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THE ROLE OF MIDDLE MANAGERS IN DEVELOPMENT AND IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITY / SUSTAINABILITY

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Chapter 1 - Introduction

Scholars have studied firms’ social concerns for many decades (e.g., Berle, 1931; Bowen, 1953; Davis, 1960; Dodd, 1932; Frederick, 1960). However, it is only recently that interest in corporate social responsibility (CSR) has become more widespread (Serenko & Bontis, 2009; Wagner, Lutz, & Weitz, 2009). Alongside the proliferation of CSR as an umbrella term that describes the role of business in society and corresponding responsibilities that are attributed to corporations, scholars have recognized that CSR implementation is a challenge, and have therefore begun to ask the question how CSR-related practices should be, and are in fact, organized internally (Baumann-Pauly et al., 2013; Maon, Lindgreen & Swaen, 2009), acknowledging that CSR is a difficult concept for businesses to interpret and implement.

This paper addresses the implementation challenge of CSR within business organizations, moving from a basic assumption. The study assumes that CSR implementation processes and strategy implementation processes present key similarities, as both the processes involve several actors in different functions and levels of the organization. Specifically two similarities stand out: first, the implementation of CSR is a change process, as the implementation of strategy; and second, both the processes require middle managers to play an active role. This active role played by middle managers is a quite recent development within the strategy field because, in the early work, strategy formulation and implementation was envisioned as the task of top management (and not of middle managers). This view was challenged when researchers started to pay attention to the social processes in which strategies are actually realized (Pettigrew, 1992; Mintzberg, 1978; Chakravarthy & Doz, 1992). According to this view, strategy is not only developed by top management but is also a venue where other actors play a key role (Burgelman, 1983, Bourgeois & Brodwin, 1984, Floyd & Lane, 2000). It has been argued that middle managers have a better understanding of
what strategies are realistic (Mintzberg, 1994), that the ideas of lower-level managers are key to organizational knowledge creation (Floyd & Lane 2000, Floyd & Wooldridge, 2000), and that these ideas help adapt organizational strategies to changing environments (Burgelman, 1983; Bourgeois & Brodwin, 1984, Noda & Bower, 1996; Lovas & Ghoshal, 2000). Furthermore, participation improves the implementation of strategic plans through increased commitment (Guth & MacMillan, 1986; Korsgaard et al., 1995; Klein & Sorra 1996; Kim & Mauborgne, 1998), integration of subunit goals (Ketokivi & Castañer, 2004), and collective sensemaking (Gioia & Chittipeddi, 1991; Gioia et al., 1994).

As it happens in the strategy implementation processes, in the implementation of CSR within the organization middle managers are crucial and uniquely positioned to further progress toward that objective. Middle managers are strategically located to insure the reliability and sustainability of systems in their firms, and are important to CSR performance of their firms (Godkin, 2014). Assessing extant CSR literature from this point of view, we recognize a lack of formalized and rigorous knowledge on the role of middle managers in CSR implementation and on the conditions under which they can properly play their role. Therefore, in this paper we take middle management as a necessary point of observation from which to study the organizational process associated with CSR implementation.

Theoretically, we address the issue under study referring to the broad concept of strategic ambiguity, intended as “those instances where individuals use ambiguity purposefully to accomplish their goals.” Eisenberg (1984, p. 230) argues that while clarity is an important aspect of communication, it might be more pragmatic to avoid being too specific in contexts where multiple contradicting goals exist. Middle management subsequently translates these equivocal directions into more specific objectives where possible, to target employees on an operational level. Strategic ambiguity of CSR has to do with key stakeholders expectation of the concept of CSR to exhibit clarity, consistency, and discursive
closure (Deetz, 1992). As previous research has advised (Scandelius et al., 2016) strategic ambiguity is applied to overcome a number of challenges in CSR communication. One of these challenges is that CSR communication includes aspirational goals on a strategic level as well as operational objectives. This study argues the existing conflict of desirability of both strategic ambiguity and clear operational objectives by middle managers.

The research is carried out in one of the CSR leading organizations, operating in the energy industry. Data was collected through ethnography including interviews, attending meetings, events, workshops, documents and other data gathering in interaction with individuals and specifically middle managers. Presence of the researcher as a practitioner for a period of 6 months within the organization revealed deeper insights and observation of CSR related activities at top and middle management level. The research project is an integrated process, which is divided in two streams. The first stream is concerned with understanding the middle management role in CSR development and implementation, and the inward stream is concentrated on the effort and rationales of CSR/sustainability department within the organization for involving middle managers in CSR implementation. The study involves multiple data-gathering methods such as document analysis, 60 semi-structured interviews, participant observation (Samra-Fredericks, 2010), work shadowing (Jarzabkowski & Seidl, 2008), daily activities and notes as practitioner.

As a result, this ethnographic research explores the conditions under which middle managers can operationalize strategic ambiguity used by top management in the CSR field. While Aguilera and colleagues (2007) for instance investigate individual characteristics and attitudes that drive CSR engagement, such as sense of self-esteem, belongingness, and purpose, they do not analyze the daily activities that people use to promote CSR implementation internally. At the same time, internal barriers such as lack of motivation and sheer interest in CSR, or even denial among employees of specific practices that might
hamper CSR implementation seem to be overlooked in the literature. These under-investigated areas in the CSR literature mirror under investigated areas in research on practice adoption and implementation.

The next sections unfold foundation of the theoretical framework through a reach literature review followed by: First we take seriously the role of middle management in strategy development and implementation. Second we review strategic ambiguity and its advantages. Third we refer to strategic ambiguity of CSR/sustainability and application of it. Fourth we concentrate on strategic ambiguity targeted to internal stakeholders and specifically middle managers, which leads us to define our research question. We then move on to present the context and methods followed by findings.
Chapter 2 - LITERATURE REVIEW

The literature review is composed of three parts: Corporate Social Responsibility (CSR), Middle Managers, and Strategic Ambiguity.

2.1. Corporate Social Responsibility

In this section we review the corporate social responsibility literature by looking at: ongoing debate of CSR definition followed by what we know and don’t know about CSR.

2.1.1. Ongoing Debate of CSR Definition

It is generally agreed that modern business is an integral part of society and its actions, and that businesses must participate in society in a responsible and ethically symbiotic way (e.g., George, 1990; Joyner et al., 2002). In management literature, the issues relating to sustainable and responsible ways of conducting business are typically discussed within the concepts of CSR, business ethics, Corporate Responsibility (CR), Corporate Citizenship (CC), stakeholder issues, and sustainability, etc.

The concept of CSR is rather imprecise at the moment, no universally accepted definition, and exists multiple related concepts and terms, which are interchangeable with CSR. Garriga and Melé (2004) defined four categories of CSR theories and related approaches: 1) instrumental theories that the corporation is seen as only an instrument for wealth creation. Friedman’s shareholder approach (Friedman, 1962), the strategic CSR approach (e.g., Baron, 2001; Prahalad and Hammond, 2002), and the resource-based approach (e.g., McWilliams and Siegel, 2001; Hart, 1995) belong to this category; 2) political theories, which concern the political power of corporations in society. The corporate constitutionalism approach to CSR (Davis, 1960) and Corporate Citizenship (as in Hemphill, 2004; Matten and
Crane, 2005) are good examples of this group; 3) integrative theories whose emphasis is on the satisfaction of social demands, including the community obligation approach (Selznick, 1957), the social obligation approach (Jones, 1980; McGuire, 1963), CSP (Sethi, 1975; Wood, 1991), and the stakeholder approach (Freeman, 1984; Clarkson, 1995a); and 4) ethical theories, based on the ethical responsibilities of corporations to society, good examples being modern CSR paradigms (Hancock, 2005), the normative approach (Smith, 2003; Epstein, 1987), and the stewardship approach (Donaldson, 1990).

The concept of CSR can be traced back to Sheldon (1924). The modern era of CSR began in the 1950s when Bowen, the father of CSR, initially defined it and emphasized the social obligations of modern enterprises (Bowen, 1953).

Caroll’s “The pyramid of CSR”, one of the most important CSR concepts, represents a hierarchy of four dimensions of responsibility: economic, legal, social, and philanthropic (Carroll, 1979, 1991). This includes multiple dimensions and incorporates various themes. Prioritising the economic dimension as an aspect of CSR may favour business practices (Visser, 2005), but its implicit hierarchy does not explain how these responsibilities are interwoven (Meehan et al., 2006).

The concept of “business ethics” is the interaction between ethics and business, which deals with moral standards and principles in business operations (Ferrell and Fraedrich, 1997). At the beginning, it was claimed that business ethics was just a new management fad which was not linked to the concept of CSR (Fisher, 2004), but business ethics and CSR were claimed to be closely interrelated immediately after (Joyner et al., 2002). Fisher (2004) summarized four theories concerning the relationship between CSR and business ethics: 1) CSR is ethics in an organizational context; 2) CSR focuses on the impact of business activity on society while business ethics is concerned with the conduct of this within organizations; 3) there is no connection between CSR and business ethics; and, 4) CSR has various dimensions,
one of which is ethics. The concept of “CSP” is “A business organization’s configuration of the principles of social responsibility, the process of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm’s societal relationships” (Wood, 1991). It includes: 1) the institutional, organizational, and individual principles of CSR; 2) the processes of corporate social responsiveness, such as environmental assessment, stakeholder management, and issues management; 3) the outcomes of corporate behavior (Melé, 2008). The major strength of this model is that it provides a coherent structure for assessing business and its relationship to society (Swanson, 1995). The weakness includes the vagueness of the concept, and lack of integration between ethical normative aspects and business activity (Melé, 2008).

The “shareholder approach” defines the social responsibility of business as to increase its profits, the supreme goal being to increase the economic value of the firm for its shareholders (Friedman, 1962, 1970). The major strength of this theory is the efficacy of this model for creating wealth, but its narrow view of the human being lacks any measure of social issues, and its atomistic version of society is questionable (Grant, 1991; Melé, 2008).

Unlike the shareholder approach, the “stakeholder approach” emphasizes that organizations should not only be accountable to their shareholders but also balance the interests of their other stakeholders, who can influence or be influenced by organizational activities (Marrewijk, 2003). It considers stakeholder rights and their legitimate interests, and links ethical theory to managerial theory (Melé, 2008), but it cannot provide a sufficient and specific objective function for the corporation, and is primarily concerned with the distribution of final outputs (Marcoux, 2000).

The concept of “Corporate Citizenship (CC)” considers the role of corporations as social institutions administering citizenship rights and participating in social activities (Matten and Crane, 2005). The notion of CC is defined in the global scope, which fits in to
the current business globalization and describes the clear role of business and its relationship to society. The major criticisms include its being a diffuse concept which contains many different topics and its dependence on managerial discretion and the philanthropic ideology (Melé, 2008).

The macro level concept of “Sustainable Development” (SD) seeks to “meet the needs of the present without compromising the ability of the future generation to meet their own needs” (World Commission on Environment and Development, 1987), and it integrates economic, social and environmental dimensions. SD is defined at multiple geographical levels, including interdependent sustainability elements. It focuses on collaboration, but is criticized for not being an objective and neutral concept (Visser, 2007).

It is widely recognized in the literature and discussion that responsible business covers three separate dimensions: economic, social, and environmental (see for example, Panapanaan et al., 2003; Andriof and McIntosh, 2001; Niskala and Tarna, 2003; Marrewijk, 2003). This viewpoint in particular has been centralized in the concept of the “Triple Bottom Line” (TBL), which suggests that to be truly successful, companies need to pay attention to three bottom lines: 1) Responsibility for economic success (profit), 2) Responsibility for the environment (the planet) and 3) Responsibility for society (people) (Elkington, 1998; Marrewijk, 2003).

Within this paradigm, business organizations were principally regarded as economic entities responsible for providing products and services to meet social needs and making an acceptable profit (Carroll, 1979). Economic responsibility typically meant the profitability and competitiveness of the company, as well as the socio-economic impact of its business.

There is a dramatic increase in the environmental consciousness and concerns on the effects of business activities on natural resources. Environmental responsibility becomes a critical dimension of TBL in the sense of meeting the needs of the corporation and society
without compromising the environment. Environmental responsibility highlights issues such as emissions, waste, energy use, and product life cycle.

Corporations do not operate apart from the society we live in, and business behavior has many direct and indirect impacts on society. Social responsibility pertains to fair and beneficial business behavior toward those involved people, such as employees, the community, and the region. There is a reciprocal social structure under the social responsibility dimension in which the well being of the corporate, labour and other stakeholders are interdependent (Elkington, 1998). Social responsibility covers human rights, employee welfare, and community concern and product safety (Andriof & McIntosh, 2001; Niskala and Tarna, 2003).

In summary, the term CSR is viewed as an umbrella concept, which covers all the concepts, related to sustainable, responsible, and ethical business behaviour.

2.1.2. What We Know About CSR

According to theoretical framework of corporate social responsibility by Aguinis and Glavas (2012) predictors are antecedents of CSR actions and policies (i.e., CSR initiatives). Outcomes are those that result from CSR initiatives. Mediators are those variables that explain the underlying processes and mechanisms of why CSR initiatives are related to an outcome, while moderators describe the conditions under which CSR initiatives influence outcomes. In the following sections, we critically review the CSR literature at each level of analysis (i.e., institutional, organizational, and individual).

*Institutional Level of Analysis*

*Predictors.* Firms engage in CSR due to institutional pressures, particularly from stakeholders (e.g., Agle, Mitchell, & Sonnenfeld, 1999; Boal & Peery, 1985; Sharma &
Henriques, 2005; Stevens, Steensma, Harrison, & Cochran, 2005). Over three decades ago, Grunig (1979) found that different stakeholders have different expectations regarding a firm’s CSR. More recent work has revealed that stakeholders take on different roles and engage in different activities while attempting to influence firms to engage in CSR. Specifically, stakeholders can be shareholders (David, Bloom, & Hillman, 2007), consumers (Christmann & Taylor, 2006; Sen & Bhattacharya, 2001), the media (Davidson & Worrell, 1988; Weaver, Treviño, & Cochran, 1999a, 1999b), the local community (Marquis, Glynn, & Davis, 2007), and interest groups (Greening & Gray, 1994). Regardless of their specific role, Aguilera et al. (2007) theorized that stakeholders have three main motives for pressuring firms to engage in CSR: (1) instrumental (i.e., self-interest driven), (2) relational (i.e., based on a concern with relationships among group members), and (3) moral (i.e., based on a concern with ethical standards and moral principles).

The ways in which stakeholders can serve as catalysts for CSR initiatives are quite diverse. For example, Sen and Bhattacharya (2001) found that customers influence firms through their evaluations and product purchasing, and Christmann and Taylor (2006) ascertained that customers also exert influence through customer monitoring and expected sanctions. Also, interest groups exert influence using public statements that, as Greening and Gray (1994) found, influence firms to change policies to be more focused on societal issues. In short, stakeholders apply pressure primarily through impacting potential revenues and resources and the reputation of the firm.

The review revealed additional institutional-level predictors of CSR actions and policies. These include regulation (Buehler & Shetty, 1974; Fineman & Clarke, 1996) and standards and certification (Christmann & Taylor, 2006). An interesting finding regarding the effects of standards and certification is that they might actually diminish the focus on substantive CSR because management may become principally concerned with symbolic
activities that serve to minimally comply with requirements (Tenbrunsel, Wade-Benzoni, Messick, & Bazerman, 2000).

**Outcomes.** A consistent finding regarding the institutional-level outcomes of CSR initiatives is an improvement in a firm’s reputation (Brammer & Pavelin, 2006; Fombrun & Shanley, 1990; Turban & Greening, 1997; Verschoor, 1998; Waddock & Graves, 1997b). Such a positive effect has been found, for example, on the part of consumers (Arora & Henderson, 2007; Sen & Bhattacharya, 2001), who respond to CSR through favorable evaluations of the company and its products (Brown & Dacin, 1997; Ellen, Mohr, & Webb, 2000; Sen & Bhattacharya, 2001) as well as through increased loyalty (Maignan, Ferrell, & Hult, 1999).

**Mediators.** In a meta-analysis of CSR–outcomes relationships, CSR was found to improve a firm’s reputation and goodwill with external stakeholders, which resulted in increased financial performance (Orlitzky, Schmidt, & Rynes, 2003). A few studies have found that the relationship with customers is an important mediator of the CSR–outcomes relationship, specifically customer satisfaction (Lev, Petrovits, & Radhakrishnan, 2010; Luo & Bhattacharya, 2006), consumer–organization fit (Sen & Bhattacharya, 2001), and consumer trust (Vlachos, Tsamakos, Vrechopoulus, & Avramidis, 2009). Besides these five studies, the major review revealed that there seems to be a black box regarding the relationship between predictors and outcomes of CSR at the institutional level of analysis. Specifically, not much is known about institutional-level variables that may serve as mediators. In other words, underlying mechanisms between predictors and outcomes of CSR are rarely, if ever, investigated at this particular level of analysis.
Moderators. The relationship between CSR and outcomes at the institutional level of analysis varies primarily due to moderating effects related to stakeholders, firm environment, and industry. Regarding stakeholders, David et al. (2007) found that the relationship between CSR initiatives and outcomes is stronger as stakeholder salience increases—defined as those stakeholders who have power, legitimacy, and urgency. Regarding firm environment, increased regulation (Chatterji & Toffel, 2010) was found to strengthen the CSR–outcome relationship. Regarding industry, Chiu and Sharfman (2011) found that the relationship between CSR initiatives and outcomes was stronger in industries that were more visible to stakeholders, and Russo and Fouts (1997) found that growth of industry strengthens the CSR–outcome relationship.

Summary. Review of CSR at the institutional level of analysis results around the following six major conclusions. First, although studies may have different motives, as well as ways of doing so, the actions and influence of stakeholders serve as an important predictor of CSR actions and policies—they affect whether firms choose to engage in CSR and the types of CSR initiatives firms pursue. Second, institutional forces including regulation, standards, and certification also affect the extent of and types of CSR actions and policies firms choose to implement. Third, institutional forces can often lead to symbolic rather than genuine CSR actions and policies whereby firms may appear to engage in CSR, but these initiatives are simply intended to appease stakeholder demands or meet the minimum requirements of standards. Fourth, in terms of outcomes of CSR actions and policies, firms that engage in CSR are likely to improve their reputations and improve customer loyalty and evaluations of products. Fifth, regarding moderating effects, the relationship between CSR initiatives and outcomes changes depending on several institutional-level variables. For example, the CSR–outcomes relationship is stronger when stakeholders have more power and legitimacy and in the presence of increased regulation. Finally, the institutional-level
literature is virtually silent regarding mediators, or underlying mechanisms, of the CSR–outcomes relationships.

**Organizational Level of Analysis**

**Predictors.** A predictor of CSR engagement is a firm’s instrumental motivation—the perception that CSR is good for business and likely to lead to increased competitiveness (Bansal & Roth, 2000) and legitimacy (Bansal & Roth, 2000; Sharma, 2000). In addition, firms are motivated by normative reasons such as a sense of responsibility and duty (Bansal & Roth, 2000), following a higher order or morals (Aguilera et al., 2007), and a sense of stewardship (Davis, Schoorman, & Donaldson, 1997). Firm-specific variables are also influential in affecting CSR initiatives. An alignment of CSR with firm mission and values is an important predictor of CSR (Bansal, 2003; Maignan et al., 1999; Marcus & Anderson, 2006). Moreover, long-term institutional ownership (Neubaum & Zahra, 2006) and top management equity (Johnson & Greening, 1999) also positively influence CSR engagement. As for structure, firms are more likely to engage in CSR when their structures are more open to relationships with society. For example, Johnson and Greening (1999) found that corporate governance structures such as the inclusion of outside directors broadened the focus of the firm to go beyond the exclusive interest of shareholders.

**Outcomes.** A few studies explored the relationship between CSR and nonfinancial outcomes such as improved competitive advantage (Greening & Turban, 2000) and attractiveness to institutional investors (Graves & Waddock, 1994). Also, firm capabilities were found to improve as a result of CSR actions and policies, such as management practices (Waddock & Graves, 1997a), operational efficiencies (Sharma & Vredenburg, 1998), product quality (Agle et al., 1999; Johnson & Greening, 1999), and perceived quality of management
Furthermore, CSR initiatives have resulted in improved demographic diversity, especially regarding women and minorities (Johnson & Greening, 1999).

**Mediators.** As an example Surroca, Tribo, and Waddock (2010) did not find a direct relationship between CSR and financial performance in a sample of 599 companies in 28 countries; rather, the authors demonstrated that the CSR–outcome relationship was fully mediated by a firm’s intangible resources. Also, Sharma (2000) found that managerial interpretations of CSR as an opportunity mediates the CSR–outcome relationship.

**Moderators.** Scholars have investigated moderators, including financial performance (Brammer & Millington, 2004; Johnson & Greening, 1999; McGuire, Sundgren, & Schneeweis, 1988; Turban & Greening, 1997), slack resources (Bansal, 2003; Graves & Waddock, 1994; Waddock & Graves, 1997a), and lower debt levels (Graves & Waddock, 1994; Waddock & Graves, 1997a, 1997b), showing that when firms have more available financial resources, the relationship between CSR and outcomes is strengthened.

Visibility of the firm and relationships with the public has also been studied as moderators at the organizational level of analysis. For example, Fry, Keim, and Meiners (1982) found that as firms have a higher degree of public contact, the relationship between CSR engagement and outcomes is stronger. Also, a commonly investigated moderator at the organizational level is firm size (e.g., Buehler & Shetty, 1974, 1976; Godfrey et al., 2009; Graves & Waddock, 1994; Greening & Gray, 1994; Sharma, 2000; Waddock & Graves, 1997a, 1997b) such that as firm size increases, additional resources and visibility of the firm strengthen the relationship between CSR and outcomes.
Summary. Results of CSR review at the organizational level of analysis are around the following five major conclusions. First, firms engage in CSR primarily due to instrumental reasons such as expected financial outcomes. Second, firms also engage in CSR due to normative reasons that lie in the firm’s values (i.e., doing the right thing). Third, there is a small but positive relationship between CSR actions and policies and financial outcomes. In addition, despite the inconclusiveness regarding the actual size of the CSR–financial outcomes relationship, there are several nonfinancial outcomes that result from CSR such as improved management practices, product quality, operational efficiencies, attractiveness to investors, and enhanced demographic diversity (e.g., women and ethnic minorities). Fourth, only few studies explored mediators of the CSR–outcomes relationship. Underlying mechanisms identified thus far include a firm’s intangible resources and managerial interpretations of CSR as an opportunity. Finally, regarding moderators, the CSR–outcomes relationship is strengthened when level of exposure and visibility are high and size of the company is large.

Individual Level of Analysis

Predictors. Commitment from supervisors to CSR is an important predictor of CSR engagement (e.g., Greening & Gray, 1994; Muller & Kolk, 2010; Weaver et al., 1999a, 1999b). For example, Ramus and Steger (2000) found that employees who perceive strong signals of encouragement from their supervisors are more likely to develop and implement creative ideas that positively affect the natural environment. Related to these findings, two studies found that organizations that engage in CSR due to institutional forces but without management commitment engage in “decoupled CSR activities,” which are those that are disconnected from normal and ongoing activities seen as part of a firm’s core business (Weaver et al., 1999a, 1999b).
Given the findings regarding supervisor commitment to CSR, some researchers have found that its antecedents include values (Mudrack, 2007), similarity of individual values with organizational values (Bansal, 2003), and individual concern with certain issues (Bansal, 2003; Bansal & Roth, 2000; Mudrack, 2007). Personal values are part of the decision-making processes whether individuals realize it or not, so it is important to understand how values influence engagement in CSR (Hay & Gray, 1974; Swanson, 1999). Other predictors of individual commitment to CSR include pragmatic aspects, such as awareness of CSR guidelines (Weaver et al., 1999b), CSR training (Stevens et al., 2005), and attendance of CSR conferences (Johnson & Greening, 1999; Weaver et al., 1999a, 1999b).

The literature at the individual level of analysis has explored additional predictors of CSR. For example, Aguilera et al. (2007) put forward a conceptual framework that outlines how employee psychological needs drive engagement in CSR. In addition, Tuzzolino and Armandi (1981) proposed that CSR engagement is affected by developmental needs, such as physiological, safety, affiliative, esteem, and self-actualization. Also, Rupp, Ganapathi, Aguilera, and Williams (2006) offered a framework further developed by Rupp (2011) in which a more contemporary view of organizational justice explains why employees are driven by motives other than self-interest such as relational and moral. Related to this work, Rupp et al. (2010) used self-determination theory to explain that decisional contexts within organizations that foster employee competence, relatedness, and autonomy may also drive CSR engagement.

**Outcomes.** Working for socially responsible companies leads to increased organizational identification (Carmeli, Gilat, & Waldman, 2007), employee engagement (Glavas & Piderit, 2009), retention (Jones, 2010), organizational citizenship behavior (OCB; Jones, 2010; Lin, Lyau, Tsai, Chen, & Chiu, 2010; Sully de Luque, Washburn, Waldman, &
House, 2008), employee commitment (Maignan et al., 1999), in-role performance (Jones, 2010), employee creative involvement (Glavas & Piderit, 2009), and improved employee relations (Agel et al., 1999; Glavas & Piderit, 2009). In addition, Turban and Greening (1997) found that CSR increases firm attractiveness to prospective employees.

Mediators. Sully de Luque et al. (2008) found that managers’ emphasis on CSR values was associated with followers’ perceptions of visionary leadership, which positively influenced employees’ extra effort, which in turn positively influenced firm performance. Other mediators of the CSR–outcomes relationship are organizational identity (Carmeli et al., 2007; Jones; 2010) and organizational pride (Jones, 2010).

Moderators. Two variables that moderated the CSR–outcomes relationship at the individual level of analysis are the influence of supervisors, including their commitment to ethics (Muller & Kolk, 2010) and their equity sensitivity (Mudrack, Mason, & Stepanski, 1999)—the higher the commitment and sensitivity, the stronger the CSR–outcomes relationship. Also, individual employee discretion (Bansal, 2003) and salience of issues to employees (Bansal & Roth, 2000) were found to be moderators of the CSR–outcomes relationship such that the relationship becomes stronger as the values of these variables increase.

Summary. Although only a small minority of CSR research has focused on the individual level of analysis, we can summarize the results of review around the following four major conclusions. First, research at the individual level of analysis suggests that several normative motives influence CSR engagement, such as alignment to personal values and individual concern with issues. Second, regarding outcomes, involvement in CSR activities
and policies positively influences employee performance, behaviors, and attitudes. Specifically, CSR increases employee engagement, identification with the firm, OCB, retention, in-role performance, and commitment; also, CSR positively impacts firm attractiveness to prospective employees. Third, mediators of the CSR–outcomes relationship at the individual level of analysis are followers’ perceptions of visionary leadership, organizational identity, and organizational pride. Finally, the CSR–outcomes relationship is stronger as values for each of the following variables increase: supervisor commitment to ethics, equity sensitivity of managers, individual employee discretion, and salience of issues to employees (Aguinis and Glavas, 2012).

2.1.3. What We Don’t Know About CSR

First knowledge gap according to Aguinis and Glavas (2012) review, studies at the individual level of analysis generally draw upon psychological theories and focus on normative motives such as alignment to personal values, commitment, and awareness of CSR. On the other hand, studies at the institutional and organizational levels focus more on instrumental motives and theories related to institutional theory, stakeholder theory, and the resource-based view of the firm (e.g., financial outcomes, reputation, risk, reacting to stakeholder pressure, complying with regulations and standards). Thus, the first knowledge gap is the need to produce multilevel research that is capable of integrating these separate conceptual streams.

Second, there seems to be a lack of understanding of the underlying mechanisms linking CSR with outcomes. We seem to know quite a bit about the reasons why organizations engage in CSR, what happens as a result, and the conditions under which these results are more or less likely to be observed. In short, this second knowledge gap refers to the need to conduct research that can help us understand the processes and underlying mechanisms through which CSR actions and policies lead to particular outcomes.
Third, not much is known about CSR from the perspective of the individual level of analysis. We need a better understanding of the predictors that influence individuals to carry out CSR activities. Moreover, although CSR takes place at the organizational level of analysis, individual actors are those who actually strategize, make decisions, and execute CSR initiatives. Also, individual actors perceive such initiatives and take action as a result (e.g., purchase products, invest in firms).

Finally, more qualitative studies are needed to improve our understanding of the underlying mechanisms of CSR. Results of Aguinis and Glavas (2012) review indicate that only 20 (i.e., 11%) of the studies in their content analysis employed qualitative methodologies, with over half of the qualitative studies being case studies or interviews that set up quantitative studies. In sum, there is a need to expand the methodological repertoire used by CSR research; the use of additional methodological approaches will be instrumental in addressing knowledge gaps.

Although CSR takes place at the organizational level of analysis, individual actors are those who actually strategize, make decisions, and execute CSR initiatives, therefore this research concentrates on the third knowledge gap, which is the lack of CSR studies from the perspective of the individual level of analysis. In the following section we will review middle managers literature as crucial individual actors within the organization.

2.2. MIDDLE MANAGERS

Middle management is a necessary point of observation from which to study the organizational process associated with building and renewing capabilities. This section includes: middle managers and CSR, foundations of the middle management perspective and results of middle management studies.
2.2.1. Foundations of the Middle Management Perspective

The recognition in the research literature of middle management’s relevance to strategy began in the 1970s. Up to that point, conceptualizations of management generally, and strategy in particular, assumed a top-down analytical process that separated decision making from action. Strategy making is assumed to be a decision making process involving one top manager or a relatively small group of upper-level actors, and the central questions revolve around how to formulate and implement high-quality strategic decisions. From the choice perspective, the role of middle managers in the formulation of strategy is limited to providing input. The primary role of middle management from this perspective is implementing strategy.

The distinction between formulation and implementation that is central in the choice perspective became one of the launching points for Mintzberg’s (1978) seminal critique of the early literature. Mintzberg maintains that separating formulation from implementation imposes a false division of work between top managers (i.e., thinking) and other organizational members (i.e., doing) in strategy formation. Mintzberg’s (1978) own framework begins with a focus on realized strategy, the actual pattern of actions and decisions in the organization. He argues that realized strategy forms from emergent influences at middle and lower levels of the organization, as well as from deliberate influences emanating at the top (Mintzberg & Waters, 1985). Strategy making from this perspective is less a process of choice and more a matter of social learning, that is, managers and others in the organization learning how to adapt to a changing environment. This view opens up the strategy process for substantive, emergent influence by middle managers.

Mintzberg was not alone in recognizing an expanded role for middle-level actors in strategy development. Bower (1970) and Kanter (1982) both provided richly detailed, book-length case studies of middle managers defining as well as implementing strategy. Schilit and Locke (1982) were also early to recognize the importance of upward influence by middle-
level managers, and Schilit’s (1987) study was one of the first to examine middle managers’ strategic influence in a large sample. Schilit’s (1987) results were encouraging. Overall, he found that attempts by middle management to influence strategy were often successful.

Starting with another rich data set, Burgelman (1983a) developed an evolutionary model of strategy making, and in so doing, provided a theoretical basis for a new division of work between middle and top management in strategy making. In this model, internal selection mechanisms (i.e., resource allocation processes) are seen to govern the development of strategy, and the substance of strategic change evolves on the basis of variation in the form of autonomous strategic initiatives. The incentive for autonomous initiatives stems not from top managers but from idea generation at lower levels, coupled with middle managers that recognizes and champion these ideas as new strategic initiatives and/or corporate new ventures. In this context, rather than formulating changes in strategy, the role of top managers is to consider and ratify middle management initiatives and to create the necessary process architecture for an adaptive strategy process (Burgelman, 1983a).

This early work set the stage for a number of studies in the 1990s and beyond that support a broader view of the relationship between middle management activity and strategy. Wooldridge and Floyd (1990), for example, hypothesized that middle management could influence strategy either by improving the quality of decisions or by increasing the efficiency of implementation. Overall, their findings showed effects on the quality of decisions to be more important than those flowing from improved implementation. Consistent with a more pervasive influence by middle-level actors, Hart (1992) incorporated the involvement of organization members as one of three dimensions that characterize archetypes of strategy making (Hart, 1992). As a result of his theorizing, Hart (1992) explicitly called for research that assessed not only top but also middle- and operating-level managers’ perceptions of strategy (p. 346). Bartlett and Ghoshal’s (1993) later depiction of management responsibilities
in Asea Brown Boveri (ABB) is consistent with Hart’s theory. In this study, frontline managers who were once simply implementers at ABB became identified as the primary source of entrepreneurial initiatives.

Along with previous studies, Bartlett and Ghoshal’s (1993) research set the stage for a redefinition and realignment of the strategic roles performed at various levels of management. Middle managers, once viewed as narrowly focused on control, came to be recognized as a resource for frontline managers, coaching and supporting their entrepreneurial activities. Top managers, having delegated both operational decision-making and strategic initiative, were now seen as focused more on managing the entrepreneurial process, for example, developing broad objectives and setting performance standards. Andersen’s (2004) later study of 185 organizations provides additional confirmation of this “radically decentralized” organizing principle in the broader population of organizations. In particular, he found that for large organizations in dynamic environments, a wider distribution of strategic decision-making authority is associated positively with organizational performance.

A more substantive position for middle managers in strategy process thus emerged in conjunction with a new model of organization; one that is flatter and more entrepreneurial than classical forms and that competes in knowledge-intensive environments. Work such as Burgelman’s (1994) study tracing the evolution of Intel’s exit from the memory business shows the importance of middle management as vertical mediators between top and operating levels in the development of core competence. Complementing this, Bartlett and Ghoshal (1993) identified middle managers not as vertical links but as horizontal integrators, helping to ensure the distribution of knowledge-based resources throughout the organization.

Nonaka’s (1994) influential paper on knowledge creation may be seen as a synthesis of the vertical and horizontal influences of middle management. Nonaka argues forcefully that middle managers influence the strategy process by mediating vertically between the
conceptual knowledge at the top and knowledge of operations at the bottom of the organization. In addition, however, his theory describes a spiral where middle managers interact in both horizontal and vertical directions to combine and recombine tacit and explicit forms of knowledge. Indeed, for Nonaka (1991, 1994), the vertical and horizontal interactions of middle managers are the primary impetus of organizational knowledge creation, and hence, strategic change.

In sum, the view of middle managers’ place in strategy development has developed historically from one where they essentially take direction from, and provide input to, top management to one where they are at the center of the two processes that have become the basis of strategy formation—knowledge creation and the development of core competence. The social learning perspective provided both motivation and theoretical grounding for this shift and continues to be the basis for much contemporary work on middle-level strategic management (Wooldrige et al, 2008).

2.2.2. Results of Middle Management Studies

Work from a middle-level perspective views strategy making as a social learning process, and rather than keeping the process in a black box, exploring the strategy-making process to understand how managers are involved and influence strategy is a key part of middle management research. It is also concerned with intermediate outcomes such as subunit performance and initiative development.

Middle management extends to managers located below top managers and above first-level supervision in the hierarchy (e.g., Dutton & Ashford, 1993; Uyterhoven, 1972). The distinguishing feature of middle management, however, is not where they sit in the organization chart. Rather, what makes middle managers unique is their access to top management coupled with their knowledge of operations. It is this combination that enables
them to function as mediators between the organization’s strategy and day-to-day activities (Nonaka, 1994).

Further to Wooldrige et al. (2008) studies from the middle management perspective concerns about a number of different phenomena, and research has accumulated around three broad topics: strategic roles and their antecedents, middle managers’ involvement in strategy and organizational cognition, and the relationship between middle management strategic behavior and organizational outcomes.

The literature on middle managers’ strategic roles has identified a variety of related ways in which middle managers contribute to strategy formation. Work in this area has focused on identifying specific techniques managers use to influence strategy and how organizational context affects managers’ enactment of specific roles. Role conflict, caused by different interpretations of environmental cues and inconsistent expectations among managers at different hierarchical levels, has been identified as an overarching factor accounting for differences in the strategic roles middle managers perform. In addition, managers’ network relationships, both within and outside the organization, have been shown related to how middle managers contribute to strategy making.

Overall, research on organizational cognition and middle management involvement in strategy originates from the tension created by managers’ tendency to view organizational issues from functional and subunit perspectives and the need to adopt a wider organizational perspective when contributing to strategy. Whereas early research in this area attempted to identify associations between managers’ shared understandings of strategy and organizational outcomes, more recent research has examined how characteristics of the strategy process affect the development of shared organizational cognitions.

Although there is some evidence for a positive association between middle management’s involvement in strategy and organizational outcomes, on the whole, much
more research in this area is warranted. In the aggregate, past research using cross-sectional
designs has demonstrated a positive relationship to economic performance, but little or no
research has taken a fine-grained approach to uncover important contingency relationships.

Perhaps the most significant contributions are an elaboration of various ways in which
middle managers influence strategy making and organizational change, beyond mere
implementation, and an increased understanding of process considerations leading either to
effective strategy formation or functional role conflict (Wooldrige et al, 2008).

2.2.3. Work of Middle Managers in Sustaining Social and Profit Logics

Social initiatives carried out in for-profit organizations pose a unique challenge. Directed
toward creating positive impact, they embrace the requirements of social logics while also
facing the demands of profit logics because of being embedded in a for-profit organization.
This institutional pluralism (Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011)
may be perceived as contradictory by organizational actors, especially as these actors get
involved in the practices of the initiative.

Here, we underscore the point that the perceived contradiction between social and
profit logics may not always emerge in the stated goals of the initiative. For example, a power
company undertaking a rural electrification project can describe the goal as providing power
to the poor (social) while establishing new markets (profit). Yet, regardless of the goal, it is in
the “doing” of initiatives that the tension is experienced. Continuing the example of the rural
electrification project, the tension can be felt in the practice of pricing the service (ensuring
affordability for the poor and a decent profit) and in the choice of where to locate the project
(remote location for maximum social impact conflicts with accessibility for deployment and
maintenance). These social and profit paradoxes arise since both demands are conflicting but
necessary for the success of the initiative (Lewis, 2000). The initiative can only survive and
thrive when the tension is generatively engaged to simultaneously meet both demands.

Research in the broader realm of social responsibility acknowledges the role of middle managers in initiating and implementing corporate social initiatives. For example, Cramer, Jonker, and van der Heijden (2004, 2006) describe the role of change agents who actively make sense of the ambiguous and uncertain idea of corporate social responsibility and create shared meaning through interactions with other organizational members. Similarly, Kuratko and Goldsby (2004) describe the challenges middle managers face in acting as institutional entrepreneurs while maintaining managerial ethics. Finally, Morsing and Schultz (2006) describe how managers engage in sensemaking and sensegiving through strategies of stakeholder response, stakeholder information, and stakeholder involvement. In a similar vein, we suggest that middle managers qualify as relevant actors for doing the institutional work of addressing both logics. Battilana, Leca, and Boxenbaum (2009) describe the characteristics of such institutional actors as (a) initiating divergent change and (b) actively participating in the implementation of such change. Much work in the middle management research has emphasized the role of middle managers in implementation of often divergent strategic change through actions such as translating, mediating, negotiating, planning, and monitoring (Stensaker, Falkenberg, & Gronhaug, 2008), as well as initiating the change through influencing, issue selling (Dutton & Ashford, 1993), knowledge creation, and development of core competence (Wooldridge et al., 2008). By contributing through initiation or implementation to the change called for by corporate social initiatives, middle managers can act as crucial institutional actors for maintaining the hybridity of logics.

Second, middle managers have been positioned in the extant work to balance competing roles such as champions of strategy as well as recipients of change (Bryant & Stensaker, 2011), balancing change and continuity (Huy, 2001), and balancing emotions of self and others associated with change and stability (Huy, 2002). Such balancing acts indicate
that they may be predisposed to the balancing of opposites required to navigate the perceived tension between social and profit logics.

Finally, since they are located between top-managers and above first-level supervision in the organizational hierarchy (Dutton & Ashford, 1993; Wooldridge et al., 2008), middle managers are uniquely positioned to reflect on as well as operate within the constraints of both logics. They are close enough to the top management to participate in strategy making and hence understand the rationale of multiple logics inherent in social initiatives. At the same time, they are also proximal to the frontlines in order to understand and interpret for them (Nielsen et al., 2009) the ostensible contradictions experienced in “doing” the initiative. In other words, experiencing the demands of competing logics in the overarching strategies as well as holding the agency in their role to craft a response, middle managers can engage in intentional and purposeful work (Beckert, 1999), as well as facilitate and aggregate the “work” of others to sustain both logics.

We describe this making sense for self (see Balogun & Johnson, 2004) and providing meaning to others (see Beck & Plowman, 2009) in order to engage in navigating the perceived tension between S & P logics as middle management work (Sharma & Good, 2013).

2.3. STRATEGIC AMBIGUITY

2.3.1. The Concept of Strategic Ambiguity

The concept of strategic ambiguity suggests that when managers and employees confront multiple and conflicting demands from internal and external stakeholders, they may “respond with communicative strategies, which do not always minimize ambiguity, but are nonetheless effective” (Eisenberg, 1984, p. 227). According to Eisenberg’s original theory and
subsequent extensions thereof, strategic ambiguity can serve a variety of functions: it can promote unified diversity (Davenport and Leitch, 2005; Leitch and Davenport, 2007); it can preserve the privileged position of organizational elites (Gioia and Chittipeddi, 1991); it can provide plausible deniability regarding questionable activities (Fernando and Sim, 2011; Paul and Strbiak, 1997); and it can facilitate organizational change (Denis et al., 2011; Weick and Browning, 1986). All these aspects of strategic ambiguity reinforce Eisenberg’s insistence that ambiguity itself is not best understood as an attribute that messages or concepts possess, but rather as a relationship between the concept itself, the medium through which the concept is communicated, and the interpretations made thereof (Eisenberg, 1984, p. 230).

For this reason, strategic ambiguity is a social and relational phenomenon, which helps explain the affinities between the concept and Weick’s notion of sensemaking (Eisenberg, 2006). As Weick has argued, the concept of ambiguity does not refer to a misunderstanding of the way the world “really is,” but rather to a clash between different ways of making sense of the world. In a similar manner, Eisenberg argues that the existence of ambiguity does not necessarily indicate a failure of communication. Rather, it can point toward the coexistence of different viewpoints and divergent ways of making sense of the world. From this perspective, the quest for clear and unambiguous communication is not only “chimerical and naïve,” as Eisenberg calls it (Eisenberg, 2007, p. 291). It can also lead to the kind of discursive closure described by Deetz.

Despite Eisenberg’s emphasis on these relational dynamics, much subsequent research has concentrated on the intentional deployment or staging of ambiguity by individual organizational actors communicating with internal or external stakeholders (Markham, 1996). From this perspective, individuals or individual organizations use ambiguity to achieve predetermined strategic goals (Brashers, 2001). But researchers have begun to expand the concept to explore how ambiguity functions among intraorganizational coalitions with
different goals, interests, and interpretations of reality. Davenport and Leitch investigated how public sector organizations employed strategic ambiguity as a form of creative stakeholder engagement (Davenport and Leitch, 2005; Leitch and Davenport, 2002). And as mentioned earlier, Wexler applies this idea to the triple bottom line. “Emerging coalitions in knowledge based fields must transfer, exchange and/or negotiate the meaning of key terms and principles from one discourse community to others,” he argues. “The importance of knowledge negotiation between and among discourse communities … requires those facilitating coalition development (most often in the hope of innovation) to consider communicative ambiguity” (Wexler, 2009, p. 66).

These latter studies expand the concept of strategic ambiguity beyond the confines of the organization, thus rendering it more relational. But they still retain the notion that diverse actors intentionally deploy ambiguity to their own advantage. Other scholars have begun to consider the possibility that strategic ambiguity need not be so premeditated, and that it can emerge instead from the interaction of multiple, even incommensurate interests (Jarzabkowski et al. 2010; Leitch and Davenport, 2007). For precisely these reasons, Giroux keeps a distance from the notion of “strategic” ambiguity, emphasizing by contrast that “the emergence, dissemination, and use of ambiguous constructs are not always intentional,” even if they are in many instances. In her consideration of the relationships between ambiguity and management fashions, she therefore proposes the term “pragmatic ambiguity,” which she describes as “a practical solution to the difficulties of collaborative action” according to which “the equivocality of concepts allows for different courses of action while maintaining a semblance of unity” (Giroux, 2006, p. 1232).

Perhaps Giroux need not have distanced herself quite so adamantly from the notion of strategy. Important research has established the emergent and often unintentional nature of strategies that are realized though never intended, except perhaps in retrospect (Mintzberg and
McHugh, 1985; Mintzberg and Waters, 1985; Weick, 1995). But the basic point behind her concept of pragmatic ambiguity is well taken, and supports the central contention of this article: the diversity of social norms and expectations attached to CSR, and the diversity of opinion among CSR stakeholders, results in considerable ambiguity surrounding the concept itself. That ambiguity can function to advance the interests of these diverse stakeholders, even if they never intended it to do so. (Guthey and Morsing, 2014).

2.3.2. Advantages and Pitfalls of Strategic Ambiguity

The existing research empirically verifies strategic ambiguity as a useful management tool in a range of non-CSR contexts. In addition, Yannopoulou and Elliott (2008) find that audiences receive ambiguous messages in advertising positively, as they have to engage more in the communication, and therefore the message is more memorable. Strategic ambiguity can also have a positive contribution in the creation of common ground in social enterprise marketing on sensitive topics (Dickinson-Delaporte et al., 2010), in facilitating organizational change or merger (Contractor & Ehrlich, 1993; Davenport & Leitch, 2005; Denis, Dompierre, Langley, & Rouleau, 2011; Leitch & Davenport, 2002; Miller, Joseph, & Apker, 2000), in finding consensus on controversial topics in policy documents (Leitch & Davenport, 2007; Tracy & Ashcraft, 2001), and to allow flexibility in crisis communication (Ulmer & Sellnow, 2000).

While the authors above agree on the usefulness of strategic ambiguity, there are warnings of instances when strategic ambiguity may cause more harm than good. There is empirical evidence suggesting that lack of clarity could reduce trust in contexts where trust is important, especially where previously strict control characterizes the management style (Davenport & Leitch, 2005). These observations are noteworthy as they raise the question as to how strategic ambiguity sits in an ethical context. In a CSR communication context, creating trust with stakeholders is vital, especially with the notion of consumer skepticism.
following the practice of “greenwash” by some organizations. Therefore, in order to reap the
benefits of strategic ambiguity, it is thus imperative that strategic ambiguity is practiced in a
responsible and ethical fashion.

Research on the ethical aspect of strategic ambiguity suggests that ambiguous
communication is unethical if the objective is to create false perception or preferential
treatment for certain stakeholders (Ulmer & Sellnow, 2000) or to avoid responsibility (Paul &
Strbiak, 1997).

Also, Driessen, Kok, and Hillebrand (2013) warn about equivocality as it may reduce
the clarity required for stakeholders to take appropriate actions. Some research further claims
that strategic ambiguity can cause indecision and passivity (Davenport & Leitch, 2005; Denis
et al., 2011; Jarzabkowski, Sillince, & Shaw, 2010), or active resistance through
unconstructive interpretations (Davenport & Leitch, 2005), and may create “false consensus”
where stakeholders believe they are in agreement and take actions accordingly that might lead
to delayed tension (Denis et al., 2011) and may also portray the management as incompetent,
or not capable of taking decisions on their own (Leitch & Davenport, 2002).

Despite the many dangers, the majority of the authors in the strategic ambiguity
literature agree on the usefulness of ambiguous communication if applied responsibly. The
literature advises to refrain from using wordings that are negative, inconsistent, or
contradictory as this might lead to even more tension. In addition, to make strategic ambiguity
work, it is important to frame the message in accordance with the capability of each
stakeholder group and not least to ensure that the message and the objective of the
communication are fully understood within the organization itself (Leitch & Davenport,
2002). The literature also stresses that it is important to frame the ambiguous message
correctly based on the knowledge and complexity of the stakeholders receiving the message
ambiguity is appropriate for all stakeholder groups.

Leitch and Davenport suggest (2002, p. 137) that in order for strategic ambiguity to be successful, the stakeholders must possess

- The internal resources and capability to respond
- A strong incentive to engage
- Goodwill and trust towards the organization.

Denis et al. (2011) raise the importance of strong leadership with the support of sufficient resources (also suggested by Miller et al., 2000) and the avoidance of too long time horizons.

Being aware of these strengths and weaknesses of strategic ambiguity, the next section addresses how to apply strategic ambiguity.

2.3.3. Formats of Strategic Ambiguity

Denis et al. (2011) identify the following practices of ambiguity:

- Equivocal language: the use of vague words or the complete removal of certain details regarding sensitive topics in contracts or other official documents in order to stimulate a greater number of participants to feel comfortable to sign such documents.
- Inflation: slightly exaggerated promotion of proposals to encourage participation. Denis et al. suggest that it should be obvious to the participants that the exaggeration is not fully realistic, but to remain unclear on what aspects will need to be removed during implementation.
- Postponement: “leaving controversial issues open in order to maintain commitment” (ibid., p. 239).
- Preservation of rights to participate in the future: to encourage settlement on a particular issue where there are still some aspects that are not agreed. Denis et al.
suggest to give all participants reassurance of equal rights in future decision making with commitment on revision possibilities at a later date.

- Equivocal commitment: when participants sign a commitment they may add conditions, thus giving the actors a chance of reciprocal ambiguity.

While the contracts and policy documents form the basis of the suggestions above, there is further research into other contexts suggesting the use of ambiguous wordings (equivocal language) in job descriptions (Eisenberg & Witten, 1987; Miller et al., 2000), or in an organization's mission statement (Contractor & Ehrlich, 1993), as in a case study from the public sector in New Zealand where an organization deployed an “investment metaphor” to stimulate a dialog with its stakeholders (Leitch & Davenport, 2002).

Policy documents may also successfully apply ambiguous keywords, for example, with the purpose of driving the development of the biotechnology industry in New Zealand (Leitch & Davenport, 2007). The documents frequently use keywords like “growth,” “co-existence,” “community,” and “sustainability” throughout, and with multiple meanings assigned.

The insights discussed above, based primarily on contributions from organizational theory, provide a useful departure point for further research on the role of strategic ambiguity in a CSR communication context (Scandelius & Cohen, 2016).

2.3.4. Conceptual Foundations: The Role of Strategic Ambiguity in Strategy Texts

*Writing Strategy: Strategic Ambiguity as a Device to Accommodate Divergent Perspectives*

Many authors have noted that planning documents created in pluralistic settings tend to have certain common characteristics, and in particular, a propensity towards ambiguity (Cohen and March, 1986; Denis et al., 1991; Stone and Brush, 1996). For example, Stone and Brush (1996) argued that pressures for external legitimacy and internal commitment in public and non-profit organizations often result in decoupled planning documents that have little
substantive content but are designed to please outsiders. Denis et al. (1991) examined a sample of hospital strategic plans and found their recommendations to be vague and highly developmental as a result of the participative process by which the content of plans was negotiated. Similarly, in a study of a city strategic plan, Vaara et al. (2010) showed how the language written into the plan masked important ideological struggles.

The studies described above tend to place this phenomenon in a rather negative light. As documents that ostensibly specify future direction and establish priorities, it appears at first sight that clarity and not ambiguity should be a favored characteristic of strategic plans. Yet, there seems to be an inherent tension between the common-sense understanding of a plan as a guide to future action, and the need for these documents to offer inspiring statements of values, goals, and purposes that can mobilize a diversity of stakeholders.

In reaction to the traditional view of clarity as the gold standard of communication effectiveness, Eisenberg (1984) drew attention to the potential value of ‘strategic ambiguity’. He argued that in many circumstances, there could be distinct advantages to ‘allowing multiple interpretations on the part of receivers’ (Eisenberg, 2007, p. 7). He presented strategic ambiguity, defined as purposefully equivocal communication, as a way to reconcile needs for cohesion and coordination with the freedom required to ensure flexibility and creativity, arguing that in circumstances where people hold multiple perspectives, strategic ambiguity could promote ‘unified diversity’ by ‘fostering agreement on abstractions without limiting specific interpretations’ (p. 9). He also argued that strategic ambiguity facilitates change by allowing shifts in the meanings of goals and central metaphors while preserving a sense of continuity. Moreover, he noted that strategic ambiguity allows deniability, enabling communicators to maintain consistency and avoid loss of face when circumstances change.

Several subsequent studies have emphasized these positive attributes of strategic ambiguity. For example, Tracy and Ashcraft (2001) showed how a fundamental value
dilemma was resolved through the incorporation of ambiguity into a policy text. In a study of a research-funding agency, Davenport and Leitch (2005) described how strategic ambiguity embedded in a change proposal stimulated creative ideas and generated more collaborative relationships with contractors. Similarly, Gioia and Chittipeddi (1991) invoked the concept of ‘ambiguity-by-design’ to describe how a new university president announced a major change, provoking intense activity and anxiety among organization members that later enabled him to draw them towards a renewed vision. Thus, the writing of ambiguity into strategy texts is a common phenomenon, and can serve a useful purpose in accommodating multiple perspectives (see also Gioia et al., 2012). Yet, this begs the question of how such ambiguity might then be received by various stakeholders as they consider the implications of the plan for subsequent action.

Reading Strategy: Strategic Ambiguity as a Resource for Creative Consumption

As McCabe (2010), Jarzabkowski et al. (2010), and de la Ville and Mounoud (2010) have suggested, it is important for researchers to reach beyond the doings of managers in creating strategy to understand how it is received and acted upon. It is here that de Certeau’s (1988) work may be useful in considering the appropriation of strategy discourse (de la Ville and Mounoud, 2010). de Certeau (1988) considers the notions of ‘production’ and ‘consumption’ in the framework of everyday activities. He argues for the idea that faced with an imposed ‘production’, ‘consumers’ are not passive or docile, but creatively respond to it through micro practices of resistance. Considering de Certeau’s definition of ‘consumption’ as a creative act, it is interesting to study how members of an organization creatively ‘consume’ a management-imposed strategy text. To conceptualize this idea, de Certeau explicitly used reading as a metaphor. Although a book may be physically the same for everyone, what is read is a different experience for every individual, depending on what they bring into it and
how they use it and connect it with their own lives. Creative consumption can thus be associated with acts of reading, using and transforming what is imposed. Reading is a first step in which members of the organization receive the imposed ‘text’ and have a first interaction with it. Using involves a personal actualization of the text and transforming is a final stage in which the text actually becomes what people make of it.

de Certeau’s work has offered inspiration to De la Ville and Mounoud (2010) in proposing a narrative perspective on strategy. Suominen and Mantere (2010) also illustrated its potential for considering the consumption of strategy discourse viewed as an institutionalized body of knowledge. In a study of 36 managers, they identified three ‘tactics’ of consumption, labelled ‘instrumental’, ‘playful’, and ‘intimate’. Instrumental tactics imply the appropriation of the discourse to achieve desired ends, playful tactics draw on irony, ridicule, and cynicism to discredit it, while intimate tactics refer to the way in which respondents draw on strategy as a potential enhancement or threat to their identity. These observations reveal the personal, tricky, and sometimes-clandestine relationships that individuals develop with strategy discourse, relationships that could have organizational consequences, although these are not examined by Suominen and Mantere (2010).

It seems natural to suppose that when strategy is formulated ambiguously to accommodate divergent perspectives, the range of possible modes of consumption may be broader. However, there have been few studies of how strategic ambiguity affects the consumption of strategic texts. Recent work by Jarzabkowski, Sillince, and Shaw (Jarzabkowski et al., 2010; Sillince et al., 2012) does go some way in this direction, although they focus on a specific strategy rather than on a comprehensive plan or integrated text as in our study. They examined in particular how members of a business school consumed the strategically ambiguous goal of ‘internationalization’. For example, Jarzabkowski et al. (2010) found four types of rhetoric used to interpret the strategy varying along two
dimensions: breadth (narrow or broad interpretations), and accommodativeness (emphasis on personal or broader interests). Using similar data, Sillince et al. (2012) showed how academics and managers differentially constructed ambiguity around a goal either to protect themselves from having to do anything (e.g. by doubting its value, denying its personal relevance, or condemning its lack of clarity), to invite others to participate (e.g. by arguing for inevitability; by assigning responsibilities), or to take an ‘adaptive stance’ by presenting it as an impression management activity. These studies show how ambiguity can be exploited by individual readers but also reconstructed by them in different ways.

*Enacting Strategy: The Consequences of Strategic Ambiguity for Organizational Action*

Several scholars have nevertheless suggested that strategic ambiguity may have its dark side when it comes to considering the implications for organizational level action or enacted strategy. Sonenshein (2010) warns that too much ambiguity can lead to confusion. Denis et al. (2011) note that when stakeholders with divergent views are forced to work together, ambiguity in agreements may generate repetitive cycles of decision making without action (a phenomenon labelled ‘escalating indecision’). Taking a critical perspective, McCabe (2010) showed how strategic discourse embedding ambiguities initially facilitated a downsizing initiative, but ultimately led to resistance.

It is likely that whether and how strategic ambiguity will be helpful or harmful in enabling collective strategic action will depend on how that discourse is interpreted and consumed. There is thus a need to examine not only patterns of consumption among different groups of actors, but also their organizational-level consequences. In their study of business school internationalization, Sillince et al. (2012) showed that the way in which academics and managers exploited and constructed ambiguity generated a complex succession of patterns of strategic action. Their research tends to suggest that ambiguity constrains certain collective
actions but enables others in an evolving negotiated process. However, this study again focused on a single organizational goal within the context of a larger text. No studies have examined the role of strategic ambiguity in the consumption and enactment of a broader strategic discourse encompassing a full range of goals, such as that reflected in a comprehensive strategic plan (Abdallah et al., 2014).

The next section unfolds foundation of the theoretical framework: First we take seriously the role of middle management in strategy development and implementation. Second we review strategic ambiguity and its advantages. Third we refer to strategic ambiguity of CSR/sustainability and application of it. Fourth we concentrate on strategic ambiguity targeted to internal stakeholders and specifically middle managers, which leads us to define our research question.
Chapter 3 – Theoretical Framework, Knowledge Gaps and Objectives

3.1. Theoretical Framework

Our theoretical framework has been divided into two integrated sections. First we have a look at middle management role in strategic ambiguity and advantages of strategic ambiguity. In the second section we take into consideration strategic ambiguity and middle management role in CSR implementation.

3.1.1. Middle Management Role in Strategy Implementation: Taking Advantage of Strategic Ambiguity

The view of middle managers’ place in strategy development has developed historically from one where they essentially take direction from, and provide input to, top management to one where they are at the center of the two processes that have become the basis of strategy formation—knowledge creation and the development of core competence. The social learning perspective provided both motivation and theoretical grounding for this shift and continues to be the basis for much contemporary work on middle-level strategic management (Wooldrige et al, 2008).

Middle management extends to managers located below top managers and above first-level supervision in the hierarchy (e.g., Dutton & Ashford, 1993). The distinguishing feature of middle management, however, is not where they sit in the organization chart. Rather, what makes middle managers unique is their access to top management coupled with their knowledge of operations. It is this combination that enables them to function as mediators between the organization’s strategy and day-to-day activities (Nonaka, 1994).

Eisenberg first brought the concept of strategic ambiguity into the organizational communication literature in his seminal article (1984), where he defines strategic ambiguity
as (1984, p. 230) “those instances where individuals use ambiguity purposefully to accomplish their goals.” Eisenberg argues that while clarity is an important aspect of communication, it might be more pragmatic to avoid being too specific in contexts where multiple contradicting goals exist.

As Weick has argued, the concept of ambiguity does not refer to a misunderstanding of the way the world “really is,” but rather to a clash between different ways of making sense of the world. In a similar manner, Eisenberg argues that the existence of ambiguity does not necessarily indicate a failure of communication. Rather, it can point toward the coexistence of different viewpoints and divergent ways of making sense of the world. From this perspective, the quest for clear and unambiguous communication is not only “chimerical and naive,” as Eisenberg calls it (Eisenberg 2007, p. 291). It can also lead to the kind of discursive closure described by Deetz.

Extant research suggests that the use of strategic ambiguity allows flexibility in interpretations, which can aid in (1) overcoming differences between diverse stakeholders, (2) facilitating organizational change, (3) preserving privileged positions, (4) maintaining the possibility of later denying certain interpretations of a message (Eisenberg, 1984), and (5) for an organization to buy itself time while undergoing a change of internal procedures or strategies while still being able to communicate the changing goals to external stakeholders (Leitch & Davenport, 2002).

We expect middle management to take advantage of strategic ambiguity, proposing ideas, tools and actions in order to make the ambiguity concrete. Strategic ambiguity is expected at the top management level, however this ambiguity gives middle management the opportunity to play an active role by proposing new ideas.
3.1.2. Strategic Ambiguity and Middle Management Role in CSR Implementation

Key stakeholders expect the concept of CSR to exhibit clarity, consistency, and discursive closure (Deetz, 1992). But CSR is a discursively open and ambiguous concept, for several reasons. The content of the construct itself is fundamentally ambiguous, because it brings together a set of potentially contradictory social norms and expectations. Not only can these norms and expectations conflict with each other, but also many diverse stakeholders can apply them to CSR in many different ways. Even if some CSR stakeholders manage to reconcile these contradictions and to maintain consistent conceptions of CSR, these conceptions may clash with the views of other CSR stakeholders. And even if these disparate stakeholders somehow manage to arrive at a consensus at any given point in time, their views are susceptible to change over time, or to conflict with a different stakeholder consensus at another point in time (Guthey & Morsing, 2014).

We propose that this ambiguity is strategic, however, because it serves the purposes of CSR stakeholders. The lack of clarity surrounding CSR renders the concept adaptable to a variety of different contexts and circumstances, resilient in the face of change over time, and attractive to a wide spectrum of diverse interests. The ambiguity connected to the term continuously re-triggers a process of sensemaking and dialog concerning the meaning of CSR and its continued relevance (Christensen et al., 2013).

As previous research has advised (Scandelius et al., 2016) strategic ambiguity is applied to overcome a number of challenges in CSR communication, including: 1) the topic of CSR/sustainability is complex, with numerous definitions and limited methods for accurate measurement. 2) The stakeholders of a business are diverse and their goals and objectives might differ from those of the firm. 3) In order to make progress towards sustainable development, actions are required from stakeholders in the form of initiatives, innovation, and collaboration/co-creation; however, the stakeholders' capabilities to do so might differ. 4)
CSR communication includes aspirational goals on a strategic level as well as operational objectives. 5) The trust levels between the firm and its stakeholders may vary. 6) To design a CSR, communication strategy can be resource intense, especially if the CSR communication strategy is tailored for different stakeholders.

The concept of strategic ambiguity suggests that when managers and employees confront multiple and conflicting demands from internal and external stakeholders, they may “respond with communicative strategies, which do not always minimize ambiguity, but are nonetheless effective” (Eisenberg 1984, p. 227).

Strategic ambiguity in communication targeted to employees Communication to internal stakeholders seems to take two approaches, starting with communication applying strategic ambiguity on a strategic, senior management level. The aim of this communication is to inspire richer generation of ideas and to facilitate collaboration between departments through the flexibility in interpretation. Middle management subsequently translates these equivocal directions into more specific objectives where possible, to target employees on an operational level.

3.2. Knowledge Gaps and Objectives of the Research

In this research we study the role of middle management in CSR implementation compare to the existing knowledge of the importance of middle management role in strategy. We believe CSR meets the criteria for goal-directed activity both in content and in form. CSR is directed toward social change, and it is strategic in terms of the fundamental centrality that sponsors of CSR aspire to have in the corporate agenda (Sharp & Zaidman, 2009).

Considering CSR to be a suitable field for strategic ambiguity, this research explores the conditions under which middle managers can operationalize strategic ambiguity used by top management in the CSR field (as well as the ambiguity of the very concept of CSR), providing the organization with CSR-related specific actions and processes.
Chapter 4 – Methods and Context

4.1. Methods

The research is carried out over a period of nearly 6 months in one organization operating in the energy industry. The research project is an integrated process, which is divided in two streams. The first stream is concerned with understanding the middle management role in CSR development and implementation, and the second stream is concentrated on the development of CSR/sustainability department within the organization. Qualitative research initially appears to be a commonly applied umbrella term for the use of a vast array of data collection and analysis techniques (Johnson et al., 2006). Data was collected through ethnography including interviews, attending meetings, events, workshops, documents and other data gathering in interaction with individuals and specifically middle managers. Presence of researcher as a practitioner in the innovation, sustainability and stakeholders engagement unit of sustainability department in the headquarters for a period of 6 months allowed substantial rapport to be built and trust to be gained, as well as helping in unraveling jargon and stories and revealing deeper insights. The study involves multiple data-gathering methods such as document analysis, 60 semi-structured interviews (including 42 out of sustainability department and 18 within the sustainability department), participant observation (Samra-Fredericks, 2010), work shadowing (Jarzabkowski & Seidl, 2008), and daily activities and notes as practitioner. Formal interviews were tape recorded, whilst work shadowing and observation were accompanied by note taking and the development of and extensive research diary.

Ethnographic Data Collection

The methodological strategy employed in this research draws on ethnographic data collection.
One methodological advantage of ethnographic study is that it provides real-time data that span the period in which the study happened.

For the first three months (July-September 2015) the research focused on documenting the traditional day-to-day practices of individuals. Some data gathering methods during this time was attending staff meetings, proceeding with required document analysis, participant observation and work shadowing. My presence as a researcher and at the same time practitioner within the department revealed deeper insights and gained trust, which resulted in development of an extensive research diary.

For the next three months (October-December 2015) after presenting the research work to head of the department and the responsible human resource manager followed by arranging individual appointments, the research concentrated on the interviews. During the whole 6 months I was present 8 hours per day as normal employees in the organization. This enabled me to focus on work practice and conducting interviews, while continuing to follow taking my notes. Nearly 70 hours of recorded interviews were generated, which resulted in about 300 transcribed pages of data. Being analyzed by Atlas.ti qualitative analysis software. I also attended two global meetings of the organization during this time. Here are the interview questions; there were minor differences for few questions for sustainability department members because of their sustainability related daily work.

**Interview Questions:**

**Introductory questions**

1. Please tell me about your role at the company?
2. What is your background?
3. How did you arrive to this position?

**General questions**
1. What is sustainability for you and how do you develop that? Why?
2. What do you like about it? Why?
3. What don’t you like about it? Why?
4. What makes it difficult? Why?

Work-life balance questions

1. What do you do on daily bases about sustainability in your work? What are the examples?
2. What do you do on daily bases about sustainability in your life? What are the examples?
3. Do you find any positive signs related to sustainability in your work? Can you give examples?
4. Do you find any negative signs related to sustainability in your work? Can you give examples?
5. Do you find any positive signs related to sustainability in your life? Can you give examples?
6. Do you find any negative signs related to sustainability in your life? Can you give examples?
7. To what extent your personal commitment affects implementation of sustainability in work? Why? Examples?
8. To what extent your personal commitment affects implementation of sustainability in your life? Why? Examples?

Middle management related questions

1. Who do you think middle managers are?
2. What in your opinion is their role in implementation of sustainability?
3. Can you give examples of middle managers whom you believe deal with positive or negative sides of sustainability?
4. What can the company do to improve middle managers commitment to implement sustainability?
5. What are the barriers that the company can remove to involve middle managers in sustainability development?
6. If you would manage sustainability what would be the first 3 aspects to focus on?
Strategic questions:

1. Does the company have a global sustainability plan? How has it been generated?
2. What would be the next step in terms of implementation of the global plan?
3. Are there set of top-down sustainability projects? What are the examples? Who are the actors involved?
4. Are there set of bottom-up sustainability projects? What are the examples? Who are the actors involved?
5. In terms of strategic plan or general approach of sustainability at the organizational level which parts are still under construction?

Strategic Practices:

1. What are the formal practices you deal with at the organizational level related to sustainability? (e.g. routines, tools). What is your opinion about these practices? [Practices]
2. What are the specific activities you are involved in order to generate sustainability? (e.g. meetings, conversations, interactions and behaviors). What is your opinion about these activities? [Praxis]
3. Who are the people you are dealing with related to sustainability development? How frequently you work with them? What and how do you work on? [Practitioners]
4. What do you think about the link between sustainability and innovation?
5. What do you think about this project?
4.2. Context

The organization is a multinational energy company and one of the world’s leading integrated electricity and gas operators. They work in more than 30 countries across 4 continents, generating energy with a net installed capacity of around 90 GW and distributing electricity and gas across a network spanning about 1.9 million km. With more than 61 million end users around the world, they have the biggest customer base among the European competitors, and they are one of Europe’s leading energy companies by installed capacity. The global reach extends from Europe to North America, Latin America, Africa and Asia. The Group is made up of 67,000 people from around the world.

In 2015 company revenue totaled 75.7 billion euros. The new brand strategy is the incarnation of the “Open Power” approach announced in November 2015 at the Capital Markets Day in London, with “openness” as the keystone of the group’s strategic and operational approach. “Open Power means: opening energy access to more people; opening the world of energy to new technologies; opening energy management to people; opening energy to new uses; and opening to more partnerships.” (Company’s website).

With a view to increasing transparency towards stakeholders, the Group follows and actively participates in the development of new frontiers in reporting towards integrated communication of financial and non-financial performance: for example it contributed to defining the G4 guidelines of the Global Reporting Initiative (GRI), took part in the pilot program of the International Integrated Reporting Council (IIRC), and will support the GRI in defining the “Reporting 2025” project, in order to promote international dialogue on the future expectations for sustainability reporting. The reporting process involves collecting and calculating specific key performance indicators on economic, environmental and social sustainability, in accordance with the guidelines of the GRI (Global Reporting Initiative) international standard and its updates and additions (EUSS - Electric Utility Sector
Supplement), as well as with the principles of accountability in the United Nations Global Compact.

2015 was the eleventh year running the company is in the Dow Jones Sustainability Index, a market benchmark, which includes the best companies in the world that meet strict economic, social and environmental sustainability criteria. In 2014 it was part of the select Dow Jones World index and received the prestigious Gold Class award for sustainability in the 2015 RobecoSAM Sustainability Yearbook, a publication which is now in its twentieth edition and which assesses the sustainability performance of the world’s biggest companies. The company is one of only three Gold Class awards assigned worldwide in the Electric Utilities sector and one of just four Italian Gold Class companies.

In 2014 the company altered its organizational structure adopting a matrix, business-oriented model in order to achieve the following objectives: reduction in complexity; capital allocation assessed and decided at central level; increased efficiency in operating costs and investments; dissemination and application of best practice in various countries; clear, shared responsibilities across global and regional business lines. There are seven Holding Functions, which focus on policy-making, coordination and strategic control of the whole Group, Innovation and sustainability is one of them.

In terms of sustainability/CSR after the reorganizational process: innovation and sustainability function is at the first strategic level, which reports directly to the Chief Executive Officer, manages and coordinates innovation and sustainability centrally, with a specific presence in every country. Numbers of roles and number of employees have increased within the department from around 4 people in the previous CSR department to 25 after reorganization, CSR was a relevantly small unit compare to current expanded sustainability function with increased number of employees. Previously CSR was a part of communication department, which has changed to sustainability department and linked with
innovation department. Here is the organizational chart:

Sustainability department is divided into 4 units with defined roles and responsibilities as follow; 1) *Sustainability Innovation and Stakeholders Engagement*: to identify and manage sustainability trends at global level, promoting internal and external knowledge sharing; to manage, develop and coordinate relationship with key stakeholders on Group’s sustainability issues; to manage relationship with global and Italian sustainability bodies and networks; to manage relationship with rating agencies and investors on sustainability issues at Group Level, in coordination with the Investor Relations unit. 2) *Sustainability Planning and Performance Management*: to define and monitor Group’s Sustainability Plan and guidelines,
setting targets; to manage sustainability processes and perform materiality analysis at Group level, coordinating the activities carried out at country level; to measure, monitor and control sustainability performance, defining guidelines, metrics and Key Performance Indicators and managing data collection; to ensure internal and external reporting, including Group Sustainability Report. 3) *Sustainability Projects and Practice Sharing:* to define guidelines for management, implementation and evaluation of sustainability projects leveraging shared value and philanthropic activities, promoting their integration into business development and operations for business lines and countries; develop and manage sustainability projects monitoring and reporting system, in terms of outcomes and impacts; to share best practices and provide support in defining local sustainability projects and partnerships; to launch Group-wide sustainability projects, according to Group Sustainability Plan. 4) *Environmental Policies:* To define and monitor Group environmental policies and targets towards continuous improvement of performance, identifying major environmental trends at global level and promoting best practice sharing; to define guidelines for Environment Management System.

Over the past ten years the organization under study has established a leading position in terms of CSR. That is why they have decided in setting up the new organization and strategic guideline for the Group, to profoundly innovate the mission and structure of the business, the best way to continue along this path is to look for the future, orienting the Group toward full integration and aligning it with the principles and goals of sustainability. The company believes being sustainable today means being competitive tomorrow; it means creating shared value by responding through the offer of products and services and through close relations with customers and the local area to the needs of communities where the company operates. Such reasoning is even more relevant in the energy sector. The confirmation of company’s positioning at the top of sustainability indices is another clear sign of excellence, which is acknowledged by markets and investors. The integration of
sustainability into the operational strategies and choices of the business is the concept, which guides organization’s process of change.

In order to map embedding sustainability development within the organization a sustainability survey was sent out to 341 high-level managers and sustainability team globally in April 2015. It has been 19-question online survey with two weeks runtime and response rate of 65%. Results of the survey demonstrate some relevant points to this study as follow: Firstly Middle managers as main providers of sustainability data had the highest response rate of 100% while the executive team had 50% response rate, which demonstrates willingness of middle management to be involved in sustainability development and implementation. Second, engagement of different business units and departments in sustainability activities are different throughout the organization. In this study we confirm that based on existing sustainable projects different business units and departments have different level of engagement in sustainability activities. Third, sustainability is not yet well integrated in all corporate processes within the organization. Finally, top management and middle management have different opinions about development of a clear business case for addressing sustainability. In this study we specifically take into consideration differences between top management and middle management approach in addressing sustainability. Fourth, improper activities and implementation of sustainability is one of the reasons of subtraction from profits. In this study and during the data collection we have came across few cases where improper activities and implementation of sustainability in terms of dealing with local communities or environmental issues resulted in incomplete project and loss of profit.

In sum features of the organization in terms of sustainability are the following; the company is strongly committed to sustainability and is leading in this filed also looking to the company from outside it is a leader but because the strategy of the organization is based on the broad approach our aim is to go forward and gain in depth view about; sustainability that
includes all the working experience employees have, through inward looking help them to embed sustainability in internal development, in order to embed this further development we work and concentrate on middle management. What we are interested in this study is the mentioned process of change and how to follow up on the operationalization of strategy by middle managers and taking advantage of organization’s commitment to sustainability.
Chapter 5 - Findings

5.1. STRATEGIC AMBIGUITY AND CSR/SUSTAINABILITY IN THE CONTEXT AND STUDY

5.1.1. The Broad Approach to CSR/Sustainability from Top Management

One might have expected that top managers are the ones, who should have clear idea and approach towards CSR development and implementation. In fact from middle managers point of view and top managers point of view themselves that is not the case. Top management has a clear idea about the importance of sustainability/CSR and is very committed to its development, however in terms of implementation they have a broad approach. A top manager highlighted this matter as follow:

Middle managers in many cases wait for the truth, the truth must come from the top management, this is a wrong way to act, it is a wrong perspective because they should understand that they can create their own destiny, they can change their own destiny, they can define what they do and what they can do. On the other side top managers usually think they are the truth, they know that middle managers are waiting for the truth but they should be open to understand that everyone can have a better idea even than the CEO. (Head of innovation and sustainability function)

In the case of sustainability/CSR not only it is a new expanded department within the organization with increased strategic importance, but also the challenge is that it is still a new and ambiguous concept even at the high level of the organization. We believe that is another reason for having a broader approach towards implementation of sustainability from the higher level of the organization. A high executive explained:
It is a big challenge. Well first of all talking about work it is something that nobody thought about it up until years ago, so it is something new and at least few people have set their mind including sustainability in their equation when they elaborate or think of a plan of a project, thinking of life, which they didn’t have sustainability concept before. It is something new that needs to be elaborated now and being integrated in the way when we do anything. So this is the biggest challenge, maybe it will be easier for new generation because they will grow with that in their mindset. Saying ‘listen guys we are doing lots of stuff on sustainability and I want to communicate them’, there are so many things going on, it is so difficult. So we have to select some of them to begin. It is crazy; the work on sustainability is huge. Everyday work about sustainability, and now in UN we have the legal path, it is climate action plan to participate, the commitment stuff, also I should make sure that people are saying things that are in line, so someone to say something today and the other one something else another day. So the key challenge here is to make sure that it is all part of a big plan and organized. (Assistant of CEO)

5.1.2. Middle Management View on CSR/Sustainability and Strategic Ambiguity

The expectation to implement strategy may be the most typical of expectations encountered by a middle manager in the context of organizational strategy. In this section we classify middle managers view on CSR/sustainability and the challenge they face due to the existence of strategic ambiguity, which the latter was certainly topic of the greatest amount of discussion within my interview data.
5.1.2.1. Personal Level Belief in CSR/Sustainability

During the fieldwork and interaction with individuals one of the questions was if they see any positive or negative signs related to sustainability implementation, a typical reaction to this question was: “I don’t know how it is possible to find or mention something negative about sustainability… even if there is more time or cost involved but in long term everything related to sustainability is positive… I am wondering if anyone has ever mentioned something negative about it.” (Miandar, field notes)

Here are some examples demonstrating middle managers belief both in personal life and work environment in sustainability:

The positive sign is the interest of people, sustainability is always very attractive, and everybody has the attention to the environment, to human rights, to all these stuff. The attention of people is impressive. (Head of global procurement coordination)

I give a great value to sustainability, it is a way to work and plan future activities, taking into consideration the context and resources we could use. I suppose that thinking with a sustainable vision means to do our best with the resources we could have available. (Human resources business partner)

5.1.2.2. Middle Managers Understand and Value the Open Idea of the Company

One of the distinguishing features of the organization is its strong commitment to development of sustainability and middle managers appreciate this commitment. A high executive confirmed level of understanding and willingness of middle managers to be
involved based on previous statistical survey analysis referring to 100% response rate of data owners to the conducted sustainability survey as follow:

In the previous survey that we conducted the most interesting and the most mature response was from the data owners, which are mostly middle managers and that is the demonstration that at the end middle managers in general are more ready for creating change and if you explain to them that it is really useful for the company they are in the first row beside sustainability department. (Head of sustainability, innovation and stakeholders unit)

Middle managers value the open idea and commitment of the company towards sustainability/CSR and believe that the change process has started. Here are some middle managers points of view:

Culture needs lots of years to change. Culture is the most basic thing. We did a very important revolution, from an organizational point of view, because sustainability was involved in the process in different ways; I think we need time to establish it in better ways. (Human resources business partner)

I see positive signs, because I see that the company is currently working on sustainability. The results company has achieved in the past years have been very good; I see a sense of urgency and responsibility on this topic. (Middle Manager)

5.1.2.3. More Concrete Objectives are required

As illustrated although middle managers believe in sustainability at personal level, at the
same time value and understand the open idea of the company, much more is expected in terms of implementation processes. The most challenging and highly mentioned difficulty in terms of sustainability/CSR implementation processes from middle management point of view was not having clear objectives. Here is an example:

I do prefer something specific, argumented, detailed and I do believe our strategy is the right one, because we really want to be number one in that, so everything about sustainability blocking, not real, over promises, this is what I don’t like…For sure as I told you before it is important to have a very clear objective and to run a follow up by middle managers because on daily bases in the job you have to secure the process and through the middle managers you make it happen. So to have a structure, which the function is to make things operative, and middle managers has to control and make things properly done… I mean to give them specific tasks and objectives, which is not the case until now. I mean I am coming from a culture objective driven career about my professional culture. So if you want people to pay attention to sustainability it is important to give them objectives on this. We are starting, in different areas. (Head of global procurement coordination)

In the case of sustainability middle managers require clearer objectives, measurability and having key performance indicators due to the ambiguous nature of sustainability and also because it is a new introduced concept in corporate strategy of the organization. There are numerous definitions for sustainability and middle managers ask for clarification of what sustainability means for the organization and in their business unit activities. Middle managers points of views as follow:

One of the things is to better explain the targets that the company has. And also take
into account that not everybody will understand them... On the other hand I totally agree that there is a need to let’s say turn this thing into something that is real, let’s say numbers, figures something that is expected, success, business cases, numbers added value for the company is one of the turning key points, even this sometimes is difficult to understand for a person working with sustainability. (Sustainability manager of Romania)

Sometimes people even me also think that sustainability is something airy, not to understand what sustainability really is and maybe to put it in each meeting you have to talk about and to find which is the part that is about sustainability and it is important from each head of the office. (Assistant of chairman)

According to Mantere (2008) the implementation expectation may also impact positively on middle manager agency when it involves a contextualization of the top-down objectives to be implemented. Well-defined objectives give focus to the work of a middle manager, supporting contextual decision-making. A well-defined set of top-down objectives provides a ‘backbone’ for work activities, supporting everyday work. Strategy becomes a tool, which is at hand, helpful in everyday ‘practical coping’ (Chia and Holt, 2006).

In the organization under study top management valued and used strategic ambiguity in the CSR field; on the other hand, middle managers experience the struggle between that strategic ambiguity and the need to operationalize CSR in specific actions and processes. However, even if individually middle managers personally believe in and commit to CSR, that operationalization is still not happening in the whole organization.
5.2. MIDDLE MANAGEMENT INVOLVEMENT IN CSR/SUSTAINABILITY DEVELOPMENT AND IMPLEMENTATION

5.2.1. Middle Management Involvement Out of Sustainability Department

Vast number of middle managers out of the sustainability department are not yet involved in sustainability development and implementation. They don’t know much about sustainability in their daily work and they don’t know what exactly is required from the organization to be done. Following middle manager’s expression clearly states this matter:

Frankly speaking when I received the invitation for this Interview, it was a big question mark in my mind. Effectively it’s a very interesting theme, also of great attention in our company but it’s something that we have to think about. So it is something we know we have to do but the how is the question and the answer is not very easy to understand. (MM out of sustainability department)

5.2.2. Why Few Middle Managers are Operationalizing the Ambiguity?

The ambiguous language and structure of the sustainability plan gave middle managers free rein to focus on the sustainability dimension. In addition, stimulated by encouragement from the top management and framed by the sustainability department, the plan’s expansiveness offers multiple opportunities to pursue valued goals. We believe strategic ambiguity of sustainability/CSR gives middle managers the room and freedom to be able to introduce new ideas, tools and processes. Now the question is why few middle managers are taking advantage of this ambiguity? In this section we identify some possible answers to the mentioned question.
5.2.2.1. Lack of Individual Level Competences

The reorganizational process has happened nearly one year ago and the new sustainability department has gained increased level of importance and number of employees involved in this function. Within the organization there has been the possibility for internal transfer among the departments, therefore most of the employees in sustainability department were new comers from other departments. Colleagues within the sustainability department have repeatedly asked me if there are courses or skills to be learned in the field of sustainability. (Miandar, field notes)

Middle managers related:

It was a big change for the sustainability issues in the company, starting from 4 people to 25, so maybe the organizational structure is something like a test. People coming from other departments have to study and understand first, when they came to the sustainability department, about what sustainability is that is not always so easy to understand. (Sustainability department member)

It is something we know we have to do but the how is the question and the answer is not very easy to understand. (MM out of sustainability department)

Talking in general just knowing the risk right now is to really have teams that are motivated by sustainability and really have the knowledge of what they are doing, I think many teams that have been built before have been destroyed and I’m not so sure that the current teams have the skills right now and I think that’s a little bit risky, but I don’t know the solution, it is not easy because the people who have been doing this before have been removed and you have new people, I think also people who are managing this should know a little bit and that’s something I would focus on. Not so
sure because right now we are putting more focus on having people managing sustainability areas people that have some kind of influence in the organization but they don’t know anything about sustainability and I’m not so sure if that’s good. (Sustainability manager of Spain)

5.2.2.2. Lack of Motivation

Another reason for not taking advantage of ambiguity of sustainability/CSR and not being involved in implementation processes is the lack of motivation. It can be related to the change process and taking care of human capital in order to motivate them to be involved in this sustainability change process as the following quote represents:

I think that the only obstacle, the real obstacle is the obstacle that in general every change in company has to face and this is motivation but independently from sustainability, motivation is how you take care of the human capital inside the company. That is not depending on sustainability, it is a fundamental criteria of sustainability as you know, managing human capital but in many cases you forget human capital, it is something that you already have at home, how to maintain, how to motivate and how to take care more and more. We are now starting but again when you say that sustainability is strongly linked with life, with business, this is the demonstration how could you separate sustainability from the motivation of people, because sustainability requires that you manage the human capital, but how you manage human capital depends on how deep is the concept of sustainability in your managerial culture. Sustainability is a part of how you manage human capital, it is integrated, and was integrated but no one was aware that it was integrated. (Head of sustainability, innovation and stakeholders unit)
Lack of motivation as mentioned in following quotes can be related to both financial and nonfinancial factors:

I think about the compensation process, the meritocracy; it's connected to sustainability, because if we describe the linear and transparent process and we give the same opportunity, and people know the reason why one person received an incentive and not another person, maybe next year they'd know that if they made an effort or strengthened that point, they'd have more opportunity; it's coherent with a sustainability vision. Also, when we have a vacancy. (Human resources business partner)

I think the key barrier is the mindset, so everyone thinks I have to do my job and on top of this I have this sustainability thing, which is a lot! Because otherwise I’m not going to approve my project, so the key barriers is really showing people that without sustainability aspects being processed your work is useless. Because they think it is an additional part that they have to do, but that is because sustainability is a different, still an external thing. Culture of individuals, that’s what I mean when I refer to mindset. So if it doesn’t automatically come to me that I need to besides the financial, the legal aspect I should always care about the sustainability aspect. And until then it is automatic we are going to have a barrier. (Assistant of CEO)

5.2.2.3. Lack of Organizational Opportunity

When I was inviting my interviewees for an interview about sustainability/CSR in many cases at the end when asking what is your opinion about this research project the answer would be, it is interesting and at least it made me think about sustainability during this past hour of
interview. It made me wonder if these individuals have had the chance to be involved besides their personal interest in the theme of sustainability. (Miandar, field notes)

It seems like main decisions regarding sustainability are being made at the higher level of the organization and at lower level of the organization not everyone necessarily have the opportunity to introduce new ideas and be involved in the development stage of sustainability. Here are some related middle managers points of views:

I think it is easier if it starts like this, with top management having some big sustainability challenges and they try to deploy to the middle management and the middle management work with the people they work with to change the day-by-day behaviors. I imagine a second phase where of course people having understood what sustainability is, maybe more directly involved, may participate and give ideas about sustainability. But maybe the top down approach is faster for the moment; maybe we can try to mix. (SUS team)

We have a very hierarchical organization in some fields, like distribution or generation divisions, but in other business lines it is different; the top manager speaks directly to employees, and so on, because the structure is more flat. (Human resources business partner)

Maybe the risk I see today is the opposite I mean too many people are talking about sustainability, which is good of course on one hand; we don’t have to risk sustainability to come as a magical word to open all the doors. Sustainability sort of mantra or slogan and not something really related to day-by-day business decisions. (Head of sustainability function)
5.2.2.4. Differentiation Between Sustainability Department and Other Departments

Within the sustainability department the idea is not ambiguous and unachievable, they do have the motivation about their work but since it is a newly expanded department they do not necessarily have the competences. The fact that they are coming from different backgrounds is an added value for the sustainability team, what we mean by competences is to gain a common managerial view towards sustainability apart from their technical background.

I believe there is a need for training courses upon arrival to this department… the training I received was too basic that I had to learn everything by myself at work… are there courses or certified degrees that we can learn some specific skills in the field of sustainability? (Miandar, field notes)

Out of sustainability department the idea is still ambiguous and unachievable, they do not have the skills and necessarily the motivation to be involved. A middle manager stated:

If the top management, the director or the second line of CEO asks to get an update on projects including sustainability they will do that because it is requested it is a part of your job. If it is requested by the function of innovation and sustainability it is a second priority, maybe they do that but with a very light approach. (MM in sustainability department)

5.2.2.5. Perceived Solutions on How to Improve

In answer to the question of how do you think the company can improve in having MMs involved in the process of development and implementation of sustainability? The answers can be clustered in four categories: First, increasing Motivation, for example by having clear objectives, targets, bonus, investing in human capital, communicating the company’s commitment to sustainability. A middle manager related:
One of the most efficient ways to motivate people, and let them be committed to generate new ideas for the company, is to allow them to see other realities. (MM out of sustainability department)

Second, increasing opportunity: for example by having pilot-projects and contests so that everybody would have the opportunity to contribute. Head of sustainability department suggested:

Probably the best way is to work on it, to launch pilot project, to launch contest for example, which is interesting. Contests in different countries to push people share experiences.

Third, increasing abilities: by trainings, workshops, constructive meetings, working groups, examples of business cases, benchmarking. These are actions, which specifically have been requested by middle managers, for example:

I think that there should be institutional, periodical meetings or workshops for middle managers, to make a point of where we are about sustainability, and to let them propose the action; they shouldn't be just brainstorming, they should be practical. (MM out of sustainability department)

Finally, development of sustainability culture: “power of feelings and to share the dream”

We are working on culture, strongly on culture, courses when people joining the company talking about sustainability not only, having concrete rules to be used on everyday activities to push people to sustainability, if you are managing a plant what are your sustainable indexes that you have to achieve so provide people with right, simple, measureable indexes, to check themselves, to check if they are sustainable, if their activity is sustainable, to check if they are working right to be sustainable. These is the big challenge try to be sustainable and try to push people to be sustainable measuring their activity, but this is the engineer way of thinking, I measure, I control,
I influence you. I think the power of dreams is more than the power of feelings so we need to share a dream with people, a dream of radical change, a dream of radical change of humanity, radical change of the company, radical change of themselves. (Top manager)

In terms of motivation there seems to be this debate and controversial addressed solutions about having or not having the reward system. Mostly higher-level sustainability managers believe in integration and absorption of sustainability in the business targets. Head of sustainability department said:

I think that we need to work more together with people to engage them in projects more than remuneration for example, there is also an interesting discussion on how to link sustainability targets with remuneration management by objective, variable remuneration typically but I don’t think that is really the key because if we agree that sustainability is more and more embedded into the business we don’t have to find ways to match and link sustainability targets with money, because sustainability targets are different from the business targets and if we really seriously integrate them in the business, it is the business itself that is sustainable. We don’t have to invent things to link to sustainability targets, I believe more in the daily job, in the work in helping people to understand that it is their daily job that matters, and not to reach some external; targets or to add it to the real job, it seems that you just add something to be proved, to push people to be sustainable just to reach their economic targets and this is not the way. (Head of sustainability department)
In terms of implementation MMs in and out of sustainability department do not necessarily have the same opinion about the reward system. A middle manager related:

I think if you want middle managers to be involved you should give them bonus, or something else. (So is this the way you think the company can improve their commitment?) Well it could be, if they get it as a target. (MM in sustainability department)

5.3. SPECIFIC ETHNOGRAPHIC FINDINGS CAPTURING THE ORGANIZATIONAL CULTURE

The concept of organizational culture first emerged in the 1970s and 1980s (e.g., Hofstede, 1981; Ouchi & Price, 1993; Pettigrew, 1979; Schwartz & Davis, 1981), and soon became one of the most influential but also most controversial concepts in management research and practice (Crane, 1995; Jarnagin & Slocum, 2007). The concept has been interpreted very differently and there is a lack of consensus regarding a common definition of the term (Ashkanasy, Broadfoot, & Falkus, 2000). Culture theorists have suggested a variety of definitions, ranging from notions of accepted behavioral rules, norms and rituals (e.g., Trice & Beyer, 1984), to shared values, ideologies and beliefs (e.g., Schwartz & Davis, 1981), and, at an underlying level, shared patterns of meaning or understanding (e.g., Louis, 1985; Smircich, 1983). One frequently cited definition is Schein’s (2004) three level typology of culture, as it extends through and includes various concepts and cultural dimensions (Crane, 1995; Linnenluecke, Russell, & Griffiths, in press).

We refer to organizational culture as; Social or normative glue that holds an organization together…the values or social ideals and the beliefs that organization members come to share.
The values or patterns of beliefs are manifested by symbolic devices such as; myths, stories, legends and specialized language. (Smircich, 1983, p. 344)

The aim of this section is to go beyond the interviews through some experiences while living in the organization. The experience of being present in the organization as a researcher and at the same time practitioner within the sustainability department revealed deeper insights and gained trust, which resulted in development of an extensive research diary and in depth observation. Having spent six months in the organization taking part in events, formal and informal meetings and being in interaction with individuals on daily bases within the organizational context, all that effort helped us to understand what the bases in this organization are. If the previous sections of the findings are based on what other people said, in this section we rely on the data we have generated, we use the fieldwork and notes to capture the culture of the organization. What we present in this section is the effort of us living in the context. We could have reached the findings of previous sections just by having interviews, but the methodology enabled us to gain deeper insights and not just to rely on what people said.

We have generated a set of assumptions through an extensive analysis of the field notes, observations and living the organizational daily life. We see the following assumptions as informative to define the culture of the organization. Employees consider being critical risky; A few of interviewees were concerned about their critical view to be exposed, for example their point of view on reorganizational process, work experience, meritocracy and work-life balance. Action has to be approved by higher level of the organization; interviewees concern about the political context in which the interviews were being sponsored. Some interviewees were asking: Why me?...Do you know on which bases HR have chosen me for this interview?...Does it have to do with assessment? (Miandar, field notes).
Based on visibility to top management there are career opportunities for individuals and organizational resources for units; Struggle between HR and sustainability department about who is the leader of the research project. I attended a requested meeting with some sustainability managers, discussing why the invitation email to interview was sent by HR (Miandar, field notes). It seemed like there was an unclear point between the two departments for ownership of the project.

Employees and managers are different; Certain places and facilities within and out of the organization were being perceived just for managers. There was a gym close to the office where I heard some managers go there, which was in a convenient location and costly (Miandar, field notes).

Finally culture of the organization is what the CEO thinks. Interviewees repeatedly mentioned that they believe in sustainable culture of the organization because the CEO is strongly committed to sustainability. In our search to understand and discover more about the culture of the organization we came across a controversial article referring to a meeting of the CEO with university students in a mutual context titled ‘frighten the employees to change’ published in a well-known national newspaper. Response of the CEO to the question of ‘how do you change a big company?’ raised controversy. He stated that influential employees within the organization whom resist the change have to be replaced in order to inspire fear or to be positive examples in the rest of the organization. Some members of the parliament commented that this vision spreads fear through the organization of work and it would result in the implementation of actions of bullying in the workplace.

What these stories have in common is the visible existence of organizational hierarchy. The mentioned interventions in previous sections can be operative up to a point; however those interventions (MOA) must be complemented by culture of the organization. If the organizational culture does not allow and give the freedom to middle managers to
operationalize strategic ambiguity, which is open by itself, culture plays the role of an obstacle in this process and does not prepare the bases for positive side of strategic ambiguity.

Table of Additional Relevant Quotes of the Findings

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<tr>
<th>4.1.1. The Broad Approach of Top Management (TM)</th>
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<tr>
<td>When you take really strategic decisions so maybe you are a top manager probably you don’t have always the time to understand the sustainable side of your decision even if of course you should, but in the small decisions and small behaviors maybe it is more concrete, so middle managers can really manage this culture. (MM in sustainability Department)</td>
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<td>Normally top managers have an idea, but don't have an idea of how to do this, so middle managers have to explain how. They also have to motivate people and explain the strategy. They are sort of mediators, sort of a filter. Usually I have to transform an idea I have in terms of ways to achieve it, and in the meantime you have to gain more. You have to change the communication of management in real communication that people can accept. You have to listen a lot, understand and then communicate top-down. (MM out of sustainability Department)</td>
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<td>Maybe it's a little less in development and a little more in applying. I mean, development is for higher managers, they give the indications of the strategy and so on. As a middle manager, you have to find the way to apply the strategy. It's more an application of the strategy; we are like the field generals. (MM out of sustainability Department)</td>
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<td>If we agree that sustainability is more and more embedded into the business we don’t have to find ways to match and link sustainability targets with money, because sustainability targets are different from the business targets and if we really seriously integrate it in the business, it is the business itself that is sustainable. We don’t have to invent things to link to sustainability targets, I believe more in the daily job, in the work in helping people to understand that it is their daily job that matters, and not to reach some external targets or to add it to the real job, it seems that in this sense you just add something to be proved, to push people to be sustainable just to reach their economic targets and this is not the way. (Head of sustainability function)</td>
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<th>4.1.2. Middle Management (MM) View</th>
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<td>I think middle managers have the most important role if you want to spread out sustainability in the culture of the organization because as I told you, they manage other people so they can in some way influence their behavior, not only their work but also their behavior and they can take some decisions, so they can choose between the sustainable if they have option and the not</td>
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sustainable one. (MM in sustainability Department)

4.1.2.1. Personal Level Belief

I think you feel it, it is easy to say but you feel better if you know you are helping someone else that could be people needing your help or the environment. It is really something that doesn’t cost you so much and if you know that the result is really positive for the future generation it is involving. (MM in sustainability Department)

It’s a concept I really enjoy and I try to implement in my day-by-day activities. (MM out of sustainability Department)

I have got a very big family, with 5 children, I really try to make sustainability an important part of our family life by trying to teach them about sustainability, and I think this is important, because our children shape future. (MM out of sustainability Department)

Personal commitment is fundamental. I believe we make the difference, not others. In our way of living, we should and must be the difference. We have been living thinking only about ourselves, making choices good only for ourselves. I think that people are starting to see this point and making some differences. (MM out of sustainability Department)

4.1.2.2. MM Understand and Value the Open Idea of the Company

I don’t know, I understand there are a lot of qualitative aspects that are the once that are complex for me to afford, so it is not that I don’t like them but for me it is difficult to understand and manage all the qualitative aspects that are a lot of course. (MM in sustainability Department)

I see positive signs, because I see that the company is currently working on sustainability. The achieved results in the past years have been very good, I see a sense of urgency and responsibility on this topic. I believe in what the company does in this sense. Since I’ve started working here, we always spoke about sustainability and respecting the environment, also in terms of normal business; I think that the company is doing a lot in terms of initiatives, communication initiatives, campaigns and so on, but also in terms of day by day business, from this point of view sustainability is always being followed. (MM out of sustainability Department)

4.1.2.3. More Concrete Objectives are Required

Not measureable, the problem is you can understand in a motivational way but you cannot measure it, so it is difficult to manage them from my point of view. You can manage performance if you have numbers. (MM in sustainability Department)

I think examples are easier to be understood and more affordable for everyone. Because to understand the concept of sustainability could be difficult but if you make an example and maybe an example related to my work it is easier for me to understand and to apply that approach. (MM
Sometimes in my opinion, this concept is like something in the air, it’s something that you cannot touch directly; the most difficult thing is my opinion is trying to put this concept into the day-by-day reality. (MM out of sustainability Department)

It's difficult to see what some of the actions are; sometimes the benefits are indirect and not so immediately tangible because maybe there are lots of benefits or coming through a wider concept. It's difficult to decide how many things you want and need to do, the balance between the correct budget for these kinds of things, the correct intervention you want to do, keeping the name of compelling project. In other things it's more tangible, you have an offer for machinery and you negotiate, you feel the direct impact of something. (MM out of sustainability Department)

I'd say the company could define some indicators that are to measure the success in the sustainability project. Even all the reworks we are doing on a project design, because later we understood our solution was not considered sustainable from the local community, this could be an indicator of how we are effective in our methodology. Also, if you have a stop point during construction because of some opposition at local level surely it's a demonstration that something was not properly done; whatever methodology would help measuring the performance in the sustainability process would have middle managers more empowered and measured in terms of effectiveness. (MM out of sustainability Department)

I think that it's important not just to explain to middle managers, but also to involve them in these activities. Everyday they should take in consideration the sustainable approach of their activity, to define sustainability in their work. (MM out of sustainability Department)

### 4.2.2. Why Few MM are Taking Advantage of Ambiguity

#### 4.2.2.1. Lack of Individual Level Competences

What I would like to suggest and expect from the company is to receive some more information in order to help me to put this concept in my day by day activity, which is the concept that the company expects from me in terms of sustainability, I think it should not be only my personal effort to understand and to study but also the company should make something like training courses for example. You need to put the table together having thoughts, meetings, training courses, videos, something like that in order to develop this kind of awareness about what sustainability is and what the company expects from us in terms of sustainability. (MM out of sustainability Department)

It is to make people more capable of performing this action; you have to give them the means to measure it. You have to give some message on what you are expecting, because in some cases it
could be difficult because of the different backgrounds involved into projects. Measurement and this awareness process, sharing of the tools and the actions that can be done. (MM out of sustainability Department)

At the end of the day you are talking about the change of culture. So if you don’t have the culture inside the company it’s difficult and really pushing that culture is not easy, and it has to do with your background for instance. (Country sustainability manager)

4.2.2.2. Lack of Motivation

The easy answer is putting some objectives in their MBOs; this is really where people always committed, because if you talk about my money I will try to reach the objectives. It is easy but is this good! If it works it is good. (MM in sustainability Department)

To be honest I think up to now we just looked at sustainability as a task that we have to do, we have to send some numbers we have to fill some tables sometimes we have a lot of things to do it’s just another task within a lot of other tasks, so I think just a little bit downgrading in terms of importance, so unfortunately I think in our work activities it is perceived as it should not be. (MM out of sustainability Department)

There are difficulties many times because people are used to do things the same way without being open to the influence and the external world, so basically when you are talking about sustainability you are talking about being good in detecting which are the main stakeholders what their expectations are and how you can make profit by giving answer to those expectations so the problem why it is difficult, it is difficult because many times you are not used to listen to your stakeholders, you are not really used to identify all your stakeholders and you are more used to focus on one stakeholder which is the shareholder and to make profit, so I think that’s what makes it a bit difficult sometimes. And at the end of the day you are talking about the change of culture. So if you don’t have the culture inside the company it’s difficult and really pushing that culture is not easy, and it has to do with your background. (Country sustainability manager)

4.2.2.3. Lack of Organizational Opportunity

I think it is easier if it starts like this, with top management having some big sustainability challenges and they try to deploy to the middle management and middle management work with the people they work with to change the day-by-day behaviors. I imagine a second phase where of course the people having understood what sustainability is may be more directly involved, may participate and give ideas about sustainability. But maybe the top down approach is faster for the moment; maybe we can try to mix. (MM in sustainability Department)

I think we should always work on people and on leadership, on being a model for others. Leader
doesn't mean to be the boss; sometimes the leader can be a member of the team. Middle managers simply have the possibility to influence and coordinate people. I think that we should work on making middle managers aware of this power, this possibility. (MM out of sustainability Department)
Chapter 6 – Discussion, Conclusion and Future Research

6.1. Discussion and Conclusion

CSR/sustainability implementation is an underexplored issue, although the implementation of CSR/sustainability has attracted quite some attention in the literature before (e.g., Baumann-Pauly et al., 2013; Maon et al., 2009; Vidal et al. 2012; Wickert, 2014), most of the extant literature remains either prescriptive or at the organizational level of analysis. Relatively little has been said about internal dynamics and corresponding individual agency of actors aiming to promote CSR/sustainability in an organization. In this research we explored the conditions under which middle managers can operationalize strategic ambiguity used by top management in the CSR/sustainability field, providing the organization with CSR-related specific actions and processes. In order to capture the living essence of this operationalization process we conducted an ethnographic research by being present in an organization and living the practical daily life of the organization. The added value of introduced methodology is that it allowed us to gain insights from different perspectives including those of the ethnographer’s. We now elaborate on the main contributions of the paper, situating them within the existing literature and exploring their boundary conditions and implications.

The findings in this study indicates that emergence of strategic ambiguity can shed light on this operationalization process. Synthetic review of the findings showed that some conditions are not present in order for middle managers to be engaged in implementation of CSR/sustainability by operationalization of strategic ambiguity. Some have suggested that the use of ambiguity in strategy discourse may be one way of accommodating the perspectives of multiple stakeholders despite their differences (Davenport and Leitch, 2005; Jarzabkowski et al., 2010; Sonenshein, 2010; Tracy and Ashcraft, 2001), enabling a form of unity in diversity and encouraging creative responses (Eisenberg, 1984). However, little is known about the
consequences of such ‘strategic ambiguity’ for the consumption and enactment of such actions. How to encourage these creative responses? What are the organizational requirements for ‘strategic ambiguity’ to enable the operationalization process? This research draws on the case of middle managers in operationalization of CSR/sustainability in an organization to examine those questions.

Several subsequent studies have emphasized the positive attributes of strategic ambiguity. Yet, this begs the question of how such ambiguity might then be received by various stakeholders as they consider the implications of the strategy for subsequent action. As McCabe (2010), Jarzabkowski et al. (2010), and de la Ville and Mounoud (2010) have suggested, it is important for researchers to reach beyond the doings of managers in creating strategy to understand how it is received and acted upon. Several scholars have nevertheless suggested that strategic ambiguity may have its dark side when it comes to considering the implications for organizational level action or enacted strategy. Sonenshein (2010) warns that too much ambiguity can lead to confusion. Denis et al. (2011) note that when stakeholders with divergent views are forced to work together, ambiguity in agreements may generate repetitive cycles of decision making without action (a phenomenon labeled ‘escalating indecision’). It is likely that whether and how strategic ambiguity will be helpful or harmful in enabling collective strategic action will depend on how that discourse is interpreted and consumed. There is thus a need to examine not only patterns of consumption among different groups of actors, but also their organizational-level consequences. Previous research has suggested that ambiguity is a common feature of strategy texts. Yet, the consequences of ambiguity for the consumption of strategy discourse and for the enactment of planned strategy have so far received limited empirical research attention (Abdallah et al., 2014). This research contributes by exploring empirically the existence of strategic ambiguity in CSR/sustainability operationalization by middle managers.
In this study we tried to understand the conditions for action, which is not the case related to studies about emergence consequences of the dark side of strategic ambiguity. We argue the existing conflict of desirability of both strategic ambiguity and clear operational objectives by middle managers. In our study this phenomenon has been represented through the fact that middle managers appreciate and value the open approach of top management towards CSR/sustainability implementation but at the same time require clearer operational objectives. This phenomenon has broad implications for strategy development, particularly in pluralistic settings, suggesting that while the enactment of cohesive but ambiguous strategy discourse enables strategic development and change, it may contain the seeds of its own dissolution, contributing potentially to cyclical patterns of development and reorientation. This study confirms the observed relationship between strategic ambiguity on the one hand, and strategic versus operational communication on the other hand. In order for the strategic ambiguity to be effective in CSR/sustainability field a set of preconditions are required (1) a set of organizational and individual interventions (2) the idea of the organizational culture.

First, one of the knowledge gaps we are contributing to is regarding underlying processes and insufficient work at the individual level of analysis pointing to research that, drawing on the strategic management literature (Foss, 2011), we label microfoundations (i.e., foundations of CSR/sustainability that are based on individual action and interactions). In this study we specifically looked at the conditions under which middle management can operationalize strategic ambiguity and our findings are in line with the Motivation-Opportunity-Abilities (MOA) model in human resource’s (HR) field (Ölander & Thogersen, 1995), which is at the individual level but recently has also been used at the organizational level of analysis. We argue that in order for middle management to be involved the organization should have a set of actions in place. The reasons of that lack of operationalization are: (i) middle managers do not have the required skills and CSR-related
knowledge (ability). The knowledge, skills and abilities HR policy domain consists of a group of policies and practices that focus on efforts that influence the competencies of employees. Within HR systems, three general policies are directly instrumental in this domain: recruitment policies and selection policies which were not mentioned by interviewees in our study, and training policies; (ii) middle managers do not perceive added value in performing that operationalization (motivation). The motivation and effort HR policy domain is composed of policies that are implemented to influence employee motivation and effort. Three general HR policies are directly instrumental in this domain: performance management policies, which was not mentioned during our interviews, compensation policies, and incentive and rewards policies; (iii) middle managers still do not have organizational tools and processes where performing that operationalization (opportunity). Beyond improving employees’ abilities and motivation required to perform well, an organization needs to design work in a way that allows them to exert their competences and efforts via opportunities to contribute. Within this domain, two policies are generally used to offer these opportunities: job design policies and involvement policies.

It is our understanding that regarding increasing ability middle managers did not talk about recruitment and selection policies because they are not close to those policies and it did not cross their mind since it is an HR related work. Regarding increasing motivation middle managers mentioned compensation, incentives and rewards policies but did not mention performance management; the reason could be not considering CSR/sustainability in performance management yet. Each policy within the three HR policy domains is implemented through various practices. For example, a training policy is realized via some particular training practices such as on-the-job training, off-the-job training, online training, and classroom training. Performance management policy can be implemented via formal evaluation, developmental appraisal, 360° appraisal, and result-oriented appraisal. Moreover,
practices like empowerment, voice, employee participation, and information sharing may be used to realize involvement policy (Jiang et al., 2012). Competences, motivation, and opportunities to contribute are all essential elements of employee performance and in order for middle managers as crucial actors within the organization to operationalize CSR/sustainability initiatives those essential elements of performance are required.

Second, in this study we observe the connection between culture and strategic ambiguity, culture of the organization can identify the double-edged nature of strategic ambiguity. A preexisting condition for the above-mentioned interventions and at the same time for strategic ambiguity to have a positive affect is the organizational culture. This is an additional finding based on our specific methodology and through living the organizational life. Organizational culture is often cited as the primary reason for the failure of implementing organizational change programs. Researchers have suggested that while the tools, techniques and change strategies may be present, failure occurs because the fundamental culture of the organization remains the same (Cameron & Quinn, 2006). A number of studies have provided empirical support for these claims (e.g., Cameron et al., 1993; Jarnagin & Slocum, 2007). Their findings suggest that the successful implementation of culture change for corporate sustainability might be largely dependent on the values and ideological underpinnings of an organization’s culture, and that these in turn affect how corporate sustainability is implemented and the types of outcomes that can be observed. In this study our findings extend the idea that organizational culture is a precondition for middle managers to be active in CSR/sustainability implementation.

Related to another literature strand about paradox-savvy leadership, paradoxes are commonplace in everyday life, and they are becoming more relevant to organizations and effective leader behavior. The essence of paradoxes is that two opposites coexist and must be dealt with as a pair. Thus, for leaders, to act paradoxically is to adopt a “both/and” rather than
“either/or” strategy. As the environments of organizations grow more complex and dynamic, with intense competitive pressures, leaders are likely to confront increased contradictory, even paradoxical, demands (Zhang et al., 2015). Managers can deal with increasingly complex, diverse, and dynamic environments in a number of ways. For example, the use of project teams composed of individuals from diverse backgrounds and expertise can allow firms to take into account the multitude of complex elements affecting them (Edmondson & Nembhard, 2009; Gardner, Gino, & Staats, 2012). However, aside from how work is formally structured, we suggest that leadership behavior is also necessary to bring together or integrate these complex/diverse elements. Paradox-savvy leadership is a process that begins with personal qualities and cognition, and results in what has been referred to as both/and behavior (Smith & Lewis, 2011; Waldman & Bowen, 2016). Strategic ambiguity is by nature paradoxical, so on one hand people like it and on the other hand it is not clear so they dislike it too. It is to learn how to deal with this paradoxical orientation of like/dislike or love/hate; strategic ambiguity at the organizational level requires both.

In summary, we argue that the patterns and mechanisms described in this study are likely to find echo in other settings. While forms of ambiguity and modes of consumption may vary, the enabling qualities of ambiguity – offering potential to stimulate creative action – may be difficult to sustain in the longer term in the light of the multiple mechanisms that can undermine them, each associated with different discursive forms of ambiguity and modes of consumption. Success of sustainable development process is a rather intuitive orientation based on an equally rather implicit understanding of a collective learning process (Pohl et al., 2010). What our analysis shows is that this intuitive assumption seemed to be clearly guided by the objective of promoting and enhancing knowledge coproduction, based on openness and the search for deliberative interaction of all the thought collectives involved. Prerequisite in
order to conceptualize the means through which interactive knowledge production takes place is the culture of the organization.

6.2. Future Research

We suggest several avenues and directions for future research. The proposed relationships between organizational culture and corporate sustainability will require further exploration. It seems apparent that organizations have to abandon the dominant design and assumptions of the bureaucratic organization, and similar claims have been made by a number of authors in other studies (e.g., Stead & Stead, 1992). We believe that an important issue for the future will be studies designed to understand the complexities of the relationship between organizational culture and corporate sustainability. Already some studies (Linnenluecke et al., in press; Ramus, 2001, 2002) have attempted to develop and use existing measures as a means to understand the relation between organizational culture and the pursuit of corporate sustainability.

Second, an interesting avenue of future research is the investigation of how culture change can be achieved in the presence of different subcultures, and how this changes the corporate performance on economic, social and environmental aspects. A third interesting avenue worthy of future research is the relation between individual values and organizational values. The values of employees and managers in organizations are phenomena that have captured much attention from researchers, practitioners, social critics, and the wider public. Despite this interest, there is a lack of agreement on what values are and how they influence individuals (Meglino & Ravlin, 1998). Hoffman (1993) argues that a congruent fit between an individual’s values and that of the organization’s culture is important. In case of incongruence, individuals can either choose among compliance, a resolution to change the corporate values, or resignation from the organization. As Hoffman’s study is based on the
assumption of a unified organizational culture, a more detailed investigation of individual values and organizational values seems useful. Future research could address whether and how values of top management or dominant organizational actors become disseminated throughout different subcultures, and how this helps to facilitate the adoption of corporate sustainability (Linnenluecke et al., 2010).

Finally, in our study we examined corporate sustainability operationalization through the lenses of strategic ambiguity among middle managers, but did not focus in depth on the experiences of particular individuals. de Certeau’s (1988) notion of consumption could be applied at a more micro level to examine how identities infuse perception of strategic ambiguity, offering richer understandings of what it means for individuals, closer to the work of Watson (2003) on the personal lives of strategists. Also it is to be considered that strategy emerges in different areas of the organization and might move top down or bottom up, therefore the concept of strategic ambiguity can be looked at in a more bi-directional way between top and middle management.
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