Creating a Culture for Low-Carbon Innovation Adoption:
A Case Study of Boots UK

Dissertation Summary

Presented by

Adrian Erlenbach
MSc in Corporate Social Responsibility
Nottingham University Business School
Email: adrianerl@gmail.com

Presentation Overview

- Objective & Research Questions

- Key Concepts

- Theoretical Framework

- Methodology

- Findings

- Implications

- Prescriptive Guidance

Objective & Research Questions

- **Objective:** To explore the management of corporate sustainability in large organizations by investigating the cultural aspects that facilitate the adoption of low-carbon innovations at Boots UK.

  - Recent carbon reduction/energy efficiency innovations have failed to reach their full impact

  - Launching employee engagement program with the goal of embedding carbon reduction into the working culture of the business.

Objective & Research Questions

- The overarching question this study addressed was: **How does organizational culture impact the adoption of low-carbon innovations at Boots?**

  This broad question was broken down into three subquestions:

  1. Do subcultures exist within Boots' organizational culture? If so, how do they differ?

  2. If subcultures do exist at Boots, how should sustainability messages be communicated among these groups?

  3. How does the organizational culture at Boots impact the adoption of low-carbon innovations throughout the organization, particularly in terms of energy conservation behavior among employees? And how could Boots' culture be changed to facilitate desired behavior changes?
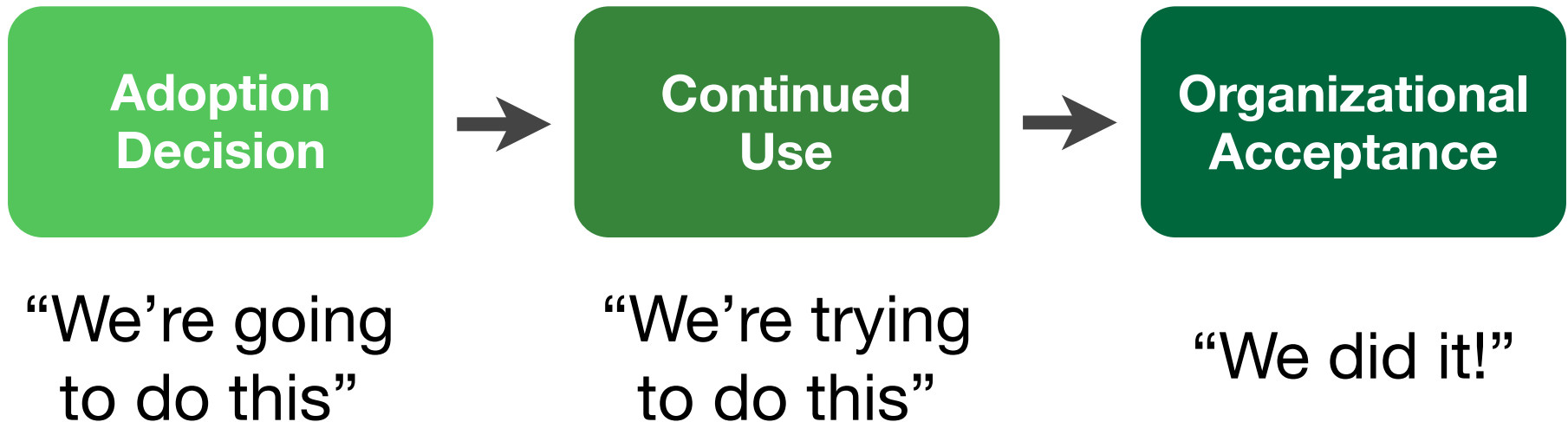
Key Concepts

The Boots Case

Innovation Adoption

Corporate Sustainability
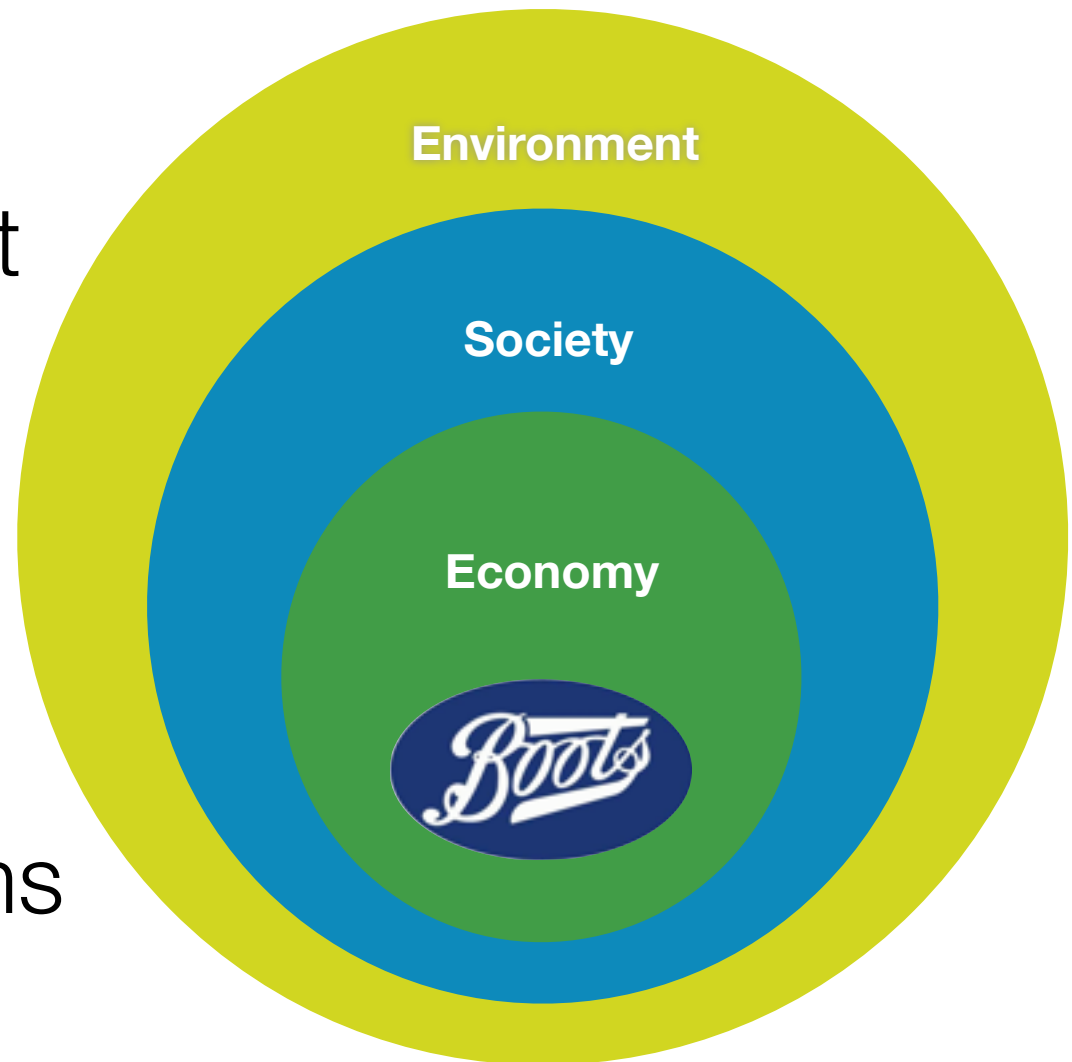
Organizational Culture

Theoretical Foundation

Key Concepts: Innovation Adoption

- Innovation Adoption = the process of putting new technologies and behaviors to use in an organization

Adoption Decision	→	Continued Use	→	Organizational Acceptance
"We're going to do this"		"We're trying to do this"		"We did it!"

Key Concepts: Corporate Sustainability

- Corporate Sustainability = the management of business in a way that recognizes and accounts for a company's embeddedness in social, environmental and economic systems
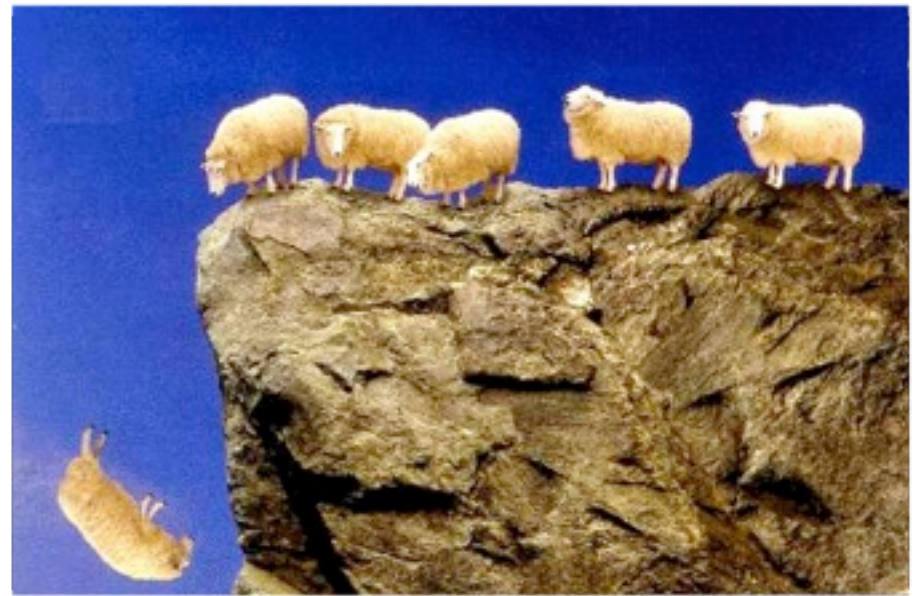
Key Concepts: Organizational Culture

- Organizational Culture = an interdependent set of values and ways of behaving that are common in a community and that tend to perpetuate themselves, sometimes over long periods of time; it's just 'the way things are done here'
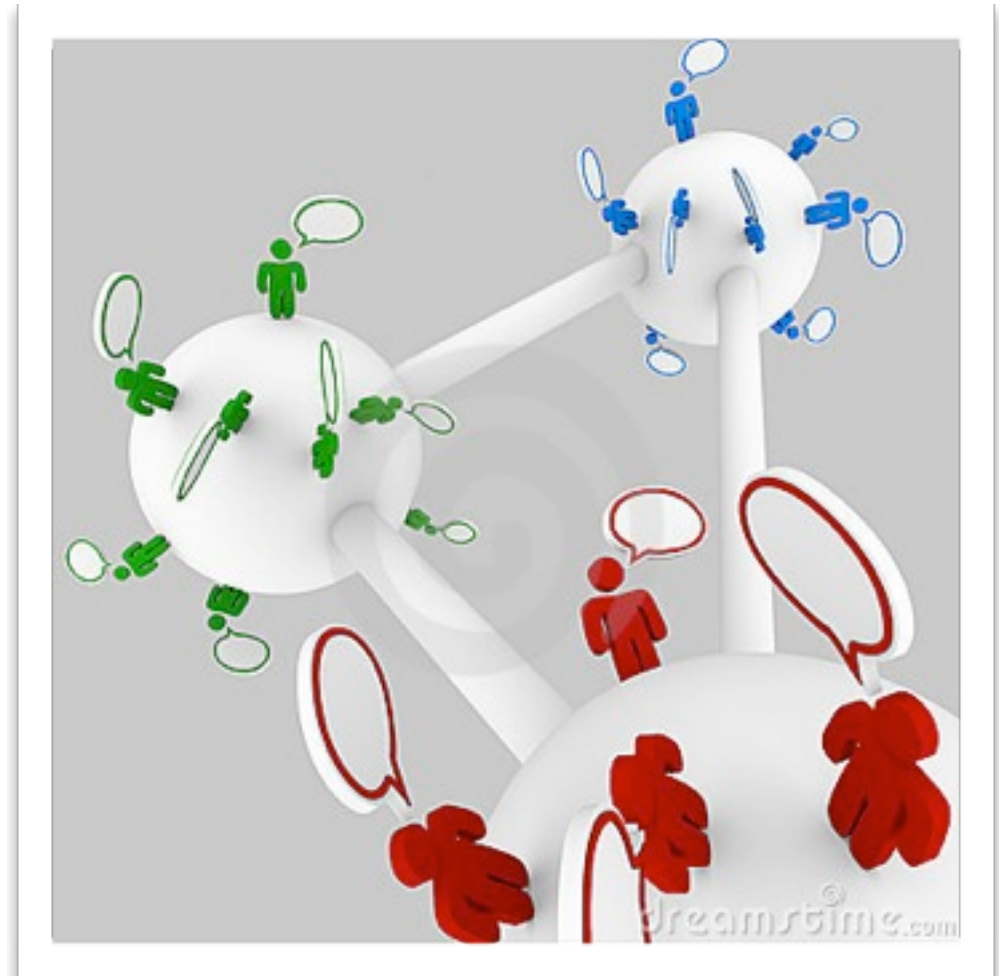
Key Concepts: Organizational Culture

- A strong culture can be good or bad for a company, it all depends on its contents.
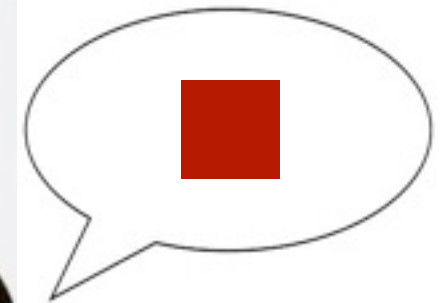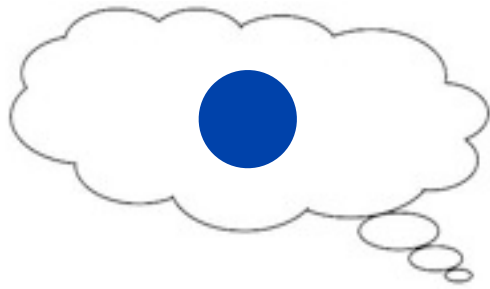
Key Concepts: Organizational Culture

- Although companies like to portray their cultures as strong and united, **subcultures** often exist based on differences such as employee background, job function and location.

Key Concepts: Organizational Culture

- Cultural fragmentation can inhibit sustainability implementation, as cultures with different values and beliefs will interpret sustainability messages differently.

Theoretical Framework

- This study used two recognized culture frameworks to study the Boots Case

  1. Competing Values Framework (CVF)

 2. Schein's 3 Levels of Organizational Culture

Theoretical Framework: CVF
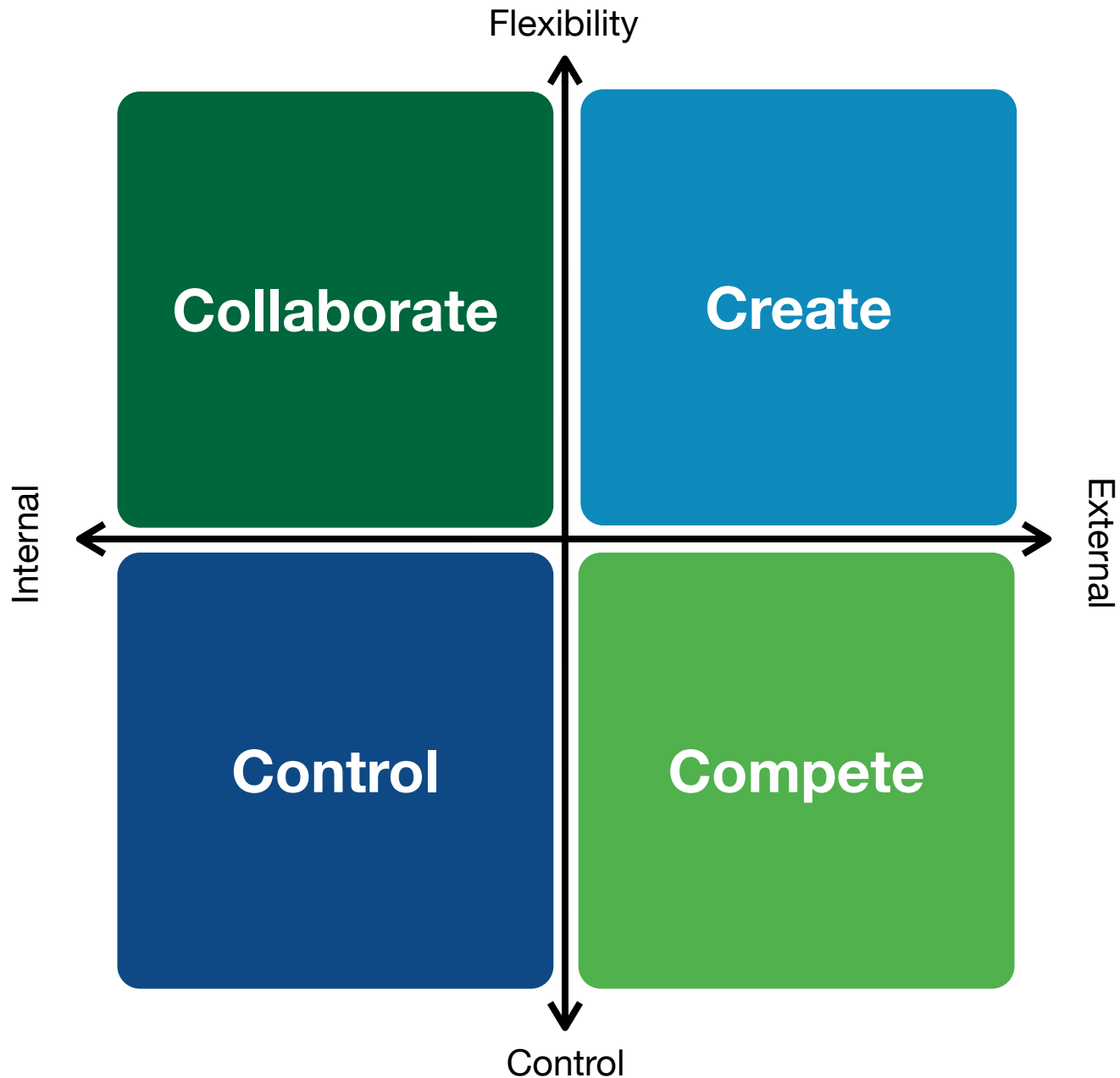
Theoretical Framework: CVF

- ## Collaborate Culture

A very friendly place to work where people share a lot of themselves. It is like an extended family. The leaders, or head of the organization, are considered to be mentors and, maybe even, parent figures. The organization is held together by loyalty or tradition. Commitment is high. The organization emphasizes the long-term benefit of human resource development and attaches great importance to cohesion and morale. Success is defined in terms of sensitivity to customers and concern for people. The organization places a premium on teamwork, participation, and consensus.
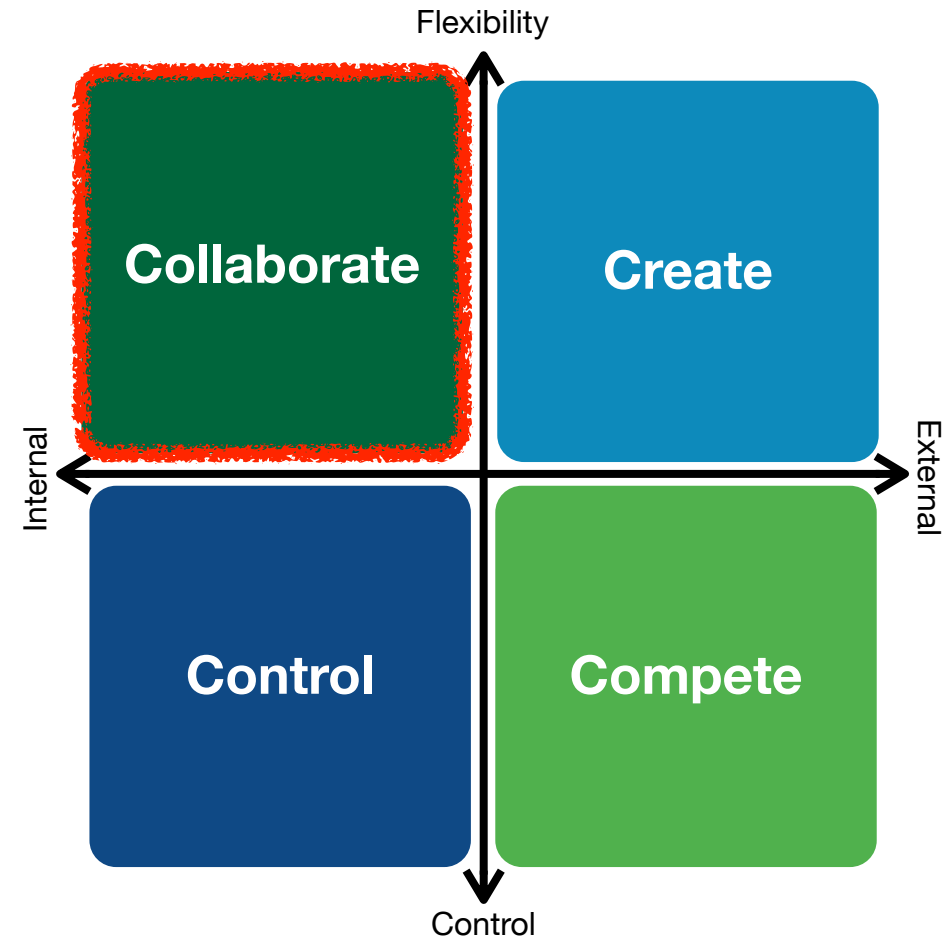
Theoretical Framework: CVF

- ## Create Culture

  A dynamic, entrepreneurial, and creative place to work. People stick their necks out and take risks. The leaders are considered to be innovators and risk takers. The glue that holds the organization together is commitment to experimentation and innovation. The emphasis is on being on the leading edge. The organization's long-term emphasis is on growth and acquiring new resources. Success means gaining unique and new products or services. Being a product or service leader is important. The organization encourages individual initiative and freedom.
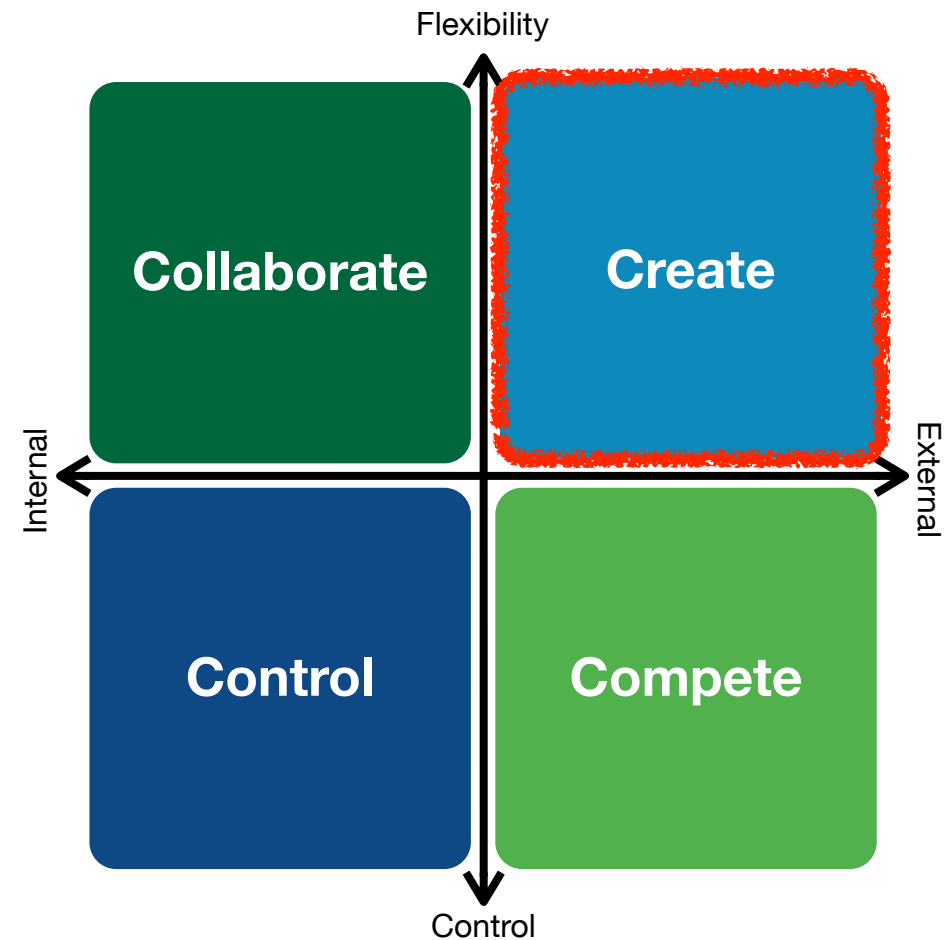
Theoretical Framework: CVF

- ## Compete Culture

A results-oriented organization. The major concern is getting the job done. People are competitive and goal-oriented. The leaders are hard drivers, producers, and competitors. They are tough and demanding. The glue that holds the organization together is an emphasis on winning. Reputation and success are common concerns. The long-term focus is on competitive actions and achievement of measurable goals and targets. Success is defined in terms of market share and penetration. Competitive pricing and market leadership are important. The organizational style is hard-driving competitiveness.

Flexibility

Collaborate	**Create**
Control	**Compete**

Internal

External
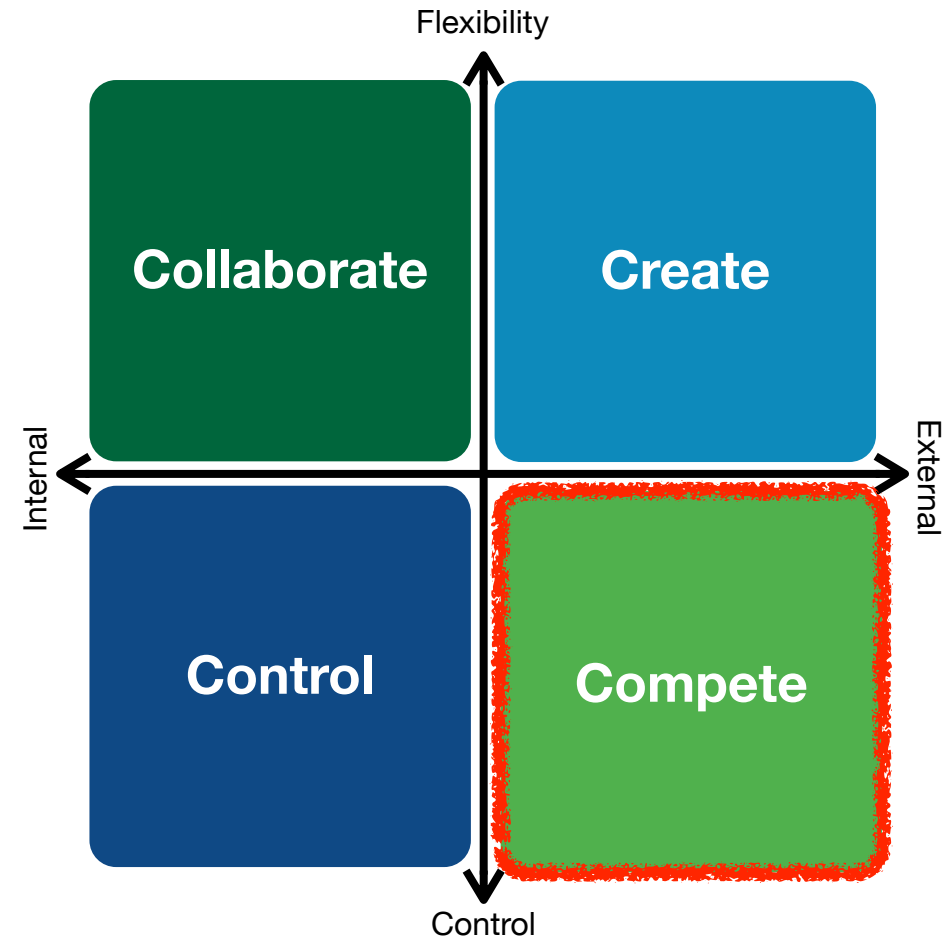
Control

Theoretical Framework: CVF

- ## Control Culture

A very formalized and structured place to work. Procedures govern what people do. The leaders pride themselves on being good coordinators and organizers, who are efficiency- minded. Maintaining a smooth- running organization is most critical. Formal rules and policies hold the organization together. The long- term concern is on stability and performance with efficient, smooth operations. Success is defined in terms of dependable delivery, smooth scheduling, and low cost. The management of employees is concerned with secure employment and predictability.

Flexibility

Collaborate	Create
Control	Compete

Internal   External

Control
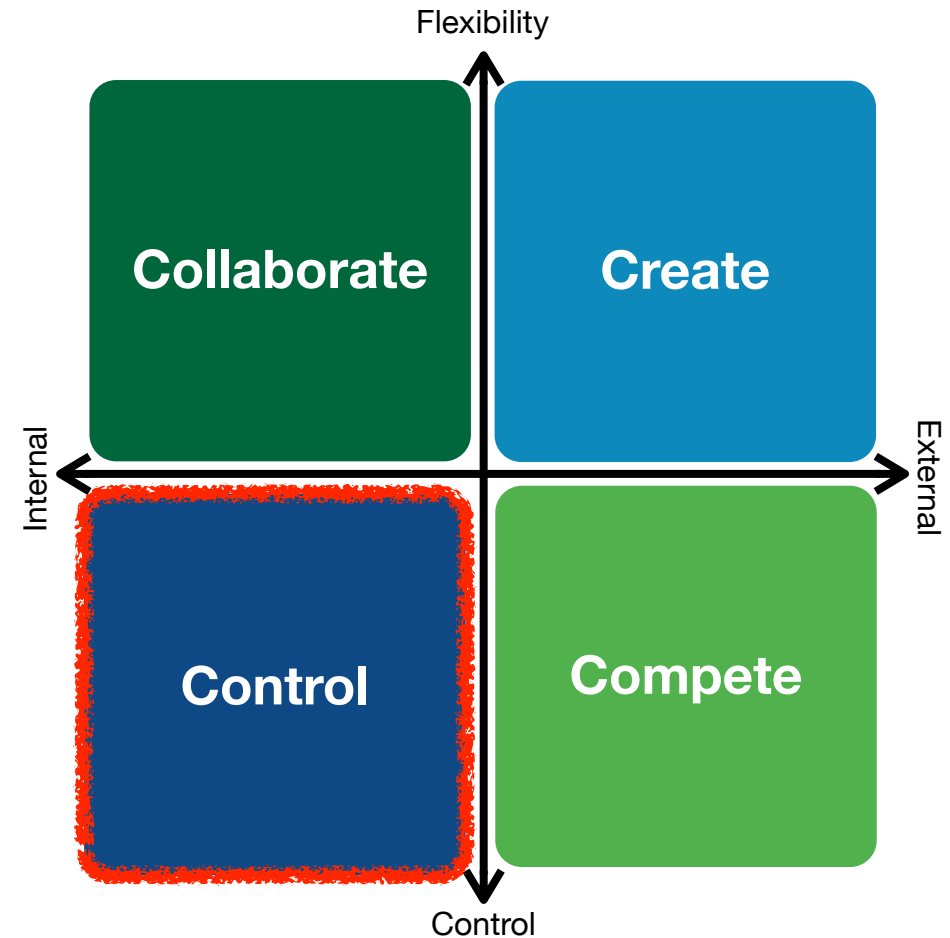
Theoretical Framework: Schein
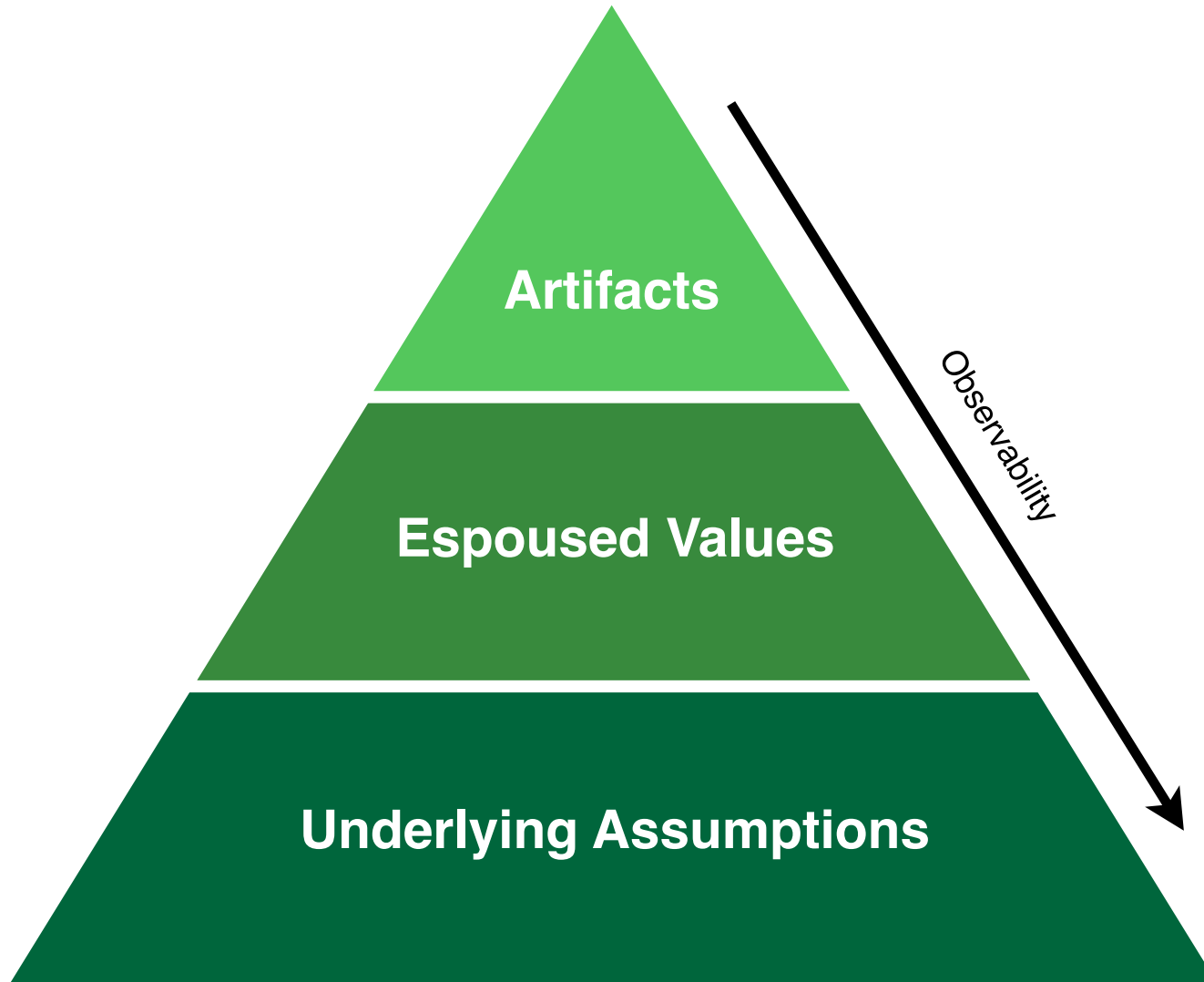
Theoretical Framework: Schein

- ## Artifacts

  Observable items such as physical objects, organizational structures and policies such as its management structure, dress code and physical work environment.

  ### Example:

  "At Digital Equipment Corp. people were constantly in meetings with each other, there were no walls or closed doors, they dressed informally, there was an intensity of feeling all around, and you got a sense of fast-paced action"
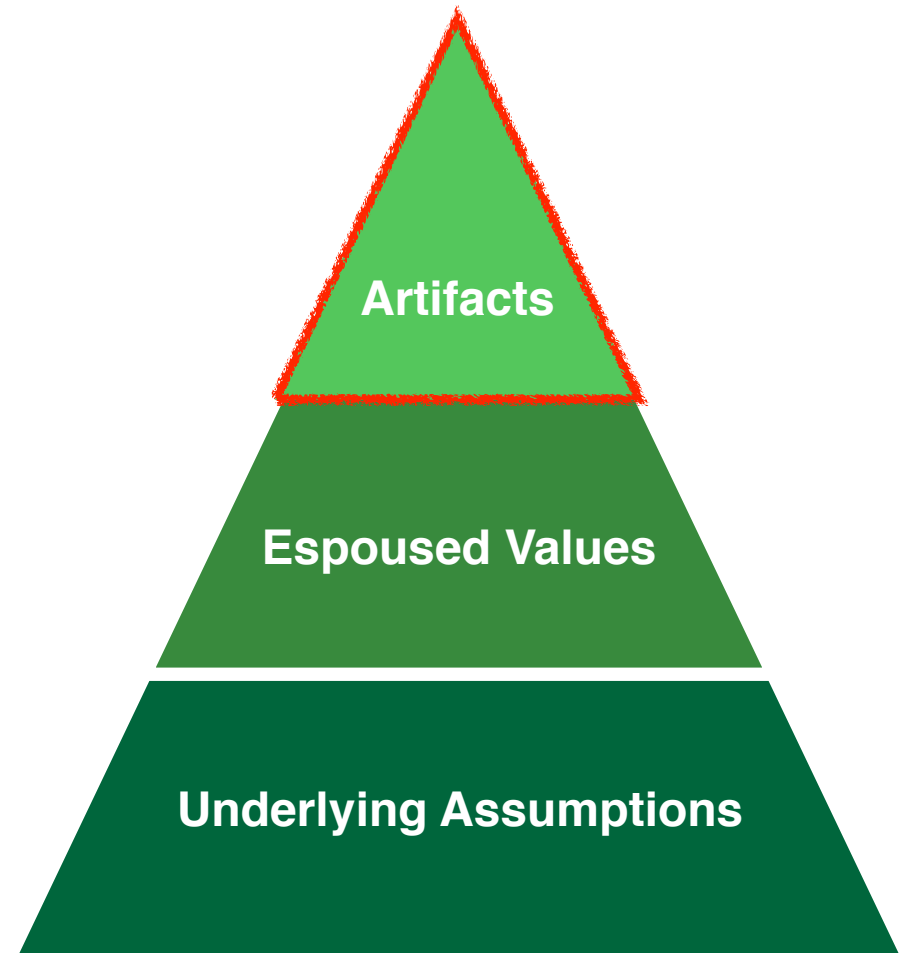
Theoretical Framework: Schein

- ## Espoused Values

  Beliefs and principles that a company supports, either directly through its stated strategies, goals and philosophies, or indirectly through the actions of leaders

  ### Example:

  "At Digital Equipment Corp. you were told that they believe in teamwork, that you cannot get good decisions without arguing out what everyone's point of view is and obtaining buy-in from those who have to implement decisions. Therefore they had to make it easy for people to communicate with each other. You may even have been told that these values came directly from Ken Olsen, the founder of the company and that at one time in the company's history he had even forbidden having doors on offices."

Artifacts

Espoused Values

Underlying Assumptions
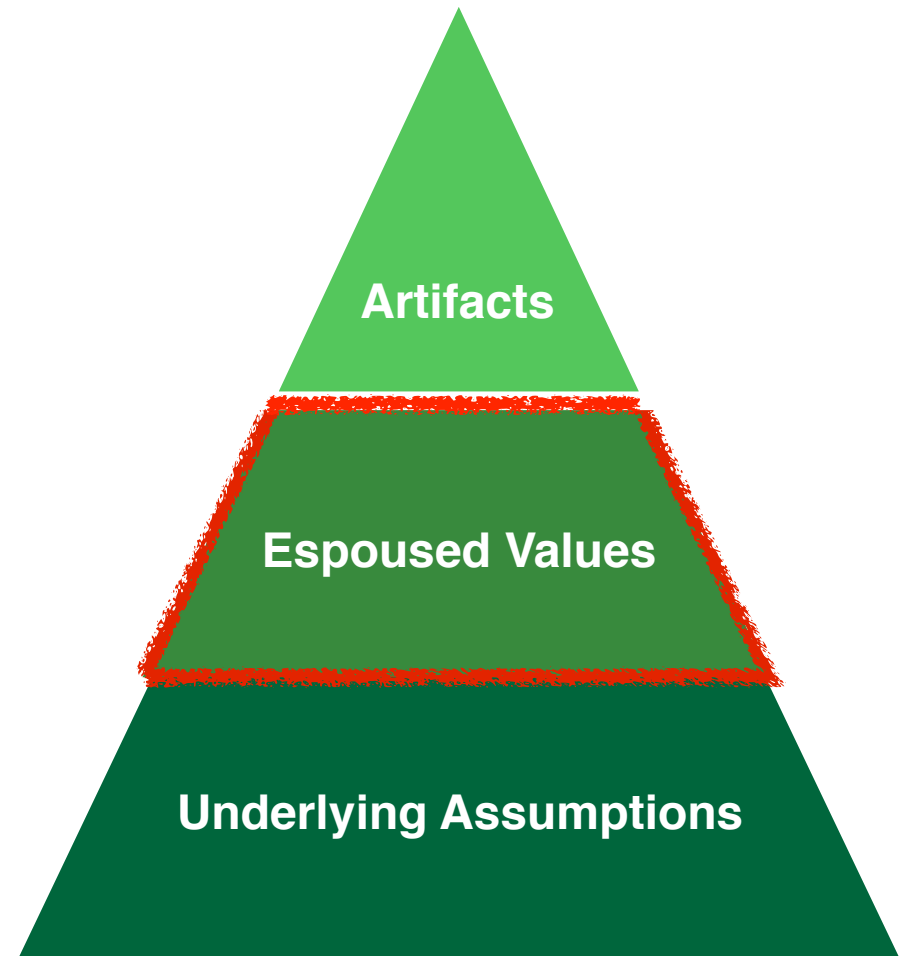
Theoretical Framework: Schein

- ## Underlying Assumptions

  Unconscious, taken-for-granted beliefs, perceptions, thoughts and feelings that drive values and action in an organization.

  Example:

  "Ken Olsen, the founder of Digital Equipment Corp., believed that, to obtain good decisions and implementation of those decisions, people must argue things out and get buy-in on all decisions, and that the imposition of this way of working created a set of products that were successful."
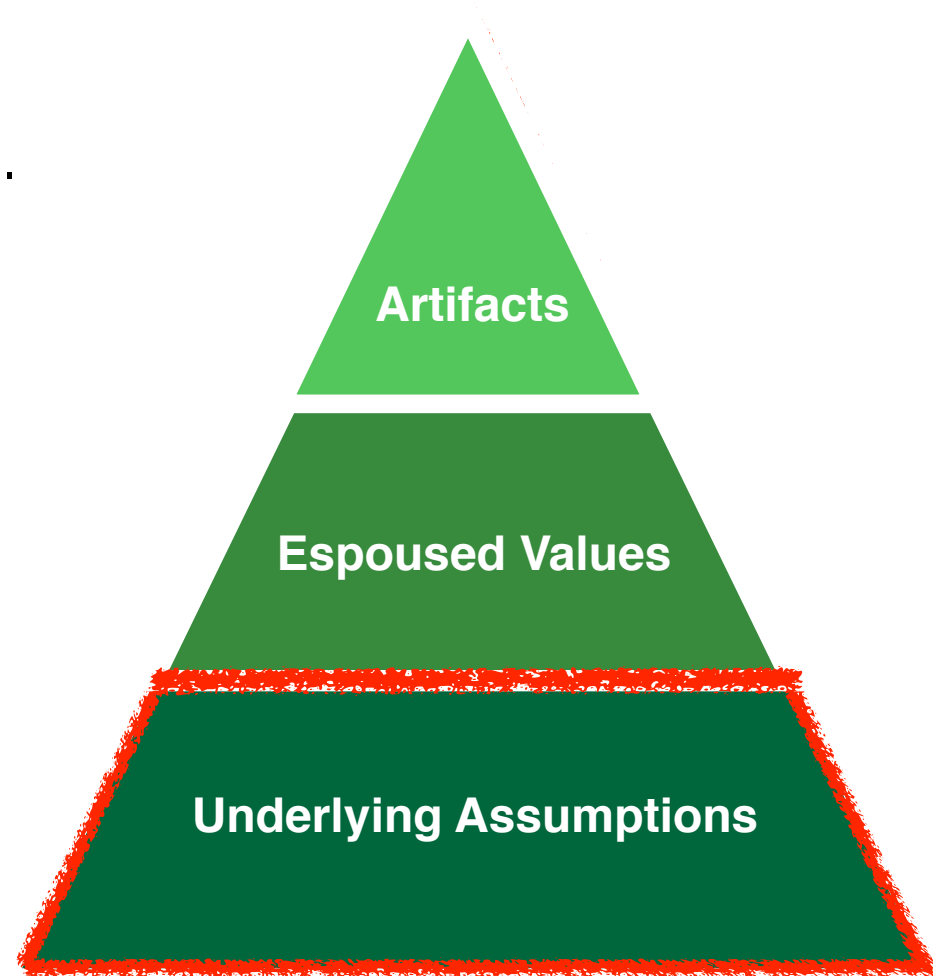
Data Collection: Quantitative

- The **Organizational Culture Assessment Instrument** (OCAI) provides an established, survey-based tool for diagnosing corporate culture under the CVF.

  - Administered to 22 employees in the Nottingham office, 18 employees in four of Boots' London stores

  - 'Cultural maps' resulting from this exercise provide a visual representation of the degree of cultural alignment between these two cultures

Data Collection: Qualitative

- Semi-structured employee interviews were used to further characterize these cultural systems and their compatibility with sustainable innovation adoption

  - Interviewed nine employees in the Nottingham office, nine employees in the London stores

  - Questions were based around Schein's three-level model of organizational culture (artifacts, values and assumptions).

Quantitative Findings: Current Culture

- Overall high degree of cultural alignment between Nottingham and London employees.

	Nott. Current	London Current
Collaborate (2nd Weakest)	22.29	23.63
Create (Weakest)	19.37	17.04
Compete (Strongest)	31.77	33.27
Control (2nd Strongest	26.67	26.17
	(N=22)	(N=18)
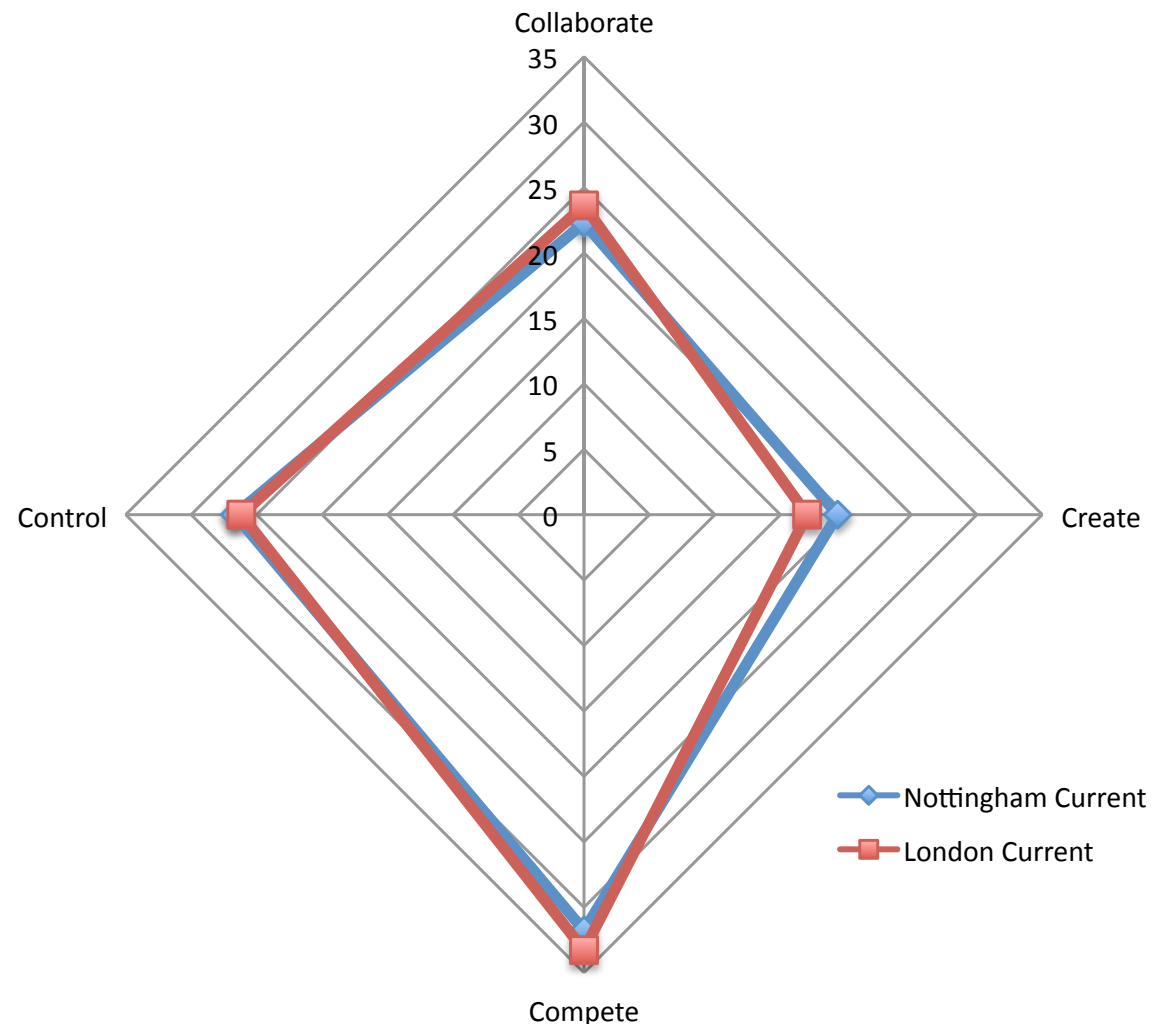
Quantitative Findings: Desired Culture

- Greater differences were revealed when the 'preferred' cultures of the Nottingham office and London stores were compared.
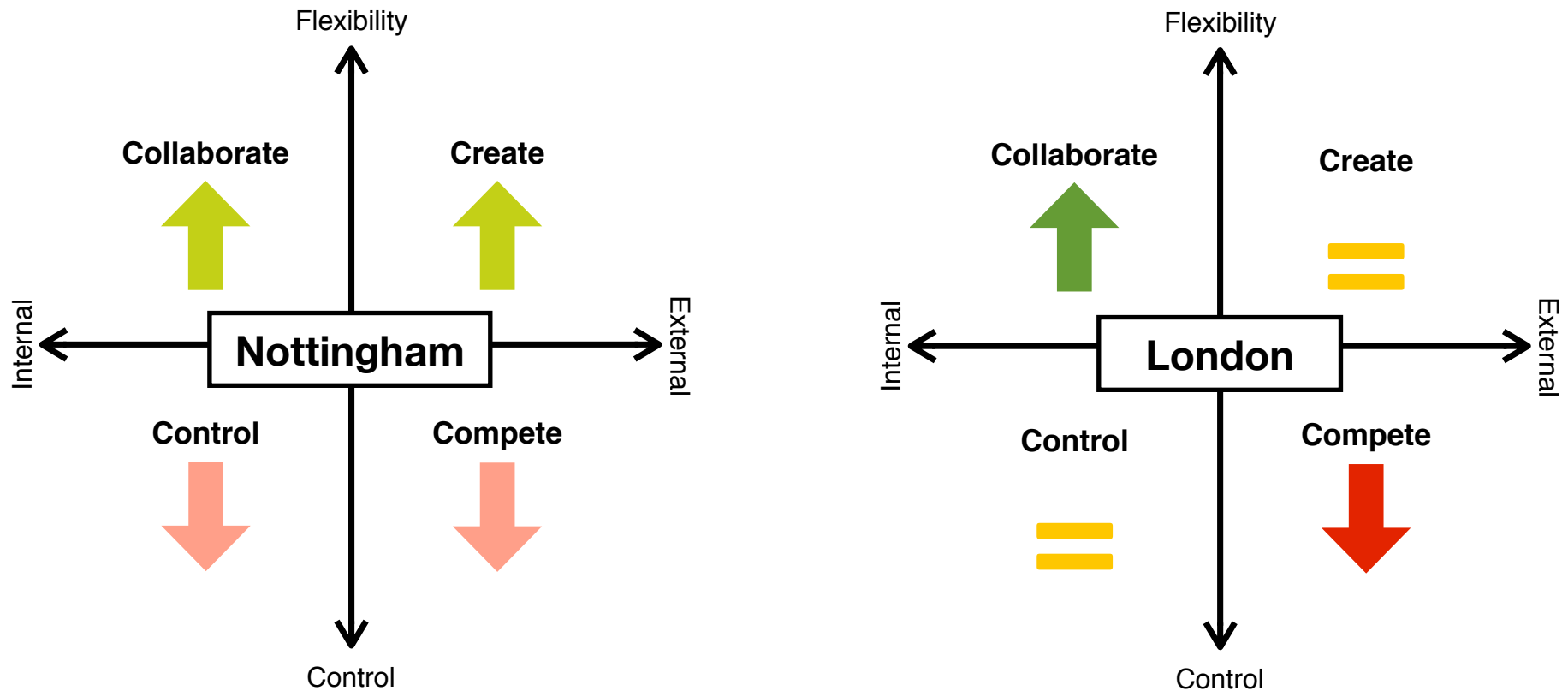
Degrees of Change Desired: Significant ⬆/⬇ = difference more than 10; Slight ⬆/⬇ = difference more than 3 and less than 10; Maintain (=) = difference less than three

Qualitative Findings

- The employee interviews allowed greater insight into the cultural context surrounding Boots' sustainability efforts.

Location and #	Date	Job Title
Nottingham 1	10 Oct	Project Engineer
Nottingham 2	10 Oct	Group Energy officer
Nottingham 3	10 Oct	Principal Engineer
Nottingham 4	10 Oct	CSR Analyst
Nottingham 5	10 Oct	Brand Manager
Nottingham 6	10 Oct	CSR Assistant
Nottingham 7	14 Oct	Retail Development Manager
Nottingham 8	14 Oct	Head of Engineering and Energy
Nottingham 9	25 Oct	Organizational Development Manager

Location and #	Date	Job Title
London (Kew Gardens) 1	20 Oct	Team Manager
London (Kew Gardens) 2	20 Oct	Beauty Advisor
London (Liverpool St.) 3	20 Oct	Operations manager
London (Liverpool St.) 4	20 Oct	Healthcare Manager
London (Liverpool St.) 5	20 Oct	Team Manager
London (Hounslow) 6	21 Oct	Pharmacy Manager
London (Hounslow) 7	21 Oct	Care Service Manager
London (Putney) 8	21 Oct	Sales Assistant
London (Putney) 9	21 Oct	Training Manager

Qualitative Findings: Artifacts

- Nottingham colleagues were able to name far more artifacts related to sustainability and energy, indicating a higher level of awareness

Nottingham Office	London Stores
•**CSR/Sustainability:** Recycling and rubbish bins; two-step printing system; Green Ambassadors program; on-site organic garden; product portfolio and evaluation system; Macmillan partnership; CSR training materials •**Energy and Carbon:** Annual Pavilion event for Energy Week; Mayday Network participation and carbon reduction commitments; on-site energy generation facility; technical upgrades such as automatic lights; training materials on the company intranet; delivery policies to save petrol; employee ride-sharing scheme.	•**CSR/Sustainability:** Recycling and waste separation processes; carrier bag policy; environmentally friendly products •**Energy and Carbon:** carbon reduction technologies (i.e. lights, EMS); posters and signs; controllable expenses; petrol-saving policy for pharmacy deliveries; dedicated e-learning module.

Qualitative Findings: Values

- Greater degree of overlap between 2 groups in values with two exceptions:
  - Nottingham valued heritage and brand value
  - London valued top-down processes and controls

Nottingham Office	London Stores
• Customer care, health and trust • Heritage and brand value • Employee development	• Customer care, health and trust • Employee development • Top-Down Processes and controls

Qualitative Findings: Values

Nottingham employees say:	London employees say:
• "I think it was the good reputation more than anything that first got me interested [in working at Boots]." • "…a lot of what Boots UK does gets down to the legacy our founder…So we have that story which we can tell, and we have that tradition of staying true to the values that Jesse Boot set up for us 160 years ago	• "If the company says to do something we do it. We don't actively seek things to do. As a manager a lot of the things I do are about implementing company processes. I don't create the processes." • "It's a good company to work for in the sense that they do everything by the book…there's a process to support you in everything you do."

Qualitative Findings: Assumptions

- Nottingham and London employees held both similar and differing assumptions.
  - Both saw energy/carbon as inseperable from other CSR issues.
  - Nottingham employees more likely to see normative reasons for pursuing sustainability

Nottingham Office	London Stores
Environmental issues are usually viewed as a peripheral concern, but this is starting to change. *The motivations behind Boots' sustainability efforts are both economic and normative.* *Issues and events outside of my department are not a major concern for me.* *Energy and carbon are just one part of the larger sustainability picture.*	*Energy and carbon are just one part of the larger sustainability picture.* *If my manager cares about sustainability, then so do I.* *Sustainability is not part of my job description.* *The motivation for Boots' sustainability efforts is mostly financial.*

Recommendations

- This study concluded with three recommendations for Boots' employee engagement efforts.
    - **Recommendation 1**: Create a Recognizable Brand to Unite All Sustainability Initiatives at Boots
    - **Recommendation 2**: Recruit and Train 'Green Ambassadors'
    - **Recommendation 3**: Connect Boots' Sustainability Efforts to Existing Normative Values

Recommendation 1

Create a Recognizable Brand to Unite All Sustainability Initiatives at Boots

- Tendency among Boots employees to group carbon and energy management issues with the wider sustainability agenda

- A recognizable brand would increase salience of less-known initiatives by connecting them with more popular ones

- Example: Marks & Spencer's Plan A Campaign

Recommendation 1

Create a Recognizable Brand to Unite All Sustainability Initiatives at Boots

Recommendation 1

Create a Recognizable Brand to Unite All Sustainability Initiatives at Boots

Recommendation 1

Create a Recognizable Brand to Unite All Sustainability Initiatives at Boots

Recommendation 1

Create a Recognizable Brand to Unite All Sustainability Initiatives at Boots

Recommendation 2

Recruit and Train 'Green Ambassadors'

- Current Managers
- Leadership style should match existing and desired culture
- Embraces existing employee development competency
- Enable top-down and bottom-up communication

Recommendation 3

Connect Boots' Sustainability Efforts to Existing Normative Values

- Combat assumption that 'sustainability is not in my job description'

- Find a way to connect with customer care in stores, heritage/brand value in head office

Any Questions?

http://adrianerlenbach.com/wp-content/uplo
Resume-May-10-201