Jones, David Raymond

A cultural development strategy for a firm wishing to maximise the sustainability behaviour of its workforce

A CULTURAL DEVELOPMENT STRATEGY FOR A FIRM WISHING TO MAXIMISE THE SUSTAINABILITY BEHAVIOUR OF ITS WORKFORCE

DAVID RAYMOND JONES B.Sc. (Hons.) M.Sc.

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ABSTRACT

A CULTURAL DEVELOPMENT STRATEGY FOR A FIRM WISHING TO MAXIMISE THE SUSTAINABILITY BEHAVIOUR OF ITS WORKFORCE

This research builds a hypothesis and a set of cultural principles upon which a firm needs to act if it wishes to move towards sustainability. It is assumed in this research that a company wishing to move towards sustainability needs to proactively address its long-term, environmental, social and financial responsibilities. As these responsibilities are continually changing over time, this research assumes that a firm needs to build a capability to respond. In order to achieve this a firm needs to maximise the behaviour and commitment towards sustainability of all its workers. The cultural principles form the basis for choosing the most appropriate organisational structure, management style, reward systems etc. to move a firm towards sustainability.

The research initially develops these principles by identifying several relevant topic areas through a set of expert four-day workshops. It then explores empirical case study research findings from three U.K. best-practice firms; The Body Shop International plc, Traidcraft plc and Suma Wholefoods. These firms are defined as best-practice as they each are leading innovators within either the environmental protection or social equity fields. They each also share a top-management commitment to moving towards sustainability.

The emergent hypothesis argues against using the 'unitarist' (strong) cultural, top-down approach which represents the most popular strategy of the 1980's culture writers. The three cultural principles which typify this unitarist approach are identified as leadership (values and financial), mission support and worker accountability. Similarly, the hypothesis also argues against the 'pluralist' cultural, bottom-up approach. The three cultural principles which typify this pluralist apporach are identified as participation, personal support and management accountability. Instead, the research hypothesis argues that a business should adopt an optimal combination of both unitarist and pluralist principles. This optimal combination is contingent, at any point in time, upon the firm's historical cultural approach, the extent of diversity of values and opinions amongst workers and the extent of top management commitment towards sustainability.

In order to help a firm move towards its optimal unitarist-pluralist mix, two further overarching principles are also identified; worker involvement and mutual trust. It is proposed that these principles will be realised fully only when a firm's optimal mix is developed.

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being true to yourself. I would therefore like to dedicate this piece of work to you, my father, Raymond Jones, with all my respect and love, as I feel you are by my side in everything I do.

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CHAPTER 1

INTRODUCTION & RESEARCH FOCUS

'Nothing in this world is as powerful as an idea whose time has come.'
(Victor Hugo, 1802-1885)

1.0 Introduction

Stead and Stead (1992) argue that sustainable development[1] represents the transcendent core value for managing the earth. In the author's view the concept of sustainability and the value it is based upon represent an idea whose time has come. It is the author's view that its time has come because there is simply really no other choice of value given the consequential risks of what the World Conservation Union et al (1991, p.4) describe as 'gambling with survival'. Meadows, Meadows and Randers (1992) warn that human use of many essential resources and generation of many kinds of pollutants have already surpassed rates that are physically sustainable. Without significant reductions in material and energy flows there will be, in the coming decades, an uncontrollable decline in per-capita food output, energy use and industrial production. Similarly, Brown, Flavin and Postel (1990) warn that time to get the world on a sustainable path is rapidly running out. If humanity achieves sustainability, it will do so within the next forty years. If we have not succeeded by then, environmental deterioration and economic decline will be feeding on each other, pulling us down toward social decay and political upheaval. At such a point reclaiming any hope of a sustainable future might be impossible. Given the accelerating scale of human pressures on natural systems, the challenge of transformation is thus extremely urgent, with the 1990s representing the 'decisive decade' (Brown et al, 1992) for change toward sustainable paths of development.

The broad focus of this research is to endeavour to understand how business organisations can best contribute towards the realisation of a sustainable future. The

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[1] The terms sustainable development and sustainability will be used synonomously within this research.

world today faces many environmental problems that originate from corporate industrial activities. Toxic wastes and acid precipitation created by industry are causing crises for thousands of communities around the world. Industrial accidents such as the Bhopal disaster, the Chernobyl and Three Mile Island nuclear accidents and the Exxon Valdez oil spill have taken heavy environmental tolls. Even more ominous, global crises such as ozone depletion, greenhouse warming, deforestation and the loss of biodiversity are, in one way or another, rooted in corporate products and production systems. To address these concerns new economic and organisational concepts and practices are needed. Sustainable development is one response to the ecologically destructive industrialisation of the past. Over the next few decades corporations will be challenged to create new strategies rooted in the concept of sustainable development (Stikker, 1992). At the forefront of this debate is the normative notion of the sustainable enterprise (Roome & Clarke, 1995). The focus of this research is to begin the process of providing a meaning for such a notion.

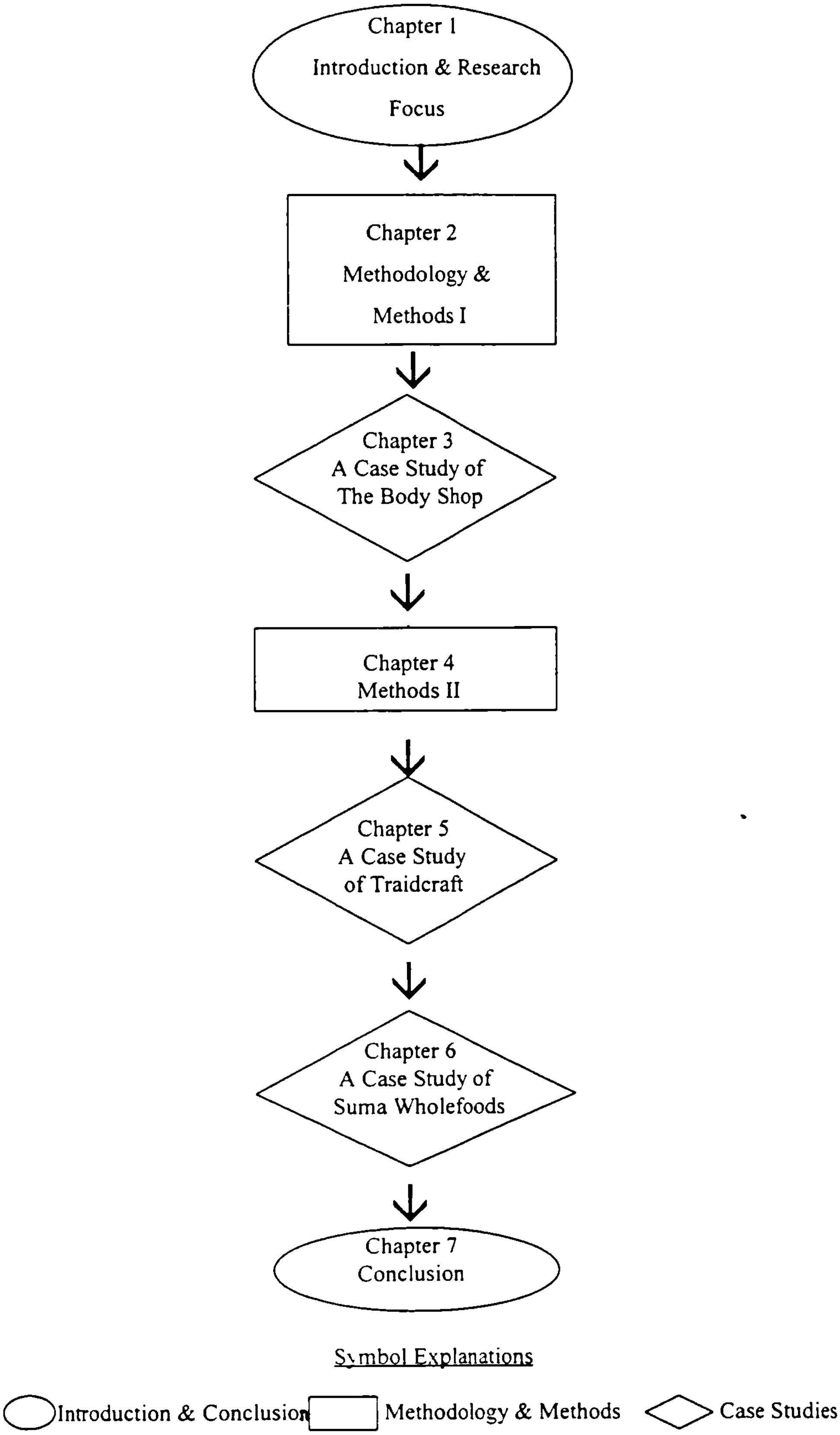
The core tenant of this research is that corporate sustainability strategies will only achieve their sustainability goal when the potential contribution of each and every worker is fully realised and understood. This research thereby endeavours to explore appropriate worker-centred, organisational-wide strategies which could unleash these contributions. In order to fully understand the effectiveness of worker-centred strategies, a cultural conceptual focus was chosen as it offers much analytical depth to the problem. By using a cultural perspective, worker-centred strategies could be understood in relation to the shared and conflicting individual and collective worker beliefs, values, attitudes and behaviour which they imbue. In light of this cultural focus, the research aim is conceptualised as follows:

> 'To identify and explain a cultural development strategy for a firm wishing to maximise the sustainability behaviour of its workforce.' (see section 1.4 for definitions)

This thesis will be divided into seven chapters. Figure 1.1 depicts the route map indicating the contents of each chapter. Chapter 1 outlines the general background literature and the rationale behind the specific research aim. Chapter 2 will initially describe the research methodology used to achieve this aim. This chapter will also describe the methods used within the first case study of The Body Shop. The Body Shop case study will then be presented within Chapter 3. Next, the methods used for Traidcraft and Suma case studies will be explored within Chapter 4. The Traidcraft (Chapter 5) and Suma (Chapter 6) case studies will then follow. It is important to note that the order in which these case studies are presented is in line with the order in which the case studies were actually researched. This is important because the findings of the first case study provide a rationale for the methods chosen for the other two case studies. Therefore, it is advised that the case studies are read sequentially. For example, the first case study must be read first before a full understanding and relevance can be gained of the second case study. Finally, Chapter 7 summarises the findings, highlights the research contributions, explores some limitations of all three case studies and describes the implications that these findings have on future research directions.

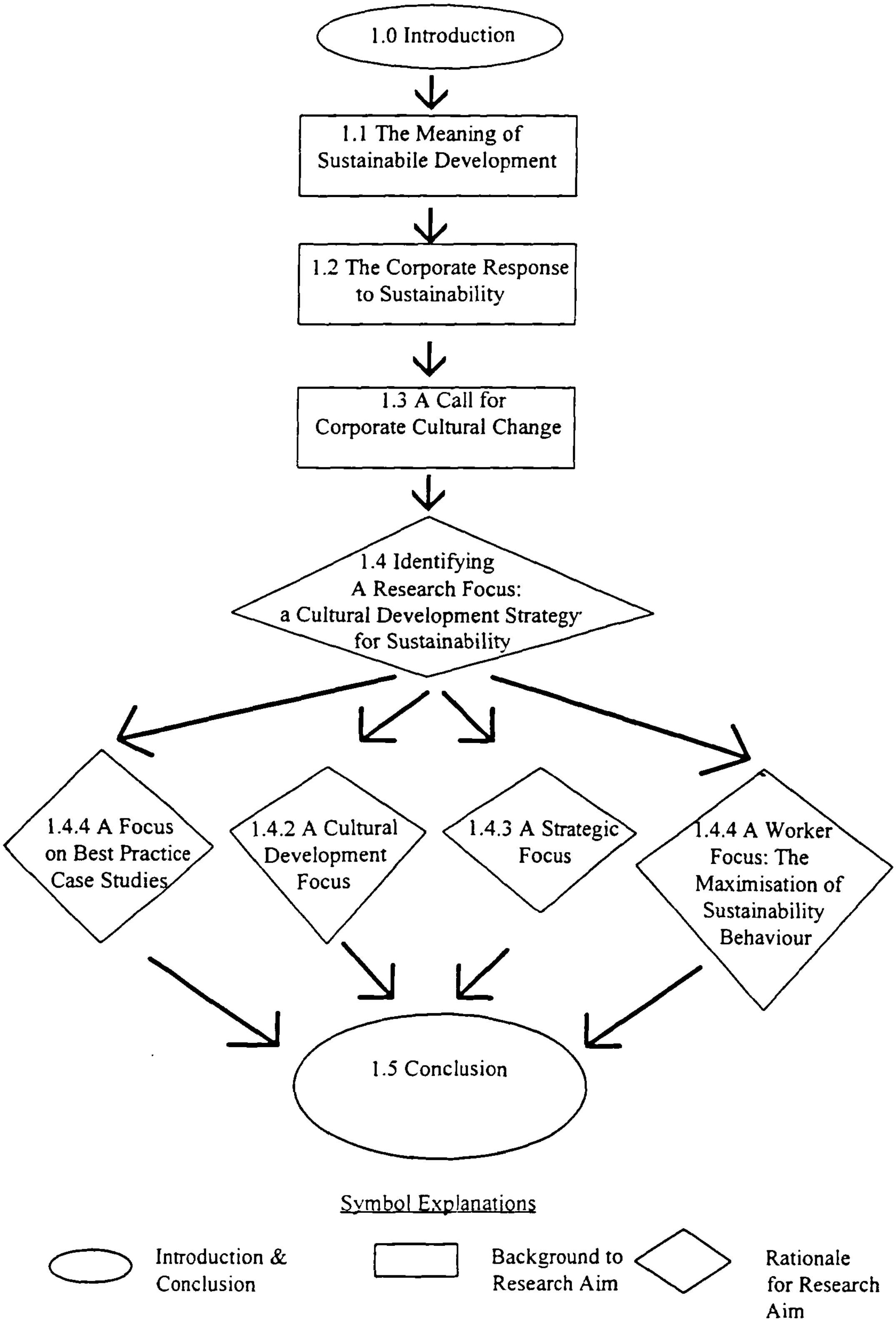
FIGURE 1.1

ROUTE MAP FOR THESIS



To guide the reader through the thesis, a route map is provided at the beginning of each chapter. The route map for Chapter 1 is depicted in Figure 1.2. In order to explore which cultural development strategies would move an organisation towards sustainability the meaning and demands of sustainability will initially be explored. The corporate and academic responses, to date, will then be described along with what are seen as their inadequacies. The significance of the cultural perspective will then be emphasised by reflecting on the current academic call for a cultural change or paradigm shift in workers' values, beliefs, attitudes and behaviour if mainstream business wishes to move towards sustainability. The introduction then moves on to explain specific ways in which the above research aim attempts to satisfy such a call. In other words, the rational behind the research aim will be explained. This rationale focuses upon four assumptions along with their associated definitions. The first assumption focuses around the reason for choosing best-practice case studies. The second assumption focuses upon the reasons for choosing these firms' cultural development process, as opposed to a cultural change process. The third assumption focuses upon the synonymous use of culture and strategy in this research. This discussion provides the definition for cultural development strategies. The fourth and final assumption focuses upon the reasons for a worker focus. More specifically, it provides a justification and definition for the measure chosen to indicate the sustainability effectiveness of these firms. This measure was around the maximisation of sustainability behaviour.

FIGURE 1.2
ROUTE MAP FOR CHAPTER 1



1.1 The Meaning of Sustainable Development

The foundation principles of sustainable development originated from the United Nations Conference on the Human Environment held in Stockholm in 1972 (Strong, 1973). The principles were derived from related ideas such as ecodevelopment (Sachs, 1978), steady-state economics (Daly, 1973) and environmental stewardship (Gladwin, 1977; Gladwin and Royston, 1975). However, the term sustainable development was only first widely publicised in 1980, by the International Union for the Conservation of Nature, in the World Conservation Strategy (World Conservation Union et al, 1980). Here sustainable development was regarded as a path for economic development which permitted progress while conserving the biological resources and physical processes of the earth. Sustainable development achieved even greater prominence seven years later with the release of Our Common Future, the second report prepared by the World Commission on Environment and Development (WCED) (better known perhaps as the Brundtland Commission). This report sought to define sustainable development in a world beset by conflicting demands. These included the demands of the affluent North, to retain their material well-being and to protect the global and local environment and the demands of a less developed South, confronted by problems of population growth, poverty, lack of food security and the political imperative to secure rapid economic growth. In addition, there was the need to represent both the needs of future generations and to recognise the essential value (to human and non-human species) of the earth's life nurturing systems and processes. The Brundtland Commission's definition of sustainable development appeared to provide a simple statement which integrated these long term, social, environmental and financial goals,

> '... development that meets the needs of the present without comprising the ability of future generations to meet their own needs.' (Brundtland, 1987, p.39)

Since this report, other definitions have been derived mostly around these three aims. For instance, sustainable development has been conceptualised as a fusion of economic, environmental and social progress (Environmental and Energy Study

Institute Task Force, 1991). Expanding upon the environmental and social dimensions, and emphasising the long term nature of sustainable development, Welford (1993) argues that sustainable development is made up of three closely connected issues of:

i) Environment

The environment must be valued as an integral part of the economic process and not treated as a free good. The environmental stock has to be protected and this implies minimal use of non-renewable resources and minimal emission of pollutants. The ecosystem has to be protected, so the loss of plant and animal species has to be avoided.

ii) Social Equity

One of the biggest threats facing the world is that the developing countries want to grow rapidly, to achieve the same standards of living as those in the west. That in itself would cause a major environmental disaster if it were modelled on the same sort of growth, experienced in post-war Europe. There, therefore, needs to be a greater degree of international equity and the key issue of poverty has to be addressed. Pearce, Markandrya and Barbier (1989) call for an overall value for intragenerational equity through structural assessments of how environmental degradation affects different groups and different classes of people and how reforms might be socially progressive, rather than regressive. For example, as well as a major source of inequality existing between those who are employed and unemployed, major inequalities exist within the workplace. As Welford (1997) argues, issues within the workplace such as ageism, equality of rights of women and equality rights of the disabled must be addressed alongside the larger issues confronting humanity.

iii) Futurity

Sustainable development requires that society, businesses and individuals operate on a different timescale than currently operates in the economy. For example, while companies commonly operate under competitive pressures, to achieve short-run gains, long term environmental protection is often compromised. To ensure that longer term, intergenerational considerations are observed, longer planning horizons need to be adopted and business policy needs to be proactive rather than reactive in response to a recognition, that the environment is a dynamic and not a static entity.

Following on from the Brundtland report and reflecting the urgency to act upon the above principles, the 1992 United Nations Conference on Environment and Development brought the world community together around the goal of sustainable development. Several international treaties were signed to deal with climate change, prevent decline in biodiversity and slow the rate of deforestation. Although, as Shrivastava and Hart (1995) point out, the conference produced few binding agreements among nations, within the next few years they argue that it is safe to assume that individual countries or trading blocks will adopt far-reaching laws to implement many of those treaties that were signed.

1.2 The Corporate Response to Sustainability

The Brundtland report suggests that sustainable development principles should be addressed through concerted social and organisational change. The idea of the sustainable enterprise or business represents the response of business organisations to the principles of sustainability. Therefore, in terms of corporate actions, strategies will be needed to translate conceptual theories of what sustainable development means into practical ways of achieving it over time. However, a relevant question is simply, why should businesses worry about such seemingly large and abstract issues? What will motivate them to become sustainable and at what cost? Shrivastava and Hart (1995) argue that there are at least four strongly motivating forces for corporations. Firstly, as pointed out above, increasingly stringent national laws and new international treaties, will create a political imperative. For example, there have been more international and environmental protocols in the past ten years than in the previous forty. Corporations will have to respond to new regulations and to public demands for environmental preservation, or risk oblivion due to astronomical compliance and liability costs. Secondly, sustainability is becoming a competitive imperative. More customers are demanding green products, governments are establishing highly visible environmental labelling programmes and competitors are distinguishing themselves on environmental and social criteria. Thirdly, resolving environmental problems is inextricably tied to economic development issues, particularly in developing countries, creating a global imperative. If companies hope to enter the vast markets (population three to four billion and rising) in the second and third worlds they must be ready to address environment-development relationships and deliver products and technologies that facilitate sustainable development. Finally, a growing popular sentiment that nature has a right to exist for its own sake, not just for human welfare, creates an ethical imperative. Humans and corporations are increasingly seen as having a moral responsibility to minimise their impact on the planet so as not to deny future generations the possibility of a sustainable world. The futurist William Harman (Hawken, 1993) highlighted the importance of the role of business in achieving sustainable development when he pointed out that business has become, in the last century, the most powerful institution on the planet. He argued that the dominant institution in any society needs to take responsibility for the whole. Every decision that is made, every action taken has to be viewed in the light of, in the context of, that kind of responsibility. Furthermore, Hawken warned that abdicating this corporate responsibility to other institutions, namely governments, is self defeating, for business is the only mechanism on the planet today powerful enough to produce the changes necessary to reverse global environmental and social degradation. In summary, as Shrivastava and Hart (1995) argue, delays in voluntary movement towards sustainability will only invite further regulation to force corporate behaviour more in line with the goals of sustainable development. Those companies that begin the quest now might reap the ultimate reward: survival into the next century and the privilege of playing a part in the creation of a sustainable world.

In light of sustainable development being what Schmidheiny (1992) argues as the number one megatrend shaping the future of business, the broad objective of this research is to identify and explain possible organisational strategies, structures, management styles, reward and control systems required to move a business towards realising the above environmental, social and financial goals of sustainability. Put in another way, 'what would a sustainable business look like?' In order to begin to tackle this normative question it is important to reflect that previous academic research into corporate practices into sustainability has to date predominantly concentrated upon how to improve only corporate environmental performance. Similarly, as Shrivastava and Hart (1995) point out, mirroring the academic debate, few companies have seriously engaged with the idea of sustainability. Roome and Bergin (1996) state that, whilst an increasing number of business organisations are developing environmental management policies and programmes, comparatively few have explicitly stated that they are pursuing strategies for sustainable development. In demonstrating the collective corporate response to the Brundtland report, the Business Council for Sustainable Development (Schmidheiny, 1992) and the World Industry Conference on Environmental Management (WICEM2), held in Holland in 1991, framed the sustainable enterprise only in terms of improved environmental performance and eco-efficiency. Eco-efficiency is a process aimed at making production more efficient and effective while reducing environmental impacts. Substantial tracts of the developing literature based on company cases are only devoted to outlines of this perspective. Eco-efficiency has been incorporated in programmes such as 3M's Pollution Prevention Pays (Royston, 1979), Dow Chemical's Waste Reduction Always Pays (Schmidheiny, 1992) and Du Pont's Resource Reduction Programme (Bemowski, 1991). Similar constructions to eco-efficiency are to be found in the product stewardship and management of materials throughput approaches of Total Quality Environmental Management (TQEM) (Stead and Stead, 1992; GEMI, 1991), where the emphasis is on a quality product through quality manufacture which is now taken to include environmental protection. This approach is also present in the thinking of industrial ecologists (Frosch, 1992), where waste material and energy from one industrial process is seen as raw material for others. The values which underscore all these ideas to improve environmental performance are dominated by a utilitarian system where business is the agent for transforming material into commodities for human consumption while acknowledging a general duty of care to consider and reduce the impacts on the environment. The outcome of reducing these impacts is that business will simply take longer to reap the harvest of unsustainable development. Nevertheless, these approaches are almost unwaveringly presented as the model within which to achieve sustainability. In a recent study the overwhelming attention of business organisations on sustainability was described in terms of environmental performance reporting, with its emphasis on environmental costs, environmental emissions to air, water and land, environmental policy statements and environmental management systems (KPMG, 1993).

A brief review of the academic literature around the effectiveness of one of these environmental, eco-efficiency practices could provide possible research directions for identifying and explaining possible sustainability practices. One such example of a corporate environmental practice is the adoption of management systems techniques enshrined in standards, such as, ISO14001 and the EU eco-management and audit scheme (EMAS). An environmental management system usually contains the organisational structure, responsibilities, practices, procedures, processes and resources for determining and implementing environmental policy (Netherwood, 1996). The standards are 'generic' in the sense that they do not set any absolute requirements except for legal compliance. Furthermore, they only require that organisations have a commitment to compliance, continual improvement and pollution prevention. As Halme (1997) points out, the key to these standards is the environmental policy that the organisation commits to follow. This implies that, except for compliance and commitment, the organisation with ISO14001 certificate may manage its environmental affairs in whatever fashion it chooses. It is up to the organisation to determine what the content of the structure will be. The organisation has to decide what it wants to do regarding the environment and then the environmental management system organises the tasks necessary to accomplish this. Welford (1993) argues that, whilst accepting the need for management systems to control and monitor environmental performance, they are not sufficient to move an organisation towards sustainability. He argues that, whilst the environmental auditing methodology, which has been based on the management system approach, does provide for continuous improvement, it also means that major polluters who are producing extremely unsustainable products are able to gain the award and the prestige which such standards bring. Moreover, he argues that the auditing process is dominated by the audit of the system, procedures, documents, and management rather than environmental damage. Furthermore, he argues for an alternative which goes back to the key concept of sustainability and the process of auditing for sustainability. Organisations auditing for sustainability should be committed to integrating environmental performance to wider issues of global ecology and make specific reference to the other social concepts associated with sustainable development. Thus, as a starting point, energy-efficiency should be focused on the need to minimise NOx, SOx and carbon dioxide emissions and avoid nuclear waste. Waste minimisations, re-use and recycling should be driven by the need to conserve non-renewable resources. Product design should prioritise the use of renewable resources. Sourcing of raw materials should have no negative impacts on global biodiversity, endangered habitats or the rights of indigenous peoples. Overall, corporate policies should examine the business's impact on both the developed and the underdeveloped world, both now and into the future. Furthermore, Welford argues that it is difficult to see how an approach based on a continuous cycle of improvement deals with the other two central aspects of sustainable development namely, futurity and social equity. It is these principles which need to be addressed if business is more closely to match the full range of issues identified by Brundtland under the banner of sustainability. As Roome and Clarke (1995) argue, although it is possible still to regard improved environmental performance as a stage in the progress towards sustainability, it is a discontinuous stage. Put another way, the sustainable enterprise needs elements of the organising principles necessary for improved environmental performance, such as an environmental management system, but these are a necessary rather than a sufficient condition for sustainability.

1.3 A Call for Corporate Cultural Change

It seems clear that sustainable economies and sustainable corporations of the future cannot be based on continuing growth in the consumption of non-renewable energy and virgin raw materials. Nor can they create hazardous waste and polluting emissions. As Shrivastava and Hart (1995) argue, sustainability requires the complete redesign of organisations and strategies. This transformation cannot be superficial or a cosmetic public relations response, but must address every dimension of the organisation. Commoner (1990) and Wheeler (1993) describe the scope of change needed with reference to the above auditing for sustainablity approach. They describe it as a holistic approach, predicated on a clear world view and an understanding of the need for a 'paradigm shift' in business culture. Gray (1992) similarly argues that adoption of sustainable development requires a massive managed culture change which will severely question the whole fabric of the 'economic organisation' .

The application of the concept of culture to organisations became widespread through the 1980s but was pioneered by some innovative thinkers earlier (for example, Crozier, 1964; Turner, 1971; Pettigrew, 1979). Subsequent researchers distinguished two broad senses of organisational culture, the more popular view of culture as a variable to be managed in organisations and the view of culture as a metaphor or fundamental means of conceptualising organisations (Smircich, 1983). According to this latter view, culture is not something an organisation has but something an organisation is. Management cannot control culture because management is a part of that culture (Nicholson, 1984). This debate which culminates in querying the very existence of organisational culture, has attracted much academic interest but has not deterred widespread acceptance of the concept. Despite the plausible contention that culture is not something that organisations have, there is a popular understanding that organisational culture exists and that it is important (Schein, 1985). Clearly, in light of the above research call for a cultural change, the organisational cultural concept appears to be an important variable within the corporate sustainability field.

The research of several firms by Post and Altman (1991) concluded that long term adoption of sustainable development, will require a third-order change and not a technological fix nor a new financial investment. Third-order change requires that the organisation adopts a completely new culture based on new objectives, values, norms and structures. Third-order change is discontinuous change that requires the organisation to achieve an entirely different qualitative state (Bartunek and Mock, 1987). Third-order cultural change must initially tackle underlying organisational assumptions; the unconscious, taken for granted beliefs, perceptions, thoughts and values that motivate behaviour. The basic assumptions people make about business form the foundation level for an organisation's culture (Schein, 1985). Frequently understood as a 'multi-layered' phenomenon (Sathe, 1983), organisational culture includes not only these deep-seated and enduring values, at the most fundamental or inner level, but artefacts and symbols, procedures and arrangements, 'shared doings and sayings' (Sathe, 1983) characterising the outer and more superficial layers of organisational culture. Therefore, a cultural change required for sustainability would effect all levels of an organisational culture, from underlying assumptions and beliefs to espoused values and artefacts. However, it must be said that some doubt that an organisation can influence the substantive content of its own culture, because the underlying values of any organisational culture, are deeply rooted in broader national, racial and religious cultures (Schein, 1983; Hofstede et al, 1990). More amenable to moulding by management are the outer layers of culture, the rituals, the symbols, heroes (or shared perceptions of working practices). In other words, there appears to be considerable doubt amongst cultural researchers over the feasibility of achieving corporate cultural change.

1.4 Identifying a Research Focus: a Cultural Development Strategy for Sustainability

In light of the above scepticism, it is interesting to note that, although calls for a cultural change to achieve sustainability have been made by numerous academic researchers (refer to Halme, 1994 for a thorough review), to date there has been little indication from them with regard to how this cultural change manifests itself. Moreover, the question of whether this corporate culture change is possible within what could be viewed as an unsustainable national culture has yet to tackled. This would require a longitudinal research study of a company wishing to move through such a radical transformation. The problem with such a study would be not only the length of time that such a process would take, but finding a company prepared to commit itself in the first place. However, although this empirical evidence is not yet available, the assumption within this research is that cultural change is achievable. Moreover, within the limited time available within this research an exploration of part of the cultural change process could be a pertinent and original topic of research interest to explore further. An important element of the cultural change process is the target culture a company could move towards. Put simply, what would a sustainable culture look like and why? Put in a more conceptual and normative way, this general research question can be defined in terms of the specific research aim of this thesis:

> 'To identify and explain a cultural development strategy for a firm wishing to maximise the sustainability behaviour of its workforce.'

In order to understand how the general research question was transformed into the specific research aim, the following sections will reflect upon the various assumptions made. These assumptions are based upon empirical findings primarily from environmental and business management literature. Furthermore, the following sections will highlight the implications of each assumption upon the research area and data type required to fulfil the research aim.

1.4.1 A Focus On Best-Practice Case Studies

The first assumption was that, in order to identify a target or best-practice culture, it was felt that a good starting point would be to conduct case studies on firms which are already widely recognised as best-practice within the environmental and social sustainability fields. Best-practice case studies are a useful mechanism in tackling the research aim because, as Meima (1997) points out, management practice and the political concerns of society have, as usual, outrun the development of theory. In other words, academic literature is now struggling to catch up with experience from the field and organise it in ways that add value and insight. By comparing the effectiveness of the cultures of best-practice firms, it was hoped that a hypothesised culture could be identified which could act as a cultural 'signpost' for the more mainstream firms to measure their sustainability performance against. Significant evidence exists that management trends which become popular exert a strong influence on the on-going techniques of corporate management. New concepts, which are successfully implemented in certain organisations, become dominant (Mintzberg, 1979). DiMaggio and Powell (1983) offer three explanations for this phenomenon. Firstly, organisations will submit to both formal and informal pressures from other organisations upon which they depend. Secondly, when faced with uncertainty organisations may model themselves on organisations that have seemed to be successful and adopt the sorts of techniques which they see being introduced. Thirdly, normative pressures, which stem from a degree of professionalism amongst management, can cause the adoption of best-practice management techniques. As universities are one of the vehicles for the development of these normative rules, it is hoped that this piece of research can add to this process. It can hopefully achieve this through a wide process of dissemination of its findings, not only to a best-practice but also to a mainstream business audience.

Although management best-practice appears to be running ahead of theory within the corporate sustainability field, it is important to realise that the number of companies employing such practices are in the minority. In other words, there exists relatively few companies which are seen to be already committed to, and are moving towards sustainability, defined in its most holistic and systemic sense, i.e. actively combining their financial responsibility with their long term environmental and social responsibility. Therefore, the initial challenge was to be able to gain the support from these few companies. One positive factor was that, as Gray, Owen & Adams (1996) argue, there is an increasing number of values-based companies to whom there is this goal beyond profitability. They list such companies as The Body Shop, Traidcraft, Shared Earth, New Consumer, Shared Interest, The Centre for Alternative Technology, Ben and Jerry's in the United States and Earth Sanctuaries in Australia. The Body Shop and Traidcraft represent the first two case studies of this research. The Body Shop plc is a U.K. company historically involved in promoting environmental management issues. Traidcraft plc is a U.K company historically involved in promoting social equity issues of fair trade with the third world and a leading innovator in social auditing (Evans & Zadek, 1993). The third and final case study is Suma Wholefoods, one of the largest, socially innovative U.K. worker co-operatives which were set up in the 1970s. As Shrivastava and Hart (1995) point out, companies like these are values-based, as all have a clear executive commitment to a sustainable mission. They have strategies to reduce material consumption in the North and develop markets and capabilities in the South. They also possess a stakeholder view of the firm that includes the full spectrum of interests, including those of nature, in the planning process. However, as Roome (1995) argues, although management for sustainability requires the incorporation of additional values and interests beyond those historically recognised by firms and industries, such as social equity, environment and futurity, this does not mean that economic decisions and profit seeking are to be rejected. Moreover, for these best-practice firms the principal challenge is to progress not only environmentally and socially but financially as well.

1.4.2 A Cultural Development Focus

The second assumption was that, although dealing with best-practice companies, it is important to note that the process of change towards sustainability for these companies is by no means complete. As Hart (1994) argues, the path to becoming a sustainable corporation is long, arduous and fraught with pitfalls. They add that they know of no industrial corporation today that can be called sustainable. In fact, sustainability may be more of a journey than a destination: it is a social process requiring continuous capability building and management attention. Moreover, as Welford (1997) argues, since we do not have a clear idea of what precisely sustainability looks like in the business context, we can never be prescriptive about the measures which must be taken to deliver one particular objective. At best we can only provide pictures and a description of the road down which more mainstream businesses should tread. In order to describe and explain the road for these value-based companies. it is assumed in this research that they require cultural development rather than cultural change to move towards sustainability. According to Bartunek and Mock (1987), cultural development represents first-order and second-order changes which are linear in nature, requiring that organisations do basically the same things they are currently doing, only better. For these companies the goal of cultural development strategies is not so much about a change but a growth of order, from a lower level to a higher level of evolution towards sustainability. In other words, quantitative growth ('more of the same') is permitted but qualitative growth ('something different') is not. On this basis, the more amenable. outer levels of culture are changing as opposed to the more hidden, inner layers. In contrast to third-order change, first-order and second-order changes are limited in changing the deeper and all pervasive underlying assumptions (Morgan, 1986). Referring back to the aim of this research, rather than a target culture, a moving target culture could be identified by exploring the cultural development process of these best-practice firms. In other words, rather than simply exploring their present culture, this research endeavoured to explore past, present and possible future cultures. With this dynamic, normative perspective a future culture could be identified from the company's cultural learning process in moving towards sustainability. This chronological view conforms to the paradoxical theory of organisational change developed by Critchley (1994), who argues that one must fully experience what is, before all the alternatives of what may be are revealed. For Critchley, 'is' includes a recognition and a valuing of the past; the culture and the traditions of an organisation and its members. Similarly, consultants and researchers like Pettigrew et al (1992) and Gummesson (1991) argue that the study of complex processes of decision-making, implementation and change requires a holistic approach and either a longitudinal study and/or a historical study, allowing such processes time to emerge, evolve and change. Using the historical method, as in this research, the researcher traces the decisions and influences within an organisation that lead to the evolution of practices over time and is particularly appropriate to the study of organisational culture.

1.4.3 A Strategic Focus

The third assumption was around the conceptual implications of using a cultural development focus. As Shrivastava and Hart (1995) argue, as best-practice companies have already initiated the processes of deeper change required to become truly sustainable it can be assumed that their deeper levels of culture, such as their deep-seated values, do not require a radical change. This means that, rather than representing a change in hidden employee assumptions, values and beliefs over time, cultural development represents more of a change in employee attitudes and perceptions towards the respective company and its strategy over time. Moreover, the most appropriate level of analysis in conceptualising the different cultures of the best-practice firms is around the more amenable outer layers of culture, representing shared perceptions of working practices. In conceptualising culture in this way, this research moves away from the common assertion that shared values form the basis of an organisation's culture (Deal and Kennedy, 1982, Peters and Waterman, 1982, Hunt, 1991). In common with Hofstede (1991) this research regards organisational culture as consisting mainly of concrete practices rather than abstract values. This view of culture is thereby open to the issue of both values homogeneity and diversity. Any approach to measuring organisational culture using this definition needs to develop some typological tools that will enable the researcher to compare solely perceptions of working practices rather than values (refer to Chapter 4). Practically speaking, differentiating cultures based upon different shared perceptions of working practices means differentiation based upon different organisational strategies, structures, management styles, etc. As Hofstede (1991) pointed out, collective practices depend on organisational characteristics, like structures and systems, and can be influenced in more or less predictable ways by changing these. However, Hofstede reiterates the developmental focus of such changes when he argues that changes in practices only represent the margin of freedom in influencing the whole culture. Moreover, values are an important influencing factor on a culture but not necessarily a shared set of values.

In conceptualising culture in strategic and structural terms and recognising the developmental nature of change, a more appropriate, explanatory term which could be used to describe an organisational 'culture' in this research is a 'cultural development strategy'. The synonymous use of culture and strategy conforms to Bate (1994), Weick (1995) and Hennestad's (1991) assertions that either of the concepts can be substituted for the other. As Weick (1995) argues, it is as if there were a common set of issues in organisations that some of us choose to call culture and others choose to call strategy. In elaborating what he means by this assertion, Bate (1994) argues that he is not suggesting that culture is like strategy (and vice versa), nor is he saying that culture and strategy are closely related. Moreover, what he is arguing for is that the one is the other: culture is a strategic phenomenon; strategy is a cultural phenomenon. As Johnson (1990) argues, there is a growing awareness that the problems and mechanisms of managing strategic change in organisations need to be explained and considered, not so much in terms of traditional rational planning models of strategic management, but in terms of the cognitive, cultural and political context and constraints in organisations and managerial action which address these. Bate (1994) interprets this as a plea to strategists to 'think culturally' about strategy and strategic change. The interpretative approach to which Johnson is referring leads us to view strategy as a distinct phase in the cultural process whereby certain groups of people attempt to create symbols which drive people in certain directions and influence their interpretation of situations and of past and present events (Green, 1988). Alternatively, the idea of setting up a separate programme for developing culture is a nonsense; cultural development is already occurring within formal and informal strategic processes. Since there is no distinction in practice, there should be no distinction in conception. In order to clarify the synonymous use of strategy and culture, Bate (1994) argues for precision in the way strategy is defined. On this matter he advises researchers to be particularly careful to avoid the narrow, formalistic and concrete meaning that some writers have attached to it. Alternatively, he points out that a cultural development strategy should represent the 'strategy in use' (this term doubling-up very nicely as a definition of culture). The 'strategy in use' (Mintzberg, 1978) is the actual rather than the desired, the real rather than the espoused, the current rather than the ideal, the informal rather than the formal, strategy. Cultural development may therefore be simply defined as the movement from one cultural development strategy, or strategy in use, to another over time.

1.4.4 A Worker Focus: the Maximisation of Sustainability Behaviour

Finally, the fourth assumption was around the choice of measure of sustainability effectiveness. In order to clarify what is meant by 'to move towards sustainability' it is important to recognise that, ultimately, any long term success depends on the attitudes, skills, knowledge and experiences of the people involved in the development and implementation of the policies towards sustainability (Beaumont et al, 1993). This worker focus is particularly relevant in light of the importance of capability building to cope with the changing nature over time of the sustainability challenge. As Halme (1997) argues, external pressure alone will not bring about culture change in a business enterprise. There must be capability of response in the organisation. In order to build capability of response, a cultural development strategy would need to maximise the sustainability behaviour of its workforce so that workers can proactively address environmental and social opportunities as they arise and problems before they occur (Shearer, 1990). The state of maximisation is defined in this research as the highest level of sustainability behaviour possible throughout a workforce, as recommended by a workforce. Workforce is defined as the collective number of individuals working in an organisation, including senior management.

In order to identify the maximisation point, a simple methodology is used. That is to ask workers, in a best-practice company, seen to be already moving towards sustainability, how they would increase the sustainability behaviour throughout their company's workforce and the extent of the increase. This increase when added to the current level of sustainability behaviour would represent the maximisation point. It is acknowledged that this state of maximisation is socially constructed, albeit collectively, and may change if other stakeholders were asked for their recommendations. Furthermore, it is also acknowledged that the state of maximisation is time dependent. In other words this state may be different if workers were asked for their recommendation at another point in time. However, although this measure has its limitations, for this cultural based research it acts as a suitable unbiased measure of sustainability effectiveness . Effectiveness would be the extent to which a firm 'maximised the sustainability behaviour of its workforce'.

1.5 Conclusion

In summary, the introduction has emphasised the importance of a cultural perspective in identifying and explaining what constitutes a sustainable enterprise. Clearly the current mainstream corporate and academic strategies based upon eco-efficiency and environmental management measures have not been effective in moving a firm towards sustainability, defined in terms of its most holistic and systemic, long-term environmental, social and financial sense. In light of the importance of a cultural change to mainstream business, the aim of this research is to identify a best-practice cultural development strategy which mainstream companies could use as a directional indicator for their cultural change process.

CHAPTER 2

METHODOLOGY & METHODS I

> 'It is no linguistic accident that 'building', 'construction', 'work', designate both a process and its finished product. Without the meaning of the verb that of the noun remains blank.' (Dewey, 1934)

2.0 Introduction

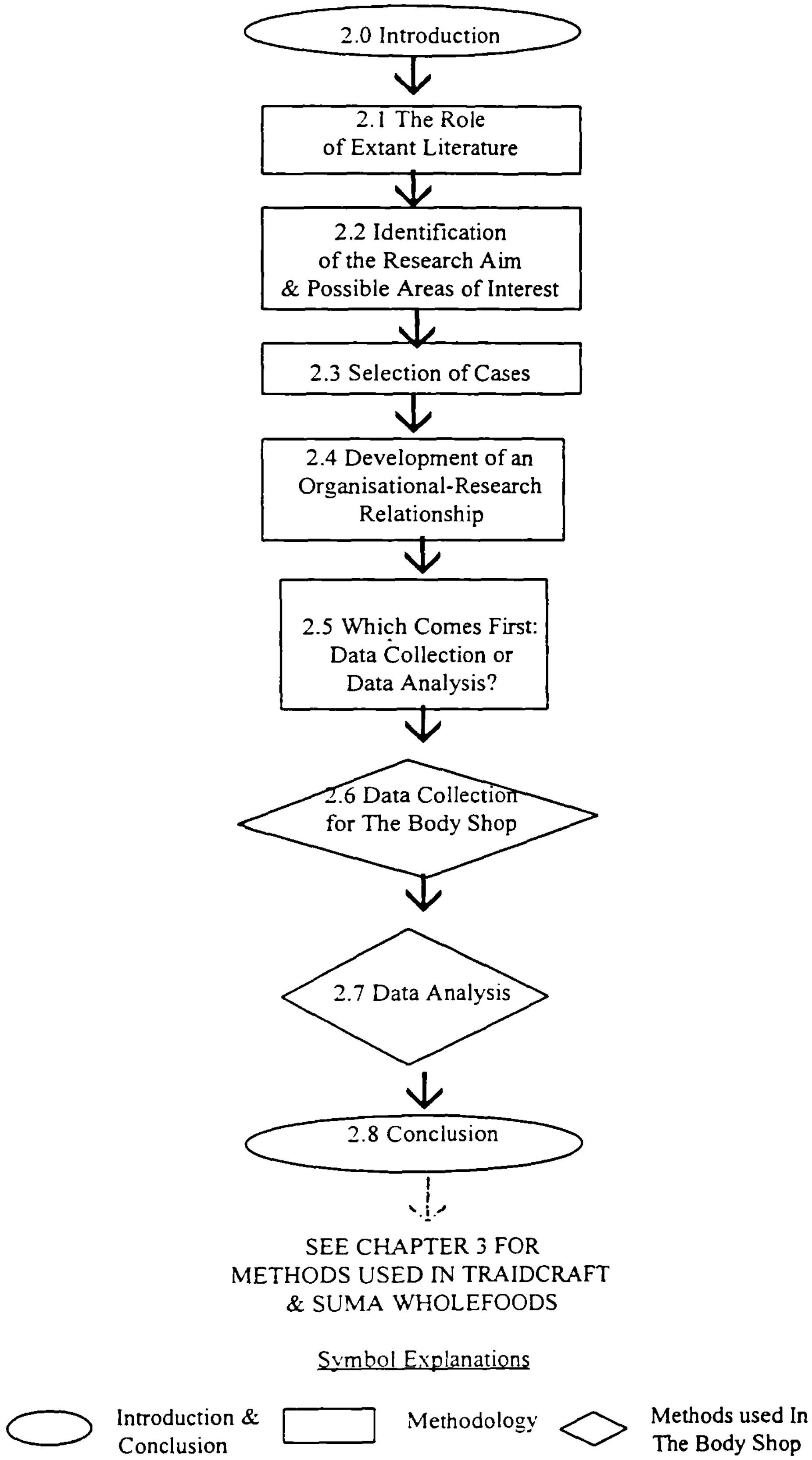
The methodology used to explore the research aim identified in chapter 1 is based on a type of research methodology called 'building theories from case studies' (Eisenhardt, 1989). The final product of building theory from case studies may be concepts (e.g. Mintzberg and Waters, 1982, deliberate and emergent strategies), a conceptual framework (e.g. Harris & Sutton's, 1986, framework of bankruptcy), or hypothesis (mid-range theory) (e.g., Eisenhardt and Bourgeois's, 1988, mid-range theory of politics in high velocity environments). The goal of this research was to build a hypothesis around a cultural development strategy for the purpose of maximising the sustainable behaviour of an organisation's workforce. This type of research begins as close as possible to the ideal of no theory under consideration and no hypothesis to test. Therefore, it moves away from the traditional scientific method where theory is developed through incremental empirical testing and extension (Kuhn, 1970). Theory building, using this latter method, relies on past literature and empirical observation or experience as well as on the insight of the theorist to build incrementally more powerful theories. However, there are times when little is known about a phenomenon; current perspectives seem inadequate because they have little empirical substantiation or they conflict with each other or common sense. In these situations, theory building from case study research is particularly appropriate because theory building from case studies does not rely on previous literature or prior empirical evidence. Reflecting upon the minimal amount of cultural literature within the sustainability field, it would appear that this approach would be especially useful. However, it must be stressed that, rather than dismissing the traditional scientific approach, the methodology proposed here could be quite complementary to it. Moreover, whilst the proposed approach is useful in early stages of research on a topic or when a fresh perspective is needed, the traditional scientific approach is useful in latter stages of knowledge.

Although such a methodology tends to be uncontrolled and inductive (Deshpande, 1983) the process described here adopts a positivist view of research. That is, the process is directed toward the development of a testable hypothesis which is generalisable across settings which are similar to the ones studied. In contrast, authors like Strauss (1987) and Van Maanen (1988) are more concerned that a rich, complex description of the specific cases under study evolve and they appear less concerned with development of generalisable theory. Furthermore, as this type of research is so intimately tied with evidence, it is very likely that the resultant theory will be consistent with empirical observation. The theory built up is therefore more likely to be empirically valid. In well-executed theory-building research investigators answer to the data from the beginning of the research. This closeness can lead to an intimate sense of things - 'how they feel, smell, seem' (Mintzberg, 1979). This intimate interaction with actual evidence often produces theory which closely mirrors reality.

In order to understand the rationale for this methodology it is important to reflect upon its two core components. One component is the work on grounded theory building by Glaser and Strauss (1967) and more recently by Strauss (1987). These authors have detailed their comparative method for developing grounded theory. The method relies on continuous comparison of data and theory beginning with data collection. The other core component is the case study research strategy. In relation to the methodology used in this research, case studies can be used to accomplish various aims: to provide description (Kidder, 1982), to test theory (Pinfield, 1986; Anderson, 1983), or, last but not least, to generate theory (e.g. Gersick, 1988; Harris & Sutton, 1986).

In order to guide the reader through the different aspect of this methodology and chapter a route map is provided, as depicted in Figure 2.1. One important aspect which is immediately apparent from looking at this route map is that only the methods used for The Body Shop are included. The methods used for both Traidcraft and Suma are included in a separate chapter, Chapter 4. The reason for this split is that the methods used are different. The Body Shop's open-ended interviews changed to more structured questionnaire and thematic interviews for Traidcraft and Suma. In building theory, this change in methods is perfectly acceptable during the research process. As Eisenhardt (1989) argues these adjustments allow the researcher to probe emergent themes. The reason for the change in this research is that the emergent hypothesis from The Body Shop needed to be not only expanded upon, but tested within the other two case studies. The separate methods chapter is Chapter 4 because the elements of the hypothesis developed with The Body Shop case study provide the rationale for the methods used within Traidcraft and Suma case studies.

FIGURE 2.1
ROUTE MAP FOR CHAPTER 2



2.1 The Role of Extant Literature

Bearing in mind the minimal specific literature in the sustainability and cultural field, it is important to note that an essential feature of hypothesis building is comparison of the emergent concepts, theory, or hypothesis with an extant broad range of literature from other fields (Eisenhardt, 1989). In terms of the impact this has on the appearance of this thesis, a decision was taken not to include a separate literature review chapter. Moreover, a large amount of extant literature will be introduced where appropriate in each of the case study chapters. As Eisenhardt (1989) argues, this incremental approach forces the researcher to constantly ask which literature is similar to, and which literature contradicts, the emerging case study findings and why.

Examining literature which conflicts with the emergent theory is important for two reasons. First, if researchers ignore conflicting findings, then confidence in the findings is reduced. For example, readers may assume the results are incorrect (a challenge to internal validity), or if correct, are idiosyncratic to the specific cases of the study (a challenge to generalisability). Second and perhaps more importantly, conflicting literature represents an opportunity. The juxtaposition of conflicting results forces researchers into a more creative, framebreaking mode of thinking than they might otherwise be able to achieve. The result can be a deeper insight into both the emergent theory and the conflicting literature, as well as a sharpening of the limits to generalisability of the focal research. Similarly, literature discussing similar findings is crucial as well because it ties together underlying similarities in phenomena normally not associated with each other. It is important to note the interrelationship between the use of conflicting and similar literature. Conflicting literature is more important in the initial process of building theory, as opposed to similar literature which is more important in corroborating the final proposed theory. The effect this has on the content of the final case study write-ups is that more reference is made to similar corroborating literature than conflicting literature. However, this does not mean that conflicting literature was not used to build up this final case study write-up.

Overall, tying the emergent theory to existing literature enhances the internal validity, generalisability and the theoretical level of theory building from case study research. While linking results to the literature is important in most research, it is particularly crucial in theory-building research because the findings often rest on a very limited number of cases, i.e. three in this research. In this situation, any further corroboration of internal validity or generalisability is an important improvement. For this research extant theory was drawn from corporate cultural, environmental management, organisational development, industrial relations and business ethics literature.

2.2 Identification of the Research Aim & Possible Areas of Interest

An initial definition of the research aim, at least in broad terms, is important in building theory from case studies. Mintzberg (1979, p.585) noted: 'No matter how small our sample or what our interest, we have always tried to go into organisations with a well-defined focus - to collect specific kinds of data systematically.' The rationale for defining the research aim is the same as it is in hypothesis-testing research. Without a research focus it is easy to become overwhelmed by the volume of data. The general research aim in this thesis was identified primarily through a process of reviewing academic literature and on-going participation in several international conferences. Moreover, constructive feedback from the author's initial conference presentations led to the following research aim (see Chapter 1 for rationale behind the research aim's definition):

> 'To identify and explain a cultural development strategy for a firm wishing to maximise the sustainability behaviour of its workforce.'

A priori specification of possible relevant areas of interest can also help to shape the initial design of theory-building research. This is valuable as it permits a researcher to measure those areas of interest more accurately. If these areas of interest prove important as the study progresses, then researchers have a firmer empirical grounding for the emergent theory. It is important to recognise that, although early identification of the research aim and possible areas of interest is helpful, it is equally important to recognise that both are tentative in this type of research. No area of interest is guaranteed a place in the resultant theory, no matter how well it is measured. Also, the research question may shift during the research. Most importantly, theory-building research is begun as close as possible to the ideal of no theory under consideration and no hypothesis to test. Admittedly, it is impossible to achieve this ideal of a clean theoretical slate. Nonetheless, attempting to approach this ideal is important because preordained theoretical perspectives or propositions may bias and limit the findings. Thus, investigators should formulate a research problem and possibly specify some potentially important variables or topic areas of interest, with some reference to extant literature. However, they should avoid thinking about specific relationships between variables and theories as much as possible, especially at the outset of the process (Eisenhardt, 1989).

In order to highlight possible areas of interest, in 1994 an expert workshop was organised by the author (& a co-facilitator, the author's doctoral supervisor, Prof. R.Welford). The workshop was funded by the ESRC's Global Environmental Change Programme. This workshop brought together 36 recognised experts from the fields of academia, industry, NGOs and local authorities in two one-day workshops and in one final two-day workshop. The initial one-day workshop primarily comprised of academics. The second one-day workshop primarily comprised of industry representatives. Finally, the final two-day workshop comprised of a mixed group of people from both the initial two workshops. Keeping a broad outlook, the expert workshop asked participants general open-ended questions such as:

- what does sustainability mean for business?
- what does a sustainable business look like?

Participants were initially asked to address these questions by splitting up into several small parallel brainstorming groups. They were then asked to feedback and discuss the results within a main focus group, via flip-chart presentations (each lasting a few minutes) from a nominated member of each group. As Jankowicz (1991) points out, a focus group is a form of group interview in which the data arise from dialogue and general discussion among participants. He argues further that it is particularly useful for discovering the range of views and attitudes present. The focus group technique explicitly avoids any attempt to indicate the form in which answers are to be provided because the answers to questions are often an emergent property of the discussion, to be identified during the analysis rather than a specific response to a direct question. Transcripts (audio recorded) were analysed from the main focus groups of each workshop, along with supplementary information from the flipcharts, with an aim of identifying the diversity of expert recommendations about possible areas of interest. It is important to point out the value of a co-facilitator, as this provides a form of 'triangulation by investigators', where it provides the opportunity for researchers to examine the same situation (or transcripts) and to compare, develop and refine themes using insights gained from different perspectives. Within a few weeks after the second workshop both facilitators duly sat down and discussed the main themes they saw emerging. These were summarised in a preliminary report, which was sent to participants of both the one-day workshops (see Appendix 1, p.321). The participants were then asked prior to the final two-day workshop to provide their feedback on this report. At the introductory stage of the final workshop, in order to facilitate more in-depth discussion around these themes, the author presented the results of this preliminary report. Similarly, within a few weeks after the final workshop the above consultation process was repeated with the co-facilitator leading to a final report which was sent to participants of all three workshops (see Appendix 2, p.343). The participants were again asked to provide their feedback on this report. Appendix 2 includes a list of all participants who attended the expert workshops.

As can be seen in Appendix 2, the findings from the expert workshop identified seven elements associated with sustainability, each containing their specific target areas (refer to Appendix 2 for definitions).

1. General principles
a) Accountability;
b) Transparency ;
c) Education and learning.

2. Equity
a) Empowerment of all stakeholders;
b) Participation;

c) Trading practices.

3. Futurity
a) Precaution;
b) Use of non-renewables.

4. Biodiversity and animal protection
a) Habitat and species conservation;
b) Animal testing.

5. Human rights
a) Employment policies and equal opportunities;
b) Quality of working life;
c) Women;
d) Minority groups;
e) Indigenous populations.

6. Local action and scale
a) Community linkage;
b) Appropriate scale;
c) Partnership and co-operation strategies;
d) Appropriate location.

7. Life cycle impacts
a) Product stewardship;
b) Life cycle analysis;
c) Design;
d) Product durability;
e) Product justifiability.

As this research focuses upon how to maximise the sustainability behaviour of a workforce, these elements and target areas were then reduced to ones which have specific cultural, developmental and strategic implications for a workforce. Clearly some external elements and target areas could be eliminated from further probing, such as around life cycle analysis. Moreover, the relevant target areas to be explored further (see section 2.6), along with their constituent measures, are as follows.

- Accountability
  Appointment of non-executive directors;
  Systems compatible with principles of corporate governance;
  Document internal management structure;
  Links and consultation with local community.

- Transparency/Openness

Participative arrangements
Freedom of access to information
Documentation of effects on habitats and impact mechanisms
Existence of an explicit ethical framework
Corporate reporting, third party verified

- Education and learning
  Information availability;
  Open communication with all stakeholders;
  Training records;
  Two-way learning strategies;
  Consultation framework/dialogue;
  Facilitator of change.
- Empowerment of all stakeholders
  Open institutional structures;
  Ability to challenge and question the organisation;
  Interaction with all stakeholders.

- Participation
  Participatory decision-making;
  Financial participation;
  Appropriate rewards;
  Equitable distribution of benefits;
  Co-operation measures;
  Open ownership structure.

- Employment policies and equal opportunities
  Existence of a clear policy on equal opportunities;
  Codes of practice;
  Compliance with legal requirements;
  Employee representation;
  Training and education.

- Quality of working life
  Compliance with health and safety legislation;
  Human resource management policies;
  Forum for voicing dissatisfaction;
  Industrial democracy.

- Women
  Dialogue with women;
  Empowerment policies;
  Non-discrimination policies.

- Minority groups in the workplace
  Dialogue mechanism;
  Empowerment policies;
  Non-discrimination policies.

2.3 Selection of Cases

The selection of cases is an important aspect of building theory from case studies. As in hypothesis-testing research, the concept of a population is crucial because the population defines the set of entities from which the research sample is to be drawn. Also, selection of an appropriate population controls extraneous variation and helps to define the limits for generalising the findings. However, the sampling of cases from the chosen population is unusual when building theory from case studies. Such research relies on theoretical sampling (i.e. cases are chosen for theoretical, not statistical, reasons, Glaser & Strauss, 1967). The cases may be chosen to replicate previous cases or extend emergent theory, or they may be chosen to fill theoretical categories and provide examples of polar types. While the cases may be chosen randomly, random selection is neither necessary nor even preferable. As Pettigrew (1988) noted, given the limited number of cases which can actually be studied, it makes sense to choose cases such as extreme situations and polar types in which the process of interest is 'transparently observable.' Thus, the goal of theoretical sampling is to choose cases which are likely to relocate or extend the emergent theory. The underlying logic of this approach is treating a series of cases as a series of experiments with each case serving to confirm or disconfirm the hypotheses (Yin, 1984). Each case is analogous to an experiment. In contrast, traditional, within-experiment, hypothesis-testing studies rely on statistical sampling, in which researchers randomly select the sample from the population. In this type of study the goal of the sampling process is to obtain accurate statistical evidence of the distributions of variables within the population. This is achieved through aggregate relationships across the data points being tested using summary statistics such as F values (Yin, 1984). In replication logic cases which confirm emergent relationships enhance confidence in the validity of the relationships. Cases which disconfirm the relationships often can provide an opportunity to refine and extend the theory. When a relationship is supported, the qualitative data often provide a good understanding of the dynamics underlying the relationship, that is, the 'why' of what is happening. Just as in hypothesis-testing research an apparent relationship may simply be a spurious correlation or may reflect the impact of some third variable on each of the other two.

Therefore, it is important to discover the underlying theoretical reasons for why the relationship exists. This helps to establish the internal validity of the findings.

In order to start to specify the kind of population of organisations to be approached, and, once there, the kind of data to be gathered, it was important to focus solely upon the requirements of the research aim. As the research aim focuses upon identifying a cultural development strategy rather than a cultural change strategy, possible organisations would need to show a high prior commitment to move towards sustainability. Sustainability, for these companies, is defined in its most holistic, systemic and long-term environmental, social and financial sense. In other words, these companies are already endeavouring to take account of not only the protection of the environment but also intergenerational, intragenerational and international social equity (Eden, 1994). They also wish to act as models and change facilitators for other companies who wish to move towards sustainability by demonstrating that they can be financially successful, as well as being environmentally and socially successful.

In order to conform to a theoretical sampling strategy, three organisations representing polar types were chosen as case studies from this population, each of which puts a vastly different priority upon the different elements of sustainability. The companies chosen were The Body Shop, Traidcraft and Suma Wholefoods. In order to reflect their polar differences, it is important to point out that, at the beginning of each of the case study chapters, there is a description of the respective company's commitment to moving towards sustainability.

As a measure of their overall commitment towards sustainability, it is assumed that all three organisations are endeavouring, through a learning process over time, to move towards cultural development strategies which maximise the sustainable behaviour of their workers. Put in another way, in terms of worker attitudes, these firms are endeavouring to maximise their workers' commitment towards their company and its sustainability goals (see section 4.1.1).

2.4 Development of an Organisation-Researcher Relationship

The next stage of the research was to gain access and build a working relationship with the three organisations. Buchanan et al (1988) discuss in some detail the problems of gaining access to organisations and argue for an opportunistic approach. Initial contact was made within this research, by inviting key company representatives of all three organisations to be part of the above expert workshop (see section 2.2). The workshop provided a practical credibility to the research and researcher through not only its innovative subject but also by the quality of its mixed set of participants. Following the workshop, the three representatives were approached again. All three companies future participation in the case study research was now the issue (in contrast to solely the representative's participation). The representatives needed to be persuaded, as the gatekeepers, to promote the proposal of case study research to the resource holders of the business, e.g. the board of directors, etc.. As the representatives already had an interest in the findings of the workshop, it was easier to promote the idea of further research. However, it was important to realise that their interest in the research was not the only factor in the decision to recommend the research to the resource holders. As Easterby-Smith et al (1991) point out, once the initial contact has been made, by phone or letter, the gatekeeper is likely to consider two questions:

a) is this individual worth supporting; and
b) will it be possible to 'sell' the project to patrons (who control the resources) higher up the organisation?

The latter question depends upon a consideration of whether the potential benefits will outweigh the likely costs, or potential risks, of the research. Given that information about costs and benefits will be very imprecise it usually helps at this stage if:

1) the time and resources requested are minimal;
2) the project appears not to be politically sensitive; and
3) the individuals concerned, and their institution, have a good reputation.

The principle of reciprocity needs to be kept in mind; the more the company gives, in time and money, the more it expects in exchange. As Easterby-Smith et al (1991) argue, it is important to remember that gatekeepers will rarely provide a researcher with access, purely for the love of science and knowledge. Many organisations, particularly those that are in any way seen to be 'leading' in a field, as in this research, receive repeated requests from researchers to be allowed access. Unless one can make use of networks, or unless the research is clearly felt to be in the interests of the gatekeeper, the chances are that he or she will not be prepared to commit that most valuable resource: his or her time.

As described above, condition three had already been satisfied through the involvement of the three company gatekeepers within the expert workshop. In addition to this, for The Body Shop and Suma Wholefoods case studies, existing networks were capitalised upon which had been previously developed by the author's supervisor. This prior supervisor relationship made the task of gaining access to the organisation relatively easy. For the Traidcraft case study, where no prior supervisor relationship was present, gaining access was harder. Persuading the Traidcraft gatekeeper of the specific benefits of the research was an important factor in gaining access. In terms of the likely benefits, the case study research was sold on the prospect of its findings being relevant to current Traidcraft initiatives. However, finding out which initiatives were the company's priority was an initial problem. Originally, the case study research was sold to the gatekeeper in environmental terms, as Traidcraft had recently set-up a formal environmental policy document. However, this did not receive the backing of the board of directors as Traidcraft was in the midst of an organisation wide, economic initiative called 'Business Process Re-engineering' (BPR) which took priority. The proposal for case study research was then re-formulated to emphasise its benefits towards both BPR and its links to Traidcraft's environmental strategy. It was also sold on the minimal time and interference it would have on the BPR process. For example, questionnaires were group administered to all the workforce within their weekly half hour meeting.

The lessons learnt from Traidcraft's experience, as opposed to that of The Body Shop and Suma Wholefood's experience, is that stronger long term co-operation appeared to develop when the researcher had built his own relationship with the organisation. An example of this co-operation was the high degree of access the author was given to personnel documents. In fact on one occasion the author was allowed unsupervised access to the personnel manager's office. In contrast The Body Shop denied the author access to senior management levels of the company. Relationships built using existing supervisor contacts tended to be weaker in the long term as the interests of these contacts were around the supervisor's research area rather than the specific research proposal of the researcher. An initial keen interest diminished when the gatekeeper began to realise the ethical and political implications of the research proposal (see condition 2 above). In the case of The Body Shop, these implications came at two major stages in the research process. The first stage occurred when the researcher was about to conduct a focus group workshop with middle managers. From the author's perspective, the ramifications of introducing a research agenda around sustainability, defined in its widest holistic sense, conflicted with the company's agenda of incrementally introducing the concept of sustainability, initially from an environmental and then a social basis. As a result of this, one week prior to the focus group event, the author was told that it had been terminated. This led the author to seriously consider future research contact with The Body Shop. It represented the beginning of feelings of much frustration and a realisation from the author that political concerns were a major factor in the smooth running of a research project. The second major implication stage occurred when the researcher delivered the case study findings. Strong resistance to these findings led the author to go through a long conflict resolution period lasting over one year. This led to multiple drafting, with a final version only agreed by early 1997. It is important to point out that although a negotiation process took place, the final draft did not stray away from the initial finding of the first draft. The main difference was around the use of The Body Shop's independently verified social audit findings within the final case study. This had the effect of providing both corroborating and conflicting questionnaire evidence around the author's original findings. Therefore, it was interesting to note that this negotiation period, although viewed by the author initially as a drawback, helped in the process of building construct validity for the research findings. Clearly, what was instructive was the process of negotiation.

Easterby-Smith et al (1991) ask the question whether research will automatically become 'contaminated' by the involvement of a company in such an analysis process. If this happens, they ask the question whether the results would be valueless and therefore this interaction should be avoided. Their view, along with that of Buchanan et al (1988), is that this kind of contamination is unavoidable in social research, especially when it is conducted within (or including) the management levels of an organisation. The question then is not how to avoid this 'contamination', but how best to deal with political influences on the research. The key point here is to regard these aspects as part of the research itself and not as irritants that are best swept under the carpet (no matter how tempting this initially appears to be!). They similarly argue that ultimately this should increase, rather than decrease, the credibility of the results. Whilst researchers like Punch (1986) and Bulmer (1988) argue that the researcher should never sign away his or her rights of publication, Buchanan et al (1988) take a more pragmatic line that companies have a right to receive reports from those who research them and that they should be allowed to comment upon the reports before they are published. This collaborative approach should enable the quality of final reports to be improved, and may also contribute to the maintenance of positive relationships between researchers and organisations. What remains crucial is the nature and relationship between the researcher and the organisation: this needs to be open and honest rather than sycophantic and, above all, there should be a reasonable degree of mutual trust. Easterby-Smith et al (1991) ask the question, what are the implications of these political considerations for the researcher? Firstly, it is important to recognise that power and political issues will be significant even when, or perhaps especially when, they are not obviously present. Secondly, there are no easy answers, or solutions, to the political web. This suggests that the researcher needs both clarity of purpose and much flexibility and patience in tackling problems. The author's experience has led to a recommendation that a researcher must put an early priority on outlining their specific research proposal and its possible implications. Of course, this does not mean that the process will be easy, particularly with such an open-ended methodology and a newly developing research area as complex and all embracing as sustainability. Moreover, a researcher should be specifically looking for an initial commitment, from a gatekeeper, towards their research proposal and not to the general research area. Early negotiation between the researcher and gatekeeper can lead to a stronger long-term relationship.

Another important point to make is the need to build relationships with as many gatekeepers as possible. The initial gatekeepers, particularly ones which have a prior relationship with a researcher's supervisor, could be seen as a way of being introduced to another gatekeeper who would be much more enthusiastic about a researcher's specific proposal. The author capitalised upon multiple gatekeepers within the Suma Wholefoods case study. As this was the author's final case study, his prior experience of The Body Shop had made him weary of sole gatekeepers who had been introduced by the author's supervisor. As predicted, the initial gatekeeper did not appear interested in the specific research proposal. By this time relationships had been made with other gatekeepers from other work areas. The researcher progressed positively by including all of the gatekeepers in the research process. However, it was important to understand that the initial gatekeeper was always kept part of this group as he was still interested in the general research area and was thus still an asset. Therefore, this dual strategy expanded upon the supervisor's relationship with the company, rather than breaking it.

2.5 Which Comes First: Data Collection or Data Analysis?

A striking feature of research to build theory from case studies is the frequent overlap of data analysis with data collection. For example, Glaser and Strauss (1967) argue for joint collection, coding and analysis of data. While many researchers do not achieve this degree of overlap, most maintain some overlap. Overlapping data analysis with data collection not only gives the researcher a head start in analysis but, more importantly, allows researchers to take advantage of flexible data collection. Indeed a key feature of theory-building case research is the freedom to make adjustments during the data collection process. These adjustments can be the addition of cases to probe particular themes which emerge. An important issue in building theories from case studies is knowing when you have reached closure, i.e. when to stop adding cases. Ideally, researchers should stop adding cases when theoretical saturation is reached. Theoretical saturation is simply the point at which incremental learning is minimal because the researchers are observing phenomena seen before (Glaser and Strauss, 1967). This idea is quite similar to ending the revision of a thesis when the incremental improvement in its quality is minimal. In practice, theoretical saturation often combines with pragmatic considerations such as time and money to dictate when case collection ends. Any research design is necessarily an interplay of resources, possibilities, creativity and personal judgement (Patton, 1990). With this trade-off view in mind, it is not uncommon for researchers, as in this research, to plan the number of cases in advance i.e. three cases. This kind of planning may be necessary because of the availability of resources and because time constraints force researchers to develop cases in parallel. However, reflecting upon the value of case studies, Mintzberg (1979) even goes as far as to say, 'what, for example, is wrong with samples of one ... we should ask ourselves whether we are better off to have each study one hundred organisations, giving us superficial data ... or each study one, giving us in-depth data ... it should not preclude the small sample, which has often proved superior'.

In terms of data analysis affecting data collection it is important to reflect that, whilst the findings from The Body Shop case study were being analysed, the author realised that workers constantly grounded their explanation of the present strategy with reference to The Body Shop's past strategy or historical cultural context. Therefore, The Body Shop study was then seen as broadened to look not only at the company's present cultural development strategy, but also retrospectively at its past strategy too. However, it must be pointed out that separating The Body Shop's past from its present strategy did not mean that, at any particular point in time, The Body Shop had suddenly and purposely changed its strategy. Moreover, the change from its past to its present strategy was more evolutionary and incremental over time. This way of looking at strategy actually conforms to a view of strategy advocated by Mintzberg (1987). He objected to the concept of strategy as a plan which has been worked out in advance in the head of the strategist. Rather, he saw strategy as a pattern of activities over time which included observations of what actually occurred. He did not say that plans were irrelevant, only that actions spoke louder than intentions and subsume these. In other words, Mintzberg contended that strategy did not need to be deliberate but can emerge. Therefore, The Body Shop's past and present strategies can be seen as emergent strategies.

Taking account of the explanatory virtues of including The Body Shop's past emergent strategy, this type of retrospective analysis was duly adopted for the other two cases.

Furthermore, for Traidcraft and Suma this was extended to include a possible future emergent strategy. This was driven by the large amount of recommendations provided by Traidcraft and Suma employees to improve their present strategy. Therefore, whilst noting that past, present and future strategies are inextricably linked together, for ease of understanding the case study write-ups artificially treat them as separate strategies (eight in total):

1) The Body Shop: Past & Present Cultural Development Strategies;
2) Traidcraft: Past, Present & Future Cultural Development Strategies;
3) Suma Wholefoods: Past, Present & Future Cultural Development Strategies.

It was clear that, by reflecting the changes in cultural development strategies over time, the case studies moved from being exploratory to being explanatory. In other words, the case studies could then analyse the cultural learning process of the three companies in their move towards sustainability. Therefore, the above future cultural development strategies represent the company's most knowledgeable attempts to identify a cultural development strategy for the sustainable organisation. Another way of looking at this type of chronological method is that it simply adds more depth to the three case studies. This focus upon depth is important because the richness of data that can be gleaned from such a study can outweigh the benefits of using many case studies.

In illustrating the distinctive feature of the methodology, 'building themes from case studies', it is important to understand that additional adjustments can be made to data collection instruments, such as the addition of questions to an interview protocol or questions to a questionnaire, when the research process is underway (e.g. Harris & Sutton, 1986). These adjustments allow the researcher to probe emergent themes or take advantage of special opportunities which may be present in a given situation. In other situations adjustments can include the addition of data sources in selected cases. For example, Sutton and Callahan (1987) added observational evidence for one case when the opportunity to attend creditors' meetings arose and Burgelman (1983) added interviews with individuals whose importance became clear during the data collection. Leonard-Barton (1988) went even further by adding several experiments to probe her emergent theory in a study of the implementation of technical innovations. For this research the major change in data collection instruments came after The Body Shop case study. The reason for this was that the emergent hypothesis needed to be not only expanded upon, but tested within the other two case studies. The process of hypothesis testing required more structured data collection instruments.

Therefore, the methodology of this research is split into two parts. The first part will describe and provide a rationale for The Body Shop's open-ended interview's data collection and analysis. This will be included within this chapter. The second part will be described in chapter 4, following The Body Shop case study. There is a need for a separate chapter because the elements of the hypothesis developed within The Body Shop case study provide the rationale for the questionnaire and thematic interview data collection instruments used within Traidcraft and Suma Wholefood case studies.

2.6 Data Collection for The Body Shop

The target areas of interest and constituent measures arising from the expert workshops were used as an interview topic guide for use within the first case study of The Body Shop (see section 2.2). The use of a topic guide highlights the problem of how much structure to put into the interview at the start of the process of grounding theory. As Jones (1985) points out, there is no such thing as presuppositionless research. In preparing for interviews researchers will have, and should have, some broad questions in mind and the more interviews they do and the more patterns they see in the data, the more likely they are to use this grounded understanding to want to explore in a certain direction rather than any other. In other words, the expert recommendations were seen to be possible directions of enquiry which would need to be grounded in further case study evidence. The intention was that, if any of these areas of interest emerged as significant within the first case study, there would be strong grounds to explore these further within the other case studies. In other words, a key aim of the case study interviews was to initially explore, from the personal experience of employees working in a best-practice company like The Body Shop, to what extent and why these target areas and measures are seen (if at all) to be important mechanisms in maximising employee sustainability behaviour. In terms of the case study write-ups, as with the introduction of extant literature, more specific expert recommendations around a particular measure (drawn from the expert workshops) would only be included if and when they were perceived as important from the interviews. The combined incremental addition of extant literature and expert recommendations would thereby provide strong, triangulated measures on which to ground the emergent conceptual framework.

As the focus of this methodology is to build a hypothesis, another key aim of these interviews would be then to explore the existence of any interrelationships between the target areas/measures in order to maximise employee sustainability behaviour. Furthermore, as well as the exploration of relevant target areas/measures, employees were asked to assess The Body Shop's effectiveness in these areas with regard to maximisation of sustainability behaviour.

Exploratory (audio-recorded), open-ended, key informant interviews were used to assess employee opinions about both the target areas and measures (see section 2.2) and any other variables the employees believed would maximise the sustainability behaviour of The Body Shop's employees. Exploratory interviews were appropriate because as Burgess (1982) argues, they provide the opportunity for the researcher to probe deeply to uncover new clues, open up new dimensions of a problem and to secure vivid, accurate and inclusive accounts that are based on personal experience. The Body Shop key informant interviewees were 8 employees primarily from The Body Shop's Ethical Audit Department. The interviews, each approximately two hours in duration, were undertaken at the end of 1994. The Ethical Audit Department forms part of the larger 50 strong, Values and Vision Centre headed by Anita Roddick, which incorporates The Body Shop's environmental, fair trade, animal protection and human rights activities (The Body Shop, 1994a). Selected employees from this Values and Vision Centre were also interviewed. Key informants differ from other forms of respondent largely because they are chosen on the basis of their idiosyncratic, specialised knowledge rather than being randomly chosen (Jankowicz, 1991). Therefore, The Ethical Audit Department was chosen as it contains employees knowledgeable and active in both social and environmental issues. It actually consists of the following areas: Animal Protection, Environment, Social (including Health and Safety) and Information Audit. Moreover, this department provides advice, ensures policies and procedures are up to date and create awareness on ethical issues across the workforce. Therefore, on the basis of this employee awareness raising activity, key informants from The Ethical Audit Department were also chosen because of their appreciation of both top management and shopfloor views. In order to choose interviewees within the Values and Vision Centre, the key informant technique used purposive, 'snowball' sampling, where the researcher takes the guidance of early respondents into account in choosing subsequent interviewees. Moreover, in line with the policy of integrating data collection with data analysis, the researcher involved early respondents in determining the kinds of questions to be asked in the subsequent interviews.

The opinions gathered from these interviews were triangulated with observations, documentary evidence from The Body Shop (such as their internal newsletter LA News) and external reports. Some major sources of documentary evidence were recently analysed. These were The Body Shop's 1995 'Social Statement' (S.S.) (independently verified) and the 1995 'Social Evaluation' (S.E.) independently conducted by Professor Kirk O. Hanson, Stanford University. Within the Social Statement the employee views were based upon 18 focus groups representing 10 per cent of the workforce and questionnaire responses representing 72 per cent of the workforce. The Social Evaluation was based upon 300 individual interviews both from inside and outside The Body Shop (compared to the Social Statement, the number of specific employee interviews in the Social Evaluation was relatively few - this number was not disclosed however). The Social Evaluation also used external and internal documentation (totalling approximately 25,000 pages) to corroborate its interview findings.

In terms of the interviewing process employed within The Body Shop, as Easterby-Smith et al (1991) argue, the way a topic guide should be used is that, although there may be some deviation from the sequence of topics so as to follow interesting lines of inquiry and to facilitate an unbroken discussion, the interviewer should attempt to cover all the issues mentioned. However, the use of any structure like a topic guide introduces the problem of interview bias. With this in mind it is interesting to contrast quantitative research with qualitative research techniques for minimising this bias. For quantitative research, the consistency with which questions are put and the lack of ambiguity in their meaning is regarded as crucial. In in-depth interviewing the issue is slightly different. As views and questioning approaches will differ from one interview to the next, there is no one 'objective' view to be discovered which the process of interviewing may 'bias'. However, through the use of a topic guide, there is a very real concern about interviewers imposing their own reference frame on the interviewees, both when the questions are asked and as the answers are interpreted. With this in mind there was a commitment from the author to allow the interviewee to talk freely, with minimal focused probes. Therefore, this tendency caused the interviews to last for relatively long periods, sometimes continuing in another location after work. The knock-on effects of this were that it appeared to the interviewee that the author had a strong interest and commitment to learn about the interviewee's opinions. As Easterby-Smith et al (1991) argue, interest and commitment shown by the interviewer by conducting more than one interview often produces far better results than clinical detachment.

Easterby-Smith et al (1991) highlight the importance of building trust in interviews, especially in one-off interviews where the people involved have not met before. Failure to develop trust may well result in interviewees simply resorting to telling the researcher what they think the researcher wants to know. The location of the interview and the setting in which it takes place was found to be an important aspect of building trust, thereby ensuring an interview's success. It was clear from an early stage in the interview process that an interviewee's open response was dependent upon what Easterby-Smith et al (1991) termed interviewing on 'neutral territory', such as in a car or in a hotel lobby, well away from the workplace. Their research results highlight the adverse affects of conducting interviews in a manager's office because the employees being interviewed were uncertain as to the confidentiality of what they might say. This finding was despite reassurances of confidentiality, as in this research.

In light of the importance of building trust, it is important to reflect that an interviewing strategy was used which endeavoured to build an initial sense of informality between interviewer and interviewee. Before interviewing around the specific topic guide, interviewees were initially encouraged to talk about themselves, their role, their view of sustainability and the business in general. Moreover, more specific introduction topics (thought relevant from the expert workshops) focused around what a sustainable business would look like from the experience of each interviewee in working for The Body Shop. Topics included:

- the type of business needed for sustainability;
- the size of business needed for sustainability;
- the planning horizon adopted by a sustainable business;
- the external scope of responsibility of a sustainable business.

This conforms to the argument by Jankowicz (1991) which states that, for these type of interviews, the researcher should proceed from the general to the particular, asking questions which define terms and determine broad boundaries before proceeding to particular details. Whatever focus subsequent questions have, these introductory questions, will provide a useful context for understanding interviewee responses (such as their understanding of sustainability). Furthermore, through the use of introductory questions, subsequent questions are answered with much more informality.

2.7 Data Analysis

Analysing data is the heart of building theory from case studies but it is the most difficult and the least codified part of the process. Since published studies generally describe research sites and data collection methods but give little space to discussion of analysis, a huge chasm often separates data from conclusions. It is this study's aim to move away from this trend. One of the realities and difficulties of case study research is a staggering volume of data. As Pettigrew (1988) described, there is an ever-present danger of 'death by data asphyxiation.' The volume of data is all the more daunting because the research problem is often open-ended, as with this research, particularly in the case of the first study, The Body Shop. The author's experience with The Body Shop led to a feeling that, in retrospect, the expert workshop topic guide which formed the basis of the interview was too broad and the author spent many months agonising over sharpening constructs to represent the data.

Many researchers, after collecting qualitative data, spend a great deal of time turning it into numbers or otherwise attempting to quantify it. They recognise that numbers have a seductive air and sometimes, thinking politically of the acceptability of their findings, they gear their data to quantitative statements. Others argue that doing this spoils the richness of the data, often so painstakingly collected, and fails to give the holistic view so important in qualitative research. These debates lead to two basic ways of analysing qualitative data. In one, often known as content analysis, the researcher 'goes by numbers' and 'frequency'; in the second, which is labelled 'grounded theory', the researcher 'goes by feel' and 'intuition', aiming to produce common or contradictory themes and patterns from the data which can be used as a basis for interpretation. This second approach is much less bitty: researchers need to stay close to the data and any observations made have to be placed carefully in context. The main implications of these two approaches to data analysis are shown in Figure 2.2.

FIGURE 2.2

DIFFERENCES BETWEEN 'CONTENT ANALYSIS' & 'GROUNDED THEORY'

Content analysis	Grounded theory
Bitty	Holistic
Go by frequency	Go by feel
Objectivity	Closer to the data, open much longer
Deductive	Inductive
Testing hypotheses	Testing out themes, developing patterns

As the exploratory interviews within this research had an explicit aim of building a hypothesis from their findings, grounded theory provided the most suitable choice of data analysis. Furthermore. as Easterby-Smith et al (1991) argue, grounded theory is particularly good for dealing with transcripts. This is particularly relevant as the audio-recordings of the eight interviews were all transcribed onto a word processing package of Word 6 for Windows. Grounded theory recognises that large amounts of non-standard data like the 16 hours of transcribed interview data from The Body Shop research, make data analysis problematic. In quantitative data analysis, an external structure is imposed on the data, which makes analysis far more straightforward. With qualitative data, however, the structure used has first to be derived from the data. This means systematically analysing it so as to tease out themes, patterns and categories. As Jones (1987, p.25) comments, grounded theory works because 'rather than forcing data within logico-deductively derived assumptions and categories, research should be used to generate grounded theory, which 'fits' and 'works' because it is derived from the concepts and categories used by social actors themselves to interpret and organise their worlds'.

The specific grounded theory approach used within this research is based upon a method advocated by Turner (1981, 1983). This method is particularly useful in processing and sifting through volumes of non-standard data. Therefore, this method is appropriate for researchers working with transcripts of in-depth interviews, as in this research. Following on from extensive personal experience of using such a method, Easterby-Smith et al (1991) listed the seven major stages to such a method. These stages will now be explained in the context of this research.

i) Familiarisation

The transcripts were read and re-read enabling some first thoughts to emerge. In the process of reading unrecorded as well as recorded information was drawn upon, such as the author's personal comments for each interview. These notes reflected such observations as the relationship established between the author and the interviewee and the general attitude of the interviewee. Interviewee nuances and intonation were important to reflect upon in assessing their attitude by comparing the author's general notes with the relevant audio recording. All of this kind of information contributed to the level of confidence the author gained with the information provided from the transcript. An example of the importance of such a thorough initial analysis was in the case of an interview which needed to be conducted in two parts. The first part of the interview lasted for just under thirty minutes and the second part for approximately one hour and thirty minutes. The reason given for needing the interview to be in two parts was the interviewee's busy schedule. However, within the first interview it was noted by the author that the interviewee appeared not to be thinking about the questions asked. Furthermore, the interviewee appeared to be wanting to rush the interview and was shuffling around uncomfortably in the chair. Being aware of these negative signs, the author endeavoured to use several types of basic, explanatory, silent and mirroring probes to improve the interviewee's response. However, after several attempts had been made it became clear that the interview needed to be terminated. A few weeks later, when the author had transcribed the audio-tape of the interview and was at the familiarisation stage of analysis, the tape and notes were compared, as above. The combination of minimal information drawn from the transcript and the attitude of the interviewee led the author to telephone the interviewee to arrange another interview. The response was illuminating in that the interviewee immediately began to apologise for his/her behaviour at the first interview and would only be too happy to be interviewed again. The interviewee pointed out that, immediately prior to the first interview, he/she had been only just notified that he/she had a new position within the company. This led the author to abandon further analysis of the first interview and to arrange a second interview. It was important to note that within this second interview the interviewee's responses were invariably very different to the first interview, in both content and attitude.

ii) Reflection

At this stage desperation may begin to set in. There is usually so much rich data that trying to make sense of it seems an impossible task. A process of evaluation and critique becomes more evident as the data is evaluated in the light of previous research (including an expert workshop in this case), academic texts and common sense explanations. The kind of questions that researchers might ask themselves are as follows:

- does it support existing knowledge?
- does it challenge it?
- does it answer previously unanswered questions?
- what is different?

- is it different?

In order to undertake this stage successfully it is often necessary to be aware of previous research, models and ideas. Cataloguing is important here so that previous research can be considered and evaluated. Ideas begin to be formulated and reformulated in the light of previous work. It is helpful if researchers begin to talk to other researchers or supervisors about provisional thoughts, hypotheses or ideas. This is a good way of 'testing the water' with an idea or emerging pattern. As with other methods of data collection, a critical peer group of researchers can be useful in the early stages of research to suggest new categories as well as assist with interpretation of the data. The Centre for Corporate Environmental Management, the author's place of work, attracting a continual mix of international researchers, provided a rich peer group for this purpose. The basic idea is that in order to refine the definition of the relevant constructs (or more specifically, principles which characterise The Body Shop's cultural development strategy), multiple evidence needs to be built up which measures the construct. This occurs through constant comparison between data and constructs so that accumulating evidence from diverse sources converges on a single, well defined construct. This process is similar to developing a single construct measure from multiple indicators in hypothesis-testing research. That is, researchers use multiple sources of evidence to build construct measures which define the construct and distinguish it from other constructs. In effect, the researcher is attempting to establish construct validity. The difference is that the construct, its definition and measurement often emerge from the analysis process itself rather than being specified a priori. The reasons for defining and building evidence for a construct apply in theory-building research just as they do in traditional, hypothesis-testing work. That is, careful construction of construct definitions and evidence produces the sharply defined, measurable constructs which are necessary for strong theory. This stage is distinctive for the volume and range of hypotheses, explanations or solutions which are still very much at the instinctive 'gut feelings' stage. These still need thinking about and might be substantiated, but have not yet been rigorously tested.

iii) Conceptualisation

At this stage there is usually a set of concepts or variables which seem to be important for understanding what is going on. These concepts which respondents have mentioned are now articulated as explanatory variables. However, at this stage the researcher will not be sure just how reliable or valid these concepts are: do they really relate in a consistent way to how the individual views an issue, or has there been misinterpretation of what has been said? What is needed, therefore, is for the researcher to go back to the data and search for them, methodically highlighting them when they appear. There are a number of different ways this can be done but different coloured pens are a useful device, or one can write code words in the enlarged right hand margin of the transcript. For this research the colour coding option was preferred because quotations which illustrated different concepts could easily be distinguished visually. At this stage the author came across more concepts which were previously missed and were duly added to the list.

iv) Cataloguing concepts

Once it is established that the concepts identified do seem to occur in people's explanations, they then can be transferred onto separate documents as a quick reference guide. When this is done there is the issue of labelling. Do you use the language of the people concerned when labelling or do you use your own terms? This research concurs with Easterby-Smith et al (1991) who argues that it is probably helpful at this stage to use your own terms, providing a trace is kept of how they were derived. In terms of keeping separate documents, the author set up an initial separate Word 6 file document in which the concepts and respective quotations on, say, unitarist strategies (an important emerging concept) are written down. In this way a quote in the file document gave reference to its source in the transcripts. It is important to point out that, at such an early stage in the analysis, invariably the same quotation appeared under several themes.

Although the use of computers in this way is systematically seductive, not everyone agrees that this is always a good approach. Using a computer database tends to mechanise what ought to be an intuitive process, thus damaging the power of explanation and in a sense acquiescing to the need to 'play the game'. However, although Turner (1981) concedes that the intuitive approach can produce 'brilliant material', he suggests that setting up a computer database might be more suited to beginners to ensure that nothing is missed out. Bearing these critical comments in mind, the author has endeavoured to keep to the intuitive approach as much as possible and limit the use of computers within the analysis. As Easterby-Smith et al (1991) argue, there is no computer package available that can substitute for the interpretative skills of the researcher. Many of the packages can alleviate much of the clerical task of sorting words, concepts and quotations contained in the transcripts; but the identification of significant themes, patterns and categories still has to be done by the researcher. The author therefore resisted using a more 'text-based database programme', such as 'Nudist'. Although editing, searching and analysis of data can be done very easily with these packages, the main drawback is the inflexibility of the overall framework with which the data is classified. This can be a significant limitation when handling qualitative data in an exploratory way, as in this research.

v) Recoding

Now that all the quotations to particular concepts are in separate file documents under different themes, it is necessary to refer back to the respective transcript in order to check that the quotation and the concept that it describes were used within different contexts or were used to explain different phenomena. Similarly, it may be found that what the interviewee meant by a particular concept was different to what was understood by it or that different people in the same organisation were defining differently what appear at face value to be similar concepts. It may even be the case that there are just too many concepts to be manageable. This is an indication that the coding framework might be too refined, but an equal danger is that it is too crude, or too simplistic. For any of these reasons recoding will be necessary. When any recoding is undertaken interpretation and analysis also take place. Within this research the initial coding framework was found to be too simplistic. It was found that the quotations which appeared to differentiate initially only between two concepts (unitarist and pluralist strategies) could, after recoding, differentiate between several different concepts or forms of unitarist and pluralist strategies. So, at this stage, concepts are beginning to be redefined and recoded. It may well prove necessary to collapse some of the codes used into more general ones. Alternatively, it may well prove necessary to enlarge some of the codes used into more specific ones. This is called laddering. In this research, the process of laddering led to an appreciation that the different forms of unitarism and pluralism could more easily be explained by recognising the existence of several unitarist and pluralist principles (see Chapter 3).

vi) Linking

By now the analytical framework and explanation should be becoming clearer, with patterns emerging and concepts spotted that could fit together. A major step in shaping hypotheses is verifying that the emergent relationships between constructs fit with the evidence for each case study. Sometimes a relationship is confirmed by the case evidence, while other times it is revised, disconfirmed, or thrown out for insufficient evidence. This verification process is similar to that in traditional hypothesis testing research. The key difference is that each hypothesis is examined for each case, not for the aggregate cases. In contrast to hypothesis testing research, no technique like factor analysis is available to collapse multiple indicators into a single construct measure. The reasons are that the indicators may vary across cases (i.e. not all cases may have all measures) and qualitative evidence (which is common in theory-building research) is difficult to collapse. One can now begin to link all the variables which have been identified as important into a more holistic hypothesis. This involves linking empirical data with more general models and it takes the form of tacking backwards and forwards between the literature (including, for this research, expert workshop recommendations) and the evidence collected in practice. This stage often produces a first draft which can be used to try out on others, thus exposing the argument and data to scrutiny. It is important therefore that this draft is presented, either to colleagues in the field, or to the interviewees themselves. Therefore, as an important part of the process of verification within this research, the author produced draft case study write-ups for each company. For example, in mid-1996 the author presented the Traidcraft case study findings to its Board of Directors and Trustees. In fact, the author was asked by this group to set aside a day for the purpose of running a focus group around these findings. The feedback obtained from this process was all invaluable in building a hypothesis (refer to Appendix 3 for appraisal letter sent to author from the Managing Director of Traidcraft, p.383). As Gerswick (1988) and Pettigrew (1988) argue, these write-ups are often simply pure descriptions, but they are central to the generation of insight because they help researchers to cope early in the analysis process with the enormous volume of data. However, there is no standard format for such analysis. The overall idea is to become intimately familiar with each case as a stand-alone entity. This process allows the unique patterns of each case to emerge before investigators push to generalise patterns across cases. In addition, it gives researchers a rich familiarity with each case which, in turn, accelerates cross-case comparison.

For this research separate write-ups were not only presented to the companies involved but also to international conferences for feedback. In this way, the author's interpretations were further iterated and grounded in both an academic and contextually specific sense. For academic feedback The Body Shop case study findings were presented, in November 1995, at the 4th International Greening of Industry Network Conference, in Toronto, Canada. Similarly, Traidcraft and Suma case study findings were presented in November 1996 in Heidelberg, Germany and in November 1997 in Santa Barbara, California, at the same conference.

vii) Re-evaluation

At this stage, in light of the comments of others the researcher may feel that more work is needed in some areas. For example, the analysis may have omitted to take account of some factors or have over-emphasised others. Following a consideration of issues such as these the first draft is rewritten taking into account the criticisms made and contradictions highlighted. This stage may go on for a considerable period of time and, as with the other stages, it may have to be undertaken more than once. In order to illustrate this point, the findings of the first case study on The Body Shop were iterated five times from the initial draft presentation to the company and to academia. Furthermore, since the final publication of the findings at the Greening of Industry Network Conference iterations have been made which have drawn on the findings provided from the other two later case studies.

2.8 Conclusion

This chapter has introduced a relatively new methodology, building theories from case studies. This methodology can be used to its full extent within emerging fields like corporate sustainability. In light of the fact that this thesis does not have a separate literature review section, this methodology places a key importance on the use of conflicting and similar extant literature sources within the case study write-ups. For this study these sources are from the cultural, environmental, organisational developmental, industrial relations and business ethics fields.

The methodology highlights the importance of a definable research aim and tentative relevant areas of variable interest, although these can be in broad terms. The research aim for this study was defined as:

> 'To identify and explain a cultural development strategy for a firm wishing to maximise the sustainability behaviour of its workforce.'

Areas of potential interest were provided by the set of expert workshops which more specifically provided some directional measures and cultural target areas of sustainability. These were around accountability, transparency, education and learning, empowerment, participation, employment policies and equal opportunities, quality of working life, women and minority groups in the workplace.

The cases to be included in this study were chosen using a theoretical sampling strategy which emphasises the importance of identifying firms which represent extreme situations or polar types. The rationale is based upon which company could extend, conflict or substantiate the emergent theory or hypothesis. The Body Shop, Traidcraft and Suma Wholefoods were chosen as they all were developing from different sustainability priorities. In order to focus the research, all three case studies had a top management commitment to sustainability defined in its most holistic and systemic, long term environmental, social and financial sense. These companies can also be seen as endeavouring to extend their top management commitment to their workforces. In other words they are endeavouring to learn over time how to maximise worker commitment towards the company and its sustainability goals.

The author gained access to these organisations by initially inviting company gatekeepers to the expert workshops (see section 2.2). Although this gave a practical credibility to the research and researcher, it was found that the gatekeepers required more incentives for them to recommend any further case study research to their resource holders. Company time, money, political sensitivity and reciprocity were important factors to take into account. These factors were particularly important within the Traidcraft case study because the author had to completely build a reciprocal relationship from 'scratch'. The author was constantly aware of matching the perceived research objectives with the company priorities. For The Body Shop and Suma, a relationship had already been made with the author's supervisor. However, it must be said that over the long term the early interaction and negotiation with Traidcraft caused less confusion and delay, when compared to the other two companies. In fact, this led the author to believe that this process of early negotiation was important for long-term relationships. Other important factors were being open, honest, facilitating mutual trust, clarity of purpose, flexibility and patience. Another factor for a researcher to be aware of is the importance of building a gatekeeper network of people within each organisation. In this way, if one gatekeeper cannot persuade his boss then the researcher can always use his or her other gatekeepers who may be more successful.

This chapter moved on to highlight the importance of joint collection, coding and analysis of data with this type of inductive research. There needs to be a flexibility within the data collection in which cases are added until theoretical saturation occurs, where incremental learning is minimal in satisfying the research aim. Rather than add cases the author found that splitting the cases into sub-cases more fully represented worker opinions. Therefore, rather than just focusing upon three case studies of the companies' present strategies, this study focused upon their past, present and future strategies in what could be construed as sub-cases. It must also be pointed out that the above flexibility in data collection is relevant to the use of data collection instruments.

Adjustments can be made to these instruments in order to probe emergent themes and take advantage of an opportunity that may occur to more fully enrich the case study explanation.

The chapter focused upon the methods used within The Body Shop case study. Eight exploratory, open-ended, key informant, two-hour interviews were designed around a topic guide made up from the expert workshop target areas and measures. The interview's function was to assess the extent to which these target areas and measures were seen as important mechanisms in maximising employees' sustainability behaviour. Furthermore, The Body Shop's effectiveness in these areas was also assessed with respect to maximisation of sustainability behaviour. These interviews were conducted in an informal manner typically split between two locations. It was found that locations away from work, combined with this informality, provided a neutral territory which built a sense of trust within the worker towards the author.

Finally, the chapter has outlined the specific type of data analysis required for such open-ended, long interviews. The chosen analysis type was the grounded theory approach which emphasises keeping close to the data by analysing through feel and intuition. This was contrasted with content analysis which analyses through frequency of response. Grounded theory is particularly appropriate whenever interviews have been audio recorded and transcribed. A particular form of systematised analysis was chosen from a method used by Turner (1981, 1983) as this has proved effective in processing and sifting through volumes of non-standard data. The chapter concluded by describing the seven stages of this method:

- familiarisation;
- reflection;
- conceptualisation;
- cataloguing concepts;
- recording;
- linking;
- re-evaluation.

Although the author endeavoured to maintain a systematised approach, it is important to point out that research and analysis in qualitative data is about 'feel' and an implicit component of all research is the honesty of the person conducting the research. With this in mind, a researcher writing case studies must endeavour to be as open and self-reflective as possible so as to not force contrived explanations around the collected data. For this study, it is hoped that this openness can be reflected by placing a great emphasis on providing lists of actual quotations wherever the author believed a concept had emerged.

CHAPTER 3

A CASE STUDY OF THE BODY SHOP

3.0 Introduction

This chapter focuses upon a case study of a founder driven company, The Body Shop International plc. Anita Roddick founded The Body Shop in 1976 when she opened a shop in Brighton, England selling cosmetics based on natural ingredients. Having become a public limited company in 1984, by 1995 it had grown to 1210 shops in 45 countries, with a turnover of £219.7 million and a profit before tax of £33.5 million. Of these 1210 shops, the majority were franchised with only 142 directly owned by The Body Shop (The Body Shop, 1995). Recently, both Anita & Gordon Roddick had expressed a wish to take the company private again, though they announced on 4 March 1996 that they had abandoned plans to do so. They stated that they would rather invest the cash that would have been used to repay the debt incurred in the buyout to develop the business (Hanson, 1996). Reflecting upon this growth aspiration, recent 1996 figures (Hanson, 1996) stated that The Body Shop had almost 1400 shops.

The theory generating case study represents the first exploratory part of the author's doctoral research which aims to identify and explain a cultural development strategy for firms wishing to move towards sustainability. As discussed in Chapter 2, The Body Shop forms part of a group of companies whose top management is committed in moving towards sustainability defined in its most holistic sense, i.e. actively endeavouring to fulfil what it sees as its long-term environmental, social and financial responsibilities. The Body Shop provides a unique perspective as its top management possesses a particularly strong historical environmental view of sustainability. Moreover, The Body Shop has been chosen because of its past success in raising the profile of the environment both internally and externally and it is endlessly cited as being the leading business, world wide, in this field (Welford, 1994). The overriding factor for The Body Shop is the perception of a moral obligation to drive towards sustainability in business (Roddick, 1991a). Its record of espoused top management commitment to the concept of sustainable development was emphasised when, back in 1993, its second environmental report stated:

> 'Our mission is nothing less than to forge a new and more sustainable ethic for business.' (The Body Shop, 1993a)

Consequently, Anita Roddick has been described by the International Chamber of Commerce as 'the inventor of sustainable retailing' (Williams & Goliike, 1992). More recently, within the introduction to its new policy document, the 1994 Values and Vision statement/report (The Body Shop, 1994b), Anita Roddick's personal holistic understanding and commitment towards sustainability was undeniable, stating:

> 'I can't wait for the day when we replace the value of money with a different set of values, like value for nature leading to sustainability, value for people, based on fulfilment and social justice, and value for human relationships through friendship.'

Within this report The Body Shop included a mission statement which stated its general company aim to be:

> 'To dedicate our business to the pursuit of social and environmental change.'

It underscored this aim with five objectives:

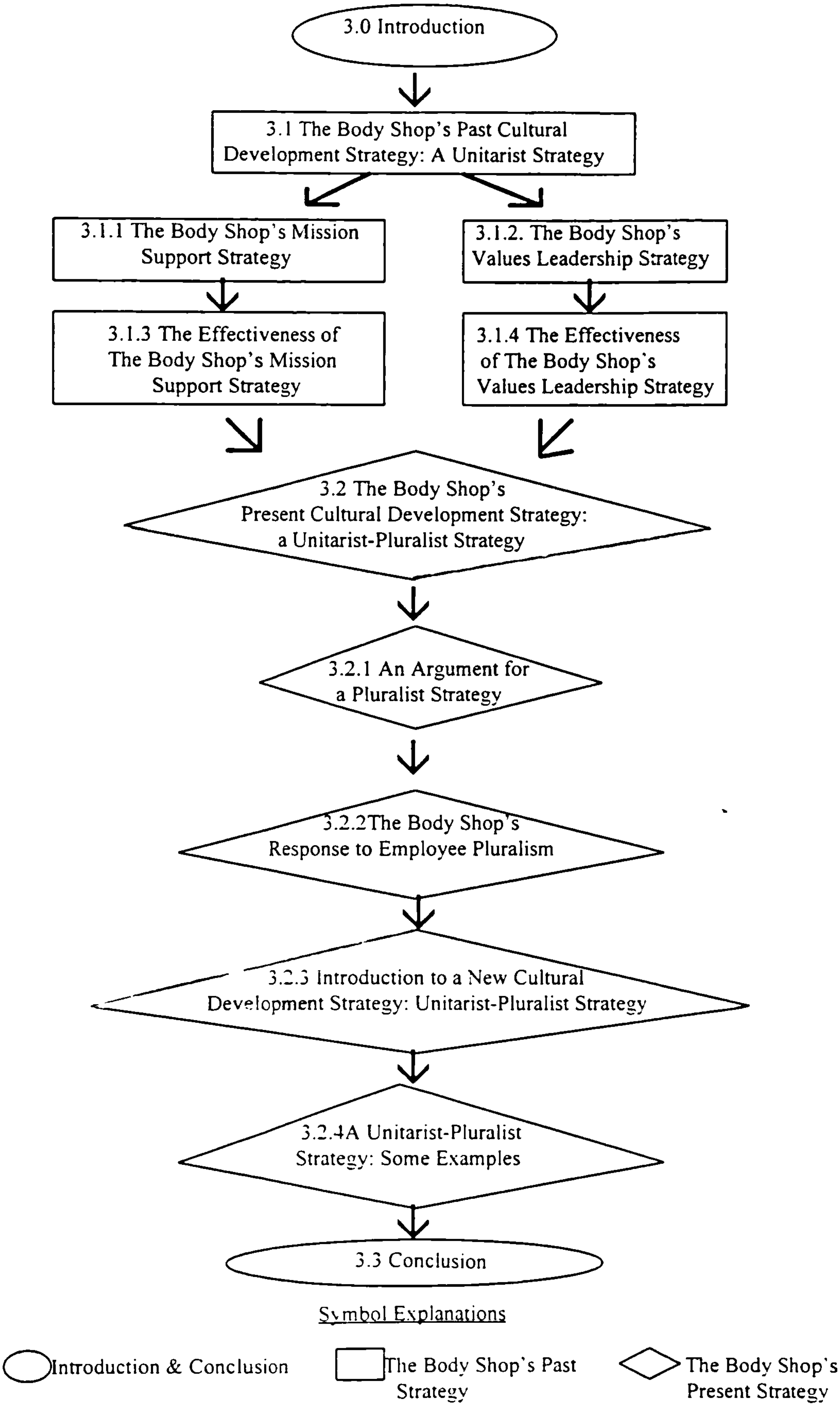
> a) to creatively balance the financial and human needs of our stakeholders : employees, customers, franchisees, suppliers and shareholders;
> b) to courageously ensure that our business is ecologically sustainable, meeting the needs of the present without compromising the future;
> c) to meaningfully contribute to local, national and international communities in which we trade, by adopting a code of conduct which ensures care, honesty, fairness and respect;
> d) to passionately campaign for the protection of the environment and human and civil rights, and against animal testing within the cosmetics and toiletries industry;
> e) to tirelessly work to narrow the gap between principle and practice, while making fun, passion and care part of our daily lives.

Therefore, The Body Shop is realising the fact that if a business wishes to be truly sustainable it needs to consider not only its environmental impact but also its social impact on its employees and on local and wider communities. Furthermore, two influential Body Shop employees, Wheeler and Sillanpää (1995) argued in their recent paper that business will need a broader and more holistic set of values together with systems for implementing those values if it is to make a genuine commitment to sustainable development. To demonstrate its commitment towards sustainability, in early 1996, it published not only its fourth environmental report but a separate social report as well. The Body Shop also commissioned a separate Social Evaluation Report by Hanson (1996). Within this report, Hanson summarised The Body Shop as a company publicly committed to social values and to having a substantial and positive impact on society. It moved on to say that the company founder, Anita Roddick, is an extraordinary advocate for corporate responsibility and a vision of business as an agent of social betterment and change. Many of the company's activities and much of its communication is geared to encouraging other companies to emulate the model The Body Shop has developed. Therefore, The Body Shop is not only endeavouring to 'clean up its own backyard' (to be a 'sustainable business'), but to persuade other businesses to 'clean up their own backyards' (to be a 'sustaining business'). This further institutional responsibility conforms to one of the measures of sustainability in business identified from the previous group of expert workshops (see Chapter 2) which described an organisation becoming a 'facilitator of change'. This shows a wider interpretation of what sustainability means for business. The Body Shop has thus realised that, in order to truly argue that it is moving towards sustainability, it needs to promote societal systemic change.

With a top management commitment towards sustainability goals, defined in its most holistic and systemic sense, the emergent aim of the study was to identify, categorise and explain those elements of The Body Shop's cultural development strategy which maximised the sustainability of its workforce. In order to understand the rationale behind the different elements of The Body Shop's present cultural development strategy, the case study retrospectively looked at The Body Shop's past cultural development strategy (see section 2.5). In other words, an initial focus upon The Body

Shop's past strategy provided an understanding of The Body Shop's historical cultural context. Another way of looking at this, is that the case study aimed to reflect the cultural learning process The Body Shop has moved through in its pursuit of sustainability. In order to demonstrate this cultural learning process, the following sections represent a split between a description and critique of The Body Shop's past and then a description and critique of its present cultural development strategy. In order to provide a template for this analysis a route map is provided, as depicted in Figure 3.1.

FIGURE 3.1
ROUTE MAP FOR CHAPTER 3



3.1 The Body Shop's Past Cultural Development Strategy: a Unitarist Strategy

In the introduction to The Body Shop's 1994 Values and Vision statement, Anita Roddick states:

> 'Values are a part of The Body Shop's genetic code. Nothing will ever change that... Our values saturate every bit of the company, every department, every shop.' (The Body Shop, 1994b)

She has argued:

> 'All The Body Shops around the world form part of a whole that is held together by a common bond. It is underwritten by a common philosophy. This is the strong foundation on which a thriving and successful international company has been built.' (Roddick, 1991b)

These statements characterise the ideals and goals of a unitarist cultural development strategy. A unitarist strategy is invariably expressed in the call for a 'strong culture'. An organisational culture is said to be strong where there is consistency among elements of the culture and it is powerful in determining individual behaviour, not just superficial compliance. This core proposition, put another way, is that an 'effective' organisation is a unitary system bound together by a common task and common values. The argument of the strong culture approach is that, by engendering high levels of purpose among employees, strong cultures foster good performance (Denison, 1990). Companies that employ the unitarist strategy of cultural development believe that their companies will be more innovative and generally more effective when the cultures of their parts have been fully integrated into a single, consistent uniform whole. Therefore, order and development, to people of the unitarist persuasion, is a matter of integrating diverse orientations and interests into a single, common orientation towards the organisation's affairs (Martin & Meyerson, 1988). Its general aim is away from diversity and heterogeneity among employees, towards greater uniformity and standardisation. With such a strategy, plurality is squashed out. Maximising employee commitment towards the company and its goals is inextricably linked with developing a shared set of sustainability values.

The idea of this type of culture is not new, being basically a re-working of a management ideology from the 1960s and 1970s; what industrial sociologists, industrial relations theorists and political scientists used to refer to as the 'unitary' frame of reference or ideology. Recent reviews of the literature on organisational culture by Bate (1994) show that the majority of studies conceptualise the 'desirable' culture in this way (Meek, 1988; Young, 1989; Darmer, 1991) but describing it, alternatively, as the 'integrative' culture. As Newton and Harte (1994) point out, the implicit, and quite often explicit, reference point for this approach is Peters and Waterman's, 'In Search of Excellence', except that the motives are no longer just that of making your organisation an economic success, but also that you become an environmental 'winner'.

3.1.1 The Body Shop's Mission Support Strategy

We can put the type of unitarist strategy employed by The Body Shop into perspective by using the work of Perrow (1972) and various political scientists and philosophers (see Feenberg, 1986). Perrow identified three levels of organisational control which could equally describe three different elements or types of unitarist strategy:

1. control which is expressed in direct orders;
2. control operating indirectly through programmes and procedures;
3. control exerted by operating on the ideological premises of action.

The Body Shop's unitarist cultural strategy belongs very much to level 3. Recalling Gramsci's (Hoare, 1977) classical theory of power, level 3 represents a form of ideational control that works by controlling the way people think rather than their behaviour. As Harrison and Stokes (1992) argue, this strategy has alternatively been called the aligned strategy because it 'lines people up' behind a common vision or purpose. As the strategy relies upon organisational values, or an organisational mission, that intrinsically motivates employees, an appropriate term for it would be a mission support strategy. The idea is that the mission induces people to transcend personal advantage. They argue that this strategy evokes altruism, which is satisfying to everyone involved. People feel they are working for something bigger than themselves.

Employees believe they are making a contribution to society, as well as gaining something for the company. In contrast, the unitarist strategies from levels 1 and 2 control employees through the use of external rewards and punishments. Looking specifically at level 1, this type of power based strategy is based on inequality of access to resources. A resource can be anything one person controls that another person wants. In business some 'currencies' of power are money, privileges, job security, working conditions, and the ability to control others' access to these. The people in power use resources to satisfy or frustrate the needs of others and , thus, to control others' behaviour. Leadership resides in the personality of the leader(s) and rests on the leader's ability and willingness to administer rewards and punishments. Contrasting level 1 with level 2, level 2 substitutes a system of structures and procedures for the naked power of the leaders. The duties and the rewards of employees' roles are carefully defined, usually in writing, and are the subject of an explicit or implicit contract between the organisation and the individual. People perform specific functions in order to receive defined rewards. This type of worker accountability strategy represents a commitment to purging the system of all its uncertainty and ambiguity and instituting a hierarchy of clearly defined roles. The aim is for everybody to know the boundaries and controls of their job function. Moreover, the aim is to strengthen the unitarist, community ideal of one culture, one language, strong hierarchy, restricted channels of interaction and communication, everyone knowing her or his place, clarity, and simplicity of purpose (Bate, 1994).

Looking specifically at The Body Shop's strategy, the fundamental basis of the mission support strategy seems to be that implicit control systems, based upon internalised meanings and values, are a more effective means of achieving co-ordination than external control systems which rely on explicit rules and regulations (Denison & Mishra, 1989, p.168). At the very least, a mission support strategy plugs a gap in the battery of managerial controls by providing an internal (and internalised self-regulating) mode of control. As Inzerelli (1980, p.2) has pointed out, no organisation can rely entirely on external controls because not all human activities can be controlled in this way and because external controls generate their own dysfunctions. Every organisation must rely to some degree on its members' voluntarism and identification as motivation to perform, that is, on internal controls. Put in another way, Harrison and Stokes (1992) argue that, without a mission support strategy, the organisation has available to it only that fraction of each person's personal energy that he or she is willing to commit in return for the extrinsic rewards the organisation offers.

One of the interviewees was well aware of this point when he said:

> 'The Body Shop is a life path, a personal journey, fuelling peoples' inner drive, their inner passion with something worthwhile to do, you never have to worry about productivity, absenteeism and all these other provincial, archaic methods of managing.'

According to some writers (Gagliardi, 1991; Willmott, 1991a, 1991b), the mission support strategy's approach has also added a fourth level of control to the management armoury suggested by Perrow. This fourth level of control is exercised by operating on people's sensory, aesthetic and emotional responses - playing on their feelings as well as their thoughts. The theory is that the employees will act responsibly (the idea of responsible autonomy) and follow their leader if they 'feel' something for their company and come to respect, even idolise and worship, what it stands for. Not surprisingly it is institutions like the Roman Catholic Church that are hailed as the model for today's go-ahead, strong culture company (Deal & Kennedy, 1982, p.194). The Roman Catholic Church has everything: stability, durability, a dominant market position, but above all, a grip on the consciences and feelings of its followers. It represents the ultimate Order.

Therefore, Bate (1994) argues that the range of positive feelings and thoughts that a mission support strategy seeks to engender towards the company and its leaders is wide; not only taking in loyalty, commitment, dedication, devotion and enthusiasm but even love and passion. As Anita Roddick stated:

> 'Most businesses focus all the time on profits, profits, profits... I have to say I think that is deeply boring. I want to create an electricity and passion that bonds people to the company. You can educate people by their passions, especially young people. You have to find ways to grab their imagination. You want them to feel that they are doing something important... I'd never get

> that kind of motivation if we were just selling shampoo and body lotion.' (Burlingham, 1988)

She pointed out that, if there is a single motivation for what we do, it is, in the words of Ralph Waldo Emerson, 'to put love where labour is' (Roddick, 1991b). Similarly, all The Body Shop interviewees described an expectation on them to either love or possess a passion for working at The Body Shop:

> 'You are expected to actually love working for The Body Shop.'
> 'There is a big expectation to be there [high level of passion].'
> 'The Body Shop has a sort of zealot ambience around it.'
> 'It is a very emotional place and passionate place.'

As an example of the high expectations of a mission support strategy, Bate (1994) pointed out that one of the main feelings, strong culture companies are seeking to engender towards the company and its products is getting people to feel that they have to, or want to, put work before their families. Working in a strong culture is not viewed as a 9 to 5 affair. It has to be a way of life, a consuming passion, a mission. As one interviewee succinctly put it:

> 'The board have got very strong feelings that your family life and your company life should be much the same throughout your approach.'

3.1.2 The Body Shop's Values Leadership Strategy

The advantage of the mission support strategy is that people can be relied on to set their own standards and discipline themselves while being aware of the 'deal'; freedom is conditional upon the ability to 'deliver'. In this set-up the leader's job is not to give detailed instructions, as in the pure power and worker accountability strategies. Moreover, a leader employing a mission support strategy provides a broad type of mission something for people to achieve in any way they think fit, just as long as they achieve it. Peters and Waterman (1982, p.318) have described this kind of control system as 'simultaneous loose-tight' the co-existence of firm central direction and maximum individual autonomy. It is a system which, on the face of it, seems to have pulled off the impossible by merging the two apparent opposites of freedom and constraint. On the other hand, every man or woman can be a pioneer, an experimenter, an innovator and a leader, while on the other hand the system exercises 'tight control' over them and ensures 'nothing gets far out of line (p.320). Bate (1975, p.352) argues that the unitarist strategy in organisations is 'political (corporate) leadership based on the consent of the led, a consent which is secured by the diffusion and popularisation of the world view (culture) of the ruling class (senior management)'. He argues further that the unitarist or 'strong culture' option involves a pre-planned, top-down, non-emergent strategy with aims of assimilation and integration of the workforce, elimination of conflicting interests and perspectives and creation of shared meanings and values (Bate, 1994). Klyn & Kearins (1995) argue that The Body Shop basically works through this type of a top-down communication process. As Child (1984) argues, a unitarist strategy is consciously designed for developing pragmatic acceptance into a much more enthusiastic support for management's purposes. A key management task is to enhance system integration. This requires that different sets of norms, values and beliefs be brought into alignment with each other across the organisation (Green, 1988, p.123). For example, Gladwin (1993) has argued that substantial cultural leadership, symbolic management and even evangelism will be needed to inculcate such green value systems within large organisations. He has also stressed that the most important, and perhaps the most difficult, leadership task may be that of creating and maintaining green values within the organisation. Similarly, Schein (1983) argues the most important role for the leader of an organisation employing a unitarist strategy is the reinforcement in word and deed of the values of the organisation. The importance of senior managers as role models in this values leadership strategy cannot be stressed strongly enough (Mathews, 1988, p.135). The impact of such role modelling is all the more potent if the organisation is blessed with a charismatic or transformational leader (Bennis & Nanus, 1985). Anita Roddick provides such a role model for The Body Shop. Through this mechanism the Roddick's have maintained relatively tight control over the company (Jardine, 1994). The Roddick's strong influence was evident in a statement made by Anita Roddick in 1991:

> 'The staff put forward issues which they think we ought to tackle, but the final decision is made by me, Gordon and about half a dozen of our senior executives.' (Roddick, 1991b, p.126)

Consequently, The Body Shop had become extremely reliant on the Roddicks for its direction. The importance of Anita Roddick's direction and passion as part of The Body Shop's unitarist strategy was recognised by all interviewees. The typical comment was:

> 'It has a very bold image, its a very didactic kind of company, and a lot of that is due to Anita. She keeps everybody moving both internally and externally.'

Furthermore, as explained by an employee in a newspaper interview conducted by Vidal & Browne (1994), a large part of The Body Shop's external attraction is Anita Roddick herself:

> 'The combination of Anita's personality and the marketing is so bloody positive and hypnotic that it sweeps people up and lets them believe for a moment that, when they buy that bottle of hair gel or navel-fluff remover made by Umba-Umba or whatever tribe, they're actually doing something for someone else.' (Vidal & Browne, 1994)

Similarly, Hamil (1993), argues that the charismatic personality of Anita Roddick remains the dominant factor in developing the culture of the company, with some financial analysts ascribing 25 per cent of The Body Shop's share price to her continued involvement. An interesting question posed by Klyn & Kearins (1995) was 'What would happen to The Body Shop, if it lost its figurehead? Would the company lose its enthusiasm and vibrancy and fade away and become just another run-of-the-mill cosmetic company?'. They argued that, in order to successfully communicate their mission statement and trading charter, The Body Shop needs to keep an entrepreneurial figurehead in place; if only as a symbol of what the company stands for. Therefore, they argue that Anita Roddick would be well advised to plan ahead and find a candidate for her succession.

In order to cope with the growth of the company, Anita Roddick's entrepreneurial spirit was developed by splitting the company up into separate subsidiaries in 1992. Through this initiative Ward (1994) has argued that The Body Shop maintained a small, entrepreneur-led management structure. It enabled the established subsidiary companies to have more clearer, more focused objectives (The Body Shop, 1994c), whilst being connected to the corporate headquarters by Anita Roddick's mission. Furthermore, over the past two years, through a process of centralisation and corporate restructuring, departments have been set up which provide a key communicating link to all staff regarding The Body Shop's mission. This restructuring was described within an internal newsletter, LA News, as follows:

> 'One of the most exciting things so far is an organisational structure which reflects our true values. Two divisions were created specifically to ensure both that we practice what we preach and engage all staff in making The Body Shop the most successful, values-led company around. Gordon heads Company Culture, and Anita the Values and Vision Centre.' (The Body Shop, 1994c)

Anita Roddick concentrates on the style, image and future direction of the company within this Values and Vision Centre. The corporate restructuring also meant that in 1994 Anita Roddick moved from the position of Managing Director to Chief Executive. Moreover, this represents a move from an operational position to one which is more strategic (The Body Shop, 1994a). The Values and Vision Centre has four departments: Anita Roddick's team, Fair Trade, Public Affairs and Ethical Audit (comprising environment, animal protection, social (incl. health and safety) and information audits). Its purpose is to support and encourage the full involvement of staff, managers, franchisees and suppliers in The Body Shop's values (The Body Shop, 1994c). Other departments either created or centralised were Strategic Marketing, Communications, Creative Services, Sales, Technical, Supply, Corporate Services, Finance, Legal and Product Marketing Management (The Body Shop, 1994d).

3.1.3 The Effectiveness of The Body Shop's Mission Support Strategy

The feelings of devotion, loyalty, passion, commitment and love towards The Body Shop and its sustainability goals were personally subscribed to by all interviewees. Some typical comments were as follows:

> 'The Body Shop has and does generate an awful lot of loyalty from me because I joined because of its values.'
> 'I do get a sense of belonging.'
> 'The mission gets inside you.'
> 'I wouldn't put in the hours and suffer the anarchy and chaos, if it wasn't for what this company stands for.'
> 'I actually do it for love.'

However, when the interviewees described the feelings of The Body Shop employees in general (as opposed to their own opinions), they expressed some alternative opinions. All interviewees remarked that there were enduring differences in values and commitment up and down and across the workforce. However, it is important to point out that these values had not been solely formed by top management. Moreover, they had been formed by an employee's individual background preferences. Some typical comments illustrating the diversity of personal values and commitment are as follows:

> 'You get a lot of ideologically driven people who want to be there. Now there are also people who come to The Body Shop because they want to have a job and make money. And then there are those people who want to come and do a good job and they like to be associated with the company. So, there are different levels of commitment.'
> 'The majority of people are here to make a living.'
> 'People feel that their home life and their family life are far more important than their work.'
> 'People coming in who are not of the same ethics; they are here because it is good on the CV to work at The Body Shop; so you get people like that who aren't pushing to make sure everything is squeaky clean.'

Anita Roddick expressed her frustration with the fact that the sustainability values she supported were not being shared by all her workforce when she stated:

> 'What worries me now is that within the company there is an umbrella of corporate goodness which some people are hiding under, saying, 'I work for The Body Shop, therefore I am sincere, good, caring, humane, and so on.' It really depresses me... We talk about being lean and green, but I can see a fat cat mentality creeping in: paper being wasted, lights left on after meetings. What it comes down to is arrogance.' (Roddick, 1991)
> 'It was hard to recruit staff who embraced Body Shop values and could fit into our quirky, zany, organisation.' (Roddick, 1991)

Therefore Anita Roddick learned how difficult it was to transfer her values to her own organisation, no matter how impassioned and caring her management style was (Roddick, 1991b). This finding is contradictory to other researchers, such as Schwartz (1994), who see The Body Shop employees as one homogenous group, who are all solely driven by The Body Shop sustainability values. More specifically, Schwartz argues that The Body Shop employees are receptive to these kinds of messages due to the fact that most of them have joined the company because of its strong culture and their interest in social and ecological issues.

Another way of looking at this diversity is that a unitarist strategy is compatible with only one type of person or job role. In other words, organisations can be seen to be made up of both unitarists and pluralists. Some are this way by nature, others by nature of their jobs. In research by Bate (1994) findings revealed that frames of reference were hierarchically and occupationally differentiated within the organisation studied. Researchers have increasingly focused on the degrees of variance in values and ideologies between hierarchical and functional levels of the organisation (Arogyaswamy & Byles, 1987). For The Body Shop, the head office and senior management were the creators and custodians of all things 'corporate'. They were strongly unitarist in their outlook. The interviewees' personal positive feelings could be attributed to the fact that they all had corporate positions within Anita Roddick's Values and Vision Centre. Therefore there seemed to be strong evidence to assume that The Body Shop's unitarist goal of shared values was materialising in the corporate headquarters, particularly within the Values and Vision Centre. In contrast, The Body Shop's Supply Division and shop floor (and independent franchisees) were judged in terms of what they did locally on their 'patch' and whether they had achieved their 'bottom line'. To them, 'corporate' goals - whatever they were -were, as they say, for the birds; their own success was measured in terms of the achievement of local targets and if this meant sacrificing the interests of other subsidiaries or the company overall, then so be it (Bate, 1994):

> 'The nature of the work in Supply areas means that it is a regular houred, regular paid, regular shift type of job and the type of people who take those jobs are people who generally just want to earn a living. The type of manager who works

> in such a practical, non-theoretical product based target based area by his or her very nature will be practical, product based, non-theoretical, more action orientated to the immediate needs that they have got; they have got to produce x amount of product by x time.'
> 'There is a big difference in perspective and goals between somebody who say works in the warehouse and somebody who works in the corporate headquarters.'

The results from the 1995 Social Statement (The Body Shop, 1996) whilst not pin-pointing particular departments, substantiated this opinion. Whilst the majority of the workforce agreed with the statement about whether they and their departments felt part of The Body Shop community, approximately one in five of the respondents disagreed. More than one-third of the respondents did not feel able to express an opinion.

An example of this difference in values was the balance struck between work and family life. The majority opinion was that The Body Shop respected the employees' family life. In fact, about 60 per cent of the respondents from the Social Statement (Body Shop, 1996) felt that the demands of their job did not seriously interfere with their private lives. Hanson reflected this when he pointed out that the company had articulated a strong commitment to an appropriate balance between work and family life in the lives of its employees. Parental leave policies, child care facilities and grants, and a tolerance for disruptions in the lives of working parents in most facilities were positive signs. However, some employees perceived that The Body Shop's top management put a greater priority on work compared with family life and expected the workforce to think likewise. In order to identify the proportion of employees with this specific opinion, the 1995 Social Statement (The Body Shop, 1996) found that approximately 20 per cent of the respondents agreed or strongly agreed with the statement, 'The demands of my job seriously interfere with my private life'. Reflecting these results, Hanson (1996) also pointed out that long working hours with considerable overtime in some facilities mitigate against the desired balance, as do the hectic international travel schedules of the company's top executives. The interviewees substantiated this view. They pointed out that they were frowned upon and expressed feelings of inadequacy, if they did not show a strong work value over a family value:

> 'The Body Shop does not respect your private life to be quite frank. For example a Body Shop employee didn't want to go on a group external course because she didn't like to be away from home. The company's opinion was that she is obviously a very weird person.'
> 'Employees have been called in day and night to go off on a course or travel abroad at short notice. Also, there is a lot of pressure on how late you stay in the evening; by peers and management. It is not helped by the fact that top management appear to feel that you should prove how loyal you are by how late you stay at night.'
> 'The working hours situation for many people is in need of repair. If a person wants to leave at 4 then he or she should be able to leave at 4, not to be expected to work until 8 and get paid until 5.'

In order to further explore which personal values were not being satisfied by The Body Shop's mission support strategy The Social Statement pointed out some priorities. It highlighted that the highest levels of dissatisfaction were around the company's practices in job, career and personal related development. In encouraging staff to gain working experience in other parts of the Company, 48 per cent were very or quite dissatisfied and in encouraging staff to obtain qualifications, 45 per cent were very or quite dissatisfied. 39 per cent of the respondents were quite or very dissatisfied about the opportunities on offer for personal development and growth. Furthermore, 42 per cent of the respondents were very or quite dissatisfied about the opportunities on offer for learning and development for future job opportunities in the Company. The most frequently cited extra suggestion for improving the Company's learning and development activities was a 'training programme for all individual needs'.

The effects of this dissatisfaction were explored within the Social Statement, with 27 per cent of the respondents indicating that they intend to leave the Company within the next 2 years. This corresponded to the figure of 23 per cent of the respondents who indicated that the best way for them to develop their careers is to change companies. The following quote exemplifies this feeling:

> 'I have loved working for this company since the day I joined, 7 years ago. It has taught me so much about life, about people, good and bad - it has kept me youthful and creative, open-minded and open-hearted. Professionally, intellectually, financially - I need to see a career path before me, which will keep me moving onwards and upwards. I have looked hard for these opportunities and have worked hard to make myself worthy of them. The problem is - that

currently they are not there. What keeps me here is the great sense of community, the respect people have for each other, the unflagging optimism and the search to 'get it right'. These qualities will be hard to find elsewhere, but I know that it is only a matter of time before I will sacrifice that community feeling - for the greater goal of personal fulfilment.'

The need for more attention to personal and career development and support areas is a clear indication that employees are motivated by much more than the company values. It would appear that to increase employee commitment levels, The Body Shop needed to employ a strategy not only based upon inspiring organisational values but also upon personal values, i.e. a personal support strategy. As Harrison & Stokes (1992) point out, a personal support strategy is one where employees are solely valued as human beings, not just contributors to a task. They argue that a personal support strategy fosters employee commitment towards the company, not through a common purpose or ideal (in contrast to the mission support strategy) but by offering employees satisfactions that come from relationships: mutuality, belonging and connection. The emphasis is on human needs which at its core respects and supports employees as individuals with diverse opinions and values. The following quotations from the 1995 Social Statement typify the point that The Body Shop will increase employee commitment, albeit at existing high levels, if it adopted a more personal support strategy:

> 'Generally BSI is a good place to work and is very satisfying. It does demand that you live, breath and give 150 per cent commitment... career people will always be tempted to move on and up elsewhere as necessary.'
> 'Although I have stated that I intend to stay with the company for 2-5 years, I feel that if I was paid fairly for the amount of work and overtime I do, I would stay until retirement as I am basically happy with the company.'
> 'The company's relations with its employees have also been mixed. On the one hand the company has good benefits and an open and enthusiastic culture. Employees in the UK and in the US report that they are proud to tell others that they work for The Body Shop. On the other hand, it has done less well in defining the jobs of employees, in helping employees plan careers, and in keeping them informed about company developments. Many basic management tasks of importance to employees have not been well executed.'

Furthermore, the 1995 Social Statement substantiated the view that The Body Shop needed to become more personally supportive of employees' diverse personal goals, when 21 per cent of the respondents disagreed or strongly disagreed with the statement that the Company's 'commitment to being a caring company is apparent on a day-to-day basis'. Furthermore, 32 per cent of the respondents neither agreed or disagreed with the statement. These percentages give a representative figure of how many people within The Body Shop actually felt a discontent with the priority put upon employees. Although these opinions are in a minority, this indicates that gaps between caring aspirations and the everyday working reality exist for a number of people. The Social Statement (The Body Shop, 1996) described this personal support discontent as follows:

> 'The company's own UK staff survey conducted during 1995, and interviews with selected US employees, indicated a dissatisfaction among workers, a substantial portion of whom question whether the company demonstrates on a daily basis a commitment to their welfare, provides opportunities for personal growth, encourages employee input, and handles grievances well. Nonetheless, most employees remain committed to the company... The company's rapid growth and the lack of some formal personnel policies have contributed to this perception.'

In summary, the findings appear to substantiate Gabriel (1991), who argued that ideational control through the continuation of a mission support strategy is not the simple and straightforward affair that cultural engineers would like it to be. In an uncertain world employees may yearn for meaning, but it does not follow that they will buy any meaning. It appears from this study that such a reliance on a mission support strategy using a management defined vision is not totally effective. Corporate strategy literature substantiates this finding expressing serious doubts about the ease with which management vision can be communicated to employees. For example, Coulson-Thomas (1992, p.81) draws on three sets of survey data to argue that 'a wide gulf has emerged between 'rhetoric and reality' of attempts to 'communicate' visions and 'missions': instead of inspiration and motivation there is disillusionment and distrust'. As Newton and Harte point out, whilst corporate strategy writers are keen to stress that this is because of 'mistakes' in communicating visions and missions, this literature remains very strong on prescription and very limited on evidence of successful communication beyond brief descriptions of supposed 'success stories'.

3.1.4 The Effectiveness of The Body Shop's Values Leadership Strategy

Looking more closely at employees who did not strongly share The Body Shop's sustainability values, Deal and Kennedy (1982, p.56) argue that the unitarist strategy normally produces negative feelings as employees are not permitted to fail in any way. The strong culture may be liberal but it is by no means laissez-faire. In it, control resides in the ability of the leaders to resolve uncertainty and insecurity. In theory, employees, like the patients in a hospital, tend to do what they are told because they value (and depend on) the care and attention they are receiving and do not wish to run the risk of being cast out into a hostile, uncertain and lonely world. They want to be good patients (Bate, 1994). The lure of a strong culture is that it feels nice and secure - 'We are immersed in a sea. It is warm, comfortable, supportive and protecting. That sea is our culture... escape is by no means entirely desirable' (Webber, 1977, p.48). The fact that it is 'sink or swim' means that employees control themselves; internal rather than external control. However, Willmott (1991b, p.13) argues that employees not only derive a sense of meaning and belonging from complying with the culture. They simultaneously experience a sense of anxiety, shame and guilt when they judge themselves to fail. Unfortunately, unlike the Catholic Church described earlier, there may be no confessionals on hand to cope with this eventuality and no kindly priests to grant absolution to those who fail the Corporate God (Bate, 1994). For The Body Shop, the employees who did not share strong sustainability values described feelings of anxiety about what they perceived to be top management's high expectations:

> 'Its hard, frustrating and often times extremely painful to work in a company that has such a strong mission. There is an abhorrence of complacency and with that comes a lot of expectations and demands that often times are not met, its not reasonable.'
> 'When it gets toxic for people is when they don't have the choice to leave at night. When they have a sort of guilt trip so they end up staying.'

Furthermore, the following comments represent these employee feelings of powerlessness combined with a feeling that management would wish to change their alternative values:

> 'We do feel manipulated.'
> 'It feels like a brainwashing effect.'
> 'It can be a threat to personal liberty.'
> 'Its overpowering at times to some of the staff, especially the ones that just want to earn money to pay the mortgage.'

In summary, the above negative comments substantiated the view that people do not go under, do not succumb to thought controls, do not allow themselves to be absorbed into the greater whole, even within a values-driven company like The Body Shop. They have a number of social and psychological defences which prevent this from happening (Gabriel, 1992, p.1). Workers may partially submit to the managers' cultural assaults but they also resist them by developing their own sub-cultures and counter-cultures. These challenge or poke fun at the managerial shibboleths, expressing cynicism and detachment at managerial attempts to whip up commitment and enthusiasm (Gabriel, 1992, p.1):

> 'Many people here say, what they [top management] expect is bullshit.'
> 'You know, everyone isn't as passionate as Anita.'
> 'Half of the people don't go to the Departmental Environmental Advisors' presentations, instead they just go into the cabin [coffee shop] and have a fag. They say 'bloody meetings'.'

The above feeling of powerlessness manifested itself in employees criticising the perceived level of participation in decision-making. For instance, the top-down nature of the restructuring process described in section 3.1.2, was emphasised by all the interviewees. Some typical comments were:

> 'I haven't had any participation even remotely. Senior management has dealt with the restructuring';
> 'The Body Shop especially through the restructuring process is becoming a very top down driven organisation.'
> 'The restructuring is improving horizontal communication between managers but it's still not improving communication between managers and staff, because there has been no participation in decisions regarding the setting up of procedures.'

In the 1995 Social Statement (The Body Shop, 1996) the dissatisfaction with this restructuring was described as follows:

> 'The company was perceived as reasonably adaptable and responsive to change (60 per cent agreed or strongly agreed), but confidence in the way recent reorganisations were carried out was lower (30 per cent disagreed with the relevant statement and 40 per cent were not able to express an opinion).'

The general top-down nature of decision-making was reflected within the 1995 Social Statement (The Body Shop, 1996):

> '45 per cent of the respondents disagreed that there is sufficient contact between senior management and employees.'

This 'top-down' feeling was reflected in the Social Statement when it pointed out that one third of the respondents expressed dissatisfaction with opportunities to be involved in decisions that affect their work or with established systems to represent their views to senior management. The latter point is important, as it highlights the fact that, rather than preferring new communication systems, employees preferred communication systems already set-up, to be work more effectively. In summarising, the respondents views on vertical communication are exemplified by the following statement:

> 'With the exception of immediate managers, the highest dissatisfaction levels, as well as highest numbers of respondents not expressing an opinion, correlate with the numbers of staff who indicated that they do not have access to these sources. This would seem to indicate that one major cause of dissatisfaction is not so much the quality of the information available but simply gaining access to it.'

Some further quotations from the Social Statement (The Body Shop, 1996) describe the respondents' problems with vertical communication:

> 'I find that The Body Shop is a very good company to work for but the levels of communication between senior managers to the work-force is slightly lacking.'
> 'I enjoy working for The Body Shop as relatively it is a good company with good staff care. The only area in which it could improve is to improve communication between staff and managers. To be able to be more creative and feel that your ideas are valued.'
> 'I do feel that we can approach our managers and make constructive criticisms but I do feel our points get lost along the way.'

The above discontent with The Body Shop's values leadership strategy has led the interviewees to offer several recommendations. In order to account more for employees' diverse personal values through a more personal support strategy , employees expressed a desire for a greater bottom-up participative approach, i.e. in contrast to its values leadership strategy, a more participative strategy:

> 'If they [top management] can pick up on the vibes of everybody in the organisation they won't get major antagonism in the staff.'
> 'It [The Body Shop] needs to stop or moderate the building and the creating and the moving on and attend to the human records that have occurred over the last couple of years.'
> 'We have lost that personal touch and the ability to make joint decisions.'
> 'There is a disaffection at the lower levels who have been left behind. The reason why this has not been addressed is because the company is too busy going forward with commitment to values and to change and growing the business.'
> 'We really do have a vanguard of values and visions ideas based people. But they haven't looked behind them to see who they are bringing with them. Its fine a few people who are enthusiastic, but not everybody is with them. The Values and Vision people are analogous to Napoleon going into Russia, Napoleon suddenly discovered that he has got no troops behind him because they had all died of frostbite. He then had to come all the way back.'

However, putting these recommendations into perspective, one employee contrasted The Body Shop's participative practices with other more mainstream companies:

> 'There isn't a values fascism in The Body Shop. It is one of the most vociferous environments I have been in, with arguments and debate.'

It is important to point out that The Body Shop employees in general were no more dissatisfied than those in comparable firms in the U.K (Hanson, 1996). It must be said that the majority of employees within The Body Shop thought top management were open to alternative opinions. For instance, within their Social Statement 59 per cent agreed with the statement:

> 'The Body Shop has established a culture where staff can challenge traditional ways of doing things.'

However, whilst this relativist view is important to take into account when judging The Body Shop's cultural development strategy, Hanson (1996) also argues that any company which makes socially responsible claims a key element in its marketing will be scrutinised to a much greater extent and will be held to a higher standard than a company which does not. Of course these high expectations are to be found not only externally but internally as well. Within their 1995 Social Statement, one employee described the effect of these high expectations:

> 'On the whole I enjoy working for The Body Shop and am proud of what it stands for. Unfortunately, I think this means I have high expectations of the company and when sometimes it fails to live up to these I am very disappointed. However, in the main at least, we try.'

In order to account for employees' and other stakeholders' high expectations, Hanson (1996) recommends that, 'the company must demonstrate extraordinary transparency and a willingness to hear and act on criticism of any dimension of its behaviour'. Therefore, no matter how typical these criticisms are compared to mainstream companies, it appears that the company must take them into account. However, the minority of negative employee comments must be analysed with this relativist view in mind.

3.2 The Body Shop's Present Cultural Development Strategy: A Unitarist-Pluralist Strategy

The following sections (3.2.1, 3.2.2 & 3.2.3) propose a sustainable cultural development strategy based upon recent on-going initiatives at The Body Shop. The final section (3.2.4) will describe some of these initiatives.

3.2.1 An Argument for a Pluralist Strategy

The important lesson that needs to be learned about unitarist strategies for cultural order, as in The Body Shop, is that senior management are often blind to the increasing pluralism of organisations (particularly growing organisations). Senior managers needed to be aware that in the 1995 Social Statement (1996), 35 per cent of the respondents believed that senior managers did not know what is going on around the company (30 per cent did not express an opinion). As Polsby (1963, p.118) argues, senior management within strong cultures do not see (or prefer not to see) the hundreds of small interest groups, widely differing power bases and a multitude of techniques for exercising influence on decisions salient to them. In consequence, they are often ill-prepared for the resistance that they encounter on the way, and for the bargaining process that will be necessary if they are to create some kind of order. Therefore, for practical (employee acceptance) reasons, even the most committed 'strong culture' companies need to attend to pluralism (Bate, 1994). For example, Crane (1995) argues that cultural cohesion is not a prerequisite, nor even might it be desirable, for business to be able to respond to the environmental imperative in a co-operative and proactive manner. From the recommendations of employees in this study, in order to account for this pluralism, it was clear that The Body Shop needed to increase employee participation in decision-making and to provide a more personally supportive working environment.

Therefore, whilst representing for many people a vision of what an organisation ought to be like, the unitary frame of reference alone does not adequately reflect what it is really like or could ever be like. Unitarism towards sustainable development is a utopian ideal but pluralism is the inescapable reality. For pluralists, the challenge in maintaining order or ensuring sensible and controlled development is not to ignore, suppress, gloss over or eliminate differences between people; actions that were likely at best to enjoy only a limited and temporary success, but to develop greater sensitivity towards multicultural differences, accepting - even welcoming - them, and continually looking for ways of expressing, accommodating and reconciling them. In contrast to the unitarist strategy, Bate (1994) argues that the pluralist strategy involves a bottom-up, sideways-on, top-down emergent strategy with aims of interdependence, collaboration and peaceful co-existence between competing and participating interest groups. In short, The Body Shop has realised that it needs to manage the inherent 'pluralism' of the situation in respect of goals, values and aspirations, not squashing them out. Reed and Anthony (1990, p.18) conclude that 'to the extent that cultural management is to be successful, rather than cosmetic or deceptive, it will have to comprehend comparative values and belief systems'. One interviewee described this need for a more pluralistic response in the context of sustainable development:

> 'Part of sustainability is to have a biodiverse sort of psychology in an organisation, so its not to become a cult and you can't manage it that way either. Those who don't have the passion, you have to allow room for them as well.'

This view substantiates sustainability research (Gray, 1994) which points out that the very critical nature of the environmental and social problems that one is seeking to address plus the sheer complexity of the issues and the increasing level of ignorance of humanity's interaction with the biosphere do not lend themselves to the assumption of 'rational', allocative decision-making by selected groups of the privileged. Gray argues for decision-making to be democratic in the widest sense of the term because it is society as a whole which must make the choices and trade-offs that are essential in the path to sustainable development. Bernstein (1992) argues that the very complexities and contradictions endemic to the environmental debate require an exploration of difference and conflicting views more than they do a conformity to common values. Welford (1994) argues for new forms of industrial organisation as part of the equity dimension of sustainability; that seek to increase the employees' decision-making powers, to increase democracy in the workplace and to share profits with the workforce, alongside improving environmental performance. This revolves around respecting the values of everybody associated with a firm or organisation. He calls for more open procedures and less hierarchical bureaucracy in decision making to be developed within firms. Aldrich and Lorentzen (1994) similarly point out that employee participation is first and foremost a question of recognising the individual and collective interests of the employees, of the quality of working life and the nature of the relationship between management and employees, the 'social constitution of the company'. Central to Agenda 21 are calls for workers to be more involved in the industrial change which will be necessary to achieve sustainable development. Businesses are called on to foster dialogue with workers, forming a partnership capable of shaping and implementing environment and development strategies at local, national and international level (Welford, 1997). Furthermore, the previous expert workshop research exercise (see

Chapter 2) pointed out the importance of empowerment strategies in moving towards sustainability. The experts' recommendations were as follows:

> 'It is by empowerment that we can begin to challenge and change traditional balances of power.'
> 'The logical next step must be to implement participation measures...There is likely to be participation in decision-making as well as financial (profit-sharing) participation and other non-financial rewards. Essentially we are searching for evidence of an equitable distribution of benefits.'

With a more pluralist strategy, differences and conflicts of interest between individuals and groups, are the order of the day and no amount of wishful thinking is ever going to change that basic fact. Nor could any single group ever hope to be able to impose its will unilaterally on the others or to be able to count on undivided loyalty because power in the modern organisation is too diffuse and rarely coincided with formal authority structures. In place of a corporate unity reflected in a single focus of authority and loyalty, we have to accept the existence of rival sources of leadership and attachment (Fox, 1966). They need to be accepted, above all, by whoever is ruling the plural society in question. As Bate (1994) argues the problem of government of a plural society is not to unify, integrate or liquidate sectional groups and their special interests in the name of some overriding corporate existence, but to control and balance the activities of constituent groups so as to provide for the maximum degree of freedom of association and action for sectional and group purposes consistent with the general interest of the society as conceived, with the support of public opinion, by those responsible for its government.

An important point to note is that there is some evidence that organisations cannot only tolerate many subcultures, but also benefit from the discourse about values which they inevitably spawn (Sinclair, 1993). Instead of imposing corporate-derived ethical values the task for managers becomes one of understanding and unleashing the moral commitment of subcultures towards goals which are consistent with, or ideally advance, those of the organisation (Martin & Siehl, 1983). Pluralists argue that the unitarist strategy is the antithesis of individual ethics, that such a culture demands a 'surrender' of 'individual integrity' to the organisation (Silk & Vogel, 1976). They argue that by relinquishing power to subcultures, communally-mediated control is effectively increased; by sponsoring autonomy, commitment can be nourished; by encouraging connections between organisational subcultures and wider community groups, the organisation's reserves are enhanced, not undermined.

For a pluralist, the essential steps in the process of being ethical are firstly, self-scrutiny, weighing up individual obligations and responsibilities. Secondly, the process involves weighing up professional and organisational responsibilities. Overall, the process means taking personal responsibility for a decision and critically analysing the underlying assumptions of each course of action to better understand value choices, before finally applying decision standards and deciding. A key ingredient of ethical behaviour is the process of moral thought and self scrutiny that precedes it. This understanding of ethics puts weight on the process of thought that precedes action to qualify behaviour as ethical. If it is argued that being ethical requires a level of reflexivity and ongoing self-inspection, then it is not enough to adhere simple-mindedly to standards of behaviour prescribed by others. Being ethical may require doing the opposite of what is 'comfortable...acceptable... or expected' by the culture. Managers must 'be wary of simply doing things 'the way we do things around here'' (Toffler, 1986, p.346). Such an approach does not impose a corporate culture. Instead it aims to stimulate more ethically aware behaviour of members of subcultures by collaboratively surfacing an awareness of subcultural differences, competing and common values and their effects on outcomes. The pluralist strategy does not rely on management as the architects of the moral code, but works by encouraging individuals to understand and challenge the ethics and values they bring to the organisation.

This ethical view has been researched by Post and Altman (1991) in their study of companies moving towards sustainable development. They based their methodology upon research done by Bartunek and Moch (1987), who argued for a change agent not to prescribe a particular values system, but instead be responsible for helping employees to self reflect and develop 'the capacity to change one's point of view, and therefore to explore one's own situation through a different light' (Smith, 1984). Similarly, research on eco-management (Callenbach et al, 1993) argues that people of different colour, women, labour and other groups affected differently by company actions can be the ecomanager's best allies in bringing unique insights and solutions to problems. Ecological transformation is limited and likely to prove fragile without diverse participation, perspectives and bases of support. Tietel (1994) argued that increasingly environmentalists and even some scientists are arguing that diversity is more than a phenomenon of nature, but rather a value, a quality that should be striven for, protected and defended. If diversity is 'good', then loss of diversity is 'bad'. Furthermore, research (Janis & Mann, 1977) on team behaviour in organisations supports the conclusion that diversity of backgrounds, perspectives and values is an asset that protects the group from the hazards of 'groupthink'. This is especially significant within highly volatile financial and social environments where it is essential that the members of the strategic decision-making team have highly differentiated perspectives (Bourgeois, 1984). Furthermore, Meima (1994), Roome and Clarke (1994) argue that people do not understand or interpret environmental concepts with one voice. They hold contrasting belief and value systems which are often in conflict with the dominant interpretations of the firm. They point out that these differences can not only create barriers to change but also openings for change.

3.2.2 The Body Shop's Response To Employee Pluralism

In early 1995 The Body Shop set up a Learning and Development Department in order to identify which changes were necessary to respond to employee recommendations, such as greater participation and personal support. However, The Body Shop's current pluralist strategy was demonstrated when back in 1994 it committed itself to tackling the human rights of its employees:

> 'This also means that establishing a strong link between our human rights work and their efforts to develop their Human Resource management is essential - the least we can do to protect human rights is to make sure that our own house is in order.' (The Body Shop, 1994b)

The following is one of The Body Shop's four trading principles stated in its Trading Charter that reflects respect for many types of employee pluralism:

> 'We aim to ensure that human and civil rights, as set out in the Universal Declaration of Human Rights, are respected throughout our business activities. We will establish a framework based on this declaration to include criteria for worker's rights embracing a safe, healthy working environment, fair wages, no discrimination on the basis of race, creed, sex or sexual orientation, or physical coercion of any kind.' (The Body Shop, 1994b)

In its 1995 Social Statement (The Body Shop, 1996) The Body Shop's commitment to a personal support strategy was highlighted when it outlined what it called its, 'Next Steps for Human Resources'. One of these steps was a realisation that, 'we cannot satisfy the aspirations of all of our employees, and we must look to other ways of keeping staff interested and motivated'. It also stated:

> 'We need to make sure that the tremendous dedication and commitment of our staff does not manifest itself in over-long working hours, negative impacts on family life or denial of opportunity to staff with caring responsibilities.'

Furthermore, in order to take account of employee dissatisfaction with its personal support and development, Human Resources also promised the following:

> 'To review the Company's policy and practices on support for professional and vocational qualifications and the provision of work experience opportunities.'

The 1995 Social Evaluation (Hanson, 1996) pointed out the importance of an appraisal system with the aim of accounting for the personal needs and development of employees:

> 'The results emphasise the importance of a long-term plan laid out by the Human Resources Department in 1994/95. The first objective that was set was to review the Company's appraisal system. This should incorporate detailed planning for both personal and job-related development. The new appraisal system was developed during 1994/95 in direct consultation with staff across the company. The new company -wide appraisal system was introduced during the second half of 1995...The company's new policy on appraisals states that staff have the right to an annual appraisal with an interim review at least six monthly...The new appraisal system will focus on needs of the individual and the importance of agreeing time and support needed to learn and develop. In addition, the new

> system will include an opportunity to explore career interests and expectations and identify sources of further help and advice.'

Furthermore, The Body Shop's commitment to increase employee participation in decision-making was emphasised in its Social Statement (The Body Shop, 1996):

> 'We also need to ensure that we provide opportunities to enable staff to speak up on issues that affect them, the business and our values in the year ahead. Finally, as with our external audiences, we need to ensure that we provide the appropriate information to different groups of employees. Information needs to be targeted and tailored to these different groups.'

Furthermore, the Hanson report (1996) pointed out that,

> '...by the end of 1995, however, the company adopted and disseminated an enhanced employee handbook and a new managerial handbook in the UK...These documents set forth standard policies addressing employee rights and privileges and provide for regular performance evaluation and due process in employee disputes. These policies must now be implemented more effectively in all operations.'

3.23 Introduction to a New Cultural Development Strategy: a Unitarist-Pluralist Strategy

Realising the potential of a more pluralist response, it appears that The Body Shop has understood that as its workforce grows, it needs to increasingly implement processes which provide a greater respect for diversity within its workplace. However, it appears to be not moving towards abandoning its unitarist strategy. Instead, it appears to be aiming to combine its predominant unitary commitment to creating and extending shared sustainable values and interests with its new pluralist commitment to providing mechanisms that will resolve, or at the very least contain, the disharmonies that exist between divergent systems of meaning (e.g. between the Supply Division and the Corporate headquarters) within the organisation.

This strategy for cultural development is unusual as it moves away from the conventional reactions to a simplistic unitarist strategy (Bate, 1994). The common reactions are either, as the strong cultures writers argue, to recognise the anarchistic tendencies of corporate pluralism and seek to hold them in check with some kind of 'unifying' strategy, or instead, as the pluralists suggest, recognise the inherent political naivety of unitarism and devise more realistic 'mediating' strategies for dealing with the perpetual conflicts that arise between different individuals and groups. This combined strategy is unusual as the unitary and pluralist strategies are based upon two very different theories of organisation development and effectiveness, both converging on the same goal (order) from totally different directions. The stark dualisms identified by writers from both sides seem to leave little scope for a third option or anything in between. They are set up in such a discreet way as to oblige us to choose between one state or another. As Bate (1994) argues despite their substantive differences, we need to recognise that they are, in fact, identical in type, being the conventional products of 'either-or' thinking. This is a mode of conceptualisation which loves to invent extreme polarities: simple dichotomies that carve up the world ('reality') into two parts, the one part 'good' and the other part 'bad'. Bate (1994) argues that the one-or-other strategy presented by the uniculturalists and the pluriculturalists are not representations of reality, as they should be, but idealisations of that reality. Critics believe bipolarities like unitarism/pluralism offer too limiting a view of life and prescribe too narrow a range of possible alternatives for action. Young (1989, p.190), for example, has accused the unitary and the pluralist conceptions of being 'irredeemingly simplistic' because of the way they attribute single, one-dimensional meanings to organisational events. It would appear that the unitarist and pluralist strategies describe what is called a 'paradox'. The concept of the paradox has received increased organisational attention within recent years (Stopford and Baden-Fuller, 1992; Hampden-Turner, 1990, Handy, 1994). Slaate (1986) describes a paradox as 'an idea involving two opposing thoughts or propositions which, however contradictory, are equally necessary to convey a more....provocative insight into truth than either factor in its own right. What the mind seemingly cannot think, must think; what reason is reluctant to express, it must express'. However, it was Scott Fitzgerald (1936) who first described the paradox and said, 'The test of a first-rate intelligence is the ability to hold two opposed ideas in mind at the same time and still retain the ability to function'.

The 'both-and' strategy (as opposed to the 'either-or' strategies) offers a way of managing the paradox of unitarism and pluralism. This strategy represents a fundamentally different conceptual approach to a strategy of cultural order and development which begins with the question, what do organisations and cultures tend to be like in reality and practice? (rather than how we would like them to be). It does not say that the 'either-or' models are wrong, merely that they are only partly right, i.e. both unitarism and pluralism have their strengths and their weaknesses. The proponents of this idea have a central commitment to the view that societies and organisations are rarely, if ever, one or the other, unified or diversified, differentiated or integrated, co-operative or conflictual, but all of these things, in varying mixes and forms depending on the organisation in question; not one or the other, but both rolled into one. There is a growing support for this view (Quinn and McGrath, 1985; Young, 1989; Darmer, 1991; Duenas, 1991). Young, for example, has stated that in reality pluralism and unitarism are not opposites but interdependent processes through which values and issues are negotiated between organisational participants. This also moves away from the argument of Smircich (1983) who distinguishes between those who regard culture as a managerial tool to effect greater performance (unitarists) and those who see it more as a way of understanding the social and moral terrain of the organisation (pluralists). The beauty of the unitarist and pluralist perspective is that its aim is to effect greater performance but through a managerial tool of both understanding the social and moral terrain of the organisation.

'Both-and' thinking is therefore an approach to cultural development which involves the simultaneous pursuit of unitarism and pluralism with the intention of producing a hybrid 'culture' that is appropriate and optimal in balancing an organisation's sustainability goals with, in the case of The Body Shop, the increasingly diverse personal goals of its growing workforce. As Callenbach et al (1993) argue, in every company, as in society as a whole, conflicts and contradictions will invariably appear that cannot be simply resolved in favour of one side or the other. Thus they say we need stability and change, order and freedom, tradition and innovation, planning and laissez-faire. They argue that a systemically orientated manager (an integral part of eco-management) knows that the contradictions within the company are signs of its variety and vitality and thus contribute to the system's viability. Without conflicts there can be no development. A systemic manager will therefore try to take into account both sides of a contradiction like unitarism and pluralism, knowing that both will be important depending on the context. Nielsen and Remmen (1994) similarly argue that the challenge of both quality and environmental management is the balance between bureaucracy and dynamics, between systematics and continuous improvements. Both are necessary and the secret is to get the right combination between 'book-keepers' who can keep the activities in order and the 'entrepreneurs' who take new initiatives all the time. Furthermore, Halme (1994), whilst expressing the virtues of the 'bottom-up' approach, was careful not to conclude that this was evidence for a 'bottom-up' model's superiority. One of the conclusions of the summary report from the 1994 Greening of Industry Conference (Clarke & Georg, 1995) was that change programmes should be sensitive to the multi-directional nature of change, 'top-down', 'bottom-up' and 'side to side'.

As an example of this strategy in action, in late May 1995, The Body Shop's Human Resources Department launched a Bill of Rights and Responsibilities for staff which showed both unitarist and pluralist attributes. For instance, some of the more unitarist 'Rights and Responsibilities of the Company' were to expect staff to respect The Body Shop's values, to make the final decision and to educate employees about the company's culture and values. In contrast, some of the more pluralist 'Rights and Responsibilities of the Individual' were to have a voice, to challenge, to be developed as an individual and to treat others with trust and respect. Furthermore, within its 1995 Social Statement (The Body Shop, 1996), this Bill of Rights and Responsibilities was said to recognise and publish the special nature of The Body Shop's relationship with its employees in which they are not just resources for the company but are people whose own needs and aspirations are recognised and taken seriously. Similarly, its Human Resources Mission Statement points out that, by meeting each other's needs, The Body Shop ultimately will achieve all its objectives, create an environment where there is mutual trust and respect and will sustain a successful community.

A future initiative which reflects the unitarist-pluralist strategy is the setting up of a new department which is to be given the general name of 'The Development Group'. This department will combine the Company Culture Department and the Learning and Development Department together. As David Wheeler, Head of Stakeholder Development at The Body Shop, points out, the function of this department is to be able to recognise and nurture behaviours that not only conform to business objectives but to personal objectives as well. In order to identify the elements of The Body Shop's future cultural development strategy, an illuminating internal document called 'HR Vision 2000' (The Body Shop, 1996b) gave some indications. Vision 2000 is a document which aims to set out how The Body Shop's Human Resource function sees the company by the year 2000 in terms of its relationship with its employees. The following extract represents a working practice vision for The Body Shop. It has both unitarist (mission support driven) and pluralist (personal support driven) elements.

> 'To have a well run and successful company with maximum flexibility for producing a 'win-win' situation for employees and the Company.'

In terms of unitarism, the type of cultural leadership set out for such a vision combines 'inspirational leadership' with 'supportive leadership'. In other words, this form of leadership would complement a mission support and personal support strategy. On this basis the role for managers was that of a coach and mentor to the employees. In light of the employee past perception of a 'top-down' leadership style, this was needed to breed a culture of trust, respect and of consultation. In terms of pluralism some targets/goals within Vision 2000 would appear to satisfy employee recommendations for a more personal support and participative strategy. These goals were specifically described in the following extracts as around 'learning and career development', 'feedback from employees' and 'employee consultation':

> 'To develop a supportive culture and process whereby individuals are able to work out their own development and career plans.'
> 'All individuals are encouraged and enabled to give honest feedback to their managers, particularly in respect of their manager's impact (good or bad) on their performance and development.'
> 'Individuals are encouraged and enabled to actively voice their concerns and ideas on all aspects of the Company's agenda and to act to improve on them.'

Reflecting upon the balance between work and family life, discussed in section 3.1.3, it is interesting to note that one of the recommendations from the above Vision 2000 document is for the board/management committee to speak out publicly against the long hours culture. This respect for pluralism, whilst being committed to develop The Body Shop's sustainability values, can be summed up by the following quotation by a senior manager within The Body Shop:

> 'To develop The Body Shop culture, you have to have a band of some common themes and values, and admittedly people who are not within that band don't fit in, but that doesn't mean they are bad or evil but just different.'

The important point to make in developing a strategy to manage the paradox of unitarism and pluralism is that one should not be aiming for a 'balance' between them. As Bate (1994) argues, there is absolutely no virtue in the notion of a balanced culture. The thrust of his argument is that different cultures need to give different 'weight' to pluralist and unitarist elements and it may well be quite sensible and appropriate for them to be 'unbalanced' in one direction or another, ranging from a predominant uniculture at one end of the continuum (a hospital casualty department or a fighting regiment), to the predominant pluriculture at the other (a democratic parliament, debating society or liberal arts college). Therefore, instead of aiming for a balanced culture, they each need to aim towards a different optimal culture. As Clarke and Georg (1995) point out, 'There is no one best way'. However, their main concern should be studiously to avoid the natural temptation to drift towards the extremes. This chapter has already shown that using the unitarist strategy alone is not totally effective, as perceived by The Body Shop employees, and is thereby perceived as sub-optimal (see sections 3.1.3 & 3.1.4). On the other hand, the danger of drifting towards the extreme of pluralism is that nurturing processes of self-inspection and critique among individuals and subcultures of the organisation may induce a morally self-aware group which satisfies ethicists in its processes but does not produce virtuous sustainable behaviours or outcomes. If everything has a different meaning for each organisational member and if everybody has different ideas on what should be done, creativity may flourish for a while; but the whole edifice is likely to collapse from lack of consistency, co-ordination and direction (Murphy, 1989, p.89). The major shortcomings with this extreme is that of implementation. Difference, if valued for its own sake, is a recipe for organisational anarchy: 'accepting the legitimacy of differences in organisational culture cannot and should not lead to the kind of cultural relativism which presumes there is some justification for any and all cultural differences' (Metcalfe & Richards, 1987, p.82). There are very significant obstacles to the realisation of this management for diversity approach, paralleled in attempts to manage workforces comprised of more racially diverse groups and more women. The management of diversity by recognising and valuing difference and strategically sponsoring the cultivation of complementary contributions is a new and unfamiliar managerial paradigm which confronts many obstacles (Adler, 1985). People in organisations, especially managers, are uncomfortable with ambiguity and tend to view such a process as abdicating managerial prerogatives and responsibilities and relinquishing power.

Therefore, either extreme of unitarism or pluralism may represent philosophies which have become inflexible and obsessive dogmas; that have, in a manner of speaking, gone over the top, gone too far, or, in Toynbee's (1976) words, 'gone bad'. However, it is important to note that The Body Shop, whilst currently moving away from unitarism, appears to be still aiming for this 'imbalance' in favour of unitarism with the continued explicit top-management commitment of moving towards sustainable development values. In other words, put very simply, it still looks and feels much more like a fighting regiment than a debating society. This unitarist bias is due to the durability of its past unitarist culture. David Wheeler reiterated this point with his response to the question of whether recent pluralist initiatives (see section 3.2.4) could produce a company without any decisive leadership and central direction. He stressed that:

> 'Policy development [from top management] will always stay at the forefront of The Body Shop strategies.'

The Body Shop's 'both-and' strategy with a unitarist bias was demonstrated by all interviewees. Some representative quotations are:

> 'There is a movement to participative management but there still seems to be a lot of autocracy.'

> 'Whilst we are giving a greater say to all employees, we have not lost our central direction.'

It is interesting to note that, within the Vision 2000 document, it was implied that consultation was still top-down and directive. It recommended further participative consultation (see section 3.2.4 - Formal employee collective representation and consultation). The important point to make is that, although further participation is called for, values leadership for The Body Shop appears to be an important and positive factor within its cultural development strategy, to maximise an employee's commitment towards sustainability. However, as Welford (1997) argues, leadership is only possible where there exists a followship. Thus, more co-operative, interactive two-way processes are always likely to prove more successful in moving the organisation forward.

3.2.4 A Unitarist-Pluralist Strategy: some Examples

In order to realise the strategy of managing the paradox of unitarism and pluralism, The Body Shop has recently been involved in a number of initiatives. The following primarily focuses upon and explains the rationale behind their social auditing process. Social auditing highlights the way in which The Body Shop balances its primary unitarist principle of values leadership with its pluralist principle of participation. Social auditing also introduces another pair of unitarist-pluralist principles, worker accountability combined with management accountability. Worker accountability represents a unitarist principle as it induces a sense of employee responsibility towards the organisation's goals, by making employees answerable to management for their actions. Management accountability represents a pluralist principle as it induces a sense of management responsibility towards employees diverse goals and aspirations, by making managers answerable to employees for their actions. The following sections also briefly describe two other recent initiatives in order to show the variety of unitarist and pluralist activity within The Body Shop. These focus upon the importance of an overarching value of mutual trust and respect between management and employees to support the unitarist-pluralist strategy. They also expand upon the required participative element within the pluralist strategy by focusing upon the importance of both direct and indirect forms of employee participation in decision-making.

i) The Social Audit

One of the major recent initiatives by The Body Shop is a social auditing process. Social auditing is a process to induce and promote new forms of democracy and management accountability and not a pluralist solution in itself (Zadek & Raynard, 1995). In other words, it allows organisations, through a pluralist process of dialogue and consultation, to move towards new forms of management accountability without major shifts in ownership and organisation form. With approximately a quarter of the shares owned by Anita and Gordon Roddick it appears that The Body Shop has no intention to alter its ownership structure towards a more co-operative form. This move of increasing management accountability appears to tackle the criticisms of ethical investment funds, such as Franklin Research and Development, who have argued for more public debate and acceptance of criticisms within 'socially responsible business' like The Body Shop (Franklin Research and Development, 1994).

Therefore, without directly tackling deeper issues of industrial democracy, The Body Shop is using the social auditing process to attend to pluralism both internally and externally whilst keeping some unitarist approaches. It can be argued that the type of participation in decision-making that social auditing promotes is what Sisson (1994) calls consultative participation. Moreover Sisson draws a distinction between two main forms of direct participation. Consultative participation exists where employees are encouraged and enabled, either as individuals or as members of a group, to make their views known. Management, however, retains the right to accept or reject the employee's opinions, as well as reserving the right to take action. In contrast, delegative participation occurs where employees are given responsibility for decision making that was traditionally the exclusive preserve of management.

The rationale behind using a social auditing approach for a business wishing to move towards sustainability is to acknowledge the rights of information to a wide constituency. As Dey, Evans and Gray (1994) argue, firms using the social audit process would be conceived of as lying at the centre of a network of social relationships which are articulated in a manner akin to a stakeholder model located in a neo-pluralistic conception of society. Stakeholders are commonly understood to be those groups or individuals who can affect or are affected by the organisation's social performance and objectives (Freeman, 1984; Freeman, Gilbert & Hartman, 1988; Freeman & Evan, 1990). Put differently, social auditing recognises the concepts of stewardship and accountability not only to the financial community (Gray, 1994). The concept of accountability can acknowledge easily that all society has rights to information about actions taken on its behalf. Moreover, for sustainability, this stewardship and accountability is owed to society, to communities, to the third world, to future generations and last but not least to employees.

In order to improve management accountability, The Body Shop is increasing the transparency of its top-management decision-making. That is, information is used to reduce the distance between the organisation and the external (and internal) participants so that society can 'see into' the organisation, assess what it is doing with the resources that determine future options and react (or not react) accordingly. As Gray (1994) argues, the impact of this information on this constituency and their associated response can be assumed to encourage the new practices necessary for sustainable development. If accountability and transparency can be accepted, then the corporation will hopefully find itself more closely in tune with its wider constituents. Therefore, if a company wishes to move towards sustainable development it must embrace the principles of transparency and accountability. This is one of the recommendations which arose from the expert workshop (see Chapter 2). However, this is by no means an easy process. As Pezzey (1991) argues, there will be trade-offs that have to be made if sustainability is to be pursued.

Recently, underlining their commitment and support for such a wide accountability to its different stakeholders, The Body Shop has put the following objective into their mission statement:

> 'To creatively balance the financial and human needs of our stakeholders: employees, customers, franchisees, suppliers and shareholders.' (The Body Shop, 1994b)

Looking more closely at the social audit process, it is a way of identifying commonality by using a method called 'management of similarity' (Bate, 1994). This involves a search for as much coherency as one can find in the cultural system, one that culminates in strategies that identify, enlarge and extend the common ground that exists between individuals and interest groups and 'exploits' the harmonies that exist between them. It is guided by neither utopian nor wishful thinking. Therefore, this strategy does not aim to achieve shared organisational values but shared personal values which hopefully are aligned to organisational goals.

An early example of The Body Shop's interest in such an approach was its 'values meeting process', held at the end of 1993. This was described by one interviewee as,

> '...the first systematic framework for involving representative employees in a top level dialogue.'

This involved 44 values meetings, each with 15-18 staff who were randomly selected from across management and company structures. Arising from these meetings staff ideas and recommendations concerning the way forward with company values were synthesised and given to the Board. It is important to recognise that, coincidentally, some of the most prevalent topics of conversation throughout the meetings were issues of human resources management, empowerment and interdepartmental relations. The Board then fed back its reactions and action plans to these recommendations (The Body Shop, 1994e). The recommendations and action suggestions on each issue were then reported back through a full report (The Body Shop, 1994a), an internal newsletter, LA News, and through feedback meetings to all employees. This reporting mechanism represented the top management's early recognition of employee rights to information about actions taken on their behalf.

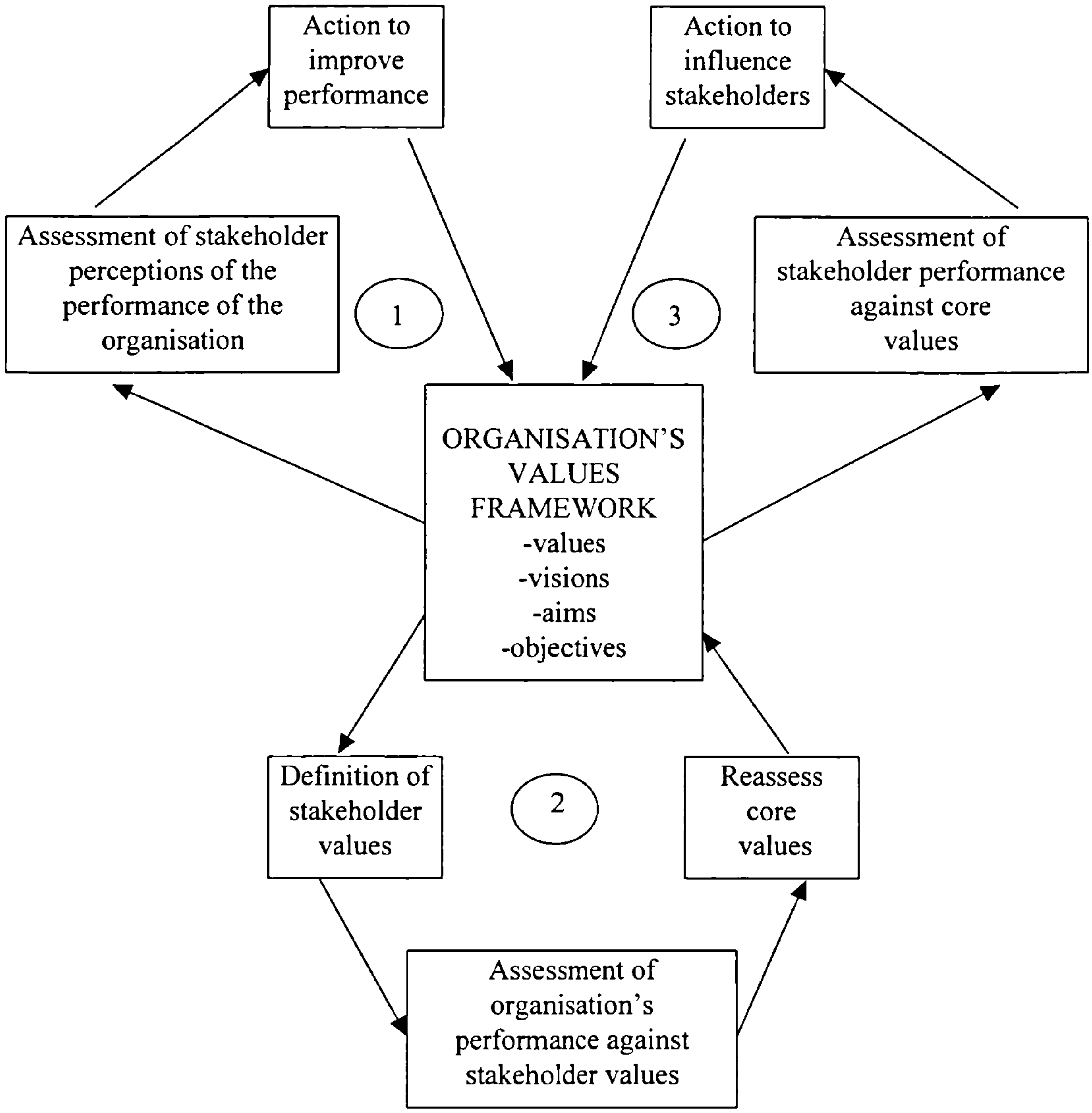
Therefore, throughout 1994, the concept of accountability was embraced not only for reporting on The Body Shop's environmental performance but reporting (internally) on its employee social performance. This represented the beginning and part of a wider social review process which was itself part of the social audit programme which required surveys (2000 directly employed staff involved) of salient issues, different stakeholder views, expectations and external societal benchmarks (Wheeler & Sillanpää, 1995). In fact, it first committed itself to an active programme of social auditing in the beginning of 1993 (The Body Shop, 1993b). This commitment was realised in 1994 when it brought external facilitators and assessors, The New Economics Foundation (NEF) and Environmental Resources Management (ERM), into the company, in order to develop and agree a social audit methodology, to monitor The Body Shop preparation of social accounts and to provide comparative information of other organisations to provide a contextual basis for these social accounts.

The idea behind such a programme is that employee (internal stakeholders) values and expectations are accounted for alongside other stakeholder (external stakeholders) values and expectations. This gives all the stakeholders a chance to compare and contrast The Body Shop's core company values with not only their own values but with other employees (from different departments, levels or backgrounds) and other stakeholder values and expectations. The resulting deeper appreciation of the diverse stakeholder pressures upon a company breeds a greater respect and trust between stakeholders. The important point to stress is the importance of an explicit values framework written in terms of corporate values, visions, aims and objectives. This is important as it provides sustainable parameters and limits to the ongoing two-way dialogue between stakeholders and senior management. An explicit values framework avoids this approach to 'accounting receptivity' degenerating into an unmanageable soup of values, aims and measures of performance. In this way a firm can provide a sustainable direction and values leadership to its activities. The importance of an explicit values framework for a business wishing to move towards sustainable development was one of the recommendations from the expert research workshop (see Chapter 2).

Figure 3.2 represents a stakeholder consultation model. It shows the two-way flow of accountability (& learning) necessary to fully realise the virtues of both a unitarist and pluralist strategy (Jones & Welford, 1997). The company reports to, and learns from, the stakeholder and the stakeholder is invited to assess the organisation's performance and aspirations. The company is also able to influence the stakeholder, particularly where its own aspirations may be higher than some of its stakeholders. The social audit is operationalised through the three assessment loops depicted in Figure 3.2.

FIGURE 3.2

THE SOCIAL AUDITING PROCESS



At the centre of the assessment process are the core values of the organisation, made explicit in the organisation's values framework which is published and made widely available. The extent to which the organisation is perceived to be adhering to these core values is determined through consultation with a range of stakeholders and (often) informants (expert opinion, publicly recognised figures, etc.) Where company performance is perceived to be poor it will be either because that action really is poor or because the organisation has not communicated its performance accurately or effectively. In either case, action to improve performance (or its communication) will have to be taken. Such action may require some alteration of the organisation's values framework. This process is represented by loop 1. At the same time the organisation compares its own core values with those its stakeholders (loop 2). The process is firstly to define its stakeholders' values (again through consultation) and then to compare the organisation's performance against these stakeholders' values. Where necessary (because gaps or deficiencies are identified) core values can be reassessed and the values framework rewritten to reflect this. Loop 3 involves action to influence stakeholders through the assessment of stakeholder performance against core values. Here, we may find the situation where the organisation considers its values to be superior to those of its stakeholders. Through education and campaigning initiatives the organisation takes action to influence stakeholders. According to Welford (1995) this might be seen as central to a company's green marketing strategy.

Thus employees as stakeholders influence the organisation through their perceptions of company performance based on the company's values (loop1) and through an assessment of performance based on stakeholders' own values (loop 2). The organisation, in turn, tries to influence stakeholders through an assessment of stakeholder performance against its own core company values (loop 3).

Zadek & Raynard (1995) argue that the complexity that accompanies the addition of measuring an organisation's performance against stakeholder (including employees) values is not, it should be stressed, simply a feature of the accounting procedure. They move on to point out that rather, it is a formalisation of the very complexity of values, aims and two-way accountability that in practice exist within organisations (and indeed societies in general). Furthermore, the previous expert research exercise (see Chapter 2) argues that this two-way accountability and learning is especially important to recognise in the context of moving towards sustainable development. The research results argue:

> 'The existence of consultation frameworks and dialogue must be at the heart of sustainability measures. This will include all stakeholders. Moreover, through such a process, the organisation can actually become a facilitator of change.'

It also recommended:

> 'Open institutional structures are required in the firm so that any stakeholder has the ability to challenge and question the organisation over any issue. Once again, we are looking for two-way processes here with interaction and dialogue shifting the organisation on to a more sustainable path.'

It is important to recognise that the above measurements are made on a regular year-on-year basis and disclosed to the stakeholders (including employees) in a systematic, periodic, verified and documented manner (Wheeler & Sillanpää 1995). This annual auditing procedure is important as it allows for an evolutionary process of taking stakeholder interests more directly into account and having to report on activities according to their interests. The first Body Shop Social Statement based on the above audit was published in early 1996.

ii) 'The Adizes Process'

The Adizes Process is an initiative which exemplifies the way in which The Body Shop is managing the paradox of unitarism and pluralism by facilitating a culture of mutual trust. The Adizes Process was actually started at the end of 1993 when corporate senior management engaged with Ichak Adizes, a U.S. management consultant. The Adizes Process represents a management problem solving and team building process which aims to cut across all layers and levels of the company from shop floor to top directors, from Corporate to Supply. The Adizes Process works by encouraging people to listen and to show respect for each other, their differing interests and values. This builds a two-way trust between each other and each other's abilities. This mutuality was described in The Body Shop's Values and Vision statement when it said:

> 'Through the Adizes process, we will continue to strengthen our structures, improve our processes, implement new problem-solving methods and build an atmosphere of mutual trust and respect.' (The Body Shop, 1994b)

As Nielsen and Remmen (1994) argue, a relationship characterised by trust and mutual respect is a fruitful basis for employee participation. They say that an open dialogue between management and employees on raised problems is necessary to deal with conflicts and resistance. The Adizes Process works through teams of people in each area of the company assigned to solve problems and make improvements. There are 3 teams representing the 3 main parts of the company, Corporate, UK Retail and World-wide subsidiaries. These 3 teams are given the name of 'Participative Organisational Councils' (POCs). Problem solving follows a process of each POC team sitting down and identifying problem areas within their part of the company. These areas are called 'Potential Improvement Points' (PIPS). These PIPs are then passed on to the appropriate group of people with the authority, power and influence to solve the problem and act also upon it. This team is called a Synerteam because the problem to be solved needs a synergistic team of people with all the necessary input and output to cure the original point of concern (The Body Shop, 1994f). All members of a Synerteam are given defined roles dependent upon the above criteria. Key roles are what are called the 'Implementor' who is responsible for taking the decision and the 'Administrator' who time-keeps and is responsible for the all-round organisation and actioning of that decision. A crucial person within the development of this process is what is called an 'Integrator' or facilitator who is typically a middle manager tasked with taking each of the teams through the above process. Currently, nearly 50 employees across the company have been trained for this role. They have the task of accelerating the process of involvement across the company through training sessions (The Body Shop, 1994b).

iii) Formal employee collective representation & consultation

The Body Shop is recognising that, if shared values cannot be identified using the direct participative process of 'management for similarities' (see sub-section (i) above), they must simply say 'we cannot find any' and then proceed as pluralists to manage the uncommon ground by establishing grievance machinery and granting negotiation rights to employees (Bate, 1994).

One of the recommendations from the previous expert research workshop (see Chapter 2) was to improve the quality of the time spent at work. This would only be achieved through wider human resource policies which provide a forum for voicing dissatisfaction without fear of reprisal. It went further by saying:

> 'Ultimately the sustainable organisation will be able to demonstrate that it is moving towards systems which provide for increased levels of industrial democracy.'

Moreover, within The Body Shop there has been a recognition of the importance of indirect participation as well as direct participation. It is interesting to note that this recognition was a result of the pluralist consultation process of social auditing. At a recent conference on Social Auditing, David Wheeler pointed out that The Body Shop was currently looking at new mechanisms of staff representation. This future mixture of direct and indirect forms of participation reflects what is happening in a number of European countries (Geary & Sisson, 1994) where collective bargaining co-exists with new forms of human resource management (HRM) in what Storey (1991) calls 'dualism' and Regini refers to as 'pragmatic eclecticism' (1994). These examples highlight the fact that direct and indirect forms of participation may be complementary (Lansbury, 1995). The interrelationship between direct and indirect forms of participation is emphasised by the findings of the Industrial Democracy in Europe (IDE) project. In a review of developments in industrial democracy in ten Western European countries over a decade, between the late 1970s and 1980s, the authors of the study concluded that formal structures (and supportive legislation) were vital in ensuring that industrial democracy was maintained and extended. They argued that a solely voluntaristic ad hoc approach to participation was not sufficient to sustain long-term developments. Hence, the implication is that even direct forms of participation require some structural support either at the organisational or national levels (Lansbury, 1995).

Looking more closely at indirect participation, in most Western European countries, collective bargaining has long been the preferred form in determining wages and working conditions (Bamber & Lansbury, 1993). Moreover, unions were generally the main channel of representation for employees (Lansbury, 1995). However, The Body Shop sees this form of collective representation as being very traditional and creating something like a 'us and them' mentality within companies. Instead, they are looking into how to systematise this around something which is an alternative to unions. By the end of 1996 The Body Shop had promised to establish a formal process of employee consultation and representation. This promise was described within their 1995 Social Statement (The Body Shop, 1996):

> 'To explore, as an addition to the number of existing processes whereby employees can be involved in decision making and the operation of the organisation, a more formal process of employee representation. Staff do not appear to be at all concerned by the absence of formal representation by trade unions, but we are keeping an open mind on this question.'

As one interviewee explained:

> 'The hope is for The Body Shop to leap-frog over ways of thinking about labour organisations and work on the level of a new experiment.'

This experiment reflects what researchers have described as a general movement of industry away from adversarial relationships toward integrative bargaining, partnership and co-operation between management, employees and representatives. This new mode of representation is intended to support those people who are not able to express their difficulties in the normal form of communication existing within the company.

3.3 Conclusion

This exploratory case study of The Body Shop has shown that the popular extreme 'strong culture' approach to cultural and sustainable development is impractical in an increasingly diverse and large organisation like The Body Shop. In other words, unitarist strategies centred upon imbuing shared organisational sustainability values through mission statements and values leadership are not totally effective. Moreover, employees in The Body Shop showed a negative attitude towards the unitarist strategy employed. The type of negative feelings embodied in this situation are fear of failure, powerlessness, mistrust and disillusionment. Therefore, drawing from recent initiatives by The Body Shop, this chapter has argued for a more pluralist strategy which more fully respects individuals' diverse goals, values and aspirations. In accounting for this pluralism, it is important to recognise that this strategy involves not only an increase in worker participation in decision-making, but also an increase in employee personal support (in contrast to an organisational orientated mission support strategy). This represents a gradual shift towards a realistic strategy which realises that an individual's motivation and commitment is not only a function of a company's sustainable set of values but of a wider set of personal and career support values. Furthermore, it also represents a realisation that some individuals are motivated more (& not solely) by the company's goals and some individuals more (& not solely) by personal goals.

Although The Body Shop can be seen to be moving towards a more pluralist strategy, it is important to reflect that it has simultaneously kept its unitarist, values leadership and mission support elements. Moreover, to move towards sustainable development, it is important not to drift towards the opposite extreme of using a solely pluralist strategy (due to lack of consistency, co-ordination and direction). Moreover, it is proposed that each extreme is in fact, identical in type; they are both conventional simplistic products of 'either-or' thinking. Alternatively, the strategy of managing this paradox of both unitarism and pluralism does not say that the 'either-or' strategies are wrong, merely that they are only partly right. They each have their strengths and their weaknesses. Furthermore, the important point to make in developing a unitarist-pluralist strategy is that one should not be aiming for a 'balance' between them. As Bate (1994) argues, there is no virtue in the notion of a perfectly balanced culture. Instead, it is argued that a company needs to aim towards an optimally balanced culture. A unitarist-pluralist strategy is therefore an approach with the intention of producing a hybrid culture that is appropriate and optimal in balancing its top- management sustainability goals with the increasingly diverse personal goals of its growing workforce. It is important to note that the optimal strategy for The Body Shop, whilst moving towards pluralism, is still in favour of unitarism. This is due to the durability of its past unitarist culture. In order to explain how The Body Shop's unitarist-pluralist strategy manifested itself the chapter finally explored several recent Body Shop initiatives. Two illustrative initiatives were the Social Auditing Process and the Adizes Process. Certain unitarist and pluralist principles arose from the Social Auditing analysis which emphasised the importance of two way processes such as two way accountability. Furthermore, the Adizes Process and the Social Auditing Process pointed towards an over-arching principle of mutual trust which underpins the above unitarist-pluralist strategy. Finally, in order to show The Body Shop's general trend towards pluralism, a top management commitment to implementing a new form of formal employee collective representation was described.

In summary, this chapter has begun to develop a hypothesis that a company wishing to move towards sustainability needs to employ an optimal combination of both unitarism and pluralism in its cultural development strategy. For The Body Shop this optimal strategy was defined as:

> 'A predominant unitary commitment to creating and extending sustainable shared values and interests, with a new pluralist commitment to providing mechanisms that will resolve or at least contain the disharmonies that exist between divergent systems of meaning.'

This chapter has also begun to identify three pairs of opposite but complementary unitarist-pluralist principles which would form the basis of this optimal strategy (see Figure 3.3). A unitarist principle of mission support is balanced with a pluralist principle of personal support. A unitarist principle of values leadership is balanced with a pluralist principle of participation. Finally, a unitarist principle of worker accountability is balanced with a pluralist principle of management accountability. Looking at the bottom of Figure 3.3, unitarist and pluralist pressures are highlighted which have the potential of moving a company towards unitarism or pluralism. For The Body Shop, the predominant pressure was unitarist arising from its top management commitment towards sustainability along with the durability of its past, predominantly unitarist culture. However, as The Body Shop has grown, pluralist personal value pressures have increased due to the increasing diversity of its workforce. In other words, as its workforce has grown, The Body Shop has learnt culturally that its optimal cultural development strategy needs not only to create (from the top-down) a predominant shared sustainable set of values, but simultaneously to account for and respect alternative values (from the bottom-up).

FIGURE 3.3

PRINCIPLES OF THE BODY SHOP'S UNITARIST-PLURALIST STRATEGY

UNITARIST PRINCIPLES	PLURALIST PRINCIPLES
1a. MISSION SUPPORT	1b. PERSONAL SUPPORT
2a. VALUES LEADERSHIP	2b. PARTICIPATION
3a. WORKER ACCOUNTABILITY	3b. MANAGEMENT ACCOUNTABILITY
← PAST CULTURAL PRESSURES & TOP MANAGEMENT SUSTAINABILITY PRESSURES	→ PERSONAL PRESSURES

CHAPTER 4

METHODS II

4.0 Introduction

In order to continue to identify and explain a cultural development strategy for sustainability, the next stage in the research process was to test and expand upon the hypothesis built up within The Body Shop case study. The emergent hypothesis is defined below.

A company wishing to maximise the sustainability behaviour of its workforce, needs to employ an optimal unitarist-pluralist cultural development strategy. Furthermore, an optimal unitarist-pluralist strategy is characterised by an optimal combination of a selection of three pairs of opposite but complementary unitarist-pluralist principles. In addition, these unitarist-pluralist principles are underpinned by an overarching principle of mutual trust (see Figure 4.1).

FIGURE 4.1

EMERGENT UNITARIST-PLURALIST PRINCIPLES & OVERARCHING PRINCIPLE

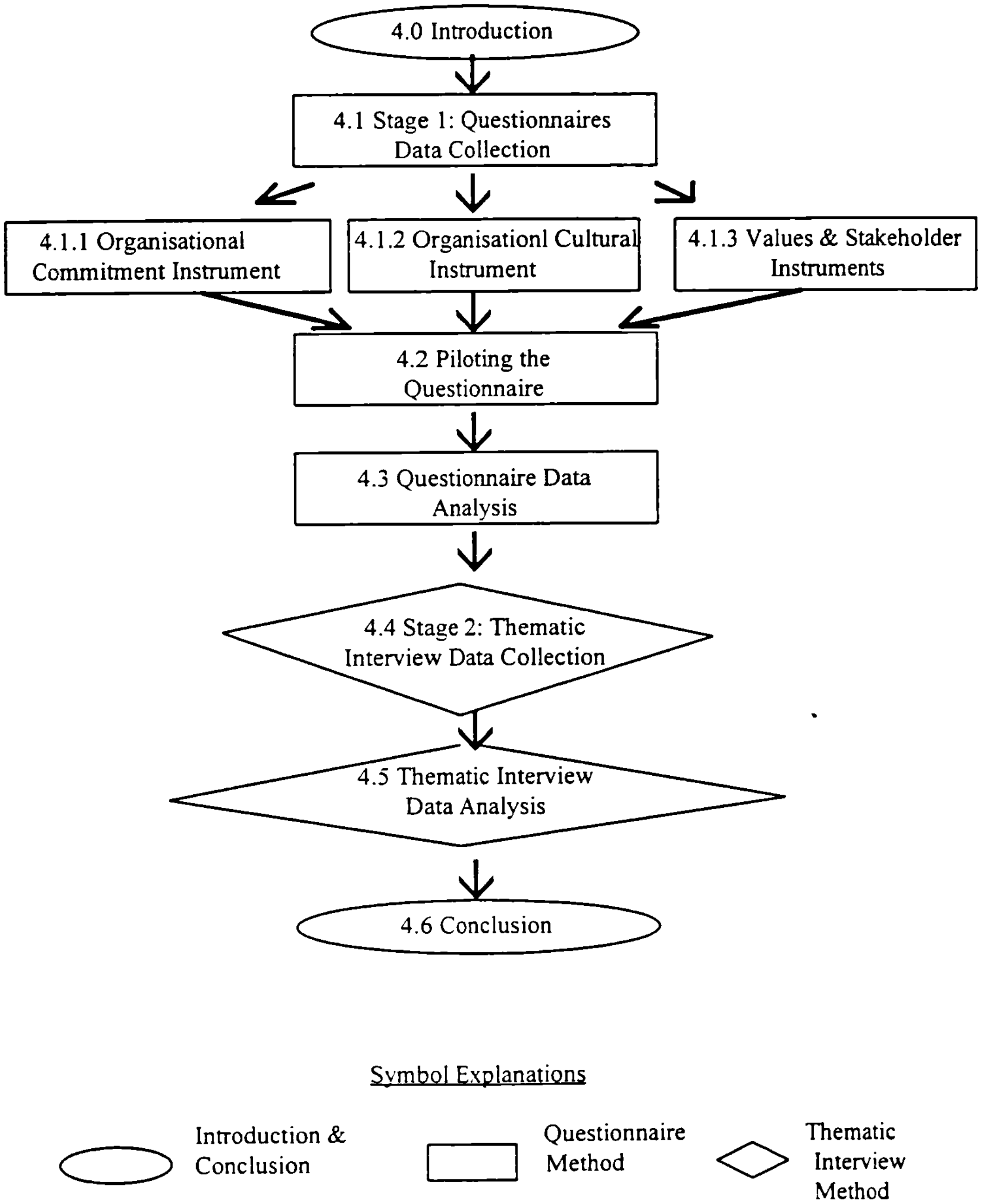
Mutual Trust	
Unitarist principles	**Pluralist principles**
Leadership (Values)	Participation
Mission Support	Personal Support
Worker Accountability	Management Accountability

In order to test and expand upon this hypothesis, the author needed to make a decision of whether to continue to use the exploratory, open-ended data collection and analysis used within The Body Shop case study, or to change to a more structured form of data collection and analysis. However, an important question is whether it is legitimate to alter and even add data collection methods during a study. For theory-building research Eisenhardt (1989) argues the answer is 'yes' because investigators are trying to understand each case individually and in so much depth as is feasible. The goal is not to produce summary statistics about a set of observations. Thus, if a new data collection opportunity arises, or if a new line of thinking emerges during the research, it makes sense to take advantage by altering data collection, if such an alteration is likely to better ground the theory or to provide new theoretical insight. This flexibility is not a licence to be unsystematic. Rather, this flexibility is controlled opportunism in which researchers take advantage of the uniqueness of a specific case and the emergence of new themes to improve resultant theory.

In order to more specifically explore the emergent themes from The Body Shop case study, it was decided that a more structured data collection instrument could be used. The aim then was to use quantitative findings to provide the focus for testing and expanding upon these tentative themes, using more qualitative techniques. More specifically, for Traidcraft and Suma case studies, questionnaires followed by semi-structured thematic interviews were used as the primary data collection instruments. As Eisenhardt (1989) argues, theory-building researchers typically combine multiple data collection methods. The rationale is the same as in hypothesis-testing research. That is, the triangulation made possible by multiple data collection methods provides stronger substantiation of constructs and hypotheses. As Eisenhardt (1989) further argues, tactics to improve the likelihood of accurate and reliable theory, that is, a theory with a close fit with the data, are through the use of as many structured and diverse lenses on the data as possible. Secondary analysis of internal and external documents and non-participant observations were other important methods used, particularly for opinions relating to Traidcraft's and Suma's past strategies. For Traidcraft, non-participant observations were primarily made within its AGM, Trustee meeting and weekly meetings. Past external research on Traidcraft was primarily taken from the work by Conn (1994).

Similarly, for Suma, non-participant observations were primarily made within its Quarterly General Meetings and Management Committee Meetings. Past external research on Suma was primarily taken from the study by The Tavistock Institute of Human Relations (TIHR, 1988). The contents of this chapter are divided between the questionnaire data collection and analysis and the thematic interview data collection analysis. To guide the reader, a route map is provided, Figure 4.2.

FIGURE 4.2
ROUTE MAP FOR CHAPTER 4



4.1 Stage 1: Questionnaire Data Collection

Representative Traidcraft and Suma worker opinions were initially sought, through the delivery of questionnaires to all workers. As Easterby-Smith et al (1991) point out, when a population is small (less than 500) it is customary to send questionnaires to all members of that population. This 100 per cent sample is known as a 'census'. At the time of delivery in early 1996, Traidcraft's workers numbered one hundred and thirty five and Suma's workers numbered sixty nine. In terms of the final response rates, Traidcraft showed a fifty per cent response and Suma a seventy per cent response.

The emergent themes from the Body Shop case study were a major deciding factor in the choice of questionnaire content. This was advocated by Sieber (1973), who argues that a likely rationale and legitimisation for a survey in one study can arise from qualitative findings from another study. In terms of the content of the questionnaire, the questionnaire in this research borrowed items and portions of questionnaires from other sources. These were the Organisational Commitment Questionnaire (Mowday, Steers and Porter, 1979), the Organisational Culture Questionnaire (Harrison and Stokes, 1992) and the Environmental Factors Research Questionnaire (Dodge, 1995). This was primarily due to the fact that a lot of prior questionnaire-based research existed into emerging concepts of this research, such as around the organisational culture, commitment and values research areas (for Traidcraft Questionnaire, see Appendix 4, p.385; for Suma Questionnaire, see Appendix 5, p.401). The overall questionnaire consisted of both 'open' and 'closed' opinion orientated questions in order to both focus and expand upon the above hypothesis. Moreover, the closed questions were constructed to allow more discrimination than a straight Yes/No choice by using both a ranking scale, a 'Likert' scale and a rating scale. For a ranking scale the respondents are asked to indicate the order of importance or value of a list of attributes or statements. For a Likert scale the respondents are asked to highlight one answer category indicating the strength of agreement or disagreement with different statements. For a more simplistic rating scale the respondents are asked to highlight one answer category indicating the strength of positive feeling towards different groupings. In order to more specifically explore the questionnaire content, each of its four main sections will now be explored.

4.1.1 Organisational Commitment Instrument: (see Part 2, Section 1 of questionnaires)

In order to further identify a cultural development strategy for sustainability, a measure of cultural effectiveness was required which showed how far a company had moved towards sustainability. For this study the measure of effectiveness was worker commitment towards a company and its goals. As all of the companies chosen for this study have an espoused commitment towards the goal sustainability, this measure would indicate the extent to which real commitment exists across the workforce towards their company and its goal of sustainability.

The organisational commitment measure was appropriate because, although the organisations in this research agree on the abstract goal of maximising sustainability behaviour, they differ on the operational meaning and measurement of the goal. Measures around internal organisational states and processes, like organisational commitment, provide a common and comparable set of measures of sustainable performance. These criteria can be thought of as desirable states or as indicators of a more global state of organisational sustainability (e.g. Beckhard, 1969) that facilitate coping with organisational challenges, such as those around sustainability. Furthermore, in choosing the organisational commitment measure it was important for it to be able to measure the effectiveness of all possible cultural development strategies. Drawing from the results of The Body Shop case study, two opposite but complimentary strategies were identified around unitarism and pluralism. In order to assess the effectiveness of either strategy within future case studies, a dependent variable was needed which expressed, in an unbiased way, the effects of either strategy. An example of an inappropriate overall dependent variable would be the extent of shared values as this would only be an appropriate measure of effectiveness for a unitarist strategy. A more overall measure was needed which was independent of the extent of shared values. In other words, a measure was needed which was expressed independently from the elements of either strategy. In order to achieve this, when describing the effects of either unitarist or pluralist strategies, The Body Shop employees described global attitudes around loyalty and effort put in towards the company rather than towards the strategy. Furthermore, due to the values-driven nature of the companies chosen for this research, this global attitude towards the company simultaneously acts as a measure of sustainability effectiveness. The reason for this is that, as these companies are synonymous with an espoused commitment towards sustainability, it would not be unreasonable to assume that employees showing a loyal and hardworking attitude to their company would also show a loyal and hardworking attitude towards the achievement of the sustainability goals to which their company espouses.

Reflecting upon the loyalty and effort constructs of such a global attitude, the author identified an appropriate single internal state measure which combines these constructs, the organisational commitment attitudinal measure. As Mowday, Porter and Steers (1982) argue, individuals who are committed to the organisation may intend to stay, exert great effort and perform well. Organisational commitment has been variously defined as an affective attachment to the organisation (Buchanan, 1974), identification with the organisation (Lee, 1971) and identification with and involvement in the organisation (Steers, 1977). As Mowday et al (1979) point out, as an attitude commitment differs from the concept of job satisfaction in several ways. To begin with, commitment as a construct is more global, reflecting a general affective response to the organisation as a whole. Job satisfaction, on the other hand, reflects one's response either to one's job or to certain aspects of one's job. Hence commitment emphasises attachment to the employing organisation, including its goals and values, while satisfaction emphasises the specific task environment where an employee performs his or her duties.

The most frequently used definition proposes that organisational commitment is a three-part construct, including a belief in and acceptance of the goals and values of the organisation, a willingness to exert effort on behalf of the organisation and an intention to stay with the organisation (Porter, Steers, Mowday and Boulian, 1974).

The questionnaire which taps these three constructs is called the Organisational Commitment Questionnaire (OCQ) (Mowday, Steers and Porter, 1979) (see Part 2, Section 1 of questionnaires). As the OCQ appeared to measure the two relevant elements arising from The Body Shop case study, it was decided to adopt this questionnaire within future case studies. In light of the importance of an appropriate dependent variable for both unitarist and pluralist strategies, the values component of the questionnaire was excluded from the final calculation of organisational commitment.

At this point it must be emphasised that, although not included in the organisational commitment calculation, this values component was included as its findings were used in the values section of the overall questionnaire. Therefore, the OCQ used within this research consisted of only loyalty and effort put in towards the organisation and its goals. It was interesting to note that the rationale behind a different form of questionnaire is shared on conceptual and methodological grounds by behavioural scientist researchers McCaul, Hinsz and McCaul (1995). In their critique of the original OCQ they point out that the questionnaire seems to primarily reflect an attitude but is potentially contaminated with other related, but distinct, items that probably measure beliefs. They state Fishbein and Ajzen's (1975) theory of reasoned action which proposes that attitudes are distinct from beliefs and should be assessed differently. According to this theory, beliefs about some object (e.g. an organisation) influence attitudes about that object and these attitudes then influence intentions to behave in some manner relevant to that object. Their specific analysis of the OCQ indicates that it includes items that might be best thought of as measures of beliefs (for example, 'I find that my values and Traidcrft's values are very similar') and attitudes (for example, 'I am extremely glad I chose Traidcraft to work for over others I was considering at the time I joined'). They argue that, consequently, conceptual and analytical confusion result from studies involving the assessment of organisational commitment with the OCQ. They suggest that researchers would have a more firm conceptual and methodological base if they measured and discussed each individual component (i.e. beliefs, attitudes) separately and precisely. Koslowsky, Caspy and Lazar (1990) concur that the components of the organisational commitment construct should be isolated in order to explain and predict specific organisational outcomes. Moreover, McCaul et al (1995) argue that an attitude-based conceptualisation of organisational commitment will help to direct future research efforts. It is interesting to note that the remaining global attitude of organisational commitment, comprising a loyalty and an effort component, concur with the current trend in organisational behaviour research which seems to divide organisational commitment into two or more complementary dimensions - for example, attitudinal and behavioural commitment (Meyer and Allen, 1984; Salancik, 1977) or affective and continuance commitment (McGee and Ford, 1987; Meyer, Pannonen, Gellatly, Goffin and Jackson, 1989). These authors then suggest that different types of organisational commitment are also related to different types of outcomes (e.g. attitudinal commitment is related to retention and behavioural commitment is related to performance). McCaul et al (1995) argue that different types of commitment also relate to different types of intention (e.g. intention to stay with the organisation versus intention to work hard in the organisation).

The three OCQ constructs were originally measured through fifteen item statements. Several items were negatively phrased and reverse scored in an effort to reduce response bias. In several studies by Mowday et al (1979) a nine-item-short-form of the instrument using only positively worded items was administered. Since questionnaire length was a major consideration, as with this research, this shorter form was the preferred option (see section 4.2). Furthermore, as previously mentioned, another item was also excluded from the questionnaire which represented the only remaining item tapping the shared values construct. Therefore, the final questionnaire consisted of eight item statements. The response format employed a seven-point Likert scale with the following anchors: 'strongly agree', 'moderately agree', 'slightly agree', 'neither agree nor disagree', 'slightly disagree', 'moderately disagree', 'strongly disagree'. It was intended that the scale items, when taken together, provide a fairly consistent indicator of employee commitment levels for most working populations. In order to aggregate the results, item scores for each individual are then summed and divided by eight to arrive at a summary indicator of employee commitment.

Confidence in this shorter version was high because results of reliability and item analysis by Mowday et al (1979) suggest that the short form of the OCQ may be an acceptable substitute for the longer scale in situations where questionnaire length is a consideration. It is important to point out that the author was aware that the research by Mowday et al (1979) showed that, even though the internal consistency for the shorter instrument is generally equal to the full instrument, care should be taken in constructing a short form, since several of the negatively worded items that might be discarded were correlated more highly with the total score than several of the positively phrased items. Moreover, the author was aware that, negatively worded items were originally included to guard against the acquiescence response tendency and removal of these items may increase this tendency. Furthermore, experience to date with the overall OCQ suggests several cautions to potential users of the instrument. First, the OCQ is the type of instrument which respondents may easily dissemble if they are so inclined. The intent of the items is not disguised in such a way as to make it difficult for respondents to manipulate their scores. Mowday et al (1979) warn that researchers interested in using the OCQ should be aware of the possibility that employees may distort their responses if they feel, for example, threatened by completing the questionnaire or are unaware of how their responses will be used. With all these potential drawbacks in mind, the author understood that, the results of any particular administration of the OCQ, particularly the shorter version, are likely to be somewhat dependent upon the circumstances of administration. It is important in using the OCQ, therefore, to exercise appropriate caution in administering the questionnaire.

McCaul et al (1995) point out that matching the components of organisational commitment to concepts included in models of attitudes not only helps to clarify the construct but also leads to consideration of other variables that predict important organisational behaviours. It is important to point out that, if the aim is to learn how to increase the level of organisational commitment among employees as in this research, the OCQ and other organisational commitment measures alone provide little direction. The theory of reasoned action suggests that attitudes are the consequence of beliefs and so employees would have negative or positive attitudes towards the organisation because of the beliefs they hold regarding the organisation. Therefore, McCaul et al (1995) argue that an assessment of the employees' salient beliefs would guide actions in the organisation to modify these beliefs. In other words, a researcher would need to learn which beliefs need to be changed in order to increase the level of organisational commitment among employees. McCaul et al (1995) provide the example that, if employees believe that a reward system within the organisation is unfair or inequitable, or that the supervisors are unqualified, then employees may be less committed to the organisation. Because this approach would identify the source of the problem, i.e. analyse employee beliefs, it would follow that the proper organisational response would be to revise the reward system or train the supervisors. In order to thoroughly identify all potential problem sources this research attempted to analyse the organisations' overall belief systems. This covers an analysis of employees beliefs around their organisation's cultural development strategy and its values. Furthermore, in light of the lack of a normative view of the OCQ, in order to assess the effect either set of beliefs has upon increasing the level of organisational commitment among employees, additional questions were added to the questionnaire. These tapped into the effect on commitment of employee beliefs around their current organisation's cultural development strategy and values and the possible future effect on commitment of changing to employees' preferred beliefs (see Part 1, Sections 2 & Part 2, Section 4 of questionnaires).

4.1.2 Organisational Cultural Instrument: (see Part 1, Section 1 of questionnaires)

With regard to assessing employees' salient beliefs which produce the global attitude of organisational commitment (see section 4.1.1) towards sustainability, the primary focus within this research was around a company's cultural development strategy. Another main section of the questionnaire was devoted to measuring these employees' beliefs. This section is based upon Harrison and Stokes (1992) culture questionnaire. The concepts measured by this questionnaire were originally developed by both Roger Harrison and Charles Handy during the summer of 1970. Each researcher created his own questionnaire around these concepts. In the late 1970's, Handy (1978) published a book around his version of the questionnaire. For this research, the author opted for the most updated version of the original Harrison questionnaire which he jointly developed with Herb Stokes (Harrison & Stokes, 1992). In light of the cultural development focus of this research, in contrast to a cultural change focus, the Harrison and Stokes cultural questionnaire was chosen as its purpose is to measure the outer layers of culture, such as worker perceptions of working practices. For Harrison and Stokes this means perceptions around organisational structure, leadership style, reward systems etc. Handy (1976) reflected upon the importance of such a measurement pointing out that in organisations there are deep set beliefs about the way work should be organised, the way authority should be exercised, people rewarded, people controlled. Similarly, Harrison and Stokes describe culture as impacting on most aspects of organisational life, such as on how decisions are made, who makes them, how rewards are distributed, who is promoted, how people are treated, how the organisation responds to the environment. As Graves (1986) argues, the Harrison model provides one realistic solution to the problem of creating a taxonomy that can be related easily to the structural element, human values and external conditions. For Harrison the culture is a product of the structures and functions to be found within the organisation. A centralised organisation will have a different culture from a decentralised one for example. Furthermore, if according to Chandler (1962), we believe that strategy determines structure and we also believe that strategy determines human resources, then culture and strategy are interlinked (see section 1.4.3). Therefore, as Hunt (1981) further argues, cultural models containing elements of structure, as in the Harrison and Stokes questionnaire, describe an organisation's perceived, emergent cultural development strategy. This questionnaire measures an organisation's cultural development strategy along four cultural dimensions. Within the original questionnaire these dimensions were called 'Achievement', 'Support', 'Power', and 'Role'. In order to understand the implications of each cultural dimension, their extreme forms are now briefly described.

- Achievement culture: where workers' personal energy is released in pursuit of an organisational vision or purpose which is larger than mere profit or growth. An organisational mission developed around this vision has the aim of inspiring workers to believe they are making a contribution to society, as well as gaining something for the company.

- Support culture: where workers believe that they are valued as human beings, not just as cogs in a machine or contributors to a task. People like to come to work in the morning, not only because they like their work but also because they care for the people with whom they work. Rather than evoking their contribution through a common purpose or ideal (as in a 'doing culture' of Achievement) the Support-orientated organisation offers its members satisfactions that come from relationships: mutuality, belonging and connection (a 'being culture').

- Power culture: where workers work according to what the boss says (so they must maintain good personal relationships with the boss). The boss provides a sense of direction, decisiveness and determination to the organisation.

- Role culture: where workers follow rules and procedures. This manifests itself through structures and systems which give both protection to subordinates and stability to the organisation.

In light of the above cultural typology, it was felt that the Harrison and Stokes questionnaire was particularly appropriate in expanding and testing the hypothesis identified in The Body Shop case study. Descriptions of each of the above cultures coincided with different elements of unitarist and pluralist strategies identified within The Body Shop case study. The description of the achievement culture coincided with the grounded theme of mission support which was a key element within The Body Shop's unitarist strategy. In keeping with the grounded nature of this research, the term mission support was adopted for future use. It was felt that this was more conducive to sustainability goals than the term achievement which had connotations with financial excellence and success. Similarly, the description of the support culture coincided with the grounded theme of personal support which was a key element within The Body Shop's pluralist strategy. Again, in keeping with the grounded nature of this research, the term personal support was adopted for future use. It was felt that the use of the term personal support would contrast to the more organisational centred term mission support. Furthermore, the use of the power dimension within the questionnaire was thought relevant because a key element within The Body Shop case study was the top-down nature of its unitarist strategy. A power dimension could, for example, provide a measure of the extent of values leadership present within The Body Shop's unitarist strategy. Lastly, the use of the role dimension within the questionnaire was thought relevant because other key elements within The Body Shop case study, which had both unitarist and pluralist attributes, were worker and management accountability structures and systems. A role dimension could provide an overall measure of the extent of these structures and systems within a cultural development strategy.

As Harrison & Stokes (1992) argue, every organisation has some combination of these four basic organisational cultures. Each evokes different behaviours and is based on different human values. What makes each organisation unique is the combination and strength of cultures to be found within it. The combination and strength of the four cultural dimensions for Traidcraft and Suma was identified through a questionnaire which contains fifteen 'beginnings' of sentences that describe some aspect of organisational functioning and design. Following each of the beginnings are four possible 'endings'. Combined with the beginning, each ending forms a complete sentence describing one of the four cultural dimensions. The respondents were initially asked to rank the four endings in the order they thought came closest to describing their organisation's cultural development strategy. Furthermore, the respondents were simultaneously asked to rank the four endings in the order in which they would prefer to see their organisation's cultural development strategy. Finally, in order to assess an individual's perception of their organisation's current cultural mix, a mean value was calculated for rankings placed against the fifteen endings, corresponding to each of the four dimensions. This led to the finding for each worker, of four mean value rankings for each of the four dimensions.

4.1.3 Values and Stakeholder Instruments: (see Part 2, Section 2 & 3 of questionnaires)

With regard to assessing workers' salient beliefs which produce the global attitude of commitment towards sustainability (see section 4.1.1), an emerging focus within this research was around workers' perceptions of organisational values and goals and to what extent they are congruent with employees' values and goals. According to Rokeach (1979), a value is a type of belief. The value is a belief that is at the core of one's total belief system and influences how one ought or not to behave. As stated above, the extent of shared values was particularly important to assess in future case studies because it was found to be a relevant measure of effectiveness in assessing The Body Shop's unitarist strategy. Therefore, another main section of the questionnaire was devoted to tapping into the perceived organisational and personal values and goals. This section is split into two parts. The first sub-section initially assesses the importance workers believe their organisation's top management place upon different organisational values. It then assesses the importance workers personally believe should be placed on these values. In terms of the content of this sub-section, such as issues like the choice of organisational values and wording of questions, the instrument used was based upon a questionnaire developed by Dodge (1995). In terms of the choice of organisational values, the values adopted had been adapted from Dodge, who had originally adapted his questionnaire from those used by Enz (1986). These included financial, social and environmental (sustainability) values of profit, people and environment (see questionnaires for definitions) respectively. Other values identified by Dodge were creativity and quality of work. The only additional value which was thought necessary for this sustainability research was long-termism. As the research by Dodge was primarily around the environmental management field, it was thought this extra value could represent a measure of the futurity dimension of sustainability. In terms of wording of this values instrument, this research adopted a recommendation from Dodge to change the word 'values' to 'factors' in order to avoid bias associated with the word 'value' which, in itself, could be construed as leading the respondent towards a positive answer. The respondent was asked to rate the importance of these factors or values using a seven-point rating scale ranging from 'not important', to 'quite important', to 'very important'. By comparing an individual's responses from an organisational and personal perspective, the author was able to specifically assess where, and to what extent, there was a perceived value congruence and incongruence. In order to assist in the assessment of overall value congruence, the response to the shared value item statement within the organisational commitment instrument was used (see section 4.1.1).

In order to explore more specific organisational goals, the second sub-section splits these general values down into their constituent stakeholder priorities. It initially assesses the workers' perception of the extent to which they believe their organisation is satisfying the needs of different stakeholders. The respondent was asked to rate the stakeholder satisfaction level using a seven-point rating scale ranging from 'does not satisfy', to 'partially satisfies', to 'fully satisfies'. It then assesses the extent to which workers believe their organisation should be satisfying these stakeholder groups. The respondent was asked to rate their preferred stakeholder satisfaction level, using a seven-point rating scale again for comparison purposes, ranging from 'should not satisfy', to 'should partially satisfy', to 'should fully satisfy'. In terms of the content of this sub-section, such as issues like choice of stakeholders, the instrument used was developed by initial reference to internal documents of the relevant company and then by a process of piloting on several key informant workers (see section 4.2). In light of the aim to split the values down into their constituent stakeholders, the people value was split into employees, third world suppliers, local community etc.. A particular stakeholder relevant to Traidcraft was its voluntary sales representatives, whilst for Suma, it was the Co-operative Movement. Some stakeholders thought relevant for Traidcraft were simply not appropriate and were omitted for Suma, such as shareholders. Employees (or workers) were also split into their constituent minority groupings like gay men and lesbians, religious and ethnic groups. A particular minority group relevant to Suma was its non-members who were placed against the Suma members' category. The environmental value was similarly split into its constituent local environment and third world supplier environment groupings. In terms of the wording of this stakeholder instrument, the word 'stakeholders' was changed to 'groups' in order to avoid bias associated with the word 'stakeholders', which in itself could be easily construed to mean the more commonly used word of 'shareholders' (which of course represents only one of the many possible stakeholders). Finally, as in the case of the values instrument, by comparing an individual's responses from an organisational and personal perspective, the author was able to specifically assess where and to what extent there was a perceived stakeholder priority congruence and incongruence.

4.2 Piloting the Questionnaire

Easterby-Smith et al (1991) argue that, no matter how good the design, or prior testing of questions, it is always advisable to 'pilot' the questionnaire on a small number of people before using it 'for real'. With this in mind, an extensive piloting exercise was undertaken for the above questionnaire. As well as testing on other research staff at Centre for Corporate Environmental Management, the major pilot work was conducted in Traidcraft; it being the second case study. Initially, four key informant semi-structured interviews within Traidcraft were undertaken around a first draft of the questionnaire. Their comments were integrated and they were then asked to complete the next draft of the questionnaire. Further interviews were then undertaken in order to discuss any further recommendations. It must be pointed out that, as Suma was the final case study, piloting was more around contextual iterations. Therefore, although Suma's piloting process was similar to Traidcraft's, it required only two key informants.

The main decisions to be made in piloting relate to the type of questions to be included, question wording and the overall format of the questionnaire. For this questionnaire, with the constituent parts predominantly borrowed from other questionnaires, this piloting was more around the wording and format rather than the type of questions (with the exception of the stakeholder sub-section), leading to a more contextually appropriate questionnaire for each company. Piloting in this sense enables one to check that the items are easily understood and that there are no obvious problems to do with criteria like length, sequencing of questions, sensitive items, etc. As Easterby-Smith et al (1991) argue, it is important that a questionnaire is well produced and that it seems easy to complete. The aim for a researcher is to get respondents of a particular company so interested that they will willingly devote a lot of time to it. The principle is that the benefits of completing the questionnaire should outweigh the costs, measured by time and inconvenience. The following represents format changes along with their rationale, which were recommended from the above piloting process.

In terms of questionnaire wording, as the cultural and organisational commitment instruments were originally developed in the US, certain spellings, words and phrases needed to be anglicised. In many cases, this process resulted in vocabulary with improved clarity which could be more readily understood by Traidcraft and Suma workers. This impacted upon both the questionnaire instructions and the content of the questionnaires. A specific example of this is from the cultural questionnaire within its third question which originally read as follows:

> 'Individuals are treated...as associates or peers who are mutually committed to the achievement of common purpose.'

Although the meaning of this sentence was maintained, the wording was changed to a simpler form:

> 'Individuals are treated...as equals or colleagues who have a shared commitment to achieving a common purpose.'

Furthermore, in order to contextualise the questionnaire, wherever the general term 'organisation' appeared, the specific company names of Traidcraft and Suma were inserted. Distinctions between the questionnaires were also made. As Suma is a worker co-operative, the term 'worker' was seen to be more politically appropriate and equitable than 'employee' in describing all the people across the company. Other overall changes to the questionnaire were the intermittent use, at different strategic points, of bold and underlined features, the use of different font styles and sizes and the use of outlined boxes. As Easterby-Smith et al (1991) argue, it is important to differentiate between instructions and different parts of questions by varying the typeface, font size and underline and bold features. In terms of the major format changes, within the cultural questionnaire, one important change was the highlighting and underlining of key words, within each of the endings for each sentence. It was felt by the piloted workers that this would further improve the clarity, flow and ease of completion of the questionnaire. Furthermore, the term 'culture' was seen to be too complex and was duly changed to what was seen to be the simpler term of 'working environment'. This term was equally seen to represent the broad range of cultural issues relevant to this questionnaire, such as perception of working practices. Therefore the cultural meaning was not lost by the use of the term 'working environment'.

For the cultural instrument, the order in which a worker provides his or her company's ranking and preferred ranking was also piloted. Several versions were tested for ease of completion. Initially, workers were asked to provide their perceived company rankings for all fifteen questions. When they reached the end of the instrument, they were then instructed to re-read the questions, but this time to answer these, giving their preferred rankings. At the pilot stage this idea of providing a final instruction to re-read the questions was found to be too easily ignored. Thus, with this method, only a full response to the company ranking was assured. In order to solve this problem, two identical sets of fifteen questions were set out sequentially for workers firstly to provide their perceived company ranking, and secondly, to provide their preferred company ranking. However, when this longer questionnaire was piloted workers found it to be too demanding on their attention span. Furthermore, questionnaire completion was delayed at the preferred ranking stage when workers expressed a need to continually refer back to their company ranking response. In light of this need to compare company ranking with preferred ranking, it was decided that the final instrument should simultaneously ask for workers' perceived company and preferred rankings for each of the fifteen questions. This, of course, reduced the questionnaire length, thus giving the impression that the instrument would be quicker to complete.

Another procedural issue was around the ordering of the four possible endings to each of the fifteen questions. As described above, each ending represented one of four cultural dimensions. Therefore, for the overall fifteen questions, there were fifteen endings which collectively described one of four cultural dimensions. The question that arose within piloting was, should each of these fifteen endings be placed at the same point within each question? For example, should the endings which represent the power dimension all be placed as the first choice following each question? It was found that workers preferred the endings representing a particular dimension to be placed at different points within each question. The reason they gave was that, if the ending appeared at the same point following each question, workers would be able to ascertain quickly which cultural dimension was being measured. Drawing on the above example, workers would quickly ascertain that the first choice of ending represented the power dimension. Therefore, the worry would be that workers would provide the same ranking for each question without thinking about the content of the ending. They would simply copy the ranking they had chosen for the first few questions within the remainder of the questionnaire without reading the other questions in any depth. This type of questionnaire error is called acquiescence response error.

In order to maintain consistency throughout the questionnaire, the ranking order used within the cultural instrument was aligned with the other organisational commitment, values and stakeholder scales. For example, within the cultural instrument a ranking of 1 means the most preferred ending, whilst within the organisational commitment instrument, a scale value of 1 means the respondent strongly agrees with a statement. Similarly, within the cultural instrument a ranking of 4 means the least preferred ending, whilst within the organisational commitment instrument a scale value of 7 means the respondent strongly disagrees with a statement. Initially, the scale order of the organisational commitment, values and stakeholder instruments were reversed, but piloted workers highlighted a possible confusion in their response. As the ranking order of the cultural instrument (for example 1 = most preferred) was seen to have the greatest face validity, the author opted to reverse the scale order of the other instruments for consistency. It must be pointed out that this ordering system, although suitable for the delivery of the questionnaires, was reversed for the case study write-ups. The reason for this is that, when using graphical representations of the questionnaire responses, higher scale rank values of 4 and 7 would appear higher on the scale and thus seemingly the most preferred options. For example, within the case study write-ups, a cultural instrument ranking of 4 means the respondent's most preferred ending, whilst a commitment instrument scale value of 7 means the respondent strongly agrees with a statement.

The most important influence upon the format of the overall questionnaire in this research was the considerable time required to complete the questionnaire. When piloted on eighteen white, single-sided, A4 sheets of paper, the draft questionnaire initially took forty to fifty minutes to complete. A concern over response rates was mirrored by Dillman (1978), who reported some reduction in response rates with questionnaires with over twelve pages. Therefore, in order to maintain the respondents' attention span, it was important, through format changes, to try to reduce this time or to try to give the impression of a shorter questionnaire and one which is attractive to complete. One of the first steps to reduce the length of the questionnaire was to eliminate any questions which only substantiated results gained from other questions. An example of this type of corroborating question was one which endeavoured to position a worker's overall environmental value or belief against his or her perception of the company's overall environmental value. Although this question would have had a positive effect on the construct validity of a measure of shared values, it was decided that its inclusion would have a negative effect on response rates by increasing the length of the questionnaire. In order to give the impression of a shorter questionnaire, the original single-sided, A4, loose-leaf sheets were now changed to double-sided, A5 sheets within a stapled booklet. As Easterby-Smith et al (1991) argue, it is worth considering photo-reducing the questionnaire so that it does not appear too daunting to the respondent. In order to make this questionnaire attractive and relevant to the sustainability and environmental research theme, it was printed on light green quality paper. Furthermore, in order to divide the time taken to complete the overall questionnaire, it was split into two equal parts. The first part mainly included the cultural instrument and, in the second part, the organisational commitment, values and stakeholder instruments. Part 1 only included the cultural instrument as it was the longest and most complex to complete. However, each part in total took approximately fifteen minutes to complete, each consisting of four pages. Although Part 1 of the questionnaire was a self-completion type, for Part 2 of the questionnaire there was an opportunity in both Traidcraft and Suma to group-administer it to their workforces. As Fowler (1988) argues, one of the great strengths of group-administered surveys, when they are feasible, is the high rate of response. Generally speaking, when workers in job settings are asked to complete questionnaires, the rate of response is near one hundred percent. For Traidcraft, the group administration was at its weekly general meeting and for Suma, at its Quarterly General Meeting. This gave the author the opportunity to explain the purpose of the research more fully and to answer any common or individual questions directly. As these groups were relatively large, both companies' gatekeepers acted as helpers within these group sessions. As Oppenheim (1992) points out, depending on the size of the group, two or more persons will see to the administration of the questionnaires, give help where needed (in a non-directive way), check finished questionnaires for completeness and so on. Although high response rates are expected, it is important to understand the limits to response. As Fowler (1988) argues, these usually stem from absenteeism or scheduling (shifts, days off). The flexible working policies of both Suma and Traidcraft similarly caused scheduling problems with the group administration. In other words, not everybody could attend the group administration which duly lowered the response rates for Traidcraft and Suma.

The rationale behind the group-administration of a questionnaire was in line with an overall objective of maximising the direct contact between the author and the respondents. In fact, for Traidcraft, direct contact was initiated through another weekly meeting prior to the group-administration of the questionnaire. This provided a verbal opportunity to introduce the author, the overall research process and instructions for completing Part 1 of the questionnaire. Part 1 of the questionnaire had been distributed prior to the meeting for workers to complete in their own time. They were instructed to bring their completed questionnaire to the following week's meeting at which Part 2 of the questionnaire was group-administered. For Suma, direct contact was initiated through the author personally introducing himself, the overall research process and instructions for completing Part 1 of the questionnaire to all workers individually. The reason for this personal introduction was that, unlike Traidcraft, there was no opportunity to introduce the research collectively. Part 1 of the questionnaire was distributed within the personal introductions. This type of delivery is termed a self-administered questionnaire. As Oppenheim (1992) explains, the purpose of research is explained and then the respondent is left alone to complete the questionnaire which is picked up later. He further argues that this method of data collection ensures a high response rate and a minimum of interviewer bias whilst permitting an initial interviewee assessment providing necessary explanations (but not the interpretation of questions) and giving the benefit of a degree of personal contact. Workers were again instructed to complete Part 1 of the questionnaire in their own time and were asked to bring them to the following week's Quarterly General Meeting. Part 2 of the questionnaire was then group-administered at this meeting.

In order to persuade people to complete both questionnaires, potential rewards were offered through a prize draw. As Oppenheim (1992) points out, small incentives have generally proved helpful to increase response rates. Future incentives around the chance to win a major prize if the questionnaire is returned are generally helpful. In order to take part in the prize draw, workers needed to have completed both Part 1 and Part 2 of the questionnaires. This effectively meant that all workers who completed Part 1 of the questionnaire needed to attend the weekly or Quarterly General Meeting respectively. The choice of prizes on offer, within the initial drafts of the questionnaire, were a bottle of Champagne/Malt Whisky and a £20 Cinema Voucher. However, suggestions adopted from the piloting stage were £20 worth of company products/vouchers, a £20 donation to the prize-winner's chosen charity and the choice to opt out. These pilot suggestions were seen as a statement of the socially responsible and ethical nature of Traidcraft and Suma (particularly the opt out option). As there was a requirement for the questionnaire to be delivered in two parts, the draft questionnaire initially asked individuals to provide their name in order to link both together. However, the piloted workers were anxious that their responses to the questionnaire would be shown to other workers and to top management. This concern led the author to refrain from asking for workers to write their names and to assure all respondents that all responses would be treated as confidential, in the sense that only the author would have access to them, and no information would be published about identifiable persons without their permission. This manifested itself through an explicit verbal promise to all workers and a written statement (in capitals and underlined) on the front cover of the questionnaire. For example, a statement on Traidcraft's questionnaires read as follows:

<u>'THIS QUESTIONNAIRE IS COMPLETELY CONFIDENTIAL AND THE INFORMATION OBTAINED WILL BE USED FOR RESEARCH PURPOSES ONLY. NO INDIVIDUAL RESPONSES WILL BE SHOWN TO MANAGEMENT.'</u>

Moreover, in order to link both questionnaires together, without sacrificing the confidentiality of the respondents (through the disclosure of the respondents' names), an identification numbering system was used. As Oppenheim (1996) points out, identifying respondents by a code number rather than by name may be reassuring to some extent. This was substantiated by piloted workers who felt secure with the use of a numbering system as they would not be directly identified on the cover of their completed questionnaire. Through the use of this identification system, respondents who did not complete both questionnaires could then be identified. Potential bias was minimised by asking non respondents to complete the questionnaires in their own time and to send them back to the author, in pre-paid envelopes. A reminder note was pinned to both companies' information boards and the companies' gatekeepers were asked to remind workers directly at the next possible communal meeting. The result of this process increased the overall response rate by approximately four per cent (Traidcraft) and five per cent (Suma) particularly from departments which could not attend the meetings due to being on different shifts, for example. These details could be ascertained because the identification numbering system allowed the author to analyse response rates at different stages of the research process.

4.3 Questionnaire Data Analysis

In order to collate and analyse the findings of the questionnaires, the questionnaire responses were then loaded into the computer package, SPSS (Statistical Package for the Social Sciences). Although statistical analysis by hand may give the researcher a 'feel' for the data under consideration, the availability of cheap computer power means that most quantitative analysis is now done with computer packages such as SPSS. This package is widely used and offers a full range of contemporary statistical methods plus good editing and labelling facilities.

Each type of raw data response from each individual was assigned and inputted under a different variable code name such as under COM1 for the first statement of the OCQ. Furthermore, for variable code names with ordinal type data, four different value labels represented the four cultural rankings and seven different value labels represented the seven scale anchors, used within the rating scales. For the cultural and organisational commitment instruments, raw data responses were then transformed into their mean value scores. These mean value scores were automatically calculated by a facility within SPSS which allows the user to set-up equations under new target variables.

Before choosing which statistical methods were appropriate for the analysis of the above data, the stored data was initially checked for coding and computing data entry errors. This was accomplished by having the original entries checked by a second party and verified again in a third check by the author. The verification procedure resulted in a better understanding of the data. In order to choose which statistics are to be used to summarise the different patterns in the data, the types of data used become a crucial factor. When the data is merely ordinal, as in this research, it is usually necessary to use 'non-parametric' statistics. The effect of this is that non-parametric statistics do not assume equal intervals between successive points on a scale. This research used the simplest of non-parametric statistics such as frequency counts and indicators of averages such as medians. The median represents the middle number. However, both the Traidcraft and Suma case studies relied primarily on graphical methods for exploring the data. More specifically, the graphical representation used was in the form of a box plot which was originally developed by Tukey (1977). The box plot is a classic part of a tradition called exploratory data analysis (EDA) in which Tukey made profound and far reaching innovations. It is important to point out that, Tukey's vision of EDA does not stand as an alternative to the more formal processes of statistical hypothesis testing (or confirmatory data analysis (CDA), to use Tukey's phrase). Rather, in his seminal 1977 text, one reads of the complimentary nature of the two faces of data analysis, with EDA providing the inductively derived hypotheses for the deductive processes of CDA. Both were seen as necessary parts of the knowledge gathering mechanism of science, since, if one or the other were missing, the data analyst was either stuck with the classical problem of induction, or deprived of new hypotheses to evaluate. As the aim of this research is to inductively derive a hypothesis, EDA would appear to be the most appropriate technique. As Lovie and Lovie (1991) argue, EDA promotes risky inductions because it draws attention to the novel and surprising aspects of the data, that is, findings not predicted by the analyst. Ideally, therefore, EDA should suggest new directions for research, a new hypothesis for testing. The particular importance of graphical methods here is that, properly designed, they should not only summarise results but should also highlight in a direct fashion any anomalous data or pattern of results. There are those amongst practitioners of EDA who have argued that a well chosen plot can replace more formal inference (Chambers et al, 1983). Interestingly, this seems to echo various claims made by those working in multivariate statistics that some data sets are so complex that getting a handle on the structure is only possible through plotting (see, for example, Gower and Digby, 1981). As Lovie and Lovie (1991) argue, it is clear that three hundred metres of indigestible tables printed out by your favourite statistical package are no substitute for a nicely rounded plot. The major roles of graphical methods in EDA are to emphasise the novel and worthwhile data by means of perceptually unambiguous plots.

A box plot is a complex graphical summary of a set of data which gives a quick impression of its main features, that is, location, spread, shape and the presence of unusually large or small values (Tukey, 1977; see also Seheult, 1986). Since the plot was evolved in the philosophical context of EDA, so its components are designed to be reasonably robust and resistant (see Mosteller and Tukey, 1977). What this means in practice is that important aspects of the data should show up reliably, whatever the particular underlying distribution, even in the presence of a few stray observations. Showing multiple box plots on the same display allows direct comparisons to be made between data sets. More precisely, the box plot should be called the 'box and whisker' plot, as it looks like a rectangle (the box) with filaments (the whiskers) extending from the top and bottom of the box (Tukey, 1977). The top and bottom of the box mark the positions of the upper and lower quartiles along the data scale. The midspread, which is the range of the middle 50 per cent of the data, corresponds to the length of the box; a line drawn across the box shows the position of the median. The whiskers mark off the top and bottom ten percent of the data, that is, they cover 80 per cent of the data. In this research the behaviour of the main body of the data (location, spread, shape) is emphasised, as the 20 per cent of the data points lying beyond the whiskers had a minimal effect upon the box plot's features, it being a relatively small data set.

4.4 Stage 2: Thematic Interview Data Collection

As Yin (1984) argues, there are several options in terms of methods used within case study research depending upon the purpose of the case study. The first option is a method which deals with qualitative data only, as in The Body Shop case study. This was chosen as the qualitative method, particularly the open-ended type, is suited to the more exploratory, initial theory building part of the research. The second option is a method which deals with quantitative data only. This was partly chosen for both Traidcraft and Suma case studies, as the quantitative method offered a framework to test the tentative hypothesis identified in The Body Shop case study. Quantitative evidence can keep researchers from being carried away by vivid, but false, impressions in qualitative data and it can bolster findings when it corroborates those findings from qualitative evidence. However, as the overall research aim was to build a hypothesis, there was a need for a complementary method which explained and expanded upon the questionnaire results. Qualitative evidence, as well as being useful for exploratory work, is also useful for understanding the rationale or theory underlying relationships revealed in quantitative data, or may directly suggest theory which can be strengthened by quantitative support (Jick, 1979). Mintzberg (1979, p.587) describes this synergy as follows:

> 'For while systematic data create the foundation for our theories, it is the anecdotal data that enable us to do the building. Theory building seems to require rich description, the richness that comes from anecdote. We uncover all kinds of relationships in our hard data, but it is only through the use of this soft data that we are able to explain them.'

By combining the qualitative method and the quantitative method in this research, the third hybrid option advocated by Yin (1984) was realised. He argues that the combination of data types can be highly synergistic. Similarly, Easterby-Smith et al (1991) argue that there are good reasons for using several different methods in the same study. Abrahamsson (1983) points out that this approach prevents the research becoming method bound. He argues that the strength of almost every measure is flawed in some way or other and therefore research designs and strategies can be offset by counterbalancing strengths from one to another. The use of multiple but independent measures is known as triangulation; a term borrowed from navigation and surveying where a minimum of three reference points are taken to check an object's location (Smith, 1975).

The type of qualitative data collection method used within the Traidcraft and Suma case studies was a form of semi-structured two hour interview called the thematic interview. Eight of these semi-structured, thematic interviews were conducted (audio recorded) with both Traidcraft and Suma key informants. In order to understand how these key informants were chosen, this research concurred with Sieber (1973) who argued that surveys can be used to identify individuals who can be studied in depth and to identify representative and unrepresentative cases. More specifically, key informants were identified from the questionnaires who were not only representative of the average responses, but also representative of other more extreme responses. The key informants with average, representative responses give an opportunity to the researcher, through the thematic interview, to confirm and explain the average overall responses of all the workers. The key informants with extreme responses were chosen as their idiosyncratic views gave an opportunity to the researcher, through the thematic interview, to clarify, reject, or extend the hypothesis. An overarching deciding factor for the choice of these representative and unrepresentative key informants was the extent to which they expressed interest in the overall research question. This was measured by analysing the quality and quantity of response to the open questions within the questionnaire. One final deciding factor in the choice of key informants was to achieve a representative mix of workers at each level and department within the organisation. This eight strong sample of key informants differs from other forms of sample randomly chosen largely because respondents are chosen on the basis of their idiosyncratic, specialised knowledge (Jankowicz, 1991). According to Tremblay (1982), this technique is especially useful in defining the essential characteristics of some issue by drawing on the personal experience and understanding of the people involved. The difference between this type of key informant interview and The Body Shop key informant interviews is that this is around a semi-structured format. The challenge of a semi-structured interview for a researcher is a matter of reconciling two contending forces; a directive force on the part of your respondent, in the sense that, he or she, has a role in determining the sequence of questions and the way in which these are to be interpreted, and a deliberate, explicit, but not rigid effort on the researcher's part in bringing the respondent back to the main flow of the interview when the occasion is right. However, within this research, in order to provide an overall balance between these two forces, the main body of the interview was kept as open as possible due to the highly structured and directive nature of its introduction.

After the initial confidentiality assurance and some general introduction questions (see section 2.6), the interviews were themed around key aggregated questionnaire findings. These findings were personally presented to each interviewee by the author at the beginning of each interview. The questionnaire findings were described in the first ten minutes of the interview around the median responses to the cultural, values and stakeholder instruments. Furthermore, in order to provide some meaning, particularly to the cultural mix results, each extreme of Harrison and Stokes's (1992) cultural dimensions were described, along with a few associated examples of organisations which display such characteristics. For ease of clarity and maximum impact with the interviewee, both the above cultural dimension description and questionnaire results were visually presented on a laminated, A4, single-sheet (see Appendix 6, p.417 for Traidcraft sheet & Appendix 7, p.419 for Suma sheet). Each interviewee was given this laminated sheet so that he or she could constantly see these results during the course of the whole interview. In order to describe each of the cultural dimension extremes, different pictorial symbols were used, along with a list of three distinctive characteristics. The questionnaire results were graphically represented by the use of coloured bar charts. It is interesting to note as Robson (1993) argues, that displays, summary tables and the like, are useful strategies for making sense of data. He adds that no self-respecting experimentalist or survey researcher would dream of producing quantitative analysis, devoid of display in the form of graphs, histograms, scattergrams and the like. The basic principle is to consider what forms of display are most likely to bring relevant data together in a way that will encourage the drawing of conclusions. In order to avoid information overload and to focus the attention of the interviewee, the values and stakeholder findings were integrated into one bar chart by including only those categories which were relevant to the concept of sustainability. The layout of these findings was piloted on both company workers and fellow academics from Centre for Corporate Environmental Management leading to several iterations. The rationale for the final version was to present the interviewee with findings which required minimal statistical prior explanation by the author. An example of this was the decision to use bar charts reflecting only the median response of each company's workers rather than box plots which included other statistical factors such as the inter-quartile length of responses. The wording used on this laminated sheet needed to be as self-explanatory as possible, for example, in light of the integration of the values and stakeholder findings, the respective bar chart was entitled simply, 'Traidcraft's (or Suma's) Priorities'. One other important wording feature was the names given to the cultural dimensions. At this stage of the research the names of power, role, values and support appeared to be the most self-explanatory words for piloted workers to immediately understand.

The interviewees were then asked to comment on and to explain these findings in an open-ended fashion by the use of an interview protocol (see Appendix 8, p.421 for Traidcraft protocol & Appendix 9, p.427 for Suma protocol). For verification purposes workers were initially asked to suggest in which general ways the aggregated cultural findings accurately described or did not describe their company's culture. Each interviewee's personal scores were used by the interviewer as a reference point if the interviewee strongly disagreed with the aggregated score. Following this verification process, interviewees were then asked to substantiate why they had ranked each cultural dimension at the level they did. A supplementary question in this section was related to how they saw this cultural mix changing due recent initiatives. In order to pre-empt questions around workers' preferred cultural mix, other questions were around the interviewee's opinions about the strengths and weaknesses of the current cultural mix. In light of these strengths and weaknesses interviewees were then asked to describe and explain the effect the current cultural mix has on their organisational commitment, values and their job performance.

A similar verification process was also used for the aggregated preferred cultural mix. For verification purposes workers were initially asked to suggest in which general ways the aggregated preferred cultural findings accurately described, or did not describe, their preferred culture. Following this verification process, interviewees were then asked to substantiate why they had ranked each cultural dimension at the preferred level they did. A supplementary question in this section was related to how their preferred cultural mix would manifest itself. Furthermore, interviewees were then asked to describe and explain what effect they thought moving towards this mix would have on their organisational commitment, values and job performance.

The final section of the interview explored the possible barriers in changing towards the preferred cultural mix. The company's current and preferred priority bar chart was used as a basis and facilitator for discussion. For example, the perceived need to make a financial profit was discussed as a possible barrier in moving towards particular preferred cultural mixes. An initial question explored the past barriers to achieving this preferred cultural mix by asking the interviewees why the company did not already have this preferred cultural mix. The second question explored the current barriers by simply asking the interviewees what the barriers are to achieving this preferred cultural mix.

In light of the above barriers to change, another question explored is to what extent the interviewees thought their company could practically move towards this preferred cultural mix. Finally, the last question explored how this cultural mix would manifest itself. The addition of these two final questions provided the author with an insight into the effect of recent and possible future strategic initiatives on the current cultural mix.

This explicit mixture of data analysis with data collection stages, through a thematic interview, matches the grounded nature of this research. Moreover, for this study, questionnaire analysis was integrated with interview data collection. This contrasts with the traditional model which argues for analysis to only take place after all the data (quantitative and qualitative) are safely gathered in. As Robson (1993) argues, sometimes, however, particularly with a case study, it makes sense to start this analysis and interpretation when you are in the middle of the inquiry. Analysis is necessary because, generally speaking, data in its raw form does not speak for itself. The messages stay hidden and need careful teasing out. The process and products of analysis provide the bases for interpretation. It is often the case that, as in this research, while in the middle of analysing data, ideas for interpretation arise. Sieber (1973) explored this type of integration of methods, particularly between qualitative and surveys methods. He argues that the qualitative method can make many contributions towards the analysis and interpretation of survey data. He points out that survey results can be validated, or at least given persuasive plausibility, by recourse to observations and informant interviews. More specifically, the argument for the use of thematic interviews around the questionnaire findings is that, when a pattern from the questionnaires data source is corroborated and explained by the evidence from the thematic interview data source, the finding is stronger and better grounded. Furthermore, Sieber (1973) also argues that provocative but puzzling replies to the questionnaires can be clarified by resorting to the thematic interview. Moreover, due to the semi-structured nature of thematic interviews, when evidence conflicts, the researcher can sometimes reconcile the evidence through deeper probing of the meaning of the differences within the interview. At other times this conflict exposes a spurious or random pattern or biased thinking in the questionnaire analysis. Overall, the idea behind thematic interviews was to force the author to go beyond initial impressions of the questionnaire findings. An example of the explanatory use of the thematic interviews was in interpreting the cultural mix findings. Harrison and Stokes (1992) point out that it must be remembered that the scores on the four cultural dimensions are not completely independent because a ranking was taken of the four alternatives on each question. For example, the higher an individual's score on one scale, the lower their scores on the other scales. Technically then, from the questionnaires, you could have high scores on personal support and low scores on mission support and you would not be able to say for sure whether that means there is a high personal support orientation or just that the mission support orientation is missing. As Harrison and Stokes argue, through thematic interviews it is not so difficult to tell because there is usually a high degree of agreement among the members of an organisation about what aspects of the culture they are responding to. They point out that discussing why workers responded to the instrument the way they did will reveal a great deal. This explanatory information was therefore crucial to obtain if the questionnaire findings were to be of any real use within the two case studies. A further advantage of the thematic semi-structured interview is that it enhances the probability that the author will capture any novel findings which may not have existed from the questionnaire, i.e. to expand the hypothesis and its associated constructs. This proved to be correct in the author's experience of both Traidcraft and Suma Wholefoods where the questionnaire findings did not adequately describe the workers' description of their company's cultural development strategies. Moreover, through the thematic interviews, deeper probing of the conflicting findings developed one category into several categories. An example of this would be the role dimension being split into several other dimensions. These were around both unitarist and pluralist dimensions of worker accountability, management accountability and personal support structures and systems.

4.5 Thematic Interview Data Analysis

As with The Body Shop case study, the audio-recordings of these eight thematic interviews were all transcribed onto a word processing package of Word 6 For Windows. The process of data analysis used a similar version of the method described in Chapter 2. The process of data analysis was similar for Traidcraft and Suma case studies because data collection relied upon preliminary constructs which acted as a facilitation exercise for the interviews. However, due to the open, semi-structured nature of these interviews, other constructs could be identified which could extend the unitarist-pluralist hypothesis. Therefore, instead of choosing a form of content analysis to be applied to the data, a modified grounded theory analysis of the data was still required, albeit in an additive form.

4.6 Conclusion

This chapter has described and explained the more structured methods to be used within the Traidcraft and Suma case studies in comparison to the open-ended data collection and analysis methods used within The Body Shop case study. The change in methods was justified by the wider objective of these case studies which was to confirm, dispute or expand upon the emergent hypothesis developed in The Body Shop case study. A multiple set of data collection methods were used, thereby providing a diverse and wider lens to test the applicability of the constructs and hypothesis. The two core data collection methods were questionnaires followed by semi-structured thematic interviews based around the questionnaire findings. The questionnaires were distributed to all workers with a 50 per cent response for Traidcraft and 70 per cent response for Suma. The questionnaire contained three different types of scale; a ranking, a Likert and a rating scale. In order to test the emergent hypothesis, a dependent variable was needed which was independent in its constituent constructs from the possible constructs of the unitarist and pluralist cultural development strategies. In other words, an unbiased measure of sustainability was needed which could measure the effectiveness of both a unitarist and a pluralist strategy. The chosen measure was the workers' commitment towards their company and towards its sustainability goals. The particular organisational commitment instrument was a modified version of the Mowday, Porter and Steers questionnaire, incorporating constructs of loyalty and effort towards the company.

In order to test the applicability of the unitarist and pluralist principles, an organisational culture instrument was needed which measured these constructs. The particular organisational culture instrument was a modified version of the Harrison and Stokes questionnaire which defines culture in terms of shared perceptions of working practices. This definition, describing the more outer, amenable levels of culture, is thereby appropriate in reflecting the cultural development strategies of Traidcraft and Suma. This questionnaire appeared to be able to measure the constructs which emerged from The Body Shop case study.

Other sections of the questionnaire were a modified version of the Dodge values instrument and a stakeholder instrument developed by the author. In contrast to the other sections, the latter instrument was as a result of researching internal documents of the respective companies and piloting the emergent instrument both on the author's colleagues within the Centre for Corporate Environmental Management and the workers within Traidcraft and Suma.

In terms of presentation, all questionnaire instruments went through a piloting process. Issues addressed were around question wording in order to contextualise the questionnaire, such as anglicising it. Other issues included the placement of bold, underline, font and outline boxes. The length, sequence and sensitive nature of the questionnaires were also taken into account. The most critical factor in this research was the length of the questionnaire arising from its broad nature. Therefore minimisation of time taken to fill in the questionnaire was of the utmost importance. Furthermore, the author endeavoured to keep the resulting questionnaire as easy and attractive to complete as possible. Therefore, in order to give the impression of a shorter questionnaire, the original single-sided, A4, loose-leaf sheets. were changed to double-sided, A5 sheets, within a stapled booklet. In order to make the questionnaire attractive and relevant, it was printed on light green quality paper. Furthermore, considering the overall questionnaire took thirty minutes to complete, it was split into two parts. Although Part 1 of the questionnaire was a self-completion type, Part 2 was group administered. The latter type of delivery has a dramatic effect on response rates as all workers who attend this group administration normally fill in the questionnaire collectively at the same time. The quality of response is also maximised using this method as it maximises the direct contact between the researcher and respondents. In order to persuade workers to complete both questionnaires, workers who completed both were informed that they would enter a prize draw. Questionnaires were linked via an identification numbering system and respondents were assured that their responses were completely confidential.

After being loaded onto an SPSS computer package, questionnaire analysis centred around graphical methods such as the box plot. Moreover, aggregated, median responses were used in the form of bar charts as a basis for, and to facilitate, the thematic interviews taking place after this analysis. These bar charts were visually presented to eight key informants who had been identified from the questionnaires as not only representative of the average responses, but also representative of other more extreme responses. They were presented on laminated, A4, coloured, single-sheets. The layout of these sheets was originally piloted upon the author's colleagues from the Centre for Corporate Environmental Management. The key-informants were then asked to clarify, extend or reject these findings in an open-ended fashion using an interview protocol as a rough guide. These eight interviews were each conducted (audio-recorded and transcribed) over a two hour period. The emergent transcripts were then analysed using the grounded theory method described in Chapter 2.

In conclusion, it is hoped that the rationale for using a combination of quantitative and qualitative methods would more fully take account of the notion that every measure is flawed and can be offset by counter-balancing the strength of one to another. One core feature of the combination of methods used in this research is the idea that questionnaires can be seen as facilitation frameworks for thematic interviews.

CHAPTER 5

A CASE STUDY OF TRAIDCRAFT

5.0 Introduction

This chapter focuses upon a case study of a Christian based company, Traidcraft plc. Traidcraft was founded in 1979, by a group of Christians and became a public limited company in 1983. It is registered in England with a current sales turnover of around £7 million. From its head office and warehouse based in Gateshead, it imports handicrafts, clothing, books, cards and paper products, tea and coffee and foodstuffs from over 100 overseas co-operative and community based suppliers from 26 countries in Asia, Africa and Latin America. It then sells these products on, through a network of some 2000 volunteer representatives and retailers. Traidcraft's core business is to create employment in underdeveloped countries by buying products manufactured by the indigenous population - as opposed to buying from established manufacturers - and selling into European markets. This requires Traidcraft to place a heavy emphasis on supplier development, including lending money up front to enable certain projects to get started. As Steadman and Thomas (1994) argue, although supplier development is not new in the manufacturing world, what makes Traidcraft unique is the reason it is done. Whereas the usual focus is to ensure reliable delivery at a controlled price, the Traidcraft practice is quite different. While price and delivery are important, of equal importance is the well being of the suppliers.

This theory generating case study aims to identify and explain a cultural development strategy for firms wishing to move towards sustainability. As with The Body Shop, Traidcraft forms part of a group of companies whose top management is committed to moving towards sustainability, defined in its most holistic sense, i.e. actively endeavouring to fulfil what it sees as its long-term environmental, social and financial responsibilities. Traidcraft provides a unique perspective as its top management possesses a particular strong historical social view of sustainability. Moreover, as Gray, Owen and Adams (1996) argue, sustainability is something of a wolf in sheep's clothing. They argue that, although sustainability is generally used to refer only to planetary environmental issues, it is also an essentially social concept. That is, sustainability can be thought of as consisting of both eco-justice (social) and eco-efficiency (environmental) elements (Gladwin, 1993). Not only must we all be more careful with our use of scarce planetary resources but we must also have regard for wealth distribution (intragenerational equity) as well as the the well being of future generations (intergenerational equity). This raises major questions about such matters as current distributions of wealth, current levels of consumption in the West and population growth.

For Traidcraft, a key aspect of what it calls its 'Foundation Principles' is to establish a system based on service, social equity and justice as distinctive from a system based on profit maximisation and personal gain. In other words, whilst not being a charity, Traidcraft's objectives focus on benefits to people other than the shareholders.[1] Traidcraft's core mission statement demonstrates how this social view of sustainability has arisen from its Christian basis:

> 'Traidcraft's mission is to develop fair sustainable trade with the 'third world', demonstrating the principles of love and justice fundamental to the Christian faith, and respecting the needs of all our stakeholders, including future generations.'

Furthermore, in line with its holistic view of sustainability, whilst Traidcraft's focus is around social sustainability issues, it is also realising its environmental responsibility. Traidcraft has recently published a draft environmental policy document which states that:

> 'People and the environment are inextricably linked and care for both is needed for our trade to be sustainable and non-exploitative.'

[1] In order to support this higher purpose Traidcraft does have a charitable arm called Traidcraft Exchange. Apart from owning the majority of voting shares, its function is to provide business support and development help from overseas producers and to do educational and awareness-raising work in the UK.

This holistic view of sustainability was described when Traidcraft Exchange developed some educational theme material called, 'For People And Planet'. The short introduction to the theme material is a good summary of Traidcraft's approach to sustainability:

> 'Traidcraft is working for fair trade - trade that sustains both people and the planet. International trade often damages the environment and ignores the needs of the people who produce the goods. Traidcraft offers an alternative...It gives the producers a fair deal. With greater resources, they can care for the environment on which their future depends.'

Similarly, Richard Evans, Traidcraft Exchange's Director of Social Accounting, points out (Charter, 1992) that:

> 'Traidcraft recognises that people, driven to the very limits of subsistence, are likely to seek survival in short-term methods of cultivation and poorly planned and poorly managed extraction of resources from their surroundings, which often result in the long-term degradation of the environment...we all have a responsibility for the planet, in terms of conserving energy and resources, and reducing pollution, which cannot be separated from our concern for the people with whom we want to share its resources more fairly.'

As with The Body Shop, Traidcraft has also realised that, in order to truly argue that it is moving towards sustainability, it needs to promote societal systemic change. As part of this institutional responsibility, it sees its role as trying to change mainstream business practice. In order to achieve this, Traidcraft is recognising the importance of not only being environmentally and socially successful but financially successful too. What is different about Traidcraft is that it is moving in the opposite direction to conventional businesses in terms of the order in which it is tackling what it sees as its three responsibilities. Instead of tackling its financial responsibilities first, it initially tackled what it saw as its social and environmental responsibilities. Therefore, one of the implicit aims of this case study is to reflect how Traidcraft has learnt in cultural terms how it could survive financially whilst keeping its initial social and environmental responsibilities intact.

Pedler and Aspinwall (1996) reflect on Traidcraft's systemic view of sustainability when they point out that Traidcraft aims to be a successful business [financially] because this is the best way of putting over the message of fair trade; that it is possible as well as desirable to do fair, equitable business, ethics being Traidcraft's business. Furthermore, Traidcraft's 1992/93 first social audit puts Traidcraft's financial responsibility in perspective:

> 'Traidcraft's ability to sustain purchases from producers (or gains to any stakeholders) depends upon sustainable financial management of the business itself. As a commercial organisation, funded entirely through its trading activities, the company needs to make profits to be viable and grow.' (Traidcraft, 1993)

Similarly, in Pedler & Aspinall's (1996) case study of Traidcraft, one manager described the role modelling nature of Traidcraft:

> 'If we increase sales 10-fold, 20-fold and not increase the profit on those sales, then we're not doing the producers justice...and that is our ultimate goal. So, being as profitable as we can means that we can expand the business and the number of people we are dealing with...Traidcraft is about giving an example that an organisation can trade fairly and ethically and still make money. If you can do well and make a profit while still trading fairly and not exploiting people, that's a really good example for other businesses.'

As an example of Traidcraft's systemic aim, in 1983 it was floated on the stock market with an explicit goal of increasing public participation and to establish a model and example for other companies. It offered the public 300,000 non-voting shares at £1 each. James Erlichman wrote in the Guardian (Evans, 1991, p.875):

> 'A Gateshead company called Traidcraft urgently needs £300,000 cash injection from new shareholders - but it is offering them in return only 'love, justice and equity'. And equity to Traidcraft means putting a higher value on sharing the world's resources fairly than on its own share certificates. Investors must prefer goodness to greed and should never expect 'personal gain or profit' the prospectus warns.'

In light of the non-financial nature of this offer, it is interesting to note the positive response to its first issue. In fact it was over-subscribed by 60 per cent. A specific example of Traidcraft trying to change mainstream business is that since 1993 they have mailed copies of their innovative social account to the chief executives of Britain's top 100 companies. Richard Evans (1994) argues that Traidcraft sees the responsibility to learn from social accounting as not Traidcraft's alone. He argues that Traidcraft rejects the suggestion that social accounting is appropriate for 'ethical' organisations but inappropriate for 'normal' business. He moves on to say that in the real world the reverse is true. The result of the mailing of its social accounts was that, whilst many were wary about considering the idea of publishing such a frank appraisal of their own performance, or simply choose to ignore it, a number expressed interest in the concept. For instance, The Body Shop (the focus of Chapter 3) published a values report in 1996 which was based upon Traidcraft's social accounting methodology.

As Pedler & Aspinwall (1996) point out, it might be thought that Traidcraft is peculiar or unique and therefore not much of an example to 'mainstream' businesses. Of course, Traidcraft does have unique aspects and there are few businesses with shareholders committed enough to forego financial dividends and see their capital actually decline through inflation! But, all businesses have unique aspects; business advantages that are not reproduced elsewhere. It is argued, for example, that companies in Japan are fortunate in having shareholders and bankers less insistent on short-term dividends and more committed to long-term success than those in the West, but this does not stop us trying to learn from them.

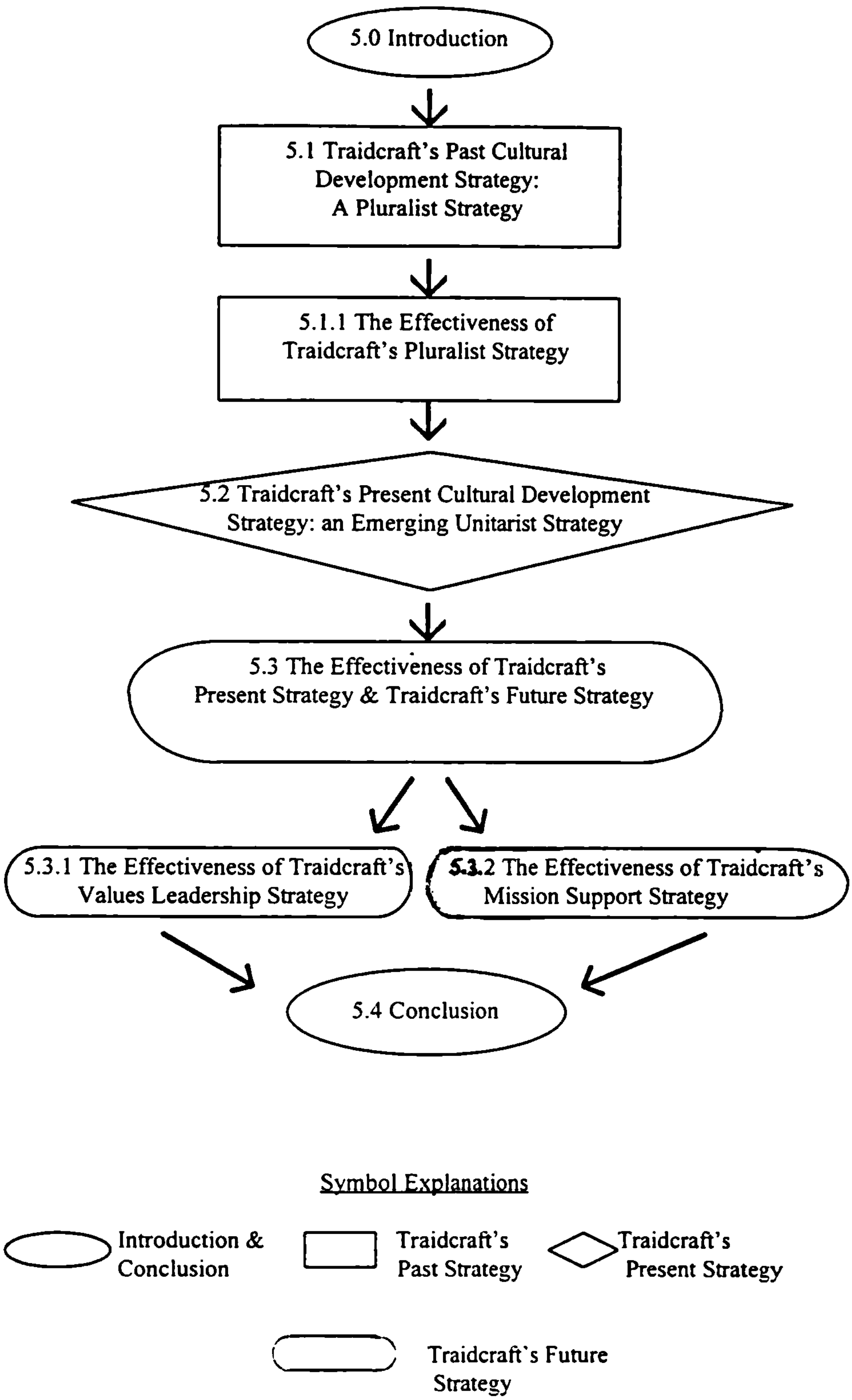
With a top management commitment towards sustainability goals, defined in its most holistic and systemic sense, the specific aim of this study was to test and expand upon a hypothesis built up from the The Body Shop case study. This hypothesis argued that a growing organisation, wishing to move towards sustainability, needs to employ a combination of both unitarist ('top-down') and pluralist ('bottom-up') elements in its cultural development strategy. In order to clarify what exactly is meant by unitarism and pluralism, the constituent unitarist and pluralist elements or principles were identified. For unitarism, mission support, values leadership and worker accountability principles were identified. For pluralism, personal support, participation and management accountability principles were identified. In order to test and expand upon this hypothesis within Traidcraft, a key step was to understand whether these three pairs of unitarist-pluralist principles could adequately describe Traidcraft's strategies and maximised employee commitment towards Traidcraft and its sustainability goals. In order to explain Traidcraft's commitment levels, more specific worker attitudes were explored towards the different elements of Traidcraft's cultural development strategy.

Another aspect of the unitarist-pluralist hypothesis was the idea of an optimal combination, as in contrast to a balanced combination, where a strategy has an equal proportion of both unitarist and pluralist elements. In contrast, for an optimal combination, the proposed strategy required for sustainability may be biased towards unitarism or pluralism, depending primarily upon the historical cultural context of the company. For example, The Body Shop case highlighted that its current unitarist-pluralist strategy had a bias towards unitarism, as its past culture was predominantly unitarist. In order to understand whether Traidcraft is moving towards an optimal unitarist-pluralist strategy, it was important to explore not only Traidcraft's present strategy, but its past strategy and possible future strategy too, as recommended by Traidcraft employees. This retrospective and normative analysis also provides an indication of the effect Traidcraft's historical cultural context has upon Traidcraft's present and future strategy. In other words, Traidcraft's cultural learning process towards sustainability was explored.

As with The Body Shop, it must be pointed out that separating Traidcraft's past from its present strategy does not mean that, at any particular point in time, Traidcraft had suddenly and purposely changed its strategy. Moreover, the change from its past to its present strategy was more evolutionary, emergent and incremental over time (Mintzberg, 1987). However, for simplicity purposes, it is assumed within this study that Traidcraft's past and present strategies can be dealt with as two separate sub-cases. Therefore, the following sections represent a split between a description and critique of Traidcraft's past and then a description and critique of its present cultural development strategy. Furthermore, reflecting upon the critique of its present strategy and recent

Traidcraft initiatives, a future strategy is proposed. In order to provide a template for this analysis, a route map is provided as depicted in Figure 5.1.

FIGURE 5.1
ROUTE MAP FOR CHAPTER 5



5.1 Traidcraft's Past Cultural Development Strategy: a Pluralist Strategy

Traidcraft's commitment to international social equity (or external social equity) can be viewed as part of an overall commitment towards the value of social equity. This commitment thereby includes internal employee social equity issues. As Richard Evans (Pedler & Aspinwall, 1996) points out, the company not only holds itself responsible for dealing fairly with producers, it also holds itself responsible for dealing fairly with staff, consumers and the wider public, voluntary representatives and retailers and shareholders - and all without damaging the environment. One of Traidcraft's Foundation Principles is the promotion of better employment (within Traidcraft and in the suppliers and manufacturers Traidcraft buys from).

Within Traidcraft's past cultural development strategy, Traidcraft's value for internal social equity was operationalised through many bottom-up participative decision making structures. Traidcraft's Foundation Principles encourage employees to participate in decisions and to associate in free trade unions where appropriate. In fact, the forum for meeting managers more formally is through employee representatives from the active staff association who have a membership of over 90 per cent of the staff. Also, two staff-nominated directors are required to sit on Traidcraft's fifteen strong Board. Furthermore, all employees are required to attend a weekly briefing session where the issues of the day are discussed. Steadman & Thomas (1994) substantiate this when they described general communications to be of a high order. They move on to state:

> 'Open door management is the norm, and employees stated that it was easy to gain access to all managers up to and including the Managing Director...All employees consider that management are open and do not hold information back.'

Traidcraft's past cultural development strategy can also be viewed as one based on a high personal support for its employees needs. These needs cover not only a high level of participation in decision-making but relate to pay, personal and career development etc. For instance, Traidcraft's Foundation Principles promise to provide fair wages (it maintains a policy of a 3:1 differential between highest and lowest full-time salary) and promote sharing the responsibilities and the benefits of ownership. Traidcraft also promises a caring and friendly atmosphere in the place of employment. This focus was demonstrated when several employees from the author's research described Traidcraft as a 'charity', a 'family', a 'cosy community' and a 'church'. This was substantiated by the spirituality audit of Traidcraft in April 1994, which was an independent piece of research conducted by the Conn Stewart Partnership. The spirituality audit's purpose was to ascertain workers' views around their motivation, values, Christianiy and spirituality, in light of Traidcraft's continued Christian ethos. It remarked that coming from other companies could be a 'culture shock' because people were 'too nice' (Conn, 1994). This caring and friendly culture is one which at its core respects and supports the employees as individuals, with diverse opinions and values. As one Traidcraft employee put it,

> '...a culture which exists for the benefit of the individual.'

Traidcraft's combined participative and personal support elements characterise parts of a pluralist cultural development strategy, its basis being a respect for cultural diversity, in respect of goals, values and aspirations. This pluralist strategy was successful both in gaining a high level of motivation from its staff and in developing a good work performance and commitment from them, in achieving its primary social sustainability goals. In the early stages of the company's existence, this high commitment was due to the small closely knit group of staff who mostly held similar Christian and fair trade goals, i.e. their personal values were congruent with Traidcraft's goals. In fact, as Steadman & Thomas (1994) point out in their 1994 present state analysis of Traidcraft, in Traidcraft's early days the company only employed practising Christians. Therefore, although pluralism was the primary strategy employed, the degree of pluralism within the staff was very small. The overall level of staff commitment was high because Traidcraft's pluralist strategy was seen to be an internal extension of Traidcraft's fair trade value. Conn (1994) described people's spirits being lifted by Traidcraft placing,

> '...a high value on how they had developed and grown personally through the caring atmosphere and the opportunities for learning...The accessibility of managers, and the general friendliness of the company were important in raising spirits. Anything which sustained the community and family spirit was a positive help.'

Therefore, workers who already shared Traidcraft's social sustainability goals could be given the freedom to take both the firm and themselves forward towards sustainability. Conn (1994) pointed out that the overwhelming impression of the company was that it was full of people who cared about what they were doing, enjoyed coming to work, felt part of a family community and felt that the company was very different from others to work in. She believed that this appeared to be a result of a determined application of values inside the company as well as outside. Steadman & Thomas (1994) substantiated this when they argued that:

> 'There can be no doubt of the commitment of Traidcraft senior management to its employees. Similarly there can be no doubt of the employees commitment to corporate success.'

Merlin (1994) also concluded that one of Traidcraft's greatest assets is the genuine commitment of the vast majority of people who work at Gateshead both towards the organisation's goals and its values. They move on to point out that this sort of high commitment is a significant and unusual asset for any organisation and will continue to be a great source of organisational strength for Traidcraft in the future.

5.1.1 The Effectiveness of Traidcraft's Pluralist Strategy

As Traidcraft employee numbers grew, some negative attitudes towards its pluralist strategy from its more values-driven employees began to develop. Growth for Traidcraft meant as Steadman & Thomas (1994) pointed out employing non-practising Christians. Conn (1994) in her spirituality audit pointed out that,

> '...changes had been occurring in the organisation of the company because of growth, bringing to the surface some issues latent in the nature of the company from the beginning...The larger numbers have also led to a feeling of exclusive

> differences between groups of staff, such as managers and workers, Christians and non-Christians.'

Therefore, as Traidcraft grew it attracted more and more people with differing values and, hence, the degree of pluralism within the staff increased. Without such strong individual social equity values, a number of these employees were seen by the more values-driven employees to be 'taking advantage' of the freedom of expression such a pluralist culture encourages. Traidcraft was seen internally to be a culture which did not appear to punish the 'free riders' who did not work towards the betterment of Traidcraft as a company. Work performance and commitment towards Traidcraft's sustainability goals was diminishing. It therefore encouraged idleness for the sake of that 'family feeling'. Overall employee satisfaction was still very high but increasingly it was due to the 'family feeling' rather than for what would be best for Traidcraft's sustainability goals. As early as 1993, Traidcraft's Social Audit pointed out:

> 'There was a widespread feeling...that the day-to-day experience of working for Traidcraft was in danger of losing its engagement with the organisation's overall aims...This could contribute to a loss of appreciation of the importance of staff's continued commitment to engage actively in working towards Traidcraft fulfilling its wider vision.' (Traidcraft, 1993)

Adding to Traidcraft's pluralist problems, the high commitment of Traidcraft's more values-driven employees (see section 5.1) was in danger of decreasing due to what these employees perceived as a diminishing overall worker commitment towards Traidcraft's sustainability goals. Steadman & Thomas (1994) substantiated this when they pointed out:

> 'There is no evidence of a 'taskmaster' approach to employees. In fact many people remarked on the casual approach to work which exists in the company. A small number even seemed slightly uncomfortable with this, expressing it as a corporate lack of desire to confront issues.'

As in The Body Shop, this dissatisfaction was expounded by the high expectations inherent in such values-driven employees. The Merlin report (1994) substantiated this when it stated:

> 'Ironically that very commitment sometimes causes problems for people within Traidcraft: many have ambitious expectations of both themselves and their colleagues, and when those expectations are not met, that quickly leads to dissatisfaction and frustration. Whereas in many organisations, people merely become disgruntled when they hit such problems, in Traidcraft the impact seems greater precisely because people passionately believe in what it is trying to achieve.'

In order to highlight the extent of this high expectation, Pedlar & Aspinwall (1996) quoted a Traidcraft director who ponted out:

> 'What happens in Traidcraft is that there is this notional 'perfect plc'...we always compare ourselves with that and everyone has their own individual 'perfect plc'.'

The first external negative effect of Traidcraft's pluralist strategy was financial. During the late 1980s, Traidcraft's sales growth began to slow down to the point where it started to make a financial loss. By 1991 it realised that it needed to reduce its costs. The cost-cutting led to a restructuring which in turn led to staff redundancies. Traidcraft's management began to realise that, as it grew, its pluralist strategy would produce a diminished employee commitment towards Traidcraft and its sustainability goals. In light of the increased values pluralism of its staff, the freedom its pluralist strategy encourages caused a gradual growth of apathy towards Traidcraft's goals. However, it must be stated that overall employee satisfaction was still relatively high due the lingering positive attitudes towards Traidcraft's pluralist strategy. The consequence of this was that it experienced high satisfaction levels but low commitment levels. It gradually began to realise that it could no longer act like, as one employee put it, 'a charity dressed up as a plc'.

5.2 Traidcraft's Present Cultural Development Strategy: An Emerging Unitarist Strategy

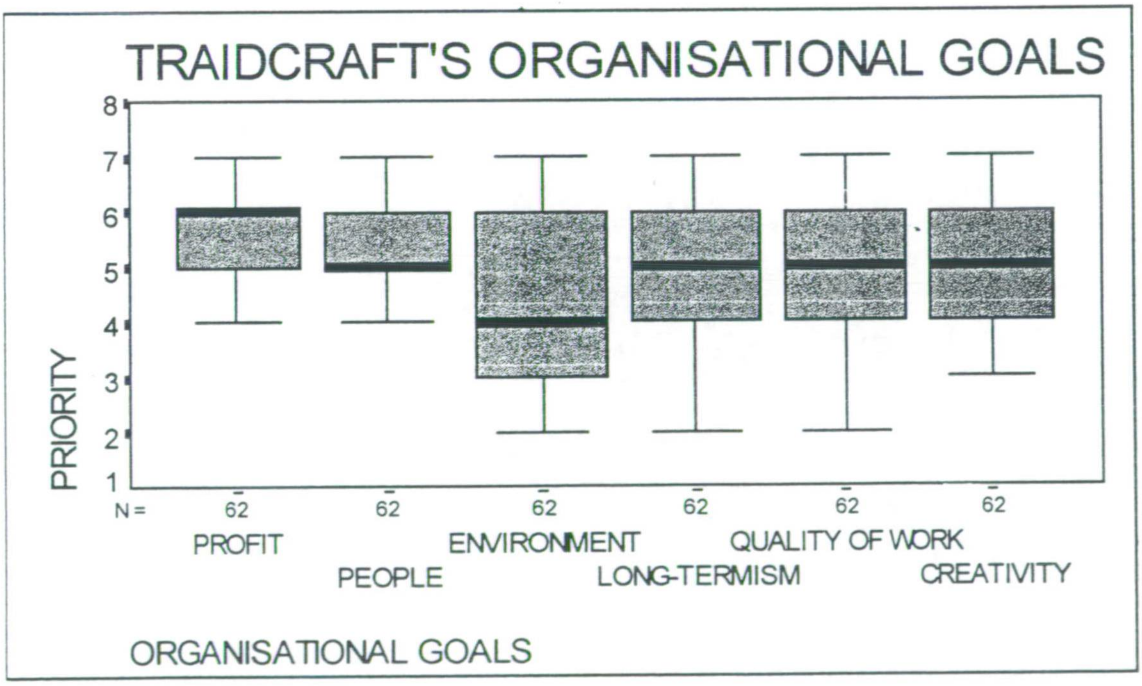
In order to increase employee commitment towards Traidcraft and its external goals, in 1993 Traidcraft initiated a strategy to induce a shared set of values towards Traidcraft's sustainability goals. This represented, in contrast to its past pluralist strategy, a unitarist strategy. In other words, Traidcraft needed to be externally as well as internally focused. These external goals needed to be towards not only social but increasingly towards Traidcraft's financial goals. In order to highlight this unitarist goal the author delivered a questionnaire, in early 1996. It explored the importance employees perceived Traidcraft's top management placed upon financial ('Profit'), social ('People') and environmental ('Environment') organisational goals, the author delivered a questionnaire to all employees, in early 1996. The findings are illustrated using a boxplot in Figure 5.2. Within the questionnaire, workers were asked to indicate the importance (or priority) they thought that Traidcraft's senior management gave to the following factors:

- profit: financial position or 'bottom-line';
- people: the degree of integrity with which the firm deals workers, suppliers, community etc.;
- environment: the natural environment.

Employees were asked to tick the appropriate category from 'not important' in category 1, moving through 'quite important' in category 4, to 'very important' in category 7. The findings are illustrated using a boxplot in Figure 5.2. Boxplots provide a valuable visual comparison of the distribution of responses to the questionnaire. A boxplot plots the median, the 25th percentile, the 75th percentile. The horizontal thick dark line represents the median. The box itself embraces the middle 50 per cent of the responses. In other words, the length of the box corresponds to the interquartile range, which is the difference between the 75th and 25th percentile (Norussis, 1993). Skewness is indicated by an eccentric location of the median within the box. The boxplot also plots what are called the extensions (known as whiskers) connecting the largest and smallest values that are categorised as lying within 1.5 box-lengths away from the box (Kinnear & Gray, 1994). If these definitions are applied to the boxplot in Figure 5.2 some illuminating findings result.

What is immediately apparent is the perceived top management's priority upon making a profit, in relation to its other priorities. However, this was closely followed by the top management priority upon a value for people, in general. This dual financial and social priority supports Traidcraft's predominant view of sustainability. Furthermore, although the median level of Traidcraft's environment priority was lower than the other priorities, it is important to note, from its relatively wider interquartile range that, for many employees, the environment is still a major priority. This would support Traidcraft's holistic view of sustainability, which recognises the importance of not only social and financial goals but also environmental goals as well.

FIGURE 5.2

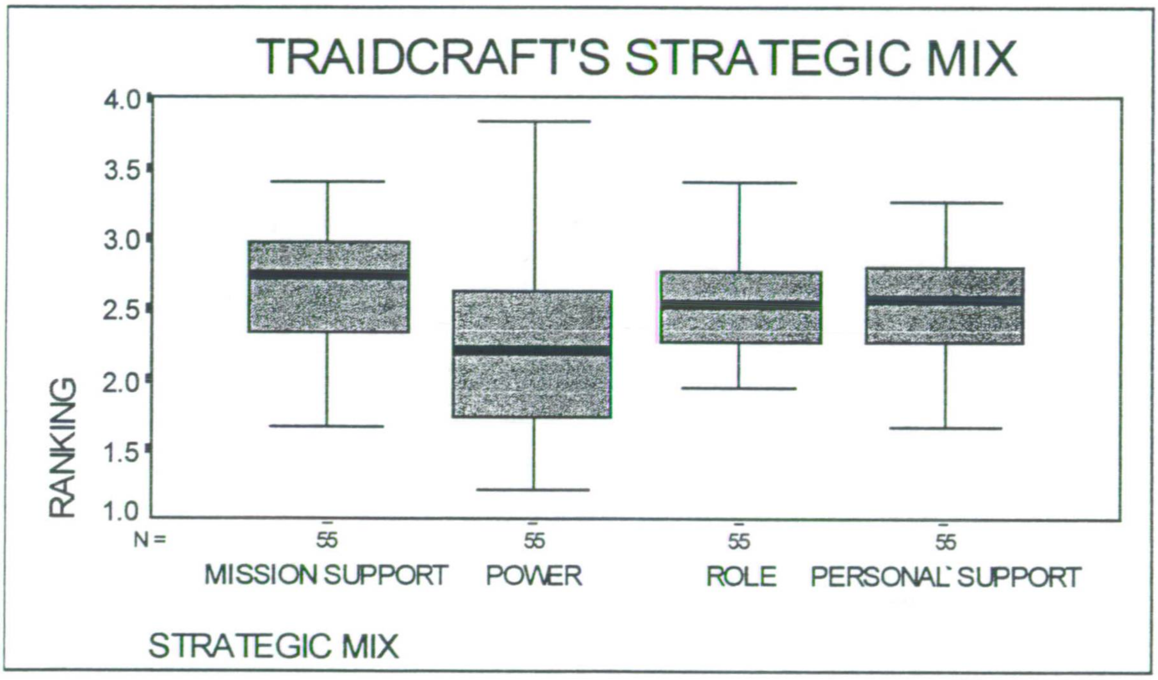


Traidcraft's aim of developing a greater common purpose towards its sustainable goals can be seen as an effort to more fully realise their Foundation Principles which actually set out a vision of a community of people with a common purpose. The strategy required to develop this common purpose could be categorised as a mission support strategy. As in The Body Shop, this strategy is termed a mission support strategy because, as Harrison and Stokes (1992) argue, this strategy has alternatively been called the aligned strategy because it 'lines people up' behind a common vision or purpose. The shift towards a mission support strategy was emphasised by Steadman & Thomas (1994), who described a more formalised, non-emergent and long term strategy. They pointed out that, in the informal, emergent and short term past personal support strategy, it seemed that cultural development depended upon the manager and the person on the spot rather than on an agreed corporate strategy. In contrast, in 1993, a more centrally planned and structured strategic review of the company's activities occurred, where the aims of Traidcraft were set out until the year 2000. Appropriately, the strategy plan forthcoming from this was called 'Traidcraft 2000' (Traidcraft, 1994a). Substantiating the long term emphasis of Traidcraft's new mission support strategy, referring back to Figure 5.2, employees perceived the top management's joint second priority as long-term planning of the business. Moreover, the Traidcraft 2000 strategy plan had three aims and these were to realise producer potential (e.g. by doubling the amount of fairly traded goods by year 2000), customer potential and staff potential. By looking at the following means of realising staff potential, the mission support strategy's organisational goal driven (rather than the past employee centred perspective) instrumental focus is apparent:

-by recognising the contribution of staff as the links who bring producers and customers together;
-by seeking to release the talents and creative abilities of our staff in pursuit of our corporate aims.

In order to more fully understand the extent of the mission support nature of Traidcraft's new strategy, Traidcraft's overall strategic mix, as perceived by its employees, was explored. The strategic mix, explored through questionnaire findings, was represented by four dimensions, developed from Harrison and Stokes's (1992) typology, namely, power, mission support (originally called achievement), role and personal support (originally called support). In practice, any organisation will have a mixture of all four dimensions. What makes each organisation unique is the combination and strength of each dimension to be found within it. The particular strategic mix within Traidcraft, as perceived by its workers, can be seen in an aggregated manner below in Figure 5.3, illustrated through a boxplot. Each dimension is ranked from 1 to 4, representing how close workers feel the dimension describes Traidcraft's cultural development strategy. Rank 1 represents the least close and rank 4 represents the closest.

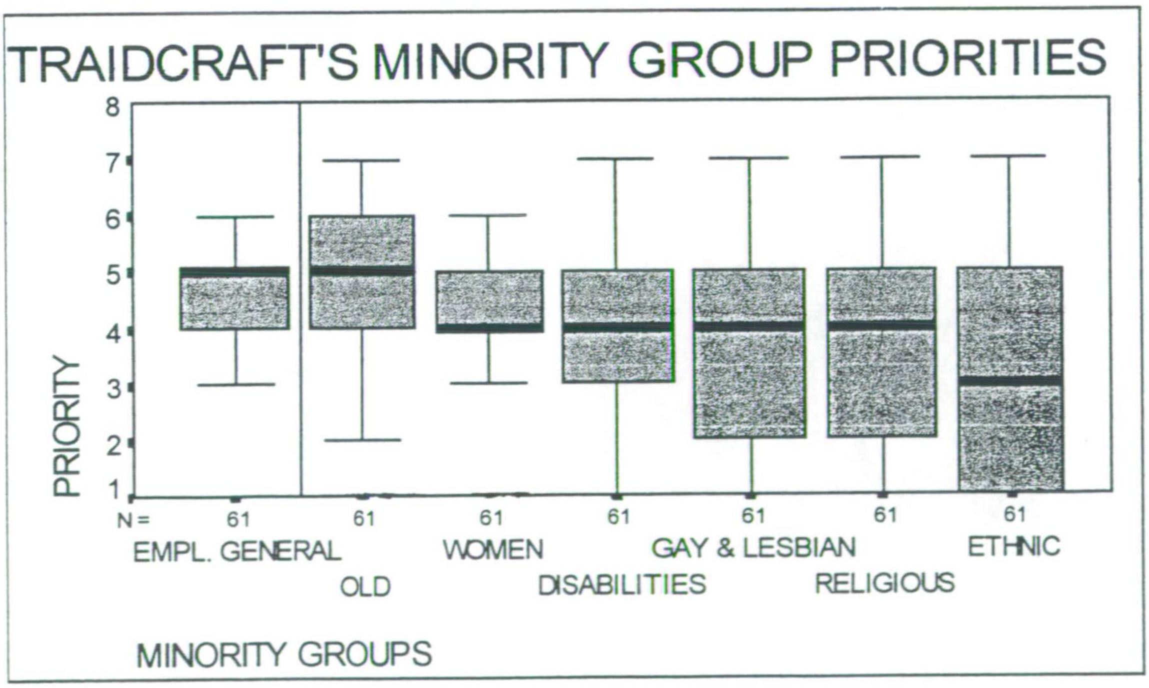
FIGURE 5.3



In contrast to Traidcraft's past personal support strategy it is interesting to note that, within its present strategy, the mission support median is now ranked approximately equal to the personal support dimension median. Substantiating this dual mission and personal support priority, referring back to Figure 5.2, employees perceived top management's organisational (mission) support value for quality of work, defined as the degree of excellence in work, as joint second in priority to their personal support value for creativity, defined as willingness to accept new ideas. Therefore, it could be argued that Traidcraft's present strategy is perceived internally as relatively more unitarist than Traidcraft's past strategy. However, it must be pointed out that, in absolute terms, Traidcraft's present strategy appears to have both unitarist and pluralist elements. For example, Traidcraft's positive attitude towards minority groups is a good example of its continued commitment towards pluralism. Figure 5.4 represents a boxplot of Traidcraft's minority group priorities. Employees were asked to indicate to what extent they thought Traidcraft satisfies the needs of different minority groups within the workplace. They were asked to tick the appropriate category from 'does not satisfy' in category 1, moving through 'partially satisfies' in category 4, to 'fully satisfies' in category 7.

What is interesting to note is that, in terms of median and interquartile value priority, older employees, women and employees with disabilities are all perceived to be approximately equal in priority to employees in general. In other words, this would indicate that workers perceived that there is relatively minimal discrimination against these groups. However, looking at the lower and wider interquatile lengths of gay, lesbian, religious and ethnic groups, they appeared to have a lower perceived priority within Traidcraft.

FIGURE 5.4



Exploring Traidcraft's emerging unitarist strategy further, it began to realise that, with a predominant past participative culture, it now had to proceed with a values leadership strategy to be able to induce greater shared values. The power dimension in Figure 5.3 provided a useful indicator of the perceived extent of the top-down nature of Traidcraft's decision-making. As Harrison and Stokes (1992) point out, the power-orientated organisation is based on inequality of access to resources. It is based upon top management's personal strength to provide direction, decisiveness and determination. Figure 5.3 shows the extent to which Traidcraft's cultural development strategy is perceived by its employees, to be power based. What is initially apparent is that the power dimension median is approximately ranked at the same level, as the other three dimensions. This appears to indicate that Traidcraft is showing a degree of top-down decision making.

The following two initiatives, initiated in 1994, illustrate the mission support and values leadership elements of Traidcraft's emerging unitarist strategy. These were the 'Teamworking' exercise and the 'Investors in People' programme. Team-work training took place over two days in September 1994 for managers and in the first half of 1995/96 for every member of staff. It is interesting to note Fox's (1966) view of teamworking in relation to unitarism with its reference to principles of leadership and mission support:

> 'A unitary system has one source of authority and one focus of loyalty, which is why it suggests the team analogy. What pattern of behaviour do we expect from the members of a successful and healthy-functioning team? We expect them to strive jointly towards a common objective, each pulling his weight to the best of his ability. Each accepts his place and his function gladly, following the leadership of the one so appointed . There are no oppositionary groups or factions, and therefore no rival leaders within the team. Nor are there any outside it; the team stands alone, its members owing allegiance to their own leaders but to no others.'

Both initiatives aimed to improve the effectiveness of staff in realising Traidcraft's sustainability goals and objectives. Two of the four stated aims (Traidcraft 1994a) for the Investors in People initiative were a commitment to:

- communicate clearly business objectives and to develop employees to enable the organisation to achieve those objectives;
- evaluate systematically the effectiveness of our investment in training and improve future effectiveness.

Similarly, two of the eight stated aims (Traidcraft, 1994a) for the team-working exercise were to develop a:

- greater effectiveness in achieving our goals and objectives;
- greater sense of belonging to Traidcraft and the movement for change which it represents.

Furthermore, staff were aware and could see the commitment benefits of this external sustainability goal focus. In the 1994/95 Social Accounts (Traidcraft, 1995a) a typical employee hope was that team-working would result in:

> 'Traidcraft achieving its business objectives - increased company performance and greater job satisfaction - breaking down barriers and changing negative attitudes - maximising each individual's contribution - a productive and fulfilled workforce.'

Financial pressures from the sales and profit shortfalls in 1994, and particularly at the end of 1995, gave an increased impetus for Traidcraft to develop its unitarist strategy. In 1995, Traidcraft recognised the long-term impact of this shortfall, when it realised that its aim of doubling the volume of fair trade purchases from third world suppliers by the end of the decade (see Traidcraft 2000 aims) would not be achieved without further change within the company to match a changing external market environment. It is important to note that, with the advantage of having a lack of stakeholder pressure, this financial turnaround was important to Traidcraft because, as explained previously, one of Traidcraft's sustainability goals is to show to mainstream companies that social and environmental responsibility is compatible with financial success.

In response, Traidcraft's Board commissioned a review of all business processes called a 'Business Process Re-engineering (BPR) Review' to identify what changes it could and should make to reposition itself for 'profitable growth in a more competitive marketplace'. Moreover, BPR's aims were to become more financially efficient and reduce costs through tighter controls on expenditure and streamlining business in line with Traidcraft's declared external goals. As one employee put it:

> 'Peoples' hopes and expectations are that we can carry on doing everything we're doing, but do it more efficiently.'

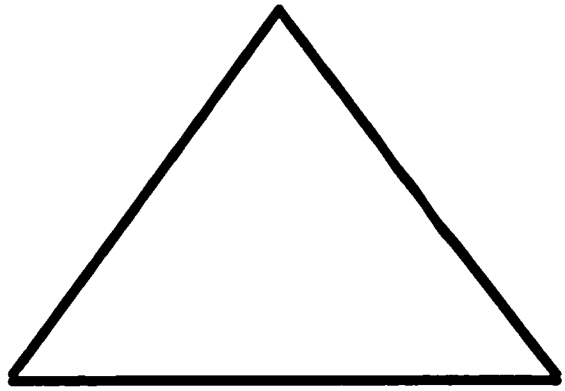
Furthermore, in light of the strong financial pressures it had been experiencing, Traidcraft endeavoured to clarify where its value of profit stood in relation to its social, fair trade sustainability goal. It, therefore, set up what it defined as its 'Trinity of Aims' to provide some direction to the BPR Process. Traidcraft stated in its internal BPR Newsletter (Traidcraft, 1995b) that it needed to hold the following three aims/questions in tension (see Figure 5.5):

- is Traidcraft succeeding in increasing the volume of fair trade purchases made from its overseas producer partners?
- is Traidcraft making enough surplus to invest properly in the future of the business? Is Traidcraft demonstrating to others that fair trade works?
- is Traidcraft spreading the message about fair trade to more people in the U.K.?

FIGURE 5.5

TRAIDCRAFT'S TRINITY OF AIMS

THIRD WORLD PURCHASES



PROFITS **AWARENESS-RAISING**

The newsletter moved on to state that these are the three most important measures of whether Traidcraft is fulfilling its mission and moving towards Traidcraft 2000. However, in order to move and unify Traidcraft's employees in the most effective way, a more singular aim was also required. The reason for this was due to the fact that, as Steadman & Thomas (1994) pointed out, employees historically held different perceptions of external success which were creating a degree of confusion in the company. Although some had a balanced view which accepts the requirement to meet the needs of both the customer and supplier, some employees defined success solely as meeting the needs of the supplier, while others saw it as satisfying the customer. The reasons for these different perceptions were due to the increasing degree of pluralism gradually introduced into the workforce. As Steadman & Thomas (1994) argued, in its early days there was an over-emphasis on supplier development due to the practice of employing only practising Christians (this they pointed out had a consequent negative financial effect on Traidcraft's trading account). Furthermore, as Steadman & Thomas move on to say, the issue of 'which customer [stakeholder] does Traidcraft need to satisfy?' was clearly of importance to almost all employees and at all levels. In light of this confusion, a 'customer focus' was chosen as the guiding principle of BPR at a Board meeting on 21st July, 1995. The reasons given for the decision to have a customer rather than a supplier focus were that Traidcraft's strengths were already in linking with suppliers and product ideas and not with attracting new customers and keeping current customers. The following statement was indicative of this view:

> 'If it isn't helping us to serve our customers better then it isn't right.' (Traidcraft, 1995c)

With regard to the new balance struck between its sustainability goals, the recent customer focus combined with its Trinity of Aims can be seen as Traidcraft trying to rapidly develop its financial responsibilities whilst endeavouring to retain and develop its social responsibilities. Traidcraft's 1993/94 Social Audit pointed out that Traidcraft saw a financial focus as a means to an end to achieve its sustainability goals:

> 'It is not a business whose purpose is to make profits. Its effectiveness in achieving its business objective of increasing fair trade with the 'third world' is measured by the size of the 'community' of suppliers and customers it can create and the extent to which their legitimate expectations of good products and fair rewards are satisfied.' (Traidcraft, 1994b)

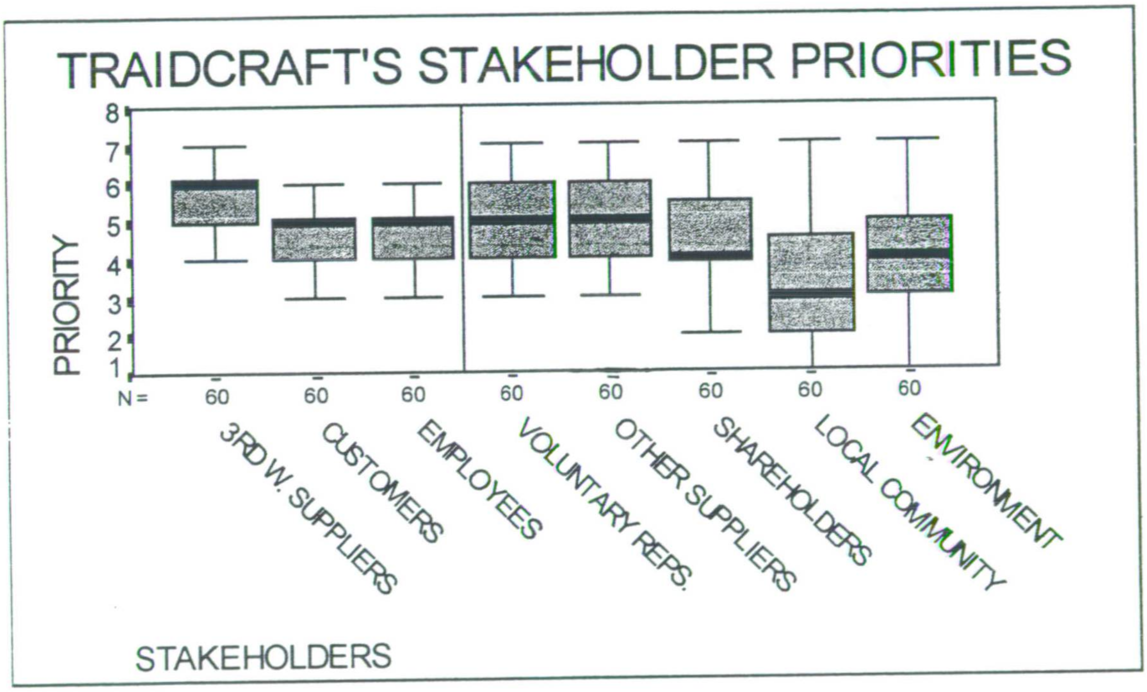
As Conn (1994) argues, profit is like oxygen. If you don't have enough you won't be around long, but if you think life is about breathing, you're missing something. This view of seeing profit as a means to an end was summed up by one employee:

> 'Profit is a necessity, an essential and very much instrumental to other goals.'

This is substantiated in the boxplot, Figure 5.6, which represents Traidcraft's financial, social and environmental stakeholder priorities, as perceived by its employees. Moreover, the boxplot splits these general value priorities (represented in Figure 5.2) into their associated stakeholder groups. Workers were asked to indicate to what extent they thought Traidcraft satisfies the needs of different stakeholder groups. They were asked to tick the appropriate category from 'does not satisfy' in category 1, moving through 'partially satisfies' in category 4, to 'fully satisfies' in category 7.

Although, not surprisingly, satisfaction of its social goal of third world suppliers took priority, it is clear that satisfaction of its more financial goal, its customers took a close second in priority. It was interesting to note that satisfaction of employees was perceived as only equal in priority, in both median and interquartile width terms, to satisfaction of Traidcraft's customers. This again substantiated the move towards a more unitarist strategy, where employees were seen to be important, not in their own right, but more for the instrumental reason of moving Traidcraft towards sustainability.

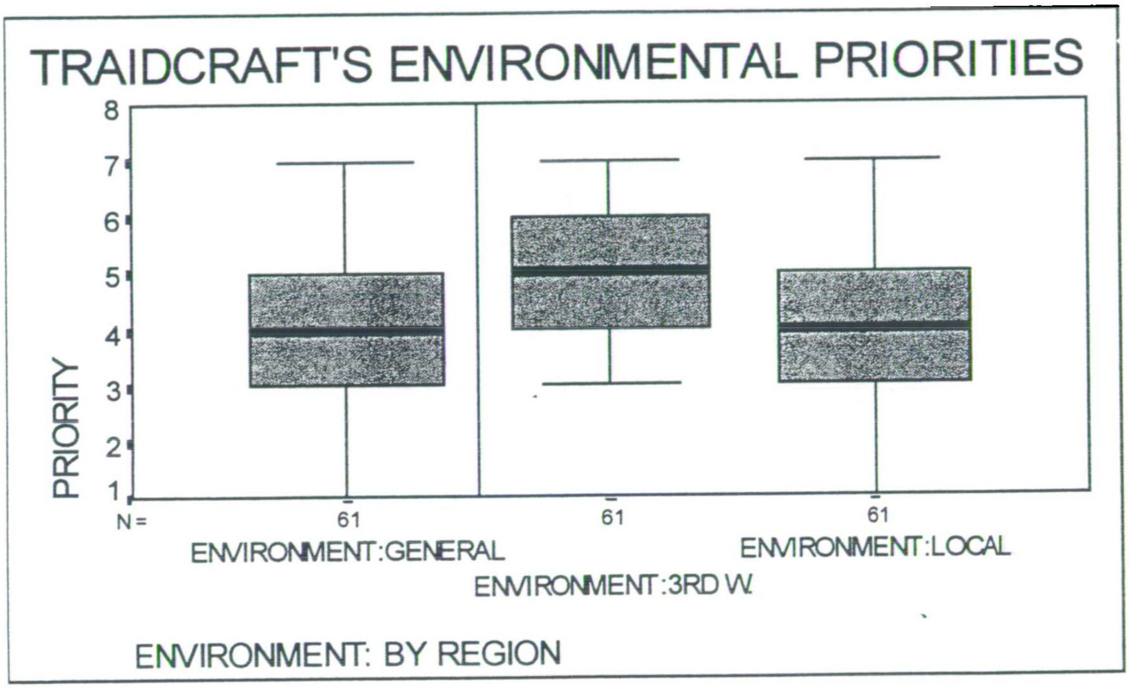
FIGURE 5.6



What was also interesting to note was Traidcraft's perceived environmental organisational priority. Figure 5.6 shows that Traidcraft's environmental median was less of an overall organisational priority than the above priorities. This substantiates Traidcraft's more social and financial view of sustainability.

Looking further into Traidcraft's environmental priority a boxplot was used, Figure 5.7, adopting the same scale as Figure 5.6. It was clear that, for Traidcraft, the third world supplier environment took greater priority than the local environment. This finding substantiated Traidcraft's overall third world supplier organisational priority. With reference to this finding, Traidcraft's sustainability stakeholder priorities could then be seen to be not only as satisfaction of its third world suppliers and customers but its third world supplier natural environment as well.

FIGURE 5.7



5.3 The Effectiveness of Traidcraft's Present Strategy & Traidcraft's Future Strategy

In early 1996 Traidcraft's Board began to realise that its unitarist strategy of increasing employee commitment towards Traidcraft by developing a greater shared value for sustainability through a values leadership and mission support strategy was not fully materialising. At a BPR management meeting in February 1996 it was admitted by the BPR Steering Group (top-level group overseeing the change process) that, in retrospect, Traidcraft would do things differently if they had the opportunity.

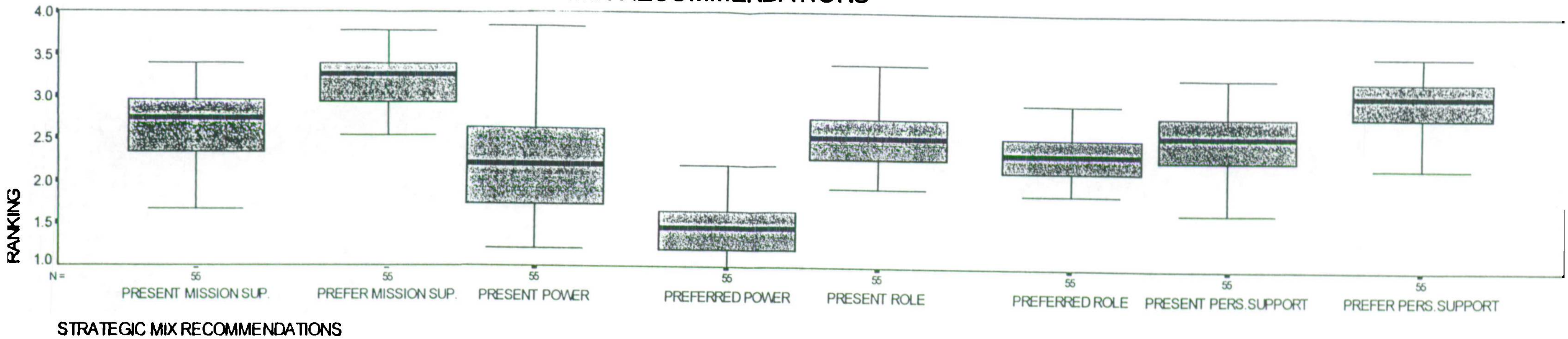
In order to assess the effectiveness of Traidcraft's unitarist cultural development strategy, the author delivered a questionnaire based upon Mowday, Steers & Porter's (1979) organisational commitment instrument. Questionnaire findings showed that, although an admirable 90 per cent of employees showed varying degrees of commitment towards Traidcraft, 53 per cent showed only a slight to moderate commitment, with only 37 per cent showing a moderate to high commitment. Bearing in mind the high level of employee commitment within Traidcraft historically, these percentages, although viewed as high in mainstream organisations, were viewed in Traidcraft as relatively mediocre. Furthermore, although just under 70 per cent of the respondents said that Traidcraft's unitarist strategy had varying degrees of positive influence upon their commitment, 25 per cent said that the strategy had a negative influence. Typical negative attitudes towards Traidcraft's unitarist strategy were as follows:

> 'People are discontent and people are starting to say Traidcraft is not what it used to be';
> 'I feel the process [BPR] is making people feel a lot more unhappy.'
> 'Out of the immediate people I work with, only one person has found the changes positive and the others are feeling insecure and worried.'

In order to explore the reasons for these differing commitment levels more fully, employee attitudes were explored towards the different elements of Traidcraft's present unitarist strategy i.e. a values leadership combined with a mission support strategy. Moreover, in light of the above negative comments towards Traidcraft's unitarist strategy, the following sections also include employees' recommendations on which cultural development strategy would increase overall worker commitment. In fact, approximately 90 per cent of the respondents to the questionnaire stated that they would experience a moderate to large increase in their commitment if Traidcraft adopted their recommendations. In order to explore these recommendations in detail, the questionnaire asked the respondents to state the strategic mix (or cultural development strategy) they would prefer to see within Traidcraft. In order to illustrate the questionnaire findings, a boxplot is used (see Figure 5.8) which represents both Traidcraft's present strategic mix, as perceived by its employees and its employees' preferred strategic mix. As explained for Figure 5.3, for Traidcraft's's present strategic mix, each dimension is ranked from 1 to 4, representing how close employees feel the dimension describes Traidcraft's present cultural development strategy. Rank 1 represents the least close and rank 4 represents the closest. For Traidcraft employees' preferred strategic mix, each dimension is ranked from 1 to 4, representing the extent to which employees prefer the dimension within Traidcraft's future cultural development strategy. Rank 1 represents the least preferred and rank 4 represents the most preferred. The difference between the present and preferred median and interquartile levels could be seen as a measure of the level of employee dissatisfaction with the present strategic mix. More specifically, the difference between the present and preferred levels of each of the four strategic dimensions (power, mission support, role and personal support), could be seen as a measure of the level of employee dissatisfaction with each of the four dimensions. These findings will be incrementally explained, where appropriate, in the following analysis of Traidcraft's values leadership and mission support strategy. Within this analysis, several initiatives will also be described to illustrate Traidcraft's response to employee recommendations for a future strategy.

FIGURE 5.8

STRATEGIC MIX RECOMMENDATIONS



5.3.1 The Effectiveness of Traidcraft's Values Leadership Strategy

In exploring the reasons for the aforementioned negative opinions (see section 5.3), employees showed a dissatisfaction with what they saw as the unacceptable top-down nature of Traidcraft's values leadership strategy. Referring to Figure 5.8, the boxplot shows Traidcraft's present level of power as perceived by its employees and the employees' preferred level of power. The difference of a value ranking of 0.75 between the median values could be seen as a measure of the level of employee dissatisfaction with the present values leadership strategy. Employees' dissatisfaction reflected a realisation of their decreased level of participation in top level decision-making which in turn reflected the drop in respect for diversity within the company in favour of a more singular goal approach. Employees gave the following typical comments:

> 'They [management] are forcing their views.'
> 'People want to see less of the hierarchical system.'
> 'Power and responsibility are seen as being focused right at the top of the organisation.'
> 'The official policy of the company may be to respect different views; but to what extent does that mean something on the ground? We are certainly not doing that at the moment.'
> 'We need to try and balance a very top-down technique, re-engineering with participation around that.'

Furthermore, feelings of resistance to Traidcraft's unitarist attempts were voiced:

> 'I think they expect people to think their way and we won't, we'll think our way.'

In light of the negative comments around Traidcraft's values leadership strategy, it was interesting to note that employees expressed a desire not to increase their participation in decisions to diminish the power of Traidcraft's top management. Referring to Figure 5.8 again, it was interesting to note that most of the employees preferred a small level of power to exist. It can clearly be seen that the relatively small interquartile range around the median was around the rank of 1.5. Moreover a different leadership strategy was called for, in the form of a need for a reduced number of key individual decision-makers. This new leadership strategy was required, not only to induce a set of shared sustainable values amongst Traidcraft's workforce, but to make pressing value decisions on behalf of the workforce. These value decisions were primarily around financial issues.

Some typical comments describing the type of combined values and financial leadership required were as follows:

> 'We may have to compromise our values to get through.'
> 'Decisions for the overall financial well being of the company have to be made for our own good in a sense... because we normally leave things too late and have to have fire brigade tactics probably, in some instances.'
> 'We need some real strategic direction which would force us to make decisions about what sort of areas we need to be in to fulfil our objectives.'

The leadership element was also required in order for Traidcraft to reduce its free-rider culture. Employees saw Traidcraft's strategy as too many 'personally supportive' managers who could not make difficult employee decisions (see above), who only reinforced the past free-rider culture. In contrast, they would prefer fewer managers who are more decisive and determined and not ready to please everyone. Some typical comments illustrating the type of leadership required are as follows:

> 'I wish they would just put their foot down and say no, you cannot do this rather than trying to accommodate everybody.'
> 'There needs to be a clarity of communication from top-down and that has to be less indecisive, less sloppy, less apologetic, more strong but more accountable, more traditional.'
> 'It is going to have to manage not so much from the heart.'
> 'We are going to have to be cruel to be kind.'
> 'In the immediate term someone is going to have to take charge to improve things.'
> 'Decision-making in Traidcraft is going to have to be a lot harsher.'
> 'We want half the managers to be twice as strong as they are now. We want the fewer managers to be more decisive, determined and responsible.'
> 'There has to be some tough decisions made by certain people at the top level because they will have the information and the backing to do that... in the short term because there needs to be some strong leadership... but that doesn't

necessarily have to impact upon peoples day to day abilities to make their own decisions.'

Moreover, employees were content with the current level of participation which suited their level of management skills, i.e. they expressed a personal value for limited participation. The following comment typifies this feeling:

> 'People who are not involved in driving the change forward feel that power is concentrated... but then maybe they do not feel in a position to participate or maybe they are just not interested in participating.'

Exploring this further, whilst employees expressed a desire to not increase their participation in decisions, they simultaneously wished to increase their level of involvement in decisions. An increase in employee involvement with top-management decisions was seen to be created through greater transparency/ clarity of information of the management decision-making process. At a BPR management meeting in February 1996, the BPR Steering Group confirmed that they,

> '...needed to handle the people side better...There needs to be more people who feel included.'

Furthermore, at the end of 1995 a 'VIP' group (Very Important People - chosen to promote the high status given to all Traidcraft staff, in light of the staff resistance to Traidcraft's unitarist strategy) was internally set up consisting of 7 people from across the workforce. Its role was to look at how BPR will affect people and their jobs.

A call for transparency in decision-making meant that employees were prepared not to fully participate in decision-making as long as they had the opportunity to question the few people who made top level decisions, i.e. they needed to feel that there was more of a two-way communication. In other words, employees would be content with a limited amount of participation if they could trust management through greater transparency of top-level decision-making. Typical comments were as follows:

'There still needs to be known communication, because they still want the accountability aspect; like who is doing what, who is doing this, who is doing the other.'
'We're probably lacking in communication at the moment.'
'People feel anxious because they don't know if they are going to lose their jobs or not. They are coming to me wanting all the answers because I'm on the staff association, but I haven't got all the answers and I feel a bit on the spot. People definitely want more communication.'

It is important to point out that Traidcraft is currently recognising this desire for an increase in transparency in management decision-making:

'Our aim is that the process should be seen to be open and for there to be no secrecy about our deliberations.'

This realisation was further substantiated when a strategy document for 1996/97 was brought out called 'Drive 97 - BPR Change Programme - The New Deal' (Traidcraft, 1995d). It pointed out Traidcraft needed to improve its performance in BPR in terms of communication. Furthermore, Traidcraft hoped that it could achieve this transparency aim, through a process of making visible BPR charts and working papers as soon as they were produced. This information was usually pinned up on staff noticeboards in the company's meeting and dining room. Periodic BPR newsletters, special staff briefings and weekly staff meetings provided another communication channel. However, as can be seen from the the quote below, the above communication attempts need to be made more specific and less jargonised. This feeling, therefore, represented a need for further improvement rather than a complete change in these initiatives:

'I'd like to see a few more newsletters, more meetings, announcements, etc. rather than just the BPR newsletter which is just generalisations.'

The above call for an increase in transparency was seen as part of an overall call for greater management and worker accountability, i.e. two-way accountability. This overall two-way accountability also manifested itself through a call for grievance and disciplinary structures and systems. In other words, workers expressed a need for not only a greater transparency in decision-making but an overall policing mechanism which punishes people who are not working towards Traidcraft's sustainability goals. This policing mechanism would apply not only to management but to employees as well. In this way a culture of mutual trust could be developed. The reason for an increase in employee accountability was to be able to identify and punish the free-riders. The reason for an increase in management accountability was to ensure that the managers that allowed this to happen would be identified and punished. Overall, the systems are designed to control people and to prevent them committing selfish or stupid acts.

This need for both employee and management accountability structures and systems was highlighted in Figure 5.8, through the role dimension. The role dimension was one of the four dimensions measured by Harrison and Stokes (1992) questionnaire. The role dimension is a more broad measure of the relative effect worker and management accountability structures and systems have on Traidcraft's strategic mix. Harrison and Stokes (1992) describe the aims of these management and worker accountability structures and systems as giving both protection to subordinates and stability to the organisation respectively. As can be seen from the boxplot, employees preferred a negligible change in the high median level of the role dimension. The small interquartile range of the preferred role dimension indicates that many of the workers were in agreement with this finding. It was clear that the role dimension was an important part of the employees' preferred strategic mix:

> 'People should be more accountable within a structure because certain managers are doing the wrong things and people ask why haven't they been sacked?....Who is to blame?...Especially if there is a knock on effect to the rest of staff...Why should the staff suffer because certain people have made that decision.'
> 'People have made mistakes here and they should have been jumped upon and they never have because they haven't got all the grievance structure and back-up to handle it.'
> 'People within an area will recruit like-minded people around them and that is the reason why the top management team are so cosy; there is a lack of challenge, they tend to agree with one another...which makes me wonder whether it is group-think as opposed to a positive team.'
> 'People would like a framework for them to have their empowerment within.'
> 'They need to make a stand and to be given rules and told this is how it is.'

> 'People would be happy to keep a certain level of structures and systems within a company that is fairly loose-knit, for the sake of accountability.'

It must be pointed out that, in order to achieve a greater transparency and two-way accountability within their unitarist-pluralist cultural development strategy, Traidcraft have been implementing a process called social accounting since 1992 (see section 3.2.4 (i)). In 1993 Traidcraft became the first British plc to publish a social report and to be audited externally (by an organisation called The New Economics Foundation). Gray (1996) reflected upon this when he remarked that it represented the first serious attempt by a British company to undertake and publish a systematic social audit of the company's operations. In order to understand why a description of this initiative was not included in Traidcraft's past strategy, it must be understood that this process can be seen as a relatively new initiative in terms of Traidcraft's cultural development towards sustainability. As Richard Evans pointed out (Traidcraft, 1996a), it was only relatively recently that employees have perceived the process to be a mechanism which positively develops Traidcraft's culture. In order to understand this, it is important to realise that Traidcraft has only recently started to implement a process called 'social book-keeping'. This pioneering initiative integrates social accounting into normal management accounting systems of the company. As Gray, Owens and Adams (1996) point out, for a more socially and environmentally aware culture to be introduced into an organisation it is necessary to integrate new values centrally into the existing performance appraisal system. In other words, organisations which truly wish to embrace the concept of social accountability will need to specifically design social book-keeping and information systems which enable them to assemble and collate the data necessary for preparing a 'social account'. As its third 1994/95 social account points out, the social book-keeping function is to enable managers to monitor the company's performance against its social and ethical indicators on a routine basis throughout the year.

Overall, Evans (1995) points out that there have been two very significant results from the introduction of the social accounting process at Traidcraft. Firstly, the board of directors indicated, at a very early stage, its commitment to the publication of the results and to treating the reports as a major consideration in company policy decisions. Secondly, as the process has become more established and accepted by managers and employees, discussion of the social impact of management decisions and employees' behaviour has become much more common than previously. In summary, the combination of social accounting and social book-keeping highlights Traidcraft's developing commitment towards the unitarist-pluralist principle of two-way accountability.

5.3.2 The Effectiveness of Traidcraft's Mission Support Strategy

Reflecting upon Traidcraft's mission support attempts, questionnaire findings indicated that a shared set of sustainability values was not fully materialising. It was interesting to note that only 40 per cent of the questionnaire respondents indicated that they strongly or quite strongly shared the same values as Traidcraft. One employee reflected this concern when he said:

> 'I would say that people who see it as a vocation rather than just a job might be as high as one third.'

Furthermore, concurring with this percentage figure in response to an open questionnaire question exploring factors which have positively influenced employee commitment, about 30 per cent of those who answered specified; Traidcraft's 'worthy cause', 'mission', 'fair trade' or 'Christian-basis'. The extreme of these employees were described as seeing their role in Traidcraft as,

> '...a calling from God rather than a job... this is what God wanted them to do, almost like joining the priesthood or something.'

Conn (1994) similarly argued that, for particularly management, Traidcraft's values were very important, the reason they worked at Traidcraft and the reason they accepted relatively low pay.

Looking more closely at the other employee attitudes towards Traidcraft's sustainability goals, the most common feeling was expressed by 35 per cent of the respondents who slightly agreed that they shared similar values. In fact, about 20 per cent indicated that they were ambivalent or did not share Traidcraft's values. Moreover, employees emphasised that Traidcraft's past pluralist, personal support strategy was still a major driving force which had allowed values diversity to thrive.

More importantly, Traidcraft's mission support strategy appeared to have a negligible impact upon the extreme effects of its past personal support strategy. In other words, its mission support strategy appeared to have a negligible impact on Traidcraft's free-rider culture. Some negative comments which reflected the financial impacts of this lingering free-rider culture were:

> 'There are a lot of wasters. There are a lot of people 'poncing' around corners. I mean people wasting resources and wasting money.'
> 'The current culture affects job performance really terribly...The fact that we get away with it, we do it.'

Therefore, Traidcraft has begun to realise that a mission support strategy, based simply upon inspirational aspects of mission statements would not develop a shared set of organisational values amongst its workers. It has realised that any future strategy should represent a more realistic one which does not assume that everybody will fully 'jump aboard the Traidcraft value train'. Put simply, it was clear that any future strategy to develop shared values with such a diverse workforce needed to offer more personal incentives than social or environmental responsibility.

Ironically, employees preferred to strengthen Traidcraft's personal support strategy, which appeared to be the cause of the above free-rider effects (see Figure 5.8). However, this preferred increase in the level of personal support, was a call for an alternative personal support strategy. This strategy did not respect all diversity of personal values, as in the past strategy. Moreover, it respected only those personal values that were shared. Therefore, this change represented a strategy which continued to be based upon shared values. This search for shared values conforms to a process introduced by Bate (1994), called 'management for similarities' which involves a search for as much coherency as one can find in the cultural system (see section 3.2.4 (i)). Traidcraft's shared values intent is exemplified by the following statement from Zadek and Evans (1993):

> 'We need to acknowledge the role of personal, and shared values and we need to look for the openness to new influences and change which is the necessary condition for the organisation and its stakeholders to learn from the process.'

This new strategy is exemplified in Traidcraft's stated aim of establishing an 'inclusive community of purpose' within its Foundation Principles. Richard Evans (1995), an executive director of Traidcraft, explained that this idea implies an organic cohesion between the disparate and often physically widely separate stakeholder groups who make up Traidcraft.

Exploring personal shared values amongst Traidcraft employees, Traidcraft have realised that employees feel a need to be motivated, not only intrinsically by Suma's sustainability values but extrinsically as well, through reward, recognition and personal development. The range and intensity of these reward, recognition and personal development values expressed by these Traidcraft employees were as follows:

> 'I've also got to pay the mortgage.'
> 'I would say people are more motivated by money.'
> 'Traidcraft is a mixture of people who say it's just a job or it's a vocation.'
> 'There are a lot of people I talk to who say just get on with it and tell us we've got the job or not, at the end of the day people who haven't got the same values as Traidcraft are motivated by just a job; just working rather than not working.'
> 'It's a job for most people and that's it. They participate in work hours, but when they are expected to do things for nothing, give up their time, not everyone is values-driven.'
> 'People feel that they are undervalued because they think they work hard and they are not given the rewards for working as hard as they do, not money so much, but praise, the recognition from higher levels for what they do.'
> 'There are frustrations that will make themselves known from time to time; that pay isn't really enough, particularly for higher levels of the company, not

> the executives but more management. How can people be expected to do all this work etc.'
> 'I don't feel I can get very far in Traidcraft.'
> 'I feel people are looking to be valued more for their contribution.'
> 'For the sake of efficiencies in the areas, to give more reward back on the values, to what we are about, where we are going.'

Similarly, an employee pointed out what he believed to be one of Traidcraft's key initial mistakes and what he thought Richard Adams, the founder, would also wish to change:

> 'When we started Traidcraft, we paid low wages because how can you be taking wages that are high or normal if people outside are starving? He didn't say pay peanuts get monkeys: monkeys don't perform very well and you don't get a very good performance. He would now. He would say pay good wages, make people accountable, make them work for their wages get a good performance for the end product.'

Bearing in mind these other personal shared priorities, what is important to point out is that, for many of the employees, Traidcraft's sustainability values, appear to still be worthwhile personal values to pursue. As one employee pointed out:

> 'The values are still there as a major driving force in the whole organisation.'

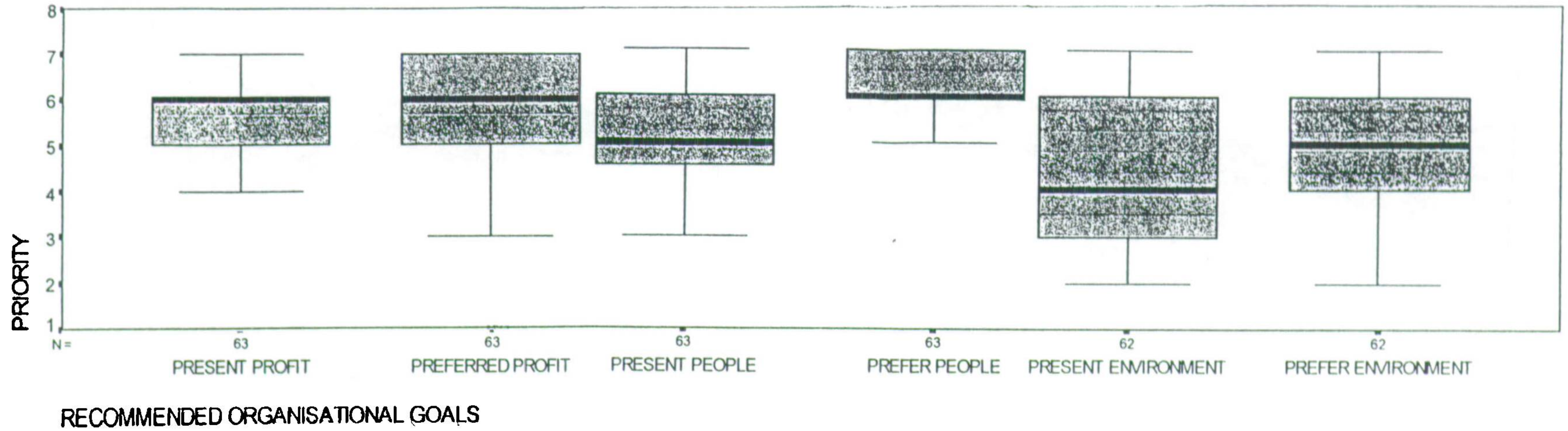
More specifically:

> 'Everybody has to remember that Traidcraft is here to help the third world.'

In fact, just over 95 per cent of the respondents stated that Traidcraft's sustainability goals had varying degrees of positive influence on their commitment. Moreover, Figure 5.9, a boxplot, represents the importance employees would prefer Traidcraft to place upon the financial (profit), social (people) and environmental (environment) aspects of sustainability. In order to contextualise these findings, Traidcraft's perceived present goal priorities are shown next to the employees' preferred goal priorities. As explained for Figure 5.2, workers were asked to tick the appropriate category from 'not important' in category 1, moving through 'quite important' in category 4, to 'very important' in category 7. The difference between the present and preferred median and interquartile levels, could be seen as a measure of the level of employee dissatisfaction with the present goal priorities. It is clear from the median level difference, that employees would prefer a greater priority placed upon Traidcraft's value for people. In fact, looking at the narrow interquartile range of employees preferred value for people, as compared to the other values, it appears that employees would prefer Traidcraft to place the greatest priority upon the people value. Looking at the other financial and environmental values, it can be seen from the zero profit median level difference, employees preferred Traidcraft's value for profit to remain an important priority. This substantiates the finding that a minimum amount of leadership is required for financial reasons. It is interesting to note that the preferred interquartile range is wider and stretches higher than the present interquartile range. This indicates that, for many employees, they place a greater priority upon the profit motive. Moreover, as the preferred median levels of profit and people are equal, it could be deduced that employees would prefer a priority placed upon both financial and social goals. In light of Traidcraft's distinctive social view of sustainability, it is interesting to note that employees preferred a slightly lower priority placed upon their environmental goal. However, it must be pointed out that employees preferred a greater environmental priority, when compared to Traidcraft's present environmental priority.

FIGURE 5.9

ORGANIS. GOAL RECOMMENDATIONS



In summary , employees felt that their shared personal, reward and recognition values needed to be tackled simultaneously with their personal sustainability goals. The effects of this is that, instead of an unconditional compliance attitude, workers showed a more conditional compliance attitude towards Traidcraft's sustainability goals, dependent upon the satisfaction of their more extrinsic, rewards and recognition goals. Conn (1994) similarly argued that the values of love, justice, equity and fairness were important to everyone in varying degrees. This state is described by Willmott (1991, p.14) who observed that, instead of the deep internalisation of corporate values encouraged by the Corporate Culture gurus, a more likely orientation is one of conditional identification or even calculative compliance. One employee aptly described what was meant by conditional compliance for Traidcraft:

> 'Most people care about what they are doing, they believe in Traidcraft and how it works. But at the end of the day if another job came up for more wages, they would take it.'

Willmott argues that employees are willing to 'realise' the values of the corporation only insofar and so long as they calculate that material or symbolic advantage is being derived from it. This mode of engagement, which Berger and Luckmann (1966, p.192) identify as an increasingly common orientation in advanced industrial societies, is characterised as 'cool' alternation wherein 'the individual internalises the new reality, but instead of it being his/her reality, it is a reality to be used by him/her for specific purposes. In so far as this involves the performance of certain roles, he/she retains subjective detachment vis-à-vis them - he/she 'puts them on' deliberately and purposefully.

This view coincides with the findings of Rokeach (1979) who arrived at a conception of humans differing from one another, not so much in terms of whether they possess particular values, but in the way they organise them to form value hierarchies or priorities. Part of Rokeach's focus was upon operational measurement of eighteen terminal (or ends) values, which refers to beliefs or conceptions about ultimate goals or desirable end states of existence that are worth striving for. Rokeach argued that all these values are universally present, albeit with a different priority placed upon each value by each individual. The eighteen terminal values are as follows:

1) a comfortable life;
2) an exciting life;
3) a sense of accomplishment;
4) a world at peace;
5) a world of beauty;
6) equality;
7) family security;
8) freedom;
9) happiness;
10) inner harmony;
11) mature love;
12) national security;
13) pleasure;
14) salvation;
15) self-respect;
16) social recognition;
17) true friendship;
18) wisdom.

As Hoffman (1993) argues, it may be argued that the relative weight and, therefore, relative inelasticity to change that an individual gives to a particular social issue can be measured by the number and strength of the terminal values that are invoked in its support. For the issue of sustainability it is immediately apparent that the values of 'a world at peace', 'a world of beauty' and 'equality' are invoked. Moreover, as Hoffman indicated, on closer analysis it could be argued that many of the other values are invoked with his conclusion that protecting the environment is a strong and growing value among individual members of society. However, it would appear that the concept of sustainability in itself would not invoke all of the eighteen values. Referring back to the list of terminal values it is interesting to note that the proposed personal support strategy would appear to invoke values such as, 'a sense of accomplishment', 'self-respect', 'family security' and 'freedom'. Therefore, in order to invoke the maximum amount of values within every individual, a strategy to maximise employee commitment would need a strategy based upon both mission and personal support principles. Put in another way, Hoffman (1993) emphasises the importance of a congruent fit between an individual's values and that of the organisation's culture. When a congruent fit exists between personal characteristics and organisational values, a variety of potentially desirable behaviours and attitudes ensue such as longer tenure, better performance, and greater satisfaction (Chatman, 1991).

In order to explore the effect of value incongruence on behaviour, dissonance theory can be used. Dissonant or incongruent value relations produce tension which people generally try to avoid or reduce. In the face of such dissonance, there is a tendency for the individual to change those cognitive elements that are easiest to change (Jones, et al, 1979). Chatman & Barsade (1992) show that, if inconsistencies exist between individual and organisational values, a person may have the following three responses:

1) behave in ways that are inconsistent with their personal characteristics but consistent with the organisation's culture;
2) exert influence on organisational characteristics in order to make them congruent with his or her own characteristics, or
3) leave the organisation.

As Hoffman (1993) points out, none of these outcomes is optimal for the performance of the organisation. In the face of value incongruence, the deciding factor behind an individual's decision to conform, alter or leave may be based on the relative priority given to the contrasting values. If the organisational goal of sustainability triggers more deeply held values than other personal concerns, conformance is the likely response. Conversely, if other more deeply embedded personal values are under attack from incongruent organisational values, attempts at change or departure are the likely responses. For example, in a survey of the values of American managers one in three managers report feeling the strain of compromising their personal principles to conform to their organisation's expectations. The survey also shows that 73 per cent say they would probably resign if their boss insisted they carry out some action which they felt was strongly unethical (Posner & Schmidt, 1992).

In the context of this research on Traidcraft, it could be seen that increasingly, employees are enacting the first response described above. In other words, employees complied with what they believed as an important organisational goal of sustainability as it still triggered many of their deeply held values. However, it must be remembered that this response is still sub-optimal and about compliance because increasingly employees' values around the personal support principle are not being satisfied. Therefore, in order to maximise commitment, an optimal response would appear to be one in which endeavours to simultaneously satisfy both sustainability and personal support goals.

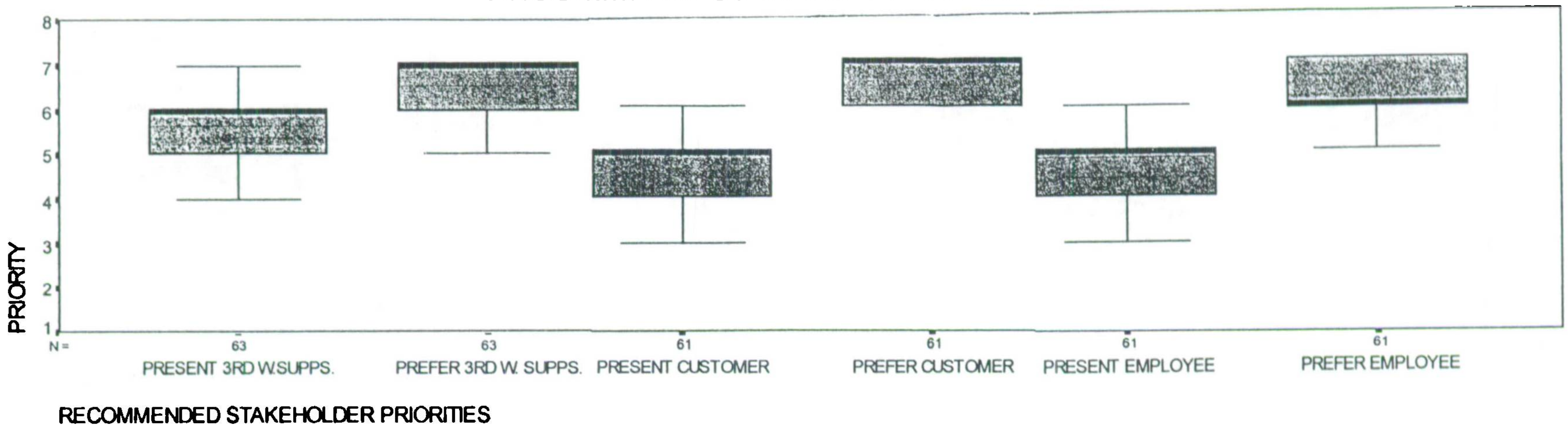
This conditional compliance attitude was exemplified through a stakeholder analysis, in which employees recommended that, Traidcraft should simultaneously satisfy its external and internal (employee) stakeholders. In order to illustrate this conditional compliance attitude, a boxplot will be used, Figure 5.10. The boxplot represents to what extent employees feel Traidcraft should be satisfying the needs of its different stakeholders, i.e. its preferred stakeholder priorities. The external stakeholders chosen to illustrate the conditional compliance attitude are customers and third world suppliers. The internal stakeholder chosen was, of course, the employees. In order to contextualise these findings, Traidcraft's present stakeholder priorities are shown next to these employees' preferred stakeholder priorities. As described for Figure 5.6, for Traidcraft's present stakeholder priorities, employees were asked to indicate to what extent they thought Traidcraft satisfies the needs of different stakeholder groups. They were asked to tick the appropriate category from 'does not satisfy' in category 1, moving through 'partially satisfies' in category 4, to 'fully satisfies' in category 7. For employees' preferred stakeholder priorities, employees were asked to indicate to what extent they thought Traidcraft should satisfy the needs of different stakeholder groups. They were asked to tick the appropriate category from 'should not satisfy' in category 1, moving through 'should partially satisfy' in category 4, to 'should fully satisfy' in category 7.

The difference between the present and preferred median and interquartile levels could be seen as a measure of the level of worker dissatisfaction with the present stakeholder priorities. In terms of the external stakeholders, as expected from the preferred people and profit priority, workers preferred Traidcraft to place a dual top priority upon satisfying both its third world suppliers and its customers. In terms of

Traidcraft's internal stakeholders, the employees, it was interesting to note that employees preferred to be placed slightly lower, albeit at a high level, in priority (in median terms), to Traidcraft's external stakeholders. Therefore, it would appear that employees are recommending that Traidcraft does not forget to satisfy its personal goals whilst endeavouring to satisfy the goals of its external stakeholders (in its journey towards sustainability). In fact, approximately 85 per cent of the respondents stated that they would experience a moderate to big increase in their commitment if Traidcraft adopted these recommendations.

FIGURE 5.10

RECOMMEND. STAKEHOLDER PRIORITIES



The consequence of the conditional compliance attitude meant that, instead of only preferring more (or a different type) of a personal support strategy employees preferred more of a mission support strategy, as well. Referring again to Figure 5.8, it was clear that employees preferred a higher preferred median level of mission support. Furthermore, as the difference between the high preferred mission and personal support median levels was negligible, it was clear that employees preferred the adoption of both strategies simultaneously. Put in another way, instead of abandoning its mission support strategy, employees preferred a strategy which developed shared organisational values by accounting for a wide set of shared personal values. Employees felt that this could be achieved by rewarding only those who contribute to Traidcraft's sustainability goals. It needed to be seen as a fair, equitable strategy rather than one based on equality for equality's sake. It was felt that this would reduce the extreme of free-riders 'riding on the back' of a few values-driven employees. Moreover, in order to develop a strategy based upon fair rewards, recognition and personal development, employees expressed a need for several structures and systems to be set-up. This was aptly expressed by one employee:

> 'We have got so many people...who believe in what the company does and want to be energised by it... however, many of them frankly are not, they are energised...more by the mix of structure, process and by the way in which we involve people in their work.'

Referring again to Figure 5.8, the need for fair reward and recognition structures and systems is another reason why employees preferred a relatively high role dimension. As Harrison and Stokes (1992) point out, as well as management and worker accountability aims, the purpose of the role dimension is to provide stability, justice and efficient performance.

In recognition of these employee attitudes, during 1996, initiatives began to be developed which recognised the need for reward and recognition structures and systems to induce employees to contribute to the achievement of Traidcraft's sustainability goals. It was interesting to note that Traidcraft's VIP group has recently set out, through an internal BPR document called 'Notes for staff implications of BPR' (Traidcraft, 1996b), the following aim:

> 'To provide a system of rewards (both monetary and non-monetary) which ensures that all staff are motivated, and rewarded fairly for their contribution to Traidcraft (within the overall framework of the Foundation Principles).'

As an example of a personal and mission support cultural initiative, Traidcraft has recently started to implement, through a piloting exercise, what is called a 'Skills Audit'. This was in fact recommended early on in the BPR process by the Staff Association, the formal employee representative body within Traidcraft. It highlighted the need for a Skills Audit to all members of staff as part of the BPR review. Within Traidcraft's BPR internal newsletter (Traidcraft, 1996c), it recognised the pluralist nature of the Skills Audit when it said it will empower staff as individuals. Of course, empowerment is a double-edged sword and the document moves on to quote an Industrial Society unitarist definition of empowerment which entails creating circumstances in which people can realise their potential and perform at optimum efficiency to achieve shared goals. Similarly, as a 1996 internal BPR document (Traidcraft, 1996b) points out, a Skills Audit is a good opportunity to recognise how best members of staff can contribute to the success of the reviewed company. The unitarist focus of such a strategy was emphasised when the BPR document moved on to point out that the objective was to ensure that all staff are contributing towards at least one of the Trinity of Aims and in view of the customer focus, to the customer. Both the pluralist and unitarist aims are apparent in the following two areas covered by the skills audit:

- particular interests and career aspirations;
- performance assessment and potential for promotion.

Therefore, the Skills Audit appeared to satisfy both personal aspirations (through reward, recognition and personal & career development) and organisational aspirations (through performance assessments).

5.4 Conclusion

The Traidcraft case study has confirmed and expanded upon the hypothesis that a company wishing to move towards sustainability needs to employ an optimal unitarist and pluralist cultural development strategy. Figure 5.11 represents a summary of the journey, or learning process, Traidcraft has moved through. It represents its cultural learning curve over time. It shows Traidcraft's cultural strategy developing from being perceived by its employees as predominantly pluralist to being more unitarist and then through to being both unitarist and pluralist. For Traidcraft, the optimal unitarist-pluralist mix is biased towards pluralism due to the durability of its past pluralist culture. In the context of the research aim, this optimal state is the mix of unitarism and pluralism perceived by the workforce to lead to maximisation of workforce commitment towards sustainability. As explained in Chapter 3, as there is no virtue in the notion of a perfectly balanced culture, the idea of a perceived optimal state takes into account the effect of contingent variables such as the pervasiveness of Traidcraft past culture on workers. This bias was substantiated within an internal 1995 document (Traidcraft, 1995e) which described Traidcraft as being as a close community that tends to support and reinforce the accepted 'company culture' [developed from its past pluralist strategy]. Therefore, it appears that employee pluralist aspirations are still deeply embedded within Traidcraft's culture and should thereby be predominantly accounted for within Traidcraft's future cultural development strategy. Conn (1994) agreed with this in the conclusion to her spirituality audit of Traidcraft when she argued that the diversity within Traidcraft, both within the Christian tradition and outside it, is a potential strength and blessing. In order to illustrate her point she moved on to describe what St Thomas Aquinas said in his 'Summa Theologiae' some 700 years ago (this is particularly appropriate as Suma Wholefoods is the third and final case study):

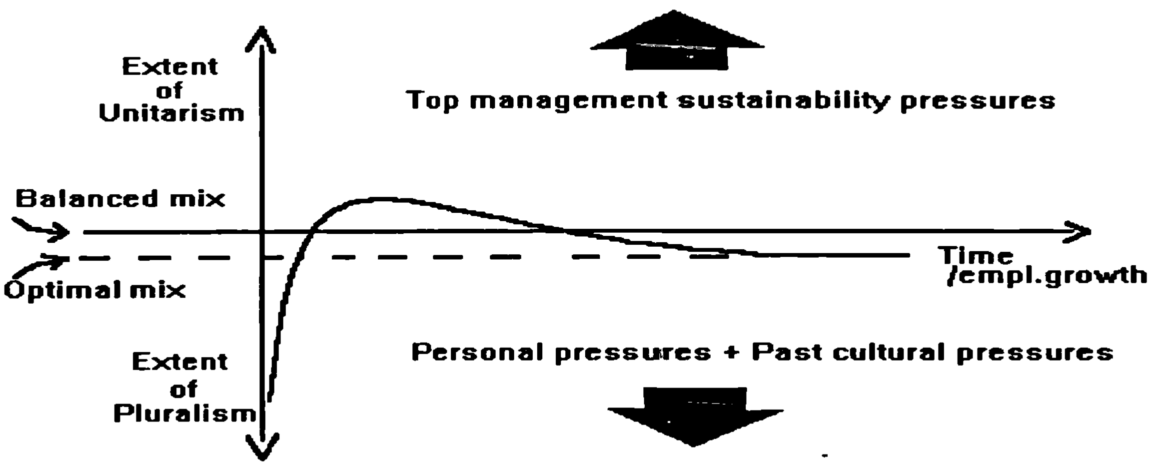
> 'For God brought forth into being in order that His goodness might be communicated to creatures and be represented by them; and because his goodness could not be adequately represented by one creature alone, he produced many and diverse creatures, (so) that what was wanting to one in the representation of the divine goodness might be supplied by another. For goodness, which in God is simple and uniform, in creatures is manifold and

divided: and hence the whole universe together participates the divine goodness more perfectly, and represents it better than any single creature whatever.'

Other features of Figure 5.11 are both the unitarist and pluralist pressures acting upon Traidcraft. In terms of the pluralist pressures, as described above, Traidcraft's past pluralist culture is a major driving force on its future strategy. Furthermore, the inherent pluralism from an increasingly diverse workforce is an important factor to take into account. In terms of the unitarist pressures, Traidcraft's top management commitment towards sustainability represents an internal driving force to stop its predominant pluralist culture from drifting towards an apathetic and financially wasteful state.

FIGURE 5.11

TRAIDCRAFT'S CULTURAL LEARNING CURVE TOWARDS A UNITARIST-PLURALIST STRATEGY



The case study has also shown that the three pairs of opposite but complimentary unitarist-pluralist principles, along with the overarching principle identified in Chapter

3, are sufficient to describe the above cultural learning process. The following represents a summary of Traidcraft's learning process using these principles and some newly identified principles. A principle which was solely identified in Traidcraft was another unitarist principle of financial leadership. In addition, an overarching principle of worker involvement was identified to combine with the mutual support principle identified previously.

Traidcraft's past pluralist strategy was characterised by a high personal support and participative set of principles. This was initially successful in maximising employee commitment towards sustainability as its small number of staff mostly held similar Christian, fair trade goals. Therefore, workers who already shared Traidcraft's social sustainability goals could be given the freedom to take both the firm and themselves forward towards sustainability. However, as the company grew and pluralism within its staff increased, Traidcraft's pluralist strategy allowed what has been described as a free-rider culture to develop, consisting of employees who did not work towards the betterment of Traidcraft and its sustainability goals. In light of this growing free-rider culture, the past high commitment of Traidcraft's more values-driven employees began to diminish, due to what these employees perceived as a diminishing overall employee commitment towards Traidcraft's sustainability goals. In 1993, in order to increase employee commitment, a more unitarist strategy was developed. This present strategy was characterised by a mission support and values leadership set of principles. This manifested itself through initiatives such as Teamworking, Investors in People, Business Process Re-engineering, with aims of improving the effectiveness of staff in realising Traidcraft's social, environmental and financial goals. However, in early 1996 Traidcraft realised that its unitarist strategy of increasing employee commitment by developing a greater shared set of values for sustainability, was not fully materialising. In order to understand the reason for this, the author systematically explored employee attitudes towards Traidcraft's values leadership strategy and then towards its mission support strategy.

Employees expressed a dissatisfaction with what they saw as the unacceptable top-down nature of Traidcraft's values leadership strategy. However, it was interesting to note that the employees expressed a desire not to abandon a leadership strategy. Moreover, a different leadership strategy was called for, not only to induce a set of shared sustainability values amongst the workforce, but to make pressing financial decisions on behalf of the workforce. This new combined values and financial leadership strategy was also required to reduce the free-rider culture still evident from Traidcraft's past and enduring pluralist strategy. The requisite qualities of this leadership were decisiveness, determination and a desire not to please everybody all of the time. It was interesting to note that, whilst employees expressed a desire not to increase their participation in top-level decision-making, they simultaneously wished to increase their level of involvement in decisions. This desire for an increase in employee involvement was seen to be created through greater transparency/clarity of information of the management decision-making process. In other words, employees would be content with a limited level of participation if they could trust management through being more aware of decisions made on their behalf. The above call for an increase of transparency was duly seen as part of an overall call for greater management and worker accountability. In other words, workers expressed a need for not only a greater transparency in management decision-making, but an overall policing mechanism, which punishes both management and employees who are not working towards Traidcraft's sustainability goals. In other words, workers called for a mechanism which punishes the free-riders. This policing mechanism would manifest itself through grievance and disciplinary structures and systems. In this structured way a culture of mutual trust could be developed. An example of this management and worker accountability strategy was a process described in Chapter 3 called Social Accounting. As Traidcraft was the first British plc to publish a social report, it is interesting to note that it is now at the stage where it is integrating principles of management and worker accountability into the normal management accounting systems of the company. This has manifested itself through a complimentary process called Social Book-keeping.

In terms of the effectiveness of Traidcraft's mission support strategy, the author's research indicated that a shared set of sustainability values was not fully materialising. In fact, as explained above, its overall unitarist strategy appeared to have a negligible impact upon the extreme effects of its past pluralist strategy, such as its free-rider culture. However, rather than continuing and strengthening its mission support strategy based simply upon inspirational aspects, employees called for a more pluralist, personal support strategy. This represented a call for an alternative personal support strategy. This new pluralist strategy did not respect all diversity of personal values as in the past strategy. Moreover, this new pluralist strategy endeavoured to respect and act upon only those personal values which are found to be shared amongst Traidcraft employees. More specifically, Traidcraft employees recommended a shared set of reward, recognition and personal development values. However, it was interesting to note that employees also saw Traidcraft's sustainability organisational values as worthwhile personal values to pursue simultaneously. The finding that employees are simultaneously motivated by both an organisational goal of sustainability and more personal support and development goals substantiates that values pluralism not only exists between individuals, but also within every individual. Moreover, if every individual is seen as possessing a hierarchy of multiple values, sustainability can be seen as invoking part of this set of values whilst personal reward and recognition and development can be seen as invoking another part. This sees employees through a wider and more realistic lens which does not expect unconditional compliance with sustainability goals. Moreover, research on Traidcraft has shown that individuals offer a more calculative and conditional compliance with sustainabilty goals dependent upon the personal reward, recognition and development incentives on offer. Therefore, drawing a conclusion from these results, a possible future strategy would need to combine a mission and personal support focus. In order to maximise employee commitment towards sustainability, this dual strategy would manifest itself by providing rewards, recognition and personal development only to those employees who contribute towards Traidcraft's sustainability goals. It therefore represents a fairer and more equitable strategy than Traidcraft's past and present strategies. It was felt that this mission-personal support strategy would reduce the lingering free-rider culture within Traidcraft. In order to institutionalise this possible future strategy, employees expressed a need for several structures and systems to be set up. An example of a mission-personal support system is an initiative called the Traidcraft Skills Audit. This process identified specific personal reward, recognition and development options from an assessment of an employee's contribution towards Traidcraft's sustainability goals.

In summary, the case study of Traidcraft has shown that a company wishing to maximise its employee commitment towards sustainability needs to employ an optimal unitarist-pluralist strategy based upon the following three pairs of unitarist-pluralist principles. Furthermore, this case study has shown that a cultural development strategy for sustainability has two overarching principles of worker involvement and mutual trust which underpin the above three pairs of principles (see Figure 5.12).

FIGURE 5.12

PRINCIPLES OF TRAIDCRAFT'S UNITARIST-PLURALIST STRATEGY

Worker Involvement & Mutual Trust	
Unitarist principles	**Pluralist principles**
Values & Financial Leadership	Participation
Mission Support	Personal Support
Worker Accountability	Management Accountability

CHAPTER 6

A CASE STUDY OF SUMA WHOLEFOODS

6.0 Introduction

This chapter focuses upon a case study of a worker co-operative, Suma Wholefoods. Suma was founded in 1975 as a one person business buying basic wholefood commodities in London to supply the growing number of wholefood shops in the north. Such was the demand that Suma grew rapidly into a business of 7 workers. These people became the founder members of Suma when it was registered as a workers co-operative in 1977 as Triangle Wholefoods Collective Ltd. In this study the organisation will be referred to by its well known trading name of Suma. The name of Suma originated from a stone lintel above the door of their first warehouse which bore the legend 'SUMA' in ancient lettering.

Suma now represents a multi-million pound company with a turnover of over £8.5 million and is the largest of the independent wholesalers in the healthfood and wholefood trade. It is located in a 80,000 square foot warehouse in Dean Clough, Halifax. It has 5000 product lines which are distributed either by its own fleet of HGV and LGV vehicles or by carriers to independent retail shops, supermarkets, institutions (hospitals, schools, prisons) and community groups, across the U.K. and abroad. Suma is unusual among larger co-operatives for preserving equal pay for every member and maintaining a collectively run structure based on one member, one vote.

The business is protected from take-over in that the workers do not formally own the assets. More specifically, under the Industrial Common Ownership Movement (ICOM) Model Rules registered by the co-operative, each member of the co-operative obtains one £1 share in the company, but this is regarded as a membership ticket and has no re-sale value. If a member leaves the co-operative they must relinquish their 'share' and their membership, but they have no claim on the co-op's assets. If the co-operative goes into liquidation the assets would have to be passed on to another co-operative or sold and the proceeds made available to other similar organisations (Macfarlane, 1987). So the members at any one time have the right to use the assets of the business, but cannot dispose of them for their own financial gains.

Suma now represents the largest of the generation of U.K. worker co-operatives which began in the early 1970's (Suma, 1992). There are now well over 1,000 co-ops in the U.K. and Suma, by comparison with most of them, is enormous. Most co-ops, either by circumstance or choice, rarely grow beyond ten members (Suma, 1992). Many of Suma's co-operative competitors have gone out of business or have been taken over by the giant food companies. In contrast, Suma has grown consistently since 1975 to a current state where it has a 64-strong workforce.

This theory generating case study aims to further identify and explain a cultural development strategy for firms wishing to move towards sustainability. As with The Body Shop and Traidcraft, Suma forms part of a group of companies whose top management is committed to moving towards sustainability, defined in its most holistic sense, i.e. actively endeavouring to fulfil what it sees as its long-term environmental, social and financial responsibilities. Suma provides a unique perspective as its top management possesses a particularly strong historical social view of sustainability which is different from Traidcraft's view. Reflecting upon Suma being a worker co-operative, it is important to recognise the difference between Traidcraft's and Suma's emphasis upon social equity issues. Traidcraft has a primary organisational value of tackling and promoting international social equity issues (such as promoting fair trade with the third world) whilst Suma, albeit committed to international social equity issues has a primary organisational value of tackling and promoting internal social equity issues (through it's co-operative structure). The following quotation from a worker typifies Suma's predominant and holistic view of sustainability:

> 'Suma is groups of individuals with different ideals, values, outlooks and you put them all in a melting pot and that is Suma. It's stuck on various ideals, that it won't budge on, vegetarian policy, stuff we stock, things like that, fair trade; those are ideals, a platform.'

Suma's commitment to international social equity issues was highlighted in an internal document (Suma, 1994b) which points out:

> 'Suma has always tried wherever possible to trade fairly with third world countries, in such a way as to ensure that the growers and labourers get a fair return for their labours.'

Furthermore, the document moves on to say:

> 'Suma has never traded in goods from countries or companies where a boycott is called for by our members in response to an appeal by a recognised organisation, for example the ANC or the Baby Milk Action Group.'

In line with its holistic view of sustainability, whilst Suma's focus is around social sustainability issues, it is also endeavouring to realise what it sees as its environmental responsibility. This environmental commitment is demonstrated within its mission statement which states that the aim of Suma is to,

> '...strive to promote a healthier lifestyle by supplying ethical, eco-friendly, vegetarian products.'

Moreover, Suma has long-term plans to extend its range of eco-friendly products within its stock (Suma, 1994a):

> 'Suma has a good reputation for green products and concerted efforts to extend the range of these products could prove important both commercially and in terms of providing a clear direction for development into the next century.'

As with The Body Shop and Traidcraft, Suma has also realised that, in order to argue truly that it is moving towards sustainability, it needs to promote societal systemic change. This means that it is realising that, if a business wishes to be truly sustainable within the current economic system, it needs not to act alone. It needs to facilitate change amongst other more mainstream businesses. In order to achieve this, Suma is realising that it must demonstrate that it can be financially successful. Of course, this financial goal is also a necessity for Suma, in its survival. As the Suma Business Plan

1996 (Suma, 1996a) pointed out, the general welfare of the business is totally dependent upon a sound financial base,

> '...without that base we don't develop, we don't grow, we don't survive in the longer term.'

However, the following quotations from Suma workers highlight the special nature of Suma's financial goal. Rather than purely making a profit, Suma's goal was around breaking-even and surviving in the marketplace whilst maintaining its social equity principles:

> 'What makes Suma unique is that we do survive in the marketplace with a structure that is fairly unique...it's not text book company structure at all.'
> 'We are a workers co-op, we intend to survive, we are Suma and we are special and we are different and we are going to keep going.'

Again, like Traidcraft, what is different about Suma is that it is moving in the opposite direction to conventional businesses in terms of the order in which it has tackled what it sees as its three sustainability responsibilities (social, environmental & financial). Instead of tackling its financial responsibilities first, Suma initially tackled what it sees as its social and environmental responsibilities. Therefore, as with Traidcraft one of the implicit aims of this case study therefore is to reflect how Suma has learnt in cultural terms how it must financially survive whilst keeping its initial social and environmental responsibilities intact. The following quotations demonstrate how workers perceived this challenge:

> 'Working in this type of co-op is always a trade-off between commercial reality versus members interests and democracy.'
> 'You have got to tread a fine line between being as ethical as you can and making a shilling as well and sometimes you'll step on this side of the line and sometimes you'll step on that side of the line.'

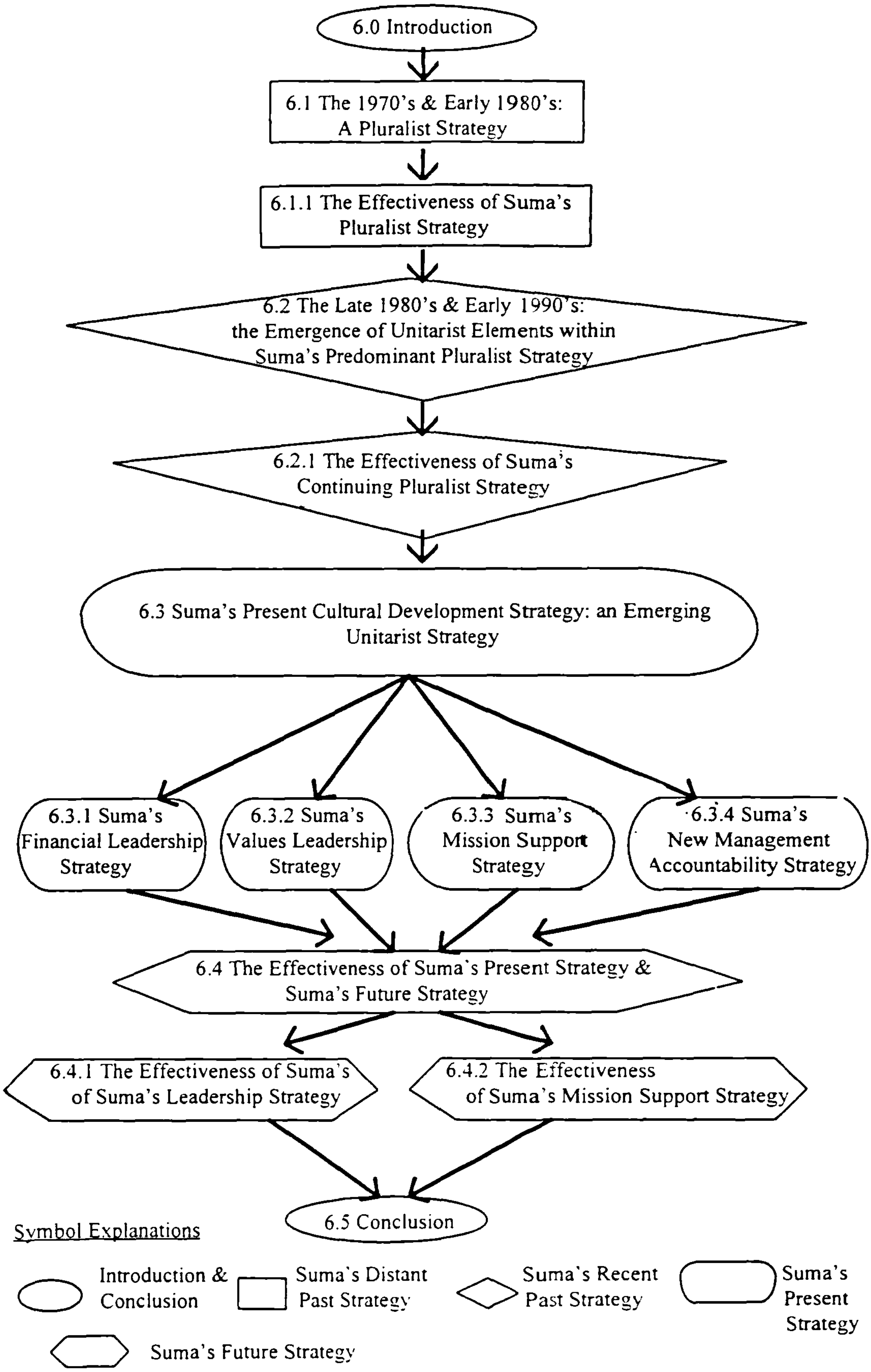
With an espoused commitment towards sustainability goals, the specific aim of the Suma case study was to test and expand upon the unitarist-pluralist hypothesis and principles built up from The Body Shop and Traidcraft case studies. This hypothesis argued that an organisation wishing to move towards sustainability needed to employ an optimal combination of both unitarist ('top-down') and pluralist ('bottom-up') elements in its cultural development strategy. Suma, with its ideological commitment (TIHR, 1988) towards preserving its co-operative, participative principles (which corresponds to one of the pluralist principles identified in The Body Shop and Traidcraft case studies), can be seen as an important 'acid test' for the unitarist-pluralist hypothesis and principles. This ethical commitment was enshrined under the rules of ICOM to which Suma subscribes, which states that members should share ultimate financial and decision-making control. This point was emphasised in a prior study of Suma (The Tavistock Institute of Human Relations, 1988) which pointed out that Suma's participative system must be understood in the context of the membership's ongoing commitment to "co-operative values" and to the concept of "wholeness". In other words, if it is shown that Suma, with it's strong participative commitment on ethical grounds, requires unitarist elements to effectively move towards sustainability, then this would add strong evidence to support the unitarist-pluralist hypothesis.

In terms of the hypothesis development process, it is important to reflect upon its different stages. In order to clarify exactly what was meant by unitarism and pluralism, the constituent unitarist and pluralist elements or principles were initially identified using The Body Shop case study. The Traidcraft case study then confirmed the applicability of these principles and expanded upon them. The Traidcraft case study highlighted the unitarist principles of mission support, leadership (values and financial) and worker accountability. Pluralist principles identified were personal support, participation and management accountability. Furthermore, the existence of two overarching principles of worker involvement and mutual trust was established within the Traidcraft case study. In order to test and expand upon this hypothesis within Suma, as in Traidcraft, a key step was to understand whether these three pairs of unitarist-pluralist principles, along with the above two overarching principles, could adequately describe Suma's strategies and maximise employee commitment towards Suma and its sustainability goals. In order to explain these commitment levels, more specific worker attitudes were explored towards the different elements of Suma's cultural development strategy.

Another aspect of the unitarist-pluralist hypothesis was the idea of an optimal combination of both unitarist and pluralist elements. For example, The Body Shop case study highlighted that its current unitarist-pluralist strategy had a bias towards unitarism as its past culture was predominantly unitarist. For Traidcraft, its current unitarist-pluralist strategy had a bias towards pluralism, as its past culture was predominantly pluralist. In order to understand whether Suma is moving towards an optimal unitarist-pluralist strategy, it was important to explore not only Suma's present strategy, but its past strategy and possible future strategy too, as recommended by Suma workers. This retrospective and normative analysis also provides an indication of the effect Suma's historical cultural context has upon Suma's present and future strategy. In other words, Suma's cultural learning process towards sustainability was explored.

As with The Body Shop and Traidcraft, it must be pointed out that separating Suma's past strategy from its present strategy did not mean that, at any particular point in time, Suma had suddenly and purposely changed its strategy. Moreover, the change from its past to its present strategy was more emergent over time. Using this idea of an emergent strategy, it must be pointed out that Suma's past strategy could also be split into its distant past strategy (the 1970s & early 1980s) and its emergent most recent past strategy (the late 1980s & early 1990s). Therefore, for Suma, it is assumed that its distant past, most recent past and present strategies can be dealt with as three separate sub-cases. Therefore, the following sections represent a split between a description and critique of Suma's distant past strategy, its most recent past strategy and then a description and critique of its present strategy. Furthermore, reflecting upon the critique of its present strategy and recent Suma initiatives, a future strategy is proposed. In order to provide a template for this analysis a route map is provided, as depicted in Figure 6.1.

FIGURE 6.1
ROUTE MAP FOR CHAPTER 6



6.1 The 1970s & early 1980s : a Pluralist Strategy

In the early years of Suma's existence, when there were relatively few members, Suma's commitment towards its co-operative, social equity principles led to the emergence of a participative strategy. An internal document (Suma, 1994a) described the early decision-making process as one,

> '...in which nothing could be done until everyone agreed.'

Suma's past strategy also embodied a personal support focus, as it's aim was to satisfy individual goals rather than organisational goals. This person-centred strategy led to a feeling from the workers that Suma was not only a job but an integral part of their personal development:

> 'Suma was more of a way of life than a job...' (Suma, 1996b).

Furthermore, this strong personal support principle developed a culture which respected a wide range of opinions and types of people. One worker even went as far as to describe this wide tolerance of different opinions in the following way:

> 'There was a lot of room for eccentricity.'

As the personal support strategy was not organisation centred, decision-making tended to be on an informal, unplanned basis. Therefore, meetings were spontaneous and decisions 'just happened'. In terms of the extent of the informality present in Suma, an internal document (Suma, 1994a) pointed out:

> 'There was no need for much formal organisation, as decisions could be taken in a fairly informal manner.'

Flexibility amongst the workforce grew out of Suma's policy of rotating jobs. In this way, a department short-staffed due to illness could rely on other departments for experienced replacements. The members of Suma, simultaneously their own employers and employees, worked as needed to accomplish their work, without overtime pay. Thus, Suma increased its financial return without incurring additional staff costs. Such mobilisation of resources would be readily available should a crisis demand cutbacks (TIHR, 1988). For example, vehicles were purchased simply as the need arose. Traffic regulations were learned by trial and error. The members did whatever jobs they wished on a day by day basis and took whatever wages and stock they felt they needed. Realising this lack of planning, in order to provide some kind of pattern for the working day and to stop members going home to sleep in the day-time, a cooked lunch was provided.

It is important to note that as the membership grew so did the need for more formal meetings and discussion times. In the late 1970s a weekly 'General Meeting' was set up and was held every Wednesday afternoon which required the whole business to close down while a consensus decision was made over policy issues.

An 1996 internal document (Suma, 1996b) summed up the key elements of Suma's past strategy:

- spontaneous discussion and decision taking
- extreme empowerment of employees
- trial and error and wild creativity were rife
- only informal control systems existed
- peer pressure was the only personnel control
- corporate image was overwhelming

As with Traidcraft's past strategy, Suma's combined participative and personal support elements characterise parts of a pluralist cultural development strategy. This pluralist strategy was successful in both gaining a high level of motivation from its staff at the same time as developing a good work performance and commitment from them in achieving its sustainability goals. This high commitment was due to the few original members sharing the same values i.e. their personal values were congruent with Suma's sustainability goals. In demonstrating the extent of their shared values, it is important to point out that these members also lived in the same housing co-operative. At this time, the distinction between a worker's personal and working life became so blurred that (Suma, 1996b):

> 'Life in Suma was often exhausting, emotionally addictive, socially destructive. It took over members' lives.'

Therefore, as with Traidcraft, workers who already shared Suma's predominantly social sustainability goals could be given the freedom to take both the firm and themselves forward. Furthermore, high peer group pressure amongst these workers sustained their commitment towards Suma:

> 'There is a culture of a lot of peer group pressure - so it's a case of oh look at me I was working until 8 o'clock last night or look at me I came in at 7 o'clock this morning - which driver can set off earliest in the morning to drive a truck and who can unload more drops than anybody else.'

This high commitment combined with the booming market for wholefoods in the 1970s had the effect of producing an internally self funded annual growth rate of 12 per cent.

6.11 The Effectiveness of Suma's Pluralist Strategy

As Suma's membership increased, there was an overall internal feeling of Suma moving towards the negative extreme of pluralism. More specifically, workers began to show negative attitudes towards Suma's participative decision-making system. This was substantiated by the TIHR study (1988) when it pointed out that, even though the General Meeting decision-making structure served the co-operative for nine years, many members were dissatisfied with it. In November 1986 an internal survey of employee satisfaction registered the continued resentment, confusion and frustration with the General Meeting as a forum (TIHR, 1988). It was perceived that too much time was spent on decision-making. It became increasingly infeasible for 40 people to gather so frequently for decision-making meetings (TIHR, 1988). An internal document (Suma, 1994a) similarly pointed out:

> 'As membership continued to increase, it [the General Meeting] became unwieldy and time consuming, and by the time there were thirty members it was practically impossible.'

The weekly General Meetings were described critically as places where members,

> '...took (or tried to take) all major policy decisions by consensus. The business closed for an afternoon while we argued and argued. Decisions taken one week were reversed the next. Members used their individual power of veto to block important developments and plans. People often left meetings in tears. In practice however most decisions were taken by individual job holders with little co-ordination. There was a principle that all members had the right to interfere in any area of the business. Systems of payment, purchasing , deliveries, evolved as need dictated. Few members were experienced. They just learned on the job.' (Suma, 1994a)

In order to demonstrate this, an example of a purchasing decision was described as follows (Suma, 1994a),

> '...the group running the warehouse would have to convince 25 other people that a new fork truck was a good idea - and one or two of those 25 would always think of a better way to spend the money. Generally it was becoming clear that we had to leave the departmental groups alone to get on with their job.'

As a result of the above frustration, workers began to stop attending the General Meetings. Paradoxically, the General Meetings duly caused a decreased level of participation in decision-making:

> 'As Suma got bigger the General Meetings became more and more difficult to run and more and more unpopular, so people failed to turn up to them as they perceived they were not working very well.'

This led, in particular, to temporary labour workers feeling excluded from influencing their own work and started to threaten to leave Suma (TIHR, 1988). Clearly, the increasing alienation of some workers due to an expanding organisation needed to be overcome (TIHR, 1988). Worker commitment towards Suma and its sustainability goals needed to be increased. The increasing negative financial effect of this diminishing commitment was described as follows:

> 'As the business grew, the inefficiencies multiplied faster than the profits. Trouble was brewing...' (Suma, 1996b).

External financial effects emerging from this internal financial inefficiency first began to impinge upon Suma in the late 1970s. This was despite the profitable market for wholefoods. However, from the mid-1980's, external financial pressures through increased competition gave extra impetus for change. Suma's customers had become more demanding and profits began to fall. As an internal document (Suma, 1996b), pointed out, the General Meetings could not take the necessary decisions to account for this increase competition:

> 'The business was in a bad way. Radical changes were necessary but General Meetings could not take the decisions.'

Therefore, rather than accepting a financial decline in its business, Suma began to realise that it had to change its cultural development strategy. It is important to realise that, in seeing the need for change, Suma was fortunate compared with some of the contemporary wholefood co-operatives where pluralist negative effects of disorganisation and lack of work by members killed the businesses (Suma, 1996b).

6.2 The Late 1980s & Early 1990s: The Emergence of Unitarist Elements within Suma's Predominant Pluralist Strategy

In response to both the relatively low worker commitment levels and the associated negative financial effects, during the mid-1980's, Suma started to believe that a more centralised form of decision-making, emphasising the principle of leadership, particularly financial, needed to be taken. The TIHR study (1988) substantiated this when it commented that, although ideological reasons underlie the fundamental commitment to participation at Suma, those involved in the recent re-organisation suggest significant social and economic reasons for the current leadership driven system. A Suma worker summed up this realisation, pointing out that some leadership was required:

> 'Democracy can be bad, if you take everybody's opinion about one thing and always do what the majority of people think - that way lies disaster. You can't run like that - that may be true democracy but that isn't quite right - its a simplistic view which I wouldn't subscribe to all the time.'

The reasons for this leadership element were given in the 1994 internal report (Suma, 1994a) when it argued that central decision-making was essential in the following areas:

- We now have an overall business plan group which sets overall and departmental targets for sales, profits and expenditure and thus defines the boundaries within each department financially.
- Personnel issues apply to everyone - so we have a personnel committee which makes recommendations on the endless array of personnel issues.
- The relations between the departments have to be addressed, and we have just started a co-ordinators meeting, to look at improving the ways that departments interact.

Additional to these groups, a finance committee was set-up, which dealt with yearly departmental budgets and day to day expenditure and financial planning. Both the financial and the personnel committees had elected officers with the remit to take an overview of all things relevant to the committees and to implement or if necessary enforce decisions. Other committees included the futures committee, with a brief of seeing where Suma wanted to be within the next ten years and plotting a course towards it.

This shift towards including a recognised financial leadership strategy can be viewed on the surface as Suma adopting a more unitarist cultural development strategy. They have moved from a strategy which incorporated total direct participation on all issues, to more indirect forms which were based upon delegated specialist groups being held accountable to the membership for the sake of leadership in some areas. As the TIHR study (1988) pointed out, elected leadership allows the members to allocate these vital functions to people with experience, knowledge and aptitude while freeing them from rotating through other jobs. Furthermore, the TIHR study (1988) highlighted the extent of this leadership pointing out that these leadership positions held responsibility for the entire co-operative.

Suma was careful to point out that this central decision-making was not just like a management hierarchy, where the:

> '...bosses at the centre say jump and the rest of us have to do just that.'
> (Suma, 1994a)

Decision-making needed to be simplified and speeded-up, but employee participation had to be maintained without introducing a traditional managerial structure (TIHR, 1988). In order to mitigate the gradual accrual of power to the centre, all decisions taken by these groups had to be ratified by the whole co-op. This strategy worked upon the basis of what Suma called their new 'Hub and Sector' form of decision-making, based on a Viable Systems Model of Cybernetic Theory. Sectors (being not only members from the same department but groups of members who had common interests) met weekly to discuss the recommendations from the various committees around weekly business information and anything else which members felt appropriate. One sector met on Monday, one on Tuesday and one on Wednesday. The views of each meeting were minuted and a representative was appointed to take these views to the hub on Thursday. The hub was a committee of delegates who agreed the corporate decisions according to the views of the sector meetings. The hub was also attended by the elected personnel officer and finance officer. In theory these decisions were then ratified by the sectors in the following week when each sector representative reported back with the minuted hub decisions. In order to ensure that everybody had the chance to be included in decisions, all decisions were not put into practice until the following Thursday hub meeting. This gave anyone who missed a meeting time to object and to ask for it to be re-discussed. Therefore, potential decisions move from sector to the hub, to all sectors and then back to the hub for confirmation or ratification (TIHR, 1988). An internal document (Suma, 1994a) described the positive effects of the accountability principle which this hub and sector mechanism promotes,

> '...this makes it impossible for anyone to accrue power by being on the hub - if they've not done a good job representing their sector, everyone will be aware of it at the following meeting.'[1]

In summary, the following quotation aptly illustrates Suma's continued commitment to pluralism (through its management accountability principle) whilst recognising the need for a unitarism (through its financial leadership principle):

> 'Clearly members wanted management but were still loathed to give management any power... so the ultimate decision-making power rests with the entire membership.' (Suma, 1996b)

It is ironic to note from the TIHR study (1988) that Suma's reason for not drifting towards unitarism was, '...out of fear of forming a management committee...', which is what actually happened within its present strategy (see section 6.3.1). A 1994 internal report (Suma, 1994a) highlighted the positive worker attitudes towards the financial leadership and accountability strategy. In light of one of the over-arching principles identified in Chapters 3 and 5, its comments focused upon the high level of worker involvement in decision-making it believed such a strategy promotes, as opposed to a high level of participation promoted by the distant past strategy:

> 'It enabled everyone at Suma to become involved in decision making without reducing the co-op to endless, large, frustrating meetings.'

A quotation from a worker substantiated this feeling of involvement:

> 'People could go and have a good moan or just go and listen and they could at least feel they were taking part.'

[1] Additional to the hub and sector accountability system, any five members who objected strongly to a hub decision could call an Emergency General Meeting and get anything re-discussed.

Therefore, through increasing the feeling of worker involvement in decision-making, Suma's cultural development strategy can still be viewed in pluralist terms, despite a decrease in worker direct participation in decision-making. The overall aim of these management accountability pluralist measures was to counteract any worker feeling of alienation or mistrust of the financial leadership system. Therefore, the concept of not having to do all the work related to decision-making as a total membership was introduced and accepted (TIHR, 1988). In summary, Suma recognised that, as it grew, it needed to formalise a management accountability structure in order to prevent its culture from straying towards unitarism and thereby to continue to realise its commitment to pluralism.

This accountability system worked reasonably well for the first few years despite Suma's fears that they would be dealing with continuous emergencies and spending all of their time justifying decisions (Suma,1994a):

> 'The sector and hub system was a nice home grown system and it worked well for two or three years.'

The committees in general were initially trusted by the co-op and most recommendations were agreed quickly. Disagreements usually involved a decision being sent back with comments for re-discussion and the outcome re-submitted for approval. Substantiating this finding, in 1988, the TIHR study pointed out that the company reported positive outcomes from their new system in both employee competence and organisational viability. Many workers were happy with the new system and the attitudes of temporary labour were better. As a 1996 internal document (Suma, 1996b) pointed out, the strategy appeared to be improving the members' working life:

> 'Our prime objective, to provide better jobs, was still being fulfilled.'

Worker satisfaction and commitment to Suma's strategy was practically demonstrated in 1989 when Suma's warehouse was flooded and much of its stock was destroyed.

The workers' positive response to this potentially disastrous event was described retrospectively, as follows (Suma, 1996b):

> 'Members commitment and ability to respond to crises was still strong... Any ordinary business could have closed and the owner taken the insurance money but Suma members worked round the clock to start trading again in only 10 days in order to preserve their jobs. A remarkable achievement.'

6.2.1 The Effectiveness of Suma's Continuing Pluralist Strategy

In the early 1990s some negative effects of the hub-sector strategy began to surface. It is interesting and ironic to note that Suma's hub and sector accountability strategy gradually began to show similar negative effects as the participative strategy it set out to replace. Even as far back as 1988 the TIHR study warned:

> 'Participative practice at Suma does not always live up to the proposed new [hub & sector] structure.'

The leadership groups, committees, sectors, etc., originally designed to provide quicker, more strategic, decisions began to be straight-jacketed by the very success of the hub and sector accountability model:

> 'One of the things with the much maligned sector and hub system was it provided five years where no dynamic change could have occurred because it was a system of checks and balances that were so successful that nothing could be done.'

Agreement from the sector representatives one week was met with objections from the workers the following week. In fact, one person who personally disagreed, albeit in a trivial way, with a majority decision could delay important decisions which need a quick response. Moreover, sector representatives were not afraid to do this as they were perceived by the other hub representatives to be acting on behalf of their sector's collective opinions and not around their own individual opinions. Therefore, decision-making in reality took longer than expected. In other words, the negative effects of

Suma's high pluralist commitment began to resurface. These overshadowed any of the expected positive effects of its new, albeit low unitarist/leadership commitment:

> 'You would get loony ideas and decisions being made one week which would be overturned the next week... as the Monday sector changed because half the people who worked there last Monday wouldn't be there this Monday and they would come to a completely different conclusion about the same subject.'
>
> 'Forty people were held to ransom by one individual.'
>
> 'You could get two or three people holding up what I would consider to be fairly important decisions as they could hide behind the anonymity of the sector system.'
>
> 'The real problem was that all of them [committees] were hamstrung by the sector system. Therefore, these committees might have seen what they thought was a good idea but they were unable to carry it out.'
>
> 'It was Parkinson's law, the more trivial the matter the more discussion you had.'

Such time wasting led to a state where important decision-making would occur only at the last moment. Only when a crisis created a situation where workers were forced to make a decision, one was made, albeit in a haphazard firefighting way:

> 'It would be an exaggeration to say every day, but two, three maybe even four times a week there would be what is called order picking crises, where it was evident that there were not enough people to pick the orders for that day, so people would go around the offices trying to get people out all the time... the organisational side of things was pretty terrible.'

Suma's 'Personnel Strategic Plan 1996' (Suma, 1996c) summed up the situation:

> 'In personnel we were drowning in crises and suspect routines which made the job so unpopular.'

The above firefighting culture caused workers to feel pushed for time when the time came up to attend the hub and sector meetings. As a result of this, on occasions, attendance at a sector meeting fell to three or four people. Clearly this was not representative of the sectors (representativeness being a primary objective of the hub and sector accountability model). Furthermore, only certain types of people attended these meetings. They were seen to be part of a power clique who were primarily from the sales, marketing, buying and personnel departments, 'the old boys network'. These people began to use powers they did not have to force through necessary decisions. As a 1994 internal document (Suma, 1994b) argued, there was a hierarchy under the old system; those who could afford the time to go to sector meetings made the policy. A dominant voice at a sector meeting could become the representative and then dominate the hub and the co-op. Some worker quotations describing this situation are as follows:

> 'There is a bit of a feeling that a lot of the people in the top office hold the power - people who have been here a long time. Some people do actually look up to them as well.'
> 'As Suma got bigger people stopped attending the meetings... they perceived that certain people had an undue influence... the sectors became in the end only attended by those who were either work shy or were fairly new to Suma... Therefore the system became discredited.'
> 'The hub and sector was a method by which we could endlessly discuss things and involve ourselves in some kind of specious sort of democracy it appeared, but the real business decisions were being taken on the ground in the buying department, marketing department and in the personnel department.'
> 'People who were well connected in Suma, with the right contacts and experience who had been there for years, knew what was going on anyway.'

Therefore, workers from other departments became dissatisfied, disenfranchised and began to mistrust the hub and sector system. The TIHR study (1988) substantiates this when it pointed out that Suma members began to feel a lack of trust in the hub and sector system. It moved on to attribute these negative feelings to workers seeing the hub-sector system as unfair. The TIHR study (1998) argued that those members who believed there was a powerful elite which operated Suma [the founder members or the marketing dept] might have felt that equality of influence in decision-making was not what it should have been.

> 'I didn't have much input into the old system. I suppose I felt a little bit disenfranchised, which is possibly a word many people here would use, perhaps as much as half of the membership.'
> 'People who were more committed to doing their job than going to meetings felt that things were happening in which they didn't have any input or impact in the decision-making process...there are certain people who went to the meetings every week...it was their little bit of a sit down and a chat...it

certainly would have appeared that people who did more physical work, the less inclined they were to go to the meetings.'
'The people who feel disenfranchised are more the manual workers because it is perceived often from the warehouse that the top office, sales office and marketing are little cliques...There is quite a cultural gap sometimes.'

Suma's continued commitment to a high personal support strategy also caused some negative effects. Its personnel committee (brought in with the hub and sector system) was seen by the more values-driven workers as making 'soft' decisions which were to the detriment of Suma and to its sustainability goals. As with Traidcraft, workers without such strong individual values were seen to be taking advantage of the individual benefits such a personal support culture encourages. Suma was seen internally to be a culture which did not appear to punish the 'free-riders' who did not work towards the betterment of Suma as a company. In summary, the more values-driven workers perceived Suma's personal support strategy as unfair and inequitable:

'There was a lot of clash between what peoples' instincts were to be nice to people and what was perhaps arguably in the interests of Suma.'
'There was still a lot of remnants of political correctness around with the personnel committee making crazy loony decisions; they weren't bringing the co-op with them but they just thought this was the right thing to do.'
'Compassionate leave had become a joke. There would be someone on compassionate leave every week as opposed to it being an exceptional payment for exceptional circumstances. It was virtually at the point that jokes went around that oh my cat has died can I have two days of compassionate leave please. Well frankly, the previous administration would have granted that if somebody had asked...that was the sort of stupidity that was going on and money was just leaking away from Suma, nothing was happening, it was appalling.'
'The joke was we gave thousands of pounds to charity for sickness etc., its pathetic.'

Similarly, a quote illustrating the potential negative financial effects of this free-rider culture came from an internal document (Suma, 1996b) when it pointed out:

'Nobody bothered to check stock shrinkage or cash security. It was considered unethical to question each other.'

By 1993 the above accountability and personal support negative effects caused an overall drop in commitment towards Suma and its sustainability goals. It was clear that Suma needed to reassess its commitment towards pluralism and formally recognise and integrate a unitarist strategy into its cultural development strategy:

> 'In 1993, the whole place was falling to bits, a disastrous Autumn, appalling. The organisation was completely 'crap', morale was ever so much worse. It was really a nightmare.'
> 'The bad old day's meetings: unfocused, letting off steam, pissing people off and sapping their morale and motivation for no reason whatever. Everybody leaves the meeting thinking, 'God what a crap place this is'.'

As far back as 1988 the TIHR report (1988) pointed out that all was not perfect. It pointed out that it was as if the expansion into new markets had gone ahead and the implications for personnel had been allowed to be dragged along. It called for conscious personnel strategies. By 1993 the financial effects of a decreasing worker commitment to Suma and to its sustainability (particularly financial) goals had reached a dangerously low level:

> 'The hub and sector system was failing and not delivering what we required as a business.'
> 'We didn't seem able to address any of the financial issues that were required.'
> 'It was seen that unless Suma altered, Suma basically wouldn't exist, we'd go under because we have got high overheads, we pay ourselves good wages in relation to our other competitors.'

As in the past, strong external financial pressures also exasperated the weak internal financial situation. This was described as (Suma, 1996b),

> '...we watched as other younger privately owned wholefood businesses grew past us making lots of money as we struggled to keep our wages in line with inflation. Opportunities for business development were being missed year after year. Supermarkets were killing Suma's core customers, the independent retailers and a price war erupted between wholesalers fighting over the survivors. Sales were stagnating. Suma's long term financial survival was under threat.'

For one worker, it was clear that Suma needed to respond to both internal and external pressure:

> 'In 1989 the marketplace was fairly unstructured. Since then quite a few of our competitors have gone under and quite a few of the major competitors have got very aggressive. What's become apparent is, unless Suma altered the way it used to work, we would be going the same way if we didn't actually address some of the longer term issues, of how we where actually going to find our own place in the market.'

6.3 Suma's Present Cultural Development Strategy: an Emerging Unitarist Strategy

6.3.1 Suma's Financial Leadership Strategy

Looking back to Suma's past strategy, Suma began to realise that no matter which formal pluralist measures it adopted to realise its pluralist commitment, there existed a financial need for a more unitarist strategy. As proof of this financial need, Suma's past strategy had shown that, even despite the absence of any commitment towards a formal leadership strategy, there existed a type of informal unitarist/ leadership strategy which dealt with Suma's financial responsibility, i.e. through the 'old boys network'. The realisation that leadership was required to make pressing financial decisions on behalf of the workforce was expressed by the workers as follows:

> 'We didn't want management, we didn't want to elect people to tell us what to do, we all wanted to make the decision... but in the end we had to go along that road. It was the only way out of the crisis of management which we had 3 years ago in 1992, a disastrous year and 1993, which was even worse.'
> 'People have seen that if we didn't alter the way we did operate we'd be going under...they didn't particularly like that but it's seen as a means to an end.'
> 'What people have done is let some of their own democratic rights drift a bit in the hope that a more power based structure will actually maintain Suma as an organisation and a workplace.'
> 'Our collective decision making processes have not been very efficient and people have finally given in to having a Management Committee.' (see below)

In light of Suma's past strategy's straight-jacketing effect on any hub financial leadership decisions, the TIHR study (1988) pointed out that, if Suma continued to refuse to allow some decision-making to take place at the old hub, it would under-utilise the level of informed staff gathered for that event. Alternatively, the report suggested that Suma might be at a place where it could explicitly write down which decisions are to be made where. In order to achieve the above aims, in 1994, a General Meeting decided to stop the sector/hub system and replace it with a centralised Management Committee (MC), elected from amongst the members, as the executive. The eight members of the MC did not have to include representatives from each department (or sector) as in Suma's past strategy. In other words, the MC members were not departmentally representative and were chosen by the workers on the basis of their financial leadership qualities:

> 'We knew we needed a committee that was responsible for everything...We thought it could be a representative committee or even a departmental based committee...but we chose the MC over a representative committee because we were very disgusted with sector system... we wanted to get away from the idea that departments which were already traditional power centres would be fighting for influence on the committee - what we wanted was to elect 8 people to be managers.'
> 'The MC has mopped up a lot of those people who do give a leading role.'

A 1994 internal document (Suma, 1994a) described these leadership qualities in more detail:

> 'We need quicker, more decisive and better informed decisions.'

Some worker comments showing that the MC has fulfilled these requirements are as follows:

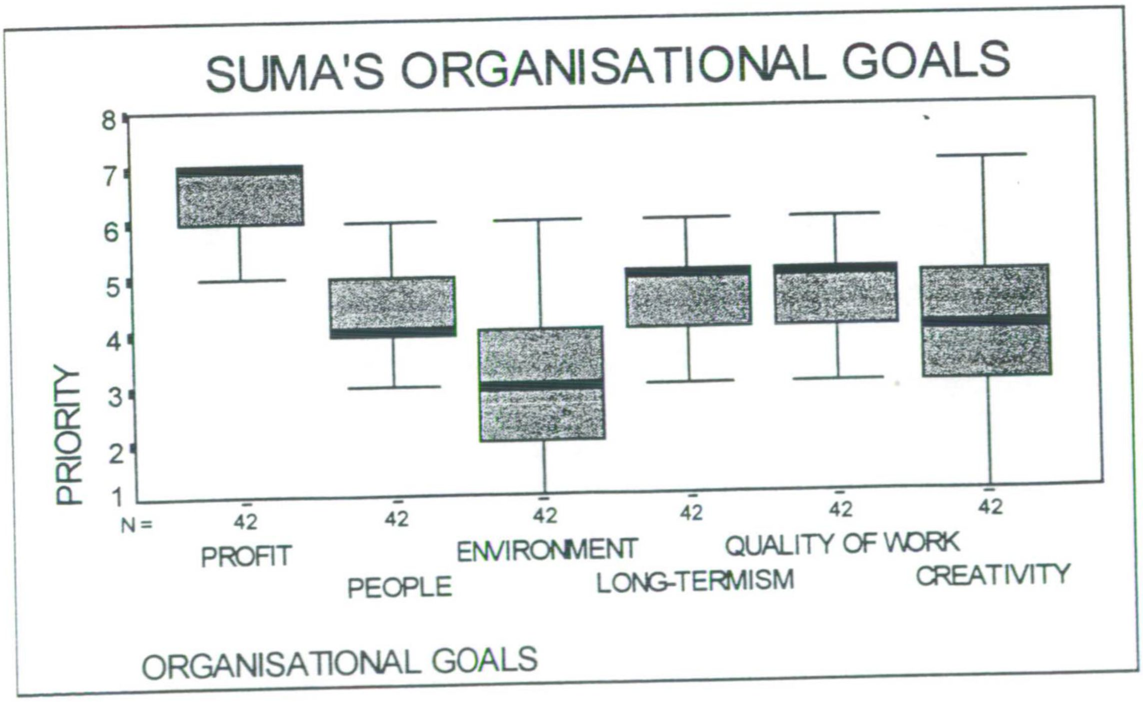
> 'I find the MC system enables decisions to be made a lot quicker as the business has grown; our response time has been sharpened up.'
> 'Others who were frustrated by the endless discussions, lack of decisions and lack of authority of the old hub, feel the MC is better.'(Suma, 1994a)

In order to highlight the importance workers perceived the MC placed upon financial (profit), social (people) and environmental (environment) organisational goals, the author delivered a questionnaire to all Suma workers in early 1996. Within the questionnaire workers were asked to indicate the importance (or priority) they thought that Suma Management Committee gave to the following factors:

- profit: financial position or 'bottom-line';
- people: the degree of integrity with which the firm deals workers, suppliers, community etc.;
- environment: the natural environment.

Workers were asked to tick the appropriate category from 'not important' in category 1, moving through 'quite important' in category 4, to 'very important' in category 7. The findings are illustrated using a boxplot in Figure 6.2 (refer to Chapter 5 for boxplot description).

FIGURE 6.2



What was immediately apparent was the perceived MC priority upon making a profit in relation to its other priorities. This would substantiate the above finding which pointed out that increasing Suma's financial responsibility was one of the MC's reasons for being set-up.

It was interesting to note the positive financial effects of this explicit financial leadership strategy. Some worker comments best describe the financial turnaround:

> 'We had out best year for 6 years last year.'
> 'In its first year the MC was extremely successful at making a profit.'

It must be pointed out that Quarterly General Meetings were introduced to make policy but the MC was now given the authority to put these policies into action. The MC would also deal with medium, long term and corporate issues. The MC met weekly and used the company officers and departmental co-ordinators to keep itself informed and to delegate jobs. The top-down nature of Suma's MC leadership was emphasised by a worker:

> 'Its imposed authority, its agreed but imposed authority.'

Furthermore, these worker perceptions were substituted by an MC member himself:

> 'We have a phrase actually, which is 'JFDI' - 'Just F...... Do It', without getting loads of people involved and going through all the democratic procedures that you should have done. So we sort of steam rolled through some decisions in about two weeks.'

In order to more fully understand the top-down nature of Suma's new leadership strategy, its overall strategic mix, as perceived by its workers, was explored. The strategic mix had been measured along four dimensions, developed from Harrison and Stokes's (1992) typology, namely, power, mission support, role and personal support. The power dimension provided a useful indicator of the perceived extent of the top-down nature of the MC decision-making. As Harrison and Stokes (1992) point out, the power-orientated organisation is based on inequality of access to resources. It is based upon top management's personal strength to provide direction, decisiveness and determination. In practice, any organisation will have a mixture of all four dimensions. What makes each organisation unique is the combination and strength of each dimension to be found within it. The particular strategic mix within Suma as perceived by its workers can be seen in an aggregated manner below, illustrated through a boxplot (refer to Figure 6.3). Each dimension is ranked from 1 to 4, representing how close workers feel the dimension describes Suma's cultural development strategy. Rank 1 represents the least close and rank 4 represents the closest.

FIGURE 6.3

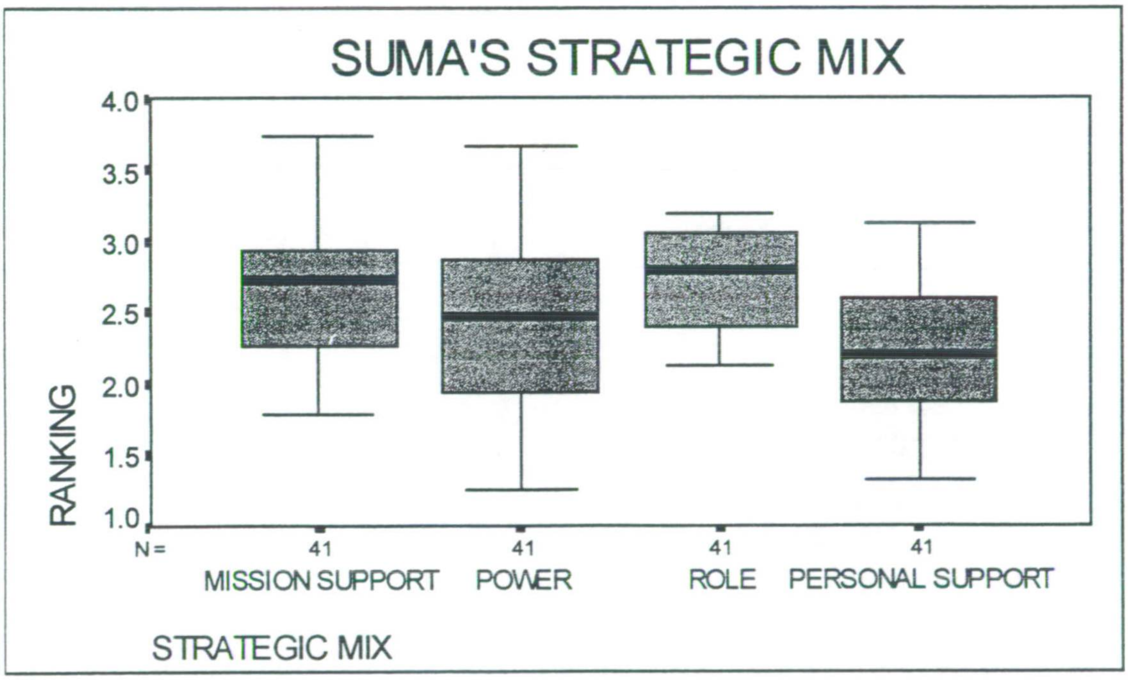
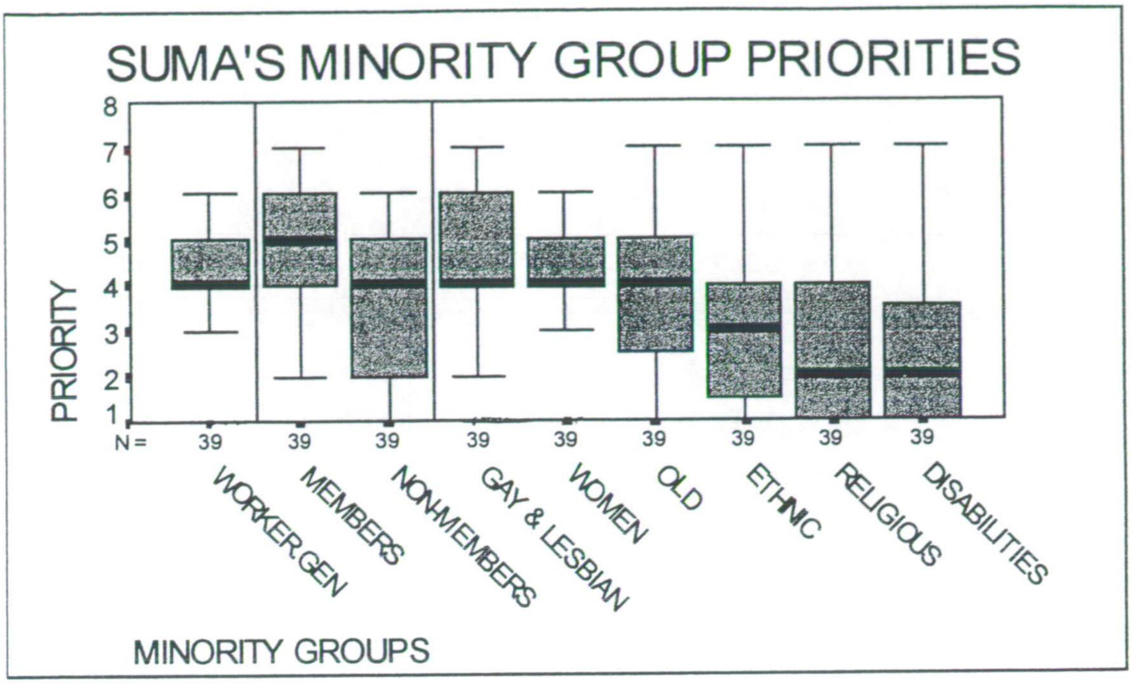


Figure 6.3 will initially be explored with the aim of assessing the extent to which Suma's cultural development strategy is perceived to be power based. What is initially apparent is that the power dimension median is ranked at approximately the same level as the other three dimensions. In fact, it is interesting to note that the power dimension median is ranked slightly higher than personal support median. As Harrison and Stokes (1992) reiterate, a personal support strategy values people as

human beings, not just as cogs in a machine or contributors to a task. This higher power median level is important, bearing in mind Suma's strong past personal support priority. Therefore, it could be argued that Suma's present strategy is perceived internally as relatively more unitarist (or top-down) than Suma's past strategy. However, it must be pointed out that, in absolute terms, Suma's present strategy appears to have both unitarist and pluralist elements. Suma's positive attitude towards minority groups is a good example of its continued commitment towards pluralism. More specifically, Figure 6.4 represents a boxplot of Suma's minority group priorities. Workers were asked to indicate to what extent they thought Suma satisfies the needs of different minority groups within the workplace. They were asked to tick the appropriate category from 'does not satisfy' in category 1, moving through 'partially satisfies' in category 4, to 'fully satisfies' in category 7. What is interesting to note is that, in terms of median value priority, gays and lesbians, women and the old are all equal in priority to workers in general. In other words, this would indicate that workers perceived that there is minimal discrimination against these groups. An example of Suma's positive view of women's contribution within the workplace is its policy to ensure that the MC should be representative of gender type. Moreover, the MC's membership goal was to include four men and four women workers[2]. However, ethnic, religious and disability groups appeared to have a lower priority within Suma. One important other finding which appears to substantiate a move towards unitarism is the difference between member (of the co-operative) and non-member priority. The lower priority placed upon non-members would appear to indicate that Suma's personal support strategy, which values people as human beings, was diminishing.

[2] In light of the old-boys network, it was interesting to note that at the time of writing, Suma was finding it difficult to attract a fourth woman member of the MC.

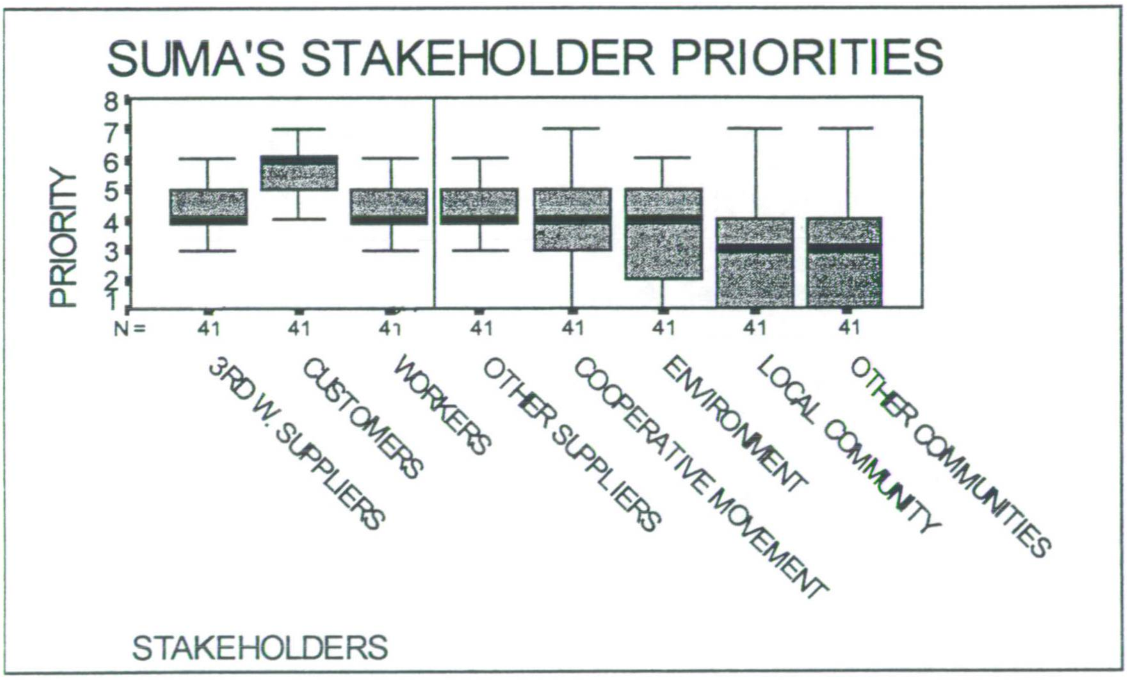
FIGURE 6.4



6.3.2 Suma's Values Leadership Strategy

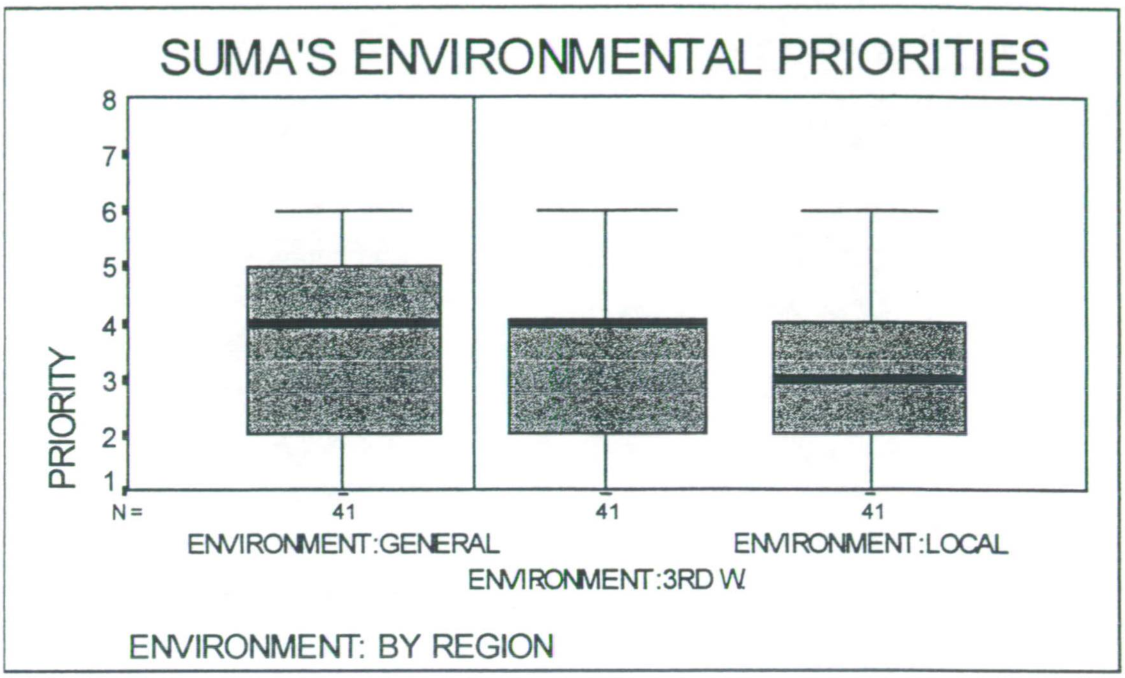
It is important to note that the new MC leadership strategy was required, not only to make pressing quick financial decisions on behalf of the workforce, but to induce a set of wider environmental and social (sustainability) values, amongst the workforce. Figure 6.5 represents a boxplot showing Suma's financial, social and environmental value priorities. Moreover, the boxplot splits these general value priorities (represented in Figure 6.2) into their associated stakeholder groups. Workers were asked to indicate to what extent they thought Suma satisfies the needs of different stakeholder groups. They were asked to tick the appropriate category from 'does not satisfy' in category 1, moving through 'partially satisfies' in category 4, to 'fully satisfies' in category 7. As expected, Suma's new financial organisational goal took precedence, with the satisfaction of its customers being perceived as Suma's main priority. Furthermore, Suma's social organisational goal of satisfying its third world suppliers took a close second priority. Suma's financial priority was again substantiated, as satisfying Suma's other suppliers took joint second priority. However, bearing in mind Suma's past, highly pervasive, personal support strategy, what was interesting to note was that satisfaction of workers was perceived to be also only joint second in priority. This would appear to substantiate the above claim that Suma was becoming more relatively unitarist. What was also interesting to note was Suma's perceived environmental organisational priority. Figure 6.5 shows that Suma's environmental median was at the same level as its third world suppliers median. However, it is clear that the longer interquartile range of this environmental priority showed it was less of an overall organisational priority.

FIGURE 6.5



Looking further into Suma's environmental priority, a boxplot was used, Figure 6.6, adopting the same scale as Figure 6.5. It was clear that, for Suma, the third world supplier environment took greater priority than the local environment. This finding substantiated Suma's overall third world supplier organisational priority. Therefore, the above interquartile range of the environment in general (see Figure 6.5) could be seen as smaller if the third world supplier environment category was used. Suma's sustainability stakeholder priorities would then be seen as the satisfaction of customers, third world suppliers and third world supplier environment.

FIGURE 6.6



Looking again at Suma's values leadership strategy it was felt by the workers that the strategy would increase the commitment of Suma workers towards Suma and its sustainability goals. This would in turn counteract the negative effects of Suma's past free-rider culture, where workers were apathetic towards Suma's sustainability goals. In other words, the MC leadership's qualities were extended to providing a sense of direction to the workforce. This also adds to the explanation of why the power dimension median in Figure 6.3 was relatively high. Some worker comments illustrating this MC role are as follows:

> 'The MC has provided the necessary direction.'
> 'In late April/May 1994...the relief was palpable throughout Suma. At last somebody is in there doing something about it. It was really like a rudderless ship - it was appalling.'
> 'Unless you have got somebody or a group of people giving the direction there is no direction. You ask that herd of sheep out there to come up

with a ... direction, they would just go 'ugh'? ...The idea that people will combine spontaneously and decide spontaneously that they want to go in a direction... it takes you back to Stalinist sort of propaganda, the workers marching forward in unison. Rubbish. When did they ever bloody do that, never.'

'I think we will always need the MC because we do need to have some sort of weekly overview of the way the business is working.'

In order to illustrate the directional role taken by the MC, the following MC member describes how he needed to push the decision-making process forward in deciding upon a common set of values and mission (see section 6.3.3):

> 'The mission statement was a very painful process of decision-making with an awful lot of bullying by me as a chair at the meeting before we ended up with that decision and that's not the way to do things, but we just had to have some kind of decision out of it.'

6.3.3 Suma's Mission Support Strategy

As part of Suma's emerging unitarist strategy it was planned that sustainability values would be induced through a new strategy of finding a common inspiring organisational purpose for all workers. This process can be viewed as Suma endeavouring to find the aspects of sustainability which workers feel are important for Suma to move towards. This new strategy is termed a mission support strategy. The strategy relies upon organisational values that intrinsically motivate workers. Looking back to Figure 6.3, it shows the extent of this mission support strategy within Suma's present strategy. What is interesting is that the mission support median is ranked higher than the personal support dimension median. As Harrison and Stokes (1992) point out, although the mission support strategy evokes enthusiasm and commitment, it may not have a heart. In contrast to a personal support strategy, a mission support strategy proposes that people's personal needs are subordinate to the organisation's needs. Substantiating this organisation centred strategy finding, referring back to Figure 6.2, workers perceived the MC's joint second priority was quality of work, defined as the degree of excellence in work. In contrast, workers perceived creativity, defined as willingness to accept new ideas, as a lower priority. Therefore, a lower priority placed upon creativity in this sense could be seen as workers perceiving the MC to place a lower priority upon a personal support strategy, which respect individuals' diverse needs and desires. This organisational focus substantiates the shift towards a more unitarist strategy.

This mission support aim manifested itself through initiatives like the use of the business plan and mission statement. The MC began to take a more formal, planned and long term strategic review of the company's activities:

> 'There is a move from an informal to more of a formalised strategy.'

Moreover, following training in management techniques, the MC began to focus more and more on business planning and, in early 1995, the first Business Plan was presented to the members at a General Meeting. The purpose of this was,

> '...to organise the intended change in the focus of the business...we will use it to navigate Suma over the next couple of years.' (Suma, 1996a)

The rationale for the Business Plan was described as a need to plan for the longer term future of the business and the people who work within it. Reflecting upon this finding, referring again to Figure 6.2, workers perceived the MC's other joint second priority as long-term planning of the business. This was accepted by the General Meeting and it was then transformed into an action plan for departments with delegated and timetabled targets on sales, overheads and profits.

The mission statement was developed in early 1995 as part of the business planning activity described above. This was as follows:

> 'To provide a high quality service to customers and a rewarding working environment for the members, within a sustainable, ethical, co-operative business structure. To strive to promote a healthier lifestyle by supplying ethical, eco-friendly, vegetarian products.'

The unitarist aim of the mission statement was aptly described by two workers:

'We have been trying to inculcate the idea of a common vision...these days we have tried to adopt the mission statement, this being that something that everybody can latch onto and say yes I do that. The idea of adopting the mission statement is to give people this idea of shared values...to get everybody going in the same direction, to give coherence.'
'When we work best is when we are clear and focused and when we get most out of here is when we're all in it together.'

It was interesting to note that this process was perceived to be the first time that Suma workers had formally agreed upon their sustainability goals. An internal document (Suma, 1996b) pointed out:

'For the first time Suma had agreed goals.'

6.3.4 Suma's New Management Accountability Strategy

The other goal which workers wanted the MC to fulfil was to diminish the 'old boys network' who were perceived by Suma workers as unaccountable, with their decision-making lacking transparency to the rest of the workers. This had created a culture based upon mistrust. Workers had gradually perceived the old hub-sector system as undemocratic, due to the influence of this old boys network:

'A lot of people perceived the MC when it was first set up and the new structure as undemocratic because not everybody could say something about everything. Democracy was perceived as having your input on every subject but I think as time has gone on people have seen the sector system really wasn't democratic.'

In response, Suma's MC strategy needed to,

'...safeguard against a clique of managers who take over in their own interests.'(Suma, 1996b)

The MC strategy achieved this safeguard through two stages. The first stage was to formally recognise the individuals which formed the old boys network by invariably voting them onto the MC:

> 'People have always been suspicious and unhappy about what is often been referred to as like an 'old boys network', which are the informal links between men who have been here over 10 years. I think it is much less than it has ever been in my time at Suma and its importance will continue to diminish...The establishment of the new power structure with the MC, means the more the explicit the power becomes the more difficult for informal power to exist.'

It is important to recognise that, in order to gain a trust and confidence from Suma workers (as opposed to the lack of trust and confidence produced by the hub and sector system), it was decided that the MC needed to be held accountable for their decisions through making the decision-making process as transparent as possible. This represented the second stage of eliminating the old boys network. Referring again to Figure 6.3, it was interesting to note that one of the four dimensions measured by Harrison and Stokes (1992) questionnaire was the role dimension. The role dimension is a more broad measure of the relative effect worker and management accountability structures and systems have on Suma's strategic mix. Harrison and Stokes (1992) describe the aims of these management and worker accountability structures and systems as giving both protection to subordinates and stability to the organisation respectively. More specifically, the management accountability aim was described as providing rules to protect people from the arbitrary exercise of authority. The struggle for power is moderated by the rule of law. The systems are designed to control people and to prevent them committing selfish or stupid acts. As can be seen in Figure 6.3 the role dimension median was given the highest rank by Suma workers. Furthermore, the role dimension had relatively the smallest overall spread of responses around its median. It was clear that workers perceived the role dimension to be an important part of Suma's strategic mix. When workers were asked to describe how this high role dimension manifested itself, they described it in management accountability terms. As an example of the management accountability systems and structures set-up, Suma decided that the MC must hold a weekly discussion forum where MC members met any interested members to discuss current issues. Also, General Meetings were held at least quarterly and used by members to challenge and instruct the MC. Furthermore, the idea of convening quorum Extraordinary General Meetings in between times is available to all the members. Also, the MC meeting minutes were made available for all members to look at. The transparency and accountability of the MC decision-making was described as:

> 'If the MC wanted to change something that was policy then the minutes (in the canteen etc.) are available from the MC for everyone to read and it would be noticed at the QGM as well.'
> 'Despite the fact that we have got powerful individuals dotted around the place, there is still lots of input from everybody if they want to give it and because of that you don't get any one person standing out because there isn't one pin point leader, there is no MD, there isn't one entrepreneurial person leading the place in a particular direction.... we always have this phrase, if you stand somebody on a pedestal at Suma, they are above everybody else, it just means that people can look up your 'arse' and see your flaws and this is a classic, don't stand up you're going to get shot at.'
> 'We have company officers who don't have a vote and who are subject to the managing committee which is very safe, which is a very sensible control.'
> 'At a QGM or an EGM if they want to they can have their say - it's not been disenfranchising as a lot of people perceived it might be. At the moment it's getting quite a lot of respect and acceptance. People have left it alone.'

In confirmation of these overall worker views, some MC members duly described the demanding nature of being held accountable for their decisions:

> 'Very few people do want the power, there are very few things worse than empowering the workers in a co-op, bloody awful because you have got a responsibility on a continuous basis. I am continuously held to account at any time of the day on any subject, it is very hard.'
> 'We have got the capacity to give direction and make decisions but that is a very mixed blessing because it is under constant scrutiny - all the checks exist to stop us from abusing that power.'

6.4 The Effectiveness of Suma's Present Strategy & Suma's Future Strategy

In order to assess the effectiveness of Suma's unitarist cultural development strategy, in early 1996, the author delivered a questionnaire, based upon Mowday, Steers &

Porter's (1979) organisational commitment instrument. The research findings showed that the majority of the workforce (76 per cent) showed varying degrees of commitment towards Suma. Some positive comments to understand the intensity of this commitment are listed below. The many positive comments are important to reflect upon as they show that Suma's cultural learning process is moving in the right direction. It would appear that any further discussion of how Suma should improve this strategy must work from the premise that the present strategy is close to Suma's optimal unitarist-pluralist mix:

> 'If you work on the premise that nothing is ever perfect, then Suma is a darn sight nearer than any other company I've come across.'
> 'I don't think we have a great deal of problems at the moment relative to my time at Suma. We are a lot happier and more focused organisation than we have been.'
> 'The whole point why I work here is to keep Suma going because I believe in Suma. I believe in Suma as an entity and I believe in Suma as a culture, I believe in Suma as a principle in terms of a workers co-op very strongly.'
> 'It has a feel good factor... I'm as enthusiastic as I was when I first came there. I want Suma to survive.'
> 'I put everything into it, perhaps at the expense of my personal life.'
> 'I feel the strategy we've adopted over the last two years...is probably one of the best strategies you could have adopted given the circumstances and given what we are trying to do which is trying to survive in this harsh environment.'

However, in terms of the intensity of the above broad level of commitment, 59 per cent of the respondents showed only a slight to moderate commitment, with only 17 per cent showing a moderate to high commitment. 24 per cent of workers showed a lack of commitment. Furthermore, although 54 per cent of the respondents stated that Suma's unitarist strategy had varying degrees of positive influence upon their commitment, 49 per cent stated that the strategy had a negative influence. Some negative comments illustrating the reasons behind this are as follows:

> 'Morale could be higher definitely...'
> 'People are not 100 per cent content with the MC.'
> 'I don't think the QGM's offer enough.'
> 'I feel we need to rekindle the co-op spirit generally...low morale which I believe has deteriorated over the last year or so.'

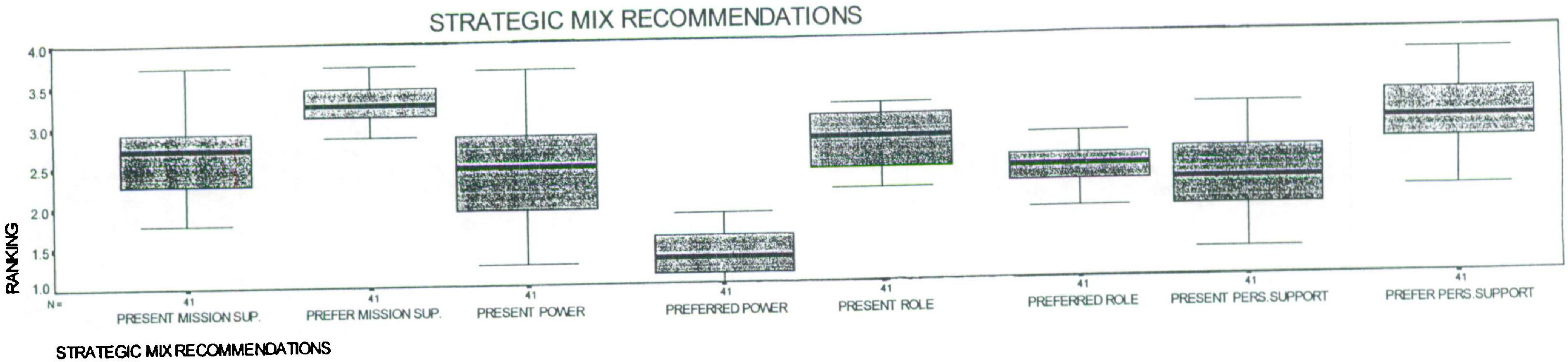
'There are people who are very aggrieved that Management Committee has taken over from the hub and sectors.'

Suma's Personnel Strategic Plan 1996 (Suma, 1996c) substantiates this negative attitude towards Suma's present strategy:

'Dissatisfaction with the present system is rife.'

In order to explore the reasons for these differing commitment levels more fully, worker attitudes were explored towards the different elements of Suma's present unitarist strategy, i.e. a leadership (financial and values) combined with a mission support strategy. Moreover, in light of the above negative comments towards Suma's unitarist strategy, the following also represents workers' recommendations on which cultural development strategy would increase overall worker commitment. In fact, approximately 90 per cent of the respondents to the questionnaire stated that they would experience a moderate to large increase in their commitment if Suma adopted their recommendations. In order to explore these recommendations in detail, the questionnaire asked the respondents to state the strategic mix (or cultural development strategy) they would prefer to see within Suma. In order to illustrate the questionnaire findings, a boxplot is used (see Figure 6.7) which represents both Suma's present strategic mix, as perceived by its workers, and its workers' preferred strategic mix. As explained for Figure 6.3, for Suma's present strategic mix, each dimension is ranked from 1 to 4, representing how close workers feel the dimension describes Suma's present cultural development strategy. Rank 1 represents the least close and rank 4 represents the closest. For Suma workers' preferred strategic mix, each dimension is ranked from 1 to 4, representing the extent to which workers prefer the dimension within Suma's future cultural development strategy. Rank 1 represents the least preferred and rank 4 represents the most preferred. The difference between the present and preferred median and interquartile levels could be seen as a measure of the level of worker dissatisfaction with the present strategic mix. More specifically, the difference between the present and preferred levels of each of the four strategic dimensions (power, mission support, role and personal support) could be seen as a measure of the level of worker dissatisfaction with each of the four dimensions. These findings will be incrementally explained, where appropriate, in the following analysis of Suma's leadership and mission support strategy. Within this analysis, several initiatives will also be described to illustrate the MC's response to worker recommendations for a future strategy.

FIGURE 6.7


STRATEGIC MIX RECOMMENDATIONS
RANKING
4.0
3.5
3.0
2.5
2.0
1.5
1.0
N=
41
PRESENT MISSION SUP.
PREFER MISSION SUP.
PRESENT POWER
PREFERRED POWER
PRESENT ROLE
PREFERRED ROLE
PRESENT PERS.SUPPORT
PREFER PERS.SUPPORT
STRATEGIC MIX RECOMMENDATIONS

6.4.1 The Effectiveness of Suma's Leadership Strategy

In exploring the reasons for the above negative opinions, workers showed a dissatisfaction with what they saw as the unacceptable top-down nature of Suma's leadership strategy. Referring to Figure 6.7, the boxplot shows Suma's present level of power as perceived by its workers and the workers' preferred level of power. The difference of a value ranking of 1.0, between the median values could be seen as a measure of the level of worker dissatisfaction with the present leadership strategy. Exploring this dissatisfaction more fully, the workers expressed an apprehension that the MC, although necessary, would easily cause a split between the powerful and the powerless:

> 'Is this not more hierarchical? Yes it is. Members who attended the old sectors are aggrieved and feeling alienated from the management of the business.' (Suma, 1994a)
> 'My own personal worries are that Suma becomes more and more like a straight business rather than keep up with being a co-op.'
> 'The dominant view is that the Management Committee's doing a good job, the danger though is that because it is intrinsically a hierarchy core way of organising the business it's easy. It's seductive, people will slide down that route until you end up with different classes of members, those who are Management Committee in the know, powerful, can organise.'
> 'There are people within the Management Committee who are seeing themselves more as members of the Management Committee rather than as members of the co-op.'
> 'It's allowed certain individuals to gather great personal power, which has to be very carefully watched.'

The fear of forming two classes of workers primarily came from the shop-floor departments, such as in the warehouse and order-picking areas, as these areas did not have a representative proportion of members sitting on the MC:

> 'There is an 'us and them' situation between people who predominately work in the warehouse and people who work in the office. The people who work in the warehouse...complain quite a lot that they feel disenfranchised.'
> 'Some workers are more equal than others.'
> 'Some people feel that they don't have as much say as they would like. They don't have necessarily a representation on the MC.'
> 'The MC is not a collective decision making body. The Management Committee are managers, they are less separated off than the rest of the

workforce than in many companies, but they are separated off. They don't represent anybody, that's painfully obvious in some of the meetings when they are representing their own departments. It has to be said in those meetings, hang on a second you've got like two buyers here, one person from the warehouse, we've got nobody from order picking, it's not representative at all.'

An example of the scepticism Suma workers began to feel is as follows. It revolves around the perceived abuse of power by the MC in Suma's top level decision-making. For instance, Suma had a fifteen year-old agreement with another co-op in Scotland which promised that it would not encroach on their Scottish market. This reciprocal protectionism agreement had been set-up to ensure maximum market share for each co-op in light of increasing competition from the more mainstream wholefood businesses. However, in early 1996, this agreement had suddenly been broken by the MC without prior consultation with the workers. Suma began looking for Scottish customers by sending mailshots to all the wholefood businesses and shops in Scotland without even telling this co-op. A worker described his frustration that workers had not been consulted on what he viewed as a policy decision:

'I thought that was a bit out of order, one person made that decision. The whole co-op should have been making a decision about something like that because it was an agreement made years ago as far as I know. It was just suddenly not there any more. I'm sure as a business decision it was quite a good idea but on the people side of things it was not only the people in Suma, it's affecting people who work in a different country, in Scotland.'

In light of the negative comments around Suma's MC leadership strategy, it was interesting to note that workers expressed a desire not to increase their participation in decisions, to diminish the power of the MC. Referring to Figure 6.7. again, it was interesting to note that most of the workers preferred a small level of power to exist. It can clearly be seen that the relatively small interquartile range around the median was around the rank of 1.5. This preference was due to the fact the leadership strategy had been seen by the workers as successful in financial terms, i.e. the financial leadership strategy was perceived as successful:

> 'People are basically happy with the higher profit orientation as a result of what the MC has been doing for the previous year...The message that you have to compete aggressively just to stand still is getting through.'

Moreover, workers were content with their current level of participation which suited their level of management skills, i.e. they expressed a personal value for limited participation. This feeling was particularly expressed by workers who were shown to not fully share in the values of Suma. Some illustrative quotes of workers pointing out that they would be happy with less than 100 per cent participation are as follows:

> 'People fail to turn up to meetings when decisions need to be made, so it kind of falls to others to make decisions anyway sometimes.'
> 'They are happy to let the MC get on with it up to a point.'
> 'Personally, I like the MC system. I don't have much input into it... I don't want to participate too much at the moment within the decision-making process that is the MC.'
> 'Some people would feel they would be not particularly good in the decision-making process - perhaps they feel they don't have a lot to contribute.'
> '...the Management Committee is a sort of core clique... running the business, but then again some people are quite happy with that, they don't want to participate.'
> 'There are people who are quite happy to give up all of their management responsibilities to somebody else.'

Exploring this further, whilst workers expressed a desire to not increase their participation in decisions, they simultaneously wished to increase their level of involvement in decisions. In this context, this meant that, despite not wanting to put all their effort into the achievement of Suma's goals they would still like to feel connected to, included in and have an effect upon the achievement of Suma's sustainability goals:

> 'All the opportunities for people to feed into the MC system are there but they are not being used - if we can get this right by getting people feeling involved, people would be happier with the level of power there is in the MC.'
> 'The major problem with the MC, is despite all its efforts, it is still existing in its own vacuum and has not made the connection to the membership that it needs to do.'

> 'People will accept the power culture depending upon how involved people are in it and how rigidly that power is exercised and how few people have it.'

The importance of overall worker involvement was substantiated in the 1996 Business Plan (Suma, 1996a), when it highlighted the following:

> 'Even if you don't feel you are contributing directly to the decisions made by the MC, you influence and shape the future of Suma by your involvement and level of enthusiasm, or your lack of it... we need everyone to be involved. The business plan is not there to justify the existence of the MC, it should become part of the way we all work to shape the future of Suma.'
> 'The business plan belongs to everyone in Suma. Everyone should be concerned to help it happen.'

Suma is currently recognising the need for greater worker involvement. One of the major strategies issuing from the 1996 Business Plan was to, 'build on Suma's personnel assets', which duly meant that Suma needed to 'involve people more in running the business'. Some worker quotations concur with this strategy:

> 'Suma is not meeting its members needs because they feel they are not involved. Hopefully that is going to change, that is still very much our agenda.'
> 'We've sorted out the financial side of the business, we are now doing people management things, or people things.'

In order to increase workers' feeling of involvement with the MC decisions, workers suggested that involvement was not only dependent upon creating mechanisms for a high participation in decisions but also upon imbuing a greater understanding of how decisions have been made which they have not participated in. In other words, as with Traidcraft, an increase in worker involvement with the MC decisions was seen to be created through greater transparency/ clarity of information of the MC decision-making process. Workers were prepared not to participate fully in decision-making as long as they had the opportunity to question the few people (the MC) who made top level decisions, i.e. they needed to feel that there was more of a two-way communication. Workers would be content with a limited amount of participation if they could trust the MC through more transparent structures and systems. It was clear that the transparency initiatives already set-up were not working effectively:

> 'The discussion forums are not working.'(Suma, 1994a)
> 'The bit that we haven't succeeded half as well on, is to get people on board for the business plan and strategy.'

One of the transparency initiatives actioned to involve people more in running the business was to present the 1996 Business Plan to all of Suma's work area groups. In this way the workers at least had the opportunity to see how business plan decisions had been made and thus be able to either support or question them:

> 'Everybody needs to understand how everything they do fits into the business plan which is reducible from the mission statement.'
> 'In order to try and get people involved, the members of the MC held some business plan meetings... But generally speaking to get them excited about the Business Plan is a real tough one. A lot of people are not aware of what it says, what it means, and why it is important to have it and they certainly don't think it is their plan which it needs to be and that needs changing... I think we will manage to get people to understand what we are doing but I think it will take an awful long time... then they will become a lot more knowledgeable and then able to input more directly.'
> 'We are trying to improve communication with the business plan meetings...the idea is to try and disseminate the business plan to all workers and get them to own it...we need everybody to read the business plan, working out roughly what it means and why it's there. So people know why they are told, get out and pick as fast as you can today, its much better to get people to understand why they are doing the job.'

As with Traidcraft, the above call for an increase in transparency was seen as part of an overall call for greater management and worker accountability, i.e. two-way accountability. This manifested itself through a call for grievance and disciplinary structures and systems. In other words, workers expressed a need not only for a greater transparency in decision-making but an overall policing mechanism which punishes people who are not working towards Suma's sustainability goals. This policing mechanism would apply not only to the MC, but to workers as well. In this way a culture of mutual trust could be developed. The reason for an increase in worker accountability was to be able to identify and punish the free-riders. The reason for an increase in MC accountability was to ensure that its members would not abuse the power they have been given. Overall, the systems are designed to control people and to prevent them from committing selfish or stupid acts. This need for worker and management accountability structures and systems was highlighted in Figure 6.6, through the role dimension. As can be seen from the boxplot, workers preferred a negligible decrease in the high median level of role dimension. The small interquartile range of the preferred role dimension indicates that many of the workers were in agreement with this finding. It was clear that the role dimension was an important part of the workers' preferred strategic mix. Calls for two-way accountability were described as follows:

> 'Tightening up procedures wouldn't let people get away with what they had been getting away with, far too much sick, compassionate leave.'
> 'I want to stop all personnel matters being decided as individual instances depending on whether the person involved is popular, unpopular, productive or unproductive, male or female, or whatever. I want agreed rules, agreed systems, so that people know where they are because the kind of, the looseness that there has been previously in personnel systems as personally caused me a lot of pain and it causes other people a lot of pain because basically they just don't know what's going to happen to them.'
> 'We need systems in place which should cope with individuals who don't pull their weight, you can't run a company without those sort of safe guards, systems of grievance, disciplinary etc.'

6.4.2 The Effectiveness of Suma's Mission Support Strategy

In terms of the goal of Suma's mission support strategy, there was a feeling of scepticism by workers that the strategy was imbuing a set of shared sustainability organisational values. It was interesting to note that only 26 per cent of the questionnaire respondents indicated that they strongly or quite strongly share the same values as Suma. Furthermore, reflecting this low percentage, in response to an open questionnaire question, exploring factors which have positively influenced worker commitment, only 8 per cent of those who responded, specified Suma's 'ethical policy', 'ethical products' and 'ethics of company'. Looking more closely at the other worker attitudes towards Suma's sustainability goals, 50 per cent of the respondents indicated that they were ambivalent or did not share Suma's values. Moreover, workers emphasised that Suma's past pluralist, personal support strategy was still a major driving force which had allowed values diversity to thrive. Some illustrative comments were as follows:

> 'I don't see it moving down that road of coming more uniformly idealistic with more uniformly shared values - you have got fifty five people working here with different outlooks and because everybody has a say and because everybody can stand up and say what they like it's going to be difficult to get to shared values.'
> 'The idealism isn't there because everybody has got different ideals here...there are no shared values - I'm surprised when we put the business plan together, we set up the MC, I'm surprised we actually got a mission statement together - it took a long time to get it, and it is a compromise... it's probably nobody's idea of a mission statement.'
> 'People are trying to build their shattered illusions when they say they want more of a shared value.'

More importantly, as with Traidcraft, Suma's mission support strategy appeared to have a negligible impact upon the extreme effects of its past personal support strategy. This took the form of the free-rider group within Suma which relied upon other people to work towards sustainability. The free-riders were perceived not even to share in the survival of Suma:

> 'Apathy plays a big part... the majority of the workforce isn't prepared to or effectively working towards a better co-op spirit, more caring...because of apathy people are not prepared to take responsibility for doing something specific about developing the people side of the business.'
> 'It's got a bit of a culture really Suma, people not wanting to stand up and be in the front line...and put their head above the parapet.'
> 'What really does hold it back are a few individuals who are not co-operative....it's not a 'them and us' but it is a little bit that way. There are individuals who are here to screw the company... to get as much out as they can and put as little back as they can.'
> 'If individuals want to do things there own way then they can generally speaking in that people do get away with murder... some people will tend to do what they want to do.'
> 'They're just looking for a daddy.'

As in the past strategy, the people who did work towards Suma's organisational and sustainability goals had then to work much harder to account for the lack of effort from the apathetic free-riders. Furthermore, the effect of these few committed people doing the work, whilst others were seen to be 'sitting around', caused resentment and a drop in commitment of these more values-driven people, as they saw the situation as unfair:

> 'There is a lot of sort of chat about, I don't know how he or she gets away with it, it's depressing, people aren't being pulled up on bad practice...and people who are generally professional in what they are doing get fairly upset about it.'
> 'The lack of effort from a few individuals causes a lot of unrest amongst the majority of the other members which is unfortunate.'
> 'There are so many inefficiencies in the Suma system, there are so many instances where people simply work to put right other people's mistakes... it's pretty demoralising.'
> 'There is quite a lot of back-biting.'
> 'We have a few members who frankly are totally unproductive and cause great resentment because other people just don't see why they should be carrying them, but we have at the moment no legal way of taking any action against them.'
> 'If you go too far down that personally supportive road what you do is antagonise the other more able people within Suma.'

Similarly, Suma's Personnel Strategic Plan 1996 (Suma, 1996c) highlighted the negative effect of this free-rider element on the commitment of those workers who were more values-driven:

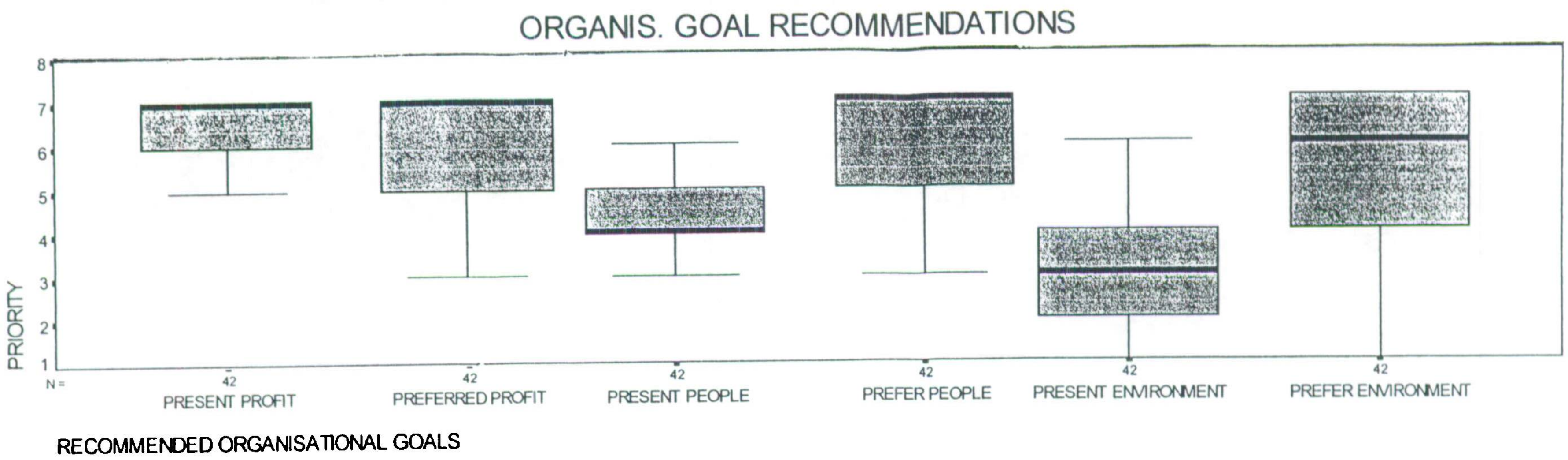
> 'Not only will future business development be blocked by people problems, but worker morale will decline. Just as the feeling that the financial side of the business was out of control caused us to be depressed so the increasing feeling that personnel is losing its 'grip' is having the same negative effect.'

The fact that these free-rider extreme effects of its past pluralist strategy were still present indicated that Suma's mission support attempts to induce a shared set of sustainability values appeared to be not fully materialising. In other words, Suma have begun to realise that a mission support strategy, based simply upon inspirational aspects of mission statements, would not develop a shared set of sustainability values amongst the workers. Put simply, it was clear that any strategy to develop shared values with such a diverse workforce needed to offer more personal incentives than social or environmental responsibility.

Ironically, workers preferred to strengthen Suma's personal support strategy which was the cause of the above free-rider effects (see Figure 6.7). However, this preferred increase in the level of personal support was a call for an alternative personal support strategy. This strategy did not respect all diversity of personal values, as in the past strategy. Moreover, it respected only those personal values that were shared. In order to identify these shared personal values, the worker responses to the above open questionnaire question was further analysed. This analysis showed that 17 per cent shared the feeling that Suma's attitude towards issues of 'pay', 'long-term career plans', 'rewards' and 'recognition' had a negative influence on their commitment. Therefore, as with Traidcraft, this strategy realises that workers feel a need to be motivated, not only intrinsically by Suma's sustainability values, but extrinsically as well, through reward, recognition and personal development. This shared personal support need can be seen to be the result of the back-biting effect of Suma's lingering free-rider culture. This back-biting culture did not support the mission support strategy as it actually worked against satisfying the above shared personal support values:

> 'You are very rarely given any praise motivation for doing a job.'
> 'The thing that annoys me or has annoyed me about it is this negativity, in the sense that motivation is a word that Suma doesn't really know but it knows very well how to knock you. It's easier to kick a man when he's down, that's what happens a lot.'
> 'We don't have a culture where we give people pats on the back, we never have had. Not even with the PC people in charge of the personnel committee, there was never a culture where you could go up to someone and say you have done a 'damb' good job.'
> 'Level of performance isn't really dealt with at Suma - am I doing this as well as I could be?'
> 'Peoples' performance should be reviewed periodically and the reviews should be positive things... But it doesn't happen... things have to get pretty bad for things to happen in that area.'

Additional to these shared worker extrinsic personal priorities, what is important to point out is that for many of the workers, Suma's sustainability organisational values appear to still be worthwhile personal values to pursue. In fact, just over 80 per cent of the respondents stated that Suma's sustainability goals had varying degrees of positive influence on their commitment. Moreover, Figure 6.8, a boxplot, represents the importance workers would prefer Suma to place upon the financial (profit), social (people) and environmental (environment) aspects of sustainability. In order to contextualise these findings, Suma's present goal priorities are shown next to the workers' preferred goal priorities. As explained for Figure 6.2, workers were asked to tick the appropriate category from 'not important' in category 1, moving through 'quite important' in category 4, to 'very important' in category 7. The difference between the present and preferred median and interquartile levels could be seen as a measure of the level of worker dissatisfaction with the present goal priorities. As can be seen from the median levels, workers preferred Suma's value for profit to remain a priority. This substantiates the finding that a minimum amount of leadership is required for financial reasons. It is interesting to note that the preferred interquartile range is wider than the present interquartile range. This wider spread of responses indicates that, for many workers, they place a lower priority upon the profit motive. This would indicate that workers were concerned that profit should not be Suma's sole priority. This is substantiated when looking at the other preferred priorities of the workers. It is clear that workers would prefer a greater priority placed upon Suma's value for people. Moreover, as the interquartile ranges of the preferred profit and people values are equal, it could be induced that workers would prefer a priority placed upon both financial and social goals. In light of Suma's distinctive social view of sustainability, it is interesting to note that workers preferred a slightly lower priority placed upon an environmental goal in comparison to profit and people goals. However, it must be pointed out that workers preferred a greater environmental priority when compared to Suma's present level.


ORGANIS. GOAL RECOMMENDATIONS
PRIORITY
8
7
6
5
4
3
2
1
N =
42
PRESENT PROFIT
42
PREFERRED PROFIT
42
PRESENT PEOPLE
42
PREFER PEOPLE
42
PRESENT ENVIRONMENT
42
PREFER ENVIRONMENT
RECOMMENDED ORGANISATIONAL GOALS

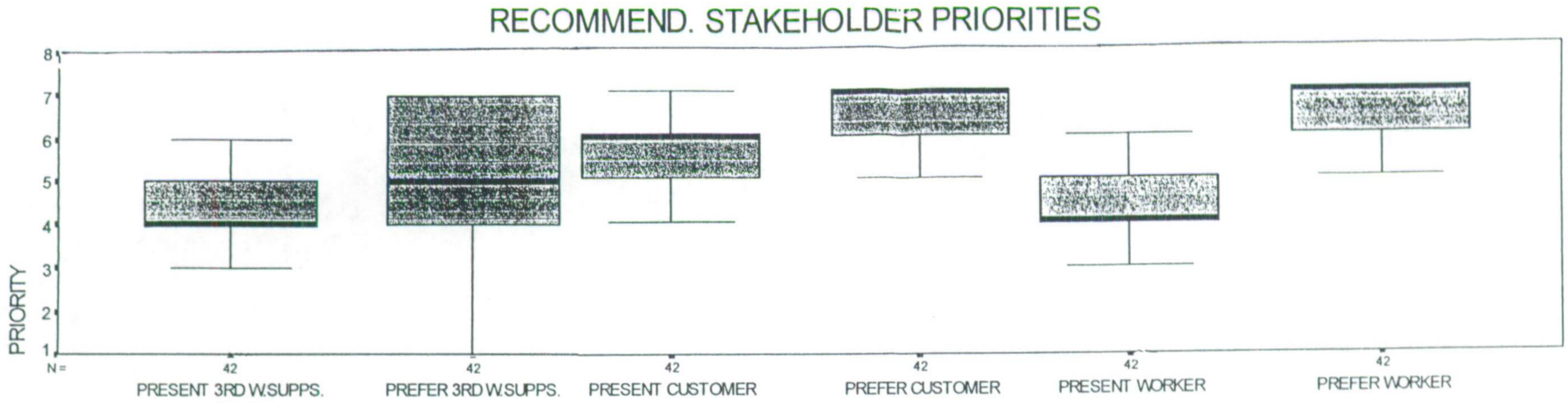
Moreover, the majority of people felt that their personal, reward and recognition values needed to be tackled simultaneously with their personal sustainability goals. The effects of this is that, instead of an unconditional compliance attitude, workers showed a more conditional compliance attitude towards Suma's sustainability goals, dependent upon the satisfaction of their more extrinsic, rewards and recognition goals:

> 'Some people would leave if they had a better or equally good opportunity but the vast majority are here because this is where they want to be.'

This conditional compliance attitude was exemplified through a stakeholder analysis in which workers recommended that Suma should simultaneously satisfy its external and internal (worker) stakeholders (see Figure 6.9). The boxplot represents to what extent workers feel Suma should be satisfying the needs of its different stakeholders, i.e. its preferred stakeholder priorities. The external stakeholders chosen to illustrate the conditional compliance attitude are customers and third world suppliers. The internal stakeholder chosen was, of course, the workers. In order to contextualise these findings, Suma's present stakeholder priorities are shown next to these workers' preferred stakeholder priorities. As described for Figure 6.5, for Suma's present stakeholder priorities, workers were asked to indicate to what extent they thought Suma satisfies the needs of different stakeholder groups. They were asked to tick the appropriate category from 'does not satisfy' in category 1, moving through 'partially satisfies' in category 4, to 'fully satisfies' in category 7. For workers' preferred stakeholder priorities, workers were asked to indicate to what extent they thought Suma should satisfy the needs of different stakeholder groups. They were asked to tick the appropriate category from 'should not satisfy' in category 1, moving through 'should partially satisfy' in category 4, to 'should fully satisfy' in category 7.

The difference between the present and preferred median and interquartile levels could be seen as a measure of the level of worker dissatisfaction with the present stakeholder priorities. In terms of the external stakeholders, as expected from the preferred continued profit priority, workers preferred Suma to place the greatest priority upon satisfying its customers. In terms of Suma's internal stakeholders, the workers, it was interesting to note that workers preferred to be placed equal in priority to Suma's customers. As in the comparison between the preferred profit and people priorities, the median and interquartile lengths of the customer and worker were the same. Comparing median levels between the customer and third world supplier, Suma's social organisational goal of satisfying its third world suppliers clearly took a secondary priority for the workers. However, it was interesting to note the relatively wide interquartile length of the third world supplier priority as compared to the customer priority. This would appear to suggest that many of the workers feel third world suppliers should be a close second in priority. This would appear to substantiate the above finding that for the workers, Suma's external sustainability goals are both social and financial. Therefore, it would appear that workers are recommending that Suma does not forget to satisfy their own personal goals whilst endeavouring to satisfy the goals of its external stakeholders (in its journey towards sustainability). In fact, all workers stated that they would experience a moderate to big increase in their commitment if Suma adopted these recommendations.

FIGURE 6.9



RECOMMENDED STAKEHOLDER PRIORITIES

The consequence of the above conditional compliance attitude meant that instead of only preferring more (or a different type) of a personal support strategy, workers preferred more of a mission support strategy, as well. Referring again to Figure 6.7, it was clear that workers preferred a higher preferred median level of mission support. Furthermore, as the difference between the high preferred mission and personal support median levels was negligible, it was clear that workers preferred the adoption of both strategies simultaneously. Put in another way, instead of abandoning its mission support strategy, workers preferred a strategy which developed shared organisational sustainability values by accounting for a wide set of shared personal values. Workers felt that this could be achieved by rewarding only those who contribute to Suma's sustainability goals. It needed to be seen as a fair, equitable strategy. It was felt that this would reduce the extreme of free-riders 'riding on the back' of a few values-driven workers. Moreover, in order to develop a strategy based upon fair rewards, recognition and personal development, workers expressed a need for several structures and systems to be set-up:

> 'All we need as far as I'm concerned is systems and structures whereby we can listen to people and people can have a more developed and better role within the organisation and I think a lot of this dissatisfaction and alienation will then decrease.'
> 'One of the problems we have is that people don't know what's expected of them...and that's very bad because people will abuse themselves or they'll just get away with what they can get away with.'
> 'It doesn't cost you anything to inculcate a system where people are praised for good performance as opposed to people who are blamed for bad performance.'

Referring again to Figure 6.7, the need for fair reward and recognition structures and systems is another reason why workers preferred a relatively high role dimension. As Harrison and Stokes (1992) point out, as well as accountability aims, the purpose of the role dimension is to provide stability, justice and efficient performance.

In recognition of these worker attitudes, during 1996 initiatives began to be developed which recognised the need for mission and personal support (reward and recognition), structures and systems to induce workers to contribute to the achievement of Suma's sustainability goals. The initiatives are the 'Worker Contract', 'Worker Charter' and a 'Performance Appraisals System'. It is interesting to note that part of the rationale for the Worker Contract and Charter is to begin to create a more rewarding working environment for the purpose of increasing commitment amongst the workers towards Suma's sustainability goals. As the Personnel Strategic Plan 1996 points out, the Worker Contract document legalises the new agreement between what is termed Suma's collective self and the individuals that work within it. The Worker Charter document is to be an expansion of the Worker Contract, setting out in greater detail Suma's terms and conditions of employment. The document includes the rights the individual has through working at Suma (personal support element) and the responsibilities individuals have towards themselves, their fellow workers and the co-operative itself (mission support element). It is important to note that, in light of Suma's strong past personal support culture, rights of individuals within Suma are emphasised within the document:

> 'It is essential that we give each other respect as people, even if we sometimes dislike the way others work, or the values that they hold. It is impossible to agree with, or like everyone in a business of this size. We all have different and valuable skills to offer.' (Suma, 1996d)

In terms of the mission support element, the document sets out expectations of self and co-workers and sets guidelines for interpreting such things as compassionate leave etc., i.e. it aims to reduce the amount of free-riders through an explicit set of equitable rules. The Charter moves on to say that the workers need to work as effective members of the co-op, not just doing their daily jobs but contributing to the management of the business. It argues that it is only through everyone sharing in this responsibility that Suma will avoid the extreme of some individuals exploiting others and thereby causing an underlying resentment towards these free-riders:

> 'Everyone must share responsibility for all aspects of the business. We are all directors and 'guardians' of Suma. We can all affect the morale and the profitability of the business by the way we work and our level of commitment and involvement.'(Suma, 1996d)

Through this goal of mutual responsibility combined with an equitable distribution of personal benefits, it was envisaged that a greater mutual trust could be developed between all workers within Suma:

> 'Our unique working structure requires an element of mutual trust that would be much less necessary in a traditional business hierarchy. We need to feel that each person is pulling their weight and working to the best of their ability. We also need to feel that each of us is treated fairly in terms of all benefits and remunerations. Morale suffers badly when people are seen to be abusing the system.'(Suma, 1996d)

Another new initiative embodying Suma's mission and personal support principles is its Performance Appraisal System. The Performance Appraisal System acts as a complementary initiative to the Worker Contract and Charter. The rationale behind the Performance Appraisal System is to identify the workers who are not working towards Suma's sustainability goals and then to identify the type of personal support and development (through a Personnel Development Plan) they require in order to increase their commitment towards Suma's sustainability goals. The broad cultural importance of Suma's Performance Appraisals System was highlighted in an internal introductory document (Suma, 1996e):

> 'It's taken a long time to develop a suitable appraisals system for Suma. Over the last 18 months, we have regularised our financial systems and achieved profitability. Appraisals are planned to have the same sort of effect on our haphazard personnel systems.'

The following extract from the above internal document demonstrates the special personal support nature of Suma's Performance Appraisal System in line with the Worker Contract and Charter. It signifies that the initial focus of the appraisal system is not to provide a top-down, mission support focus but more of a bottom-up, personal support focus. Therefore, it seems Suma's commitment to pluralism is evident within its Performance Appraisal System:

> 'Your appraisal encourages you to seek self development. Forget 'diagnosis and training' by personnel, we don't have time. In our more open and democratic business culture, it can't be done by the 'old way' personnel

methods. Active participation and ownership by your personal development (or career progression) is essential.'(Suma, 1996e)

This following quotation shows how a Suma worker sees the need to change towards using a new personal support strategy based on recognition and rewards:

> 'People feel there is too much criticism constantly, too much back-biting and not enough praise. I would like to institutionalise an appraisal culture.'

It is important to point out that the Performance Appraisal System forms part of not only a personal support strategy but a mission support strategy as well. This mission support aspect of the appraisal system was described as being able to meagre the value added from each worker towards the achievement of company goals:

> 'For the sake of the business we (everyone at Suma) need to measure value added by each job. How well is it being done? How can WE do it better? Is the training we provide doing any good? Should we budget to spend more on training? We need to be able to measure the improvements. We want to see continuous improvement year by year. To achieve that, you need to know how well you are doing using your job description as the backbone of the process.' (Suma, 1996e)

6.5 Conclusion

The Suma case study has confirmed the hypothesis that a company wishing to move towards sustainability, needs to employ an optimal unitarist and pluralist cultural development strategy. In fact, the most significant finding of the Suma case study was its confirmatory qualities. Therefore, rather than expanding on the findings from the Traidcraft case study, the Suma case study has acted as a good test of the constituent elements of the above hypothesis. As this case study did not expand upon previous case study findings, it is interesting to note the differences in its content. More specifically, this case study uses more empirical analysis than the other two case studies. relying less on the use of extant literature to support new findings.

Figure 6.10 represents a summary of the journey, or learning process, that Suma has moved through. It represents Suma's cultural learning curve over time. It shows Suma's cultural strategy developing from being perceived by its workers as predominantly pluralist to being more unitarist, albeit still predominantly pluralist. Suma's cultural learning process then moves through to being more unitarist, albeit at a lower level than Traidcraft or The Body Shop. The overall changes to Suma's cultural development strategies to the present day were summed up as follows:

> 'So in the life of decision-making at Suma, formal General Meetings lasted for seven years before they were replaced by the Sector/Hub. This also lasted seven years before the Management Committee and General Meetings took over.'(Suma, 1994b)

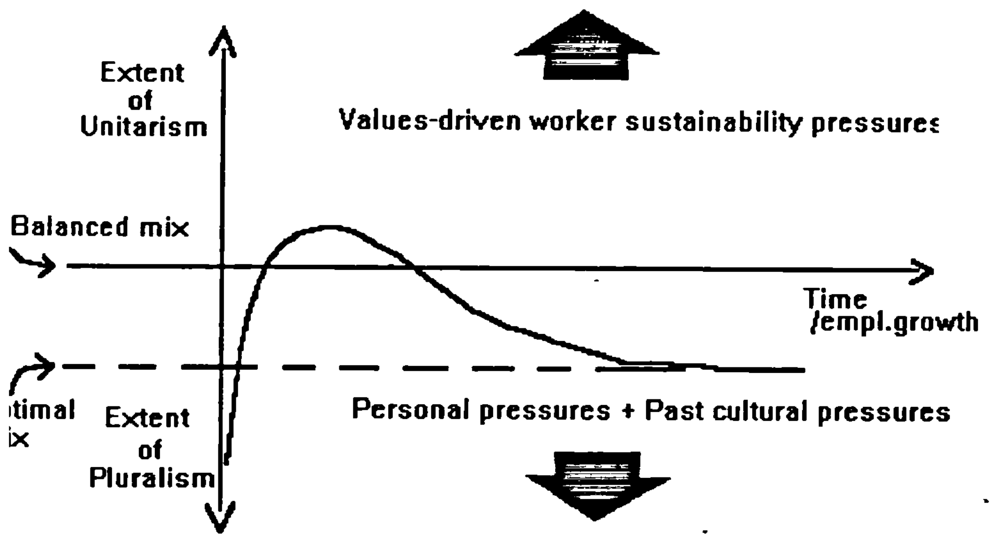
Finally, it is proposed that Suma's future strategy is moving towards being both unitarist and pluralist. Suma's Personnel Strategic Plan 1996 reflects upon Suma's cultural learning process, pointing out that Suma has developed from being haphazard, unpredictable and uncontrolled to being under-controlled, directed, planned, secure, systematised, supportable, predictable and dynamic. For Suma, as with Traidcraft, the optimal unitarist-pluralist mix is biased towards pluralism, primarily due to the durability of its past pluralist culture. This pluralist, co-operative commitment was substantiated within a 1994 internal document (Suma, 1994a):

> 'Over the seventeen years we have been in business, there has been continuous evolution of the way we organise ourselves. As numbers grow, as markets become more competitive, as the complexity of our business increases, we are continuously faced with the same challenge - how do we continue to operate as an efficient business without compromising the co-operative principles which are crucial to what Suma is all about...Many of the working practices which worked well with a small co-op had to be abandoned as numbers grew - perhaps the most crucial aspect of this process is the way we make decisions.'

Figure 6.10 also shows both the unitarist and pluralist pressures acting upon Suma. In terms of the pluralist pressures, as described above, Suma's past pluralist culture is a major driving force on its future strategy. Furthermore, the inherent pluralism, from an increasingly diverse workforce, is an important factor to take into account. In terms of the unitarist pressures, Suma's values-driven workers' (including Suma's MC) commitment towards sustainability represents an internal unitarist driving force, to stop its predominant pluralist culture from drifting towards an apathetic and financially wasteful state.

FIGURE 6.10

SUMA'S CULTURAL LEARNING CURVE TOWARDS A UNITARIST-PLURALIST STRATEGY



The case study has also shown that the three pairs of opposite, but complimentary, unitarist-pluralist principles identified in Chapter 3 and expanded upon in Chapter 5, are sufficient to describe the above cultural learning process. Furthermore, this case study has supported the argument that a cultural development strategy for sustainability has two overarching principles of worker involvement and mutual trust which underpin the above three pairs of principles (see Figure 6.11).

FIGURE 6.11

PRINCIPLES OF SUMA'S UNITARIST-PLURALIST STRATEGY

Worker Involvement & Mutual Trust	
Unitarist principles	**Pluralist principles**
Values & Financial Leadership	Participation
Mission Support	Personal Support
Worker Accountability	Management Accountability

CHAPTER 7

CONCLUSIONS

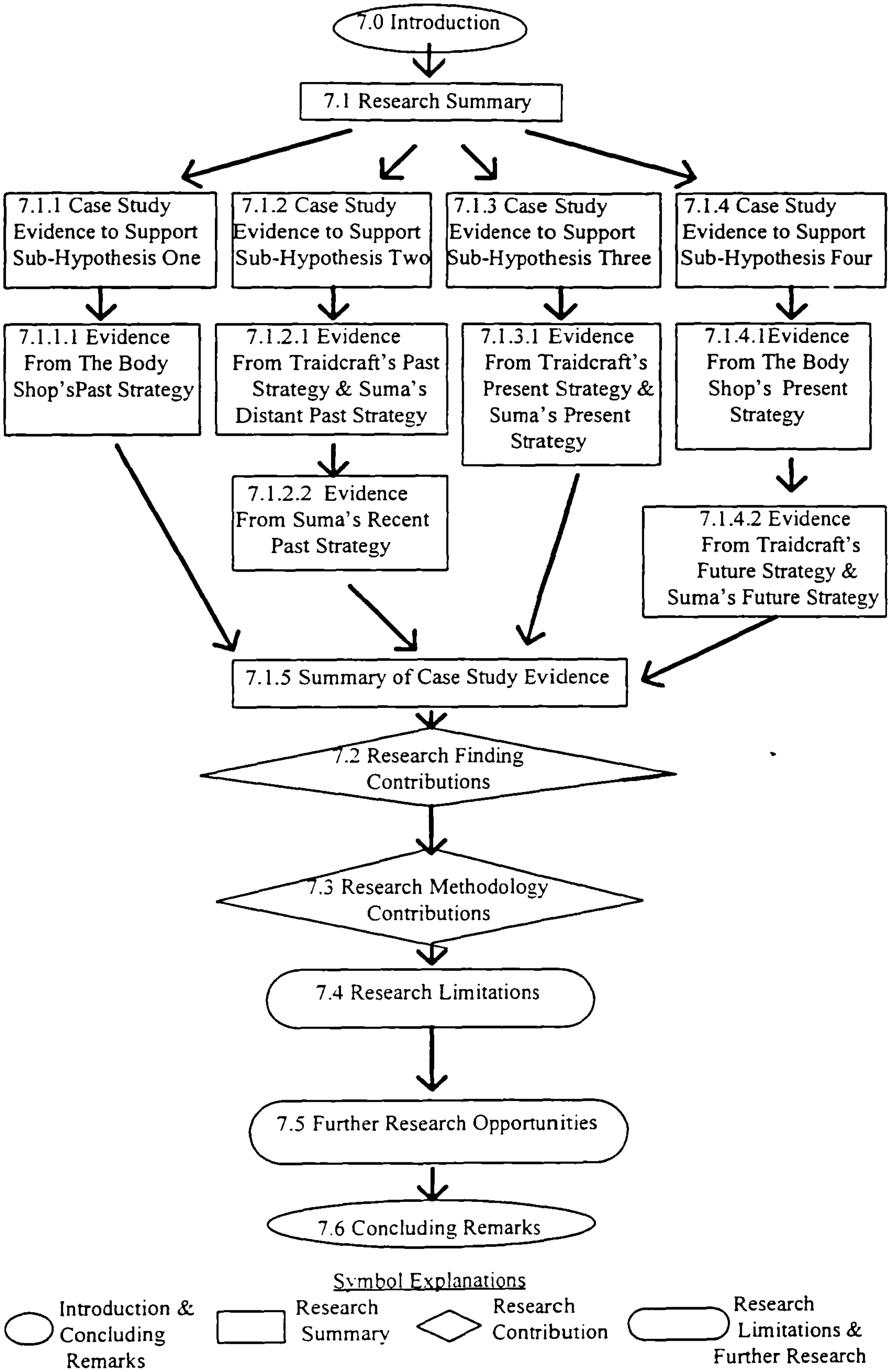
7.0 Introduction

The overall research objective was to make a contribution to the identification of organisational strategies for sustainability. This contribution was in the form of a specific focus upon identifying possible improvements in cultural development strategies of three best-practice companies. These companies are The Body Shop, Traidcraft and Suma Wholefoods. The companies explored are all defined as best-practice as they each are widely recognised as leaders in either environmental protection or social equity fields. Furthermore, they have a top management commitment to move towards the wider goal of sustainability defined in its most holistic and systemic, environmental, financial and social sense. Put in another way, viewing sustainability as a process or journey, it was decided to explore the cultural development and learning process of these three best-practice firms in their pursuit of sustainability.

In light of this cultural learning process, workers were asked to recommend a cultural development strategy which would maximise the sustainability behaviour of the workforce as a whole. A cultural perspective was thought particularly useful as it represented the means of exploring strategies in a holistic, emergent and organisational fashion. Furthermore, the assumption in this research was that an organisation's cultural development strategy provided a basis for an organisation's emergent structure, management style, rewards system, etc. It is hoped that the resulting strategy could provide a directional indicator, for more mainstream companies to move towards in their cultural change process.

This chapter provides a summary of the findings from the research process, highlights possible research contributions, limitations and future research opportunities. Figure 7.1 represents a route map showing the sequence of these sections within this chapter.

FIGURE 7.1
ROUTE MAP FOR CHAPTER 7



7.1 Research Summary

In order to understand how the final hypothesis was developed, it is important to initially understand the evidence which emerged from each case study. This research summary does not attempt to summarise the chain of evidence as it emerged from the sequential case study analysis (as has already been attempted in the conclusions of each case study). Moreover, it endeavours to collate the most appropriate pieces of evidence from all three case studies which appear to contribute to the internal and external validity of the different elements of the emergent hypothesis.

The different elements can be separated into four constituent explanatory sub-hypotheses. These sub-hypotheses are listed below.

1. A unitarist strategy (based upon a selection of unitarist principles) alone does not maximise worker commitment towards an organisation and its goal of sustainability.
2. A pluralist strategy (based upon a selection of pluralist principles) alone does not maximise worker commitment towards an organisation and its goal of sustainability.
3. An ad-hoc combination of both unitarist and pluralist (based upon a selection of unitarist and pluralist principles) strategies does not maximise worker commitment towards an organisation and its goal of sustainability.
4. An optimal combination of both unitarist and pluralist (based upon a selection of unitarist and pluralist principles) strategies maximises worker commitment towards an organisation and its goal of sustainability.

In order to aid understanding of how the sequential case study findings contribute towards the four sub-hypotheses a table will be used (Figure 7.2).

FIGURE 7.2

CONTRIBUTION OF CASE STUDY EVIDENCE TO SUB-HYPOTHESES

CASE STUDY EVIDENCE	SUB-HYPOTHESIS
The Body Shop's Past Strategy	Sub-Hypothesis One
The Body Shop's Present Strategy	Sub-Hypothesis Four
Traidcraft's Past Strategy	Sub-Hypothesis Two
Traidcraft's Present Strategy	Sub-Hypothesis Three
Traidcraft's Future Strategy	Sub-Hypothesis Four
Suma's Distant Past Strategy	Sub-Hypothesis Two
Suma's Recent Past Strategy	Sub-Hypothesis Two
Suma's Present Strategy	Sub-Hypothesis Three
Suma's Future Strategy	Sub-Hypothesis Four

The table shows that for sub-hypothesis one, there represents one source evidence, The Body Shop's past strategy. For sub-hypothesis two, there represents three sources of evidence, Traidcraft's past strategy, Suma's distant past strategy and Suma's recent past strategy. For sub-hypothesis three, there represents two sources of evidence, Traidcraft's present strategy and Suma's present strategy. For sub-hypothesis four, the final hypothesis, there represents the previous accumulated six sources of evidence and a further three sources of evidence, The Body Shop's present strategy, Traidcraft's future strategy and Suma's future strategy. Therefore, the contribution each case has made to the final hypothesis can be seen. These sources of evidence will now be summarised.

7.1.1 Case Study Evidence to Suppport Sub-Hypothesis One

The following case study findings represent the collated supporting evidence for sub-hypothesis one:

A unitarist strategy (based upon a selection of unitarist principles) alone does not maximise worker commitment towards an organisation and its goal of sustainability.

7.1.1.1 Evidence from The Body Shop's Past Strategy

The core evidence for this proposal is drawn from The Body Shop case study. The Body Shop's past cultural development strategy represented an example of an extreme unitarist strategy. For this strategy, maximising sustainability behaviour or employee commitment towards the company and its goals is inextricably linked with developing a shared set of sustainability values. In characterising this type of unitarist strategy within The Body Shop, two major principles appeared to embody its attributes. The first principle was named mission support by the author. This principle was defined as organisational control that works by controlling the way people think rather than their behaviour. It endeavours to align workers behind a common vision or purpose that intrinsically motivates workers. Furthermore, it not only endeavours to induce ideological alignment but also sensory, aesthetic and emotional alignment. In other words, the range of positive feelings and thoughts that a mission support strategy seeks to engender towards the company and its leaders is wide; not only taking in loyalty, commitment, dedication, devotion, enthusiasm, but even love and passion. The Body Shop's 1994 Values and Vision statement and the establishment of a Values and Vision Centre, provide relevant examples of management initiatives which embody this type of mission support principle. Furthermore, in order to support and add credibility to this principle, a second principle was found to be inextricably linked to it. This second principle was named values leadership by the author. The type of leadership required was typically one of reinforcement in word and deeds of the values of the organisation. In other words senior managers needed to act as role models embodying the values required of the workforce. Anita Roddick provides such a role model for The Body Shop, through a particular form of values leadership which is based upon her charismatic and transformational qualities.

In exploring the effectiveness of The Body Shop's unitarist strategy, it was found that all interviewees remarked that there were enduring differences in both values and commitment up, down and across the workforce, particularly with an increasingly diverse and growing workforce. Clearly, the specific unitarist goal of creating a shared set of sustainability values amongst The Body Shop's workforce was not fully materialising. In other words, many employees held alternative personal values which were more important to them than the organisational values of The Body Shop. In terms of the research goal of identifying a strategy which maximises worker commitment towards the company and its sustainability goals, it was also clear that a unitarist strategy alone was not achieving this aim.

In order to explore possible reasons for differing commitment levels many employees expressed negative attitudes towards the mission support and values leadership elements of The Body Shop's unitarist strategy. These negative attitudes centred around the high expectations to conform to the organisation's values combined with a lack of respect for their alternative values. Those people with alternative values expressed feelings of inadequacy, shame, guilt and powerlessness. In light of these feelings of insecurity some workers began to resist the unitarist strategy and form their own sub or counter-cultures, expressing cynicism and detachment.

Drawing from these results, it would appear that, to increase and thereby begin to maximise employee commitment levels throughout a company, a strategy needed to respect employees' diversity in values rather than to endeavour to induce a shared value for the organisational goal of sustainability. In using this type of pluralist strategy, the challenge is not to ignore, suppress, gloss over or eliminate differences between people, but to develop greater sensitivity towards multicultural differences, accepting, even welcoming them and continually looking for ways of expressing, accommodating and reconciling them. It is interesting to note that, whilst this finding was as a result of practical employee acceptance reasons, it also concurs with a view from extant literature that the pursuit of sustainability, with all its complexities and contradictions, requires a more democratic process which calls for society as a whole to make the choices and trade-offs that are essential in the path to sustainable development. Agenda 21 calls for businesses to foster dialogue with workers, forming a partnership capable of shaping and implementing environment and development strategies at local, national and international level. Furthermore, it is argued that a pluralist strategy encourages a process of moral thought and self scrutiny thought necessary to develop a capacity within individuals to change their behaviour in line with sustainability.

In order to begin to identify how this new pluralist strategy would manifest itself, employees were again consulted. Exploring which common personal values were not being satisfied, employees remarked that the highest levels of dissatisfaction were around company's practices of job, career and personal related development. An example of the latter category was a dissatisfaction with the balance struck between work and family life. Some employees perceived that The Body Shop's top management put a greater priority on work compared with family life and expected the workforce to think likewise. In contrast to a mission support principle, these more personally related values collectively described what was appropriately named a personal support principle, by the author. This principle is one where employees are valued solely as human beings, with diverse opinions and values, not just contributors to an organisational objective. A personal support strategy fosters worker commitment towards the company, not through a common purpose or ideal (in contrast to the mission support strategy) but by offering workers satisfactions that come from relationships: mutuality, belonging and connection. The Body Shop has responded to this recommendation through setting up initiatives like a Learning and Development Department, a new company-wide appraisal system which incorporated personal, job and career related development, focusing upon the needs and support of the individual and an enhanced employee handbook addressing employee rights and privileges.

Similarly, in light of worker feelings of powerlessness, another common personal value workers were dissatisfied with was the level of their participation in decision-making. The pervasiveness of the values leadership principle within The Body Shop's unitarist strategy had led to a state where employees perceived decision-making to be top-down in its nature. Therefore, employees expressed a desire for a greater bottom-up participative approach for The Body Shop's decision-making. In contrast to the values leadership principle, employees could now be seen to be opting for a participation principle. In terms of the interrelationship between the two pluralist principles, the reason given for the participation principle was then to be able to identify the diverse types of personal support initiatives which need to be accounted for in the future. The Body Shop has responded to this recommendation through setting up initiatives like the Social Audit Process (refer to sub-hypothesis 4) and promising to implement mechanisms for a type of formal employee collective representative and consultative body.

7.1.2 Case Study Evidence to Support Sub-Hypothesis Two

The following case study findings represent the collated supporting evidence for sub-hypothesis two:

A pluralist strategy (based upon a selection of pluralist principles) alone does not maximise worker commitment towards an organisation and its goal of sustainability.

7.1.2.1 Evidence from Traidcraft's Past Strategy and Suma's Distant Past Strategy

Following on from the above call for a more pluralist strategy, it would appear logical to test whether a pluralist strategy alone could maximise worker commitment. This opportunity arose within a retrospective analysis of the other two case studies, on Traidcraft and Suma Wholefoods. It was found that the past cultural development strategies of both of these companies represented examples of extreme pluralist strategies. The past strategies were identified as pluralist as their goal of maximising employee commitment towards the company and its goals is inextricably linked with respecting and accounting for individuals' diverse goals, values and aspirations. Furthermore, in characterising this type of extreme pluralist strategy within Traidcraft and Suma, the above two pluralist principles of personal support and participation appeared to also embody its attributes. For Traidcraft, these pluralist principles derive from what it sees as its Christian responsibility to promote international social equity issues. For Suma, these principles derive more directly from what it sees as its co-operative responsibility to promote internal social equity issues within the workplace. Of course, this difference in perspective led to a different focus on one principle or the other, albeit within what has been defined as both pluralist strategies.

For Traidcraft, its extreme pluralist strategy was very much focused around the personal support principle, mirroring the church ethos of what was described as a charity, a family, or cosy community. In fact, new staff invariably find people within Traidcraft almost 'too nice'. It even led one worker to describe Traidcraft as 'a culture which exists for the benefit of the individual.' Alternatively, for Suma, its extreme pluralist strategy was very much focused around the participative principle, as it has a specific ideological commitment towards preserving its co-operative, participative principles enshrined in the Industrial Common Ownership Movement model rules. This high level of participation led one worker to describe Suma's decision-making process as one 'in which nothing could be done until everyone agreed.' Every Wednesday afternoon a weekly General Meeting required the whole business to close down while a consensus decision was made over policy issues.

In exploring the effectiveness of Traidcraft's and Suma's pluralist strategies, it was initially found, that in the early stages of their existence when worker numbers were small, they had proved successful in maximising worker commitment towards their sustainability goals. This commitment was due to the fact that these few closely knit groups of staff already held personal values which were congruent with Traidcraft's or Suma's goals respectively. Therefore, a pluralist strategy, with all its freedoms, could be relied upon to move these firms towards sustainability. Moreover, the use of a pluralist strategy was a key motivator as workers liked the idea that their personal values were being respected and accounted for, even though these personal values happened to be congruent with the organisational values.

However, as the workforces grew some negative attitudes began to be expressed from the workers. For Traidcraft, the value-driven workers saw a growing number of workers with less Christian values taking advantage of the freedom of expression such a personally supportive, pluralist culture encourages. Moreover, Traidcraft was seen to be a culture which did not appear to punish the 'free-riders' who did not work towards the betterment of Traidcraft as a company. Duly, worker performance and commitment towards sustainability goals diminished. Although employee motivation was still very high, it was increasingly due to the 'family feeling' rather than what would be in the interests of Traidcraft and its sustainability goals. Furthermore, in light of this free-rider effect, the commitment of the more values-driven employees with high expectations of Traidcraft began to decrease. Therefore, Traidcraft began to realise that, as it grew, its pluralist strategy would not fully maximise worker commitment towards Traidcraft and its sustainability goals. One of the first external negative effects of this was financial. In 1991, having made a financial loss in the late 1980s, Traidcraft was forced to make staff redundancies.

In exploring the effectiveness of Suma's distant past pluralist strategy, it is important to remember Suma's predominant participative focus. In contrast to Traidcraft's free-rider personal support negative effects, as Suma's membership increased in size, participative negative effects began to develop; these were around the time-consuming nature of such a highly participative strategy, which caused a state of confusion and resentment specifically with the General Meeting as a forum. As General Meetings began to decrease in popularity, workers duly began to stop attending, paradoxically causing a drop in participation and decision-making. This duly caused a diminishing worker commitment towards Suma and its sustainability goals which, in turn, led to increasing internal financial inefficiencies, as with Traidcraft.

In summary, for both Traidcraft and Suma, as they grew, their past extreme pluralist strategies proved ineffective in maximising worker commitment towards their company and their sustainability goals, either through free-rider or time-consuming effects.

7.1.2.2 Evidence from Suma's Recent Past Strategy

In order to add one other source of evidence for this finding, it is illuminating to specifically note Suma's response in the later 1980's and early 1990's towards decreasing commitment levels and increasing financial costs. With an ideological commitment towards a pluralist strategy, Suma showed the most reluctance to move away from its original pluralist strategy. In fact, what happened within Suma was that, although it integrated more unitarist elements into its strategy, it simultaneously altered and thereby strengthened its pluralist strategy.

More specifically, whilst a unitarist principle of leadership, particularly financial in Suma's case, was introduced through centralised groups such as the business planning group, personnel committee, finance committee, a pluralist principle of management accountability was introduced. In other words, in order to minimise the gradual accrual of power to the centre, all decisions taken by these groups had to be ratified by the whole co-op. The combined financial leadership and worker accountability strategy used what has been described as a hub and sector form of decision-making. This was a system based upon checks and balances, which was initially successful in maximising worker commitment.

It achieved these high levels of commitment because the strategy had duly developed overarching principles of worker involvement and mutual trust. It is interesting to note that these overarching principles act as a kind of intermediate indicator of worker commitment in the same way that worker commitment acts as an intermediate indicator of sustainability behaviour. In order to understand the apparent relationship between these overarching principles and worker commitment, it is important to reflect upon the Suma case study. Workers showed a high commitment as they accepted a limited participation in decision-making with the onset of financial leadership as they knew they could challenge the decisions made by the leadership groups on their behalf. This enabled everyone at Suma to feel involved in decision-making without reducing the co-op to endless, frustrating meetings. Workers, in turn, accepted these leadership groups because their feelings of involvement had led to a state of mutual trust.

However, in the early 1990's some negative effects of the enduring, predominantly pluralist hub-sector strategy began to surface. The high level of management accountability promoted with the recent past strategy had straight-jacketed any potential benefits of the financial leadership strategy. The checks and balances had become too time consuming, leading to a state where decisions were only finally being made in a firefighting way. This in turn led to the hub-sector meetings becoming discredited and worker attendance duly decreased. Therefore, only certain types of people from departments such as marketing, sales and personnel attended the meetings. These people began to use powers they did not have to force through necessary financial decisions. This informal network of men who had secured a long service in Suma were commonly referred to as the 'old-boys network'. This led workers from other departments to start to mistrust and feel disenfranchised from the hub and sector system. It is important to recognise that the growth of the 'old-boys network' informal leadership group as it supports the emergent need for a formal unitarist strategy. More specifically, even despite the absence of any commitment towards a formal unitarist strategy, there existed a type of informal unitarist strategy which dealt with Suma's financial responsibility.

Exploring the effectiveness of Suma's recent past pluralist strategy more fully, it was interesting also to note that the personal support principle of its distant past strategy was still present. In fact, the personnel committee was seen to be supporting the negative extreme of such a personal support strategy. As with Traidcraft, Suma's recent past strategy was seen by the more values-driven workers as one which did not appear to punish the free-riders who did not work towards the betterment of Suma and its sustainability goals. By 1993 the above pluralist negative effects of management accountability and personal support caused an overall drop in commitment towards Suma and its sustainability goals. It was now clear to Suma that it needed to reassess its sole commitment towards pluralism and more formally recognise and integrate unitarist elements into its cultural development strategy.

Combining the results of The Body Shop case study with those of Traidcraft and Suma, sub-hypotheses 1 and 2 argue that, to move towards sustainability, it is important to not drift towards using either a unitarist or pluralist extreme strategy. These findings concur with Bate (1994) who argues that, despite their substantive differences, we need to recognise that unitarism and pluralism are, in fact, identical in type, being the conventional products of 'either-or' thinking. This is a mode of conceptualisation which loves to invent extreme polarities; simple dichotomies that carve up the world ('reality') into two parts, the one part 'good' and the other part 'bad'. Bate (1994) argues that the one-or-other strategies presented by the uniculturalists and the pluriculturalists are not representations of reality as they should be, but idealisations of that reality. Critics believe bipolarities like unitarism-pluralism offer too limiting a view of life and prescribe too narrow a range of possible alternatives for action.

In rejecting extreme strategies it is important to recognise that this does not mean either strategy should be dismissed. It is important to recognise that each strategy could have both strengths and weaknesses. Therefore, a combined unitarist and pluralist strategy, drawing upon the strengths of both, appeared to be emerging. This 'both-and' strategy, as opposed to an 'either-or' strategy, represents a fundamentally different conceptual approach to a strategy of cultural order and development which begins with the question, what do organisations and cultures tend to be like in reality and practice (rather than how we would like them to be)? The author described the challenge of this 'both-and' strategy as one which manages the paradox of unitarism and pluralism. A paradox was defined as an idea involving two opposing thoughts or propositions which, however contradictory, are equally necessary to convey a more...provocative insight into truth than either factor in its own right. What the mind seemingly cannot think, must think; what reason is reluctant to express, it must express.

7.1.3 Case Study Evidence to Support Sub-Hypothesis Three

The following case study findings represent the collated supporting evidence for sub-hypothesis three:

An ad-hoc combination of both unitarist and pluralist (based upon a selection of unitarist and pluralist principles) strategies does not maximise worker commitment towards an organisation and its goal of sustainability.

7.1.3.1 Evidence from Traidcraft's Present Strategy and Suma's Present Strategy

Following on from the above evidence that either an extreme unitarist or pluralist strategy does not maximise worker commitment, it would now appear logical to test whether any ad-hoc combination of unitarist and pluralist strategies could maximise worker commitment. This opportunity again arose within the Traidcraft and Suma case studies within their present strategies.

For Suma, in light of the need for a more formal unitarist strategy to add to its pluralist strategy, it specifically responded by implementing a more formal and wide-ranging leadership strategy. This formal leadership strategy was elected by the workers in the form of an eight strong Management Committee (MC) which was given the authority to deal with the medium, long term and corporate issues of Suma. In other words, although policy was made at Quarterly General Meetings, the MC was now given the authority to put these policies into action. Therefore, mirroring the recent past strategy attempts at accepting less than full participation in decision-making, the present strategy attempted to accept less than full management accountability.

Exploring the MC leadership group more fully, it was interesting to note that the MC members were not meant to be departmentally representative. Moreover, they were chosen by the workers, on the basis of their financial leadership qualities, to provide quicker and more decisive decisions. Moreover, the new MC leadership strategy was required not only to make pressing financial decisions, on behalf of the workforce, but, as in The Body Shop's unitarist strategy, to induce a wider set of sustainability values amongst the workforce. This would in turn counteract the negative effects of Suma's past free-rider culture where workers showed an apathy towards Suma's sustainability goals. In other words, the leadership qualities needed by the MC members were extended to provide a sense of direction to Suma workers.

In order to operationalise Suma's values leadership principle, Suma also adopted another proposed unitarist principle; advocated within The Body Shop, that of mission support. This manifested itself through the setting up of initiatives which used the Business Plan and Mission Statement to inspire workers. It is important to point out that, although Suma's present strategy was based upon more unitarist elements, it continued to implement and enhance its pluralist elements. The pluralist element or principle which Suma primarily improved upon was that of management (MC) accountability. In light of the negative 'old-boys network' effects of Suma's hub-sector system, its present strategy needed to make informal groups like this more accountable for their actions. In order to initially achieve this, Suma's workers formally recognised this group, by invariably voting them onto the MC. The idea was that, by formally recognising the members of the 'old-boys network', their actions could at least be known and transparent. The MC was made transparent and accountable for its decisions through Quarterly and Extraordinary General Meetings and weekly discussion forums. Furthermore, the MC meeting minutes were made available for all members to review.

Similarly, Traidcraft's present strategy represented a move towards a more unitarist strategy which was a response to the free-rider effects of its past pluralist strategy. This manifested itself in the promotion of mission support and values leadership principles. The strategy plan, called Traidcraft 2000 and its Trinity of Aims was a good example of the realisation of a mission support principle. Furthermore, the implementation of the Teamworking exercise, the Investors in People programme and the Business Process Reengineering Review represented examples of the way Traidcraft was shifting towards a more organisational centred strategy.

However, in early 1996, both Traidcraft and Suma realised that their move towards using a more unitarist strategy, based upon leadership and mission support principles, was not maximising worker commitment. Workers expressed a dissatisfaction with what they saw as the unacceptable top-down nature of both Traidcraft's and Suma's different types of leadership strategy. For Suma, workers expressed an apprehension that the MC would easily cause a split between workers who were seen as powerless and workers who were seen as powerful. The powerless were seen as the shop-floor, warehouse and order-picking staff, as these departments did not have a representative proportion of members sitting on the MC. For Traidcraft, as with The Body Shop, there were signs that this apprehension was causing workers to resist the unitarist strategy and form their own sub or counter-cultures, expressing cynicism and detachment.

In terms of Traidcraft's and Suma's mission support strategy, the author's research indicated that a shared set of sustainability values was not fully materialising. For Traidcraft, a strong shared set of values was expressed in only 40 per cent of its workers. Even worse, for Suma, its high lingering pluralist culture had produced a strong shared set of values in only 26 per cent of its workers. In fact, Traidcraft's and Suma's values leadership and mission support strategies appeared to have a negligible impact upon the extreme free-rider effects of its past personal support strategy. This free-rider culture had duly caused a resentment and a diminishing commitment amongst Suma's values-driven workers who saw the situation as unfair.

In summary, drawing from the cultural learning process of Traidcraft and Suma, it appears that any ad-hoc combination of unitarism and pluralism within a cultural development strategy does not maximise worker commitment towards the company and its sustainability goals. Moreover, worker commitment seemed to be sensitive not only to extreme unitarist or pluralist strategies, but upon the levels or mix of unitarism and pluralism within a combined strategy. For example, although Traidcraft and Suma were both implementing a combined unitarist and pluralist strategy, it would appear that the level of unitarism employed was too high. Clearly, an injection of an ad-hoc level of unitarism responding to a failed extreme pluralist strategy was not the solution to the problem of maximising commitment.

7.1.4 Case Study Evidence to Support Sub-Hypothesis Four

The following case study findings represent the collated supporting evidence for sub-hypothesis four:

An optimal combination of both unitarist and pluralist (based upon a selection of unitarist and pluralist principles) strategies maximises worker commitment towards an organisation and its goal of sustainability.

7.1.4.1 Evidence from The Body Shop's Present Strategy

Clearly, the next step in building a hypothesised strategy was to explore the appropriate or optimal levels of unitarism and pluralism required for each organisation to maximise their workforce commitment. Sub-hypothesis 3 has already indicated that an ad-hoc mix would not be effective. Drawing from employee comments around The Body Shop's present strategy, it can be ascertained that, in contrast to Traidcraft and Suma, it had quickly realised that it needed to have a particular optimal unitarist-pluralist mix if it was to maximise worker commitment. It quickly understood that injecting an ad-hoc level of pluralism in response to a failed extreme unitarist strategy was not effective. Moreover, it also realised that one should not be aiming towards striking a balance between unitarism and pluralism. Again, this concurs with Bate (1994) who argues that there is absolutely no virtue in the notion of a balanced culture. The thrust of his argument is that different cultures need to give different 'weight' to pluralist and unitarist elements and it may well be quite sensible and appropriate for them to be 'unbalanced' in one direction or another, ranging from a predominant uniculture at one end of the continuum (a hospital casualty department or a fighting regiment), to the predominant pluriculture at the other (a democratic parliament, debating society or liberal arts college). Therefore, instead of aiming for a balanced culture, they each need to aim towards a different optimal culture. As Clarke and Georg (1995) point out, 'There is no one best way'. However, their main concern should be to studiously avoid the natural temptation to drift towards the extremes. For The Body Shop, whilst moving away from unitarism, it appears still to be aiming for this imbalance in favour of unitarism, in line with the continued explicit top-management commitment of moving towards sustainability and the durability of its past unitarist culture.

An example of this optimal unitarist-pluralist strategy in action within The Body Shop's present strategy was its Bill of Rights and Responsibilities. This balanced the more unitarist 'Rights and Responsibilities of the Company', such as to expect staff to respect The Body Shop's values, with the more pluralist 'Rights and Responsibilities of the Individual', such as to be developed as an individual and to treat others with trust and respect. In other words, this Bill of Rights and Responsibilities points out that employees are not just resources for the company, but are people whose needs and aspirations are recognised and taken seriously. The Human Resources Mission Statement reiterates the importance of the overarching intermediate commitment goal of mutual trust when it described that, by meeting each other's needs, The Body Shop ultimately will achieve all their objectives, create an environment where there is mutual trust and respect and will sustain a successful community. In order to operationalise its unitarist-pluralist strategy, The Body Shop set up a new department called The Development Group with an explicit aim of recognising and nurturing behaviours that not only conform to business objectives but to personal objectives as well.

A key initiative with unitarist-pluralist attributes was the setting-up of the social auditing process. Social auditing highlights the way in which The Body Shop balances its primary unitarist principles with its emerging pluralist principles. It achieves this by balancing a unitarist principle of worker accountability with a pluralist principle of management accountability. Worker accountability represents a unitarist principle as it induces a sense of worker responsibility towards the organisation's goals by making workers answerable to management for their actions. In contrast, management accountability represents a pluralist principle as it induces a sense of management responsibility towards workers' diverse goals and aspirations by making managers answerable to workers for their actions. In order to stimulate management accountability, the social auditing process, through acknowledging the rights of financial, social and environmental information to a wide constituency, increases the transparency of its top management decision-making. For sustainability, this constituency represents not only society but communities, the third world, future generations and, last but not least, workers. It is argued that the impact of this information on this constituency and their associated response can be assumed to encourage the new practices necessary for sustainable development. The key point to stress within the social auditing process is the importance of an explicit values framework written in terms of corporate values, visions, aims and objectives. This is important as it provides sustainable parameters and limits to the ongoing two-way dialogue between stakeholders and senior management. In light of The Body Shop's unitarist bias, this can be seen as a manifestation of the mission support principle, providing a sustainable direction to its activities.

7.1.4.2 Evidence from Traidcraft's Future Strategy and Suma's Future Strategy

In contrast to The Body Shop, Traidcraft's and Suma's possible optimal unitarist-pluralist levels appeared to be biased towards pluralism. This pluralist bias was based upon worker recommendations for a future strategy in light of the fact that their present strategies appeared to be too unitarist. These recommendations were based on the response to the negative attitudes towards the different emergent unitarist elements of values and financial leadership and mission support from their past strategies. It is important to note that the recommendations for both Traidcraft and Suma had many common features. These commonalities will be described, where appropriate, within the following summary.

With regard to the apprehension over the leadership principle employed within both Traidcraft's and Suma's present strategy, it was interesting to note that this did not manifest itself in a desire to abandon it altogether. In Suma's case this was primarily due to the financial success of the leadership strategy. In Traidcraft's case this was primarily due to a call for a financial leadership strategy to combine with its values leadership strategy. The financial leadership element was required to reduce Traidcraft's lingering free-rider culture. Employees wanted to eliminate what they saw as too many 'personally supportive' managers who could not make difficult employee decisions, who only reinforced the past free-rider culture. In contrast they would prefer fewer managers who are more decisive and determined and not ready to please everyone.

Furthermore, whilst workers expressed a desire not to increase their participation in top-level decision-making, they simultaneously wished to increase their level of involvement in decisions. This desire for an increase in worker involvement was seen to be created through greater transparency/clarity of information about the senior management of Traidcraft's or Suma's MC's decision-making process. In other words, workers would be content with a limited level of participation if they could trust the senior management or MC members, by being made more aware of decisions made on their behalf. For Traidcraft, one of the transparency initiatives was the process of making BPR charts and working papers visible as soon as they are produced. This information is usually pinned up on staff noticeboards in the company's meeting and dining rooms. Furthermore, BPR newsletters, special staff briefings and weekly staff meetings are other transparency initiatives. Another major initiative to achieve a greater transparency was Traidcraft's social auditing process. The evolution of its social auditing process was more advanced than for The Body Shop. Traidcraft is attempting to integrate social accounting into normal management accounting systems of the company. This is called Social Book-keeping and its function is to enable managers to monitor the company's performance against its social and ethical indicators on a routine basis throughout the year. For Suma, one of the transparency MC initiatives was the presentation of the 1996 Business Plan to all of Suma's work area groups. The call for an increase in transparency was duly seen as part of an overall call for greater management accountability and worker accountability. In other words, workers expressed a need not only for a greater transparency in senior management (for Traidcraft) or MC (for Suma) decision-making but an overall policing mechanism which punishes both the senior management (for Traidcraft) MC (for Suma) members and all other workers who are not working towards the company's sustainability goals. This policing mechanism would manifest itself through grievance and disciplinary structures and systems. In this structured way a culture of mutual trust could be developed.

In light of the failure of Traidcraft's and Suma's present mission support strategy and the call for a more pluralist, personal support strategy, it is important to realise from worker comments made, that this meant a call for an alternative personal support strategy to that employed in their past strategies. This new pluralist strategy did not respect all diversity of personal values as with the past strategy. Moreover, this new pluralist strategy endeavoured to respect and act upon only those personal values which are found to be shared amongst Traidcraft or Suma workers. More specifically, workers recommended a shared set of reward, recognition and personal development values.

It was interesting to note that workers also saw their respective company's sustainability organisational values as worthwhile personal values to pursue simultaneously. The finding that workers are simultaneously motivated by both an organisational goal of sustainability and a more personal support, development goal, leads to the finding that values pluralism not only exists between individuals, but also within every individual. Moreover, if every individual is seen as possessing a hierarchy of multiple values, sustainability can be seen as invoking part of this set of values whilst personal reward, recognition and development can be seen as invoking another part. This sees workers through a wider and more realistic lens which does not expect unconditional compliance with sustainability goals. Moreover, research on Traidcraft and Suma has shown that individuals offer a more calculative and conditional compliance with sustainabilty goals, dependent upon the personal reward, recognition and development incentives on offer.

Therefore, drawing a conclusion from these results, a possible future strategy would need to combine a mission and personal support focus. In order to maximise worker commitment towards sustainability, this dual strategy would manifest itself by providing rewards, recognition and personal development to only those workers who contribute towards the company's sustainability goals. It therefore represents a fairer and more equitable strategy than Traidcraft's and Suma's past strategies and present strategy. It was felt that this combined mission and personal support strategy would reduce the lingering free-rider culture within these companies.

In order to institutionalise this possible future strategy, workers expressed a need for several structures and systems to be set up. For Traidcraft, an example of a mission-personal support structure and system is the Skills Audit which Traidcraft is currently piloting. The aim of the Skills Audit is to satisfy both personal aspirations through reward, recognition, personal, and career development and organisational aspirations through performance assessments. Similarly, for Suma, examples of mission-personal support structures and systems are the Worker Contract, Charter and Performance Appraisal System which all set out, in a complimentary way, formally to recognise and act upon rights of workers as individuals and develop responsibility of workers towards Suma and its sustainability goals.

7.1.5 Summary of Case Study Evidence

The Body Shop case study contribution to the hypothesis was to primarily show that extreme unitarist strategies do not maximise sustainability behaviour. It also indicated that an optimal unitarist and pluralist strategy is required to maximise sustainability behaviour. It was identified by the author that although a final hypothesis was proposed, there needed to be more empirical evidence for the reader to be able to have confidence in the validity of the hypothesis. Therefore, in order for the hypothesis to be valid, two further sub-hypotheses needed to be identified (sub-hypothesis two and three). The contribution of Taidcraft and Suma findings is to provide evidence for sub-hypotheses two and three. The value of Traidcraft and Suma case study findings was thus to add supporting evidence for the assertion made within The Body Shop case study findings. In other words, Traidcraft and Suma case study findings provided the link between sub-hypothesis one and sub-hypothesis four, the final hypothesis. This particular contribution of Traidcraft and Suma was due to their different historical understandings of the concept of sustainable development to that of The Body Shop. For Traidcraft and Suma their past commitment to social equity issues had been the driver for both of their past pluralist strategies. It is interesting to note that although Traidcraft and Suma have historically focused upon different aspects of the social equity issue the impact in terms of the unitarist-pluralist hypothesis was very similar. Put in another way, their cultural learning process followed very similar paths in terms of their unitarist-pluralist mix. However, it must be noted that although they are moving towards a similar optimal mix they could be differentiated from each other by the emphasis they placed upon the principles that contribute to that mix. For example, Traidcraft, with its past priority placed on international social equity issues, gave rise to an emphasis upon a personal support principle. In contrast, Suma, with its past priority placed on internal social equity issues, gave rise to an emphasis upon the participation principle. This highlights the other major finding of this study, the differentiating power of the unitarist-pluralist principles

7.2 Research Finding Contributions

In terms of how successful the research process has been, it is the author's belief that it has provided a beginning to the conceptualisation of a cultural development strategy for sustainability. It has thus succeeded in developing a strategy which could act like a directional indicator for mainstream firms to move towards. In light of the normative nature of this research for mainstream organisations, it is important to realise that the research findings also provide a normative function for best-practice firms themselves. Although the firms studied in this research represent best-practice, this does not mean that they are necessarily sustainable, if such a condition were to ever exist. Moreover, sustainability is seen by these companies as a journey in which they must move along. In other words, they are progressing along a cultural learning process towards sustainability. In light of this dynamic view of sustainability, the target to move towards is a set of values, which these companies are trying to realise, through strategies of maximising their workforce behaviour and commitment towards sustainability. Using this view of sustainability as a learning process, it can be seen that the present cultural development strategies, albeit best-practice, could be improved upon. In order to understand how they could be improved upon, the workers and management of these companies were asked to recommend possible improvements. In other words, this normative view provided a possible future milestone strategy for even best-practice firms.

The research has built a hypothesis which proposes a framework of cultural principles around which a firm needs to mould its cultural development strategy. These principles could be used as criteria for choosing an organisational strucure, management style and reward system etc. which maximise workforce sustainability behaviour. The hypothesis is summarised below.

A company wishing to maximise worker commitment towards sustainability needs to employ an optimal unitarist-pluralist cultural development strategy. Furthermore, an optimal unitarist-pluralist strategy is characterised by an optimal combination of a selection of three pairs of opposite but complementary unitarist-pluralist principles. In addition, these unitarist-pluralist principles are underpinned by two overarching principles of worker involvement and mutual trust (see Figure 7.3).

FIGURE 7.3

PRINCIPLES FOR THE SUSTAINABLE ORGANISATION

Worker Involvement & Mutual Trust	
Unitarist principles	**Pluralist principles**
Values & Financial Leadership	Participation
Mission Support	Personal Support
Worker Accountability	Management Accountability

In order to provide some illustrative practical examples of the proposed hypothesis, several initiatives have been described and explained using its constituent principles. Initiatives from The Body Shop include The Social Audit, the Adizes Process and employee collective representation. Initiatives from Traidcraft include Social Book-keeping and the Skills Audit. Initiatives from Suma include its Worker Contract, Charter and Performance Appraisal System.

Reflecting on this hypothesis, in light of the lack of any prior empirical research within the corporate cultural sustainability field, these research findings argue against and/or expand upon the more anecdotal assertions made within the few papers written to date. The usual assertions made have been around prescribing either a top-down approach based on a leadership principle, or a bottom-up approach based on a highly participative principle. This research has clarified these two approaches by expanding upon the principles which characterise the goals of each. For instance, it has been found that, for the top-down approach, the leadership principle can be broadened to include other principles of mission support and management accountability. Through the use of these three principles, this top-down approach could be more appropriately named a unitarist strategy. Similarly, it has been found that, for the bottom-up approach, the participation principle can be broadened to include other principles of personal support and worker accountability. Through the use of these three principles, this bottom-up approach could be more appropriately named a pluralist strategy. By expanding the range of principles in this fashion, the different aspects of each strategy appear to have been fully defined in line with the core goals of each strategy. In other words, for a unitarist strategy, its core goal of inducing a set of shared organisational values manifested itself in the form of its three unitarist principles. Similarly, for a pluralist strategy, its core goal of respecting the diversity of workers' values manifests itself in the form of its three pluralist principles.

As well as expanding upon assertions made within academic literature to date, this research argues against the idea that a strategy needs to be unitarist or pluralist. This represents the major finding of this research as it argues for a cultural development strategy which combines both approaches. Furthermore, for a company wishing to move towards sustainability, its optimum level of unitarism and pluralism within its strategy was found to be primarily dependent on the cultural context of the firm concerned. The optimal unitarist-pluralist mix was also dependent upon both the diversity of worker opinions and values within the company and its top management commitment towards, and understanding of, sustainability.

7.3 Research Methodology Contributions

In terms of the whole nature of this research process, it is hoped that the research methodology adopted and lessons learnt from it provided as much of a contribution as its research findings. In order to arrive at the above findings, this research used a methodology called 'building theories from case studies'. This type of methodology is unusual as it is seldom used either in the more general business and organisational behaviour research field or within the environmental management, sustainability field. This type of methodology is particularly suited to new, developing fields with little prior academic research and literature available. Although there is much literature on corporate environmental management and improvement, the view of sustainability in this research is characterised by a holistic and systemic, long-term, environmental, social and financial responsibility which is seen to be not a simple extension of environmental improvement. In light of this definition, a methodology which requires minimal previous academic literature was found to be most suitable. The implication of minimal prior academic literature available is that this research methodology starts with no theory or hypothesis to test or expand upon. It is important to recognise that, although prior literature within this specific research area is not used, the use of extant literature is important as theory emerges from the data. This research particularly drew upon corporate culture, environmental management, organisational development, industrial relations and business ethics extant literature. Reference to academic extant literature was only made when it conflicted or coincided with the case study findings, in order to increase the internal validity and generalisability of the emergent hypothesis. Another important element of this extant literature was the recommendations arising from an expert workshop conducted by the author, prior to conducting the case study fieldwork. These recommendations are scattered, wherever relevant, throughout the write-ups of the three case studies.

Another feature of this methodology is its flexibility in being able to change data collection and analysis methods according to how quickly and in what form the theory emerges and is grounded from the data. In this way, quantitative and qualitative methods can be used to different degrees for each case study.

For this research, this flexibility led to two distinct portions of field research, using two different types of data collection and analysis. The first part of the research was exploratory, using open-ended interviews with selected, key informant Body Shop employees. These interviews were based upon a topic guide derived from the expert workshop recommendations. In light of the grounded theory analysis of The Body Shop findings, it was decided to change the data collection and analysis methods for Traidcraft and Suma. Attitudinal questionnaires followed by thematic interviews were chosen as the appropriate data collection methods. Whilst the structured nature of the questionnaires provided a possible focus for the research, the semi-structured nature of the thematic interviews maintained the need to continually accommodate new constructs and patterns in the data. In this way, the open-ended nature of the methodology was maintained. In light of the experience of using two different methods it was interesting to note that each method contributed its own problems to the research process. For The Body Shop method, for example, problems centred around data analysis. The inductive, grounded theory approach created difficulties in organising and making sense of the large amount of unstructured transcribed data. Alternatively, for the methods used within the Traidcraft and Suma case studies, problems centred around data collection. With emergent constructs and a hypothesis to test, as well as to expand upon, their measurement needed to be as refined as possible. Reflecting upon problems around construct measurement one such measure was around the most appropriate way of measuring the sustainability behaviour of a workforce. As all of the companies concerned already have a top management commitment towards sustainability, it was appropriate to measure workers' sustainability behaviour by using an indicator of worker commitment towards the firm and its sustainability goals. Furthermore, the elements of the organisational commitment construct emerged as relevant, unbiased measures within The Body Shop case study findings. In other words, for this research, the highest possible levels of worker commitment throughout the workforce as perceived by the workforce, towards sustainability represented the ultimate sustainability state for an organisation. In light of this measure the research objective could then be worded to identify and explain a cultural development strategy for firms wishing to maximise worker commitment towards an organisation and its goal of sustainability.

This experience of using different methods also led the author to be able to implicitly analyse the most effective combination of such methods for such an inductive methodology. The use of a questionnaire, followed by a thematic interview loosely based upon the questionnaire findings, was a particular innovation in this research. Viewing the function of the questionnaire as a facilitation device rather than as a definitive structure is key to maintaining the inductive nature of this research. In this way, the thematic interview is seen as the primary data collection method. However, it must be stated that the use of the questionnaire is particularly relevant for doctoral researchers whose abilities to undertake a pure grounded theory analysis are limited. The addition of a slight structure builds up a confidence within self-doubting and unsure doctoral researchers to progress forward, albeit in an open and questioning fashion. The grounded nature of such a combination is maintained because, instead of forcing constructs upon workers through a sole questionnaire, it only places an importance upon a construct when the feedback within the thematic interview reinforces the construct.

Last, but certainly not least, one final contribution made from the research is how to effectively carry out a doctoral research agenda whilst recognising the differing corporate agendas of the chosen case studies. As the research was normative and focused upon improvements to be made within the respective firm, political sensitivity must be the prime concern of any doctoral researcher. This is expounded by a research process which calls for recommendations for improvements not only from management, but workers as well. Furthermore, another contributing factor is that sustainability, as defined within this research, has the capability of questioning all financial, social and environmental corporate policy areas. The major recommendation for coping with firms reactions to such questioning is for the researcher to be explicit in what his or her research intentions/aims are, as soon as possible within the research process. In other words, there is a need to mutually agree a research contract, as soon as possible. This contract would set out the rights and responsibilities of both parties. If any disagreements then occur the researcher has this contract as a safety measure for any negotiations that take place. Another recommendation from this research process is not only to be open to, but actively to welcome any feedback whether it be positive or negative. Although this prolongs the research process, the feedback obtained should be seen as an invaluable process of increasing the construct validity of the research finding.

7.4 Research Limitations

Although this study has successfully accomplished its research objective of identifying and explaining a cultural development strategy for sustainability, it is important to recognise that it also has its own limitations. These limitations, already presented within the individual chapters of this thesis, will now be summarised. Of course, every research objective, methodology and set of methods have their own limitations but, by making them explicit, further research opportunities can be identified. The research opportunities, arising from the following limitations will be presented in section 7.5.

i) Reflecting upon the importance of choosing relevant conflicting and corroborating extant literature for this type of research, the core limitations of this research could be identified around the lack of literature in certain areas. One of the main literature areas which could have been used more extensively is around the behavioural science field, particularly around theories of individual behaviour. In order to show the potential of using such literature, a few concepts will now be explained in terms of their explanatory virtues for the unitarist-pluralist hypothesis.

The importance of an optimal mix of unitarist-pluralist principles to maximise sustainability behaviour could be similarly described in terms of the concept of the psychological contract. A psychological contract, as with the unitarist-pluralist principles, outlines the relationship between the individual and the organisation (Schein, 1988). The psychological contract is not a written document, but implies a series of mutual expectations and satisfaction of needs arising from the people-organisation relationship. It involves a process of giving and receiving by the individual and by the organisation. As Schein (1988) argues, it covers a range of expectations of rights and privileges, duties and obligations, which do not form part of a formal agreement but still have an important influence on people's behaviour. Furthermore, this influence on behaviour may have arisen from an individual member and the organisation not even being consciously aware of their expectations.

As Mullins (1996) points out, it is unlikely that all expectations of the individual or of the organisation will be met fully. There is a continual process of balancing, and explicit and implicit bargaining. The idea similarly describes the cultural learning process towards an optimal balance of unitarist-pluralist principles. In contrast to this optimal balance, an extreme form of a unitarist strategy represents a state where the expectations of the individuals are not met. Similarly an extreme form of a pluralist strategy represents a state where the expectations of the organisation are not met.

Furthermore, as these two extremes represent the past strategies for the three companies, it is interesting to note the pervasiveness these initial psychological contracts have on workers' recommendations for future optimal strategies. For Traidcraft, with a past psychological contract based upon an extreme pluralist strategy its future optimal strategy tends towards pluralism. In contrast, for The Body Shop, with a past psychological contract based upon an extreme unitarist strategy, its future optimal strategy tends towards unitarism. This concurs with Kotter (1973) who argues that a psychological contract is a useful contept in examining the socialisation of new members of staff to an organisation. According to Kotter, early experiences have a major effect on an individual's subsequent career in an organisation and influence job satisfaction, attitude and level of productivity. More specifically in this research, the continued high expectations of the more values-driven workers in Traidcraft and Suma could be attributed to their early experiences of an extreme pluralist strategy.

Another area of behavioural science which could have been used more extensively is around an individual's work motivation. The underlying concept of motivation is some drivng force within individuals by which they attempt to achieve some goal in order to fulfil some need or expectation. As this research has been interested in the satisfaction of the needs and expectations of the individual, this would seem a relevant area to be explored further.

This research concurs with the contingency approach to motivation at work. This states that there are a large number of variables, or situational factors, which influence organisational performance. These varying situational factors together with the complicated nature of human behaviour lead to the complex-person concept of motivation (Mullins, 1996). With this perspective as its basis, process theories attempt to identify the relationship among the dynamic variables which make up motivation. Process theories place emphasis on the actual process of motivation. One such process theory which could explain many aspects of the hypothesis is the Porter and Lawler's Expectancy Model (1968). This theory demonstrates how an individual's motivational force combines with other variables to affect their performance. Expectancy theory in general argues that the strength of a tendency to act in a certain way depends on the stregth of an expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual.

The initial virtue and relevance of expectancy theory to this research is that it concurs with the finding that stresses the importance of linking rewards which specifically satisfy important personal individual needs of only those invdividuals who contribute towards their firm's goals (around the concept of sustainability, in this case).

The second virtue of this theory is that it endeavours to explain why a lot of workers are not motivated in their jobs and merely do the minimum necessary to get by. This would add to the explanation given in this research for workers who show merely a conditional compliance attitude towards their organisation's goals.

The third virtue of this theroy is that it does not agree, as with this research, with the human relations assertion that job satisfaction leads to improved performance. For instance, this theory could have been used to explain why Traidcraft and Suma workers, within their past strategies, develop a high job satisfaction whilst developing a low worker commitment towards their sustainability goals.

The fourth virtue of this expectancy theory is around its multiplicity, in that it includes other theories such as Herzberg's content theory (Herzberg, Mausner & Snyderman, 1959) and Adam's equity process theory (1965). It uses these theories to explain the combined affects of intrinsic, extrinsic rewards and perceived equitable rewards on performance.

Herzberg's content theory is relevant to expectancy theory and to this research as it argues for the importance of both intrinsic and extrinsic rewards in developing desirable outcomes. Furthermore, Adam's equity theory is relevant as it also concurs with this research finding that a major variable affecting performance is the importance of being treated fairly in comparison with the treatment of others. In other words, equity theory recognises that individuals are concerned not only with the absolute amount of rewards they receive for their efforts, but also with the relationship of this amount to what others receive. This aspect was emphasised in this research by a recommendation for a fair rewards, recognition and personal development structure and system.

ii) A further limitation of this study is its capacity to generalise the unitarist-pluralist hypothesis beyond the three chosen case studies. This generalisability problem does not only arise from the limited number of case studies, but also from the single retail industry from which the three case studies have been drawn. It could be argued that the emergent hypothesis may be considerably changed if the industrial focus was changed to manufacturing, for example. The different internal and external pressures of other industries would no doubt produce new perspectives on the hypothesis.

As one of the aims of this study is to provide a directional indicator to mainstream companies, the choice of firms may also be criticised. Many mainstream companies would particularly perceive the likes of Traidcraft and Suma Wholefoods as idiosyncratic and not at all comparable with the external and internal pressures typical of their businesses. However, in stating these limitations, it is important not to stray too far away from unique situations. As Lipset, Trow and Coleman (1956) argue, from the point of view of social research in the general expansion of our understanding of society, deviant cases, cases which operate in ways not anticipated by theory, supply the most fruitful subjects for study.

Other generalisability problems are around not being able to to generalise internationally. The three case study companies are U.K. based. As building cultural theory is the focus of this research, it is important to reflect on work by cultural writers such as Hofstede (1991) who argue that a country's national culture has a strong influence upon the corporate culture.

iii) In terms of the research validity, a major limitation is around the retrospective nature of ascertaining the past strategy of each of the three companies. As this method is totally dependent upon recall, respondents tend to rationalise past irrational incidents. This rationalisation of critical incidents may give the impression that distinct phases exist within a firm's history. Although the author has recognised these phases as more emergent in time, only a longitudinal study (see section 7.5) would realise a core assumption of this research i.e. the past is inextricably linked to the present (Critchley, 1994).

iv) Construct validity limitations of the research findings are around the idea of using one solitary sustainability behaviour measure, worker commitment towards the company and its sustainability goals. Furthermore, as an overall measure of sustainability effectiveness, the commitment construct, as used in this research, is limited as it only takes an internal, worker perspective.

Other criticisms could be directed towards the use of the maximisation concept. This concept is reliant upon workers' collective perceptions of the highest possible level of worker sustainability behaviour and commitment throughout a workforce. As individuals' perceptions are constantly changing, this socially constructed measure can be criticised for its temporary nature.

v) Other limitations of this research revolve around some weaknesses of the different methods used. In the case of the exploratory interviews, a key limitation is around the time consuming nature of the open-ended grounded theory analysis. For a doctoral researcher, with little prior experience of such a complex process, this can prove frustrating and may not lead to closure due to what has been called 'data asphyxiation'.

In contrast, for the questionnaire and thematic interview methods the limitations are around data collection. For instance, the adapted Harrison and Stokes (1992) culture questionnaire was found to be limited in terms of it s capacity to explain workers experience of their firm and thus the final unitarist-pluralist principles within the study.

7.5 Further Research Opportunities

The following represents possible further research opportunities. It will primarily suggest research opportunities which represent a response to the research limitations described in section 7.4.

i) In order to increase the internal validity and generalisability of the unitarist-pluralist hypothesis, the use of further relevant extant literature is recommended in any future studies. This extant literature would primarily be around the behavioural science field. Within section 7.4 i) certain theories were described which could form the basis of this potential improvement to the hypothesis.

The psychological contract and expectancy theory were the two major theories explored. However, it must be pointed out that due to the importance given to diversity of extant literature with this methodology, this process could be limitless. No doubt, there are many more relevant theories which could explain and help build the unitarist-pluralist hypothesis. For example, as individuals' perceptions of working practices are an important factor within this research, perception theories could have been another fruitful line of enquiry. An issue is when to stop adding extant literature. Eisenhardt (1989) argues that researchers should stop adding extant literature when theoretical saturation is reached. As with data collection, theoretical saturation is simply the point at which incremental learning and improvement is minimal. An important point to remember is that in order to understand something it is not necessary to know everything (Geertz, 1973).

ii) In order to enhance the generalisability of the unitarist -pluralist hypothesis, further research could repeat the methodology and methods used within this research, for say, best-practice, manufacturing Scandinavian companies. In order to make the hypothesis appear more relevant for mainstream business, these best-practice firms would need to be seen as less idiosyncratic than Traidcraft or Suma. Reflecting upon the interest of mainstream companies to date, in the findings of this research, it is interesting to note that most of this interest has been directed towards The Body Shop case study. Although The Body Shop is not perceived as mainstream it is seen as less idiosyncratic that Traidcraft and Suma Wholefoods. In summary, this research has potential to be extended into an industry-wide and international comparative study.

Whilst taking note of these generalisability limitations, it is important to reflect upon the major context function of classic case studies. In contrast to a focus on generalisation, the function of the classic case study is to be able to understand and describe the context of the social dynamics of the scene in question, to such a degree as to make the context intelligible to the reader and to generate theory in relationship to that context (Dyer & Wilkins, 1991). It is hoped that the in-depth nature of the three case studies has provided such a context. As Dyer and Wilkins (1991) argue, it is good storytelling that makes the difference in the generative capacity of the classic case studies. They argue that the classic case approach has been extremely powerful because the authors have described general phenomena so well that others have little difficulty seeing the same phenomena in their own experience and research. It is the author's view that any future research would need to continue this in-depth approach to case studies.

iii) In light of the overall chronological time series analysis demanded by this research, a key recommendation for future research would be to perform a longitudinal case study which could then record events both past and present in real time.

iv) Further research has the potential of increasing the specific research construct validity through greater use of other attitudinal and behavioural measures. The measures identified in the expert workshop represent a possible set of concepts to explore further (see Appendix 1, p.321 & Appendix 2, p.343). These further measures could develop confidence in the concept of 'maximisation of sustainability behaviour'. One important point to make is that collective mindsets such as around the concept of maximisation of sustainability behaviour, can neither be fully defined nor described, nor grasped concretely. Like other concepts of collective cognition, like a 'paradigm', it will to some extent always remain intuitively understood. As Halme (1997) argues, it is only possible for a researcher to provide evidence of the existence of such a maximisation point.

Finally, for a broader measure of sustainability effectiveness, external stakeholders' commitment towards the company and its sustainability goals would need to be assessed.

v) In terms of future research methodology opportunities, it is important to reflect upon the learning experience within this research. Taking account of the questionnaire limitations pointed out in section 7.4, a decision was taken to place more emphasis upon the thematic interviews. However, taking account of the efficiency limitations of the exploratory open-ended approach, the questionnaire findings were seen more as a focus and facilitation device for the thematic interviews. In summary, these experiences have led the author to recommend more qualitative research methods.

Reflecting upon the recommendation for future research to be primarily qualitative in nature, possible reliability limitations of its findings would be around the issue of the research being solely conducted by the author, as in this research. It would be thus very much reliant upon his credibility, honesty and skills as a researcher. In order to increase confidence in the findings, the author needs to recognise and highlight throughout the research the assumptions he has made, as in this research. This is important as the collective perceptions of the workers are interpreted by the author. The author's assumptions will thus influence this interpretion.

In order to further increase reliability in the research findings, future research would require several researchers to use the same methodology and methods, as used in this research. The triangulation of interpretations would thus enhance confidence in the reliability of the findings.

vi) Another possible research direction, not related to the limitations of this research, focuses around whether the unitarist-pluralist hypothesis could act as a directional indicator for best practice values-driven firms, not necessarily with a top management commitment to move towards sustainability. In other words the methodology described could prove applicable for firms within the non-profit sector, non-governmental or within firms with a particular social or environmental focus. The reason for this applicability is that the core measure of sustainability effectiveness within this research is worker commitment towards the company. As the firms researched here all have a top management commitment to the goal of sustainability, the worker commitment to their respective companies can be extended to worker commitment to sustainablity. Following this logic, if an organisation has a top management commitment to help and support cancer research or the elderly, for example, the use of this methodology would allow the respective organisation to assess the optimal mix of unitarism and pluralism which it needs to develop in its strategy to maximise its workforce commitment towards cancer research or the elderly. An interesting future research path would be to test whether further unitarist or pluralist principles would be applicable for such organisations. Alternatively, an interesting finding would be whether the identified unitarist and pluralist principles are all fully applicable for these organisations.

vii) Finally, further research could tap the deeper levels of culture which this research has not attempted to do. The tapping of these deeper levels of culture, such as peoples' unconscious assumptions, would be particularly suited to a study of more mainstream firms. These firms would need a cultural change to move towards sustainability. In order to tap into these unconscious assumptions, methods used would involve both in-depth individual and group interviews. This would represent a move towards research with an even greater qualitative nature.

7.6 Concluding Remarks

Despite these limitations and suggestions for future research, the unitarist-pluralist hypothesis identified appears to have received much positive feedback from many quarters. Research findings have made a major impact in both a practical and an academic sense. In academic terms refereed papers around the research findings have been presented at international conferences and have been well received with much positive feedback (see Appendix 10, p.433 for a list of the author's publications written around this research). For example, a shortened version of The Body Shop chapter was chosen as one of the best papers at the fourth Greening of Industry Network Conference. As a result of this, the paper is to be included in an edited book called 'Sustainability Strategies for Industry'. For an independent review of the author's research publications, Appendix 11, p.436 represents a report conclusion written by a 3-person professorial evaluation committee appointed by Copenhagen Business School.

In practical terms, each case study firm has expressed real interest in the findings of the case study findings. In the case of The Body Shop the findings were a focus point for top management dialogue lasting over a year in duration. In the case of Traidcraft the findings were used as a basis for a top level one day brainstorming workshop for its directors and trustees. In line with the co-operative nature of Suma, the findings were a focus for dialogue between many workers and the author.

The unitarist-pluralist hypothesis appears to be a fruitful line of enquiry. Further research could explore the applicability of the hypothesis across national cultures, markets, etc. The range of the constituent emergent principles of the hypothesis have provided a rich framework for furthering the academic debate over top-down versus bottom-up cultural development strategies. Moreover, the major implication of the hypothesis is that businesses wishing to move towards sustainability, need to be sceptical of claims that they must adopt strategies embodying an extreme form of either unitarist principle or pluralist principles. What this emergent hypothesis highlights is that businesses should reject the debate over an either-or approach and aim towards finding an appropriate and optimal combination of unitarist and pluralist principles in line with their top-management commitment towards sustainability, the diversity of worker opinions and values and their historical cultural context. Furthermore, using the set of unitarist-pluralist principles as a contingency framework businesses could more fully understand their cultural learning process. The multiplicity of the hypothesis moves businesses away from sweeping categorisation of their actions into top-down and bottom-up strategies. Instead, it encourages businesses to consider each principle in turn, leading to an appreciation of the company's past and present unitarist-pluralist mix and the rationale behind this mix. This understanding hopefully leads to an improvement of future actions through a normative assessment of the company's optimal unitarist-pluralist mix. It is important to understand that this analysis of company actions could be achieved by a constituent analysis of each separate company initiative. An initiative could be explored in relation to the principles it embodies and compared and contrasted with the unitarist-pluralist principles. In this way, each initiative would have a unitarist-pluralist mix which would collectively form the company's unitarist-pluralist mix.

In summary, reflecting upon the incremental, eco-efficiency nature of the emerging, popular environmental management systems enshrined in standards such as ISO 14001 and the European Union's Eco-Management and Audit Scheme, this thesis has endeavoured to take a more holistic and systemic approach to sustainability. In tackling this wider perspective the key tenant of this research is that the human dimension, the organisation itself and the culture of the organisation are key variables to be understood if a business truly wishes to move towards sustainability.

It is hoped that this research will also move the debate away from current organisational prescriptions such as to 're-engineer the culture', 'modify the paradigm' and 'integrate environmental values into decisions'. As Meima and Welford (1997) argue, much of this use of language is designed more to boost the egos of its proponents rather than engage people. The mindset behind the proponents of such use of language is still very technocratic, instrumental, results-driven and solution-orientated, rather than theory-based, dialectic or problem-driven. Without the benefit of much insight into how organisations actually learn to move towards sustainability, these academics have made simplistic assertions based upon unexamined, taken-for-granted, 'common sense' assumptions which are grounded in the more modernist tradition of scientific management, the administrative school and behaviourism. Meima and Welford (1997) reflect on some of these assertions:

- decision-making processes are for the most part rational;
- an organisation is a hierarchy of authority in which formal relationships dominate;
- the goals of organisations and their individual members are largely the same, and only deviate in dysfunctional circumstances;
- what gets measured gets managed;
- happy people are more productive, or, alternatively, the stronger the monetary incentive, the more efficiently people work;
- organisational culture can be instrumentally manipulated by managers to fit organisational goals;
- increased employee participation is always a good thing;
- values can be transmitted down through organisations from the top levels.

It is hoped that this research has contributed to the argument against these assertions. It supports the argument by Meima and Welford (1997) that, while sometimes accurate given the right qualifiers, the assertions have been for the most part uncritically developed. This research has shown that, given the massive complexity, paradox, uncertainty, and ambiguity inherent in the sustainability challenge, such as in the paradox of unitarism and pluralism, researchers and managers alike must be very wary of simplistic approaches.

On a more personal note, this type of cultural research has strengthened the resolve of the author in his belief that sustainability will only really start to be achieved if we all recognise the importance of treating each other with respect. In the author's view, care and respect for nature and the third world will only materialise when we begin to respect and understand ourselves and our neighbours. In order to respect, understand and tolerate what we appear to see as 'strange', alternative lifestyles and views, we first need to understand ourselves. As we look at ourselves we need to realise that the choices and views we hold are just priorities amongst an immense array of equally acceptable options within all of us. Of course, this process should lead us to understand the importance of culture in general in the wider sense of the word because it is the culture that we live within which shapes our priorities. In order to typify the author's views on this, the following quote was originally provided by the author when asked to give his vision of a sustainable society to the forthcoming sixth Greening of Industry Network Conference:

> 'I believe that a sustainable society will be one which realises that real respect for the preservation of cultural and biological diversity will only occur when we admit and understand our personal inner duality and diversity. Only by admitting to ourselves that we all have the potential for good and bad deeds will we see that, when we blame somebody else, we blame ourselves. Only by looking in the mirror will we truly understand the murderer, polluter and fascist. Only then can WE begin to act as one.'

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APPENDIX 1

PRELIMINARY EXPERT WORKSHOP REPORT

REPORT ON MEASURES

OF

SUSTAINABILITY

IN BUSINESS

AUTHORS: DAVID JONES, RICHARD WELFORD

CENTRE FOR CORPORATE ENVIRONMENTAL MANAGEMENT
THE UNIVERSITY OF HUDDERSFIELD

MEASURES OF SUSTAINABILITY IN BUSINESS

Section 1

Introduction

This represents a preliminary report on an exercise which brought together recognised experts from the fields of academia, industry, NGO's and local authorities to discuss measures of sustainability in businesses. The exercise was split between two seperate one day workshops intended for two different types of participant; mainly academic and industrial (refer to Appendix). A further 2-day mixed participant workshop is planned to continue exploring the themes described in this report.

The following questions were posed to 3-4 groups of 4-5 people within each workshop for discussion:

1. a) What does sustainability mean for business?
   b) What does a sustainable business look like?

2. What are the measures for sustainability in business?

This report represents the results of a transcript analysis of the feedback (audio recorded) from the different groups who reported back to the main group via a flip chart presentation and a main group discussion.

The objective of the report is to describe the range of issues discussed, in a logical and as fluent manner as possible, in order stimulate further discussion in future workshops. It purposely does not rank or place emphasis on any particular issue in order to facilitate broad discussions in the future. In order to achieve a true picture of what was discussed the authors have endeavoured to include actual statements made during the discussions. However, for clarity and coherence, it was necessary to alter and/or add some link words but it is hoped that the meaning of the original statements has not altered. Furthermore, references have only been included for clarity and where there was a lack of breadth of information on a particular issue. Due to many common themes arising from what are essentially two very different groups of people, it was decided to not differentiate between what was discussed within the business and academic workshops within this report. It must be stressed that the majority of the content of this report are the actual statements used within the workshops. Therefore, credit and ownership for the content of this report must be given to all participants.

Section 2

1.0 What do we mean by sustainability or sustainable development?

Definitions for sustainable development are terribly fuzzy (refer to Pezzey, 1989). There isn't really an adequate common definition of what sustainable development exactly means. Furthermore, definitions would no doubt change over the course of time on the pathway to a sustainable society. It is probably more a case of guiding directionality towards sustainable development, rather than having some very well defined absolute goal. That needs to be teased out in some way so that there is a commonality of language and a commonality of purpose which is missing at the present time.

The Brundtland definition seems to capture the core idea of sustainable development for so many people; humanity must, '... ensure that development meets the needs of the present without compromising the ability of future generations to meet their own needs' (World Commission on Environment and Development, 1992). The Brundtland Report concludes that three closely connected issues are not being met. Firstly, the environment must be valued as an integral part of the economic process and not treated as a free good. In order to explore what sustainability means there must be a recognition that there are critical loads (or crisis points) of nonrenewable resources, beyond which cannot be exploited. There is a need to start thinking about the whole question of over consumption. Ecosystems have to be protected so the loss of plant and animal species has to be avoided (Welford, 1993). Along with strict environmental criteria, equity and futurity interrelated issues need to be tackled simultaneously in order to avoid an unjust environmentally sustainable economy.

2.0 What does sustainability mean for business?

A sustainable business will have to be a business that is systematically reducing its dependency on non-renewables. Part of moving towards sustainable development is making the business process of sourcing, production and distribution much more cyclical. A more sustainable business would be looking to have far more materials going in a cycle with a narrow band of material coming in and a narrow band going out.

In relation to non-renewable critical loads, certain forms of business activity would have to be stopped and viable alternatives found. A fixed term phase out of certain products, processes, methods of distribution and sources of materials is required. There needs to be a sustainable gateway for activity and if an economic activity has no prospect of every reaching environmental sustainability then it should be phased out. For all those other activities that manage to pass through that sustainable gateway, they have the chance over some period of time to evolve towards a sustainable enterprise. Life cycle assessment clearly is an important tool. It encourages businesses to look up and down the supply chain and to reassess its own activities and those of its suppliers, its consumers etc. It also forces a business to examine a wider range of environmental and social impacts from the sourcing of raw materials through to their use and disposal (Welford, 1994).

2.1 Profit motive/ commercial sustainability

It must be recognised that the traditional view of businesses in capitalist economies is that they are profit making and are not in business to be sustainable (as defined above). The profit motive has come to dominate business strategy for a variety of reasons. In terms of environmental improvement, businesses will want to incur no net costs by implementing environment protection policies. Currently, there are only certain things that you can ask businesses to do which are becoming socially consensual, like not producing as much waste as they did in the past and minimising the use of certain sorts of materials. The traditional emphasis on cost minimisation and profit maximisation without consideration of wider impacts must be questioned.

Current business concerns are to find ways of harnessing the profit motive to be compatible with sustainability. Therefore, currently sustainable development for business means commercial sustainability. Definitional fuzziness has helped business to perpetuate and promote this commercial sustainability definition.

2.2 Employment and unemployment

Fundamental ethical dilemmas need to be solved if business is to move towards sustainability. Is it better that a product/ business/ industry which is fundamentally environmentally damaging and fundamentally bad for human health ceases to exist, creating downsizing or unemployment? We must be aware that creating unemployment through a move to sustainability will simply replace an ecological crisis with growing social chaos.

2.3 A sustainable business?

Is it possible to think of a notion of a sustainable business at all? It might very well be a meaningless question to talk about a sustainable business. Business isn't in isolation of everything that's going on around it. Business with the best of intentions, working in isolation will not produce sustainability. There are a small number of companies which have been able to create niche markets for themselves, but the vast majority of productivity activity is not of this type. Extreme suspicion and doubt exists around lots of public statements from companies about sustainability, because the concept may not be practicable at that level.

There needs to be a recognition by businesses or industry groups that they cannot achieve sustainability by themselves. It is a lack of systemic thinking that is is probably going to prevent our pursuit of sustainability as a society. Therefore, there may be a need to re-evaluate the systems, norms and values which dominate current corporate and societal thinking.

2.4 Leadership and Courage

One comes to the questions of who is doing the guiding and how much of it can be just within the business sector and how much of it is a societal issue as a whole. Business needs to become a partner in society. Industry, government and opinion formers really need to get together and apply some leadership because it is very, very damaging when poor policies are created at government level which don't work towards sustainability. However, to what extent should business actually be central in creating a societal vision, setting the agenda and actually pushing that vision forward? What can one expect industry to do if it gets rewarded for short termism. It might be argued that the the lack of governmental leadership is currently being addressed by businesses via a very specific mechanism which is to keep something on the back burner, so when the leadership comes they can fill the gap. But there is scope for businesses to provide a lot more leadership than this. Therefore, a sustainable business has to have leadership and courage in face of a number of decelerators to sustainable development, such as the current economic framework. Business leaders need to be prepared to take a political stance and lobby governments for a more rational, economic framework with not just eco-efficiency measures but also eco taxes for example. In the short term business must be willing to spend money that doesn't necessarily have an immediate payback, in order to invest for a long term future. The commitment to sustainable development means helping formulate policies that shape external developments so that industry-wide sustainable development objectives are being achieved (International Institute for Sustainable Development, 1992).

Under this scenario a sustainable business ought to have a wider agenda and be called a sustaining organisation (Jones, 1994) which engages, networks and reaches a consensus with other businesses, government and with society. However, at what level of aggregation does this engagement take place? A lot of limits need to be drawn to the level of debate. A sustainable business needs to act as a facilitator to systemic change to be able to do something more than just react to its consumers, whatever is defined as its consumers or customers.

3.0 What does a sustainable business look like?

3.1 A case for an explicit values framework & culture change

A sustainable business would be likely to be operating within an informed, ethical framework which would would form part of a wider social value change or social ethic. It needs to have a set of transferable principles or explicit values which represent a bedrock to the way business is done. In order to achieve this value change a quantum jump/ paradigm shift/ culture change is required. This is not like the more easily predictable, incremental, technological steps. This paradigm shift in business culture would require an holistic approach predicated on a clear world view (Commoner, 1990, Wheeler, 1993). In order to induce and enforce this quantum jump there is a need for a mix of both internal and external drivers.

3.2 External drivers for a culture change

Current research of British companies about what is the factor which drives them to be more environmentally friendly, shows compliance with regulations. However, current governments are responding to fairly uneducated pressure which is resulting in government policies that derive from the politics of waste management and these are often nothing to do with sustainability whatsoever. Consumers have it within their power to make changes, but the consumer doesn't always opt or elect or want to use that power. The consumer usually needs some trigger or persuasion, like economic instruments on petrol prices, to make them do something.

3.3 Internal drivers for a culture change

Currently, individuals within the workforce are not pushing business to become more environmentally friendly. Businesses have higher environmental values than those espoused by its workforce in respect of the business i.e. its culture is not the sum of its parts. However, business leaders say they know that in their workforce people have strong opinions about what should be happening about the environment, but they do not bring it up. Individuals see that there is nothing in it for them to bring it up, because they perceive it as extra expense and an extra burden on the bottom line. With regard to opinions on sustainability issues such as biodiversity and respect for indigenous populations, the employee on the shopfloor may have more important and relevant issues to think about, such as being treated fairly in the workplace (refer below for policies and practices required to induce internal individual change).

4.0 Policies and practices of a sustainable business

The objective here is to articulate the basic values and strategies that expects its managers, employees and other groups such as suppliers to follow with respect to sustainable development (International Institute for Sustainable Development, 1992).

4.1 Fair Trade

Under the issue of international equity the sustainable business needs policies of fair trade rather than free trade, and non exploitation of indigenous populations.

One answer to the inequity issue of international trade is not to trade at all internationally. The proponents of such a view argue that once you have started trading, to stop trading is a problem and to carry on is a problem. Having started trading, the assumption is that to pull out is to destroy your creation and dependents you have created. To carry on trading is then similar to colonisation, where businesses are then just managing how well or poorly they manage that dependence. Therefore, free trade has got to be the most disastrous thing from a sustainable point of view. A possible alternative to explotative international trade is the bio-regional model of society advocating that we all devolve down to regions i.e. businesses, local authorities, individuals all have local purchasing and distribution policies.

However, bioregionalism may prevent the transfer of benefits to other societies or other regions or other groups, ie. a north-south transfer or a rich-poor transfer. Alternatively, international trade doesn't have to be a dependent relationship. It is only under certain conditions of control, especially economic and political control, that it is a dependent relationship. It can be an inter-dependent fair relationship. In order to facilitate fair trade it must be recognised that it is extremely difficult for business to assess what their sourcing and distribution impact if it trades over a long distance within current market international trade structures. By by-passing these; by linking your supplier with your end-user, then knowledge is facilitated about your impacts and you do establish a basis upon which to move towards sustainability.

4.2 Caring employer

A sustainable business might be considered as a business run in a better way.. The sustainable business has a particular way of treating its employees. It is a caring employer wanting esteem from people both internally and externally. It extends externally to closer external relations with its suppliers, by buying locally if it can, sourcing locally, building communities as opposed to building what's cheapest from wherever. Fair trade with the third world and respect for biodiversity are also part of being a caring employer.

Historically, lessons could be learnt from some businesses that do have the caring employer strategy firmly embedded in their sense of values - the way they treat their workforce - and it's not just public face, it's actually genuine.

This represents a paternalistic type of society, espousing "look after the people, do the best thing you can for the local environment". There was more sense of belonging to a community, of doing things for that community than there is in the UK now, where your way to get on is not through local community or taking part in the wider community.

4.3 Equitable distribution of benefits

A sustainable business should be able to maximise the benefits of its business activity to its stakeholders in the broadest sense. In terms of the benefits - it's not just financial benefits; giving profit back to the employees, but business can also give back the benefits of education. There is a multivarious number of benefits that a business can actually give back.

4.4 Education

A sustainable business was very much involved in education/ facilitating learning within its stakeholders as a two way process (refer to 4.5)

Participation and empowerment can only be coupled with education, in order to be able to perceive where each individual's activities interconnect and impact elsewhere. Education needs to bring out those links, even though they are tenuous and they go through several intermediatary steps.

4.5 Participation & empowerment

There is a very clear distinction between what society wants and what business wants. Exactly the same people are saying on the one hand, yes we want legislation that will improve society and the environment, but no we don't want it if it will affect our business. Essentially business is our part of society, but the connection isn't being made. Under the issue of equity the employee contribution needs to be recognised even further than it is at the moment through increased empowerment and participation and getting the feeling from the ground. By empowering the individual internally and externally connected to the business individuals through participation could bring some of the societal values into business.

4.6 Community

There is quite good evidence of bottom up transmission effects at the inter-organisaational equity level, whereby an individual company can transmit a change through a chain reaction at a very local level. This represents a community engaging together in tackling local issues as community based organisations have personal connections with what's going on.

At the intra-organisational equity level, a cooperative ownership was a possible way to gain the commitment of the individual person with what is going on as opposed to a prism of infrastructures where the anonymous shareholder drives everything, but doesn't actually see that it's driving it.

4.7 Scale

The size of business activity is important. Rather than putting an emphasis on optimum size in terms of how big an organisation can grow we ought to think about optimum smallness as well (Welford, 1994). It might be argued that much environmental damage has been caused by large-scale production and mass consumption.

4.8 Needs and wants

The sustainable business needs to assign not only a scale of impact measure, but some degree of pre-assignation of a scale of significance by looking at needs and wants. However, some people's wants are other people's needs and the sustainable business can't assign a significance in isolation and compartmentalise a product or service without a proper debate about the trade-offs.

Should businesses ever make a product that probably has little impact on the environment in terms of using natural resources, but has little inherent value, because does society as a whole actually need these things? The argument against such needs/wants analysis within business is the over reliance on the market mechanism and that at the end of the day some other business is going to produce something to fulfil a market need. Society demands things that are quite patently harmful to the majority of people, and companies justify their continued existence on the basis that there is this demand. In fact most companies are prepared to identify niche markets (e.g. for armaments or more powerful weapons) where there is not a universal demand, but there's a small demand, and satisfy that demand. Therefore, it has got to be a combination of business and society to perform a needs/wants analysis.

4.9 Stakeholder/ stewardship approach

There is always a problem with trying to trade off different people's needs and different demands and to base your industrial strategy around that. Business must try to satisfy the needs of all the stakeholders connected with the business, by for example trading off suppliers' needs against employees' needs against our shareholders' needs and against customers' needs. Furthermore, using a broad stakeholder strategy for a sustainable business, not only is the global human population included but future generations, animals and the planet. However, having an ethical framework within which a business operates is actually more important than balancing the trade-offs of different stakeholder needs.

4.10 Long term

A sustainable business has a long-term vision. It aims are for long-term quality profit in a hundred years rather than tomorrow.

The ethical framework would embrace a dimension of timescale. This whole question of planning for the future, recognising that ultimately a profitable business in the middle of the twenty first century will be one that has had to take on board the social development agenda.

4.11 Precaution

A sustainable business needs explicit policies and practices which take it beyond the law, beyond compliance, that have the concept of 'road mapping' whereby they are able to look at where different parts of their business are in terms of policies, procedures and activities and very quickly see where they are on the path towards more sustainable operations, without necessarily knowing what the end point is.

If a business agrees to ban a polluting product before the alternatives are in place, and if the expediency of the fact of the banning was there, then that should encourage the technology to find a replacement.

4.12 Reporting & measures for sustainability

A sustainable business needs to start measuring a lot more things with the premise that if you measure something you are bound to act on it. Internal reporting systems that measure performance on sustainable development can have a significant effect on corporate culture (International Institute for Sustainable Development, 1994). Furthermore, with regard to sustainable development, a business needs to measure with an intention to change itself and as a facilitator to systemic change. In order to check that a business is a sustainable business, the measures need to be reported and audited in a common, accountable, transparent and accessible style. The concept of accountability can acknowledge easily that all of society has rights to information about action taken on their behalf. The concept of transparency and accessibility is used to reduce the distance between the organisation and external participants so that society can 'see into' the organisation, assess what it is doing with the resources that determine future options and react (or not react) accordingly (Gray, 1994). Therefore, a sustainable business needs to bite the bullet on reporting and measure its progress, not just internally, but also externally as well (refer to Section 3).

Section 3

1.0 Measures of Sustainability in Business

The implementation of sustainable development objectives discussed above and the preparation of meaningful reports on performance requires the support of appropriate measures of performance and information systems (International Institute for Sustainable Development, 1992). Figure 1 illustrates the process for managing a business according to sustainable development principles and shows the linkages between the various steps already examined in Section 2. The three measurement, reporting and auditing steps to the left are part of the implementation process, but because of their importance, they require individual attention.

A distinction needs to be made between measures at the basic ecoefficiency level and measures at the wider social and ethical level connected with sustainable development. Both the wider consequences or impacts of a firm's activities, and the environmental performance of the firm need to be considered (refer to Meima & Ashford, 1994). In order to explore the challenge of moving toward sustainability, Figure 2 represents a cumulative 3-D representation of the current dominant criteria for business measures i.e. internal environmental, short term performance compared to the required criteria for sustainability measures i.e. internal long-term environmental and social performance & external long-term environmental and social impacts.

2.0 Contributor/Performance Measures

In order to measure the environmental performance tools such as environmental management systems and audits can be used. These are vehicles to get to whatever destination you want to get to. This involves setting priorities, ways of measuring progress, i.e. doing things better and reporting on improvements made i.e. the extent and effectiveness of action the firm takes which mitigate its environmental consequences, must be considered (Meima & Ashford, 1994)

The following are internal performance measures characterised by an emphasis upon relative improvement rather than absolute thresholds (Meima & Ashford, 1994)

2.1 Environmental

At this level we need to examine basic environmental measures of performance such as raw energy efficiency and usage data; raw material sourcing (including distinguishing between renewable and non-renewable) and usage data. Products specific information needs to be included within this e.g. energy usage, longevity, criteria for selection issues (also relevant to social criteria). N.B.In order to compare companies performance, data can be normalised in terms of per unit of value added or per number of products produced over a certain time scale

2.2 Social

At this level we need to examine basic social measures of performance such as wage differential, equal opportunity, employee absenteeism, employee sickness, employee turnover, training, and education policies and practices. Others include intangible measures of distribution of benefits, participation, empowerment, ownership structure, quality of working life, supply chain structure and performance

2.3 Financial Measures

Financial measures may be crude but they may be useful to measure commitment via expenditure spent on a future stream of environmentally friendly production activities or environmental performance, local initiatives, environmentally aware service suppliers (Sub contracting/renting a service facilitates diffusion of environmental products as they would be cheaper than purchasing in the short term). Other measures are reinvested profit and repatriated profit put back and recirculated back into the local economy.

Other fundamental questions are to what extent do we want to reduce or undermine profit as a performance measure for sustainability? Is there any use in equating the process of greening GDP to greening profit i.e. full cost accounting? Its attraction is that it can fit within current reporting practice. The calculation of a sustainable notional cost (not values) provides some broad 'ball-park' quantification of the degree current organisational activity is not sustainable (Gray, 1994). However, even a full costing and 'internalisation' of environmental externalities will not fully address the economic justice of intra-generational equity and especially inter-generational equity (Norgaard, 1992).

2.4 Facilitator of Change Measures

The impact the company has on others to change or sustaining change e.g. via campaigning and education. This is expressed as benign positivity i.e. having no negative impact but also recognising the need to be a catalyst for proactive, positive change. A great emphasis should be placed on systemic approaches - looking at the values and needs of a sustainable society - there is a clear challenge to try to measure aspects of this.

2.5 Value Measures

We need to consider very carefully how we begin to measure values. By looking at different firms' sustainable development policies, their values or corporate ethics can be compared in terms of the range of issues that they cover. The implementation of those values can then be reviewed in order to identify a measure of the culture change process.

3.0 Consequence/Impact Measures

It is interesting that there is a great deal more emphasis on LCA to meet indirect impacts than on traditional environmental auditing techniques (although these clearly have a role as well). This emphasis is clearly linked to product stewardship, widely defined whilst excepting its limitations, particularly in quantitative measurement by different environmental impacts and also different social impacts. This is because life cycle assessment forces us to track products from cradle to grave and to put greater emphasis on all the impacts associated with raw materials extraction, processing at every stage, distribution, use of the product and disposal. It makes a business focus on the indirect as well as direct impact of any activity (Welford, 1994).

The following measures are characterised by the external impact of a business with relation to what the ecosystem can sustainably bear (Meima & Ashford, 1994).

3.1 Environmental

At this level we need to examine the direct environmental impact of a company, site or process on water, land and the air. With regard to sustainability there is a need to minimise NOx, SOx and CO2 emmissions and to avoid nuclear waste (Welford, 1994). Indirect impacts are for example, the impact of sourcing of raw materials on global biodiversity and endangered habitats.

3.2 Social

At this level we need to examine the indirect social impact of a company by examining its terms of trade, trade policy and practice, stance on fair trade, which allows as much value as possible to be produced in the developing country. Measures of the business impact on both the developed and underdeveloped world, both now and into the future need to analysed (Welford, 1994). With policies of product stewardship businesses need to control, monitor and manage their effects down supply chains down to the subcontract level - The ability to measure and regularly compare social (and environmental) impacts along the supply chain becomes more difficult the longer, more changeable your supply chain gets.

4.0 Measurement Style

4.1 Multiple Measures

Can measures be looked on as addative? i.e. achieve some sort of aggregated score? - probably not - but we may be able to express many of our measures in terms of scales. This approach provides an alternative sustainable set of measures on one side and the opposite measures at the other. This scaling is used as a tool for all stakeholders of a business to self reflect on their current paradigm in order to stimulate thinking about whether current values or a movement towards alternative values are contextually appropriate. It provides an organisation with a tool to analyse shifts in individual values of its stakeholders.

e.g.'s

Patriarchy vs. Partnership
Maximum Profit vs. Adequate Profit
Dependency vs. Empowerment
Hierarchy vs. Responsibility delegated

4.2 Qualitative Measurements

Socioeconomic indicators are very subjective things which can probably only be measured qualitatively. Furthermore, there is a danger with using raw quantative data as this may provide an excuse to just incrementally improve rather than to eliminate the substance in question. Furthermore, within multiple measures there will probably be a lot more qualitative than quantative measures and this would provide much more depth.

4.3 Holistic Measurements

Sustainability is a big picture and we must be able to measure it in a big way ? We need to be careful not to kill looking at the sustainable business by detail. There is a need to look at a sustainable society level and the effects would cascade from there.

4.4 Place/ Sector Measurements

To what extent must these measures differentiate place or sector? Does it make any sense and is it practical to have a whole series of indicators published for individual companies particularly small to medium sized, because the problem is to interpret those in a particular local geographical region and in a particular industry? Industrial structures, economic structures are not the same everywhere. Would this regional or sector based information be used instead of or in addition to individual companies having their information published?

It is quite important that wherever we say sector or wherever we say industry, we also interact that with place or locality or region or whatever. Usually, it is easier to get companies together on an industry basis than to get companies together in an individual locality because there are all sorts of different types and sizes of companies within a locality. On a sector basis supply audits become attractive as a company can be rewarded for choosing the best environmentally aware suppliers. However, an example of a aerial, infra-red photograph spatial study should not be underestimated. The spatial dynamics and the cohesion which exists between people who work as well as live in a community will provide a pressure for improvement as they have a vested interest in the quality of their local environment.

4.5 Direction and Rate of Change Measurements

Measures of direction and speed of change need to be explored i.e. a vector - but just what do we measure? We don't know exactly what it is like to be sustainable and we won't know what we reach there, but we know what more or less it might be. It would be better than we we've got now because our vector is towards the sustainable direction. May be that's enough, may be we don't need it that exact.

4.6 Long-term Measurements

We need to distinguish between measuring short term issues and longer term issues connected with the futurity paradigm (this may include research and development measures - but beware the technical fix optimists) e.g. How much of its expenditure on research and development is actually going on environmental research into environmentally friendly products and processes - (refer to financial measures)?

5.0 Reporting

If corporations are to contribute fully to humanity's attempts to seek a sustainable existence then a strong case can be made for the development of accounting and reporting systems which will support the process (Gray, 1994).

5.1 Reporting Style

Reporting of social and environmental measures needs to reflect accountability, transparency, accessibility or openness, modesty and honesty.

5.2 Mandatory Reporting

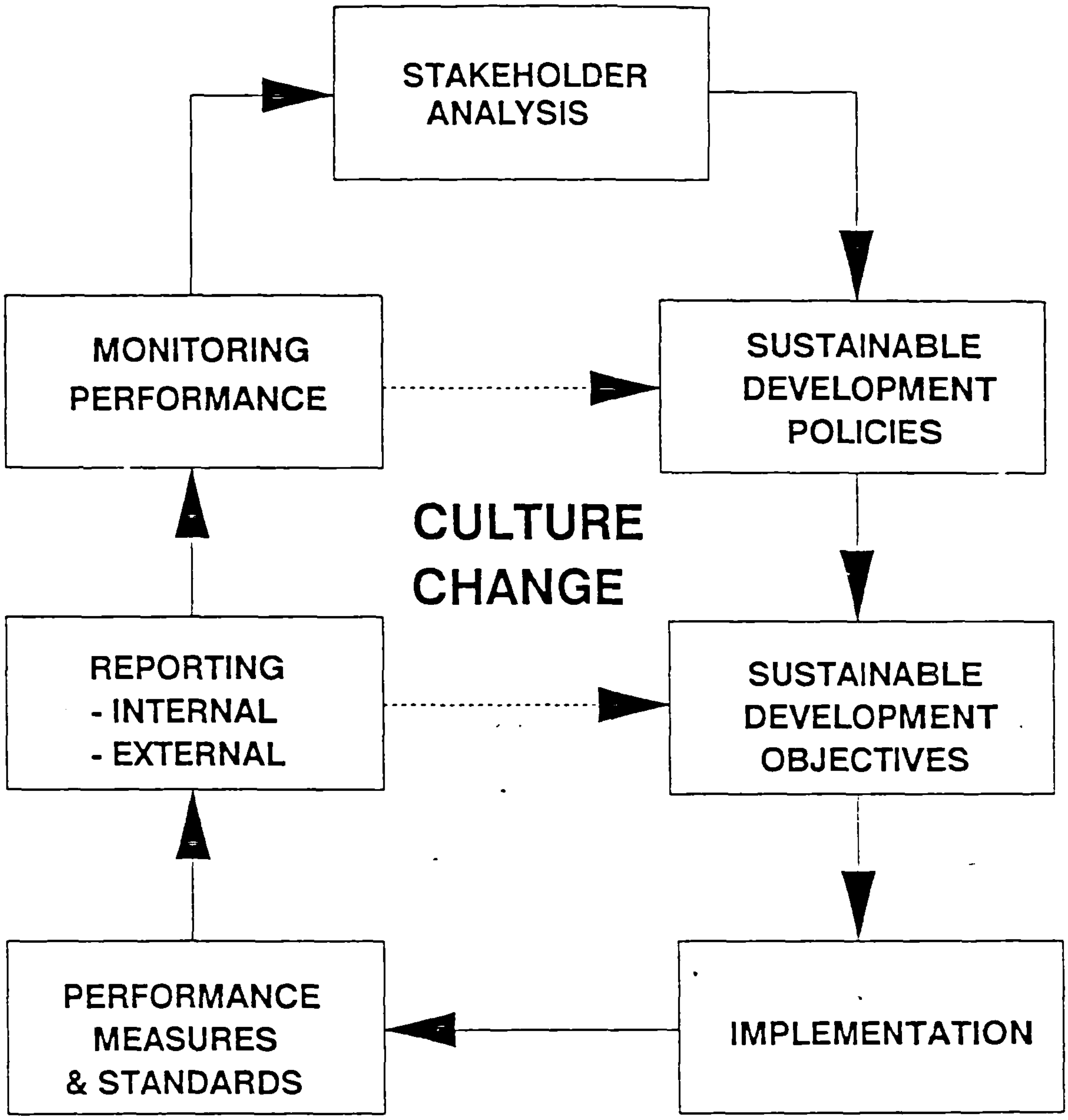
We must consider a move towards mandatory reporting. Problems with a voluntary approach is that it focuses attention and crticisism on .001 percent of companies who stick their heads above the parapet and come clean/report and ignores 99.9 percent, who are propably the main offenders. The sinners get away scot free, because they don't bother to measure and report. The final solution is mandatory reporting i.e. everybody has to do it. There should be a complete and even playing field.

What do you make mandatory to report? Much more than TRI toxic release inventory type data? Indicators of raw materials use, energy, waste - the basics to start with. This would allow a sort of league tabling of companies energy efficiency for example. However if you agree a reporting standard it is still important to encourage reporting beyond the mandatory levels.

5.3 Benchmark Reporting

There may be a role for benchmarking (best practice targeting - to allow companies to compare impacts and performance to other companies in the same sector or region), although we must be aware that such a process could reinforce an inadequate paradigm preventing a move to sustainable development.

Should business have some absolute sustainability set of measures for comparison? There are enormous problems with doing that when the frame of sustainable development is moving. The absolutes are produced through a socially consensual process. All a business can do is track improvements over time, rather than measure against absolute notions of equity, absolute notions of hazard? Not only must a sustainable business recognise meeting its own standards, but it needs to recognise its role in meeting societal/ regional targets (there is regional variability of an environmental impact). How can business be proactive when they never know what will be proclaimed by scientific opinion to be hazardous in the future? Is there not a way in which a business can benchmark against an absolute and measure how far it moves towards that absolute (refer to 4.1)?

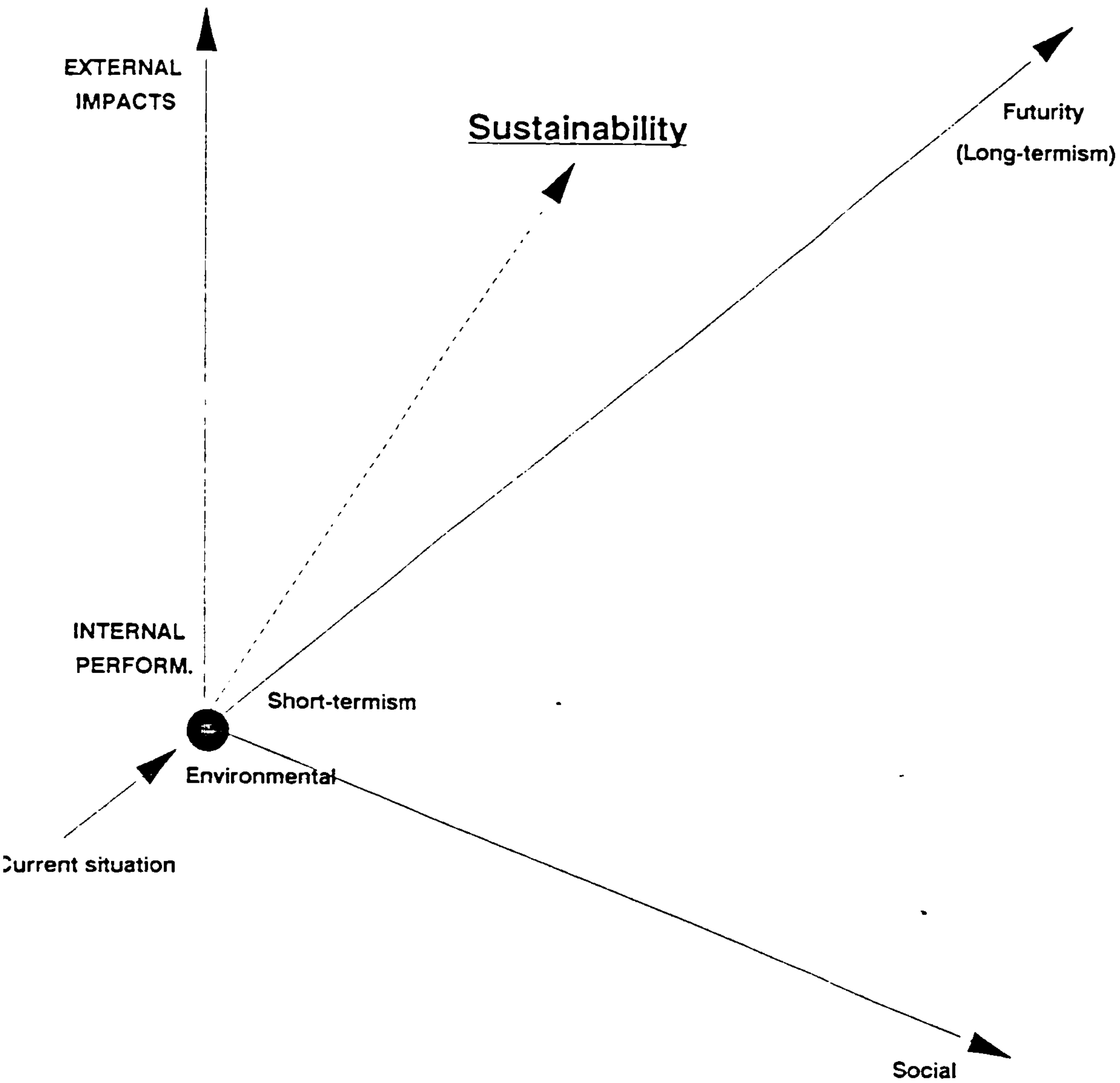


RECOMMENDED MANAGEMENT SYSTEM

FOR SUSTAINABLE DEVELOPMENT

SOURCE: INTERNATIONAL INSTITUTE FOR SUSTAINABLE DEVELOPMENT, 1992

FIGURE 1



3-D REPRESENTATION OF MEASURES FOR SUSTAINABILITY COMPARED TO CURRENT MEASURES

FIGURE 2

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APPENDIX
LIST OF PARTICIPANTS

WORKSHOP 1

Keith Clement - European Policies Research Centre, University of Strathclyde

Peter Roberts - Leeds School of the Environment, Leeds Metropolitan University

Neil Stewart - Manchester Business School

Mark Yoxen - Environmental Education & Training, The Open University

Tim Cooper - New Economics Foundation

Suzanne Pollack - Henley Management College

Ken Green - Manchester School of Management, UMIST

Jan Bebbington - Centre for Social & Environmental Accounting Research, University of Dundee

Mark Shayler - EDU, Bradford Council

Andrew Gouldson - School of Geography & Earth Resources, Hull University

Richard Welford - School of Business, University of Huddersfield

David Jones - School of Business, University of Huddersfield

WORKSHOP 2

Richard Evans - Traidcraft plc

Alex Macgillivray - New Economics Foundation

Peter Bright - Shell International Petroleum Company Ltd

Richard Bate - ICC UK

Colin Hutchinson - Environmental Change Consultant

Chris Tuppen - British Telecom plc

Richard Tapper - World Wide Fund For Nature

David Read - BAT Industries

Brian Whitaker - IBM UK Ltd

Angela Mawle - The Womens Environmental Network

Jon Walker - SUMA

David Wheeler - The Body Shop International PLC

Tom Cannon - Consultant

Alistair Scott - ESRC Global Environmental Change Programme

Patrick Mallon - Business In The Environment

Richard Welford - School of Business, University of Huddersfield

David Jones - School of Business, University of Huddersfield

APPENDIX 2

FINAL EXPERT WORKSHOP REPORT

MEASURES OF SUSTAINABILITY IN BUSINESS

A report of a consultation and networking exercise
funded by the ESRC Global Environmental Change Programme

Professor Richard Welford
and
David Jones

Centre for Corporate Environmental Management
School of Business
University of Huddersfield

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Contents

Introduction

This report, which represents the culmination of a networking and consultation project funded by the ESRC's Global Environmental Change Programme, begins to tackle the difficult question of how we can help firms to behave in a way consistent with sustainable development. We refer to this as 'sustainability in business' and to ensure that sustainability is being targeted, we need to develop a consistent auditing framework. In order to audit for sustainability however, we need to have measures of sustainability and this research exercise has sought to identify those measures. The next step is to begin to trial these measures and measurement techniques in a number of organisations. This is the subject of a further bid under Phase IV of the GEC Programme.

This research network brought together recognised experts from the fields of academia, industry, NGOs, local authorities and others to discuss measures of sustainability in businesses. The exercise took place over four days of seminars. In the true spirit of sustainable development this has been a collaborative and cooperative exercise and many people have given their time to contribute to this project. A list of contributors to those seminars can be found in Appendix A.

In the first two seminars the following questions were posed:

1. a) What does sustainability mean for business?
   b) What does a sustainable business look like?

2. What are the areas where we should have measures of sustainability in business?

A preliminary report representing the results of a transcript analysis of the feedback (audio recorded) can be obtained from the authors. The third seminar (over two days) took this a stage further and began to define in detail just what we might measure within some broad target areas. It also began to look at measurement techniques. Suggested measures of sustainability are summarised in tabular form in Appendix B.

What does sustainability mean for business?

We define sustainability in this report as those actions taken at a business level which are consistent with the achievement of sustainable development. We know that definitions for sustainable development are terribly fuzzy (Pezzey, 1989) and that it is therefore even more difficult to describe the operation of a business which would be consistent with these definitions. However, it is easier to identify the direction in which we should move even if we cannot be precise about the final destination.

The starting point for this report is the Brundtland definition of sustainable development: humanity must, '... ensure that development meets the needs of the present without compromising the ability of future generations to meet their own needs' (World Commission on Environment and Development, 1992). The Brundtland Report concludes that a number of closely connected issues are not being met. In particular, the environment must be valued as an integral part of the economic process and not treated as a free good. In order to explore what sustainability means there must be a recognition that there are critical loads (or crisis points) for nonrenewable resources, beyond which consumption can not take place. Ecosystems have to be protected so the loss of plant and animal species has to be avoided (Welford, 1993). Along with strict environmental protection strategies we must also consider two other important elements of sustainable development, namely, equity and futurity.

There seems to be a consensus that a sustainable business will be a more holistic, systemic and integrated business which considers the whole range of impacts on the environment which its operations and products (or services) cause. Through integrated pollution control legislation and the development of environmental management systems standards, businesses are starting out on the road towards sustainability, but few would argue that such legislation or voluntary approaches will guarantee a sustainable outcome. They seem to be necessary but not sufficient to achieve our ultimate goal. We need to identify other elements which are essential to sustainability.

A more sustainable business will have to systematically reduce its dependency on non-renewables, for example. We would certainly want to see the process of sourcing, production, distribution and use in a much more cyclical way. It may be that certain business activities would have to be stopped and viable alternatives found. For all other activities that manage to pass through a "sustainable gateway" we would want to see a clear audit of their characteristics and impacts.

In this context we would identify life cycle assessment as an important tool. It encourages businesses to look up and down the supply chain and to reassess its own activities and those of its suppliers, contractors and customers. It also forces a business to examine a wider range of environmental and social impacts from the sourcing of raw materials through to their use and disposal (Welford, 1994a).

We also recognise, however, that there are some major potential impediments which must be tackled as we begin to more closely define sustainability in business. In particular, there may be in inability to deal with issues of futurity because of a short term profit motive which exists in many companies, and there is also the vexed question of unemployment to consider. These are dealt with in more detail in the preliminary report.

A sustainable business would be likely to be operating within an informed, ethical framework which would would form part of a wider social ethic. It is likely to have a set of explicit values which represent a bedrock to the way business is done. For many organisations that may represent a paradigm shift towards a more holistic approach predicated on a clear world view (Commoner, 1990, Wheeler, 1993). That framework, which would include the management style and structure in the organisation, would be transparent to all stakeholders. Moreover, the organisation will seek to empower all its stakeholders, be fully accountable to them in an open and honest way and provide regular public reports of its activities.

The sustainable organisation is also likely to be a learning organisation. A two-way learning strategy with education provision at its heart will contribute to the global shift towards sustainable development. Participation and empowerment strategies will be coupled with education.

We might therefore summarise three guiding principles which we would find in the sustainable organisation as:

a. Accountability
b. Transparency and openness
c. Education and learning

These provide us with a starting point for defining our measures of sustainability in business and are returned to below.

Auditing for sustainability

The notion of auditing is not a new one but its use in strategies associated with environmental protection does not have a long history. The traditional approach to auditing adopted by many firms has tended to stress clearly quantifiable environmental impacts and rarely go on to incorporate ecological impacts which go beyond compliance and narrow definitions of the environment. This is too narrow an approach if our ultimate aim is to move towards sustainability. Table 1 outlines five levels of auditing, classified by the central focus of the approach. The most basic approach to auditing is compliance auditing where performance is measured as conformance to legislation, regulation and codes of conduct. Up until the early 1990s the majority of environmental audits were usually little more than compliance audits. Standards such as BS7750 and the eco-management and audit scheme extend the auditing process to systems audits where the focus is on implementing and operating an effective environmental management system which provides for continuous improvement and adherence to self-determined environmental performance targets.

Level 3 describes traditional approaches to environmental auditing which take a snap-shot of the environmental performance of a company at one point in time. The main focus is on the direct impact of an organisation, site or process on water, land and the air and therefore concentrates on direct pollution effects, contingency planning and health and safety. BS7750 and the eco-management and audit scheme demand a clear and complete approach to auditing at levels 1 and 2 and some requirements to consider environmental issues at level 3. In addition, we should recognise that for these three levels the mode of assessment is essentially static, focusing on direct, easily measurable impacts and conformity to the law and management system in place, all at one particular point in time. Each audit is discrete and repeated periodically in an attempt to provide information to manage improvement. But such a process does not mimic the more dynamic nature of ecological processes which are constantly changing.

Figure 1

Environmental Auditing Techniques

	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5
Type of audit	**Compliance auditing**	**Systems auditing**	**Environmental auditing**	**Ecological auditing**	**Auditing for sustainability**
Central foci	Legislation Regulations Voluntary standards Consents and discharge permits	Level 1 plus: Environmental management systems Self-determined targets and objectives .	Levels 1 & 2 plus: Direct environmental impact on: water; air; and land Health and safety Protection of employees and the community Contingency planning	Levels 1 to 3 plus: Intertemporal impact on eco-systems Life cycle assessment of products Measurement of indirect ecological impacts Recognition of need to live in harmony with nature	Levels 1 to 4 plus: Equity and equality Futurity Protection of indigenous populations Construction of a social and ethical balance sheet Holistic approach
Assessment	Static	Static	Static	Dynamic	Dynamic

Going beyond traditional environmental auditing techniques requires a change in emphasis in a number of ways. At level 4 we ought to introduce the concept of ecological auditing which has three key features. Firstly, the mode of assessment must be dynamic, recognising that eco-systems which change over time are of central importance and that the environment is a highly intricate and interlinked process rather than a fixed resource. A dynamic approach looks at impact well into the future, stressing the cumulative effect of ecological damage and the long term effect some impacts have on eco-systems. It should not be a bounded assessment undertaken at one point in time.

Secondly, there needs to be an increased emphasis put on life-cycle assessment as the tool of analysis. This is because life cycle assessment forces us to track products from cradle to grave and to put greater emphasis on all the impacts associated with raw materials extraction, processing at every stage, distribution, use of the product and disposal. It makes us focus on the indirect as well as direct impact of any activity.

Thirdly, a wider set of ecological issues need to be addressed. We need to move away from the mentality of health and safety type audits where it is human well-being which is paramount, towards valuing all living animals, protecting bio-diversity and putting the emphasis on living in harmony with nature. This requires us to move away from short term planning horizons towards more long term inter-generational holistic planning. In effect environmental auditing is anthropocentric whereas ecological auditing is founded on a recognition of a need to live in harmony with nature.

The distinction between environmental auditing and ecological auditing is further illustrated by comparing definitions of these alternative approaches:

According to the International Chamber of Commerce (1989) an environmental audit is:

> a management tool comprising a systematic, documented, periodic and objective evaluation of how well environmental organisation, management and equipment

> are performing with the aim of helping to safeguard the environment by: (i) facilitating management and control of environmental practices; and (ii) assessing compliance with company policies, which include meeting regulatory requirements.

According to the Elmwood Institute (Callenbach, 1993) an ecological audit is:

> an examination and review of a company's operations from the perspective of deep ecology, or the new paradigm. It is motivated by a shift in values within the corporate culture from domination to partnership, from the ideology of economic growth to that of ecological sustainability. It involves a corresponding shift from mechanistic to systemic thinking and accordingly, a new style of management know as systemic management. The result of the ecological audit is an action plan for minimising the company's environmental impact and making all its operations more ecologically sound.

In effect, the distinction between environmental management and ecological management is at the root of the differences between levels three and four. Ecological management and ecological auditing represents a fundamental shift in the dominant paradigm underlying the management of the organisation.

The central focus of level 5 auditing is to go back to the key concept of sustainability and audit for sustainability. We have already identified this as is a holistic approach predicated on a clear world view and an understanding of the need for further 'paradigm shift' in business culture (Commoner 1990, Welford, 1994b, Wheeler 1993). Organisations auditing for sustainability should be committed to integrating environmental performance to wider issues of global ecology and make specific reference to the concepts associated with sustainable development. Thus, as a starting point, energy-efficiency should be focused on the need to minimise NOx, SOx and CO_2 emissions and avoid nuclear waste. Waste minimisation, re-use and recycling should be driven by the need to conserve non-renewable resources. Product design should prioritise the use of renewable resources. Sourcing of raw materials should have no negative impacts on global biodiversity, endangered habitats or the rights of indigenous peoples. Overall corporate policies should examine the businesses impact on both the developed and underdeveloped world, both now and into the future.

Elements of sustainability

We have recognised that there is a need to define measures of sustainability in order to facilitate an auditing methodology at level 5. The first step in this process is to identify the broad targets where to sustainable business will want to facilitate improvement.

As well as having our general principles identified above, Welford (1994b) identifies three elements to the sustainable development paradigm: environmental protection, equity and futurity. We have suggested that the most appropriate measure of environmental protection is through an assessment of life cycle impacts.

We also identified in table 1 that an auditing methodology which is more consistent with sustainability must recognise the need to live harmony with nature and therefore to assess an organisations approach towards biodiversity and animal protection. At level 5 much emphasis was put on human rights in terms of equity, equality and the protection of indigenous populations.

Lastly, we know that a common call associated with sustainable development is "local action". This involves local participatory strategies and according to Welford (1994b) as re-examination of the whole issue of scale.

In summary, therefore we can define our 'elements of sustainability' where we need to identify measures as follows:

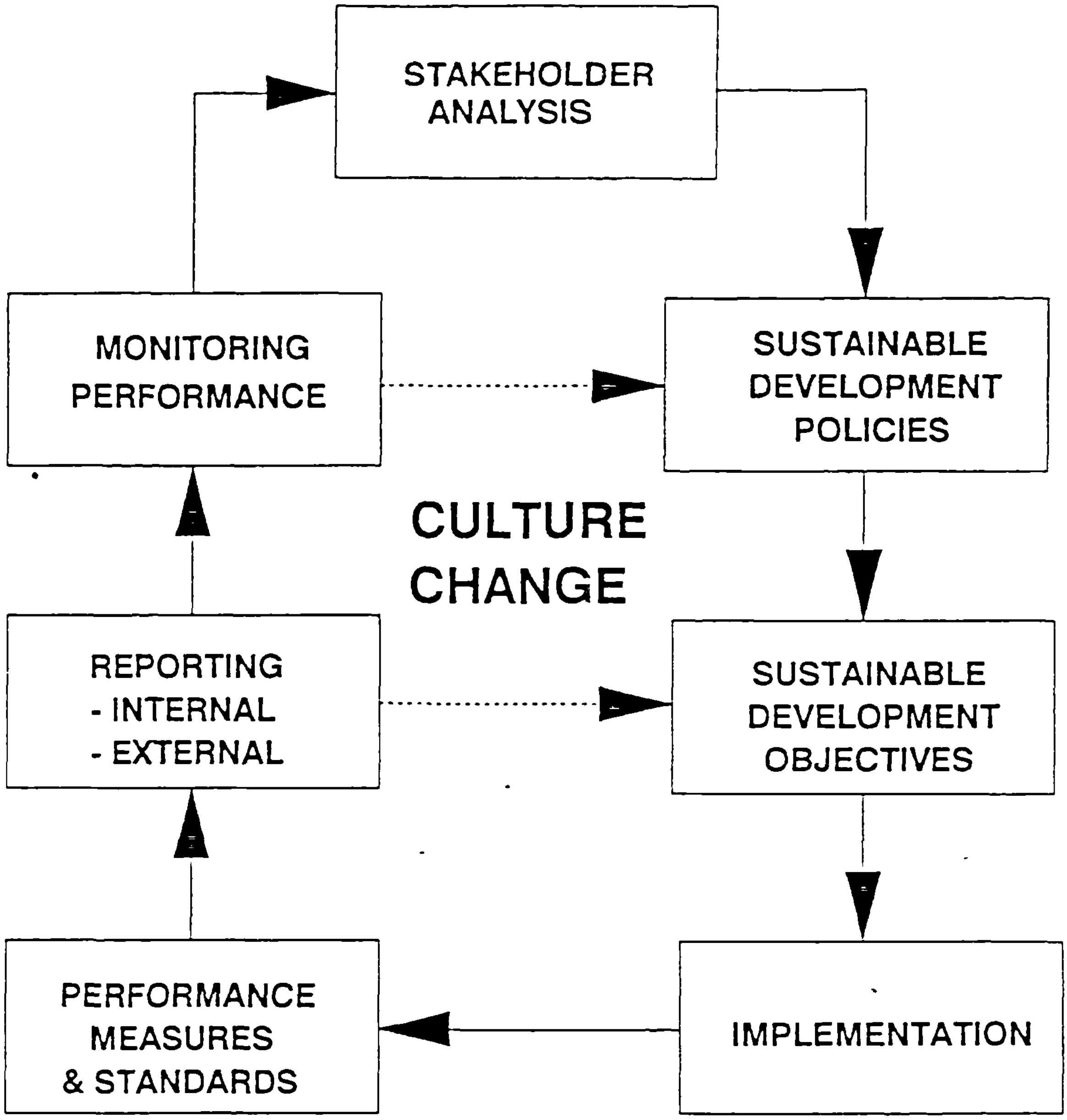
1. General principles
2. Equity
3. Futurity
4. Biodiversity and animal protection
5. Human rights
6. Local action and scale
7. Life cycle impacts

Measuring sustainability in business

The implementation of sustainable development objectives discussed above and the preparation of meaningful reports on performance requires the support of appropriate measures of performance and information systems (International Institute for Sustainable Development, 1992). Figure 1 illustrates the process for managing a business according to sustainable development principles.

A clear distinction needs to be made between measures at the basic eco-efficiency level (which are necessary but not sufficient to attain sustainability) and measures at the wider social and ethical level associated with sustainable development. Clearly, both the wider consequences or impacts of a firm's activities, and the narrower environmental performance of the firm need to be considered (Meima & Ashford, 1994). Whilst traditional environmental auditing procedures deal with static (short term) and internal performance measures, sustainability criteria demand that we consider longer term internal and external impacts which move beyond narrow environmental criteria towards wider social and ethical criteria. The challenge which lies ahead is depicted in figure 2. This represents a three dimensional representation of the current situation and suggests that we must widen our measures to include external impacts, futurity and wider social issues. Moving out along all three of these paths is the direction of sustainability.

Given that we have identified the need for an expanded audit methodology and the need to move towards sustainability by widening the scope of what we measure we are left with the more difficult task of identifying exactly what to measure. We have identified seven elements associated with sustainability in business and they can be translated into key target areas. For example, in terms of our general principles we have already argued that the firm must demonstrate accountability, transparency, and education and learning. For each of these target areas we must now define specific measures. Let us therefore deal with each of the elements of sustainability in turn. A summary table of the discussion in this section can be found in Appendix B.

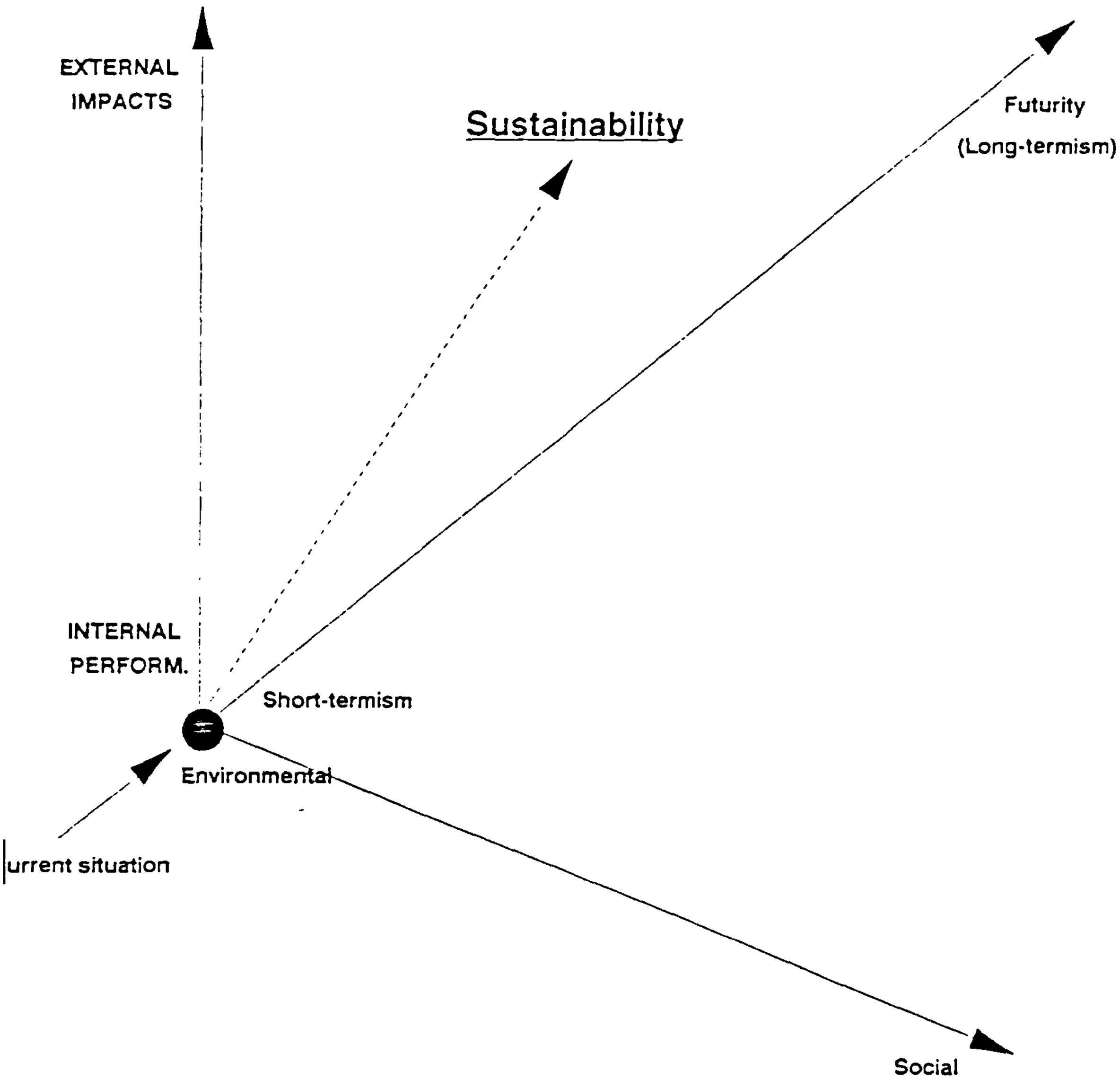


RECOMMENDED MANAGEMENT SYSTEM

FOR SUSTAINABLE DEVELOPMENT

SOURCE: INTERNATIONAL INSTITUTE FOR SUSTAINABLE DEVELOPMENT, 1992

FIGURE 1



3-D REPRESENTATION OF MEASURES FOR SUSTAINABILITY COMPARED TO CURRENT MEASURES

FIGURE 2

1. General Principles

a. Accountability

The company should demonstrate that it can be held accountable to all its stakeholders. We would expect to see the appointment of non-executive directors and systems put into place which are compatible with the best practice of corporate governance. The internal management structure would be well documented with clear job descriptions, reporting lines and organisational charts. This would be freely available to anyone requesting it. Links would be built up with the local community in order to facilitate consultation and dialogue.

b. Transparency/Openness

If a company is transparent, open and honest it is less likely to be able to hide environmentally damaging practices and less likely to be accused of doing so by others. Transparency is likely to begin with a wide range of participation arrangements both within the company and beyond. There will be free access to information which is not of a commercially sensitive nature. This will ensure that the company is capable of proving its environmental claims. Part of this information is likely to include documentation on the effects that the organisation has on habitats along with their associated impact mechanisms.

As part of a strategy of openness it is likely that there will exist an explicit ethical framework written in terms of corporate values. We need to consider very carefully how we begin to measure values. but by looking at different firms' sustainable development policies, their values or corporate ethics can be compared in terms of the range of issues that they cover.

Lastly, corporate reporting is central to any company working with these ideas. Internal reporting systems that measure performance with regard to sustainability can have a significant effect on corporate culture (International Institute for Sustainable Development, 1994). Regular, third party verified reports covering financial, environmental and social measures will identify the company's achievements and any failure to meet targets set. Measures need to be reported and audited in a common, accountable, transparent and accessible style. The concept of transparency is therefore used to reduce the distance between the organisation and external participants, so that society can 'see into' the organisation, assess what it is doing with the resources that determine future options and react (or not react) accordingly (Gray, 1994).

c. Education and learning

Information availability will not only be important to the achievement of transparency but it is also likely to be at the centre of a company's attempts to improve education and learning both within and external to the organisation. Open communications with all stakeholders should try to impart education about the organisation and wider issues which will improve everyone's understanding of the sustainable development process. Within the organisation we would expect to see clear training records and strategies aimed at two-way learning so that the organisation not only imparts education but is a learning organisation as well.

Once again, the existence of consultation frameworks and dialogue must be at the heart of sustainability measures. This will include all stakeholders. Moreover, through such a process, the organisation can actually become a facilitator of change.

2. Equity

a. Empowerment of all stakeholders

Empowerment strategies must be seen as being at the centre of any measures of sustainability. It is by empowerment that we can begin to challenge and change traditional balances of power. Open institutional structures are required in the firm so that any stakeholder has the ability to challenge and question the organisation over any issue. Once again, we are looking for two-way processes here with interaction and dialogue shifting the organisation on to a more sustainable path.

b. Participation

The logical next step must be to implement participation measures. Most importantly, we would identify the need for participation within the sustainable enterprise and this would be measured in a number of ways. There is likely to be participation in decision-making as well as financial (profit-sharing) participation and other appropriate non-financial rewards. Essentially we are searching for evidence of an equitable distribution of benefits. Management and workers would be seen to cooperate with each other in order to achieve common goals. The sustainable organisation is also likely to have a very wide ownership structure with wider share ownership packages available for employees.

c. Trading practices

One of the most common criticisms of internationally oriented firms is that they are exploitative of third world trading partners. The adoption of end price auditing techniques whereby a company declares how the final price of a product is derived (and specifically how much goes to indigenous works in the third world) would certainly be in the sprit of achieving increased equity. Moreover we would want to see the company justify that its activities result in an equitable distribution of value added. These issues are clearly linked to the notion of fair trade. Within the issue of international equity the sustainable business needs to put the emphasis on fair trade above free trade. Specifically this will include measures to ensure the maintenance of the welfare of indigenous populations and their lands.

Trading practices in the sustainable organisation are also likely to look towards an increase in local sourcing of materials. This will be linked both to a strategy for reducing environmental damage resulting from distribution, but also linked to an attempt to build close links and networks with local communities.

3. Futurity

a. Precaution

A sustainable business needs explicit policies and practices which take it beyond the law or beyond simple compliance. This certainly requires the firm to demonstrate due diligence in all its operations and procedures and, again, this must be linked to stakeholder accountability. In effect we require the firm to be anticipative and to have systematic scenario planning and risk assessment procedures. Moreover, this requires the firm to have a long-term planning horizon and to challenge the short-termism so often criticised in business.

b. Use of non-renewables

Clearly, the sustainable organisation will be involved in the phasing out of non-renewable resources and this will mean a new emphasis placed on research into alternatives. Substitution strategies will be linked to closing the cycle of resource use and an emphasis placed on systems which reduce the use of, repair, re-use and recycle resources.

4. Biodiversity and animal protection

a. Habitat and species conservation

The protection of ecosystems and biodiversity is central to sustainable development. Businesses can be involved in habitat regeneration strategies both locally and often internationally. Partnership and local linkage will be important in achieving this goal. As a start, organisations should report on species and habitats at a local level and through the assessment and identification of their own impacts and improve their own performance in this area. For new sites, processes and products we should expect to see the publication of full environmental impact assessments.

b. Animal testing

The abandonment of animal testing is part of a wider social ethic for any business. It also reflects an organisation's due respect for other living things. As such, businesses should demonstrate that they are in conformance with recognised 'no animal testing' standards and best practice elsewhere.

5. Human rights

a. Employment policies and equal opportunities

A sustainable business might be considered as a business run in a better way. The sustainable business has a particular way of treating its employees. Like much good business practice the starting point here is to have a clear policy on equal opportunities which both creates the feeling that equality of opportunity is important and maps out the procedures by which this will be achieved. Compliance with codes of practice and compliance with legal requirements will be important measures. Employee representation in decisions about employment and appropriate training and education will be central to more participative modes of operation.

b. Quality of working life

People spend a lot of time at work and part of the wider social ethic of any organisation ought to be to try to increase the quality of the time spent at work. This will not only involve the company complying with health and safety legislation but also having wider human resource policies which provide a forum for voicing dissatisfaction without fear of reprisal. Ultimately the sustainable organisation will be able to demonstrate that it is moving towards systems which provide for increased levels of industrial democracy.

c. Women

Women have been relatively undervalued in the workplace and their absence from positions of authority must be seen as a weakness in many organisations. In line with Agenda 21 we need to see much more dialogue with women and policies which empower them and allow them to play a fuller role in any business. Non-discrimination policies will be important to legitimising the role of women.

d. Minority groups

Again, minority groups are also under-represented within the decision-making structures of most businesses. As with the case of women, we would want to see increased levels of dialogue, empowerment and non-discrimination procedures.

e. Indigenous populations

The protection of indigenous populations and their land rights holds a very special place within the ethos of sustainable development. Historically, indigenous populations have been exploited in a number of ways and the sustainable organisation will have to demonstrate that it has turned away from any practices which continues this exploitation. In particular, we would expect to see fair wage policies for indigenous workers in place in businesses, an emphasis of purchasing directly from indigenous populations (and not through agencies and third parties who simply extract value added for their own ends) and no use of child labour.

6. Local action and scale

a. Community linkage

Close relationships with the community within which a business operates have been identified as important. As well as having the traditional dialogue groups and consultative fora, the company should have clear systems to provide an appropriate response to complaints and requests for information (which would not normally be refused).

b. Appropriate scale

The size of business activity is important. Rather than putting an emphasis on optimum size in terms of how big an organisation can grow we might also think about optimum smallness as well (Welford, 1994b). It might be argued that much environmental damage has been caused by large-scale production and mass consumption. A justification of the scale of any activity would be a baseline measure of sustainability in a business. Stakeholder involvement will be central to decisions regarding scale and particularly to the decision over whether to internalise or sub-contract some operations. Moreover, close links with stakeholders and particularly with the local community raises the question as to whether a certain level of profits might be distributed locally via the support of appropriate local initiatives and projects.

c. Partnership and cooperation strategies

We keep returning to the need for the sustainable organisation to have clear linkage and dialogue with all stakeholders. This will involve support for wider initiatives which can help us move towards sustainability. Moreover, such linkage and participative and cooperative strategies can help to cut down on the duplication of some activities, therefore resulting in a saving of resources.

d. Appropriate location

The choice over the location of a particular plant or facility can have enormous impacts on the environment. Clearly, inappropriate activities should not take place on or near to sites of environmental importance and, again, there needs to be clear neighbourhood policies and linkages to ensure minimum impact on the local environment. Location will also impact upon distribution networks and sites should be chosen which will minimise the environmental impacts of distribution.

7. Life cycle impacts

a. Product stewardship

The life-cycle of a product begins with the extraction or farming of raw materials and ends with the disposal or reuse of those same raw materials through waste. At every stage of the life cycle of a product businesses should take responsibility for reducing any negative impacts. There is therefore a clear role for stewardship policies within the business which commit the organisation to the management of the whole life cycle. The ultimate aim ought to be to reduce waste and environmental damage at all stages and, where possible, to close the loops which allow that waste to occur.

b. Life cycle analysis

The starting point therefore has to be a full life-cycle assessment of all products which not only identifies environmental damage but also other impacts consistent with the elements of sustainability identified above. Such analysis will be most credible when it is linked to third party verification.

c. Design

Although an important element within the life cycle assessment, the role of design will be crucial to the sustainable organisation. Emphasis should be placed on redesigning products to make them more sustainable and to increase the potential for repair, reuse and recycling though design for disassembly strategies.

d. Product durability

In most instances, we should be seeking to have longer durability of products. In some circumstances where technology has improved substantially it may be better to replace products before their natural death, but built in obsolescence and other design factors used to increase sales rather than durability are fundamentally unsustainable. We should expect durability reports for products which give the consumer an expectation about the life of the product and which can be compared with other competing products.

e. Product justifiability

A detailed debate over needs and wants in any society has no conclusion and it would clearly be wrong to dictate to people what constitutes their needs as opposed to more frivolous wants. Nevertheless through consultation with all stakeholders we should expect a company to be able to justify the design and other characteristics of a product. Moreover, through detailed life cycle assessment and a consideration of the impact of a product on all the elements of sustainability, it should be possible for businesses to publish sustainability audits for each of its products.

Measurement techniques and reporting

Having identified what to measure we must now address the difficult task of how to measure them. Direct environmental impacts such as the emission of chemicals into a local river are relatively easy to measure, although we must also be committed to defining their impact mechanisms and secondary effects. But some of the measures identified above are not capable of being measured in such a direct or quantitative way. We must therefore begin to think about different kinds of measurement techniques, which, nevertheless allow us to record progress towards sustainability and which can be built into a corporate reporting strategy. All we really ask of a business therefore is to track improvements over time.

There are three important principles to bear in mind in the measurement process:

1. The judgement as to how far a company is attaining any particular measure of sustainability must be made by a wide range of stakeholders.

2. Absolute measures are less likely to be practical that qualitative measures based on judgement and, where necessary, supported by evidence.

3. It is the direction of change and the speed of change towards sustainability which we are ultimately interested in.

We must recognise that different impacts will be measured in different ways and may have completely different consequences. It is therefore unlikely that we could ever achieve an aggregated score of sustainability. Nevertheless, the use of a set of scales rather than sores may move us forward. This approach provides a set of ideal measures of sustainability at one extreme and opposite measures at the other. Such a scale might be used by all stakeholders of a business in an assessment of how far a business has moved. It could provide the organisation with a tool to analyse shifts in external assessment by its stakeholders.

For example, let us take our general principles and look specifically at accountability. Our ideal measures on the right hand side of the following table and opposites on the left. A scoring scale would be provided for stakeholders to make a judgement about progress. This would identify areas of best practice as well as areas requiring attention. An aggregate score might be calculated for each target area.

There are no non-executive directors who can be considered as independent	1 2 3 4 5	Independent non-executive directors have been appointed
Corporate governance has been ignored	1 2 3 4 5	Systems compatible with principles of corporate governance are in place
There is no readily available documentation of the internal management structure	1 2 3 4 5	The management structure is documented and available for public scrutiny
There are no links with the local community	1 2 3 4 5	There are clear links and consultative processes with the local community

Table 2 - Suggested measurement scales for target areas

We have begun to identify the direction of sustainability for businesses in this report but not what sustainability ultimately means. Therefore we have recognised that measures more associated with the direction and speed of change are more important than absolutes. Some aggregation of the scores awarded on our scales is possible for each of the seven elements of sustainability requires. We might therefore begin to define a vector of change in line that depicted in figure 2. A high score for futurity measures will take us along our futurity axis but this might have to be set against, for example, a low score for equity. Comparison of scores within and between categories will give us an indication of the priorities which the company must examine in its future planning.

Ultimately, if corporations are to contribute fully to humanity's attempts to seek a sustainable existence then a strong case can be made for the development of reporting systems which will support the process (Gray, 1994). In order for localities, countries and ultimately the world to move towards sustainability we must recognise the need for all companies to be involved in strategies associated with sustainability and therefore we must consider a move towards mandatory reporting. The problem with the voluntary approach is that it focuses attention and criticism on the small number of companies who stick their heads above the parapet and ignores the majority who are probably the main offenders.

The question then revolves around what we make mandatory to report? The sorts of indicators suggested above and the measurement techniques suggested may form the beginnings of a framework of analysis. However, before we get that far there is a need to test the practicability of all the measures suggested. Ultimately this would allow comparison to be made between companies, the identification of best practice and information, upon which customers could make more informed judgements about products they wish to purchase. There may therefore be a role for benchmarking in this area, in order to allow companies to compare impacts and performance with other companies in the same sector or region.

Measures of sustainability in small businesses

For the owner of the small business the suggestions made above relating to measures of sustainability and mandatory reporting would be shocking. It must therefore be clear that there would be a size below which reports would be voluntary and that for many small businesses some of the measures suggested would simply not apply. However, it should also be pointed out that many smaller businesses lead the way in some of the target areas to be addressed. Small business, because of their very nature, often tend to be participatory, for example.

However, what we can expect is that small businesses can work together and develop cooperation and collaboration strategies which taken together can reduce overall levels of environmental damage. Through alliances between each other, with local authorities and with external experts, a reduced number of measures than those outlined above might be more easily achievable. Moreover, within a particular locality, small businesses can play their part in achieving many of the measures laid out above at the regional level.

Thus an issue to consider further is just which of the measures outlined above are most appropriate to the small business and how, acting together and including stakeholders in a particular region (rather than organisation), we can still move towards the goal of sustainable development. Kok et al (1993) demonstrate clearly how such a strategy can achieve great advantages through the adoption of catchment management systems and this has been taken further by Welford (1994b) in a consideration of a new role for bioregionalism and regional environmental management systems. This is clearly an area for further research.

Conclusions

What this report represents is the first attempt at defining just what businesses have to do at a practical level to follow strategies consistent with sustainable development. By extending the traditional auditing methodologies, suggesting measures of sustainability in business and by beginning to consider measurement techniques, we have managed to define more clearly the challenge which lies ahead for business.

The results to date should be seen as preliminary. They represent the thoughts of a selected group of people representing a number of areas of interest. However, it is clear in which direction this research must now progress. There are four elements to this:

1. Wider consultation needs to be taken with regard to the appropriateness of the measures of sustainability outlined here. Thus, this report is being widely circulated and comments and suggestions are most welcome.

2. The measures need to be refined, any gaps filled and additional explanatory material and supporting examples documented.

3. Measurement techniques must be developed which build an on the scales and direction of change measures advocated above.

4. The whole project must be trialled and tested on a number of willing companies to identify problems with the practical implementation of the measures.

This represents quite an enormous project therefore. But it is an important project if we are really serious about driving towards sustainable development. It is hoped that the ESRC's Global Environmental Change Programme which funded this initial research may be willing to see the research continued.

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Appendix A - List of participants

Richard Bate - International Chamber of Commerce UK

Jan Bebbington - University of Dundee

John Brady - Northumbria Water

Peter Bright - Shell International Petroleum Company Ltd

Tom Cannon - Independent Consultant

Keith Clement - University of Strathclyde

Tim Cooper - New Economics Foundation

Richard Evans - Traidcraft plc

Andrew Gouldson - University of Hull

Ken Green - Manchester School of Management, UMIST

Colin Hutchinson - Environmental Change Consultant

David Jones - University of Huddersfield

Alex Macgillivray - New Economics Foundation

Patrick Mallon - Business In The Environment

Duncan McLaren - Friends of the Earth

Graym McMillan - University of Huddersfield

Ingrid Marshall - The Green Alliance

Angela Mawle - The Women's Environmental Network

Nick Mayhew - Independent Consultant

Suzanne Pollack - Henley Management College

Georgina Price - The Body Shop International

David Read - BAT Industries

Peter Roberts - Leeds Metropolitan University

Alister Scott - ESRC Global Environmental Change Programme

Maria Sillanpää - The Body Shop International

Mark Shayler - Bradford Metropolitan Council

Neil Stewart - Manchester Business School

Richard Tapper - World Wide Fund For Nature

Chris Tuppen - British Telecom plc

Jon Walker - SUMA Wholefood Cooperative

Richard Welford - University of Huddersfield

David Wheeler - The Body Shop International plc

Brian Whitaker - IBM UK Ltd

Mitzi Wyman - The Women's Environmental Network

William Young - University of Huddersfield

Mark Yoxen - The Open University

Totals by category

Universities	12
Industry	12
NGOs	7
Others	5

Appendix B - Summary of suggested measures of sustainability in business

1. General principles	Accountability	Appointment of non-executive directors Systems compatible with principles of corporate governance Document internal management structure Links and consultation with local community
	Transparency/Openness	Participation arrangements Freedom of access to information Documentation of effects on habitats and impact mechanisms Existence of an explicit ethical framework Corporate reporting, third party verified
	Education and Learning	Information availability Open communication with all stakeholders Training records Two-way learning strategies Consultation framework/dialogue Facilitator of change

2. Equity	Empowerment of all stakeholders	Open institutional structures Ability to challenge and question the organisation Interaction with all stakeholders
	Participation	Participatory decision-making Financial participation Appropriate rewards Equitable distribution of benefits Cooperation measures Open ownership structure
	Trading practices	End price auditing Equitable distribution of value-added Fair trade policy Welfare of indigenous workers Local sourcing

3. Futurity	Precaution	Compliance plus measures Evidence of due diligence Stakeholder accountability/linkage Anticipation Scenario planning and risk assessment procedures Long-term planning horizon
	Use of non-renewables	Phase out of non-renewables Research into alternatives Substitution strategies Reduce, repair, re-use and recycling
4. Biodiversity and animal protection	Habitat and species conservation	Habitat regeneration and improvement strategies Partnership and local linkage Reporting on species and habitats at a local level Assessment of identification of impacts Full environmental impact assessments
	Animal testing	Conformance with recognised standards and best practice elsewhere

5. Human rights	Employment policies and equal opportunities	Existence of a clear policy on equal opportunities
		Codes of practice
		Compliance with legal requirements
		Employee representation
		Training and education
	Quality of working life	Compliance with health and safety legislation
		Human resource management policies
		Forum for voicing dissatisfaction
		Industrial democracy
	Women	Dialogue with women
		Empowerment policies
		Non-discrimination policies
	Minority groups	Dialogue mechanism
		Empowerment policies
		Non-discrimination policies
	Indigenous populations	Fair wage policies
		Emphasis on purchasing directly from indigenous

6. Local action and scale	Community linkage	Dialogue groups
		Appropriate response to complaints and requests for information
		Local contracting, sourcing and purchasing policies
	Appropriate scale	Optimum smallness
		Justification of scale
		Stakeholder involvement
		Local profit distribution
	Partnership and cooperation strategies	Linkage and dialogue
		Support for wider initiatives
		Avoidance of duplication
	Appropriate location	Avoidance of sites of environmental importance
		Neighbour policies and linkage
		Consideration of distribution networks

7. Life cycle impacts	Product stewardship	Stewardship policies Management of the whole life cycle Closing loops
	Life cycle analysis	Full life-cycle analysis of all products Third party verification
	Design	Redesign Design for disassembly strategies Repair, reuse and recycling
	Product durability	Longer durability Durability reports
	Product justifiability	Process of consultation with all stakeholders Design Publication of sustainability audits for each product

APPENDIX 3

FEEDBACK FROM M.D. OF TRAIDCRAFT

Traidcraft plc
Kingsway North
Gateshead
Tyne and Wear
NE11 0NE, UK

Telephone: (0191) 491 0591
International: +44 191 491 0591

TRAIDCRAFT

Fax: (0191) 482 2690
International: +44 191 482 2690
Telex: 53585 TRAIDC G.
Cables: Traidcraft,
Newcastle upon Tyne

Registered in England 1333367
Registered Office at address opposite
VAT Reg. No. 302 6165 96

ur Ref: PA/YD
our Ref:

avid Jones
he University of Huddersfield
ueensgate
UDDERSFIELD
D1 3DH

0th April 1996

ear David,

hank you for your contribution to our discussions last Saturday. Between you and Margaret you xposed some genuinely "live" issues for Traidcraft (Plc and Exchange) and provoked a very worthwhile ebate.

apologise that my "plan" for the day was not very clear. All I can say is that your contribution and the uality of the morning's discussion was what I was hoping to achieve.

have distributed your report a little more widely amongst colleagues following your presentation, ecause they too experienced your feedback as challenging. But the timing of your report is very elpful, coming just as we are thinking about new executive structures.

vonne is processing your claim for expenses and will send you a cheque shortly.

Vith good wishes

ours sincerely,

hilip Angier
Ianaging Director

Trading for a fairer world

APPENDIX 4

TRAIDCRAFT QUESTIONNAIRE

CCEM

Traidcraft Employee Opinion Questionnaire

Part 1

The following questionnaire is part of a research project, exploring employee opinions in 3 "ethical" organisations. It asks for your feelings about Traidcraft's working environment. It is being conducted by the Centre for Corporate Environmental Management at the University of Huddersfield.

THIS QUESTIONNAIRE IS COMPLETELY CONFIDENTIAL AND THE INFORMATION OBTAINED WILL BE USED FOR RESEARCH PURPOSES ONLY. NO INDIVIDUAL RESPONSES WILL BE SHOWN TO MANAGEMENT.

This questionnaire represents the first part of a larger questionnaire. The second part will be administered at your meeting next Thursday, on the 7th September. Therefore, would you please complete this first part and bring it to the Thursday meeting.

The following is your identification number. You will need to copy this onto the second part of the questionnaire in order to link both parts together.

ID NUMBER: ______

In order to give you an added incentive, there will be a prize draw for all employees who complete and bring the questionnaire to the Thursday meeting. The choice of prize is yours. Please would you select which one of the following prizes you would like, by ticking the appropriate box.

- ☐ a bottle of 'Moët Chandon' champagne
- ☐ a £20 Traidcraft gift voucher
- ☐ a £20 cinema voucher
- ☐ a donation of £20 to your chosen charity (or Traidcraft Exchange)

The draw will be made at the meeting but the prize will be presented personally, at a later date.

IF YOU DO NOT WANT TO BE ENTERED INTO THE DRAW, PLEASE WOULD YOU NOTIFY ME AT THE MEETING.

PLEASE REMEMBER THAT THIS IS NOT A TEST AND THERE ARE NO RIGHT AND WRONG ANSWERS

SECTION 1

The following 15 questions are in the form of "beginnings" of sentences followed by 4 possible "endings". Each ending will form a complete sentence describing a different working environment.

For each question would you do the following 2 things:

A. Please rank the 4 endings in the order you think comes CLOSEST to describing Traidcraft's working environment as a whole. Write your answers (1,2,3 and 4) in the underlined spaces below the heading TRAIDCRAFT RANKING.

(1 = CLOSEST
4 = LEAST CLOSE)

Then, before you move on to the next question:

B. Please rank the 4 endings in the order you would PREFER to see your working environment. Write your answers (1,2,3 and 4) in the underlined spaces below the heading PREFERRED RANKING.

(1 = MOST PREFERRED
4 = LEAST PREFERRED)

TRAIDCRAFT RANKING	*PREFERRED RANKING*	
		1. Employees are expected to give first priority to
______	______	a. meeting the needs and demands of their boss and other top-level people in Traidcraft.
______	______	b. carrying out their own job tasks; in line with their job description.
______	______	c. meeting the challenges of the task, finding a better way to do things.
______	______	d. cooperating with the people with whom they work, to solve work and personal problems.

TRAIDCRAFT RANKING *PREFERRED RANKING*

2. People who do well tend to be those who

_______ _______a. play by the rules, work within the system and strive to do things correctly.

_______ _______b. know how to please their boss and are able and willing to use power and politics to get ahead.

_______ _______c. are technically competent and effective, with a strong commitment to getting the job done.

_______ _______d. build close working relationships with others by being cooperative, responsive and caring.

3. Individuals are treated

_______ _______a. as "family" or "friends" who like being together and who care about and support one another.

_______ _______b. as "employees" whose time and energy are bought through a contract, with rights and responsibilities for both sides.

_______ _______c. as "equals" or colleagues who have a shared committment to achieving a common purpose.

_______ _______d. as "hands" whose time and energy are at the disposal of persons at higher levels in the hierarchy.

4. People are managed, directed, or influenced by

_______ _______a. their own commitment to achieving the the goals of Traidcraft

_______ _______b. people in positions of authority, who exercise their power through the use of rewards and punishments.

_______ _______c. their own desire to be accepted by others and to be good members of their department.

_______ _______d. the systems, rules and procedures that prescribe what people should do and the right ways of doing it.

5. Decision-making processes are characterized by

_______ _______a. rules, orders and instructions that come down from higher levels.

_______ _______b. decisions being made on the job, by the people on the spot.

_______ _______c. the use of team decision-making methods to gain acceptance and support for decisions.

_______ _______d. the adherence to formal channels and reliance on policies and procedures for making decisions.

TRAIDCRAFT RANKING | *PREFERRED RANKING*

6. Allocation of tasks or jobs to individuals are based on

_______ _______a. matching the requirements of the job with the interests and abilities of the individuals.

_______ _______b. the personal preferences of the individuals and their needs for growth and development.

_______ _______c. the personal judgments, values and wishes of those in positions of power.

_______ _______d. the aims and objectives of Traidcraft and the individual's qualifications, etc.

7. Employees are expected to be

_______ _______a. hard-working, compliant, obedient and loyal to the interests of those to whom they report.

_______ _______b. responsible and reliable, carrying out the duties and responsibilities of their jobs and avoiding actions that could surprise or embarrass their supervisors.

_______ _______c. good team workers, supportive and cooperative, who get along well with others.

_______ _______d. self-motivated and competent, willing to take the initiative to get things done; willing to challenge those to whom they report if that is necessary to obtain good results.

8. Managers are expected to be

_______ _______a. supportive, responsive and concerned about the personal concerns and needs of those whose work they supervise.

_______ _______b. strong and decisive; firm but fair.

_______ _______c. democratic and willing to accept employees ideas about the job to be done.

_______ _______d. objective and fair, avoiding the use of their authority for their own personal advantage.

TRAIDCRAFT RANKING — *PREFERRED RANKING*

9. It is considered legitimate for one person to tell another what to do when

_______ _______ a. it is part of the responsibilities included in his or her job description.

_______ _______ b. the other person asks for his or her help, guidance or advice.

_______ _______ c. he or she has greater knowledge and expertise and uses it to guide the other person or to teach him or her to do the work.

_______ _______ d. he or she has more power, authority, or "clout" in Traidcraft.

10. Work motivation is primarily the result of

_______ _______ a. strong desires to achieve, to create and to innovate and pressure from colleagues to contribute to the success of Traidcraft.

_______ _______ b. hope for rewards, fear of punishment, or personal loyalty to the boss.

_______ _______ c. acceptance of the norm of providing a "fair day's work for a fair day's pay."

_______ _______ d. people wanting to help others and to develop and maintain satisfying working relationships.

11. Relationships between teams or departments are generally

_______ _______ a. competitive, with both looking out for their own interests and helping each other only when they can see some advantage for themselves by doing so.

_______ _______ b. friendly, with a high level of responsiveness to requests for help from other groups.

_______ _______ c. characterized by indifference toward each other, helping each other only when it is convenient or when they are directed by higher levels to do so.

_______ _______ d. cooperative when they need to achieve common goals. People are normally willing to cut red tape and cross organisational boundaries to get the job done.

TRAIDCRAFT RANKING | *PREFERRED RANKING*

12. Personal conflicts and conflicts between departments are usually

_______ _______ a. dealt with in a manner that maintains good working relationships and minimizes the chances of people being hurt.

_______ _______ b. avoided by reference to rules, procedures and formal definitions of authority and responsibility.

_______ _______ c. resolved through discussions aimed at getting the best outcomes possible for the work issues involved.

_______ _______ d. dealt with by the personal intervention of people at higher levels of authority.

13. External groups and pressures are responded to as though they are part of

_______ _______ a. a battle, where Traidcraft is in competition for survival with others.

_______ _______ b. a competition for excellence in which productivity, quality and innovation bring success.

_______ _______ c. a community relying on each other in which the common interests are the most important.

_______ _______ d. an orderly system in which everyone is expected to abide by the rules.

14. If rules, systems, or procedures get in the way, people

_______ _______ a. support one another in ignoring or bending them if they are felt to be unfair or to create hardships for others.

_______ _______ b. break them if they have enough clout to get by with it or if they think they can get away with it without being caught.

_______ _______ c. generally abide by them or go through proper channels to get permission to deviate from them or have them changed.

_______ _______ d. tend to ignore or by-pass them to accomplish their tasks or perform their jobs better.

TRAIDCRAFT RANKING *PREFERRED RANKING*

15. New employees need to learn

_______ _______a. what resources are available to help them do their jobs; <u>to take the initiative</u> to apply their skills and knowledge to their jobs.

_______ _______b. <u>the formal rules and procedures</u> and to abide by them; to stay within the formal boundaries of their job description.

_______ _______c. <u>who really runs things</u>; who can help or hurt them; whom to avoid offending; the unwritten rules that have to be observed if they are to stay out of trouble.

_______ _______d. <u>how to cooperate</u>; how to be good team members; how to develop good working relationships with others.

SECTION 2

1. Please indicate how your commitment towards Traidcraft is influenced by the working environment in Traidcraft, by ticking the appropriate box.

STRONG NEGATIVE INFLUENCE -3	-2	-1	NO INFLUENCE 0	+1	+2	STRONG POSITIVE INFLUENCE +3

2. Assuming Traidcraft changed its working environment in in line with what you would <u>prefer</u> to see, to what extent would this increase your commitment towards Traidcraft. (Please tick the appropriate box)

NO INCREASE 7	6	5	MODERATE INCREASE 4	3	2	BIG INCREASE 1

3. Please specify any other factor which may have influenced your commitment towards Traidcraft and indicate the extent and nature of its influence, by ticking the appropriate box. (Do not spend more than 1 minute on this question)

FACTOR	STRONG NEGATIVE INFLUENCE -3	-2	-1	NO INFLUENCE 0	+1	+2	STRONG POSITIVE INFLUENCE +3

IF YOU HAVE ANY FURTHER COMMENTS ABOUT TRAIDCRAFT'S WORKING ENVIRONMENT, PLEASE USE THE SPACE BELOW.

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....

THANK YOU FOR TAKING THE TIME TO COMPLETE OUR QUESTIONNAIRE.
PLEASE MAKE SURE THAT YOU HAVE ANSWERED ALL THE QUESTIONS.

Any questions can be directed to

David Jones at the

Centre for Corporate Environmental Management
School of Business
University of Huddersfield
Queensgate
Huddersfield
Tel No: 01484-422288 Ext 2669
Fax No: 01484-516151
E-Mail No: SBUSDRJ@PEGASUS.HUD.AC.UK

CCEM

Traidcraft Employee Opinion Questionnaire

Part 2

The following questionnaire is part of a research project, exploring employee opinions in 3 "ethical" organisations. It asks for your feelings towards Traidcraft, your opinions about its goals and its treatment of different groups.

It is being conducted by the Centre for Corporate Environmental Management at the University of Huddersfield.

THIS QUESTIONNAIRE IS COMPLETELY CONFIDENTIAL AND THE INFORMATION OBTAINED WILL BE USED FOR RESEARCH PURPOSES ONLY. NO INDIVIDUAL RESPONSES WILL BE SHOWN TO MANAGEMENT.

This questionnaire represents the second part of a larger questionnaire.

Please would you write your identification number, on the first part of the questionnaire, in the space below

ID NUMBER: ____________

PLEASE REMEMBER THAT THIS IS NOT A TEST AND THERE ARE NO RIGHT AND WRONG ANSWERS

SECTION 1

YOUR FEELINGS TOWARDS TRAIDCRAFT

1. Listed below are a series of statements that represent possible feelings that individuals might have about the company or organisation for which they work. With respect to your own feelings about Traidcraft please indicate the degree of your agreement or disagreement with each statement by ticking the appropriate box.

STATEMENTS	STRONGLY DISAGREE 7	6	5	NEITHER AGREE/ DISAGREE 4	3	2	STONGLY AGREE 1
I am willing to put in a great deal of effort beyond that normally expected in order to help Traidcraft be successful.							
I recommend Traidcraft to my friends as a great organisation to work for.							
I would accept almost any type of task in order to keep working for Traidcraft.							
I find that my values and Traidcraft's values are very similar							
I am proud to tell others that I am part of Traidcraft.							
Traidcraft really inspires the very best in me in the way of job performance.							
I am extremely glad that I chose Traidcraft to work for over others I was considering at the time I joined.							
I really care about the fate of Traidcraft.							
For me this is the best of all possible organisations for which to work.							

SECTION 2
YOUR OPINIONS ABOUT TRAIDCRAFT'S GOALS

1. Please indicate the importance you think Traidcraft senior management gives to the following factors by ticking the appropriate box.

	NOT IMPORTANT 7	6	5	QUITE IMPORTANT 4	3	2	VERY IMPORTANT 1
PROFIT (financial position or "bottom line")							
PEOPLE (the degree of integrity with which the firm deals with employees, suppliers, community etc.)							
QUALITY OF WORK (the degree of excellence in work)							
ENVIRONMENT (the natural environment)							
CREATIVITY (willingness to accept new ideas)							
LONG-TERMISM (the degree of long-term planning)							

2. Please indicate the importance you would personally give to the following factors by ticking the appropriate box.

	NOT IMPORTANT 7	6	5	QUITE IMPORTANT 4	3	2	VERY IMPORTANT 1
PROFIT (financial position or "bottom line")							
PEOPLE (the degree of integrity with which the firm deals with employees, suppliers, community etc.)							
QUALITY OF WORK (the degree of excellence in work)							
ENVIRONMENT (the natural environment)							
CREATIVITY (willingness to accept new ideas)							
LONG-TERMISM (the degree of long-term planning)							

SECTION 3

YOUR OPINIONS ABOUT TRAIDCRAFT'S TREATMENT OF DIFFERENT GROUPS

1. Please indicate to what extent you think Traidcraft satisfies the needs of the following groups, by ticking the appropriate box.

	DOES NOT SATISFY 7	6	5	PARTIALLY SATISFIES 4	3	2	FULLY SATISFIES 1
Third World Suppliers							
Other Suppliers							
Customers							
Voluntary reps							
Shareholders							
Local community							
Employees - In General							
- Women							
- Minority religious groups							
- Minority ethnic groups							
- People with disabilities							
- Gay men & lesbians							
- Older people							
The Environment (natural) - In General							
- Local Environment							
- Third World Supplier Environment							
Other (please specify)							

2. Please indicate to what extent you think Traidcraft should satisfy the needs of the following groups, by ticking the appropriate box.

	SHOULD NOT SATISFY 7	6	5	SHOULD PARTIALLY SATISFY 4	3	2	SHOULD FULLY SATISFY 1
Third World Suppliers							
Other Suppliers							
Customers							
Voluntary reps							
Shareholders							
Local community							
Employees - In General							
- Women							
- Minority religious groups							
- Minority ethnic groups							
- People with disabilities							
- Gay men & lesbians							
- Older people							
The Environment (natural) - In General							
- Local Environment							
- Third World Supplier Environment							
Other (please specify)							

SECTION 4

1. Please indicate how your commitment towards Traidcraft is influenced by its values, by ticking the appropriate box.

STRONG NEGATIVE INFLUENCE -3	-2	-1	NO INFLUENCE 0	+1	+2	STRONG POSITIVE INFLUENCE +3

2. Assuming Traidcraft changed its values in line with what you would prefer to see, to what extent would this increase your commitment towards Traidcraft. (Please tick the appropriate box)

NO INCREASE 7	6	5	MODERATE INCREASE 4	3	2	BIG INCREASE 1

3. Finally, please may we have some personal details?

For how many years have you worked for Traidcraft? _____

For how many years have you been in your current job at Traidcraft? _____

IF YOU HAVE ANY FURTHER COMMENTS ABOUT TRAIDCRAFT'S GOALS AND/OR ITS TREATMENT OF DIFFERENT GROUPS, PLEASE USE THE SPACE BELOW.

THANK YOU FOR TAKING THE TIME TO COMPLETE OUR QUESTIONNAIRE. PLEASE MAKE SURE THAT YOU HAVE ANSWERED ALL THE QUESTIONS.

APPENDIX 5

SUMA QUESTIONNAIRE

CCEM

Suma Workers' Opinion Questionnaire

Part 1

The following questionnaire is part of a research project, exploring peoples' opinions working in 3 "ethical" organisations. It asks for your feelings about Suma's working environment. It is being conducted by the Centre for Corporate Environmental Management at the University of Huddersfield.

THIS QUESTIONNAIRE IS COMPLETELY CONFIDENTIAL AND THE INFORMATION OBTAINED WILL BE USED FOR RESEARCH PURPOSES ONLY. NO INDIVIDUAL RESPONSES WILL BE SHOWN TO ANYONE ELSE.

This questionnaire represents the first part of a larger questionnaire. The second part will be administered at your next Quarterly General Meeting. Therefore, would you please complete this first part and either bring it to the meeting or hand it back to me prior to the meeting.

The following is your identification number. You will need to copy this onto the second part of the questionnaire in order to link both parts together (please keep a record if you hand it back prior to the meeting).

ID NUMBER: ____

In order to give you an added incentive, there will be a prize draw for all people who complete this first questionnaire and attend the meeting. The choice of prize is yours. Please would you select which one of the following prizes you would like, by ticking the appropriate box.

- ☐ £20 worth of Suma products
- ☐ a bottle of malt whisky
- ☐ a £20 cinema voucher
- ☐ a donation of £20 to your chosen charity

The draw will be made at the meeting but the prize will be presented personally, at a later date.

IF YOU DO NOT WANT TO BE ENTERED INTO THE DRAW, PLEASE WOULD YOU TICK THIS BOX ☐

PLEASE REMEMBER THAT THIS IS NOT A TEST AND THERE ARE NO RIGHT AND WRONG ANSWERS

SECTION 1

The following 15 questions are in the form of "beginnings" of sentences followed by 4 possible "endings". Each ending will form a complete sentence describing a different working environment.

For each question would you do the following 2 things:

A. Please rank the 4 endings in the order you think comes CLOSEST to describing Suma's working environment as a whole. Write your answers (1,2,3 and 4) in the underlined spaces below the left-hand heading SUMA RANKING. Please be sure to assign only one '1', one '2', one '3' and one '4'.

*(1 = CLOSEST
4 = LEAST CLOSE)*

Then, before you move on to the next question:

B. Please rank the 4 endings in the order you would PREFER to see your working environment. Write your answers (1,2,3 and 4) in the underlined spaces below the right-hand heading PREFERRED RANKING. Please be sure to assign only one '1', one '2', one '3' and one '4'.

*(1 = MOST PREFERRED
4 = LEAST PREFERRED)*

A. *SUMA RANKING*	**B.** *YOUR PREFERRED RANKING*	
		1. Workers are expected to give first priority to
______	______	a. meeting the needs and demands of people who have been given a position of authority.
______	______	b. carrying out their own job tasks; in line with their job description.
______	______	c. meeting the challenges of the task, finding a better way to do things.
______	______	d. cooperating with the people with whom they work, tc solve work and personal problems.

SUMA RANKING | *PREFERRED RANKING*

2. People who do well tend to be those who

_______ _______a. play by the rules, work within the system and strive to do things correctly.

_______ _______b. know how to please people with authority and are able and willing to use power and politics to get ahead.

_______ _______c. are technically competent and effective, with a strong commitment to getting the job done.

_______ _______d. build close working relationships with others by being cooperative, responsive and caring.

3. Individuals are treated

_______ _______a. as "family" or "friends" who like being together and who care about and support one another.

_______ _______b. as "resource" whose time and energy are bought, with rights and responsibilities for both sides.

_______ _______c. as "equals" or colleagues who have a shared commitment to achieving a common purpose.

_______ _______d. as "hands" whose time and energy are at the disposal of the people who have been given positions of authority.

4. People are managed, directed, or influenced by

_______ _______a. their own commitment to achieving the the goals of Suma.

_______ _______b. people in positions of authority, who exercise their power through the use of rewards and punishments.

_______ _______c. their own desire to be accepted by others and to be good members of their department(s).

_______ _______d. the systems, rules and procedures that prescribe what people should do and the right ways of doing it.

5. Decision-making processes are characterized by

_______ _______a. rules, orders and instructions that come down from people who have been given positions of authority.

_______ _______b. decisions being made on the job, by the people on the spot.

_______ _______c. the use of team decision-making methods to gain acceptance and support for decisions.

_______ _______d. the adherence to formal channels and reliance on policies and procedures for making decisions.

SUMA RANKING | *YOUR PREFERRED RANKING*

6. Allocation of tasks or jobs to individuals are based on

_______ _______a. matching the requirements of the job with the <u>interests and abilities</u> of the individuals.

_______ _______b. <u>the personal preferences</u> of the individuals and their needs for growth and development.

_______ _______c. the personal judgments, values and wishes of <u>those in positions of power</u>.

_______ _______d. the aims and objectives of Suma and the <u>rules of the system</u> e.g. membership, seniority, individual's qualifications, etc.

7. Workers are expected to be

_______ _______a. hard-working, compliant, obedient and <u>loyal</u> to the interests of those to whom they report.

_______ _______b. <u>responsible and reliable</u>, carrying out the duties and responsibilities of their jobs and avoiding actions that could surprise or embarrass their coordinators.

_______ _______c. <u>good team workers</u>, supportive and cooperative, who get along well with others.

_______ _______d. self-motivated and competent, willing to take the initiative to get things done; <u>willing to challenge</u> those to whom they report if that is necessary to obtain good results.

8. People who have been given positions of authority are expected to be

_______ _______a. <u>supportive</u>, responsive and concerned about the personal concerns and needs of those whose work they supervise.

_______ _______b. <u>strong and decisive</u>; firm but fair.

_______ _______c. democratic and <u>willing to accept members ideas</u> about the job to be done.

_______ _______d. <u>objective and fair</u>, avoiding the use of their authority for their own personal advantage.

SUMA RANKING | *YOUR PREFERRED RANKING*

9. It is considered legitimate for one person to tell another what to do when

_______ _______a. it is part of the responsibilities included in his or her job description.

_______ _______b. the other person asks for his or her help, guidance or advice.

_______ _______c. he or she has greater knowledge and expertise and uses it to guide the other person or to teach him or her to do the work.

_______ _______d. he or she has more power, authority, or "clout" in Suma.

10. Work motivation is primarily the result of

_______ _______a. strong desires to achieve, to create and to innovate and pressure from colleagues to contribute to the success of Suma.

_______ _______b. hope for rewards, fear of punishment, or personal loyalty to people who have been given positions of authority.

_______ _______c. acceptance of the norm of providing a "fair day's work for a fair day's pay."

_______ _______d. people wanting to help others and to develop and maintain satisfying working relationships.

11. Relationships between teams or departments are generally

_______ _______a. competitive, with both looking out for their own interests and helping each other only when they can see some advantage for themselves by doing so.

_______ _______b. friendly, with a high level of responsiveness to requests for help from other groups.

_______ _______c. characterized by indifference toward each other, helping each other only when it is convenient or when they are directed by people in positions of authority to do so.

_______ _______d. cooperative when they need to achieve common goals. People are normally willing to cut red tape and cross organisational boundaries to get the job done.

SUMA RANKING	YOUR PREFERRED RANKING	

12. Personal conflicts and conflicts between departments are usually

_______ _______a. dealt with in a manner that maintains good working relationships and minimizes the chances of people being hurt.

_______ _______b. avoided by reference to rules, procedures and formal definitions of authority and responsibility.

_______ _______c. resolved through discussions aimed at getting the best outcomes possible for the work issues involved.

_______ _______d. dealt with by the personal intervention of people at higher levels of authority.

13. External groups and pressures are responded to as though they are part of

_______ _______a. a battle, where Suma is in competition for survival with others.

_______ _______b. a competition for excellence in which productivity, quality and innovation bring success.

_______ _______c. a community relying on each other in which the common interests are the most important.

_______ _______d. an orderly system in which everyone is expected to abide by the rules.

14. If rules, systems, or procedures get in the way, people

_______ _______a. support one another in ignoring or bending them if they are felt to be unfair or to create hardships for others.

_______ _______b. break them if they have enough clout to get by with it or if they think they can get away with it without being caught.

_______ _______c. generally abide by them or go through proper channels to get permission to deviate from them or have them changed.

_______ _______d. tend to ignore or by-pass them to accomplish their tasks or perform their jobs better.

SUMA RANKING	*YOUR PREFERRED RANKING*	
		15. New workers need to learn
_______	_______	a. what resources are available to help them do their jobs; to take the initiative to apply their skills and knowledge to their jobs.
_______	_______	b. the formal rules and procedures and to abide by them; to stay within the formal boundaries of their job description.
_______	_______	c. who really runs things; who can help or hurt them; whom to avoid offending; the unwritten rules that have to be observed if they are to stay out of trouble.
_______	_______	d. how to cooperate; how to be good team members; how to develop good working relationships with others.

SECTION 2

1. Please indicate how your commitment towards Suma is influenced by the working environment in Suma, by ticking the appropriate box.

STRONG NEGATIVE INFLUENCE -3	-2	-1	NO INFLUENCE 0	+1	+2	STRONG POSITIVE INFLUENCE +3

2. Assuming Suma changed its working environment in line with what you would prefer to see, to what extent would this increase your commitment towards Suma. (Please tick the appropriate box)

NO INCREASE 7	6	5	MODERATE INCREASE 4	3	2	BIG INCREASE 1

3. Please specify any other factor which may have influenced your commitment towards Suma and indicate the extent and nature of its influence, by ticking the appropriate box. (Do not spend more than 1 minute on this question)

FACTOR	STRONG NEGATIVE INFLUENCE -3	-2	-1	NO INFLUENCE 0	+1	+2	STRONG POSITIVE INFLUENCE +3

IF YOU HAVE ANY FURTHER COMMENTS ABOUT SUMA'S WORKING ENVIRONMENT, PLEASE USE THE SPACE BELOW.

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THANK YOU FOR TAKING THE TIME TO COMPLETE OUR QUESTIONNAIRE. PLEASE MAKE SURE THAT YOU HAVE ANSWERED ALL THE QUESTIONS.

Any questions can be directed to

David Jones at the

Centre for Corporate Environmental Management

School of Business

University of Huddersfield

Queensgate

Huddersfield

Tel No: 01484-422288 Ext 2669

Fax No: 01484-516151

E-Mail No: SBUSDRJ@PEGASUS.HUD.AC.UK

CCEM

Suma Workers' Opinion Questionnaire

Questionnaire

Part 2

The following questionnaire is part of a research project, exploring employee opinions in 3 "ethical" organisations. It asks for your feelings towards Suma, your opinions about its goals and its treatment of different groups.

It is being conducted by the Centre for Corporate Environmental Management at the University of Huddersfield.

THIS QUESTIONNAIRE IS COMPLETELY CONFIDENTIAL AND THE INFORMATION OBTAINED WILL BE USED FOR RESEARCH PURPOSES ONLY. NO INDIVIDUAL RESPONSES WILL BE SHOWN TO ANYONE ELSE.

This questionnaire represents the second part of a larger questionnaire.

Please would you write your identification number, from the first part of the questionnaire, in the space below

ID NUMBER: ____________________

PLEASE REMEMBER THAT THIS IS NOT A TEST AND THERE ARE NO RIGHT AND WRONG ANSWERS

SECTION 1

YOUR FEELINGS TOWARDS SUMA

1. Listed below are a series of statements that represent possible feelings that individuals might have about the company or organisation for which they work. With respect to your own feelings about Suma please indicate the degree of your agreement or disagreement with each statement by ticking the appropriate box.

STATEMENTS	STRONGLY DISAGREE 7	6	5	NEITHER AGREE/ DISAGREE 4	3	2	STONGLY AGREE 1
I am willing to put in a great deal of effort beyond that normally expected in order to help Suma be successful.							
I recommend Suma to my friends as a great organisation to work for.							
I would accept almost any type of task in order to keep working for Suma.							
I find that my values and Suma's values are very similar							
I am proud to tell others that I am part of Suma.							
Suma really inspires the very best in me in the way of job performance.							
I am extremely glad that I chose Suma to work for over others I was considering at the time I joined.							
I really care about the fate of Suma.							
For me this is the best of all possible organisations for which to work.							

SECTION 2
YOUR OPINIONS ABOUT SUMA'S GOALS

1. Please indicate the importance you think Suma Management Committee gives to the following factors by ticking the appropriate box.

	NOT IMPORTANT 7	6	5	QUITE IMPORTANT 4	3	2	VERY IMPORTANT 1
PROFIT (financial position or "bottom line")							
PEOPLE (the degree of integrity with which the firm deals with workers, suppliers, community etc.)							
QUALITY OF WORK (the degree of excellence in work)							
ENVIRONMENT (the natural environment)							
CREATIVITY (willingness to accept new ideas)							
LONG-TERMISM (the degree of long-term planning)							

2. Please indicate the importance you would personally give to the following factors by ticking the appropriate box.

	NOT IMPORTANT 7	6	5	QUITE IMPORTANT 4	3	2	VERY IMPORTANT 1
PROFIT (financial position or "bottom line")							
PEOPLE (the degree of integrity with which the firm deals with workers, suppliers, community etc.)							
QUALITY OF WORK (the degree of excellence in work)							
ENVIRONMENT (the natural environment)							
CREATIVITY (willingness to accept new ideas)							
LONG-TERMISM (the degree of long-term planning)							

SECTION 3

YOUR OPINIONS ABOUT SUMA'S TREATMENT OF DIFFERENT GROUPS

1. Please indicate to what extent you think Suma satisfies the needs of the following groups, by ticking the appropriate box.

	DOES NOT SATISFY 7	6	5	PARTIALLY SATISFIES 4	3	2	FULLY SATISFIES 1
Third World Suppliers							
Other Suppliers							
Customers							
Local community							
Other community groups							
The Cooperative movement							
Workers - In General							
- Members							
- Non-members							
- Women							
- Minority religious groups							
- Minority ethnic groups							
- People with disabilities							
- Gay men & lesbians							
- Older people							
The Natural Environment - In General							
- Local Environment							
- Third World Supplier Environment							
Other (please specify)							

2. Please indicate to what extent you think Suma should satisfy the needs of the following groups, by ticking the appropriate box.

	SHOULD NOT SATISFY 7	6	5	SHOULD PARTIALLY SATISFY 4	3	2	SHOULD FULLY SATISFY 1
Third World Suppliers							
Other Suppliers							
Customers							
Local community							
Other community groups							
The Cooperative movement							
Workers - In General							
- Members							
- Non-members							
- Women							
- Minority religious groups							
- Minority ethnic groups							
- People with disabilities							
- Gay men & lesbians							
- Older people							
The Natural Environment - In General							
- Local Environment							
- Third World Supplier Environment							
Other (please specify)							

SECTION 4

1. Please indicate how your commitment towards Suma is influenced by its values, by ticking the appropriate box.

STRONG NEGATIVE INFLUENCE			NO INFLUENCE			STRONG POSITIVE INFLUENCE
-3	-2	-1	0	+1	+2	+3

2. Assuming Suma changed its values in line with what you would prefer to see, to what extent would this increase your commitment towards Suma.

(Please tick the appropriate box)

NO INCREASE			MODERATE INCREASE			BIG INCREASE
7	6	5	4	3	2	1

Finally, please may we have some personal details?

For how many years have you worked for Suma? ______

Are you a member of Suma? YES/NO (please circle).
If yes, for how long have you been a member? ___

For how many years have you been in your current job(s) at Suma? (if more than one job, please underline your main job)

Warehouse ___ Marketing ___ Purchase Accounts ___
Pre-packing ___ Sales Office ___ Buying ___
Order-picking ___ Personnel ___ Kitchen ___
Transport ___ Customer Accounts ___ (incl. credit control) Cash & Carry ___
Management Committee ___ Coordinator ___
Other (please specify).. ___

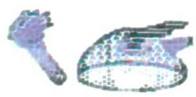
IF YOU HAVE ANY FURTHER COMMENTS ABOUT SUMA'S GOALS AND/OR ITS TREATMENT OF DIFFERENT GROUPS, PLEASE USE THE SPACE BELOW.

THANK YOU FOR TAKING THE TIME TO COMPLETE OUR QUESTIONNAIRE. PLEASE MAKE SURE THAT YOU HAVE ANSWERED ALL THE QUESTIONS.

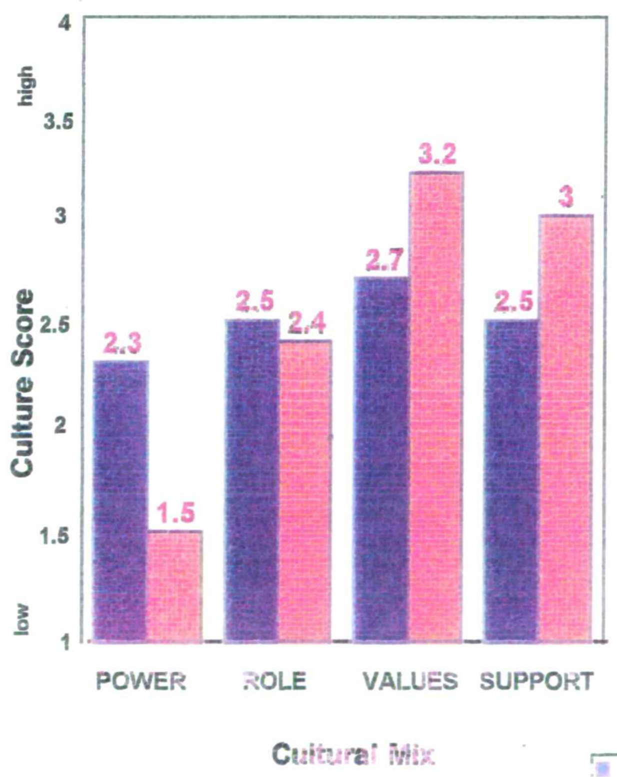
APPENDIX 6

TRAIDCRAFT'S SUMMARY SHEET

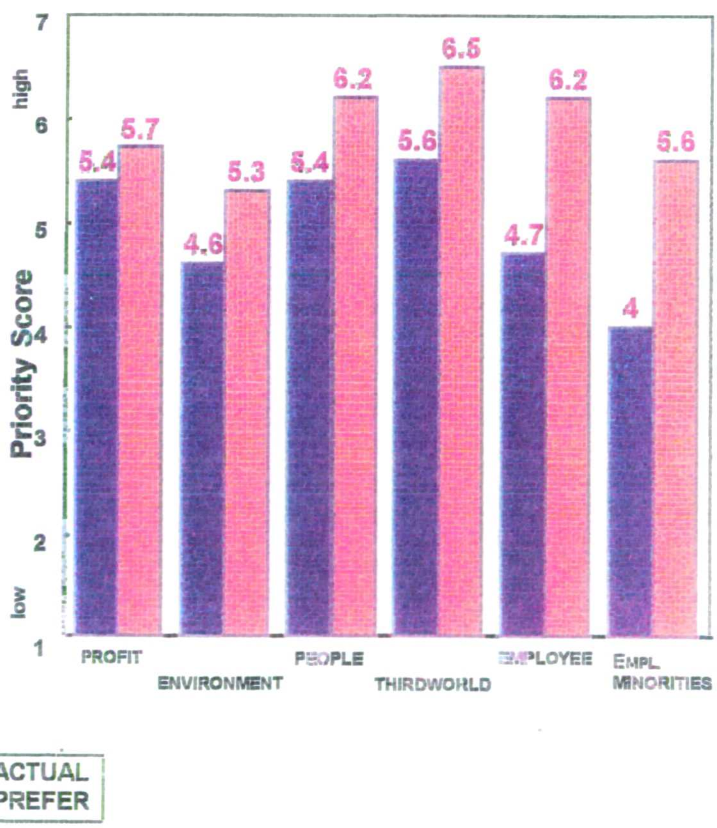
4 ORGANISATIONAL CULTURES

TOP-DOWN CULTURES		BOTTOM-UP CULTURES	
POWER	**ROLE**	**VALUES**	**SUPPORT**
Based upon: **Top management personal strength**	Based upon: **Structure and systems**	Based upon: **Higher company purpose**	Based upon: **Relationships**
			
DIRECTION DECISIVENESS DETERMINATION	ORDER STABILITY CLARITY	SHARED VALUES HIGH PERSONAL ENERGY IDEALISM	RESPECT FOR DIFFERENCES CARING FOR ITS WORKERS CO-OPERATION
Extreme Examples: **Small family owned firms / Start-up businesses**	Extreme Examples: **Civil Service / Army**	Extreme Examples: **Intensive care unit / Fire fighting unit**	Extreme Examples: **Debating society / Liberal arts college**

TRAIDCRAFT'S CULTURAL MIX



TRAIDCRAFT'S PRIORITIES



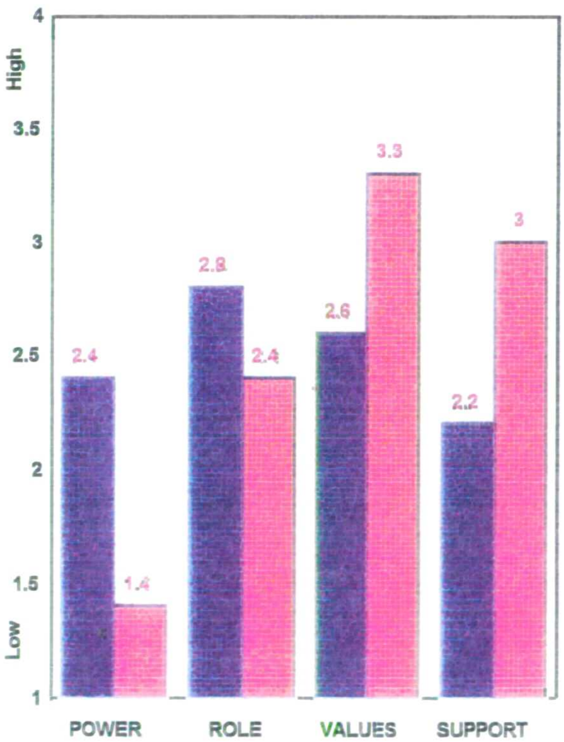
APPENDIX 7

SUMA'S SUMMARY SHEET

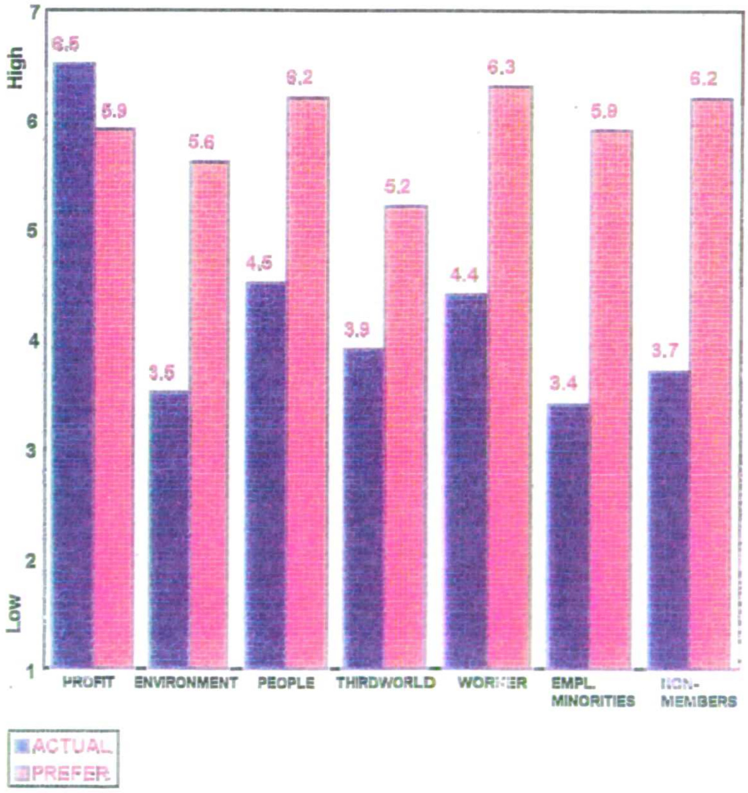
4 ORGANISATIONAL CULTURES

EXTERNAL REWARD CULTURES		INTERNAL REWARD CULTURES	
POWER	**ROLE**	**VALUES**	**SUPPORT**
Based upon: **Key individuals**	Based upon: **Structure and systems**	Based upon: **Higher company purpose**	Based upon: **Relationships**
			
DIRECTION DECISIVENESS DETERMINATION	ORDER STABILITY CLARITY	SHARED VALUES HIGH PERSONAL ENERGY IDEALISM	RESPECT FOR DIFFERENCES CARING FOR ITS WORKERS CO-OPERATION
Extreme Examples: **Small family owned firms / Start-up businesses**	Extreme Examples: **Civil Service / Army**	Extreme Examples: **Intensive care unit / Fire fighting unit**	Extreme Examples: **Debating society / Liberal arts college**

SUMA'S CULTURAL MIX



SUMA'S PRIORITIES



APPENDIX 8

TRAIDCRAFT'S INTERVIEW GUIDE

TRAIDCRAFT INTERVIEW

Interview No.__________

Interview Date_______ Tape No._________

Time In__________ Time Out_________

Interviewee Name______________________________

Sex_____________

Current Department_______________________

Current grade_____________

Years with Company________ Years in current position_________

EXPLAIN CONFIDENTIALITY & TAPE RECORDING CONSENT & 2 HOURS DURATION

STRUCTURE OF INTERVIEW: 2-way process of reporting back questionnaire results and receiving your feedback . But before I do that:

1. Can you give a brief history of your career at Traidcraft?

Brief Work History:

____

____

____

____

____

2. What are the major problems or issues in Traidcraft and in your job?

____

____

____

____

____

____

____

PART 1

PURPOSE OF INTERVIEW SUMMARY

1. To discuss what it feels like (looks like) to work in Traidcraft- its current CULTURE (How you are treated, management style etc.)?

2. To discuss which culture you would prefer to see?

3. To discuss the barriers to achieving your preferred culture/why current culture isn't preferred culture?

Culture definition:
An organisation's culture is to an organisation what personality is to a person. Culture is made up of those aspects of the organisation that give it a particular feel. It represents the distinctive values, beliefs, work styles, relationships that distinguish Traidcraft from other companies.

In order to start the discussion it would be sensible to look at your feelings towards Traidcraft's current culture (when I say your feelings, what I mean is what I have found to be Traidcraft employees' feelings in general). The first part of the questionnaire attempted to measure your current culture along the following 4 dimensions, Power, Role, Values-driven and Support. It must be stressed that every organisation has some combination these 4 basic organisational cultures - a particular cultural mix. However, in order for you to understand what I have found to be Traidcraft's cultural mix I will now describe what I mean by pure forms of each culture.

DESCRIPTION OF 4 CULTURES SUMMARY

POWER CULTURE
ROLE CULTURE
---------------------------------- Talk about general difference between P/R & V/S
VALUES CULTURE
---------------------------------- Talk about general difference between V & S
SUPPORT CULTURE

1. CURRENT CULTURE

Summary

As you can see there is not much difference between the current scores for each dimension i.e.It represents a balanced culture.

Current
Culture Questions

1. In what ways does this mix accurately describe Traidcraft's culture?

____
____
____
____
____

2. In what ways does this mix not accurately describe Traidcraft's culture?

____
____
____
____
____

3. Can you explain why you think the:

a) Power dimension is almost at the same level as the Values-driven dimension ? E.G.s

b) Role dimension is almost at the same level as the Values-driven dimension? E.G.s

c) Values-driven dimension is at that level? E.G.s

d) Support dimension is almost at the same level as the Values-driven dimension?E.G.s

4. In what ways is this mix changing due to BPR?

5. What are the weaknesses of this mix?

6. What are the stengths of this mix?

7. Taking account of these strengths and weaknesses, what effect do you think the current mix has on your job performance (& feelings towards Traidcraft), your values and why?

2. PREFERRED CULTURE

Summary

In order to explore which culture would produce the greatest commitment from Traidcraft employees such as yourself, I asked you which culture you would prefer to work in.
As you can see, Traidcraft employees as a whole would prefer a culture based primarily upon an VALUES-DRIVEN & SUPPORT, with slightly more VALUES-DRIVEN. Notice that the employees prefer a negligible amount of the POWER CULTURAL dimension, but want to keep the ROLE dimension at about the same level i.e. they are quite satisfied with this. This indicates that some

systems, rules and regulations are still required i.e. a sense of structure, order and bureacracy is O.K. Overall though looking at the difference between current and preferred:

Preferred
Culture Questions

1. In what ways does this mix accurately describe your preferred culture?

2. In what ways does this mix not accurately describe your preferred culture?

3. Can you explain why you prefer the:

a) Power dimension to be at a low level?

b) Role dimension to be at the same level?

c) Values-driven dimension to be at a higher level?

d) Support dimension to be at a higher level?

4. What do you think this culture would feel/ look like (structure, management style, reward systems, roles, responsibilities, accountability, training etc.)?

5. What effect do you think moving towards this mix would have on your job performance (& your feelings towards Traidcraft) and values and why?

PART 2

BARRIERS TO ACHIEVING PREFERRED CULTURE SUMMARY

I would now like to turn towards the second part of my question which is to focus upon the barriers to changing the current culture to the employees preferred culture. In other words where does the employee priorities fit in relation to the other priorities. In order to stimulate our discussion, as you may remember I asked you some other questions in the second part of the questionnaire. I explored the other priorities on Traidcraft that you see and would prefer to see. This was in the form of the importance of certain values to Traidcraft and the satisfaction of Traidcraft's different stakeholder groups. The following is a summary of the results:

1. CURRENT PRIORITIES

Summary

(PEOPLE=PROFIT) > ENVIRONMENT
PEOPLE: THIRD WORLD SUPPLIERS >> EMPLOYEES > EMPLOY. MINORITIES

2. PREFERRED PRIORITIES

Summary

PEOPLE > PROFIT > ENVIRONMENT I.E. PEOPLE IS MORE IMPORTANT THAN PROFIT
PEOPLE: THIRD WORLD SUPPLIERS>EMPLOYEES> EMPLOY. MINORITIES

Barriers to Change Questions

Bearing in mind these other priorities upon Traidcraft:

1. Why do you think Traidcraft does not already have this preferred culture?

2. What are the barriers to achieving this preferred culture?

3. By how far do you think Traidcraft could move towards this preferred culture?

4. What would this look like?

APPENDIX 9

SUMA'S INTERVIEW GUIDE

SUMA INTERVIEW

Interview No.__________

Interview Date_______ Tape No.__________

Time In__________ Time Out__________

Interviewee Name________________________________

Sex______________

Current Jobs________________________

Main Job_________________________

Current resposibilities (Co, officer, MC?)_____________

MEMBER/
NON-MEMBER

Years with Company_________

EXPLAIN CONFIDENTIALITY & TAPE RECORDING CONSENT & 2 HOURS DURATION

STRUCTURE OF INTERVIEW: 2-way process of reporting back questionnaire results and receiving your feedback . But before I do that:

1. Can you give a brief history of your career at Suma?

Brief Work History:

____

____

____

____

____

2. What are the major problems or issues in Suma and in your job?

____

____

____

____

____

____

PART 1

PURPOSE OF INTERVIEW SUMMARY

1. To discuss what it feels like (looks like) to work in Suma- its current CULTURE (How you are treated, management style etc.)?

2. To discuss which culture you would prefer to see?

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An organisation's culture is to an organisation what personality is to a person. Culture is made up of those aspects of the organisation that give it a particular feel. It represents the distinctive values, beliefs, work styles, relationships that distinguish Suma from other companies.

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DESCRIPTION OF 4 CULTURES SUMMARY

POWER CULTURE
ROLE CULTURE
---------------------------------- Talk about general difference between P/R & V/S
VALUES CULTURE
---------------------------------- Talk about general difference between V & S
SUPPORT CULTURE

1. CURRENT CULTURE

Summary

As you can see there is not much difference between the current scores for each dimension i.e.It represents a balanced culture. Role dimension scored the highest.

Current
Culture Questions

1. In what ways does this mix accurately describe Suma's culture?

____
____
____
____
____

2. In what ways does this mix not accurately describe Suma's culture?

____
____
____
____
____

3. Can you explain why you think:

a) Support dimension is not very high ? E.G.s.

b) Role dimension is the highest (Suma has a predominant support orientation)? E.G.s

c) Power dimension is high? E.G.s

d) Values-driven dimension is second highest? E.G.s

4. In what ways is this mix currently changing and why?

5. What are the weaknesses of this mix?

6. What are the stengths of this mix?

7. Taking account of these strengths and weaknesses, what effect do you think the current mix has on your job performance (& feelings towards Suma), your values and why?

2. PREFERRED CULTURE

Summary

In order to explore which culture would produce the greatest commitment from Suma workers such as yourself, I asked you which culture you would prefer to work in.
As you can see, Suma workers as a whole would prefer a culture based primarily upon an VALUES-DRIVEN & SUPPORT, with slightly more VALUES-DRIVEN. Notice that the workers prefer a negligible amount of the POWER CULTURAL dimension, but want to keep the ROLE dimension at about the same level i.e they are quite satisfied with this. This indicates that some systems, rules and

regulations are still required i.e. a sense of structure, order and bureacracy is O.K. Overall though looking at the difference between current and preferred:

Preferred
Culture Questions

1. In what ways does this mix accurately describe your preferred culture?

2. In what ways does this mix not accurately describe your preferred culture?

3. Can you explain why you prefer the:

a) Support dimension to be at such a high level but just lower than values?

b) Role dimension to be at about the same level?

c) Power dimension to be at a lowest level?

d) Values-driven dimension to be at a highest level?

4. What do you think this culture would feel/ look like (structure, management style, reward systems, roles, responsibilities, accountability, training etc.)?

5. What effect do you think moving towards this mix would have on your job performance (& your feelings towards Suma) and values and why?

PART 2

BARRIERS TO ACHIEVING PREFERRED CULTURE SUMMARY

I would now like to turn towards the second part of my question which is to focus upon the barriers to changing the current culture to the workers preferred culture. In other words where does the worker priorities fit in relation to the other priorities. In order to stimulate our discussion, as you may remember I asked you some other questions in the second part of the questionnaire. I explored the other priorities on Suma that you see and would prefer to see. This was in the form of the importance of certain values to Suma and the satisfaction of Suma's different stakeholder groups. The following is a summary of the results:

1. CURRENT PRIORITIES

Summary

PROFIT>PEOPLE>ENVIRONMENT
PEOPLE: WORKERS>THIRD WORLD SUPPLIERS>EMPLOY. MINORITIES & NON-MEMBERS

2. PREFERRED PRIORITIES

Summary

PEOPLE > PROFIT > ENVIRONMENT I.E. PEOPLE IS MORE IMPORTANT THAN PROFIT
PEOPLE: WORKERS>EMPLOY. MINORITIES & NON-MEMBERS>THIRD WORLD SUPPLIERS

Barriers to Change Questions

Bearing in mind these other priorities upon Suma:

1. Why do you think Suma does not already have this preferred culture?

2. What are the barriers to achieving this preferred culture?

3. By how far do you think Suma could move towards this preferred culture?

4. What would this look like?

APPENDIX 10

<u>LIST OF AUTHOR'S PUBLICATIONS</u>

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Jones, D.R. (forthcoming), The Sustainable Enterprise- Coping with Paradox. In N.Roome (ed.), 'Sustainability Strategies for Industry', Washington, D.C., Island Press.

Jones, D.R. (1997), A Cultural Development Strategy for the Sustainable Organisation: Lessons learnt from a Worker Co-operative, 6th Greening of Industry Conference, Santa Barbara.

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Jones, D.R. (1994), Culture Change Towards the Total Sustaining Organisation, Business Strategy and the Environment Conference, Nottingham.
Jones, D.R. (1994), The Total Sustaining Organisation, Management of Environment Quality Summer School, Stockholm.

APPENDIX 11

INDEPENDENT EVALUATION OF PUBLICATIONS

3 5 Conclusion

The quality and amount of research results presented for the evaluation committee clearly documents that David Jones has substantial research potential within the field of environmental management and within the area of organisation and behaviour in particular Although David Jones has not yet received his PhD degree, it is clear form David Jones' publications and other academic merits that he as the academic qualifications equivalent to a PhD Furthermore, his interesting educational background