices of aggregate actors (sustainability champions) and the meso-level praxis (corporate strategy) outcomes of those practices. The following chapter discusses the research design and methodology of the study.

Figure 4.0: Chapter 4 Overview



Chapter 4: Research Design and Methodology

Chapter 4 discusses the research design and methodology employed by this study. The research is shown to be rooted in a social constructivist paradigm, with the associated approach being qualitative and the design being that of a single-case study. The purposeful participant selection underpinned by selection criteria is then clarified. Thereafter the collection of interview and documentation data is discussed, followed by an outline of the ATA-based analytic process undertaken by the researcher. The strengths and limitations of the design are brought to the fore, followed by a discussion of the trustworthiness of the research. As the chapter draws to a close, the all-important ethicality of the research is demonstrated.

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- 4.2. Research Purpose and Questions
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- 4.4. Research Paradigm: Constructivist
- 4.5. Research Context: an SOE
- 4.6. Research Design: Single-case Study
- 4.7. Unit of Analysis: Strategising Practices
- 4.8. Participant Selection: Purposeful
- 4.9. Sources of Evidence: Interviews and Documentation
- 4.10. Data Collection
- 4.11. Data Analysis and Synthesis (ATA)
- 4.12. Analytic Process
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- 4.15. Trustworthiness and Authenticity
- 4.16. Research Ethics
- 4.17. Conclusion

4 Research Design and Methodology

Good design is making something intelligible and memorable. Great design is making something memorable and meaningful – Dieter Rams.

4.1 Introduction

This chapter discusses the overall research approach and the associated paradigm, design and methodology adopted by the study. It demonstrates the linkages between the research purpose and questions, and the methodological decisions which the researcher made in order to explore the strategising practices of sustainability champions in their unique SOE context.

4.2 Research Purpose and Questions

The purpose of the study was to explore the strategising practices of sustainability champions and the strategic outcomes of these practices.

In order to guide the exploration, research questions were asked at the outset. This was done because “in a qualitative study, inquirers state research questions, not objectives (i.e., specific goals for the research) or hypotheses (i.e., predictions that involve variables and statistical tests). These research questions assume two forms: (a) a central question and (b) associated subquestions” (Creswell, 2014:139). The research questions of this study were the following:

4.2.1 Central Research Question

- How do sustainability champions strategise for corporate sustainability?

4.2.2 Research Subquestions

1. What are the strategising practices of sustainability champions?
2. What are the strategic outcomes of sustainability champions' practices?

Given this purpose and the associated questions, the most appropriate research approach was qualitative research (Creswell, 2014).

4.3 Research Approach: Qualitative

There are three main research approaches in contemporary research practice, namely the qualitative, quantitative and mixed-methods approaches (Robson & McCartan, 2016). This study was qualitative because “if a concept or phenomenon needs to be explored and understood because little research has been done on it, then it merits a qualitative approach” (Creswell, 2014:20). Furthermore, the S-as-P perspective considers qualitative research to be a valuable approach when seeking to understand micro-level strategising practices (Langley, 2014).

Qualitative research seeks to understand human behaviour, taking into account the social, cultural and political contexts within which it occurs (Salkind, 2012). Indeed, qualitative research is “a social or behavioural science research that explores the processes that underlie human behaviour using such exploratory techniques as interviews, surveys, case studies, and other relatively personal techniques” (Salkind, 2012: 213). It facilitates the capturing of the contextual richness of people’s everyday lives through in-depth studies, thus leading to a greater understanding of social phenomena from multiple perspectives which shed light on a particular person, event, place or group (Jencik, 2011; Yin, 2011).

This study focused on individual meaning and was aimed at exploring a little researched phenomenon (the strategising practices of sustainability champions) amid the dynamic social complexity of a relatively large SOE. The qualitative research approach was most apt for this aim. There are three key aspects to a research approach: (1) paradigm (research philosophy); (2) design; and (3) methodology (Creswell, 2014). Each of these are discussed below.

4.4 Research Paradigm: Constructivist

The research philosophy underpinning this study is the social constructivist paradigm. Social constructivism “describes knowledge not as truths to be transmitted or discovered, but as emergent, developmental, non-objective, viable constructed

explanations by humans engaged in meaning making in cultural and social communities” (Fosnot, 2013:1). This paradigm seeks to interpret subjective constructions and so may also be referred to as interpretivism (Creswell, 2014; Lincoln, Lynham & Guba, 2011).

This research sought to interpret meanings ascribed to the strategising practices of sustainability champions. In order to accomplish this, a suitable context which had sustainability champions operating at corporate level within a group of companies was sought. In qualitative research context is key, because “the outcomes in qualitative research – that is, the data and the researcher’s interpretation of the data – hinge greatly on the contexts from which we obtain this data” (Roller & Lavrakas, 2015:1).

4.5 Research Context: an SOE

This subsection briefly discusses the research context because of its importance to qualitative case study research (Bloomberg & Volpe, 2016; Cresswell, 2014; Yin, 2014).

4.5.1 About Transnet

Transnet SOC Limited is a South African state-owned company with a total of 66 665 employees, 55 506 of whom are permanently employed (Transnet, 2015a). Transnet has generated an average annual revenue of R50 billion over the past five years (2011–2015). Its revenue has consistently increased by 12.7% per over the period. The Company’s earnings before interest, tax, depreciation and amortisation (EBITDA) has averaged R21 billion per annum from 2011 – 2015, while also increasing consistently at a rate of 12.9% over the period (Transnet, 2015a).

Table 4.1 provides a background to Transnet. Some salient points which Table 4.1 highlights is that Transnet is South Africa’s primary freight and logistics company. It owns all South Africa’s railways, ports and pipelines, and serves as an engine for the country’s economic growth strategy. Transnet implements the key developmental policies of the South African government which address aspects of economic development such as employment, skills, infrastructure, enabling the business environment, export-led growth, and the importing of commodities and products which

are essential for the growth of South Africa’s economy. Transnet is also considered to be a key engine for the integration of the Southern African Development Community (SADC) owing to its railway infrastructure which connects South Africa with other SADC countries and facilitates cross-border trade.

Table 4.1: About Transnet
<p><i>Transnet SOE Ltd is wholly owned by the Government of the Republic of South Africa and, as a freight transport and logistics company, is the owner of the country’s railway, ports and pipelines. The Company is responsible for enabling the competitiveness, growth and development of the South African economy through the delivery of reliable freight transport and handling services that meet customer demand. As a State-Owned Company, Transnet is required to align with the developmental objectives of Government’s National Development Plan (NDP). As such, the Company is required to contribute to economic growth through the provision of world-class infrastructure and technologies, the expansion of economic infrastructure, job creation, skills development and industrial capacity building through a strategic approach to procurement and operations.</i></p>
<p>Source: Adapted from TRANSNET, 2015a. <i>Integrated Report 2015</i>. Carlton Centre: Johannesburg: Transnet SOC Limited.</p>

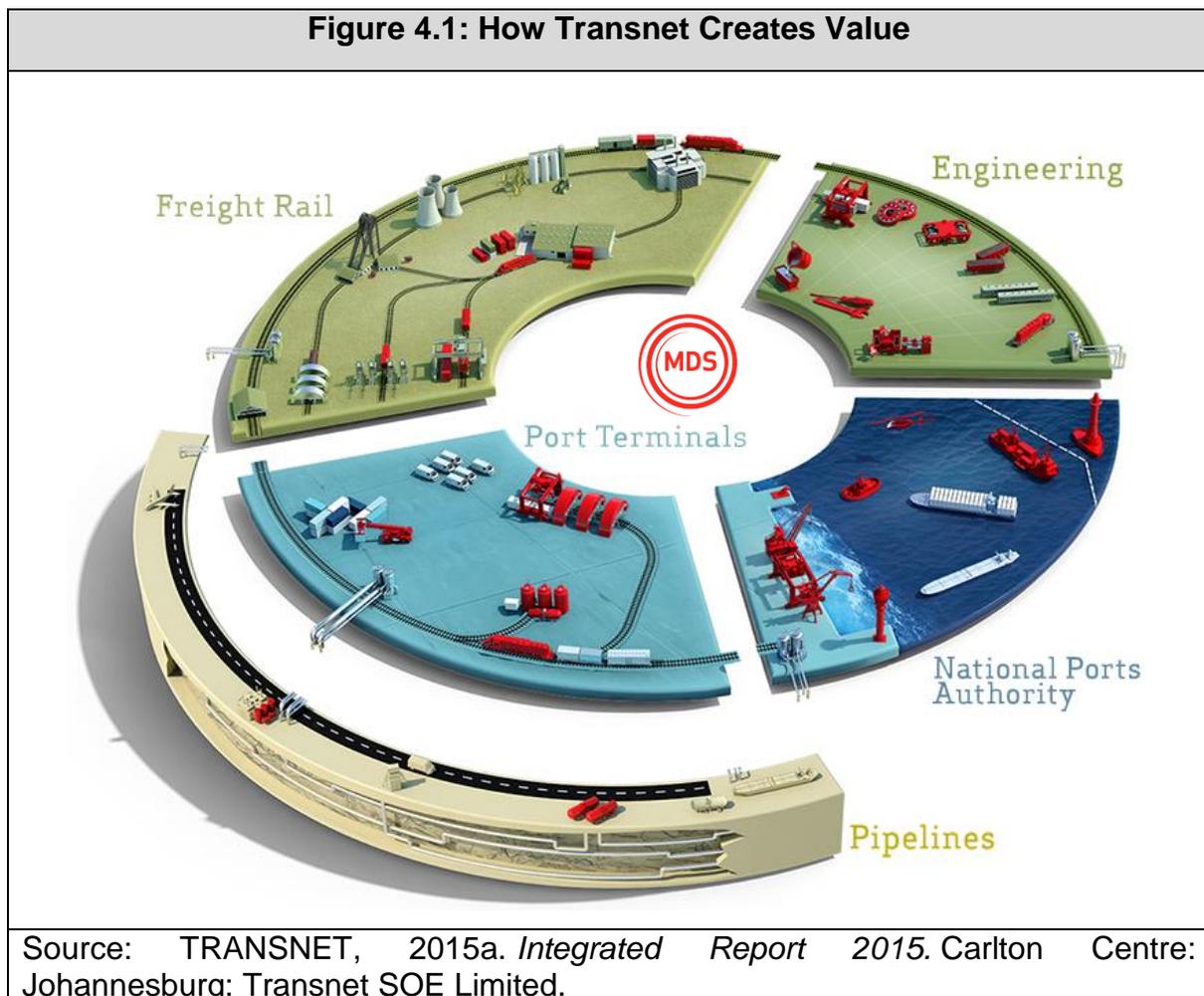
4.5.2 Transnet’s Operations

As the country’s primary freight and logistics operator, Transnet moves products and commodities for significant industries in the South African economy. The Company’s customers include large businesses in the mining, shipping, manufacturing, agricultural, industrial, retail and energy sectors (Transnet, 2015a). Transnet operates on an inbound and outbound basis. That is, it takes South African products and commodities to international markets (outbound) and delivers international goods and services to South African shores (inbound).

The major commodities that Transnet moves are mining exports, general freight and petroleum products. It accomplishes this by operating three salient aspects of logistics,

namely: (1) ports; (2) freight train railway networks; and (3) pipelines. The ports dispatch and receive goods, the rail network transports goods to and from the port harbours throughout South Africa and some parts of the SADC, and the pipelines transport liquid goods and commodities. These goods include coal, iron ore, manganese, chrome, steel, cement, agricultural products, forestry products, aggregate automotives, fast-moving consumer goods, containerised cargo, crude oil, refined petroleum products and methane-rich gas.

Transnet is driven by five key Operating Divisions (ODs) which generate revenue for the organisation. These ODs are Transnet Freight Rail (TFR), Transnet Engineering (TE), the Transnet National Ports Authority (TNPA), Transnet Port Terminals (TPT) and Transnet Pipelines (TP). Figure 4.1 illustrates how these different Operating Divisions come together to enable Transnet to create value and earn revenue.



TFR (top left) operates the freight rail network which provides strategic links between mines, production hubs, distribution centres and the ports. TE (top right) provides manufacturing, maintenance and refurbishment services of stock (trains, tracks, cranes, etc.) needed for the operations of the other four ODs and, to a lesser degree, for external clients.

TE also houses Transnet's Research and Development (R&D) unit to seize opportunities for technology innovation. TNPA (middle right) provides port infrastructure and marine services to the eight commercial seaports in South Africa. TPT (middle left) supports the South African government's export-led growth strategy by handling cargo and implementing port logistics solutions. TP (bottom left) transports crude oil and fuel from coastal refineries to the inland market (Transnet, 2015a).

4.5.3 Transnet's Strategy

Figure 4.1 also shows that there is a market demand strategy (MDS) at the heart of Transnet's business model. When describing how it creates value, Transnet states:

At the core of Transnet's activities is the MDS. Transnet's business model draws on various capitals and inputs and, through the Company's business activities converts them to commercial and sustainable development outcomes (Transnet, 2015a:60).

Before discussing the MDS, this dissertation first illustrates the nature of the overarching tools of strategic direction that guide Transnet. Some key tools of strategic direction are the organisation's vision and mission (Louw & Venter, 2013). Transnet's vision and mission are as follows:

Table 4.2: Transnet's Strategic Direction

Vision

To meet customer demand for reliable freight transport and handling by:

- *Fully integrating and maximising the use of our unique set of assets;*
- *Continuously driving cost efficiency; and*
- *Demonstrating a concern for sustainability in all we do.*

Mission

To enable the competitiveness, growth and development of the South African economy by delivering reliable freight transport and handling services that satisfy customer demand.

Source: TRANSNET, 2015a. *Integrated Report 2015*. Carlton Centre: Johannesburg: Transnet SOC Limited.

What emerges from the vision, is an emphasis on assets, costs and sustainability as enablers for meeting customer demand. The mission emphasises the critical role that Transnet plays in the South African economy by meeting customer demand. This illustrates the fact that Transnet is an SOE and so does not have to compete for customers, but rather has to ensure that it can meet customer demand proactively in order to advance the government's developmental agenda. It is also noteworthy that sustainability is mentioned in Transnet's vision, because it indicates an overarching recognition of the importance of sustainability to the Company's strategy.

Table 4.3: Transnet's Strategic Overview

The Government, through the Shareholder Representative together with the Transnet Board of Directors, concludes an annual Shareholder's Compact as required by the Public Finance Management Act (PFMA).

The Shareholder's Compact stipulates, among others, Transnet's strategic objectives in the medium term, which in turn form the basis of the Company's annual Corporate Plan. Broadly, the Corporate Plan outlines Transnet's strategy and objectives as aligned with the shareholder's requirements, and details the initiatives that will be implemented to deliver on the Company's mandate in the next seven years.

Transnet's strategic direction and strategic imperatives are, in turn, expressed through its Market Demand Strategy (MDS), which was first announced on the 9th February 2012 and marked its third year of implementation during the 2015/2016 financial year.

The MDS and its implementation is guided by the Statement of Strategic Intent (SSI) issued by the South African National Government's Minister of Public Enterprises, which defines the overarching objectives for the company as follows:

- 1. Reduce the cost of logistics as a percentage of transportable GDP;*
- 2. Effect and accelerate the modal shift by maximising the role of rail in the national transport task;*
- 3. Leverage the private sector in the provision of both infrastructure and operations where required;*
- 4. Integrate South Africa with the region and the rest of the continent;*
- 5. Optimise sustainable economic, social and environmental outcomes of all activities undertaken by Transnet.*

Source: TRANSNET, 2015a. Integrated Report 2015. Carlton Centre: Johannesburg: Transnet SOE Limited.

Table 4.3 shows that Transnet's strategy is driven by the Shareholder's Compact with the Department of Public Enterprises (DPE), which informs Transnet's annual strategy or the corporate plan. The Shareholder's Compact and Corporate Plan are revised and updated annually. This short- to medium-term strategic activity is subordinate to the MDS, which is a seven-year rolling strategy for an investment programme that was initiated in 2012 with the view to invest R336,6 billion in South Africa's transport and logistics infrastructure in order to boost economic growth and development. The MDS is the heart of Transnet's strategic direction and seeks to enhance Transnet's performance while speaking to government imperatives (Transnet, 2015a). The MDS is underpinned by four strategic imperatives and four enablers.

MDS's Four Strategic Imperatives:

1. Transnet's financial strength, sustainability and cost-effective sources of funding for the strategy.
2. The creation of infrastructural capacity ahead of demand.
3. The development of reliable, world-class operations that deliver on time.
4. Market segment competitiveness through customer satisfaction and increased volumes.

MDS's Four Enablers of the Strategic Imperatives:

1. Engage all stakeholders (stakeholder relations) to support the MDS.
2. Promote a high-performance culture (readiness).
3. Ensure ethical leadership, sound governance and environmental stewardship, and social accountability (governance and ethics).
4. Build a skilled workforce that is representative of South Africa's demographics.

Sustainable development is core to the MDS. Transnet has outlined nine key sustainable development outcomes that are of strategic concern to the Company. These outcomes serve as part of Transnet's strategic framework in order to ensure that direct and indirect employment is created in South Africa (employment) and the productive capacity of the workforce is enhanced (skills development). They also seek to ensure national industrial competitiveness (industrial capacity building and investment leverage) and the development of an integrated freight logistics system

that will facilitate cross-country and cross-border trade (regional integration) (Transnet, 2015b).

Through these sustainable development outcomes, Transnet also seeks to promote employment equity and black economic empowerment (transformation), and to enhance the wellbeing and safety of employees and community members (health and safety). The SOE also seeks to improve the economic, social, cultural and environmental wellbeing of the communities in which it operates (community development), and to “enhance the natural environment’s capacity to meet the resource needs of future generations” (environmental stewardship) (Transnet, 2015b:27). Given this context, the following research design was deemed appropriate for this study:

4.6 Research Design: Single-case Study

Transnet represented a suitable research context with an active cohort of sustainability champions at the corporate level. In order to research these champions, a qualitative single-case study design was adopted. Case study research attempts to study an individual, group or organisation within a unique setting in a detailed manner, and is capable of yielding a great deal of insight (Salkind, 2012). It is effective for approaching phenomenon that are little understood, ambiguous or rooted in dynamic contexts which are complex and unpredictable (Gummesson, 2008).

According to Yin (2014:16), a qualitative case study “is an empirical inquiry that investigates a contemporary phenomenon (‘the case’) in depth and within its real world context, especially when the boundaries between phenomenon and context may not be clearly evident”. The case study design is well suited to exploratory forms of inquiry, because it affords significant interaction with research participants. This in turn provides an in-depth and detailed data collection methodology involving multiple sources of data (Bloomberg & Volpe, 2016).

Of the several types of case study designs that exist, this research adopted the single-case design with multiple units of analysis (Yin, 2014). The selection of a single-case design must be justified; that is, there must be something compelling about the case

that merits a single-case design (Bloomberg & Volpe, 2016; Yin, 2014). There are five key rationales for single-case designs, namely that the case must be either *critical*, *unusual*, *common*, *revelatory* or *longitudinal*. The case chosen for this research – a team of sustainability champions – represents a revelatory case.

In this study the case was revelatory because Transnet adopted nine sustainable development outcomes during the 2014/2015 financial year as a core part of its strategy and governance framework. In addition, it amalgamated its Sustainability Department with its Group Strategic Planning function and sustainability seemed to become an increasingly important feature of the Company's strategy. Transnet therefore presented an ideal case study for research into the strategising practices of sustainability champions. Also, strategising practices in the context of a profitable SOE in Southern Africa had never been the subject of S-as-P research before (SAP-IN, 2016).

The case promised to reveal a unique aspect of the sustainability–strategy nexus, more specifically the strategising practices of sustainability champions that had never been studied in published S-as-P literature (SAP-IN, 2016) nor in the extant literature focusing on sustainability practitioners (Bell, *et al*, 2012; Searcy, 2012; Van Marrewijk, 2003; Visser & Crane, 2010; Willard, 2009). The specific design chosen was therefore the single-case design, because it would enable the researcher to explore strategising practices in depth in a unique revelatory setting.

4.7 Unit of Analysis: Strategising Practices

The unit of analysis in this study was the strategising practices of sustainability champions. These practices were studied in the light of how they were executed by practitioners (sustainability champions) and what their outcomes for meso-level praxis (organisational strategy) were.

4.8 Participant Selection: Purposeful

Purposeful participant selection was a key principle adopted by this study. It has also been used in previous S-as-P research (Langley, 2014). Purposeful selection allowed the researcher to be deliberate about selecting the participants according to those who

would yield the richest and most relevant data (Yin, 2011). Participants were selected to ensure that the research questions would be answered adequately and the research purpose would be fulfilled. In order to ensure both aptness and fairness in this process, inclusion and exclusion criteria based on the definition and characteristics of sustainability champions (see Section 2.7.2 of this dissertation) were applied.

Applying inclusion and exclusion criteria was especially important in this study because S-as-P recognises that strategy practitioners may exist at all levels of an organisation from top managers to frontline workers (Balogun, Best & Lê, 2015). This includes practitioners outside the traditional TMT in middle management, lower management and even in technical positions (Paroutis, Heracleous & Angwin, 2016). From an S-as-P perspective, strategists can even be those practitioners who are outside the organisation yet possess the ability to influence the direction of an organisation or industry, such as strategy consultants, regulators and other macro-institutional actors (Whittington, Cailluet & Yakis-Douglas, 2011).

From this S-as-P perspective, sustainability practitioners that could have been participants in this study were scattered throughout and outside the organisation. Any actor who was advocating for corporate sustainability with Transnet context could have been considered as a potential participant. As a result, it was important for the researcher to develop inclusion and exclusion criteria in order to fairly and systematically determine the specific participants of this study.

The exclusion and inclusion criteria appear in Table 4.1. The inclusion criteria required that the participants be formally employed sustainability practitioners which have at least six months' worth of experience in their positions as sustainability practitioners. This was important because these practitioners' performance was appraised every sixth months. By selecting only champions that had more than six months' experience, the researcher could ensure that each participant had been in a sustainability related-role for at least two business quarters and had been declared capable of fulfilling the duties of the role by the organisation. Other key criteria related to where the champions were located in the organisation. Only practitioners who met the selection criteria and were based at Transnet's head office, the Transnet Corporate Centre, were included in the study. This was an important criterion because corporate head

offices are where corporate strategy is located and this study was concerned with the corporate level of strategy praxis.

At the time of the conception of the study, there were 14 sustainability practitioners in formal sustainability-related roles in Transnet’s Corporate Head Office. Two of the 14 were purely administrators and therefore did not meet all the inclusion criteria. 12 of the 14 practitioners met the inclusion criteria fully and each one voluntarily agreed to participate in the study. Thus 12 sustainability practitioners out of 14 practitioners in formal sustainability-related roles at the time formed part of this study. This number was significant for the trustworthiness and transferability of the case study’s findings. The 12 sustainability practitioners participated in serial interviews, which served as one of two sources of evidence (sources of data) that were analysed (Yin, 2014). Data sources are discussed in more detail in Section 4.9.

Table 4.1: Inclusion and Exclusion Criteria		
	Inclusion criteria	Exclusion criteria
Experience	<ul style="list-style-type: none"> • Has been formally employed for more than six months in a sustainability-related role 	<ul style="list-style-type: none"> • Has been formally employed for less than six months in a sustainability-related role
Location	<ul style="list-style-type: none"> • Is in either a junior management, middle management, senior management or formal technical sustainability-related position • Is based at Transnet’s head office (Corporate Centre) 	<ul style="list-style-type: none"> • Is in neither a junior management, middle management, senior management nor formal technical sustainability-related position • Is not based at Transnet’s head office (Corporate Centre)
Source: Own compilation.		

4.9 Sources of Evidence: Interviews and Documentation

Two primary sources of data were utilised in this study. These were Interpretations of Strategy Practice and Case Documentation (Langley, 2014; Yin, 2014; Yin, 2011).

1. **Interpretations of strategy practices:** Semi-structured serial interviews.
2. **Case Documentation:** Minutes of meetings, plans, reports, PowerPoint presentations, participants' personal journals and publicly available documents (news reports, government publications, and Transnet Integrated and Annual Reports).

These sources are each discussed in the following sections.

4.9.1 Interpretations of strategy practices

Qualitative interviews are some of the most important sources of case study evidence, particularly when conducting case study research (Yin, 2014). Furthermore, case study interviews are conversational rather than structured (Yin, 2014). This research used semi-structured interviews to generate interpretations of strategy practices. "Semi-structured interviews incorporate both open-ended and more theoretically driven questions, eliciting data grounded in the experience of the participant as well as data guided by existing constructs in the particular discipline within which one is conducting research" (Galletta, 2013:45).

Serial interviews (Hitchings, 2012), also referred to as narratives of practice (Rouleau, 2010), were used by this study particularly because they "constitute a relevant methodology for gaining an in-depth look into the world of managers and others who are strategising" (Rouleau, 2010:258). The serial semi-structured interviews in this study took one to two hours, depending on each champion's schedule. 11 champions were interviewed twice. One of the participants could only be interviewed once owing to time constraints. She was only interviewed during the second round of interviews.

Multiple interview sittings were crucial to an understanding of practices and important for the success of this research for several reasons. First, they enabled the development of rapport and trust between the participant and researcher, which resulted in the collecting of high-quality data (Hitchings, 2012; Langley, 2014; Rouleau,

2010). This rapport and trust (Hitchings, 2012) proved valuable for the collection of data. Another benefit was that effective lines of further questioning could be identified and developed by the researcher – the researcher could augment the interview guide to elicit data based on information that could only be revealed during the first interview. As a result, richer data were obtained during in the second interview (Hitchings, 2012; Rouleau, 2010).

Other benefits of this interview approach included that it allowed the researcher to collect data in a manner that maximised the researcher's time. It also minimised demands on participants' time, while eliciting high-quality interpretative data (Rouleau, 2010). The interview notes and transcripts were not seen as objective textual information, but as a reflection of contextually situated and socially constructed realities of the champions' strategising practices in line with the paradigm of this study (Creswell, 2014). These interviews were conducted based on the mutual availability of the participant and the researcher. The interviews were recorded on a voice recorder and, prior to analysis, transcribed by a professional transcriber in line with Unisa's institutional ethical research standards.

4.9.2 Case Documentation

The second form of data collected was *artefacts of strategy practice* (Langley, 2014), more commonly referred to as *case documentation* (Yin, 2014). Documentation is relevant to most case study research and plays an explicit role in data collection owing to its overall value to case research (Yin, 2014). The documentation collected included plans, reports, PowerPoint presentations and public documents such as news reports, media reports and official institutional and government public documents that the researcher deemed relevant (Langley, 2014; Yin, 2014).

Documentation was used in this study, as Yin (2014:107) advises: "For case study research, the most important use of documents is to corroborate and augment evidence from other sources." In this vein, the documentation aided in confirming other data that had emerged from the interviews. It also facilitated the verification of case details and enabled the tracing of the evolution of the organisation's strategy over time,

while also serving as evidence for the strategic outcomes which were mentioned by participants (Yin, 2014).

4.10 Data Collection

The data used in this research were collected in the following manner:

4.10.1 Documentation Data Collection

Documentation data were collected throughout the course of this study, because case study research needs to be flexible enough to enable the continuous discovery of data that may be relevant to answering the research questions (Yin, 2014). Two forms of document retrieval informed this study. These are shown in Table 4.2.

Not all documents that had been retrieved were found to be relevant to the case study, therefore some documents were discarded. The documents that formed part of this study were retained and stored in this dissertation’s accompanying electronic folder, which contains all the annexures, appendices and sources of evidence. Readers may verify these documents and all other evidence in the accompanying electronic folder at their discretion.

Table 4.2: Documentation Retrieval	
Period	Form of Retrieval
Before Fieldwork	<ul style="list-style-type: none"> ➤ An internet search on Transnet was conducted. Publicly available documents such as annual integrated reports, news articles and third-party reports were retrieved and stored. ➤ The Group Sustainability Department tasked one of their administrators with the responsibility of sharing some of its internal electronic document files with the researcher. These files were collected in person on 21 August 2015 and stored on a USB flash drive. The folder received amounted to 286 megabytes (MB) and contained

	<p>PowerPoint presentations, agendas and minutes of meeting, internal reports and some research reports.</p> <p>➤ Sustainability champions gave the researcher hard copies of the Company's latest <i>Integrated Report</i> and some other internal publications.</p>
During Fieldwork	<p>➤ Participants shared relevant Excel spreadsheets, reports, PowerPoint presentations and company strategy documents with the researcher as evidence of what had been discussed during interviews.</p>
After Fieldwork	<p>➤ More internet searches were conducted where necessary in order to confirm some of that data that had emerged from the interviews, particularly where champions had made references to engagements with third parties and other large institutions.</p>
Source: Own compilation.	

In total, 69 case documents were used to confirm the major findings of the study. These consisted of publicly available institutional reports, presentations, webpages and news reports. Case documentation was also collected from the champions themselves and included internal reports, PowerPoint presentations, Excel spreadsheets, proposals, memoranda, policies, workshop slides, agendas and minutes of meetings, and newsletters.

4.10.2 Semi-structured Interview Data Collection

The semi-structured interview data were collected in October and November 2015. The participants are listed in Table 4.3, by their pseudonyms, in the sequence in which they were interviewed during the first round of interviews. The pseudonyms were generated by a website called *Fake Name Generator* (<http://names.pub/fake-names>). The generator creates random, mainly Western names, therefore the names do not reflect the participants' ethnic, cultural and religious backgrounds. The pseudonyms do reflect the gender of participants and therefore give an indication of the gender

variety of the participants. No other sociocultural or demographic inferences can be made from the pseudonyms.

In Table 4.3 below it can be seen that Katelynn was interviewed first and Leonel was interviewed last during the first round. The very last person to be interviewed was Alisha. The order of interviews changed in the second round owing to the socially complex and unpredictable nature of qualitative fieldwork data collection, but for the sake of consistency, Interview 2 is still tabled according to the order established during the first round.

Table 4.3: Quantity of Audio Interview Data Collected					
Participant Pseudonym	Interview 1		Interview 2		Total Duration
	Date	Duration	Date	Duration	
Katelynn Cabrera	26-10-2015	79 mins	02-11-2015	114 mins	193 mins
Evan Burke	26-10-2015	65 mins	04-11-2015	82 mins	147 mins
Samuel Hunter	27-10-2015	80 mins	03-11-2015	108 mins	188 mins
Raelynn Pate	27-10-2015	53 mins	03-11-2015	56 mins	109 mins
Alexander Harrell	27-10-2015	103 mins	02-11-2015	140 mins	243 mins
Ayden Trujillo	28-10-2015	38 mins	03-11-2015	51 mins	89 mins
Caleb Collins	28-10-2015	80 mins	04-11-2015	144 mins	224 mins
Kiera Wilcox	29-10-2015	47 mins	11-11-2015	74 mins	121 mins
Kaylyn Lucas	29-10-2015	57 mins	02-11-2015	100 mins	157 mins
Charlotte Harris	29-10-2015	96 mins	11-11-2015	79 mins	175 mins
Leonel Downs	29-10-2015	96 mins	05-11-2015	91 mins	187 mins
Alisha Duncan	Only one interview conducted		20-11-2015	113 mins	113 mins
	Total 1	794 mins	Total 2	1152 mins	1946 mins
		13.2 hrs		19.2	32.4 hrs
Total number of interview data hours					32.4 hrs
Source: Own compilation.					

Table 4.3 shows the date when each participant was interviewed, as well as the duration of each interview. The totals in Table 4.3 are important. The key information

here is that the total number of hours of recorded interview data amount to 32.4 hours, almost one and a half days. These audio files were transcribed by a professional transcriber for textual thematic analysis in the CAQDAS Atlas.ti. The transcriptions run to 956 pages of textual data, as shown in Table 4.4.

Table 4.4: Quantity of Textual Interview Data Collected					
Participant Pseudonym	Interview 1		Interview 2		Total Pages
	Date	No. of Pages	Date	No. of Pages	
Katelynn Cabrera	26-10-2015	43	02-11-2015	66	109
Evan Burke	26-10-2015	28	04-11-2015	32	60
Samuel Hunter	27-10-2015	32	03-11-2015	52	84
Raelynn Pate	27-10-2015	29	03-11-2015	34	63
Alexander Harrell	27-10-2015	54	02-11-2015	67	121
Ayden Trujillo	28-10-2015	16	03-11-2015	21	37
Caleb Collins	28-10-2015	33	04-11-2015	62	95
Kiera Wilcox	29-10-2015	25	11-11-2015	41	66
Kaylyn Lucas	29-10-2015	29	02-11-2015	49	78
Charlotte Harris	29-10-2015	48	11-11-2015	54	102
Leonel Downs	29-10-2015	47	05-11-2015	46	93
Alisha Duncan	Only one interview conducted		20-11-2015	48	48
	Total 1	384	Total 2	572	
Total number of interview data in transcribed pages					956
Source: Own compilation.					

Alisha was the only exception; she was only interviewed once owing to time constraints. Her interview was conducted after a National Business Initiative (NBI) meeting at the Glenhove Conference Centre in Rosebank, Johannesburg, in a private conference breakaway room. This served as a spontaneous yet important confirmatory observation of how the champions strategised with industry bodies outside of Transnet and so it confirmed some of the data raised by Alisha and the other participants during the interviews (Yin, 2014).

Alisha was the only participant who was interviewed offsite and in one round. However, even though Alisha’s interview was done in one sitting, all interview guides were covered in that sitting in order to expose Alisha to the same questions as all the other participants, thus ensuring consistency across the interviews.

4.11 Data Analysis and Synthesis

This dissertation used Applied Thematic Analysis (ATA) to analyse and synthesise the data. According to (Guest, *et al*, 2012:15–16) “the ATA approach is a rigorous, yet inductive set of procedures designed to identify and examine themes from textual data in a way that is transparent and credible”.

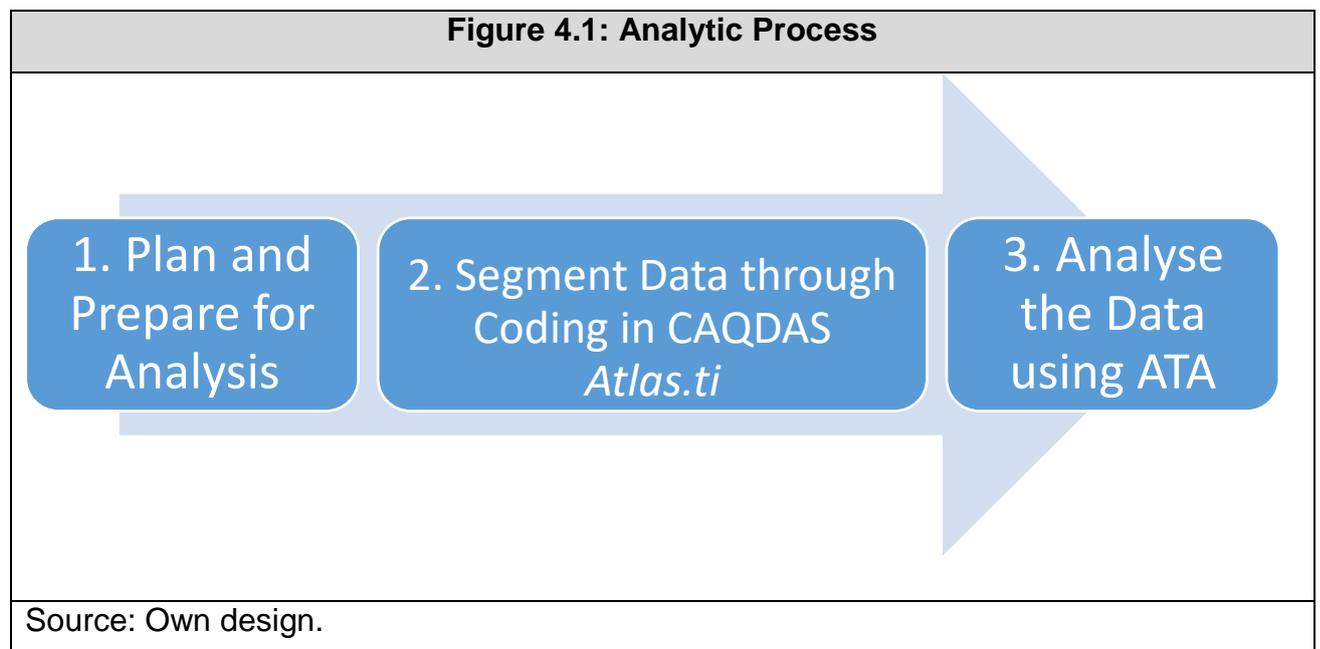


Figure 4.1 shows the analytic process that the researcher followed to analyse the data. First, the analysis was prepared for transcription and then it was stored in the case study database. Second, the researcher developed a coding framework in order to segment the data meaningfully. The coding framework used was based on the framework suggested in *Exploring Strategy* (10th edition) by Johnson, Whittington, Scholes, Angwin and Regnér (2014), and augmented during coding as new codes emerged from the data.

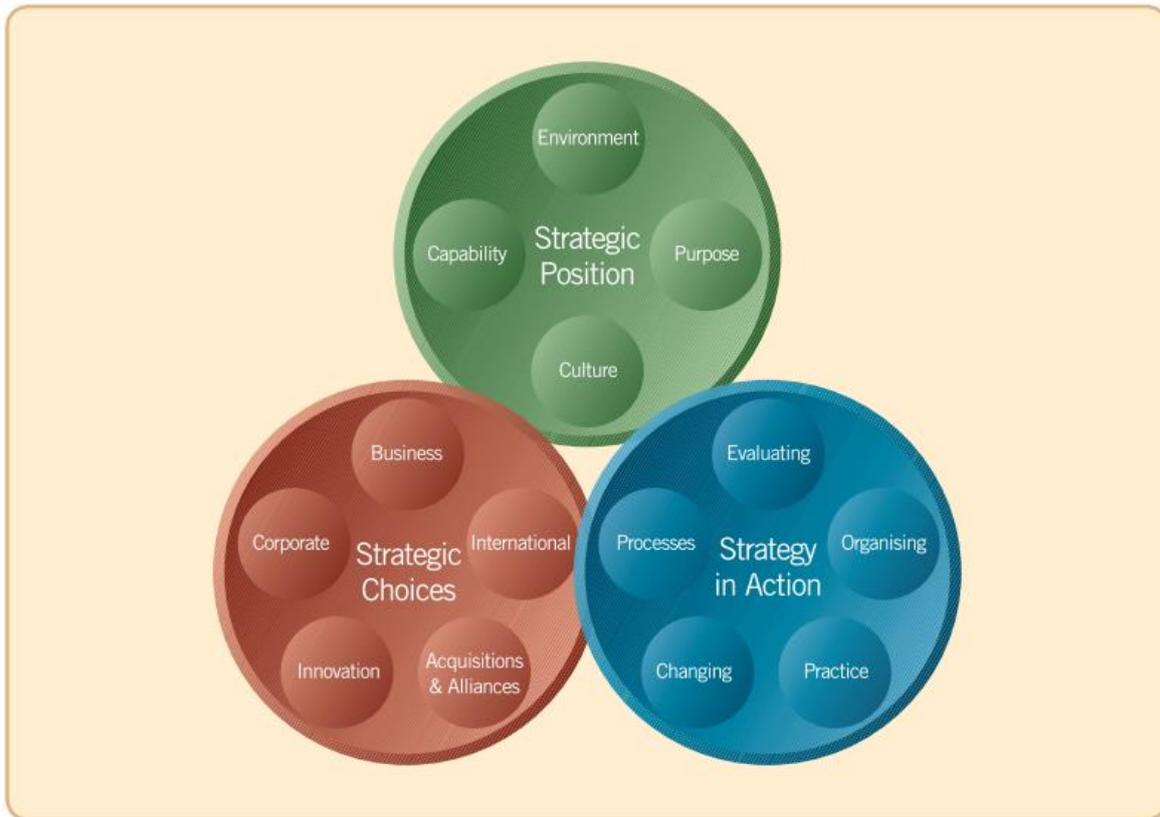
Therefore, the process of analysis used in this study was both deductive and inductive. Bloomberg and Volpe (2016:307) explain this as follows: “The metaphor for this approach is a ‘framework’ or ‘paradigm’. Qualitative researchers often talk about having a ‘theoretical framework,’ ‘conceptual framework’ to guide the entire study from conceptualisation through data analysis. This is the general approach to qualitative data analysis (unless one is doing a pure grounded theory study).” This was the approach adopted in this study.

The coding framework developed by Johnson, *et al* (2014) was adopted in order to have codes that were clearly defined and related to strategy. This was important because the focus of the study was *strategising practices* and not any other general practices. Furthermore, the text by Johnson, *et al* (2014) is a leading global text on strategic management theory and practice (one of the best-selling international strategy textbooks) and it is one of the first to incorporate the S-as-P perspective in conventional strategic management theory. Therefore, the authors’ approach was relevant to this study.

The framework developed by Johnson, *et al* (2014) separates strategy into three broad strategic behaviours and forms of activity. Figure 4.1 illustrates the approach to strategic management adopted by these authors: Strategy is broken down into three broad categorical outcomes that relate to an organisation’s strategic position and strategic choices, and the practice of strategy in action. Each of these categories include subactivities, but for the sake of brevity these are not discussed in this section.

Full details of all the codes that were developed for this framework appear in the Data Analysis section of the accompanying case study evidence electronic folder. Therein the reader will find the coding framework with descriptions of each code and the code list that emerged from this framework. This initial framework and code list enabled the researcher to initiate the coding. As coding progressed, new codes emerged, and the list of codes was augmented and further developed. In this sense the analysis was both deductive and inductive, which made it more rigorous (Bloomberg & Volpe, 2016; Fereday & Muir-Cochrane, 2006).

Figure 4.1: The *Exploring Strategy* Model



Source: JOHNSON, G., WHITTINGTON, R., SCHOLLES, K., ANGWIN, D. and REGNÉR, P., 2014. *Exploring strategy text & cases*. 10th ed. Essex: United Kingdom: Pearson Education Limited.

Lastly, after the data had been coded, it was analysed using ATA. The codes were aggregated and grouped into categories of subthemes and then meta-themes according to the ATA approach (Guest, *et al*, 2012). Each subtheme was a category of strategising practices. Subthemes were then aggregated into categories of meta-themes which related to the strategic outcomes of these subthemes (practices). This can be better understood by looking at the following structural example in Table 4.5:

Table 4.5: Analytic Structural Example	
➤ Meta-theme: Strategic Outcome of Strategising Practices Category A	<ul style="list-style-type: none"> ➤ Subtheme: Strategising Practice a1 ➤ Subtheme: Strategising Practice a2 ➤ Subtheme: Strategising Practice a3
➤ Meta-theme: Strategic Outcome of Strategising Practices Category B	<ul style="list-style-type: none"> ➤ Subtheme: Strategising Practice b1 ➤ Subtheme: Strategising Practice b2 ➤ Subtheme: Strategising Practice b3
➤ Meta-theme: Strategic Outcome of Strategising Practices Category C	<ul style="list-style-type: none"> ➤ Subtheme: Strategising Practice c1 ➤ Subtheme: Strategising Practice c2 ➤ Subtheme: Strategising Practice c3
Source: Own compilation.	

The process by which the researcher developed codes into subthemes and then subthemes into meta-themes is discussed in Section 4.12.

4.12 Analytic Process

The researcher generated an Atlas.ti output of all of the codes that were applied to the data. The result was a relatively lengthy code list with 2 167 codes. The list was this long because the researcher ‘split’ the data heavily given the micro-focus of the study (Saldaña, 2013). This was in line with the principles of ATA, which urge researchers to err on the side of splitting data because “it’s always easier to aggregate than disaggregate data, especially in the context of thematic analysis and qualitative data analysis software” (Guest, *et al*, 2012:74).

The length of the list was also influenced by the fact that many of the codes were nuanced versions of a more central code. For example, the code for a specific type of capability diagnosis such as “benchmarking” would have been applied in a nuanced fashion, and so it would appear more than once because of the different ways in which benchmarking practices emerged in the data.

For example:

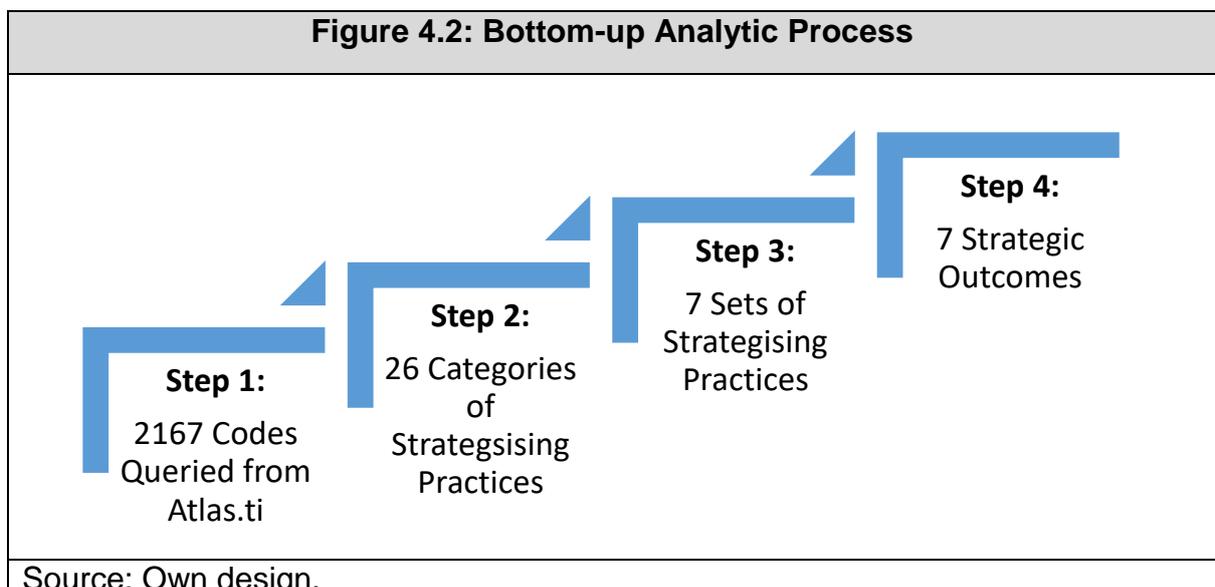
1. SP: Strategic Capabilities: Capability Diagnosis: Benchmarking
2. SP: Strategic Capabilities: Capability Diagnosis: Benchmarking: CDP
3. SP: Strategic Capabilities: Capability Diagnosis: Benchmarking: CDP: JSE Company Disclosure Trends
4. SP: Strategic Capabilities: Capability Diagnosis: Benchmarking: Competitive Positioning
5. SP: Strategic Capabilities: Capability Diagnosis: Benchmarking: Corporate Sustainability Performance
6. SP: Strategic Capabilities: Capability Diagnosis: Benchmarking: Integrated Reporting
7. SP: Strategic Capabilities: Capability Diagnosis: Benchmarking: Integrated Reporting: IIE
8. SP: Strategic Capabilities: Capability Diagnosis: Benchmarking: Peers

Thus different forms of benchmarking would relate to the Carbon Disclosure Project (CDP), Integrated Reporting and Peers. As a result the benchmarking code would appear eight times instead of once, because each code was designed to “talk to the researcher”. That is, by looking at the code the researcher would be able to determine what the actual micro-strategising practice was and which strategic outcome the micro-practice related to. Taking code 8 as an example, the elements of each code had a specific meaning as shown in Table 4.5.

Table 4.5: Meaning of Code Elements	
Code Syntax	
= SP: Strategic Capabilities: Capability Diagnosis: Benchmarking: Peers	
Strategic Outcomes	<p>Where:</p> <p>SP = Strategic Positioning outcome</p> <p>Strategic Capabilities = The specific form of Strategic Positioning outcome</p>

Strategising Practice	Where:
	Capability Diagnosis = The practice by which the positioning is realised
	Benchmarking = The specific form of the Capability Diagnosis practice
	Peers = The benchmarking criteria used in the practice
Source: Own compilation.	

Once Atlas.ti had produced the code list, the researcher aggregated the codes into groups of practices; these constituted the subthemes. These subthemes of practices were then aggregated into groups of practices which related to similar strategic outcomes. This specific analytic process is shown in figure 4.2. The analysis initially yielded 2167 codes which were applied to the data in Atlas.ti. Using ATA, the author aggregated the codes into 26 categories of strategising practices sub-themes. The major themes were then developed by aggregating the strategising practices according to groups of meta-themes resulting in 7 major themes. Each theme was constituted of 7 sets of strategising practices which result in 7 strategic outcomes. Thereafter the researcher proceeded to interpret what the findings meant relative to practice and literature. Finally, the researcher developed conclusions and recommendations. This analytic process is illustrated in Figure 4.2.



4.13 Scope, Limitations and Strengths of Research Design

This subsection discusses the scope, limitations and strengths of the research, beginning with the scope and delimitations.

4.13.1 Scope and Delimitations

This qualitative study was conducted in the context of a single state-owned company in South Africa. The research focused on the strategising practices of formally appointed *sustainability champions*. These were the practitioners who *championed* corporate sustainability within the organisation as part of their job.

These champions were limited to those in the *Sustainability Department* who engaged in strategic activity within the organisation. No other form of champion, such as *innovation champions* or *champions of change*, was studied. Neither was any other champion outside the Sustainability Department, such as champions in Finance, Information Technology or Human Resources, studied.

Also, champions of single forms of sustainability such as financial sustainability were not studied. Only champions from the *Sustainability Department* of the organisation who championed the social, ecological and financial sustainability of the company in an integrated fashion were studied at one SOE in South Africa's freight and logistics industry. No other organisation or industry was studied.

4.13.2 Strength and Limitations

Salkind (2012: 217–218) summarises the potential strengths and limitations of case study research succinctly. These have been applied to this study as follows: The qualitative case study enabled a close examination of the phenomenon under consideration using different techniques (semi-structured interviews and documentation) to get the required data. It allowed for a rich account of the sustainability champions that would not become available through other methods, thus allowing the findings to be transferrable to other similar contexts.

However, the methodology adopted in this study is not infallible. The limitations of this research are as follows: This qualitative case study was time consuming owing to the demands of gathering and analysing qualitative data. Whereas a desktop research or quantitative master's degree would take an average of two years to complete, this study took three years. Further, all researchers have a bias, and the researcher of this study had to beware of his biases and their potential effect on data collection and interpretation. This study was not able to establish cause and effect relationships, and the findings of the study will not be generalised to other situations or contexts.

Having outlined the strengths and limitations of the study above, this dissertation will now proceed to discuss how the reliability and validity of the study could be established.

4.14 Reliability and Validity

There are four key quality tests which are common to social science research. Yin (2014:45) draws on the work of Gibbert, Ruigrok and Wicki (2008) and states that these very tests have “served as a framework for assessing a large group of case studies in the field of strategic management”. These specific tests are: construct validity; internal validity; external validity; and reliability (Yin, 2014:46). Given the qualitative nature of this case study, only construct validity and reliability were established, as internal and external validity would only be applicable to quantitative research. These are briefly discussed below.

4.14.1 Reliability

The reliability of the herein proposed study was established by **developing a case study database**. This study used the word processor Microsoft Word and CAQDAS – Atlas.ti – to establish a credible database to store data, thereby providing easy access for higher quality analysis. All data were stored in a password-protected DropBox account to ensure that there was always a cloud-based backup of all work available.

4.14.2 Construct Validity

The construct validity of this research was established by the following means:

1. **The Use of Multiple Data Sources:** This study used serial interviews and case documentation as sources of data. The triangulation of these two sources of data strengthened the construct validity of the study.
2. **Establishing a Chain of Evidence:** The study maintained a chain of evidence during data collection. This chain of evidence was also reflexively noted in the researcher's field notes. This practice ensured that all evidence used in the study would be traceable so that the validity of the research could easily be established by the researcher's supervisors and other official third parties who would wish to examine the quality of the research.

The following subsection proceeds to discuss the trustworthiness and authenticity of the study.

4.15 Trustworthiness and Authenticity

The trustworthiness and authenticity of the study was established as follows:

4.15.1 Credibility

The following elements (Jensen, 2008) of credibility were established:

1. **Time:** It is necessary to establish enough contact with the participants and the context to get the information one needs (Jensen, 2008). Two serial interviews were conducted with each participant in order to ensure that this element of credibility would be present. Interviews were held on site and an average of one to two hours were spent with each participant in each interview sitting.
2. **Colleagues:** Support networks knowledgeable in the area were harnessed to review and critique the research and data analysis findings (Jensen, 2008). Two members of the Strategy-as-Practice research track at the University of South

Africa, namely Mrs. Karin Stander and Dr. Charmaine Williamson, helped the researcher to test the research instrument. They provided critical feedback on the semi-structured interview guide developed by the researcher. In terms of overall feedback, a supervisor (Ms. Catherine le Roux) and a co-supervisor (Prof. Annemarie Davis) reviewed the research process and findings at each successive stage of the research.

Multiple Sources of Data: Multiple sources of data and multiple data-gathering techniques were used (Jensen, 2008). Serial interviews with participants, and internal and external case documents were used as sources of data for this case study, thus ensuring the credibility of the research.

4.15.2 Dependability

“This condition [dependability], which is equivalent to reliability in quantitative research, requires that the researcher supply adequate and relevant methodological information to enable others to replicate the study” (Jensen, 2008:3).

This research established dependability as discussed by Jensen (2008) by developing and maintaining an Inquiry Audit. This audit essentially tracked any changes that needed to be made to the proposed research design as a result of the social context, which was subject to change. All such changes were noted in the preceding chapters that detailed the methodology of this research. The outcomes of the audit are published in this section of the research report (dissertation).

4.15.3 Confirmability

Two lines of action were taken to establish confirmability:

1. The research process was kept as open and transparent as possible by developing a research and audit trail. This ensured that any independent reviewer would be able to verify the research process and interpretations of the data (Jensen, 2008).
2. Backup Copy Bundles of the Atlas.ti data analysis, which contained the data sources and full coding framework, were made available to any official third party who wished to verify and therefore confirm the quality of the research.

4.15.4 Transferability

According to Jensen (2008:3) “transferability implies that the results of the research can be transferred to other contexts and situations beyond the scope of the study context”. The researcher ensured as follows that transferability would apply to this study:

1. **Ensuring that the participants were all sustainability champions.** This was done through purposive participant selection, which ensured that the results would be transferable to other organisations with sustainability champions in a sustainability department.
2. **Outlining the research context as clearly as possible.** The researcher outlined the research context prior to presenting the findings in Chapter 5 so that readers of the report would be able to determine for themselves whether the findings would be applicable to other contexts. Without a clear description of the research context, this would not have been possible.

4.15.5 Authenticity

Authenticity is important in qualitative research as it assists in developing research that is of value to society (James, 2008). There are five key criteria that must be met to strengthen the degree of research authenticity (Burns, 2010; James, 2008). The study under consideration meets all these criteria:

1. **Fairness:** Fairness was achieved by providing equal access to the research process to all willing participants of the study. Each participant’s views were solicited in a non-discriminatory manner; no views of any particular participant were unfairly suppressed. An interview guide was used for the interviews to ensure that participants would undergo a similar interview process.
2. **Ontological Authenticity:** Many practitioners were unaware of how their daily practices and actions influenced corporate strategy. Willing participants were likely to grow in awareness of the link between strategy and sustainability. An

audit trail was developed in Atlas.ti and DropBox, and was maintained throughout the study. It is still available. The serial interviews and audit trail both revealed how the researcher and participants had developed during the research process.

3. **Educative Authenticity:** By maintaining an audit trail, the degree to which participants engaged in interviews as the study progressed was recorded. It can be revealed to any official third party who wishes to confirm the educative authenticity of the study.
4. **Catalytic Authenticity:** The case company and all participants were granted access to the final research report. This ensured that tangible action steps could be made based on the research, and thus allowed the research to serve as a potential catalyst in progressive action within the case company and other organisations who engaged with the research.
5. **Tactical Authenticity:** This study was supported by the Group Executive Head of Planning and Sustainability and the Divisional Head of Public Policy and Sustainability in the Company. While the degree of empowerment could not be determined prior to the research commencement, the fact that it had such senior backing implied that participants would potentially be empowered to act on the findings of the study.

4.16 Research Ethics

The researcher sought to maintain the highest ethical standards possible in the context of a qualitative study of this nature. This was accomplished by

1. adhering to Unisa's 2012 Institutional Policy on Research Ethics
2. adhering to the South African Protection of Personal Information Act No. 4 of 2013
3. attaining formal ethical clearance from Unisa's College of Economic and Management Sciences (CEMS) Research Ethics Review Committee (CRERC)

The CRERC approved this study after conducting a thorough risk assessment (reference number **2015_CRERC_ 029 [FA]**). The ethical clearance certificate granted is included on the accompanying electronic folder which contains all case study evidence. In line with the conditions of the ethical clearance, the following principles were adhered to and applied to the management of this research:

1. Respect for and protection of the rights and interests of participants

The researcher showed respect for and protected the dignity, privacy and confidentiality of participants. Participants were never exposed to procedures or risks not directly attached to the research project or its methodology. Random pseudonyms created by an online generator *Fake Name Generator* (<http://names.pub/fake-names>) were used to guarantee the anonymity of participants. The pseudonyms only revealed the gender of participants; no other personal information was revealed. No demographical inferences could be made from the pseudonyms as they were entirely random.

2. Respect for and protection of the rights and interests of institutions

The anonymity of Transnet as an organisation could not be guaranteed as the SOE is too easy to identify given its monopoly status in South Africa. However, the dignity of the Company and the privacy of its internal matters and operations were honoured. Only those data and information which the institution had given the researcher permission to collect, or which were in the public domain, were analysed and reported on.

3. Informed and non-coerced consent

The participation of all individuals was based on informed consent. Their consent was therefore specific and freely given. Direct or indirect coercion, or the undue inducement of people, was completely avoided. The consent of the relevant gatekeepers was also obtained prior to the commencement of the study.

4. Respect for cultural differences

The researcher treated research participants as unique human beings in the context of their organisation. What was sacred and secret by tradition in the organisation was respected as such by the researcher.

5. Justice, fairness and objectivity

The criteria for the selection of participants were just, fair and objective, as shown by the inclusion and exclusion criteria in Section 4.8.

6. Risk minimisation

The researcher and Unisa's CRERC ensured that the actual benefits from the research to be derived by the participants or society clearly outweighed possible risks. Participants were subjected to only those risks that were clearly necessary for the research. Participation in this research held no known risks to the institution and participants.

7. Non-exploitation

Exploitation of the research participants and/or the institution or any vulnerable people was strictly avoided. The institution and participants would receive feedback on the research upon its completion as signified by the final official acceptance of this dissertation into the Unisa Master's Dissertation repository.

4.17 Conclusion

This chapter detailed the research design and methodology adopted by the research. After discussing the main research questions guiding the study, the chapter proceeded to outline the constructivist paradigm that suited the exploration of the phenomena under consideration. The nature of this study as a single-case design was then discussed and justified. The selection criteria used to include participants were reviewed, and the sources of data and analytic methods which underpinned the analysis of data were discussed. Lastly, the rigour of the study, the ethical principles governing the conduct of the researcher and the implementation of research methods outlined here were reviewed to demonstrate the overall quality and ethicality of the research. The next chapter, Chapter 5, discusses the findings of the study.

Figure 5.0: Chapter 5 Overview



Chapter 5: Presentation of Findings

Chapter 5 presents the main findings of the study. It begins by situating the findings in the research context and providing a rich description of the case company as required when presenting case study findings. Eight findings pertaining to the strategising practices of sustainability champions are presented. These findings are supported by verbatim quotes from the interviews and references from the case study documentation.

Chapter 5 Contents

- 5.1. Introduction
- 5.2. The Sustainability Champions' Immediate Context
- 5.3. Presentation of Main Findings
- 5.4. Praxis and Practitioners Findings
- 5.5. Conclusion

5 Presentation of Findings

There is no logical way to the discovery of these elemental laws. There is only the way of intuition, which is helped by a feeling for the order lying behind the appearance – Albert Einstein.

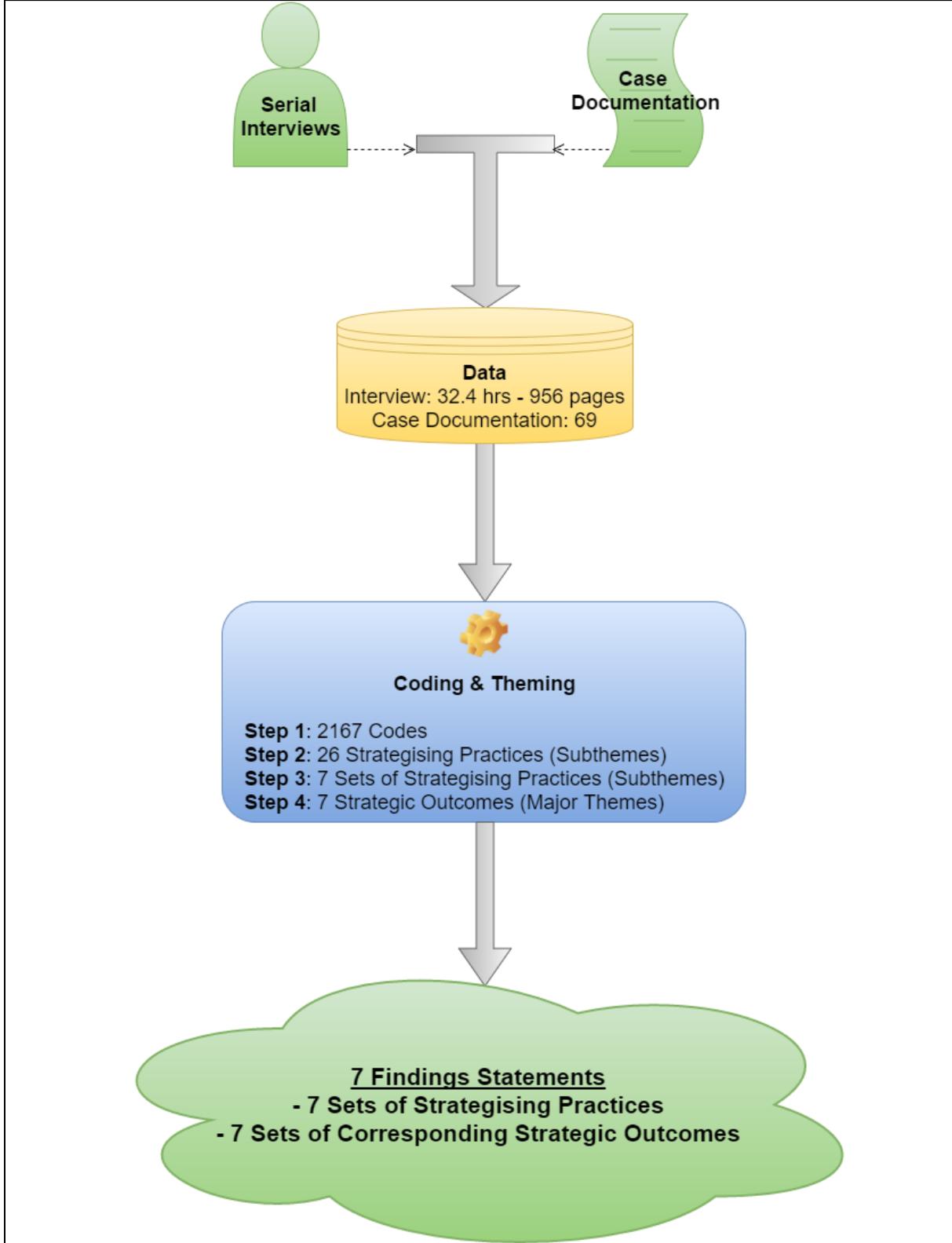
5.1 Introduction

The purpose of this qualitative single-case study was to explore the strategising practices of sustainability champions and the strategic outcomes of these practices. The results of this study offer individuals and groups in similar contexts an opportunity to deepen their understanding of what constitutes the practice of corporate sustainability at the strategic level of a relatively large organisation.

This chapter presents the key findings obtained from (1) serial interviews with 12 participants (a total of 23 semi-structured interviews); and (2) artefacts of strategy practice, including various forms of case documentation. Seven major findings have emerged from the study. Figure 4.2 in Chapter 4 demonstrates the four-step process followed to establish the main findings of the study. Firstly, 2 167 codes were created as Atlas.ti outputs. Secondly, these codes were aggregated into 26 categories of strategising practices. Thirdly, the 26 categories of strategising practices were grouped into 22 categories of substrategic outcomes. Finally, the 22 substrategic outcomes were aggregated into seven main strategic outcomes of strategising practices, resulting in the seven main findings of the study.

The seven findings were converted into findings statements in order to communicate the study's findings succinctly in a standardised fashion (Bloomberg & Volpe, 2016). The process by which the seven main findings of this study were established is depicted in Figure 5.1. Figure 5.1 illustrates how the researcher progressed from sources of evidence to raw data to analysis (coding and theming) and the seven main findings of the study.

Figure 5.1: Findings Development Process



Source: Own design.

All qualitative studies have to answer the research questions posed at the outset (Bloomberg & Volpe, 2016; Creswell, 2014; Guest, *et al*, 2012; Saldaña, 2013; Yin, 2014). The central research question and the research subquestions guiding this study were the following:

Central research question:

- How do sustainability champions strategise for corporate sustainability?

Research subquestions:

- What are the strategising practices of sustainability champions?
- What are the strategic outcomes of sustainability champions' practices?

This study defines strategising practices as the situated routines, discourses, technology and concepts, and the social, symbolic and material tools that practitioners draw on when engaging in actions that comprise the doing of strategy which relate to strategic outcomes (Jarzabkowski & Whittington 2008; Jarzabkowski & Spee, 2009; Johnson, *et al*, 2003). Practices are only *strategising practices* if they result in *strategic outcomes*. Strategic outcomes are defined as consequential outcomes for the direction and/or survival of the group, organisation or industry (Jarzabkowski, *et al*, 2007).

The presentation of findings in this chapter addresses both the research subquestions and the chief research question. Strategising practices were identified in the data as subthemes. The practices (subthemes) which related to similar strategic outcomes were then grouped into categories, with practices sharing similar strategic outcomes in the same outcome category (meta-theme). The subthemes along with their associated meta-themes were then presented as findings statements. An exemplary template of this reporting format is shown in Table 5.1.

Table 5.1: Presentation of Findings Format Example	
Meta-theme: Strategic Outcome A ➤ Subtheme: Strategising Practice a ₁ ➤ Subtheme: Strategising Practice a ₂ ➤ Subtheme: Strategising Practice a ₃	= Findings Statement 1
Meta-theme: Strategic Outcome B ➤ Subtheme: Strategising Practice b ₁ ➤ Subtheme: Strategising Practice b ₂ ➤ Subtheme: Strategising Practice b ₃	= Findings Statement 2
Meta-theme: Strategic Outcome C ➤ Subtheme: Strategising Practice a ₁ ➤ Subtheme: Strategising Practice a ₂ ➤ Subtheme: Strategising Practice a ₃	= Findings Statement 3
Source: Own compilation.	

5.2 The Sustainability Champions' Immediate Context

S-as-P scholars share a common “interest in the way that strategising takes place in different contexts” (Denis, Langley & Rouleau, 2007:179) and management scholars agree that the setting is key to corporate sustainability research (Searcy, 2012; Bell, *et al*, 2012). Rich descriptions of the research context are of particular importance when conducting case study research with a focus on situated practices (Creswell, 2014; Yin, 2014). Before proceeding to present evidence for each finding, this section gives a brief history of the Sustainability Department in order to situate the findings in the specific context in which they were found (Bloomberg & Volpe, 2016; Guest, *et al*, 2012). Transnet (the context) and the sustainability champions (the participants) are briefly introduced in the following section.

5.2.1 A Brief History of the Sustainability Department

Before the Sustainability Department was established, Transnet had a department called Public Policy and the current General Manager (GM) for Sustainability was the GM for Public Policy. Public Policy's mandate was to align Transnet with the South African Government's policy direction and the key Government Departments that were responsible for implementing state policies such as the national Department of

Transport, the Department of Public Enterprises and the Department of Trade and Industry. Then, in 2011, Transnet decided to publish its first sustainability report; this task was assigned to the GM for Public Policy.

Over time the focus of Public Policy shifted from public policy and sustainability reporting towards corporate sustainability. As the Department's scope broadened, more practitioners were recruited, resulting in the 12 sustainability champions in the team at the time of the study. When fieldwork commenced, the team had just been relocated to the 40th floor of the Transnet Corporate Centre (TCC) to join the office of the Group Executive (Head) for Planning and Strategy. The move became necessary as a result of the Department's growth in Transnet: At first it was only responsible for policy alignment. Then it became responsible for policy alignment and sustainability reporting, and eventually it was also made responsible for group planning and corporate sustainability functions. These functions are inseparable from strategy. The Sustainability Department therefore presented a very compelling case for research into this topic.

The physical setting of the Sustainability Department is discussed next.

5.2.2 The 40th Floor of the Transnet Corporate Centre

This dissertation will now proceed to describe the physical context within which the research was done. The head office of the Transnet Group is known the Transnet Corporate Centre (TCC). The sustainability champions and their colleagues in Group Planning, Strategy and Africa reside on the 40th floor of the TCC, and the fieldwork for this study was conducted there.

Figure 5.2: Artefact A



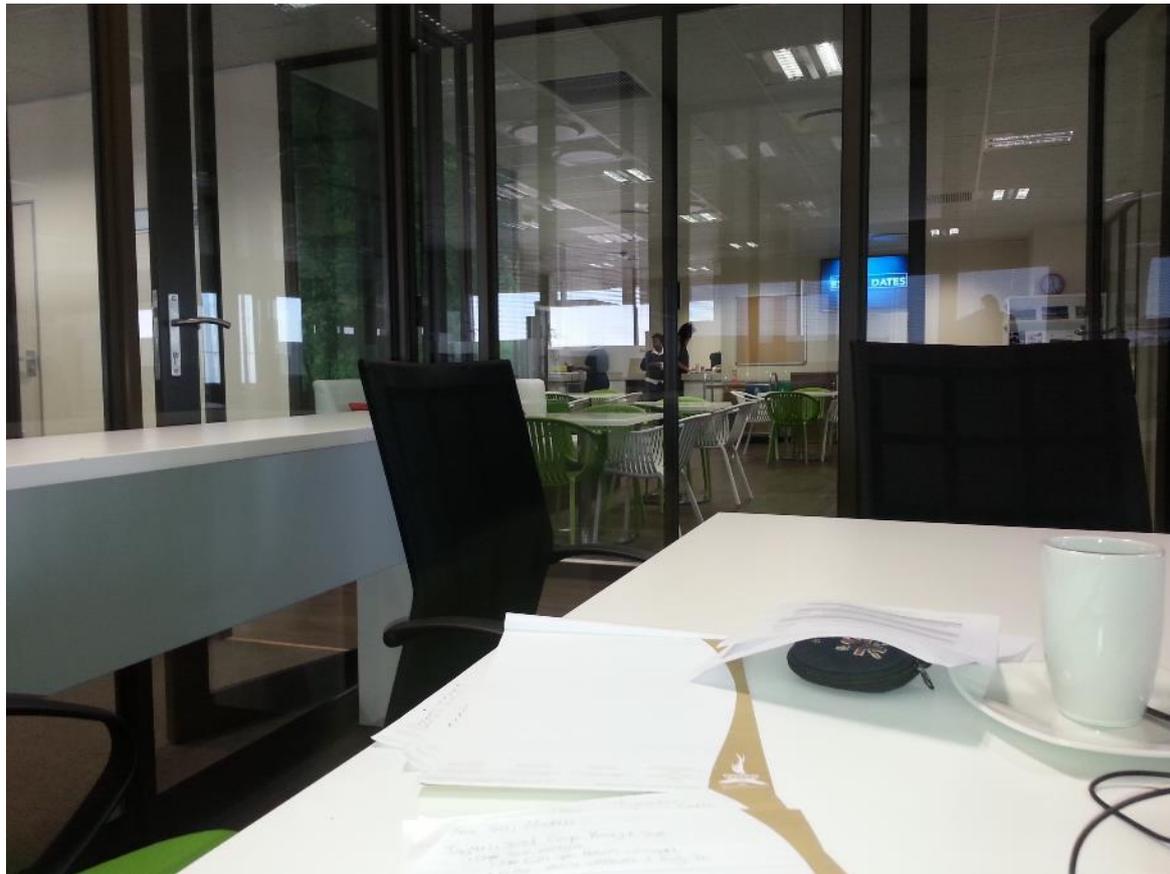
Description: A picture taken by the researcher during fieldwork of the 40th floor entrance which welcomes entrants to the division.

Upon arrival at the Group Planning and Sustainability Department on the 40th floor of an historic business building in Johannesburg, the Carlton Centre, one is immediately greeted by the sign shown in Figure 5.2. The sign explains the composition of the division. It comprises the following departments: (1) the Office of the Group Executive; (2) Group Strategy; (3) Group Planning; (4) Group Sustainability; and (5) the Africa Department. What is interesting about this structure is that Group Sustainability, where the champions reside, has been placed in the same category as other key strategic functions (i.e. Planning, Strategy and Africa).

The whole floor is divided by transparent partitioning, as shown in Figure 5.3 below. This enabled the researcher to make spontaneous informal observations on the spur of the moment as practices emerged (Yin, 2014). The researcher was allocated a

transparent boardroom right next to the sustainability champions' workstations. All the champions were located within view of the researcher, which was ideal for making spontaneous informal observations.

Figure 5.3: Artefact B



Description: A picture taken by the researcher during field work of transparent partitioning on the 40th floor which enabled the researcher to make spontaneous informal observations.

5.2.3 Participant Profiles

The participants in the study included the entire sustainability champion team: junior, technical and senior members. Given the growth of the Department, each champion had a crucial role to play. Each champion was given a pseudonym in order to protect their anonymity and ensure confidentiality as per the ethical principles of the research. Table 5.2 contains a brief profile of each participant based on their positions and the

subteams they belonged to in the Department. Interviews were scheduled randomly in accordance with each participant’s availability. The profiles are as follows:

Table 5.2: Participant Profile Summary	
Pseudonym	Position
Alexander	Sustainability Manager
Charlotte	Sustainability Manager
Evan	Sustainability Analyst
Samuel	Sustainability Analyst
Ayden	Sustainability Manager
Kaylyn	Sustainability Officer
Alisha	Sustainability Manager
Caleb	Sustainability Manager
Katelynn	Sustainability Officer
Kiera	Sustainability Officer
Leonel	Sustainability Officer
Raelynn	Sustainability Manager
Source: Own compilation.	

Each participant was interviewed twice in a boardroom on the 40th floor similar to the one depicted in Figure 5.3 above. The first round of interviews was conducted between from 26 to 29 October 2015. The second round of interviews was conducted from 2 to 11 November 2015. All participants went through a similar interview process and all were exposed to questions of the same nature.

5.2.4 Findings Referencing and Technical Specifications

Chapter 5, Presentation of Findings, is structured around the salient findings of the research. Ellipses (“...”) have been used to indicate where redundant or irrelevant words have been removed from a quote for greater ease of reading. Some participants referred to issues that required an explanatory word or phrase to help the reader understand the context in which a particular quote was uttered. In such cases, all explanatory words or phrases are contained in square brackets (e.g. MDS [Market

Demand Strategy]) as per qualitative research customs (Bloomberg & Volpe, 2016; Guest, *et al*, 2012).

This study also drew on case-document analysis to confirm or refute data emerging from the interviews (Yin, 2014). The citation protocol in Table 5.3 demonstrates how evidence is presented in this chapter:

Table 5.3: Referencing System for Case Study Evidence		
Evidence	Referencing System	
Interviews	Protocol	“Selected Quote” (Participant Pseudonym)
	Example	<ul style="list-style-type: none"> ➤ “We’re involved in many things” (Kiera) ➤ “Tomorrow I have a team meeting” (Samuel)
Documents	Protocol	(Description: Publishing Organisation: Year: Page No.)
	Example	<ul style="list-style-type: none"> ➤ (Public Policy Brief: Department of Transport: 2015:64) ➤ (Public PPT Presentation: Transnet: 2014:3)
Source: Own compilation.		

Table 5.3 shows how the data are presented, and indicates the referencing protocol used to present interview data or to cite documentation evidence. While every finding cites documentation evidence, not every finding quotes documentation evidence, as documentation was used primarily “to corroborate and augment evidence from other sources”, that is the serial interviews (Yin, 2014:107). However, there are some cases where the researcher felt that quoting documents would shed light on a finding and in these instances case documents were quoted verbatim. Having outlined the research context, the dissertation will proceed to discuss the findings of the research.

5.3 Presentation of Main Findings

This research sought to explore the strategising practices of sustainability champions and their strategic outcomes. Seven key findings emerged regarding these practices and their associated outcomes. Each finding is presented in the form of a *findings statement*, which is useful in presenting qualitative data (Bloomberg & Volpe, 2016). Each findings statement is unpacked below and substantiated by quotes extracted

from the data in order to provide the reader with evidence of the data that underpins the findings of the study. In the beginning of each finding, there is an illustration which demonstrates how practices have led to a particular strategic outcome, resulting in a succinct findings statement.

5.3.1 Findings Statement 1

The primary and overarching finding of this study is encapsulated in the following findings statement:

Sustainability champions embed social and environmental sustainability in Transnet's core business activities, deliberate strategies, long-term planning and strategic control processes, while also developing brand new corporate sustainability strategies for the group. The strategic outcome of these practices is the continuous embedding of social and environmental sustainability in Transnet's strategising to drive Transnet towards corporate sustainability while creating long-term value for all stakeholders.

Based on the data, it appeared that the champions' focus was on embedding sustainability concerns regarding *Social and Relational Capital*, which related to the concept of social sustainability, and *Climate Change and Natural Capital*, which related to the concept of environmental sustainability, in Transnet's corporate strategy. This, in turn, resulted in organisational decision-making and subsequent actions which took sustainability into account and encompassed all of Transnet's corporate functions, operating divisions and business units. It is through these two primary focus areas (social and environmental) that the sustainability champions made their strategic contribution. The role and importance of these social and environmental focus areas for Transnet as a whole were expressed as follows:

We are trying to develop an approach to decision-making in the Company that takes sustainable outcomes into account. As a team we're really grouped into two areas of speciality: one area is social capital (social and relational capital), and the other one is natural capital and climate change. I know you have spent time with Caleb and Alexandra and Charlotte talking about these areas (Alisha).

We have Natural Capital, which focuses on the environmental side of Transnet. Natural Capital considers the environment in everything Transnet does ... Then we have Climate Change, which considers the Company's activities. They ask whether everyone knows how their activities contribute to climate change. There is also biodiversity enhancement at the ports. Does Transnet consider the wildlife or the animals around that part? ... All these things have small impacts that no one knows about. That is why I think sustainability champions play a role. We help all Transnet employees to think about natural capital and climate change (Kiera).

More specifically, participants expressed that they were embedding these social and environmental sustainability concerns in the whole Company and its strategy. For example, Katelynn spoke of embedding a methodology for sustainable stakeholder relations, the social sustainability aspect, in the whole group: "We want to embed the methodology that I use across Transnet."

Raelynn and Leonel emphasised how sustainability was embedded in Transnet's long-term planning systems:

We find that our role is accepted because we are embedding our principles in the Company. We do long-term planning that takes sustainability into account. Strategy is very important, and sustainability is embedded in strategy (Raelynn).

Alisha has spoken to Group Planning to see how we can embed not only Sustainable Development Outcomes, but sustainability in general in the [Company's] Long-Term Planning Framework. I think we are slowly making progress (Leonel).

Samuel added: "The team embeds sustainability in corporate strategy. In a nutshell, that is what we do."

Caleb also referred to this while reflecting on the sustainability champions' practices, which enabled the work of embedding sustainability in Transnet: "The last step we

[Sustainability Champions] take is called embedding. You have developed, you have piloted and now you embed.”

This embedding extended to how sustainability champions sought to ensure that even existing deliberate corporate strategies were implemented taking corporate sustainability concerns into account. (These deliberate corporate strategies were developed by Transnet and codified in key strategic plans such as the Corporate Plan, the Market Demand Strategy [MDS] and the Long-term Planning Framework [LTPF]). In this sense the champions augmented existing strategies with a focus on social and environmental sustainability. Charlotte expressed the importance of embedding sustainability in these pre-existing strategies as follows:

We basically investigate the sustainability risks that have the potential to affect Transnet and its business operations now, during the MDS period and in the long run. We look at sustainability, the MDS and the Long-term Planning Framework, and ask ourselves how these risks can impact the business. We always keep timeframes and proximity in mind (Charlotte).

The champions ensured that existing Transnet strategies were implemented with social and environmental concerns in mind. They expressed the importance of participation in key strategic episodes that occurred throughout the year in order to create new strategies and to revise pre-existing strategies. The embedding of social and environmental sustainability in Transnet’s annual strategic cycle was succinctly described by Alisha, who demonstrated that sustainability was being embedded in Transnet’s core strategic planning and review activities during the course of every financial year:

I have to make sure that we give strategic inputs to the strategic Exco [Executive Committee] and Board [Board Of Directors] sessions in the middle of the calendar year. Then we have to make sure that we set the right targets in the Corporate Plan and the Shareholder’s Compact. At the moment we are finalising negotiations with the Department of Public Enterprises [the shareholder] about the Shareholder’s Compact for next year. We are also completing our corporate planning for next year, therefore we have to look at

the big issues in the Company. We have to ask: “What does the Company as a whole have to budget for in respect of sustainability?” I develop budget guidelines which go out in ... September ... to the whole Company. These guidelines explain what each section has to budget for at an operational level. They set out the priorities of the sustainability agenda. We strategise, we compile budget guidelines, we negotiate the Shareholder’s Compact, we are involved in the formulation of the Corporate Plan, and at the same time we are starting to ... compile sustainability reports (Alisha).

Alisha’s words demonstrated that sustainability champions, along with other Transnet group functions, played a central role in group strategic planning and review processes. This was reflected by the recent internal relocation of the Sustainability Department to the Group Planning and Strategy function. They now reported to the C-level Group Executive of Strategic Planning and Sustainability, and so the sustainability champions’ offices were on the same floor as the Group Strategy and Long-term Planning Departments in Transnet. Charlotte confirmed this as follows: “Remember, we sit at Strategy. Everything we do is strategy. We inform strategy. We do not operate at an operational or tactical level, but at a strategic level.”

As a result of their relocation to the Group Planning and Sustainability function, the champions could also embed social and environmental sustainability in existing Transnet Corporate Strategy by providing continuous control over the Company’s key strategies from a sustainability perspective. Participants explained that they provided Transnet with different forms of strategic control such as premise control, strategic surveillance and special alert control. The champions would then inform Transnet of anything that could hinder or help its strategy implementation:

I look at the current plans, that is the LTPF [Long-term Planning Framework] and the Corporate Plan. The Corporate Plan is reviewed annually. The LTPF and the MDS [Market Demand Strategy] are the most important plans. Then I look at ... trends. I ask what is going on out there, and then we start looking at running scenarios and at general planning. We look at all these and then advise [Transnet] about them. We talk to Group Planning and say: “Does this [plan]

consider what might happen in the next five years? What about global carbonising?” (Evan).

While these control practices fulfilled the crucial function of testing strategic assumptions and engaging in environmental scanning on behalf of Transnet from a sustainability perspective, the sustainability champions also developed brand new emergent sustainability-focused strategies. For example, it was the champions who developed Transnet’s *Climate Change Adaptation Strategy*, *Climate Change Corporate Plan*, *Energy Security and Carbon Mitigation Strategy*, *Waste Strategy* and *Water Strategy*. All these were new strategies developed by the champions in order to help Transnet adapt to and address key sustainability-related factors impacting the Company’s operating environment in the areas of climate change, energy security, energy efficiency, carbon emissions mitigation, waste optimisation and water management strategies. Alexander expressed how some of these strategies were conceptualised:

The Energy Security and Carbon Mitigation Strategy was developed in 2012/2013 and approved by Exco [Executive Committee]. Also important was the Climate Change Adaptation Strategy. When I started at Transnet I set two goals: (1) to implement a Climate Change Mitigation Strategy for Transnet; and (2) to develop a Climate Change Adaptation Strategy. The first goal has been reached. The second goal is infinitely more difficult and my target is to reach it in three years’ time. It includes the Energy Security and Carbon Mitigation Strategy (Alexander).

It is also important to look at the *why* behind all this. According to participants, driving the embedding of social and environmental sustainability in corporate strategy would help to ensure the long-term survival of Transnet. The champions expressed how these embedding practices enabled Transnet to achieve social and environmental sustainability outcomes, and also how they resulted in long-term economic sustainability for the Company. The participants stated that their practices resulted in either significant cost reduction or revenue growth. For example, Samuel said: “We [sustainability champions] want to reduce costs, and we want to raise our revenue

[and] profitability. That is what our business is all about. We cannot get away from that.”

Ayden explained the importance of the champions’ contribution to group cost reduction as follows:

By becoming more efficient, we reserve our natural resources and reap financial benefits. Traction amounts to ... 70% of Transnet’s operating cost, which includes the cost of electricity and fuel. That is a huge percentage ... Not taking human capital into account, our biggest costs are fuel and electricity. I have saved the Company millions and millions because I understand how to analyse the networks (Ayden).

Social and environmental sustainability was regarded as central to the core business of Transnet. Strategy is about the long-term survival of the organisation and value creation for the organisation’s stakeholders. The sustainability champions seemed to operate from a long-term time horizon, ranging from five years to 50 years. Their practices were therefore seen as critical and central to Transnet strategy and long-term viability. For example:

We want Transnet to be there in the next 50 years ... We need it to be viable, we need it to be relevant in the economy ... It is therefore important to look at the long term (Caleb).

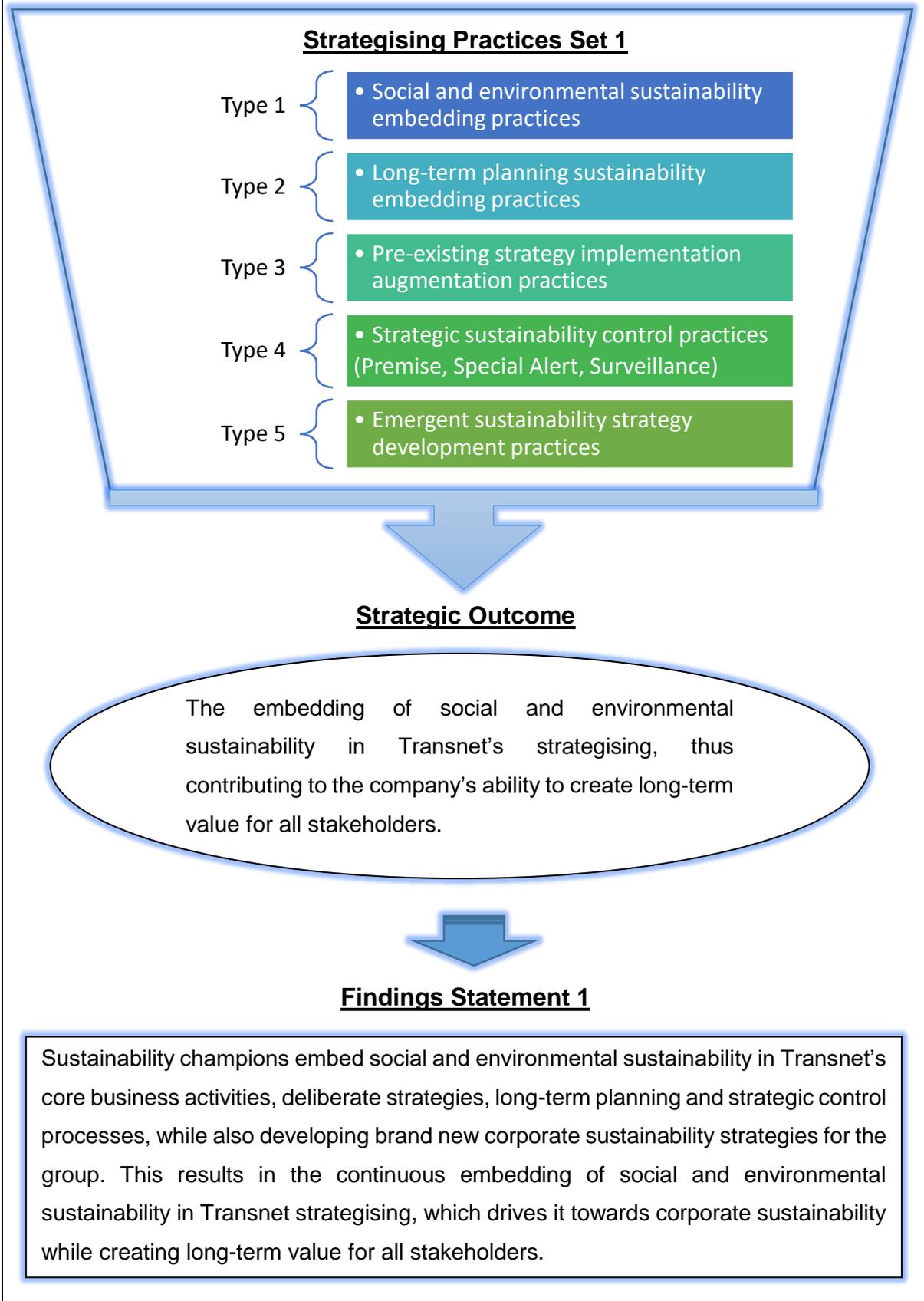
The world is evolving very fast. What we are doing now differs completely from what we will be doing in ten or 20 years’ time. That is what sustainability is all about. ... We must look at how can we adapt. We need adapting strategies. How can we develop those adapting strategies to ensure that we are prepared and ready for a changing environment? (Samuel).

Finding 1 Summary

Figure 5.4 presents an illustrative summary of this first overarching finding. It shows that five categories of strategising practices were identified, namely: (1) social and environmental sustainability embedding practices; (2) long-term planning sustainability embedding practices; (3) pre-existing strategy implementation augmentation practices; (4) strategic sustainability control practices (Premise, Special Alert, Surveillance); and (5) emergent sustainability strategy development practices.

These strategising practices were found to result in two strategic outcomes namely: (1) the embedding of social and environmental sustainability in Transnet's corporate strategy and core business; and (2) a contribution to the long-term value creation for Transnet and its stakeholders.

Figure 5.4: Finding 1 Illustrative Summary



5.3.2 Findings Statement 2

The second findings statement captures the essence of the second major finding of this study:

Sustainability champions develop internal and external environmental awareness, and thereafter they evaluate and develop appropriate organisational responses and lines of action. By so doing, the champions enable Transnet to renew its strategic fit.

The data reveal that the champions developed *internal* and *external* environmental awareness for Transnet from a corporate sustainability perspective.

The champions said that they created *internal* environmental awareness by diagnosing internal organisational strengths and weaknesses using various forms of internal environmental analyses from a sustainability perspective.

One of the key forms of internal strength and weakness diagnosis undertaken by the champions was benchmarking. The sustainability champions helped Transnet diagnose its internal strengths and weaknesses by benchmarking against other organisations that excelled in certain aspects of corporate sustainability. In order to do this, they turned to other companies that were not necessarily SOEs. Some of these companies were listed on the Johannesburg Stock Exchange. After benchmarking, the champions either improved their practices or continued with practices that had already proved to be effective.

Raelynn described these benchmarking practices as follows:

It's not mandatory for a state-owned company to report, because only companies listed on the JSE companies are required to publish integrated reports. Transnet publishes its reports because we need to be aligned with what JSE-listed companies are doing. That is one of our purposes as a state-owned company. It is a journey as we become more familiar with other forms of reporting ... We also do benchmarking against the reports of the best

companies out there ... We take their reports and we look at ... other reports that we feel we should be looking at (Raelynn).

Stakeholder relationship analysis and diagnosis were also raised as an important practice. Kiera spoke of the importance of analysing internal stakeholders in order to implement sustainability projects and initiatives successfully:

We are currently analysing our stakeholders in the light of our Group public policy ... We need to understand which stakeholders are impacted by every project currently undertaken. We need to know how do they engage with one another, what the challenges are and what stakeholders' key concerns. What action items have been identified and must be acted upon as the projects progress? (Kiera).

Katelynn shared how her team had diagnosed the quality of Transnet's stakeholder relationships, and how those relationships could affect the Company's performance and customer satisfaction:

We need diagnoses ... with regard to our customers, for example to determine the level of the contract relationship with customers such as the customers of Transnet Freight Rail. For instance, let's look at Company A. What is the quality of its relationship with Transnet? Is it 50, which is good, or 0, which is bad? Then we come up with measures to fix it (Katelynn).

Diagnosing resource utilisation efficiency was also raised as a key practice of the sustainability champions. Transnet's key resources include energy and water. As part of diagnosing resource utilisation efficiency, the champions had to identify and solve the negative externalities of such resource use by ensuring, for example, carbon emission reduction. Ayden demonstrated how important this practice was to Transnet's largest Operating Division:

I also ... determine efficiencies. I also determine the volumes, which is ... [measured in] gross ton kilometres ... That means I determine efficiency for traction [energy], for electricity and for diesel ... I also submit the efficiency

performances themselves ... to [help them] know what their efficiencies are [and] how they have performed. This information appears in internal reports, which I generate (Ayden).

Another form of *internal* capability diagnosis conducted by champions was value chain and value network analysis. This type of analysis enabled the champions to flag key weaknesses in Transnet's value chain and value network arising from social and environmental sustainability risks. Charlotte told how the use of value chain and value network analysis resulted in the detection of weaknesses that would otherwise have been overlooked by Transnet. Reflecting on how her analysis was able to flag water as a strategic risk for Transnet, she said the following:

Transnet is not a strategic water user; Company B is a strategic water user because they use it primarily in their processes, while we use it for washing, ... waste and hygiene purposes. We also use water for dust suppression in some of the areas ... Our water risk lies in our value chain and our value network, because our value chain is largely made up of coal and agricultural commodities. If there is no water or there is a drought, there is no crop yield and therefore nothing to transport. If there is no water, minerals cannot be extracted and there is nothing to transport ... We have our value network, which is our revenue stream, and also our resources; we are impacted because we are sitting in the middle (Charlotte).

The champions developed appropriate responses by enhancing the Company's capabilities taking these strengths and weaknesses into account. This was done by developing competencies and resources. One of the competencies that the champions developed could be classified as human competencies (Johnson, *et al*, 2014), including internal and external human relationships that facilitated sustainability data collection, project implementation and the champions' overall effectiveness:

It is very important to have good working relationships with everyone in the whole Company. Without such relationships it is almost impossible to get things done. If everyone agrees on what is needed, things can get done (Alisha).

The importance of developing and maintaining external relationships was also emphasised by another participant:

I now have personal relationships with the service providers who work with me. These relationships are important. Sometimes, when we hit a wall, we can ask the service providers what their views are, because they are objective; they are not part of the process. When you do this kind of work ... you need objective people who see what you see and who can set you on the right track (Caleb).

In addition to these human relationship competencies, the sustainability champions also developed other human competencies by building their capacity to strategise. This capacity building was both formal and informal. The data revealed that the champions engaged in a lot of informal ideation capacity building, that is the ability to generate and share ideas which would foster eco-innovation and social innovation for corporate sustainability.

Ideation capacity building occurred in the form of informal random brainstorming sessions. Another specific form of ideation capacity building, which the participants called *knowledge sharing sessions*, became a weekly practice. These sessions were held every Friday, when the sustainability champion collective would meet and share knowledge and ideas. One of the aims of the knowledge sharing sessions was the development and growth of each sustainability champion. The content of these sessions was not restricted to work matters, and champions' outlook on the world in general was broadened during these sessions. The data revealed that these knowledge sharing sessions played a key role in developing champions' tacit knowledge, which enabled them to be as innovative as they were.

Leonel explained this regular ideation practice as follows:

The whole purpose of knowledge sharing is to ... develop debating skills. Every week we have to come up with a topic, do research into that topic and then present our findings to the rest of the team. After you have presented your findings to the rest of the team, the topic is debated. Some people know more about the topic than others... We just share our knowledge and talk about

different views. My role is to come up with the topic, do research into it and then present it to the rest of the team... I once spoke about 3D printing. We [Kiera and I] also researched FastWorks and sustainable developmental goals. We presented our findings together... The topics are quite diverse and do not necessarily relate to the job. They can be anything that is of interest to you and the rest of the team (Leonel).

In addition to these knowledge sharing sessions, which were routinised yet relatively informal, the sustainability champions also engaged in informal mentorship, where the more experienced champions would mentor, or simply motivate, some of the less experienced ones. Some of the mentorship activities and motivation were premeditated, but sometimes they occurred in the course of strategising for corporate sustainability. For example:

I do a lot of motivating and capacity building in my teams. I spend a large amount of my time teaching and building capacity and ability in my teams. I do these things not just in my core team, but also in the broader sustainability teams ... I put in a lot of effort to increase their knowledge of sustainability matters ... They learn while they do their job, because learning is part of the cycle ... They rise to the challenge and exceed it. Then I ask myself: "How far can we push these guys?" And it is far, which is why we can handle so much work as a team. People often do not realise how much they can do (Alexander).

Sustainability champions also developed their competencies more formally by building their capacity to strategise for corporate sustainability through *training and development*. For example, they attended formal events, conferences, seminars, classes, workshops and short courses. The champions attended different training interventions in accordance with the skills they required to accomplish their work.

Leonel shared information about key training he had attended that related to his work in Social and Relational Capital: "I attended a two-day workshop on how to measure social impact ..."

The data also revealed the following about the champions' formal training and development practices:

I often attend training that has bearing on my work. I attended a two-day advanced training course on process dominance ... The most recent training I attended was system administration training. I needed that for my work on the sustainability data system... We also attend soft skills training courses, including time management and emotional intelligence training... We attended a short project management course [and] change management training (Kaylyn).

As shown above, the diagnosis of the various aforementioned internal strengths and weaknesses was complemented by the development of an appropriate response. Competencies were developed and resources utilised. This process was not linear; rather, it occurred in a messy, iterative fashion.

The champions not only developed human competencies (relationships and skills). The data also revealed that they contributed to Transnet's strategy by developing resource-related competencies, specifically fund-raising competencies. The ability to access external funds was a valuable competency which allowed the champions to seek out resources that will enable the realisation of their endeavours. This was expressed as follows:

Like most companies we are subject to financial constraints. However, we have become a sought-after partner for funding ... I would say this is the result of our good working relationships with other companies. We have access to a lot of funding opportunities ... There seems to be recognition, at least in South Africa, that Transnet is doing pretty well in the sustainability space and people want to partner with us ... Only yesterday I attended a meeting with international funders ... I'm managing many of those partnership relationships with my team. ... Sustainability means you can get the job done in a constrained environment. (Alexander).

The champions also developed *external* environmental awareness to minimise threats and to convert environmental dynamics into potential business opportunities. They engaged in different forms of external environmental analysis to keep the organisation agile and responsive. Evan explained this as follows:

We need to understand the different market forces that can affect our business from a sustainability perspective ... [For example], look at our investigations into gas as a new source of energy – how can Transnet utilise that to boost its balance sheet? ... There's a 30-year period looking at commodities. What are we going to be doing in the next 30 years? What do we need to be doing in terms of investments? Do we need new [railway and pipe-] lines? Must we adapt our infrastructure? (Evan).

The data also made it clear that the sustainability champions engaged in environmental analysis that had resulted in the detection of key threats and risks to Transnet's core business. In this vein Samuel said:

I believe that what I'm doing is important to the business ... For example, we did a coal risk assessment ... As part of that assessment we also looked at natural gases and opportunities ... If we can have systems which are more resilient, like risk management, then we know that Capital Projects and Planning will have resilient systems. Those are the things which are guiding ... the implementation of projects and an understanding external forces (Samuel).

Networking was another of the champions' key strategising practices. The sustainability champions participated in key industry, business and sustainability networks in order to keep abreast of external environmental changes. They then communicated information about these changes to Transnet and assisted the business in adapting to these environmental dynamics. Some of their networks included the National Business Initiative (NBI), the Global Reporting Initiative (GRI) and the International Institute Reporting Council (IIRC).

Katelynn illustrated how her social function assisted Transnet in responding to key international sustainability reporting requirements: "We [sustainability champions]

know what we need to do daily – we respond to the international requirements of the GRI and the IIRC.”

Alisha demonstrated how these organisations enabled the champions to detect priority-one risks for the business:

Energy risk ... is the risk we identified very early, even before the load shedding crisis. We knew it was coming. We were able to forewarn the Company that energy was going to be a big issue. We were able to start setting energy efficiency targets. We were able to start getting energy managers into business practices. We got an energy policy adopted before anybody thought that energy was really that important ... It came from us – it came only from us [sustainability champions]. Before we started, there was no accounting for where the energy was actually used in the Company. We knew how much we paid. We knew we paid this much for fuel, but we did not know where it was used, how it was used, whether it was used inefficiently or efficiently. There were no meters and we did not even understand what a risk it was. We engaged with the Energy Intensive Users Group [EIUG], the NBI networks and the Industry Task Team on Climate Change. We tracked energy consumption patterns ... We got to understand the nature of energy generation in South Africa and then we elevated energy to a critical path risk for the Company. It shot straight to the top of the strategic risk register (Alisha).

In order to adapt and respond to these risks, Transnet had to respond in ways that were sensible, that is, feasible and practicable. It was the responsibility of the champions to ensure that Transnet responded sensibly. They therefore undertook another key strategising practice, namely to engage in option evaluation for Transnet by assessing the acceptability, feasibility and practicability of potential responses to sustainability threats and opportunities. Participants described these practices as follows:

We chose whatever option had the most impact on most of those SDOs [Sustainable Development Outcomes] that were aligned with the Sustainable Development Goals. Then we worked with that option, because we knew it was

linked to and responded to the LTPF [Long-term Planning Framework] and the SDOs. That is how we create value in Transnet (Charlotte).

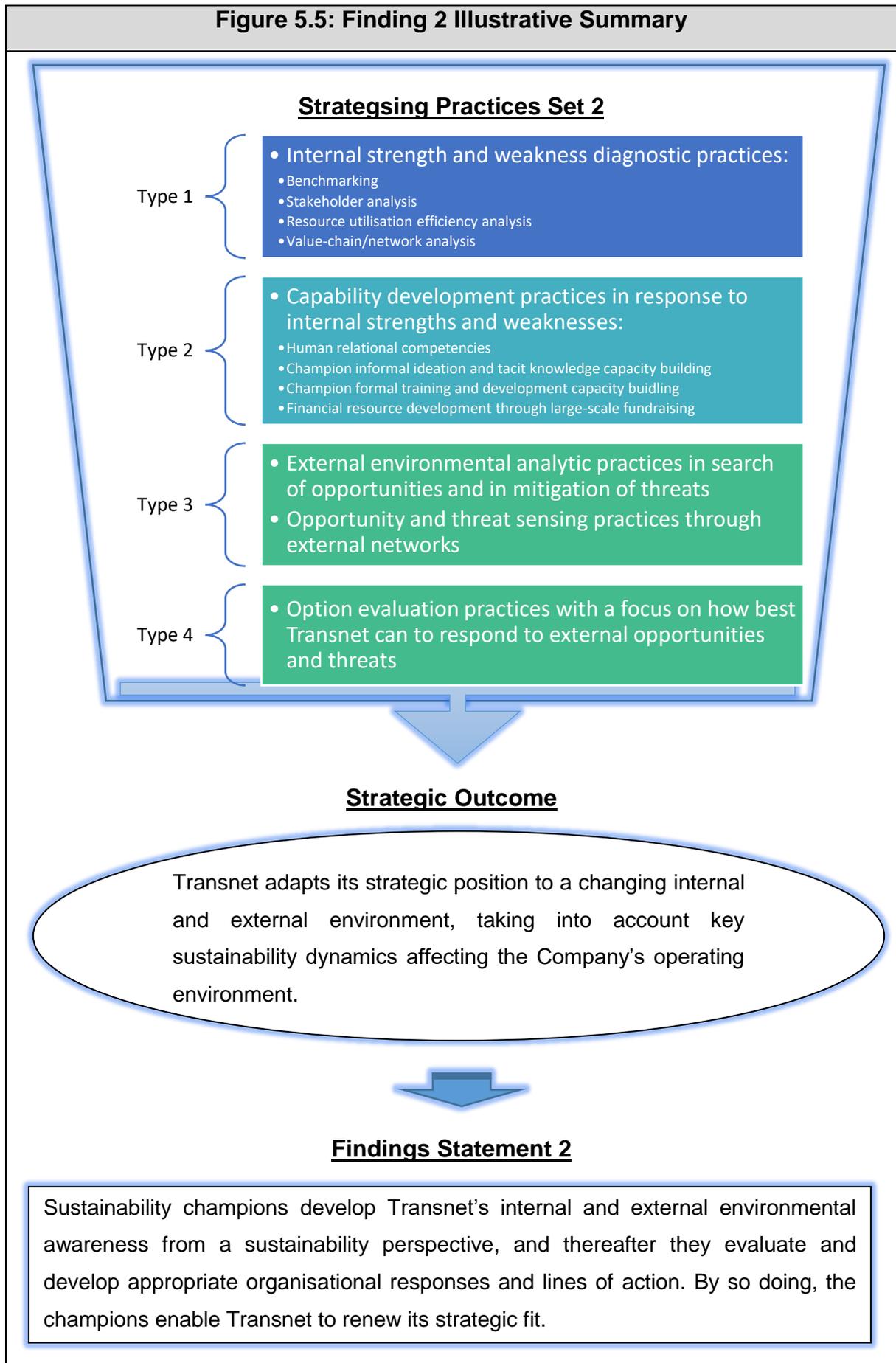
We investigated Solar PV and looked at different supply options. All these options became part and parcel of the implementation ... Right at the beginning of the Solar PV project, we had to meet with Solar PV developers. They had to explain to us how they had developed and managed to implement Solar PV. We also had to meet with the people who financed Solar PV projects [in order to] understand what the available options were ... Would they be suitable for Transnet? These are the type of things we needed to find out (Evan).

Finding 2 Summary

Figure 5.5 illustrates this second major finding, demonstrating that sustainability champions' internal and external environmental awareness and response practices resulted in the renewal of Transnet's strategic fit from a social and environmental sustainability perspective. Four key categories of practices emerged here, namely: (1) internal strength and weakness diagnostic practices in the form of benchmarking, stakeholder analysis, resource utilisation efficiency and value-chain/network diagnostics; (2) engagement in capability development processes to strengthen Transnet's internal environment through human relationships, informal and formal capacity building and the development of financial resources through large-scale sustainability high-risk fundraising; (3) the detection of opportunities and threats in the external environment by conducting external environmental analysis and sensing the external environment through industry networks; and (4) engagement in evaluative practices to evaluate various options available to Transnet in the light of the Company's internal and external environmental dynamics.

The strategic outcome of these practices was that sustainability champions assisted Transnet in adapting its strategic position to a changing internal and external environment, taking into account key sustainability factors and trends affecting the Company's operations and value network.

Figure 5.5: Finding 2 Illustrative Summary



5.3.3 Findings Statement 3

The third major finding of this study is expressed in the following findings statement:

Sustainability champions engage in strategic tool innovation, business process innovation and business model innovation practices. They then implement and diffuse these innovations by reconfiguring Transnet's organisational architecture for corporate sustainability through sustainability-related policy development, implementation and review, and sustainability-related group-wide system development and implementation.

Strategic “innovation involves the conversion of new knowledge into a new product, process or service and the putting of this new product, process or service into actual use” (Johnson, *et al*, 2014:296). Many of the other strategising practices of sustainability champions were enabled by their ability to develop new processes, business models and services which Transnet could adopt for its long-term survival.

The data revealed that the sustainability champions innovated and then diffused their innovation throughout the organisation by developing new conceptual and analytic tools, by adapting pre-existing tools in Transnet to emergent environmental dynamics, and by developing new processes and systems that could aid Transnet in incorporating social and environmental sustainability in its decision-making and rendering of services.

Thus the data revealed that much of the sustainability-related structures in Transnet were created and initiated by these champions. Caleb said: “We champion or lead those sustainability initiatives in the different areas in which we operate.”

For Alexander, innovation seemed to be central to strategising: “Once we get into implementation, I leave. I am never involved in implementation ... I leave and then I focus on the next innovation.”

The importance of innovation in general was also expressed by other participants as follows:

Corporate sustainability is innovation, I think, and it needs a paradigm shift... We have to look at what the organisation can do differently. Can we look at innovation? ... What are the things that the business can leverage? Sometimes the answers to these questions help us to come up with an idea that is not yet part of the Transnet portfolio, yet other departments run with it (Samuel).

If you think in terms of innovation, you can make decisions about your port design today and then, when your port is built in ten or 20 years' time, it will be a port for the future and not a port of the past ... I think it is extremely important to have people who are allowed to think and to explore new ideas. The organisation must tap into the innovation that is happening across the globe in so many areas, because ... this is a competitive world and companies have to stay abreast of new developments. If we fail to be constantly aware of innovation and we are not agile, and if we fail to grab new opportunities immediately, we are going to miss out ... and we are going to be left behind (Alisha).

The data revealed that the champions had developed an ability to repeatedly create new tools that could be used and applied by all parts of the business, including the Board of Directors, the Executive Committee, functional departments and operational divisions. In some cases the champions augmented existing institutional tools. For example, Leonel demonstrated how they had adapted a monitoring and evaluation tool used by the South African national and local Government. The tool was known as the logic model: "The social impact measurement methodology... it is a monitoring and evaluation framework that the government is currently using ... We just changed it because we had to tweak it to suit our purposes."

The data also revealed how the champions augmented an existing institutional strategic tool, the Balanced Score Card (BSC), by ensuring it included sustainability targets and objectives for top management and other teams. Champions said the following about this:

Our score cards are based on our managers' score cards; they are ... based on our General Manager's scorecard and the Group Executive's score card. We felt there should be something like the [group sustainability] SharePoint portal, which is not on my manager's score card, so I put it there, because that is what I do (Kaylyn).

Our BSC is very thorough. Remember, it talks about four areas, dimensions or perspectives, so it is very thorough. However, it is also flexible because they allow you to add whatever needs to be added. I have learned that if one of my tasks is not on the balanced score card, it is fine. I'll do it and add it to the score card later (Caleb).

In other instances, the champions developed new tools altogether. These included tools to be used *internally* by Transnet, such as the AP Index, the Carbon Calculator, the Sustainable Development Outcome Measurement Methodology (SDOMM), Sustainability Risks and Opportunities Assessment (SROA), Stakeholder Engagement Templates and the Transnet Energy Risk Methodology (TERM).

Externally, the champions participated in the development of tools to promote national corporate sustainability. These tools included the National Carbon Emissions Verification System, which had been developed in collaboration with the South African Government's national Department of Environmental Affairs (DEA), and a National Green Economy Options Analysis, which had been developed in collaboration with the National Business Initiative (NBI). Ayden and Alexander described the creation of these strategic corporate sustainability tools, which had been legitimised in the organisation, as follows:

I have developed a module which calculates the traction electricity cost for each substation. I can quickly do the calculations if I know what the volumes are going to be, or what the price increase is going to be. It will calculate the volume ... I have developed the whole system for traction energy, because I started the whole thing for traction electricity ... I try to automate things ... and because I understand it, I've developed it ... I know how the systems work ... That is why I can still calculate the tracks for TFR [Transnet Freight Rail] (Ayden).

I built two things. The first was the AP Index ... It is the availability peak demand index ... The value of the index determines the event horizon for the risk and also the endpoint of the risk ... I can forecast when the risk diminishes completely. It is updated every two months ... The second thing is much more amazing. James Allen [a colleague in Transnet] modelled the energy grid from generation through its transmission system down to distribution and substations. He then took Transnet's traction [energy] system and overlaid it onto the energy grid. He can now run simulations to determine the impact of load shedding on the grid. We call it the Transnet Electricity Risk Model – TERM ... TERM re-inforced the relevance of SROA [Sustainability Risk and Opportunity Assessment Methodology] to the risk community, because we told them our TERM had been developed along the lines of SROA, because they had been evolving ... TERM clearly shows that we [sustainability champions] want to move sustainability into the innovation space (Alexander).

The data also showed that sustainability champions engaged in business process innovation. Their strategic business process innovation practices were largely centred around developing process control frameworks and manuals focusing on sustainability issues in Transnet:

There was a process that involved the development of a few process control manuals. I had to co-ordinate that development of manuals to ensure that all the necessary documents were created [and] that they would meet requirements and reflect the truth. I reviewed those documents, shared them with process owners and signed them off (Kaylyn).

The innovation extended beyond process innovation and included making significant changes to parts of Transnet's overall business model:

The work that I do on climate change adaptation is taken seriously, because it is critical for the business. Adapting the infrastructure we use to transport commodities is critical, and sometimes we need to adapt our commodities. Say for example there is no coal, what else can we transport? So we adapt our

business model. It is critical to sustain the business..., therefore we must sometimes adapt the business model ... That is the part of the business that can be affected by the impact of climate change (Evan).

All these aforementioned innovations were diffused throughout Transnet and used to reconfigure organisational architecture for corporate sustainability. The first form of reconfiguring involved the development, implementation and review of new sustainability-related policies for Transnet. These policies legitimised the work of the sustainability champions, and gave them the power they needed to implement their projects and initiatives. For example, Raelynn stated that “we want to implement a new stakeholder framework here”. Alexander shared the following:

In the policy we wrote that we would embed energy management in the project life cycle processes of the business. Tomorrow, I have a meeting with Capital Integration and ... they can ask: “Why do we have to do all these things?” When they ask: “Why do you want to do this?” ... we can give them a long philosophical story about why it’s important or we can just say: “The energy policy that has been approved by Exco [Executive Committee] says that we will do this.” So it is already in [the policy]; it is done (Alexander).

The reconfigured policies and procedures empower the champions to develop and implement group-wide sustainability systems. Alisha discussed the importance of adapting Transnet’s existing systems as follows:

We have to ensure that the strategic decision-making of the Company takes account of the consequences of its decisions. I think a sustainability champion has to make sure that those consequences are brought to the fore and made visible. That is quite an important role, but then the other role of a sustainability champion is to take people along with you and not to create a sense of alienation. You need to find a way of working within familiar systems that people can feel empowered to make the right decisions. That is why a lot of what we do is work with the systems of the Company. For example, we work in Enterprise Risk Management to create sustainability thinking around risk from a sustainability perspective. We work with Internal Audit to make sure that the

auditors are looking at issues that are going to make the Company more sustainable, but it is in the audit system. We work with the Long-term Planning Framework so that there are new lines of thinking coming into long-term planning. We work with the Shareholder's Compact to ensure that the compact is targeting outcomes and not just inputs. We work with the people who work on balanced score cards to make sure that the targets that the executives are given incorporate outcomes – sustainable outcomes. We work with the systems of the Company, stakeholder engagement, we work with people who are the engagers with customers and communities and suppliers, and we work with them to enhance the quality of what they do. We are not trying to do something on the side, we are trying to work in the systems of the Company to change the way that those things are done. I think that we can say that we are successful when the process owners – the functionally responsible managers – start to adopt sustainability thinking and decision-making in their normal business (Alisha).

At the time of the research, the major systems on the champions' agenda included three information technology (IT) systems and an energy management system for the whole Transnet. The IT systems comprised an electronic Sustainability Information Share Portal, an electronic Geographic Information System and an electronic Sustainability Data Intelligence System. Participants discussed these as follows:

We have sustainability intelligence – that is the IT part ... They are putting it in a system that will enable us to go out and create indicators for all the SDOs [Sustainable Development Outcomes] we are working on (Kiera).

We will have a sustainability data system. Now the Stakeholder Engagement Policy and the Sustainable Development Outcome Measurement Methodology, or both of these, must be sitting in the Transnet Sustainable Data System. Whenever I say we are looking at CSI [Corporate Social Investment] projects and development indicators, all those must be in the system at the end of the day ... [The System] will contain all information for Transnet that I'm mentioning to you now, although not electricity information. The Sustainability Data

Intelligence System stores information about everything we say we are doing at a high level (Katelynn).

The purpose of project, the EWT [Endangered Wildlife Trust] and the NBBN [National Biodiversity and Business Network], is to map all that on a GIS – Geographic Information System – platform for our Planning Department ... Information about the sustainability risks and opportunities will be added to that. We have colour-coded risk matrix which can be used for anything. It is a GIS: you just enter the information and when you go there, you already have the information you need (Charlotte).

The other system the champions were developing and implementing was an energy management system which complied with the ISO 50001 Energy Management Standard. The champions decided to name the Transnet energy system after the ISO standard, therefore it was simply referred to as *ISO 50001*:

The energy management system is the ISO 50001 system. ISO 50001 is an ISO standard. We call the group the ISO 50001 working group, because once you have that system working for you, you can measure your energy outputs. It becomes a standard way of energy management. Eventually ISO 50001 will be ... part of ... [Transnet's] DNA in terms of energy management (Evan).

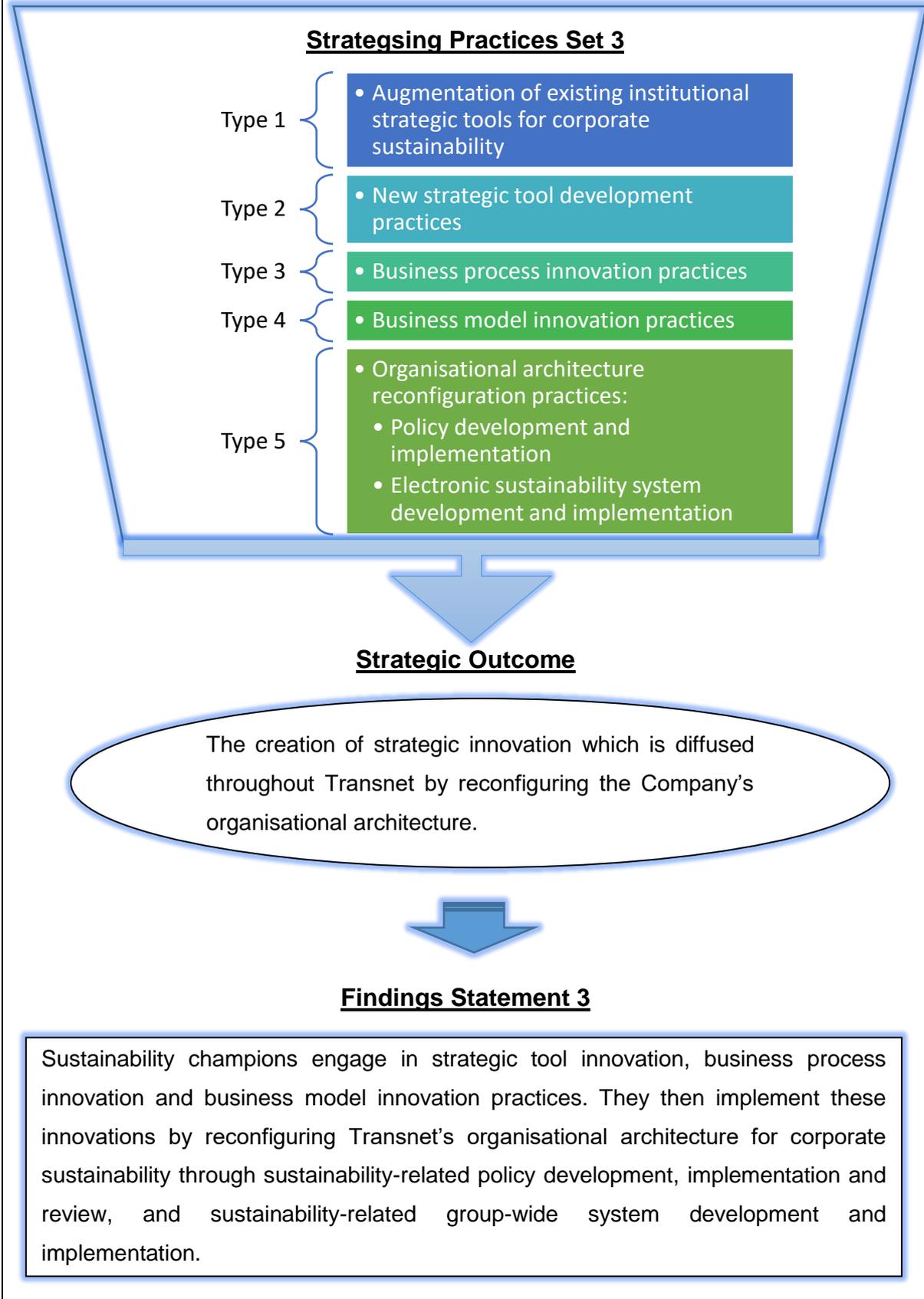
In conclusion: The strategic innovation was not seen as something that the champions practised because they had the scope and leisure to, but rather, as Alexander stated, it was seen as an absolute necessity given the nature of the work that these champion sought to accomplish:

We have no choice, because we work in a field where the theory is still emerging and there are no baselines. We just have to do those things. We have to find out what is the latest and greatest, and we have to talk about it! We have to get everyone involved and we have to push them, because ... there is no baseline to measure. I cannot simply find a formula for social capital ... I cannot find accepted [sustainability standards] formulated by the accounting principle body. We must therefore keep being innovative (Alexander).

Finding 3 Summary

Figure 5.6 illustrates and summarises this third finding of the study. Five categories of practices were found in the data, namely: socio/eco-innovation through (1) the practice of augmenting existing strategic tools; (2) developing new strategic tools; (3) business process innovation; (4) business model innovation; and (5) the practice of reconfiguring organisational architecture by developing and implementing group-wide sustainability policies and systems. These practices resulted in the creation of continuous strategic socio/eco-innovation, which was diffused throughout Transnet.

Figure 5.6: Finding 3 Illustrative Summary



5.3.4 Findings Statement 4

The research established that the sustainability champions had initiated and managed strategic change by aligning Transnet's internal sociocultural context towards corporate sustainability. Findings statement 4 reads as follows:

Sustainability champions engage in strategic issue selling and they align Transnet's organisational culture towards corporate sustainability through deliberate change management in order to institutionalise corporate sustainability and establish sustainability-related strategic targets for Transnet. The strategic outcome thereof is the initiation and management of strategic change towards corporate sustainability.

Finding 3 established that the champions diffused socio/eco-innovation throughout the SOE. However, this diffusion did not come without some additional groundwork. In order to diffuse their tools, technologies, processes, systems, policies and procedures, sustainability champions needed to get buy-in throughout the organisation. They started by getting buy-in from top management at the level of the Board of Directors (Board), the Group Executive Committee (Exco) chaired by the Group Chief Executive Officer and Senior Managers in the Operating Divisions. Champions shared the importance of buy-in as follows:

The solar PV business case needs to be presented to Exco [Executive Committee] by March 2016. So I know that by March 2016 the business case must have been to Exco (Evan).

It is not easy to go and tell Senior Management: "Listen!" With a Company like this you have to be very careful how you approach things. You cannot just step in and say: "Listen, we're going the wrong way. This is what you need to do." It doesn't work that way ... We have to translate that into sensible proposals. We have to show people ... It is not always easy (Ayden).

Charlotte has really been innovative with risk modelling. She has developed a whole procedure that she has put in place and she has spent the bulk of this year consulting inside the Company and getting buy-in into the whole process.

She has been very patient. She has gone from OD [Operating Division] to OD to OD to get all the risk champions on board. That has been a tremendous success (Alisha).

Sometimes we do work like Solar PV. All the information about the project is contained in about 200 slides, and the last slide contains your recommendations. How can you condense 200 slides to a five-minute Exco [Executive Committee] presentation? That is the challenge ... Show only five slides, because you do not have time for more during an Exco session. I have learned the more you can crystallise that information, the better you can sell it to the business (Alexandra).

Once the champions had sold their innovations and ideas to top management, they went about creating an enabling cultural context for change in Transnet. They needed to create awareness of the social and environmental sustainability of the Company, and its connection with Transnet's core business:

We need to communicate our message and we must find a proper way to do that ... We must raise awareness. We are trying to find a way to spread awareness and the understanding we want everyone to have (Kaylyn).

Awareness is created in the Company – I have seen it happen over the last 18 months. People are starting to sit up and ask: “What is this whole thing with sustainability?” ... At the moment we do everything to create awareness in the Company. I went to all the divisions [ODs] to explain what sustainability is. We had some valuable feedback sessions with all of them. We just explained how we as Transnet now need to approach our day-to-day business. Whatever they are doing, they must think about in terms of sustainability (Raelynn).

By creating greater awareness, the sustainability champions sought to challenge the prevailing culture and mitigate strategic cultural drift. They did this by engendering a new kind of thinking among Transnet employees. Participants expressed this as follows:

There are always changes in the business environment or in an economy, and sustainability is a paradigm shift ... We need to change your mind-set; we need to look at things through different lenses (Samuel).

We do not tell them how to do stuff. We try to show people that there could be different approaches to their day-to-day business ... They must think outside of the box, because they are so used to focus only on time management and targets. We ask them: "What are the outcomes of that target?" ... We really allow people to start questioning what they do. This is still quite a challenge here [at Transnet] (Leonel).

The champions also sought to influence the levels of awareness and thinking in Transnet through a monthly sustainability newsletter which was circulated to the whole organisation:

And then we have the ... *Transnet Sustainability Newsletter*. It is a monthly newsletter with stories about global and local developments, and about the things that happen at Transnet, especially at the top level. I also want the ... *Sustainability Newsletter* to tell everybody of what is happening out there and to keep them informed (Katelynn).

Every month we also publish sustainability news, which Charlotte oversees and the technical staff produce. We publish a little newsletter to create awareness in the Company. It reaches a wide audience every month (Alisha).

The champions also seemed to be very deliberate about their approach to managing the change brought about by embedding social and environmental sustainability in Transnet. In order to engage in effective change management, the champions nominated two of their team members to be official change practitioners and sent them to Transnet's internal change management training. Caleb said the following about this: "We've started with Kaylyn and Kiera. They were trained and are now officially

change agents.” This deliberate move to develop the champions into official change management practitioners was illustrated by the following comments:

The most important things are that we need stakeholders to buy into our projects and that we must mitigate any resistance to change ... There are different types of resistance ... This the main aim. Not everybody is happy with the change ... They have been doing things in a certain way and now we are saying to them: “No, this is how it is supposed to be done.” We get a lot of resistance from them and this can impact on our deliverables and our outcomes ... We need to change attitudes ... and then behaviour will change ... It is a big change and a big project (Kiera).

Kiera and I must to come back to the team and say: “From this group of people you can expect this type of resistance, and this is how you should manage their resistance.” We must give the team insight into the types of resistance they can expect... That is why we started the change management process and gathered all the stakeholders ... We jot down all the programmes and the projects of our department [Sustainability Department] and we identify all the stakeholders and all the people or sections that will be affect by our work ... We are trying to manage expectations and encourage input and assistance from other departments (Kaylyn).

Caleb explained how the sustainability champions would expand the change management approach to Transnet’s top management and other departments:

We must identify ... the change agents in each area who will understand and accept the methodology ... We say: “We have five or six programmes – we need buy-in. Who are our stakeholders? How are we going to win them over? Why do we need them? Why do they need us?” Then we determined how to win them over (Caleb).

Another tactic that the sustainability champions employed to accomplish the social and cultural changes needed to embed sustainability in Transnet, was to set up platforms

involving other corporate functions, departments and the operating divisions. These platforms included a Company-wide Sustainability Forum where the champions' sustainability agenda was advanced, working groups with managers from the operating divisions to monitor implementation of initiatives such as ISO 50001 (the group-wide energy management system), and a meeting platform to institute one of the sustainability risk analytic tools that the champions had developed. Participants said the following about these platforms:

I chair the working group. The group consists of all the energy managers from all the divisions ... We meet every second month. Evan is the secretariat and I'm the Chair [of the] ISO 50001 working group ... It is a reporting and support type of forum (Charlotte).

Now that we have completed the coal [coal risk analysis] we need an actual platform that will be formalised. We will follow an annual cycle that will produce Sustainability Risk and Opportunity Assessments ... As we now have a cycle to formalise sustainability in the business, we are actually embedding sustainability as an ongoing practice (Alexandra).

Raelynn explained the growing impact of the Sustainability Forum on the Company as follows:

I am responsible for the Sustainability Forum, which meets quarterly. All the GMs [General Managers] of the various corporate functions meet with us and with the sustainability champions in the ODs [Operating Divisions]. It is therefore a Transnet-wide forum. All the Operating Divisions now have to report on a quarterly basis ... In this way we also create awareness of sustainability in the Company. All the sustainability champions you will interview report on what they do and give updates ... We discuss how we go about ... creating awareness in the Company and show everyone what we are doing. We help people to understand bigger concepts. We often report on the different things we do and how these relate to what everyone else is doing ... We always bring it back to strategy and to what people are doing on a daily basis ... It is all about

sustainability ... It is all really one strategy, so they [other ODs and departments] are also setting up their own little forums internally with Sustainability Committees in them (Raelynn).

The participants also used performance targets, a well-known strategic management tool, to align culture with desired behaviours. After they had introduced social and environmental imperatives to Transnet and obtained buy-in from Top Management, Group Functions and Operating Divisions, the champions developed group-wide sustainability performance targets in order to measure and monitor sustainability performance for Transnet. For example:

We measure our total true performance. There are various measuring tools to assess OD [Operating Division] efficiencies ... We have weighted energy efficiency targets, we have carbon emission intensity type targets – all those things are measured (Ayden).

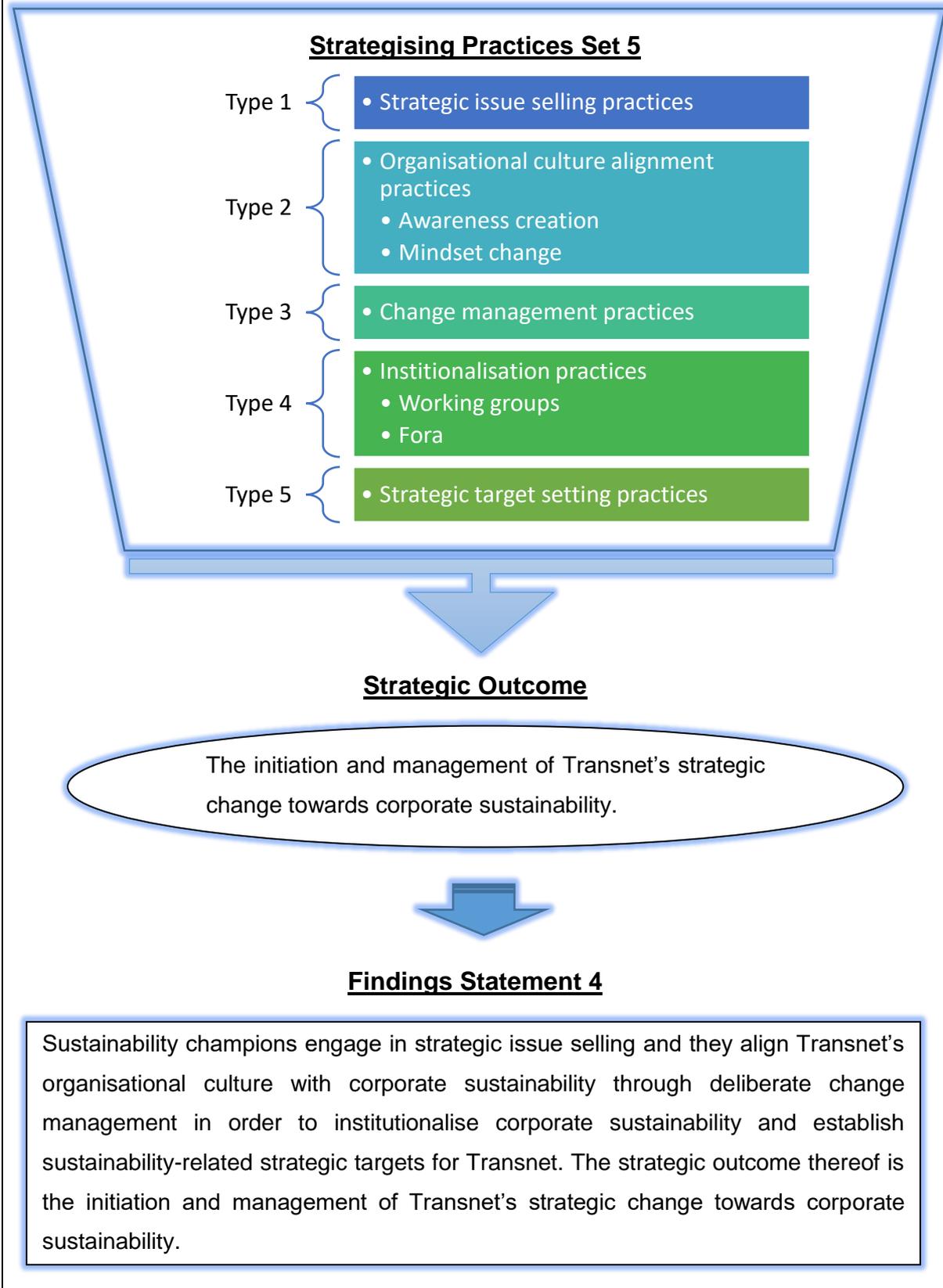
We have energy efficiency targets. When initiatives have been implemented, we can reach our energy efficiency targets ... I know that I'm achieving a goal, namely to increase energy efficiency and to reduce consumption. I measure myself on a project-to-project basis. From a Group [Transnet-wide] perspective, we we measure whether we have reached the energy efficiency target (Evan).

We also developed a target with Ayden ... We developed a carbon intensity target, which is a a Group-wide carbon intensity target ... It is a year-on-year intensity target ... The aim of the target is to show what we are doing within the organisation and to drive change. When performance is monitored, there is normally a need for targets. We are now starting to look at five-year targets ... and to plan ahead. We must be ready even before new regulations are passed. Such regulations are for example the pollution prevention plans, which will require the organisation to provide five-year targets. We are already determining what can we do. We are already formulating five-year targets, and if you have a target, you know what you are doing (Samuel).

Finding 4 Summary

The fourth finding of this study was that sustainability champions engaged in five types of strategising practices, namely: (1) strategic issue selling practices; (2) organisational culture alignment practices; (3) change management practices; (4) institutionalisation practices; and (5) strategic target setting practices. These practices resulted in the initiation and management of Transnet's strategic change towards corporate sustainability with an emphasis on social and environmental sustainability.

Figure 5.7: Finding 4 Illustrative Summary



5.3.5 Findings Statement 5

This research determined that the sustainability champions strengthened Transnet's corporate governance and, as a result, investor confidence. This is captured in the following findings statement:

Sustainability champions engage in the institutionalisation of the sustainable development outcomes governance framework agreed upon by Transnet and its shareholder (the Department of Public Enterprises). They also help Transnet to respond to and mitigate key risks, manage material governance issues, and promote corporate citizenship and transparency. The strategic outcome of this is that Transnet's corporate governance and investor confidence are strengthened.

Governance is a key part of strategy because it connects stakeholder interest with management action, thus contributing to the strategic purpose of the organisation (Johnson, *et al*, 2014). The champions led the development and implementation of Transnet's key strategic governance indicators, the Sustainable Development Outcomes (SDOs), along with an associated Company-wide system to help measure, monitor and report on progress made with the SDOs. The SDOs were critical to Transnet's governance framework as they were intimately involved in key governance issues such as stakeholder engagement, risk management and the overall pursuit of sustainable development. What emerged from the data was that the sustainability champions played a significant role in the development and adoption of the nine Sustainable Development Outcomes by Transnet and its Shareholder the Department of Public Enterprises. Participants explained how the nine SDOs had been established:

We then started to work out how to develop a methodology that would allow the Company to measure outcomes over time. We asked the shareholder: "What do you actually want to measure?" We then developed Annexure D to the Shareholder's Compact, which contains the nine areas which the shareholder wanted us to report on. We agreed on those nine outcomes in 2014, and developed a methodology to measure those nine outcomes ... You will see all our reports follow this. The outcomes of our work have to be accounted for in

those nine categories ... We run trains, we move boxes in the ports, we push liquid fuels through the pipelines and what are the outcomes? If all those activities are measured according to those nine outcomes, can we show that we are creating long-term value? This is fundamental ... If you are going to invest in infrastructure, you must account for the jobs you create, the skills you develop, the transformation you achieve and the communities that you impact. You must account for the environmental outcomes. We have to account for everything we do. These are not things we do on the side; they are the result of what we [as Transnet] do (Alisha).

The nine Sustainable Development Outcomes were an integral part of Transnet's strategy, governance and measures of accountability with the shareholder (the Department of Public Enterprises). The nine SDOs seemed to have enabled much of the work the sustainability champions did. This was confirmed in Transnet's governance section of the Company's *Integrated Report* (Transnet, 2015a:60). The importance of the champions' practices to Transnet's corporate governance was also noted in the report as a key contributor to the Company's efforts to mitigate environmental risk. This can be seen in the following:

Various interventions were introduced in recent years to manage the potential impact of this risk [environmental risk], including: ... Initiation of various projects as part of the Company's climate change strategy, which informed plans to reduce Transnet's carbon footprint and to review inefficient plant infrastructure design (Integrated Report: Transnet: 2015:45).

As demonstrated by the first finding, the sustainability champions were the initiators of the Climate Change Strategy; they were also responsible for its implementation. Evan said the following about this:

I am responsible for the implementation of Transnet's Energy Security and Carbon Mitigation Strategy. We have an Energy Security and Carbon Mitigation Strategy which we developed in 2013. My responsibility is to manage and monitor the implementation of those initiatives throughout the whole organisation, even at Exco [Executive Committee level]. ... The end goal is to

develop Transnet's Climate Change Adaptation Strategy. It is still being developed, although we have already developed a Climate Change Plan, the Transnet Climate Change Plan. The plan was approved by the Chief Executive Officer ... It is applicable to the entire Group and is informed by all the other initiatives which are aligned with the [Company's] strategy (Evan).

In the 2014/2015 financial year, energy risk shot up to the top of Transnet's governance risk management register as the result of the impact that national electricity load shedding had on Transnet's value chain, service delivery and revenue (Integrated Report: Transnet: 2015:46). This risk was given to the Group Executive for Planning and Sustainability, who then asked the sustainability champions to formulate a suitable response to the risk. Champions spoke about this as follows:

As we were involved in the energy space, Risk [Risk Management Department] approached us when the lights started to go off. Our Group Executive for Planning and Sustainability became the Transnet champion of the electricity risk, because every priority-one risk ... has to have a risk owner or sponsor [at Executive Committee level] ... There has to be an executive priority-one person. When our Group Executive was made responsible for that risk, I was tasked with developing a response (Alexandra).

The energy risk was the one risk that we could foresee even before the load shedding crisis struck. We knew it was coming. We were able to forewarn the Company that this was going to be a big issue. We were able to start setting energy efficiency targets. We were able to start getting energy managers to adopt [energy efficient] business practices ... Before we started, there was no accounting [system] that told us where energy was actually used in the Company. We knew how much we paid for fuel and electricity. We knew we paid so much for fuel, but we did not know where the fuel was used, how it was used, whether it was used efficiently or not. There were no meters and we did not even understand that it was a risk ... We then elevated energy to a critical-path risk for the Company and it shot straight to the top of the strategic risk register (Alisha).

Two of the key governance-related mitigating activities listed in Transnet's *Integrated Report* were responses to the energy risk that were crafted by the sustainability champions. The *Integrated Report* lists them as follows (Integrated Report: Transnet: 2015:46):

- Efficiency improvement and energy saving initiatives, such as the creation of regenerative capacity.
- Explore alternative power generation initiatives (medium-term to long-term option).

The responses to the energy risk that were developed by the champions included the Solar PV Feasibility Study and the Solar PV Business Case; the Natural Gas Market Study and Response Plan; the Energy and Carbon Mitigation Strategy; the ISO 50001 Energy Management System; and energy efficiency monitoring and reporting. Energy efficiency monitoring and reporting was a continuous process and the responsibility of the champions.

By championing environmental and social sustainability, the champions honoured the Shareholder's Compact and the Minister of Public Enterprise's Strategic Intent, which were cornerstones of Transnet's governance: "Transnet's Sustainability Framework is aligned to the Minister's Statement of Strategic Intent and the Shareholder's Compact to ensure that the Company accounts for long-term economic, social and environmental outcomes" (Integrated Report: Transnet: 2015:51).

Transnet also identified several key governance material issues (Integrated Report: Transnet, 2015:50). The champions contributed to three of these material governance issues. Below, each material governance issue is listed and followed by a quote to illustrate what champions had to say about that issue:

Annual Shareholder's Compact and Annual Corporate Plan

The annual Shareholder's Compact that Transnet signs with the Shareholder sets out specific annual targets to achieve the strategic outcomes required.

These targets are reviewed and set each year to inform Transnet's Corporate Plan (Integrated Report: Transnet: 2015:51).

The financial year ends at the end of March and then the auditors visit us. We take the end-of-year reports to the Board [Board of Directors] in May/June and the annual reports are issued in June/July. This is an annual cycle. My role in this is very clear. Sustainability is part of strategy, it is part of budgeting, it is part of corporate planning, it is part of the Shareholder's Compact and it is obviously part of the reporting. So there is a lot to do in this regard every year (Alisha).

Stakeholder Engagement

Constructive stakeholder engagement is a critical business enabler of the Company's MDS [Market Demand Strategy]. Transnet's stakeholders are those persons or groups who are directly or indirectly affected by the Company, including those who may have interests in Transnet's business activities and/or have the ability to influence Transnet's business outcomes, either positively or negatively (Integrated Report: Transnet: 2015:52)

We have stakeholder engagement and we have the sustainable development outcome measurement methodology for the whole Company. We assess the quality of [stakeholder] relationships for the whole Company. These are the three main things I do (Katelynn).

Stakeholder Engagement Policy

Transnet's Stakeholder Engagement Policy aims to embed a systematic approach in the management of stakeholder engagement practices across Transnet to maximise the value for both stakeholders and the Company. The policy applies to all employees and contractors that engage with Transnet's stakeholders on behalf of the Company. The implementation mechanisms of the Stakeholder Engagement Policy are set out in the Stakeholder Engagement Process Control Framework, which aligns directly with the policy. Transnet's Group Planning and Sustainability function manages the stakeholder's database, which interfaces with various platforms within the Transnet

Corporate Centre functions, Operating Divisions and Specialist Units (Integrated report: Transnet: 2015:54).

Katelynn and I are responsible for the implementation of the Stakeholder Engagement Policy implementation. We present ... The Stakeholder Engagement Policy says as a Company we must engage with the stakeholders. It prescribed how we should with the stakeholders and how we should report on engagements with material stakeholders. We want to take it to Group Exco [Executive Committee] because the policy was approved in December/November last year and now we can say: "We have given you the policy last year, you approved the policy, here's the fruit of the policy, here's the material stakeholders that we have." ... It is one thing to develop a policy and get it approved, but it is another thing to implement it. Implementation is a different ball game altogether. I have to make sure that I assist everyone. The onus is on me to ensure that the policy is implemented ... You cannot just develop a policy, you must make sure that it is properly implemented. The feedback and all the information that I get must help me to review that policy in two years' time ... Remember, the policy was approved in November last year. Next January, I have to start to consolidate, because come November two years are over and the policy has to be reviewed. I therefore have to determine what the challenges are, [because] the Company is too big (Caleb).

Engaging Stakeholders

Transnet is committed to systematic and dynamic stakeholder engagement practices in line with the Company's Culture Charter and supporting values. Engagement norms include: inclusivity, accountability and responsiveness. The Company has adopted guidelines from the AA1000 Standards (Accountability Principles Standard 2008 and the AA1000 Stakeholder Engagement Standard 2011) ... Stakeholder engagement performance is measured as a key performance indicator in the Balanced Score Cards of Stakeholder Relationship Owners. The monitoring and evaluation of stakeholder engagement is reported to the Remuneration, Social and Ethics Committee (REMSEC) and to the Board (Integrated Report: Transnet: 2015:54–55).

We look at the international education reporting framework and how they approach education. This is very important to us ... Caleb uses that AA [1000], which is the Stakeholder Engagement Standard (Raelynn).

We always do research in my space to determine at what is happening with stakeholder engagement. We have a standard, namely the AA1000 Standard of Stakeholder Engagement. We investigate what is happening there. We have organisations that develop a framework and standards ... and we need to incorporate these into your stakeholder engagement template (Caleb).

The Modal Shift from Road to Rail was also raised as one of Transnet's key material governance issues relating to sustainable development outcomes (Transnet, 2015a:59). The modal shift from road to rail was one of the South African Government's key sustainable development strategies because of its large carbon emissions reduction potential. The modal shift was overseen by the national Department of Environmental Affairs (DEA). In their *Freight Shift from Road to Rail Report*, the DEA states the importance of this strategy and the relevance of Transnet in implementing it:

Rail transport has the potential, under the right circumstances, to provide a cost effective freight transport option, making the economy more efficient, providing access for freight and passenger movements, as well as providing an environmentally sustainable transport solution (Freight Shift Report: DEA: date unknown:1).

The capital investment in infrastructure is relatively constant, as it has been assumed that the Transnet investments in infrastructure will continue, regardless of the rate of uptake that the freight follows. This is because the capital investment is the lead event in the modal shifting process, as freight cannot shift onto rail infrastructure that does not exist (Freight Shift Report: DEA: date unknown:1).

In a booklet published to accompany the launch of the Market Demand Strategy, Transnet acknowledged the importance of the above by stating that it was committed

to the “modal shift from road to rail” and “lowering South Africa’s carbon emissions” (MDS Launch Booklet: Transnet: 2013:39). The sustainability champions often mentioned the modal shift during their interviews. Alexander shared how Samuel had helped to develop a tool for calculating the emission reductions that the shift would cause: “The one that we developed and that Samuel worked on, is the Road to Rail Modal Shift which calculates emissions...”

Samuel also mentioned this in an interview: “I am also involved in the ... Modal Shift from Road to Rail and Climate Change Impact [Projects]. I also do the quantification of that.”

Other participants referred to the modal shift as follows:

We just report back on things like. We report on our carbon emissions in the Road to Rail shift or the Modal Shift, and why it is important. I write many of those reports (Raelynn).

Whether it be coal, manganese, chrome, iron or agricultural products, the outcome must be stated in terms of environmental stewardship. [The question is:] has there been a decrease in carbon emissions as a result of people moving from Road to Rail? Everything has to link (Leonel).

We want to reduce carbon emissions. Compare diesel combustion and the emissions of a diesel truck to trains’ emissions. Trains produce far, far less emissions. The percentage is maybe 60% less when you use trains. But if we do the Road to Rail migration, we will have a lot more (Charlotte).

Another key aspect of governance that the sustainability champions addressed was transparent reporting. The champions had instituted integrated reporting even though it was not mandatory for SOEs in South Africa to produce integrated reports at the time. The champions attempted to ensure that everything they did, and all social and environmental sustainability-related activities that other parts of Transnet engaged in, was recorded and reported. In other words, everything that was noteworthy and

related to sustainability had to be included in their Sustainability Report. This was explained as follows by Katelynn:

All the things I've already mentioned are for the benefit or the purpose of the Sustainability Report. We must have the data available, so that when we release that Report, the information is there. It would take too long to ask people: "What was your energy [efficiency] in the past month?" before we start the report (Katelynn).

Raelynn was responsible for managing the collation, writing and finalisation of the Sustainability Report, with support from Alisha. She said that the report served to develop shareholder confidence (investor confidence) and general confidence from the Board of Directors:

Our Portfolio Committee loves this report, so we get a good feedback from them. They feel that this is a report that they can read and they can see what we're doing as a Company ... Our Minister loves this report and I think our investors do too. We get a lot of inquiries from investors about environmental issues. They ask what Transnet does to protect the environment. We inform our stakeholders about what we are doing and they can see what they are actually investing in and how their money is used. The shareholder can see what the Company is doing. Are we adding to "the developmental state" by what we do? Do we create jobs, develop skills and so on? I think the report is really a stakeholder engagement tool... It tells everyone out there what we do (Raelynn).

Other participants expressed the importance of boosting investor confidence as follows:

The work that Raelynn does is crucial because it forms part of the Sustainability Report. We have to show our investors, our stakeholders and people who are affected by Transnet that the Company follows the laws of the country, but also that we do more than what is required. [Raelynn] has to make sure that ... what we do is explained in the Report. We need the information in the Report,

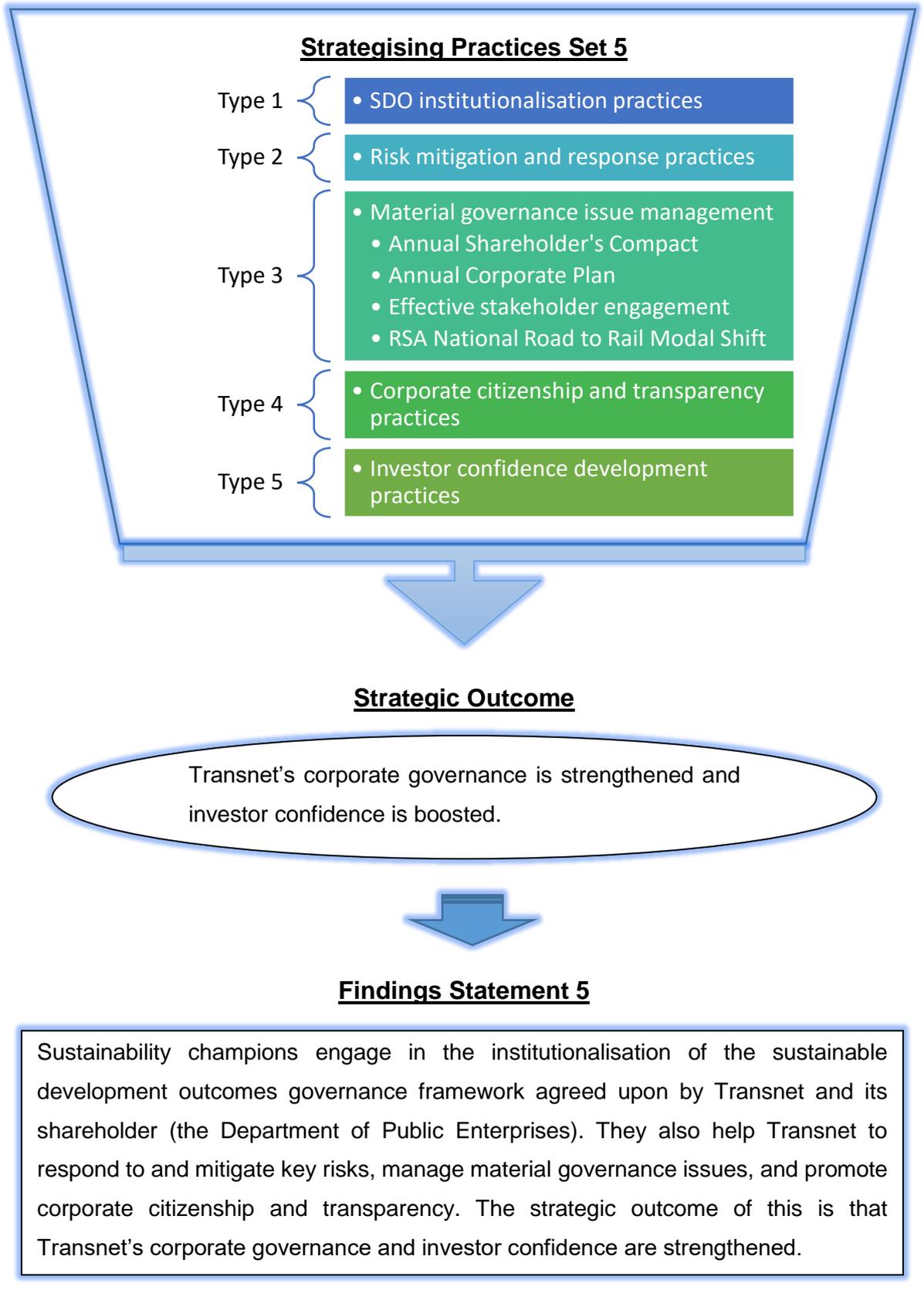
because a lot of companies, a lot of investors have started to ask ... how organisations measure non-financial situations and what the impacts are. That Sustainability Report feeds into the *Integrated Report*. We need it from a compliance point of view. It also shows that our organisation is a step ahead. I know that we are getting a lot of awards in terms of sustainability reporting (Leonel).

We are getting to a point where we realise that people out there want resilient infrastructure, institutions and governance structures like the DEA [Department of Environmental Affairs]. Investors are starting to question the issues of climate change adaptation: “How resilient is your business? If we have to invest in your business, is it resilient enough?” So we started to look at those issues. If we have a strategy that is resilient enough ... we can really benefit. Investor confidence can increase; reputation-wise we know that our business is sustainable (Evan).

Finding 5 Summary

The fifth finding of this study was that sustainability champions engaged in five strategising practices, which focused on: (1) institutionalising the nine SDOs; (2) mitigating governance-related risks and developing responses to these risks; (3) managing material corporate governance and national policy issues; (4) promoting corporate citizenship and transparency; and (5) developing shareholder confidence. The strategic outcomes of these practices were that Transnet’s institutional corporate governance and investor confidence were developed and enhanced.

Figure 5.8: Finding 5 Illustrative Summary



5.3.6 Findings Statement 6

The sixth finding of this study was that the sustainability champions provided significant parent-company value for Transnet's Business Units, Corporate Functions and Operational Divisions throughout the Group. This is expressed in the following findings statement:

Sustainability champions engage in practices centred around providing Transnet with thought leadership, advisory and technical skills and expertise, synergy across the Group, training and development, and sustainability-related central corporate services. The strategic outcome of this is the provision of significant parent-company value for Transnet's Business Units, Corporate Functions and Operational Divisions throughout the Group of Companies.

The concept of parent value in strategic management can be understood as follows:

Corporate parents need to demonstrate that they create more value than they cost. This applies to both commercial and public-sector organisations ... Corporate parents must show that they have parenting advantage, on the same principle that business units must demonstrate competitive advantage. They must demonstrate that they are the best possible parents for the businesses they control (Johnson, *et al*, 2014:239)

Parent companies can demonstrate the above-mentioned through any activity that adds value to the business unit and operational divisions subordinate to the parent. In this case, Transnet SOC Ltd., also known as Transnet Group or Transnet Corporate Centre (TCC), is the corporate parent of all its Operating Divisions (ODs) that run the revenue-generating business units, namely Transnet Freight Rail (TFR); Transnet Engineering (TE); the Transnet National Ports Authority (TNPA); Transnet Port Terminals (TPT); and Transnet Pipelines (TP). These ODs are relatively large themselves and employ thousands of people each. Therefore, the key practices of the sustainability champions included promoting social and environmental sustainability-related parent-company value to the rest of the ODs and TCC functions.

All the previous findings demonstrated some of form of parent value created by the TCC with the help of the sustainability champions. The participating champions mentioned that the creation of parent value was a key aim of their practices. It involved acting as Company advisors and thought leaders, operating a centre of excellence, and communicating the vision of sustainability to all ODs and Group Functions. Participants talked about this as follows:

We run scenarios and advise the business, and we monitor the implementation of sustainability initiatives. We report to the Board, the Group Exco [Executive Committee] and then to the Board [of Directors] (Evan).

My task is to align my team to be thought leaders, to explore opportunities and to take the Company forward in sustainability. A lot of what we do is just the hard work of getting systems in place in the Company to make sure we can account for the behaviour of the Company (Alisha).

We are expected be consultants – to be a centre of excellence, a centre of innovation. We must provide knowledge to operating teams who do things on the ground ... They need our expertise, they need people who will inform them and they need people who will provide assistance ... I believe in terms of strategy, that is what we are required [to do]. If you can do something that can reduce [cost] and if you can come up with something that you know is significant, executives can buy into your plans (Leonel).

We have developed outcome measures for all the ODs [Operating Divisions] and all the TCC [Transnet Corporate Centre] functions involved ... Climate change and energy are important – we have seen what happened with load shedding. The message has to be communicated to every last person in the ODs. I offer a kind of support structure to ensure that the MDS [Market Demand Strategy] can be achieved... (Katelynn).

Being a source of sustainability-related technical skills that other parts of the business lack, was also mentioned as an important part of what the champions did. Evan explained: “I’m not necessarily at the operational side of things, but [I’m involved in]

providing support and knowledge to the technical teams. I know what needs to be done in terms of energy and what we need to be looking at.”

In this vein, Ayden said:

I inform Transnet whenever they need a system in our Energy Forum or at the Energy Efficiency Forum for TFR [Transnet Freight Rail] ... I can also advise them. ... I know how to measure, how to calculate or analyse and ... how to solve certain problems ... It's my background ... I consolidate or collate all the information about ODs' [Operating Divisions] and specified units' energy and fuel consumption. That is how we measure their efficiencies. We measure either volumes or man-hours ... I then enter [the data] into Excel or a spreadsheet linked to different things, and generate the energy efficiency monthly report that goes to Exco [the Executive Committee] and different offices (Ayden).

Another key parent-company value-adding activity is called *synergising* (Johnson, *et al*, 2014). This involves facilitating synergies across a parent company's members. In this vein, the champions integrated existing group-wide information technology (IT) systems for enhanced efficiency and performance. For example, Kaylyn mentioned the integrating of Transnet's SAP system with the Customer Relationship Management (CRM) System and the Sustainability Data Intelligence System. She explained the synergising of existing information technologies throughout the Group as follows:

I am integrating systems for sustainable development, and it is going to be big! We heard about the CRM [Customer Relationship Management] system and we found out about the fields in the system and how it differs from ours, because we wanted to determine if could integrate CRM with our system ... We are now trying to integrate the two systems ... We also want to integrate the systems with SAP, because the [sustainability] system now has sections where you actually have to type in the name of an employee ... We have seen it happen at TE [Transnet Engineering], because TE uses a system that is similar to ours.

That is why I engage with TE. They have already gone live with their system, so I can learn a lot from them (Kaylyn).

Alexander told the researcher how he had partnered with an expert in one of Transnet's ODs to develop a Sustainability Information System for the Group:

I have seconded a subject matter expert from Transnet Engineering [TE]. His name is Dr Allen and he is an electrical engineer by profession ... I developed the model, he does the updates. He's the subject matter expert (Alexander).

Samuel explained how he contributed to ensuring that ODs would learn from one another so as not to waste resources reinventing the wheel. To facilitate this sharing of best practices, he documented the successes achieved by one part of the business and shared them with another:

Some ODs [Operating Divisions] know exactly what they are doing, but others are lagging behind ... Often an OD does not know what other ODs are doing... In an organisation as big as Transnet, we find that we are doing good work but we do not really document it. Therefore, I just document the work done by ODs. For example, I documented the Carbon Strategy Project ... The ODs can [then] learn from one another. If an OD has implemented a project and it is a success, another OD can learn from that and implement that project successfully (Samuel).

Ayden, Alisha and Leonel also mentioned how the champions had to ensure that all the ODs (Operating Divisions) were on par when it came to corporate sustainability matters. The value of the champions for ODs and Transnet at large was discussed as follows:

I attend a lot of our [energy efficiency] conferences to keep abreast of energy efficiency developments, energy alternatives and the options available to us ... so I can assist and advise the ODs (Ayden).

We give guidelines to the ODs [Operating Divisions]. For example, Raelynn will issue a guideline document to the ODs on the reporting template for the year. She will say: "This is what we require. Follow in this format and this structure." Then Ayden produces the Energy Report every month. This report is a detailed update on the energy performance of every Operating Division. He therefore basically obtains information from all the ODs and includes it in that regular report (Alisha).

The Corporate Centre [TCC] is supposed to coordinate all the functions [and] all the ODs. It must also make sure that a certain standard is met ... At the Corporate Centre we are supposed to coordinate all those functions ... Alexander, Charlotte, Evan and Samuel have to meet and ask: "How can we make sure that ... all the ODs meet the specific protocols?" This is crucial, because they have to make sure that all the ODs operate on the same level from an environmental point of view. They must make sure that the organisation meets legislation and protocol, and they must encourage people to think about sustainability from an environmental point of view. Their role is therefore very important (Leonel).

Evan and Alisha illustrated how the champions added value to the TCC functional departments such as Transnet Group Risk, Compliance and Environments:

C-U-R-A is a risk management system. It is really a risk management database and it is ... used by Group Risk. However, I am the administrator and the user on the other side who updates the energy risk. So the energy initiatives need to be updated on the CURA system (Evan).

I engage with most of the functional areas at one point throughout the year. I engage with Compliance, for example, which has to monitor regulations, policy changes and the Bills that come through Parliament. We must assist them in formulating commentary on such material to make sure that we respond in a way that is consistent with our approach. We become involved in practical matters. Say for example that greenhouse gas emission reporting criteria have been issued. I then just need to make sure that the systems that we put in place

are consistent with the responses that we give on the Regulations ... When we are not compliant, we try to establish stewardship behaviour and we have to make sure that we work closely with the Compliance team. The Environmental Risk Manager is also in compliance concerning environmental pollution controls, air emissions and water quality. These are the pure risk and compliance responsibilities of a line function. We don't do that work, but we work very closely with them to make sure that we are on the same page (Alisha).

Another key form of parent-company value offered by the champions was training and development. As Transnet continued to adapt itself to a changing environment, varying aspects of the business structure and culture had to change. New systems had to be implemented and new processes put in place in order to facilitate organisational agility. In this vein, the sustainability champions added value to Transnet by training and developing the ODs [Operating Divisions] and TCC [Transnet Corporate Centre] functions to use and implement new systems and processes that were adaptive to the Company's environment.

Caleb explained that stakeholder engagement training was offered at seminars: "I'm responsible for the Stakeholder Engagement Policy implementation with Katelynn. We offer seminars."

Katelynn mentioned that the sustainability champions were "going to offer workshops ... so I have just finished the [training] manual". Other participants spoke about the training workshops, sessions and seminars they facilitated:

We have facilitated awareness creation sessions with all the Operating Divisions [ODs] to explain the template ... We explained what is expected of them and what the templates look like, and they get the chance to ask questions. We brainstorm material issues that they feel are important for their divisions (Raelynn).

We communicate via e-mail, telecon [teleconference] or meetings – and we conduct workshops with them. Sometimes there will be a technical guy from

say TNPA [Transnet National Ports Authority] at the workshop, and he would really need to understand the more technical stuff, but he is not interested in the SDOs [Sustainable Development Outcomes]. Sometimes the team cannot answer certain questions. I am then called to demonstrate the system, answer the technical questions and listen to their suggestions (Kaylynn).

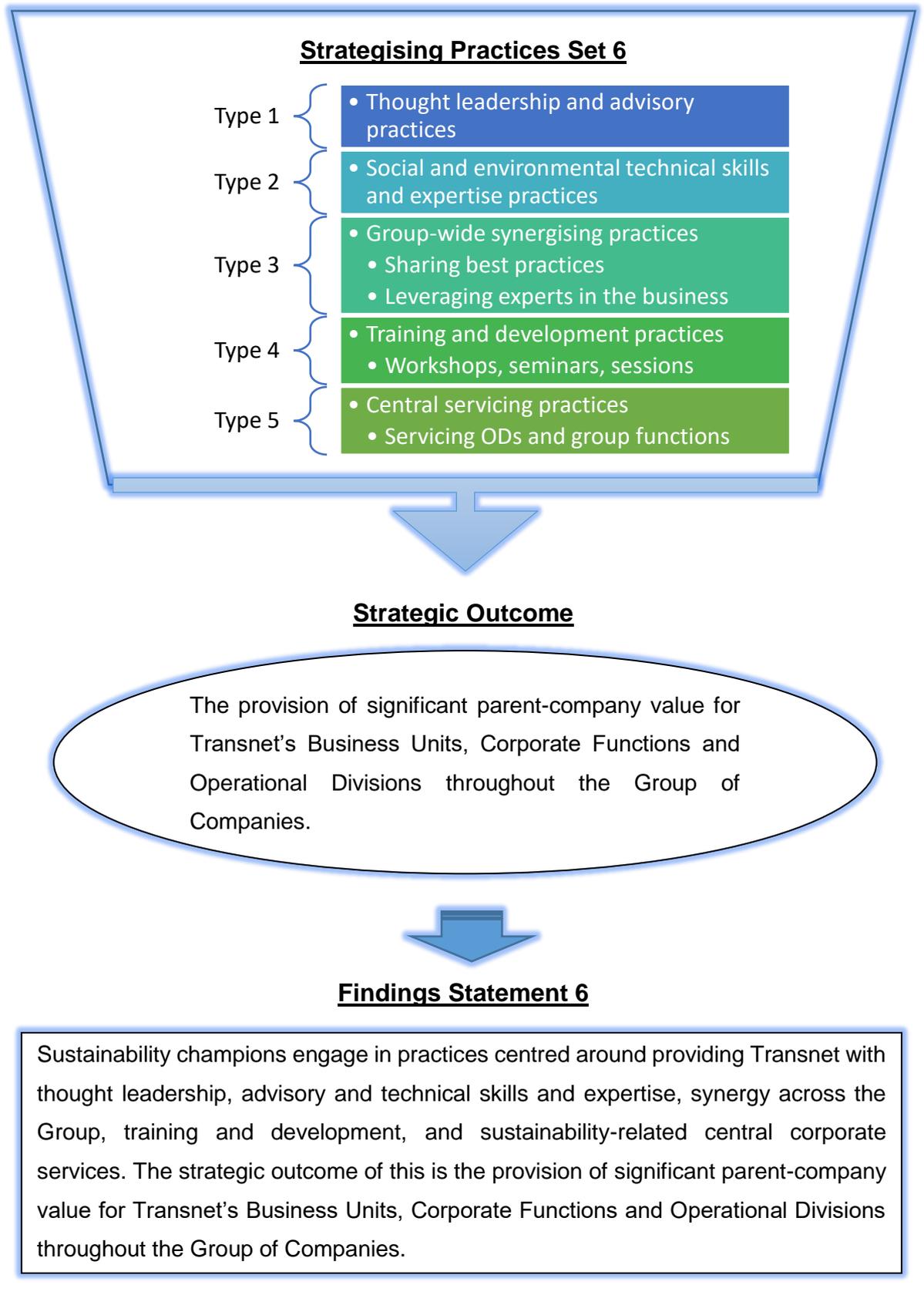
Interestingly, while the group sustainability champions were expected to be innovators and thought leaders, Alexander said something during an interview which suggested that their practices were aimed at establishing TCC [Transnet Corporate Centre] parent value for the organisation. He used an example of embedding energy efficiency in the Project Lifecycle Process (PLP) of Transnet's Capital Projects function:

We never want to be seen as the owners of anything. We are never the experts. We only support the business ... we are never the most important role-players. We give that glory to the business, and I think that's important. Think about the energy PLP, which is social. We will show you how to do it, but it is still your PLP – it is your project lifecycle process. We can improve it, you can benefit and the clients will love it. The PLP is called a “new discipline”, because it has never been used before. When they go to project management forums in the markets, the PLP is a recognised methodology ... Therefore, it is only our task to put ourselves in the shoes of the end user or the customer, and to ask: “What can I do to make them look better?” (Ralph).

Finding 6 Summary

The sixth major finding of this study was that sustainability champions engaged in five types of parent-value adding practices, namely: (1) thought leadership and advisory practices; (2) practices related to providing technical skills and expertise; (3) organisational synergising practices; (4) training and development practices; and (5) Group central servicing practices. These practices were found to result in the provision of significant parent-company value for Transnet's Business Units, Corporate Functions and Operational Divisions throughout the Group of Companies as a strategic outcome.

Figure 5.9: Finding 6 Illustrative Summary



5.3.7 Findings Statement 7

The seventh finding of this study was that the sustainability champions' practices not only resulted in strategic outcomes for Transnet as an organisation, but that they also resulted in outcomes which shaped the direction of South Africa's business communities and the national Government's approach to policy development and governance from a sustainability perspective. This is encapsulated in the following findings statement:

Sustainability champions participate in influential business, industry and public sector networks which shape business practices, industry development paths, SOE governance and South Africa's national sustainable development policies and strategic framework towards sustainable development.

This aspect of the champions' practices was largely driven by the environmental stewardship subteam of the Group Sustainability Department. This team focused on climate change and natural capital, and consisted of Samuel, Evan, Charlotte and Alexander. This was confirmed by Raelynn, who said: "I know Alexander's work is a lot of outside stakeholder engagements. Charlotte works with water issues and is very involved with NBI [National Business Initiative] and so on." The data showed that the champions deliberately shaped macro-sustainable development outcomes beyond Transnet. For example, Alexander stated:

I often engage with business and Government ... I sit on a lot of committees outside Transnet on behalf of Transnet. These are business and government committees. We do this to influence the outside world and also to build relationships that will help us influence Transnet's direction. Sometimes you can influence the system better from the outside than you can from the inside. The sustainability champions have to do these things (Alexander).

The data revealed that Transnet had been able to help shape South Africa's business community from a sustainability perspective by participating in key influential business networks and initiatives. For example, Transnet's participation in the pilot programme of the International Integrated Reporting Council (IIRC) led to the Company's

participation in shaping local and international integrated reporting practice. Alisha stated:

We have participated in quite a few important initiatives, for example the pilot programme on integrated reporting or the international pilot programme we signed up for ... We were one of the South African companies that contributed to the international programme to develop the integrated reporting framework (Alisha).

The IIRC confirms that this business network helped to shape the standards by stating the following: “The Business Network is a platform for businesses to apply the principles of <IR>, as champions of reporting innovation. The objectives of the Business Network are to provide the IIRC with structured feedback on key building blocks in the Framework to inform its development and practical application” (IIRC Pilot Programme Business Network backgrounder: IIRC: 2013:1).

The IIRC also confirms that the businesses which participated in the pilot programme shaped global integrated reporting: “The group of organisations participating in the IIRC Pilot Programme has contributed to the development of the Framework and demonstrated global leadership in shaping the future of corporate reporting” (IIRC Pilot Programme Business Network backgrounder: IIRC: 2013:8).

In addition to shaping integrated reporting practice through this international network, the champions’ participation in business initiatives shaped the strategising of other local businesses:

Sometimes our GM [General Manager] has to go out and share what we do with other organisations, especially with regard to sustainable development outcomes. They ask her to guide them in whatever strategies they are trying to implement. That puts us in a very good position in the country (Kaylynn).

One of the local business networks through which Transnet shapes practice is the National Business Initiative (NBI). The NBI is a voluntary coalition of South African and multinational companies committed to working towards sustainable growth and

development in South Africa. Alexander told how he had participated in shaping the development of a strategic tool for promoting green economic growth in national economies, including South Africa and Ghana:

The purpose of the session was to test a new methodology that the NBI has developed to run through options analysis for green growth. The NBI has been working on this methodology for about two years now and I have been involved as expert advisor in developing this. The NBI will take this methodology and Nicholas Stavas, who is running the programme, will present it in Ghana. Perhaps it will be suitable for implementation in their economy. We engage on that level with different kinds of organisations (Alexander).

Through the NBI, Transnet has contributed to South Africa's business position on how it can support the national Government's National Development Plan (NDP). Samuel shared the importance of this:

The NBI is the National Business Initiative. When these developments happen, we [Transnet champions] normally engage in those industry bodies with different private companies (Samuel).

The champions also worked with think-tanks and other industry bodies to help shape the development of local industries from a sustainability perspective. For example, Charlotte shared that she was involved in trying to shape South Africa's water industry towards sustainable water stewardship by helping the relevant industry bodies to develop deterrents against water pollution:

We as the environment sustainability community are looking at ways to start monetising some of these things. We can monetise water. We know how much water there is in a kilolitre, but ... there are hidden costs ... because ... South Africa's water is ridiculously under-priced at R6.00 per kilolitre. That is minute – it is nothing and it is not practical. People keep impacting on the environment and the polluter must really pay for that impact. The principles that are entrenched in the legislative framework for environmental management should actually be enforced ... with much more stringency (Charlotte).

Charlotte also shared that she represented Transnet in an industry body that sought to develop a viable commercial waste industry in South Africa:

I have a relationship National Cleaner Production at the CSIR. They arrange waste forums where different organisations can trade in waste. I represent Transnet. The Department of Science Technology ... and the Department of Environmental Affairs also collaborate with us. Trading in waste is complicated because the legislative framework requires organisations to have a waste license in order to get rid of their waste. You need to meet all many administrative requirements ... However, this is unnecessary if Company X brings a coal mix truck full of lime and deliver it where it is needed. If I am using it, it is not waste. We are saying: "Can we share the resources that we have?" (Charlotte).

Ayden said that he found working within an energy industry body to have some significant consequences:

If the energy utility wants to change tariffs, then we must say yes or no or we think it is a good thing. Or: How can we change? How can we improve things? ... We are there to influence decisions before they get to the regulator and public participation. They must be discussed by industry role-players too ... because they will have an impact on industry ... I'm one of only a few people that understands the traction tariff ... Not many people understand how the electricity tariffs work, but I do (Ayden).

Added to their work with private companies and industry bodies, the sustainability champions also influenced the sustainability-related direction of other SOEs in South Africa. They had an influence on sustainability frameworks and approaches, and shared sustainability-related best practices with other SOEs:

Alisha and I represented Transnet at the Department of Public Enterprises [DPE] ... The DPE is trying to develop a sustainability framework that could be used for all state-owned companies. They have in mind one framework that

everybody reports into ... We have to ensure that a big company like Transnet has room to report into that framework. That same framework must also be suitable for a smaller state-owned company. This is an example of one of our stakeholder engagement sessions (Alexander).

The data also revealed that the champions were influential participants in South Africa's sustainability-related strategy and policy development. This included shaping energy, climate change adaptation and carbon emission mitigation policies, plans and proposals. For example:

I have been involved in the DEA [Department of Environmental Affairs] technical working group on ... climate change adaptation ... They are trying to develop a national strategy... I am also part of the flagship programme for the Department of Environmental Affairs. They are developing a national climate change policy ... Ten flag-ship programmes have been identified for the country, one of which is a modal shift in the transport sector (Alexander).

We are part of the Climate Change Mitigation Steering Committee in the transport sector. We focus on climate change adaptation ... We are trying not to isolate ourselves, but to become involved in these developments ... As an industry committee, we can provide policy support ... When there are different policies, ... like draft legislation or draft policies, we provide commentary (Samuel).

We are members of the technical group of climate change adaptation in the Department of Environmental Affairs, ... where we share what we do with other businesses and municipalities and other institutions ... We basically discuss the National Climate Change Adaptation Plan strategies and scenarios ... I [also] represent Transnet in the National Energy Efficiency Leadership Network (the EELN) ... It looks at new developments in the energy space. We look for example at the national Department of Energy and its new policy strategy. Sometimes we attend workshops where we can comment on certain strategies [and] policies that the Department is proposing. We have to submit our

comments via the EELN. Our comments represent the views of Transnet and the [members of] those networks (Evan).

Champions stated that their participation in shaping macro-policy at this level meant that some of their key concerns about national strategy and policy planning were taken into consideration. For example:

Last year we were doing the forecast for the emissions profile for the South African transport sector ... Do you know they said? "Biofuels are not going to happen." I said: "Whoooah, what do you mean? Biofuels happened! Biofuels are going to happen! ... First-generation biofuels compete with food, but second and third generation do not and these are the reasons." There was clearly not enough expertise and if I were not in the room, it would have been left out of the forecast plans for the country. We bring subject matter expertise and they take our advice very, very seriously in those sessions. If we miss one of those sessions, it is a problem (Alexander).

Perhaps one of the most crucial engagements that the sustainability champions had been involved in was the commentary on the proposed National Carbon Tax. The champions support carbon pricing in general because of its potential benefits to society and the environment at large. However, the champions raised awareness around the potential unintended consequences of the proposed Carbon Tax in its current form. Participants expressed how important it was for them to spread the message that the proposed carbon tax would actually result in a perverse incentive that would steer the transport sector away from rail and back onto the road rather than foster the intended shift from road to rail. Charlotte shared that: "Transnet commented on the carbon tax". Samuel explained that the champions commentary is concerned with the National Carbon Tax's current proposed form: "Carbon taxation is a good principle but we are not in favour of the carbon tax as it is currently structured".

The process champions followed to make this contribution was discussed:

We worked out that the carbon tax, if it were implemented in South Africa, would create a perverse incentive for the South African transport sector ... We called

it the Perverse Incentive of Carbon Tax. We figured something out that had never been thought about ... We presented it in public forums – this is the Transnet position ... We made a contribution to the bigger national discussion around the proposed tax. They are now going to approach the national carbon tax issue differently so everyone is affected fairly (Alexander).

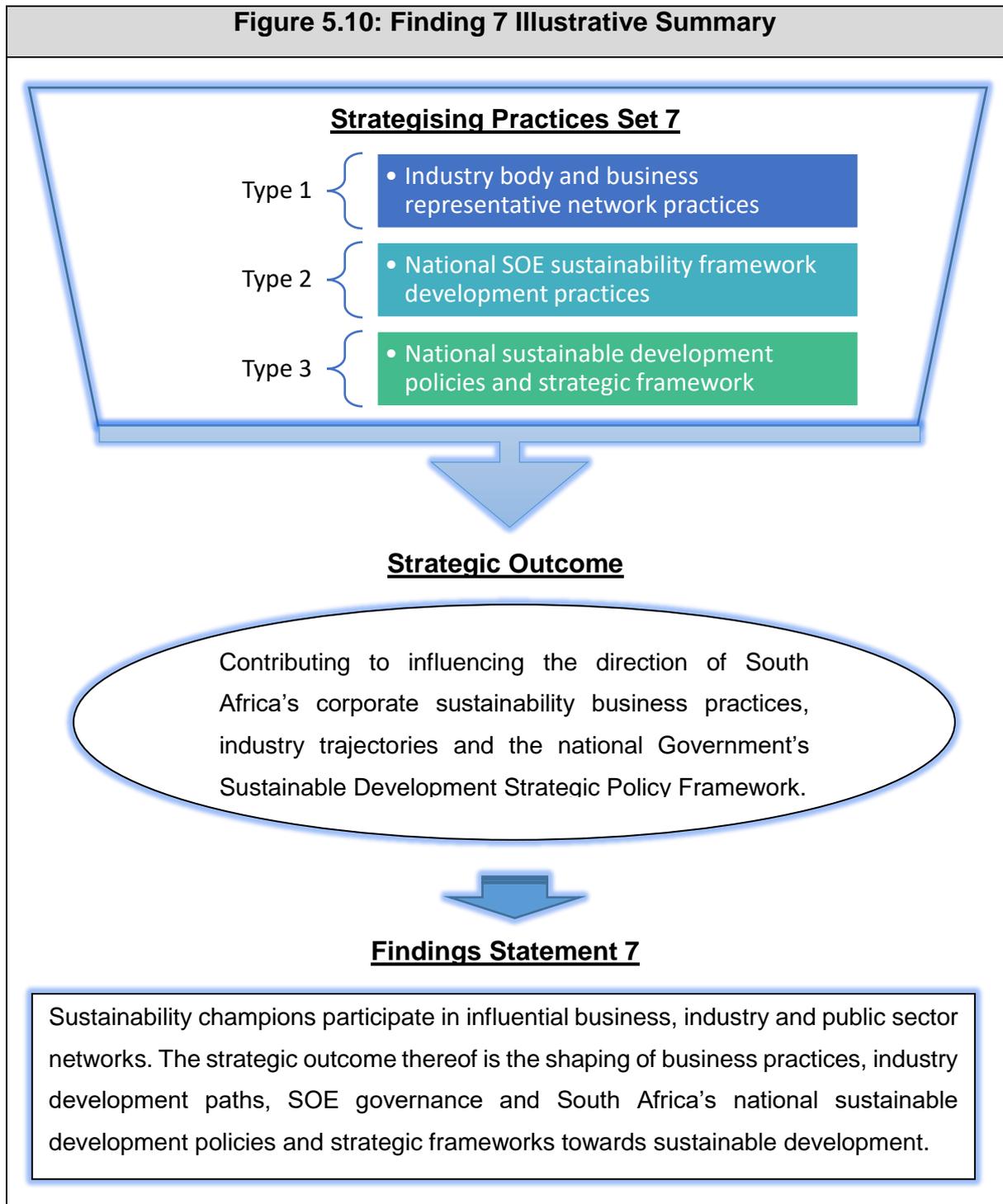
This was quite significant. The champions did not only strategise and influence the future direction of Transnet as a company, but they also influenced the strategic direction of South Africa's corporate sustainability business community and the Government's policy strategy. Alisha summed up the champions' efforts to influence South Africa's macro-economic sustainable development strategy in the following words:

We are members of a number of organisations, such as the NBI [National Business Initiative], and we participate in a lot of their forums and thought leadership networks. We are members of the Energy Intensive Users Group to track big energy issues and energy policy issues and pricing issues ... mostly concerning the electricity crisis. We are part of the Industry Task Team on Climate Change, which consists of member companies that are all impacted by carbon pricing ... Carbon tax and how we engage with the Carbon Tax Policy are big issues, so we became involved. We are part of the Business Biodiversity Network, which Charlotte has been championing. I have spoken at a couple of their forums. I also do a fair bit of public speaking on sustainability (Alisha).

Finding 7 Summary

This seventh and final finding of this study was that sustainability champions engaged in three types of strategising practices, namely: (1) industry body and business representative network practices; (2) national SOE sustainability framework development practices; and (3) national sustainable development policy and strategic framework influencing practices. The practices resulted in the champions influencing the direction of South Africa's corporate sustainability business practices, industry trajectories and the national Government's Sustainable Development Strategic Policy Framework as a key strategic outcome. In this vein, the champions' practices had strategic outcomes not only for Transnet as an organisation, but also for South Africa's economy.

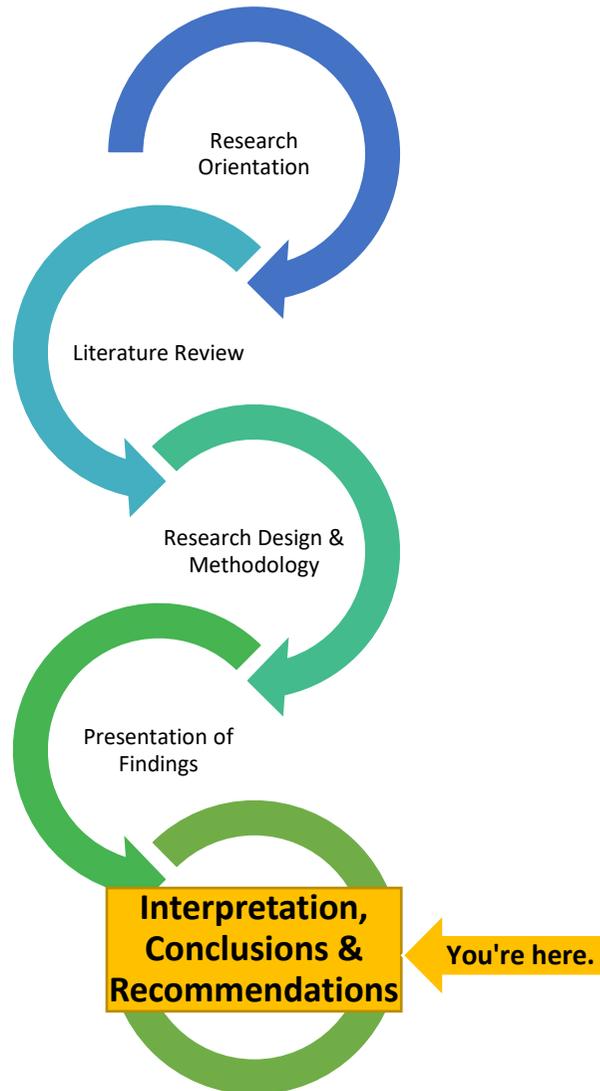
Figure 5.10: Finding 7 Illustrative Summary



5.4 Conclusion

This chapter presented the main findings of this study. The findings were presented in the form of seven findings statements which revealed the seven sets of strategising practices that had emerged from the data, along with their corresponding seven strategic outcomes. The next chapter will interpret and synthesise these findings before drawing conclusions and making recommendations based on the research.

Figure 6.0: Chapter 6 Overview



Chapter 6: Interpretation and Synthesis

This chapter introduces and orientates the reader to this study.

Chapter 6 Contents

- 6.1 Introduction
- 6.2 What are the Strategising Practices of Sustainability Champions?
- 6.3 What are the Strategic Outcomes of Sustainability Campions' Practices?
- 6.4 How do Sustainability Champions Strategise for Corporate Sustainability?
- 6.5 Research Conclusions
- 6.6 Recommendations
- 6.7 Research Limitations
- 6.8 Dissertation Conclusion
- 6.9 Concluding Reflection

6 Interpretation, Synthesis, Conclusions and Recommendations

The real voyage of discovery consists not in seeking new landscapes, but in having new eyes – Marcel Proust.

6.1 Introduction

The purpose of this single-case study was to explore the strategising practices of sustainability champions and the strategic outcomes thereof. The intention was to contribute towards corporate sustainability scholarship and practice in the Southern African context and, by so doing, to make a contribution to the sustainable development agenda. It was hoped that the case study would shed light on what sustainability practitioners do, and on the question whether they participated meaningfully in advancing corporate sustainability at the corporate strategy level of an organisation.

This study was a qualitative single-case study which drew on semi-structured serial interviews and case documentation as the primary sources of evidence for the research. Participants in the study were 12 sustainability practitioners based at Transnet Corporate Centre (TCC), the head office of Transnet, a South African SOE. The data were coded, analysed and organised using applied thematic analysis (ATA). The study was based on the following central research question and research subquestions:

1. How do sustainability champions strategise for corporate sustainability?

- 1.1. What are the strategising practices of sustainability champions?
- 1.2. What are the strategic outcomes of sustainability champions' practices?

The previous chapter (Chapter 5) presented the findings that relate to these research questions. Chapter 5 broke the data down into themes and subthemes in order to tell

a detailed “story of the research”. This chapter, Chapter 6, interprets and synthesises these findings, and then proceeds to draw conclusions and make recommendations from this synthesis. In this sense this chapter is an attempt to put together the findings in Chapter 5 to create a coherent whole.

This section will now demonstrate how the findings answer the research subquestions and what they mean, because “interpretation essentially involves reading through or beyond the findings – that is, making sense of the findings” (Bloomberg & Volpe, 2016:377). The interpretation of the findings is structured according to the research questions raised at the outset of this study. Each research question is answered separately, and then the two answers are synthesised to answer the central research question. The following sections contain the interpretation.

6.2 What are the Strategising Practices of Sustainability Champions?

Seven sets of strategising practices were found in this study, each relating to a unique strategic outcome. These sets of practices are: (1) strategic corporate sustainability embedding practices; (2) environmental adaptation practices; (3) strategic innovation practices; (4) strategic change practices; (5) corporate governance practices; (6) parent-company value practices; and (7) external macro-environmental practices. Each set of practices is briefly discussed and synthesised with literature below.

6.2.1 Strategic Corporate Sustainability Embedding Practices

Five categories of strategising practices underpin this set, namely: (1) social and environmental sustainability embedding practices; (2) long-term planning sustainability embedding practices; (3) pre-existing strategy implementation augmentation practices; (4) strategic sustainability control practices (premise, special alert, surveillance); and (5) emergent sustainability strategy development practices.

The primary and overarching finding of this study was that the sustainability champions engaged in practices which sought to embed social and environmental (socioenvironmental) sustainability in Transnet’s core business and corporate strategy. In this sense the champions seemed instrumental to Transnet’s progress towards strategic corporate sustainability and so they confirmed one of the typologies

that Tang, *et al* (2011) developed, namely the sustainability champion as *messenger*. Tang, *et al* (2011) state that the messenger leans towards the top end of the organisation by providing visionary, political and strategic input, thus acting as a “futurist”, which is exactly what the first finding here established.

Furthermore, this is the strategic corporate “Sustainability 3.0”, which Bell, *et al* (2012) refer to. It confirms that “companies are striving to achieve long-term benefit by adopting sustainability activities as core of corporate strategy” (Goyal, *et al*, 2013:362) and that “the emerging new paradigm for sustainable business is strategic corporate sustainability as a means of embedding sustainability in corporate strategy and creating sustainable value” (Fernando, 2012:585).

There is a widespread perception that SOEs lag behind private sector firms when it comes to adapting to the environment. However, F1 implies that sustainability risk and opportunities are affecting organisations of all types, including SOEs, hence the efforts of these champions in Transnet. Many other scholars in the literature echo this sentiment that sustainability is indeed increasingly becoming inseparable from strategy, as expressed by Lloret (2016), Dyllick and Hockerts (2002), Hamann, Kapelus and Ndlovu (2010), Laszlo and Zhexembayeva (2011), Louw and Venter (2013), Porter and Kramer (2006), and Tsai *et al* (2013).

6.2.2 Environmental Adaptation Practices

Four key categories of practices emerged under this set, namely: (1) internal strength and weakness diagnostic practices (benchmarking, stakeholder analysis, resource utilisation efficiency and value-chain/network diagnostics); (2) capability development practices (human relationships, capacity building and fundraising); (3) opportunity and threat detection practices; and (4) evaluative practices (option evaluation).

In order to accomplish their embedding, various aspects of Transnet that were not aligned to social and environmental sustainability needed to be transformed. In this vein it was found that sustainability champions engaged in a variety of strategic adaptation practices which enabled Transnet to adapt its corporate strategy to a dynamic internal and external environment, thus keeping the SOE agile, resilient and

viable over the long term. The champions accomplished this by conducting internal environmental analysis, diagnosing internal strengths and weaknesses, and then developing appropriate responses that would lead to the development of Transnet's capabilities, competencies and resources.

The same was done in the external environment. The sustainability champions were found to be sensors for the organisation – they detected significant external opportunities or threats and developed appropriate responses, bearing the organisation's strengths and weaknesses in mind. This finding confirms that one of the biggest drivers of corporate sustainability becoming strategic is environmental forces and trends (Coenen, *et al*, 2012; Garud & Gehman, 2012; Markard, *et al*, 2012).

6.2.3 Strategic Innovation Practices

Five categories of practices were found in the data pertaining to this set, namely: (1) strategic tool augmentation practices; (2) strategic tool development practices; (3) business process innovation practices; (4) business model innovation practices; and (5) architectural reconfiguration practices.

Strategic adaptation cannot occur without some structural adjustments. It was found that the sustainability champions engaged in practices that served this end as well. The champions were found to engage in socioenvironmental strategic innovation practices by developing new tools, processes and business models which would have the potential to enable Transnet to adapt to a changing environment. A key aspect of strategic innovation is that the new innovations should be implemented (Johnson, *et al*, 2014) and the champions in this case study were found to be doing just that. The champions were responsible for implementing new systems and processes, and piloting some potential new revenue streams borne from socioenvironmental sustainability opportunities in the external environment.

This is in line with Bossink's (2013) conceptualisation of champions as eco-innovators. Eco-innovators are promoters, inventors, gatekeepers and integrators, and they are able to generate effective new ideas and to sell these ideas effectively. What this study found in this respect was slightly different to Bossink's (2013) findings in the sense

that he focuses on eco-innovators with an emphasis on environmental sustainability. In this study, however, the innovation was both social and ecological.

6.2.4 Strategic Change Practices

In this set, five types of strategising practices were found, namely: (1) strategic issue selling practices; (2) organisational culture alignment practices; (3) change management practices; (4) sustainability institutionalisation practices; and (5) strategic target setting practices.

In order to ensure that the organisation could transition successfully towards the pursuit of strategic corporate sustainability, some of the old paradigms, beliefs, dominant discourses and subcultures in Transnet needed to be challenged. Thereafter the transition and associated change needed to be managed effectively in order to crystallise the new changes. In this regard the sustainability champions were found to engage in the deliberate initiation and management of strategic change. This finding is in agreement with Quinn and Dalton (2009), who state that sustainability leaders should be able to make the necessary structural adjustments to make sustainability possible.

This finding differs from the work of Quinn and Dalton (2009), which states that sustainability leaders should always be members of the TMT. While this study found that there were champions at the TMT level in Transnet, it is more in line with the S-as-P conceptualisation of strategists who exist outside of the TMT in the middle and lower levels of the organisation (Jarzabkowski & Spee, 2009). These champions did not only just hope that socioenvironmental sustainability would easily be embedded in Transnet, they came up with ways of engaging internal stakeholders, mitigating resistance to change and soliciting buy-in from the top and subsidiary echelons of the organisation. Perhaps this one of the key factors that enabled the champions to do such important work in such a short time.

6.2.5 Corporate Governance Practices

Five categories of strategising practices underpinned this set, namely: (1) sustainable developmental outcome practices; (2) risk management practices; (3) material issue

management practices; (4) transparent corporate citizenship practices; and (5) shareholder confidence development practices.

The champions appeared to be enhancing and strengthening Transnet's corporate governance. As an SOE, Transnet is governed by the South African Government and its public policy. The champions ensured that Transnet honoured its public mandate by being a responsible corporate citizen, while addressing key governance risks and material issues. The sustainability champions were found to make significant contributions in this regard: they contributed to the development of the nine SDOs, the management of the environmental risk and the management of energy risk, and participated in addressing key material issues such as annual Strategic Corporate Planning, Shareholder's Compact negotiations and the establishment of Transnet's Stakeholder Engagement Framework.

Added to this, it was found that the champions boosted Transnet's transparency through the practice of integrated reporting. It is interesting that integrated reporting is only compulsory for JSE-listed companies, yet the champions aided Transnet by being proactive in adopting integrated reporting. These governance practices resulted in the champions helping Transnet to demonstrate financial and non-financial value creation to its stakeholders, thus boosting investor confidence. This confirms what the literature says, namely that corporate sustainability is becoming increasingly essential to long-term business survival, corporate governance, reporting and strategy (Benn, 2012; Russel, 2013; Walsh, 2012). Champions perceived socioenvironmental sustainability as critical for the organisation's governance and transparency in the form of risk management and integrated reporting.

6.2.6 Parent-company Value Practices

In the sixth set, there were five types of parent-value adding practices, namely: (1) thought leadership and advisory practices; (2) technical skills/expertise practices; (3) organisational synergising practices; (4) training and development practices; and (5) central servicing practices.

It was noteworthy that the sustainability champions' department, which used to be an isolated department, was relocated to the office of the Group Executive responsible for Transnet's Strategic Planning function. It is now called Group Planning and Sustainability. The champions' department was renamed the Group Sustainability and Public Policy Department. This put the champions in a position to add significant value to the whole Company. They enabled Transnet to add Corporate Centre value to its operating divisions and functions, because they played the role of internal consultants and acted as a centre of socioenvironmental sustainability excellence for Transnet's Corporate Centre, ODs and functional departments.

This reflects the *scientist* that Tang, *et al* (2011) write about. This scientist represents the technical expert or "specialist" that has the expertise to advance sustainability in an organisation. It also confirms what Van der Heijden, *et al* (2012) demonstrate, namely that practitioners (such as the champions) play a key role in translating the sustainability message to subsidiary contexts by communicating sustainability effectively to different levels in the organisation and facilitating organisational learning in this regard. The champions demonstrated this ability by providing significant training and development to the Company in order to facilitate organisational learning for corporate sustainability.

6.2.7 External Macro-environmental Practices

In this last set of practices, three types of strategising practices emerged, namely: (1) industry body and business representative network practices; (2) national SOE sustainability practices; and (3) national sustainable development policy and strategic framework influencing practices.

From the seven sets of practices found in this study, this set was unanticipated and noteworthy. This finding revealed that the sustainability champions' strategising practices did not only have strategic outcomes at the meso-level of strategy praxis (Transnet Corporate Strategy), but also at the macro-institutional level of strategy praxis, which is beyond Transnet's organisational boundaries. In other words, sustainability champions' strategising practices influenced the direction of Transnet's Corporate Strategy and the direction of local industries (e.g. the waste industry),

business communities (e.g. through integrated reporting practices) and South Africa's national sustainable development related policy and strategic framework (e.g. through carbon tax mitigation).

While it was expected that a relatively large SOE like Transnet would influence the macro-institutional environment, it was quite unexpected that a small group of sustainability champions consisting of junior professionals, middle managers and senior managers would be able to do the same. This confirms the champion type who acts as an *artist*, according to Tang *et al* (2011). The artist is society oriented and makes a contribution towards sustainable development that is larger than the organisation itself, thus the artist plays the role of social "activist" (Tang, *et al*, 2011). This is indicative of the level of expertise that the champions as a collective possessed and it illustrates that they were capable of influencing social structures that were much larger than their own Group Sustainability Department. This may also be a reflection of the fact that sustainability is a new field of scholarship and practice, and so it requires innovative and integrated thinking. What emerged from the data was that the views, insights and inputs of these champions were valued by Government departments, business communities and industry bodies.

All the aforementioned findings confirm what Benn, *et al* (2014), Bonnini and Bove (2014), Ferrer-Balas, *et al* (2008), Lozano (2013), Scheirer (2005) and Wolfgramm, *et al* (2015) have found, which is that champions are key drivers of corporate sustainability and that they act as change agents in this regard. It diverges from scholars like Quinn and Dalton (2009), Strand (2014) and Lueneburger and Goleman (2010) who conceptualise these champions as TMT members alone; it is more in line with the S-as-P view of strategists as being at all levels in the organisation (Jarzabkowski & Spee, 2009). It is also in line with the findings of Aaron (2010), Wilson (2009) and Bucklund, *et al* (2016) that sustainability champions can be found at all levels of an organisation and are influential actors in determining the direction of the organisation.

Now this dissertation will proceed to demonstrate how the findings of this study answered the second research subquestion.

6.3 What are the Strategic Outcomes of Sustainability Champions' Practices?

Each set of strategising practices was found to result in a particular strategic outcome. As a result, seven strategic outcomes of the sustainability champions' strategising practices were found. These are discussed below.

6.3.1 Strategic Corporate Sustainability Outcomes

The first set of strategising practices was strategic corporate sustainability embedding practices. These practices were found to result in the embedding of social and environmental sustainability in Transnet's Corporate Strategy and core business activity, thus they contributed to long-term value creation for Transnet's stakeholders. This finding is in line with the increasing realisation among management scholars that corporate sustainability can enhance corporate strategy's ability to yield benefits over the long term, as found by Goyal, *et al* (2013). This finding demonstrates why sustainability has seeped into the practice of strategic planning and echoes the findings of Barker (2011). It represents "Sustainability 3.0" (Bell, *et al*, 2012), which aligns sustainability priorities with strategic business objectives and shows that the new business paradigm is that of "embedding sustainability in corporate strategy and creating sustainable value" (Fernando, 2012:585).

6.3.2 Strategic Fit Outcomes

The second set of strategising practices was environmental adaptation practices. As the result of these practices, Transnet adapted its strategic position to a changing internal and external environment, taking into account key sustainability dynamics that affected the Company's operating environment. This finding affirms an assertion made by practitioners, the IODSA, namely that sustainability "is one of the most important sources of both opportunities and risks for businesses" (IODSA, 2009:9). It also confirms what other practitioners, researchers and scholars have found: that sustainability forces and trends are impacting the operating environments of all industries and sectors (Garud & Gehman, 2012; KPMG, 2012; Laszlo & Zhexembayeva, 2011; Markard, *et al*, 2012). This finding is in line with the notion expressed by Coenen, *et al* (2012) that sustainability-induced changes in the market

environment are making sustainability an increasingly significant business priority for business leaders.

6.3.3 Strategic Reconfiguration Outcomes

The third set of strategising practices was strategic innovation practices. These practices were found to result in the creation of strategic socio/eco-innovation, which was diffused throughout Transnet by reconfiguring the Company's organisational architecture. This finding reflects the findings made by Haywood, *et al* (2013) and Holton, *et al* (2010), namely that sustainability is a driver of key strategic structural changes which need to occur within organisations in order for them to survive in the long term.

6.3.4 Strategic Change Outcomes

The third set of strategising practices was strategic change practices. These were found to result in the initiation and management of Transnet's strategic change towards corporate sustainability. This is similar to what previous research has found, namely that sustainability champions, in their capacity as drivers of corporate sustainability, are key change agents within organisations that attempt to make the transition towards corporate sustainability (Benn, *et al*, 2014; Bonnini & Bove, 2014; Ferrer-Balas, *et al*, 2008; Lozano, 2013; Scheirer, 2005; Wolfgramm, *et al*, 2015). Willard (2009) has found that sustainability champions create and facilitate social and cultural change for sustainability in organisations, and this finding confirms that. Furthermore, given that Tang *et al* (2011:1372) reveal that "comparatively little research exists on the role of the individual manager as a change agent for sustainability", this finding is a potentially significant contribution to management scholarship on how individuals may act as change agents for corporate sustainability.

6.3.5 Governance and Investor Confidence Outcomes

The fourth set of practices was corporate governance practices. These were found to result in the strengthening of Transnet's Corporate Governance and the boosting of the Company's stakeholder and investor confidence. This finding upholds previous research which has found that stakeholder pressure results in corporate governance practices that take sustainability considerations into account (Bell, *et al*, 2012; Hahn &

Scheermesser, 2005; Hahn, *et al*, 2015; Haywood, *et al*, 2013; Isaksson & Steimle, 2009; Linnenluecke & Griffiths, 2010; Moore & Wen, 2008). Willard (2009) asserts that sustainability champions transform corporate governance towards sustainability. This finding supports his assertion.

6.3.6 Parent-company Value Outcomes

The fifth set of practices was parent-company value-adding practices. These were found to result in the provision of significant parent-company value for Transnet's Business Units, Corporate Functions and Operational Divisions throughout the Group of Companies. This finding upholds the growing business case for sustainability, because the champions in this context were seen to be able to add value to the business as a whole, as suggested by previous research (Brokaw, 2012; Bertoneche & Van der Lugt, 2013; Dooley, 2014; Henderson, 2015; Hockerts, 2015; Schaltegger, *et al*, 2012). This finding is reflective of the potential rewards that an organisation may reap from embedding sustainability in its primary objectives and operations (Schaltegger, Hansen & Lüdeke-Freund, 2015; Willard, 2012; Wong, 2014).

6.3.7 Macro-institutional Outcomes

The final set of practices was external macro-environmental practices. These practices enabled the champions to influence the direction of South Africa's corporate sustainability business practices, industry trajectories and the national Government's sustainable development strategic policy framework. This finding was unexpected, but noteworthy.

This finding revealed that the sustainability champions' strategising practices did not only have strategic outcomes at the meso-level of strategy praxis (Transnet Corporate Strategy), but also at the macro-institutional level of strategy praxis, which is beyond Transnet's organisational boundaries. In other words, sustainability champions' strategising practices influenced the direction of Transnet's Corporate Strategy and the direction of local industries (e.g. the waste industry), business communities (e.g. through integrated reporting practices) and South Africa's national sustainable development related policy and strategic framework (e.g. through carbon tax mitigation).

While it was expected that a relatively large SOE like Transnet would influence the macro-institutional environment, it was quite unexpected that a small group of sustainability champions consisting of junior professionals, middle managers and a senior manager would do the same. This confirms the champion type who acts as an *artist*, according to Tang, *et al* (2011). The artist is society oriented and contributes towards sustainable development that is larger than the organisations itself, thus the artist plays the role of acting as a social “activist” (Tang, *et al*, 2011). This is indicative of the level of expertise that the champions as a collective possessed and it illustrates that they were capable of influencing social structures that were much larger than their own Group Sustainability Department. This may also demonstrate that sustainability is a new field of scholarship and practice which requires innovative and integrated thinking. What emerged from the data was that the views, insights and inputs of these champions were valued by Government departments, business communities and industry bodies.

The strategising practices and their associated strategic outcomes are illustrated in Figure 6.1 below. The figure shows how the seven aforementioned sets of practices result in an associated strategic outcome.

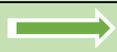
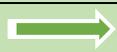
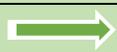
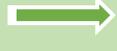
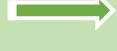
Figure 6.1: Strategic Outcomes of Strategising Practices

Strategising Practices	Strategic Outcomes
Socioenvironmental Embedding Practices	<ul style="list-style-type: none"> • Corporate Sustainability & Long-term Value Creation: The embedding of social and environmental sustainability in Transnet’s Corporate Strategy and core business activity, thus contributing to long-term value creation for Transnet’s stakeholders.
Environmental Adaptation Practices	<ul style="list-style-type: none"> • Strategic Fit: Transnet adapts its strategic position to a changing internal and external environment, taking into account key sustainability dynamics affecting the Company’s operating environment, thus enabling continuous strategic fit.
Socio/Eco-innovation Practices	<ul style="list-style-type: none"> • Strategic Innovation & Organisational Reconfiguration: The creation of strategic socio/eco-innovation, which is diffused throughout Transnet by reconfiguring the Company’s organisational architecture.
Sociocultural Change Practices	<ul style="list-style-type: none"> • Strategic Change: The initiation and management of Transnet’s strategic change towards corporate sustainability.
Governance Practices	<ul style="list-style-type: none"> • Enhanced Corporate Governance & Investor Confidence: The strengthening of Transnet’s Corporate Governance and boosting of the Company’s stakeholder and investor confidence.
Internal Consulting Practices	<ul style="list-style-type: none"> • Parent-company Value-adding: The provision of significant parent-company value for Transnet’s business units, corporate functions and operational divisions throughout the Group of Companies.
External Macro-environmental Practices	<ul style="list-style-type: none"> • Macro-institutional Strategic Change: Contributing to influencing the direction of the South Africa’s corporate sustainability business practices, industry trajectories and the national Government’s sustainable development strategic policy framework.

6.4 How do Sustainability Champions Strategise for Corporate Sustainability?

The research subquestions of this study have now been answered, therefore the chief question will be addressed next. In a nutshell, sustainability champions strategise for corporate sustainability by drawing on various sets of strategising practices which result in organisational and macro-institutional strategic outcomes. More specifically, sustainability champions engage in:

1. Socioenvironmental Embedding Practices, which result in Corporate Sustainability and Long-term Value Creation
2. Environmental Adaptation Practices, which result in Strategic Fit
3. Socio/Eco-Innovation Practices, which result in Strategic Innovation and Organisational Reconfiguration
4. Sociocultural Change Practices, which result in Strategic Change
5. Governance Practices, which result in Enhanced Corporate Governance and Investor Confidence
6. Internal Consulting Practices, which result in Parent-company Value-adding
7. External Macro-environmental Practices, which result in Macro-institutional Influence

Table 6.1: Strategising for Corporate Sustainability		
Strategising Practices	<i>leads to</i>	Strategic Outcomes
Socioenvironmental Embedding Practices		Corporate Sustainability & Long-term Value Creation
Environmental Adaptation Practices		Strategic Fit
Socio/Eco-innovation Practices		Strategic Innovation & Organisational Reconfiguration
Sociocultural Change Practices		Sustainable Strategic Change
Governance Practices		Enhanced Corporate Governance & Investor Confidence
Internal Consulting Practices		Parent-company Value-adding
External Macro-environmental Practices		Macro-institutional Influence

Bloomberg and Volpe (2016) assert that it is important for qualitative analysts to go beyond the mere listing of findings, to a higher level of abstraction where the findings can be interpreted and synthesised. In synthesising these findings at a higher level of abstraction, the result is the conceptual model shown in Figure 6.2. This study did not however set out to develop a conceptual model. Rather, this study set out to answer one central and two subresearch questions as this section demonstrates.

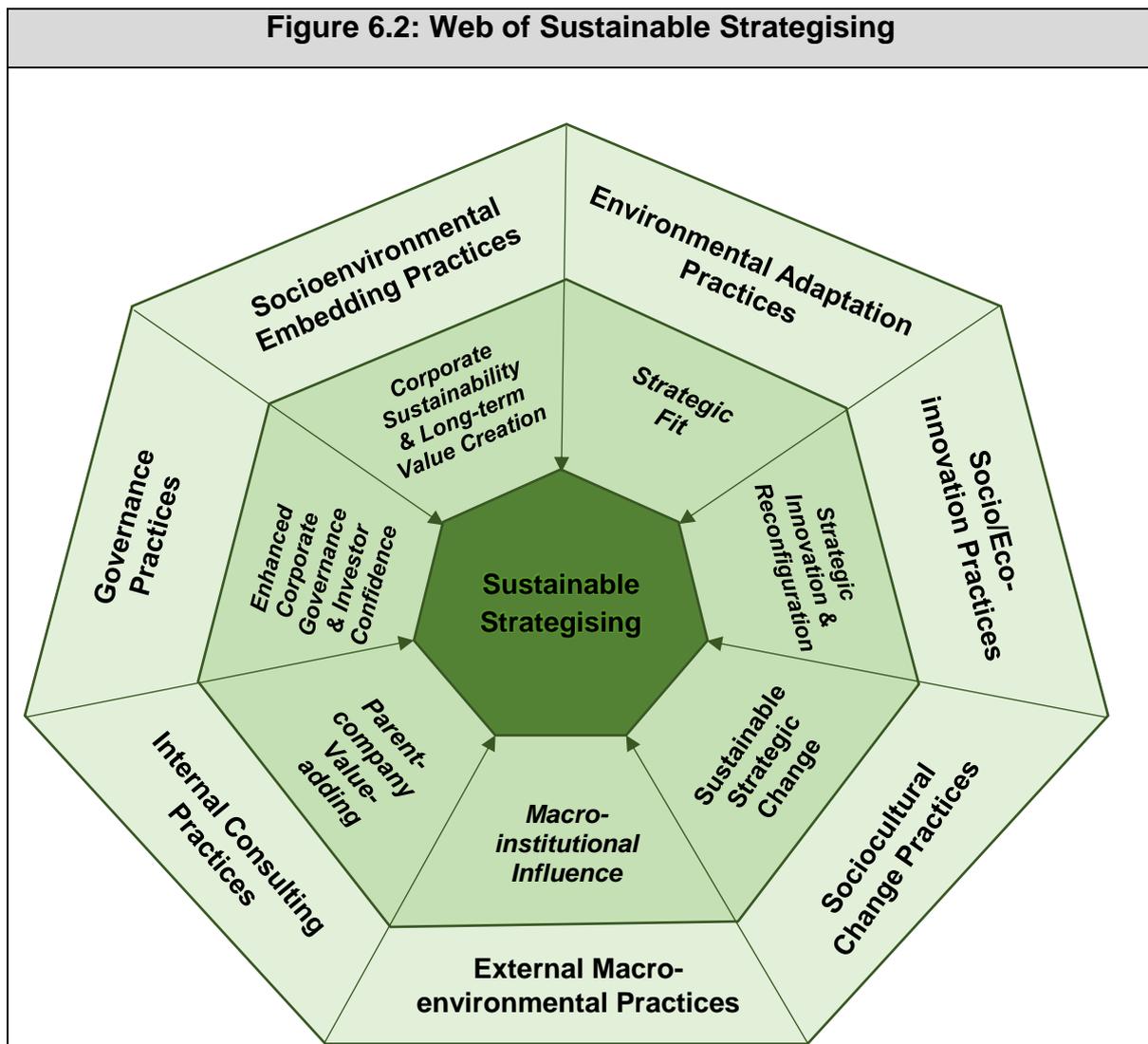


Figure 6.2 Legend

	Strategising Practices
	Strategic Outcomes
	Sustainable Strategising

Figure 6.2 is an illustrative conceptual model entitled the *Web of Sustainable Strategising*, which synthesises the interpretation of the major findings of this study. The aim of this study was not to develop a conceptual model however the model was developed as an attempt to answer the research questions in a synthetic fashion drawing on a higher level of abstraction than just listing findings (Bloomberg & Volpe, 2016).

The web demonstrates how strategising practices lead to strategic outcomes and culminate in *sustainable strategising*. The periphery of the web is where the “doing” occurs, where sustainability champions engage in various strategising practices. As the lines leading to centre of the web show, the directionality of the phenomena is from micro-actions (strategising practices) to meso- and macro-results (strategic outcomes). This form of strategising ultimately leads to sustainable strategising, that is, a form of strategising where sustainability champions (practitioners) engage in strategising practices which drive an organisation towards corporate sustainability at the meso-level of strategy praxis while influencing macro-institutional arrangements towards sustainable development.

6.5 Research Conclusions

Based on the findings, interpretation and synthesis presented above, the central conclusion of the study is the following: Sustainability champions in this particular context engage in sustainable strategising, a form of strategising that has, at its heart, the pursuit of corporate sustainability.

This central conclusion is supported by the following summative assertions. When sustainability champions engage in

1. the practice of embedding socioenvironmental sustainability in corporate strategy while enhancing long-term value creation, they bring about a move towards corporate sustainability.
2. the practice of adapting an organisation to sustainability forces within the organisation’s operating environment, they bring about the realisation of strategic fit.

3. the practice of socio- and eco-innovation, underpinned by organisational reconfigurations, they bring about greater overall strategic innovation.
4. the practice of sociocultural change management, they bring about sustainable strategic change.
5. the practice of good governance, they enhance corporate governance and bring about greater investor confidence.
6. the practice of being internal consultants who are thought leaders and innovators, the parent company can add strategic value to the rest of the group.
7. the practice of strategising within networks representing sectors of the external macro-environment, they influence macro-institutional arrangements towards corporate sustainability.

Following on from the above, this study concludes that the sustainability champions in this context were indeed strategists. This does not mean that all sustainability champions are strategists by default, but it can be said that sustainability champions in similar contexts have the potential to be corporate strategists given the rising import of sustainability in the contemporary business environment.

This potential can be realised when champions' strategising practices lead to strategic outcomes for corporate and macro-institutional sustainability. In sectors and industries where social and environmental sustainability poses opportunities and threats for a given organisation, strategy and sustainability cannot be considered separately, and sustainability champions become key strategists that aid the entity to sustain the creation of long-term value for all stakeholders.

6.6 Recommendations

This dissertation will now proceed to make key recommendations for policy, practice and further research based on the conclusions of the research.

6.6.1 Recommendations for Policy and Practice

Recommendations for policy and practice are the following:

Nations with relatively large and influential SOEs, or SOEs with a degree of strategic autonomy to act, should consider the following:

- Leveraging the economic and social power of these SOEs to drive sustainable development in their economies.
- Creating sustainability divisions or departments staffed by sustainability champions with formal roles led by a head/director who serves on the group/corporate executive committee to enhance value creation for all stakeholders.
- Giving sustainability champions mandates which allow them the room and scope to be risk-taking innovators.
- Fostering mutually beneficial relations between sustainability champions and strategic planning functions.

6.6.2 Recommendations for Further Research

Further research may consider:

- Ethnographic approaches wherein the researcher(s) are immersed in the world of champions, allowing deeper observations to be made and drawing on a wider variety of data sources.
- Engaging in more phenomenological approaches which explore sustainability champions' "way of being" or states of consciousness, and how these influence their practices.
- Conducting longitudinal case studies where the practices of sustainability champions are studied over time to determine whether any long-term patterns emerge.
- Studying champions in other contexts, for example private sector firms, exchange-listed companies, family-owned companies or small to medium enterprises, to identify similarities or differences across varying contexts.
- Constraints and limitations that prevent champions from acting as strategists.
- Enablers and success factors that empower sustainability champions to act as strategists.

6.7 Research Limitations

This dissertation was subject to some limitations. Firstly, this was a qualitative study which was limited to data gathered from 12 participants. Therefore, cause and effect

relationships or generalisations could not be drawn from the findings and conclusions of the study. The study was a single-case study situated at one state-owned company in one major industry, the freight logistics industry. Therefore, this study did not extend to other industries and sectors.

6.8 Dissertation Conclusion

This study explored the strategising practices of sustainability champions and the strategic outcomes of these practices. In order to conduct this exploration, the study adopted a qualitative single-case study using the Strategy-as-Practice theoretical framework. This approach was suited to nature of the research, which sought to explore sustainability champions' strategising practices in their complex, real-world social context. The study answered the research questions and found that sustainability champions engaged in seven sets of strategising practices that led to seven strategic outcomes. While it was not the study's aim to develop a conceptual model, the interpretation and synthesis of the study's findings resulted in a model termed the *web of sustainable strategising*.

6.9 Concluding Reflection

“Your actions speak so loudly, I cannot hear what you are saying”
– *Ralph Waldo Emerson*

Its 7:20 am. Tired is an understatement. I haven't slept and I'm utterly depleted. The birds sound the alarm and chirp merrily, welcoming the new day. The very act of typing this is like an intense weightlifting exercise, yet my sense of exhaustion is muffled by an inexplicable joy best captured by Nelson Mandela in the words “*When a man has done what he considers to be his duty ... he can rest in peace.*” What a three-year journey this was! I faced a lot of inner turmoil and feelings of failure. Acquainting myself with the sociological lexicon that characterises Strategy-as-Practice often left me confused and dazed. Theories were murky, scholarly subjectivity was rife, and for most of the journey, I felt like I had no clue what I was doing. Looking back, however, I wouldn't have wanted it any other way. The above quote by Emerson says it all. While I was zooming into the practice of sustainability, the “doing” which emerged in the data spoke so loudly that at times I couldn't hear what the champions were saying. No, it was not their *words* that I heard and analysed, it was indeed what they *did!*

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