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## **Strategy Practices in Mediating Sustainable Micro-Organizational Praxis: The Case of “Green Operations”**

### ***An Activity- Theory Approach to Strategy as Practice***

#### **Abstract:**

This paper explores how a strategic idea to operate offshore service vessels sustainably is mediated into micro-organizational praxis, focusing on strategy practices in strategizing “green operations”, or streams of fuel-saving activities. The effective strategy practices identified are sensitivity for when to launch a strategic idea, extensive promotion of the idea, appealing to financial as well as non-financial values, concretizing of a repertoire of behaviors at the micro-organizational level to realize the stated idea, constituting offshore middle managers as the center of the micro-organizational strategizing web, and corporate facilitation of the strategizing processes. The paper contributes to advancing our knowledge about strategy practices in mediating a strategic idea into micro-organizational praxis and is of particular interest to companies within the shipping industry.

**Key words:** Strategy practices, sustainability, mediating, practitioners, micro-organizational praxis.

#### **Introduction**

The purpose of the paper is to investigate how a shipping company mediates a strategic idea into micro-organizational praxis. A strategic idea is supposed to set out a view of the future to enhance organizational performance (Hamal & Prahalad 1989, Macmillian 2000, Grønhaug, Hellesøy & Kaufmann 2001, Sapsed 2009). In our case the strategic idea was to operate offshore service vessels sustainably, mediated thorough an evolving activity system (Jarzabowski 2010), or through situated, socially-accomplished streams of fuel-saving “green operations.

Transformation of a strategic idea into micro-organizational praxis normally implies larger or smaller organizational changes. In the research on strategic organizational change processes the dominating focus has been on analytical activities related to decision making, implicitly presupposing that the implementation of strategic ideas or intents into organizational realities is more or less a straightforward task (Johnson, Langley, Melin & Whittington 2007). The focal point has been on strategic analysis and strategy formulation, paying less attention to how formulated strategic ideas or

visions are transformed into organizational realities. More recently implementation of strategic decisions into practical realities has been understood to be perhaps even more demanding than strategy formulation, as reflected in among others the emerging Strategy as Practice perspective (Whittington 2006, Jarzabowski, Balugun & Seidl 2007, Johnson, Langley, Melin & Whittington 2007). In contrast to the traditional view on strategy, Strategy as Practice has a micro-perspective on strategy and organizational transformation activities, focusing on the doings of strategic actors, or practitioners, in their strategy making, or strategizing processes. The intent is to “drill” deep into the organizational strategizing processes or to what Brown and Duguid (2000: 95) term “the internal life of the processes”.

In this paper the focus is on strategy practices in mediating sustainable operative praxis on board offshore service vessels, focusing on practices in transforming the strategic idea into a stream of micro-organizational activities. The case constituting the empirical basis for our research was a fuel-saving campaign initiated by a large Norwegian shipping company servicing the offshore oil industry. We chose this case because of its innovative nature as well as the success in transforming the idea to operate its fleet of vessels sustainably into operative praxis. Our guiding research question is: *How is a strategic idea for operating offshore service vessels sustainably mediated into micro-organizational praxis?* This is an important research question because our present knowledge about transforming a strategic idea into practical realities is limited, reflected in numerous publications confirming the failure of strategic organizational change processes (e.g. Beer, Eisenstat & Spector 1990, Kotter 1995, Grønhaug et al. 2001, Brunsson 2007, Johnson, Langley, Melin & Whittington 2007, Whittington 2010, Meyer & Stensaker 2012). Further knowledge about effective strategy practices is therefore of significant importance for any organization struggling to maintain or improve its competitive position, not the least of which are companies operating within the shipping industry subject to strong international competition while simultaneously under pressure to operate sustainably (Norwegian Government Report 2011-2012, Behring 2012).

The remaining part of the paper is organized as follows. First we describe our theoretical perspectives regarding organizational strategizing processes. Thereafter we present the case constituting the empirical basis for our research. Then we describe our methodological approach for exploring activities and challenges related to mediating the strategic idea into practical realities, followed by a presentation and analysis of our findings. Finally we discuss and deepen some aspects of our findings related to effective strategy practices in mediating a strategic idea into micro-organizational praxis, as well as comments on avenues for further research.

## **Theoretical Perspectives**

This section reports on the theoretical foundation of our research, reflecting a practice-orientation on organizational strategizing, and focusing on social activities, processes, and practices that characterize organizational strategy and strategy making (Golsorkhi, Rouleau, Seidl & Vaara 2010). The practice-perspective can be regarded as an alternative to the mainstream strategy research via its attempt to shift attention away from merely a focus on the effects of strategies on performance alone to a more comprehensive, in-depth analysis of what actually takes place in organizational strategizing processes; in other words in the “black box” of strategy work. At the same time a

practice-orientation on organizational strategy making is associated with the broader “practical turn” in contemporary social science, which is concerned with how strategic actors and practices are linked in social systems, cultures and organizations (Giddens 1984, Bourdieu 1990, Schatzki 2002). This practice turn is visible in many areas of the social sciences today, including organizational research (Brown & Duguid 1991, Orlikowski 2010, Golsorkhi et al. 2010, Jarzabkowski 2010), concerned about *how* a vision or strategic idea is strategized into practical realities. Strategy practices are understood as cognitive, behavioral, procedural and physical practices that are combined, coordinated and adapted in mediating a strategic idea into praxis, defined as socially accomplished flows or streams of activities that are strategically consequential for the direction of a company (Jarzabkowski et al. 2007). In our case strategy practices are the activities related to mediating a strategic idea to operate offshore service vessels sustainably, while praxis constitutes the operational activities and routines aimed at.

Figure 1 introduces those aspects of activity theory that can illuminate the interrelated study of strategy practitioners, strategy praxis, and strategy practices. In activity theory, activity is both goal-oriented, in that it is directed towards a practical outcome, and also shared (Jarzabkowski 2010). Different subjects input their individual actions into the ongoing activity of the activity system. Subjects or strategy practitioners (Fig. 1, A) thus associate with a collective (Fig. 1, B) in constructing goal-oriented activities (Fig. 1, C). Activity is a long-duration concept; a flow of activity over time (Fig. 1, E), as indicated by the curved arrows in Fig. 1, which imply that the system is not static but is in a constant state of becoming. Hence, activity is best thought of in dynamic terms as a stream or a flow of activities. As illustrated in Fig. 1 (D), an activity system framework also explains the mediation of interactions between subjects, the collective and their shared activity. Mediation is a distinctive concept in activity theory that explains how individual actors, the community and their shared endeavors are integrated in the pursuit of activity.

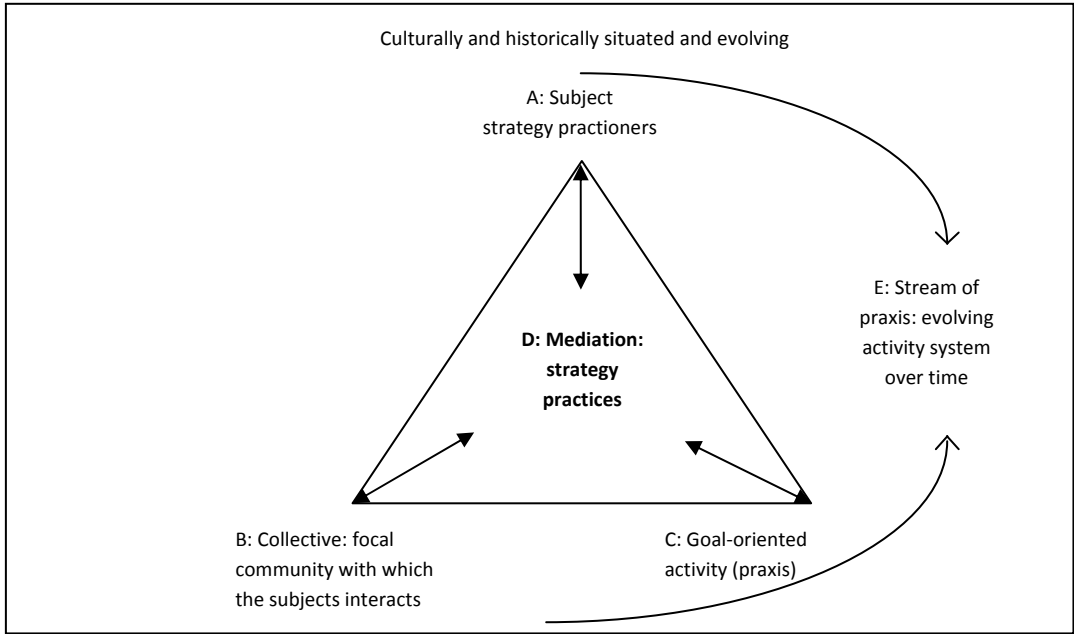


Figure 1: An activity framework for investigating mediation of sustainable operative praxis (after Jarzabkowski 2010: 130).

## The Case

The case constituting the empirical basis for our research was a fuel-saving campaign initiated by a shipping company with its main office in Western Norway. The reason for choosing this campaign as a research case was the innovative and forward-thinking underlying the campaign, as well as the successful strategizing of the idea to operate offshore service vessels sustainably into operative praxis. The campaign started in the 4th quarter of 2009. The stated goal of the campaign was to reduce the total consumption of diesel-fuel used by the vessels in the company's fleet by 10-20 %, or up to 20, 000 tons (equaling 23, 000,000 liters) a year. The reduction in fuel consumption was to be realized through "green operations" ([www.company.no](http://www.company.no), 2010), defined as a saving of 500 liters (or 0, 5 m<sup>3</sup>) of diesel-fuel. By carrying out "green operations" on board the vessels the company was trying to build a competitive advantage while at the same time branding itself as a "green" shipping company in a commercially profitable way. Initially seven categories of "green operations" were identified based on cooperative efforts between onshore and offshore management were a number of incoming proposals for ways of saving diesel-fuel were reduced to seven main categories of fuel-saving operations. The seven categories of "green operations" stated various ways, in which such operations could be carried out for reducing environmentally damaging emissions to the air without making any technical investments (described further in Appendix A).

The shipping company that initiated the campaign was established in the 1960s as a family company and is today owned and controlled by the founder's family. The company has approximately 1600 employees and a total fleet of 50 offshore service vessels, consisting of construction service vessels, larger and smaller anchor handling vessels, as well as platform supply vessels. As regards crew-members on board a ship, this varies from 20 up to 50, including representatives of the customer, or contractor, which is represented on board a vessel during certain operations. For running the campaign on a day to day basis, a project leader was hired from outside the company and employed as a full-time employee.

The campaign was organized as an internal competition among the vessels, and "green operations" carried out were recorded on a daily basis, and reported to the project leader. The project leader reported accumulated "green operations" for all vessels on a quarterly basis. The number one vessel for a quarter was awarded a small amount to its welfare fund. In addition the crews on board the three best vessels with regards to carrying out fuel-saving operations during a quarter were awarded T-shirts marked with a "green operations" symbol. Furthermore, a vessel that managed to achieve the target of 185 fuel-saving operations during a year received a green flag to be hung from the mast showing that her crew has a strong focus on fuel-saving operations in their day to day work ([www.company.no](http://www.company.no), 2010).

In 2011 the company extended the campaign by introducing a new environmental concept for the company's fleet. The concept was named Climate Neutral Operations (CNO), and its intention was to compensate for the fleet's exhaust emissions as well as to introduce the opportunity for their customers to contract climate-neutral ships ([www.company.no/climate-neutral-network](http://www.company.no/climate-neutral-network)). The CNO-concept is further described in Appendix A.

## Method

An exploratory case-study approach was chosen for capturing how the strategic idea was mediated into operative praxis. A case-study approach in our research project refers to a qualitative and field-based construction and analysis of empirical cases (Ghauri & Grønhaug 2010). The main reason for choosing an exploratory case-study approach was the lack of knowledge about mediation of a strategic idea into micro-organizational praxis, making it impossible to advance well-grounded a priori hypothesis. Case-study research is particularly useful when contextual insight is important for understanding the phenomenon under investigating.

A multiple research design (Yin, 2003; Ghauri & Grønhaug, 2010) consisting of four vessels as observation units was chosen for investigating the micro-organizational strategy making on board the offshore service vessels. The four observation units were chosen on the basis of the number of fuel-saving operations carried out so far in the campaign, on two vessels that were on or below average and on two vessels on the upper scale. The four theoretically- sampled observation units were supposed to capture activities and challenges in mediating the stated idea into operative praxis. A conditional requirement was to obtain detailed knowledge of activities and challenges in transforming the strategic idea into practical reality as experienced by management and crews on board the vessels, and their interactions with onshore management as well as customers. In-depth interviews with onshore as well as offshore management and crews were chosen for this purpose. The planning and conducting of interviews was as follows: a first meeting was scheduled with the project leader of the campaign. The purpose of this meeting was to obtain a more general overview of the fuel-saving campaign, as well as to establish a trusting relationship with the company for obtaining access to the four vessels sampled. Before as well as after this meeting with the project leader a significant amount of secondary data was collected from various sources for obtaining more general information about the campaign, among others from internal company documents, annual reports, as well as local newspapers

On the basis of the data from the conversation with the project leader as well as information obtained from secondary data sources, a semi-structured interview- guide was developed. The interview- guide contained questions about the strategic idea as such, about what constituted a typical fuel-saving operation, how the operations were carried out, and about the actors involved in initiating and carrying out fuel-saving operations. The guide also included questions about cooperation and interactions between the actors during the strategizing processes, both internally in the company as well as with customers. Furthermore, the interview-guide contained questions about how the crew reacted to the campaign as well as about enacting fuel-saving operations. Finally, the guide included questions about challenges experienced during the strategy making processes, capability requirements, and the compensation system for achieving the stated goals.

Appointments for conducting interviews on board the selected vessels were arranged in cooperation with the project leader of the campaign and scheduled to take place when the sampled vessels were approaching a port that was convenient for the researchers. Because some of the vessels did not often approach adjacent ports, the first interview on board a vessel was conducted early in 2011 and the last one late in the same year. When appointments were made for conducting interviews the researchers met on board the vessels at the agreed time and were met by one of the managers, who

in turn introduced them to the rest of the management team before sitting down for interviews. One of the interviews was conducted in the captain's cabin, one on the bridge, and two others in the vessel lounges. The interview in the captain's cabin was with the captain himself as the only interviewee, the interview on the bridge was with the whole management team of the vessel in question, including the captain, the chief mate, the chief engineer, and the steward, while one of the two other interviews was with the captain and the chief mate, and the other with just the chief mate. The interviews were tape-recorded and transcribed, in addition to notes taken during the interviews. The interviews lasted for one to three hours, followed by guided tours around the vessels that also included short conversations with the crews. After the interviews with the management and crews on board the four sampled vessels, a final interview was conducted with onshore management reviewing, discussing, and verifying significant findings.

## **Findings**

In this section we first present the results of the "green operations" campaign so far; i.e. after the campaign has been going on for three years. We then present our findings regarding strategy practices in strategizing "green" operative praxis, structured into two distinct phases that appeared from the research process: the preparatory phase as well as the ongoing implementation phase. During the latter the strategic idea was continuously transformed into practical realities as a stream of praxis, constituting an evolving activity system. Finally we present a summary of our findings regarding strategy-making practices, strategy practitioners as subjects during the strategizing processes, and an analysis of the mechanisms in mediating sustainable operative praxis.

### *Results of the fuel-saving campaign*

Below we present the results of the fuel-saving campaign from when it was initiated on the 1<sup>st</sup> of October 2009 up to and including all of 2011. As shown in Table 1, a total of 922 fuel-saving operations were carried out during the 4<sup>th</sup> quarter of 2009, equaling a total saving of 2,600 m<sup>3</sup> of diesel-fuel, or a percentage reduction in fuel-savings of 5.6 % (www. company.no). This equals emissions from 28,140 cars a year. The rainforest area preserved as a result of "green operations" carried out equals 922,000 m<sup>2</sup>, an area of about the same size as 140 football fields.

During 2010 a total of 6,552 fuel-saving operations were registered, equaling 18,476 m<sup>3</sup> of diesel-fuel. This constitutes a quarterly average of 1,638 fuel-saving operations, equaling 4,619 m<sup>3</sup> of diesel-fuel (www. company 2011), or about the same as emissions from about 200,000 cars a year. The rainforest area preserved as a result of the "green operations" registered is 6,552,000 m<sup>2</sup>, an area equal to the size of almost 1,000 football fields. The CO<sub>2</sub> contained in a rainforest area of this size equals the entire annual amount of the company's entire fleet CO<sub>2</sub> emissions. The fuel-savings achieved for 2010 were about 10 % of the total amount of diesel-fuel used for operating the fleet of vessels compared to prior to when the campaign was launched.

Average per quarter	4 <sup>th</sup> quarter of 2009	Quarterly average for the year 2010	Quarterly average for the year 2011
Number of fuel-saving operations	922	1,638	3,390
Fuel-savings (m <sup>3</sup> )	2,600	4,619	8,846
Fuel-savings in %	5, 6	10	19, 1

Table 1. Results of the fuel-saving campaign.

During the year 2011 a total of 13,560 fuel-saving operations were registered, equaling 33,168 m<sup>3</sup> of diesel- fuel, corresponding to a quarterly average number of 3,390 fuel-saving operations carried out, equaling 8,846 m<sup>3</sup> of diesel-fuel, or a reduction about 19 % of the total amount of diesel- fuel used for operating the company`s fleet of vessels compared to when the campaign was launched (www. company 2011). The reduction equals emissions from about 350,000 cars a year. The rainforest area preserved as a result of the “green operations” registered is 12,547,000 m<sup>2</sup>, an area equal to the size of almost 2,000 football fields. The CO<sub>2</sub> contained in a rainforest area of this size equals almost the double of the annual amount of the company`s fleet`s CO<sub>2</sub> emissions. In addition to the fuel-savings presented in Table 1, the maintenance costs have been reduced because of less wear and tear on the vessels` engines, which in 2011 was estimated to be an accumulated saving of eight to nine million NOK.

***The results for 2012 will be incorporated when available!***

The environmental efforts of the company have been recognized at the national as well as the international level. The Norwegian Minister of Environmental and International Development expressed in an announcement that he was impressed by the shipping company`s environmental work, emphasizing the importance of taking the initiative to add a commercial viewpoint on such an important and forward-thinking environmental model as the CNO-concept, which is ahead of both current market and regulatory requirements ([www.company.no/climate-neutral-network](http://www.company.no/climate-neutral-network), 2011).

Recently, the shipping company also announced that one of its vessels had been contracted on the basis of the CNO- concept for the next one-and- a-half years, implying that the cost reductions due to less use of diesel- fuel are to be shared equally between the customer contracting the vessel and in contributions to the Norwegian Rainforest Foundation, as further outlined in Appendix A. Moreover, the company`s reputation as a “green company” offering climate-neutral offshore services may have improved the company`s competitive position in the marketplace. This reputation effect may in the long run be even more important than the cost- savings obtained by the reduced consumption of diesel- fuel and lower maintenance costs.

### *Mediation of Sustainable Operative Praxis*

Below we present our findings regarding mediating the strategic idea for operating offshore service vessels sustainably into operative praxis.

The initial trigger of the campaign was a governmental tax regulations stating that a certain amount of taxes due could be used for environmental projects for reducing damaging emissions. Information obtained confirmed that 5-10 years back the environmental focus within the offshore shipping branch was on reducing and reporting garbage as well as establishing systems for grading waste, with a particular focus on toxic material, with limited focus on damaging emissions to air and on global climate changes. From about 2007 onwards an emergent focus on emissions to air appeared, in the beginning primarily on NO<sub>x</sub> and less on CO<sub>2</sub>. A key reason for little or no focus on CO<sub>2</sub> within the shipping industry was that diesel- fuel consumed by a vessel was paid for by the customers, and not by the shipping companies servicing the petroleum companies. The development of a stronger focus on environmental aspects concerning emissions to the air combined with governmental issues related to taxes, constituted the emerging background for the launching of the “green operations” campaign in 2009, confirmed by the following statement:

*“Initially, the idea to reduce damaging emissions was financially based, and not an initiative to operate in a “green” way.” (Project Leader)*

The campaign was promoted by the top management as well as the project leader. The strategic idea was promoted internally as well as externally towards customers, the media and other external stakeholders, and quickly became a striking issue within offshore shipping, recognized at the national as well as the international level. Promotion towards the customers for making them stakeholders in the campaign constituted a particularly important activity, initially focusing mainly on the cost-savings to be achieved by the customers by carrying out “green” fuel-saving operations.

Offshore middle managers were made early partners in the campaign by inviting them to contribute towards concretizing how the strategic idea to operate in a more fuel-efficient way might be transformed into operational activities. The initial challenge encountered by offshore middle managers was, therefore, to make sense of what was the actual content of the “green operations” idea, and to establish a repertoire on which to act to strategize the idea into operative praxis. The repertoire identified seven categories of fuel-saving operations, further described in Appendix A.

For the offshore middle managers the campaign implied significant changes in operational praxis on board vessels, which would not have been in question several years ago, as confirmed by the following statement:

*“This focus on environmental aspects is something which recently has become more imperative. ....Five years ago this was not so important and we did not think of it at all. To stop an engine was not in question.” (Captain)*

Transforming the idea to operate offshore supply vessels sustainably into operative praxis required interaction between various practitioners. Carrying out “green operations” whenever an opportunity for such operations arose was, however, not an obvious issues at the early implementation stage.



First and foremost, the initiating of a fuel-saving operation had to be in agreement with the customer contracting the vessel.

*“In the beginning of the campaign it was not unusual that the customer was unwilling to support a proposal to carry out a fuel-saving operation. The customer was primarily interested in getting a job done, caring less about environmental issues.” (Captain)*

Carrying out fuel-saving operations, therefore, also involved campaigning for the “green operations” idea as an environmental issue to the representative of the customers on board the vessel, despite the fact that half of the cost-savings obtained due to less use of diesel- fuel was of direct financial benefit to them.

*“We discuss with the customer whenever there is an opportunity. There is a continuous dialog every day as regards what is going to happen during the day, particularly at the morning meeting, and then we decide if we can shut down one engine or more.” (Captain)*

Further, transforming the idea into operative praxis presupposed that the crews were capable of carrying out fuel-saving operations while at the same time fulfilling operational obligations towards their customers in accordance with contractual agreements. This implied increased demands towards offshore middle managers being alert to operational windows for carrying out “green operations”, as demonstrated below:

*“What kind of “green operation” to be carried out usually requires input from the chief mate or his deputies as regards estimated savings of diesel- fuel related to carrying out one kind of “green operation” or the other.” (Captain)*

As chief practitioners on board the vessel the captain in close cooperation with the chief mate and the chief engineer, consequently had to have their “hands on” operational activities while at the same time acting as micro-organizational practitioners by conducting fuel-saving operational activities whenever an opportunity for suspending the normal way of operating the vessel arose:

*“I must be in close interaction with the operational activities for knowing what is going on at any time. I must do that.” (Captain)*

Carrying out of fuel-saving operations, consequently, implied carefully scheduling activities to be carried out for the next 12 to 24 hours, including safety and risk assessments. Enactment of “green operations” demanded capable and committed middle managers, in particular a dynamic and dedicated captain as team-leader for the offshore management team. It further presupposed offshore middle managers who were prepared to seize any opportunity for carrying out fuel-saving operations by balancing and optimizing the various operational activities. Offshore middle management was therefore supposed to be capable of acting strategically within the messy realities of the daily operations of a vessel.

Further, carrying out operational activities sustainably also presupposed extensive knowledge of environmental emissions by doing one thing or the other for reducing diesel- fuel consumption. The extensive knowledge required is confirmed by the following statement:

....."the chief mate or his deputies must have an overview of all aspects related to optimizing of emissions from the engines as well as other energy-consuming efforts on board a vessel." (Captain)

Compared to what had been the ordinary way of operating an offshore service vessel, carrying out fuel-saving operations required balancing between the actual operations to be carried out, risk assessment of the scheduled operations, as well as taking into account environmental effects of carrying out one kind of fuel-saving operation or another. It further demanded attention to maintenance effects related to the various choices regarding how many, and which, of the engines were to be used for the scheduled operations, as well as balancing different operational parameters. Within an operational offshore context these challenges presupposed close cooperation between the captain and the chief mate on the bridge as well as the chief engineer in the engine-room for operating the vessel in the "greenest", most energy-efficient way. Furthermore, carrying out fuel-saving operations implied that "the normal way", in which the operational routines on board the vessels were carried out, had to be changed. Being capable of changing the operational routines on board an offshore vessel constituted a key element in transforming the strategic idea to operate offshore service vessels sustainably into a practical reality.

The project leader followed up the campaign on a daily basis, as well as provided for appraisal support by nominating the quarterly and yearly winners of the internal competition regarding which vessel carried out most fuel-saving operations during a quarter. The project leader, supported by the top management, was, therefore, a crucial actor in facilitating offshore middle management's strategizing of the strategic idea into operational praxis by integrating the various strategizing activities into a coherent and collective organizational process. In addition, he promoted the campaign internally as well as externally, i.e., towards customers, the media, and towards other external stakeholders.

The nomination of a quarterly and yearly winner for carrying out fuel-saving operations contributed to a strong competition among the vessels to carry out most "green" operations:

*"Carrying out fuel-saving operations has become an internal competition where one does not want to appear too low on the quarterly reports as regards ""green operations"" carried out". (Captain)*

The internal competition among the vessels for carrying out fuel-saving operations motivated offshore middle managers and their crews to maintain momentum in the processes, continually looking for new ways of operating the vessels in more environmentally-friendly ways.

*We are always looking for new ways of operating the vessel more energy-efficiently". (Chief Mate)*

"Carrying out fuel-saving operations gradually became a precarious ongoing activity where opportunities for such operations were seized more or less unconsciously whenever a possibility for such operations arose during the messy realities of daily operations. Continuously searching for new ways of operating a vessel sustainably gradually became performative operative routines.

## Summary of Findings

Table 2 summarizes our findings for strategy practices, strategy practitioners, and mechanisms in mediating sustainable operative praxis.

Strategizing phases	Strategy practices	Strategy practitioners	Mediating mechanisms
<b>Preparatory phase</b>	<p>Making sense of prevailing institutional and societal trends as regards sustainability</p> <p>Launching and promotion of a campaign to operate offshore service vessels in a “green,” sustainable way</p> <p>Involvement of offshore middle managers in the strategizing processes</p> <p>Customers invited to become partners in the strategizing processes</p>	<p>Top management, including project leader</p> <p>Top management and project leader as promoters of the “green operations” campaign</p> <p>Offshore middle managers invited to concretize of how the strategic idea might be transformed into practical realities</p> <p>Customers hesitant stakeholders</p>	<p>Launching and promotion of an idea, for which the time was due</p> <p>Invitation of customers to become partners in the campaign for making them stakeholders in the campaign</p> <p>Appealing to “green” values beyond financial and operational goals, thus uniting stakeholders in their pursuit of a higher purpose</p> <p>Bridging of the road between the strategic idea and practical activities in realizing the idea by concretizing of seven categories of “green operations”, through which the idea could be transformed into operative praxis</p> <p>Constituting offshore middle managers as key practitioners, and taking advantage of their operative knowledge regarding how to strategize the idea into practical realities</p>
<b>Implementation phase</b>	<p>Continuous promotion of the campaign</p> <p>Reframing of how to transform the idea into operative praxis by unfreezing of ostensible operational routines</p> <p>Corporate facilitating for internal competition among the vessels</p> <p>Carrying out of “green operations” whenever operationally possible</p> <p>Daily reporting of “green operations” carried out</p> <p>Quarterly reporting of “green operations” carried out, honored rewards to the top three vessels, and “green” flags to be put in the mast for vessels achieving a certain numbers of fuel- saving operations a year</p>	<p>Top management as well as project leader as active promoters of the campaign</p> <p>Project leader as facilitator of the campaign on a day- to- day basis</p> <p>Offshore middle managers as key micro-organizational practitioners, some more committed than others</p> <p>Crews as loyal followers</p> <p>Customers as locked-in stakeholders through contractual arrangements</p>	<p>Corporate facilitation of the campaign</p> <p>Creating of social pressure to carry out fuel-saving operations whenever operationally possible</p> <p>“Green operations” achieved created small wins propelling further momentum</p> <p>External and internal promotion of the campaign infused commitment to maintain the campaign</p> <p>Appealing to a triple bottom line: 1) sustainability, 2) reduced diesel- fuel costs (for the customers)and lower maintenance costs (for the shipping company), and 3) honored rewards to the crews on boards the vessels, created an experience of fair rewards to the primary stakeholders</p>

**Table 2. Summary of findings as regards strategy practices, strategy practitioners and mediating mechanisms.**

### *Analysis of findings*

Making sense of institutional trends regarding environmental issues constituted a vital initial precondition for assessing when the time was right for launching an idea to operate offshore service vessels sustainably. Extensive external and internal promotion of the strategic idea, involving offshore middle managers as strategic micro-organizational practitioners at an early stage in the strategizing processes, as well as inviting customers to become partners in the processes, constituted further strategy practices as proving ground for mediating the strategic idea into operative praxis. Recognizing offshore middle managers as practitioners in strategizing the idea into operative reality, in part by involving them in concretizing how to act at the micro-organizational level to transform the strategic idea into new operative praxis, constituted a crucial practice for providing for micro-organizational strategizing activities. Concretizing of how to act to transform the idea into praxis also acted as a basis for a corporate activity and reporting system.

At the same time, the small wins achieved in “green operations” propelled further momentum in the strategizing processes. Locking-in customers as stakeholders in the campaign through contractual arrangements by making them financial as well as reputational benefiterers constituted a further reinforcing mechanism in mediating a stream of praxis, constituting an evolving activity system over time. Corporate reporting of the “green operations” carried out by each vessel created internal competition among the vessels that again created a social pressure to carry out fuel-saving operations whenever operationally feasible. The internal competition was encouraged by honored rewards to the top vessels in carrying out the most fuel-saving operations. It further acted to refrain existing operative routines on board, implying an unfreezing of ostensible operational routines and the construction of new performative routines.

In summary the goal-oriented corporate activity system established was appealing to a triple bottom line: 1) sustainability, 2) reduced diesel- fuel costs (for the customers) and lower maintenance costs (for the shipping company), and 3) honored rewards to the crews on boards the vessels. This created an experience of fair rewards to the various stakeholders involved in creating a stream of sustainable micro-organizational praxis.

### **Discussion**

Transforming a strategic idea to operate offshore service vessels sustainably into operative praxis implied mediating a stream of “green operations”, constituting an evolving corporate activity system. In the discussion below we focus on some aspects of mediating the idea into practical realities, namely the right time for launching a strategic idea, concretizing of how to act at the micro-organizational level to transform an idea into practical realities, constituting offshore middle managers as key strategic practitioners, as well as facilitating goal-oriented corporate strategizing processes appealing to a triple bottom line: sustainability, reduced diesel- fuel costs and lower maintenance costs, and honored rewards to the crews on boards the vessels.

The strategic idea to operate offshore service vessels sustainably resonated with emerging institutional, societal, organizational values regarding sustainability (Norwegian Governmental

Report 2011-2012, Behring 2012), as well as prevailing ideas among employees within the shipping company which launched the idea. And not in the least on boards the offshore service vessels the idea to operate in a “greener,” more sustainable, way was accepted and supported, particularly by the chief engineers who for years had been calling for operational procedures and routines that contributed to more environmentally- friendly operations of the vessels. The strategic idea appealed to sustainability as a driving force further than financial and operational goals (Alvesson 2011). It was “infused with values beyond the technical requirements of the task at hand” (Selznick 1957: 17), thus matching an emerging institutional and organizational template.

Transforming a strategic idea into operative praxis is, however, often not realized because micro-organizational actors do not know how to act in new ways to convert a strategic idea into operative praxis (Beer, Eisenstat & Spector 1990, Hennestad et al. 2012). In our case turning the strategic idea to operate offshore service vessels sustainably was provided for by establishing a repertoire, or menu, consisting of seven categories of fuel-saving operations, acting as a guideline for how micro-organizational actors might act to transform the idea into operative praxis, thereby avoiding an incapacity to act in “greener” way.

Implementation of the strategic idea into practical realities rested on the micro-organizational practitioners on board the offshore service vessels in enacting sustainable micro-organizational praxis. Micro-organizational strategizing of the “green operations” idea into operative praxis presupposed committed strategy practitioners capable of carrying out daily operational activities while simultaneously seizing any opportunity for carrying out fuel-saving operations. “Green” operative praxis required offshore middle-managers capable of thinking as well as acting strategically (Wilson & Jarzabkowski 2004), strategizing the strategic idea into practical realities by carrying out “green operations” within a complex operational context. Carrying out fuel-saving operations represented a micro-organizational day- to-day challenge where opportunities for “green operations” had to be seized whenever a possibility arose during the messy realities of daily operations (Chia & MacKay 2007). Strategizing of sustainable micro-organizational praxis demanded micro- emancipatory leadership practices (Carroll et al. 2007) for suspending the ostensible routines, or habitual ways operational activities that were normally carried out, and enacting new performative operational routines (Feldman & Pentland 2003).

The goal-oriented activity and business framework established contributed to a triple bottom- line: a “green” image for the company as well as their customers, an improved competitive position for the company due to lower operating costs while at the same time providing for financial benefits for the customers, and honored rewards to the micro-organizational actors on board the vessels. By sharing the financial savings obtained by carrying- out fuel-saving operations equally between customers and contributions to The Norwegian Rainforest Foundation, the customers were locked- in as business partners in the campaign. This corresponds with Schaffer & Thomsons` (1992) statement that a successful change begins with results. In our case, however, the driving results were reputational as well as financial, and shared between external and internal stakeholders. Sustainability and commerciality constituted mutually reinforcing drivers (Moir & Kennerley 2010), contributing to financial as well as reputational benefits both for the customers as well as for the company, in addition to symbolic rewards to the micro-organizational practitioners. At the same time the strategy

practices identified interacted and reinforced each others in mediating an evolving activity system over time.

### **Contributions and implications**

This paper contributes towards advancing our knowledge about strategy practices in mediating a strategic idea into operative praxis, demonstrating strategizing as an ongoing construction of a stream of “green operations” as a product of a corporate activity system. The corporate activity system comprised the strategy practitioners, the community with which the practitioners interacted, and “green operations” as symbolic and material tools that mediated between actors and their community in the pursuit of a goal-oriented activity (praxis). The vital role of practice as opposed to theory as constitutive for organizational reality through the situated and recurrent nature of “green operations” as everyday activities is made evident. A practice perspective posits that it is through the situated and recurrent nature of everyday activities that structural consequences are produced and become reinforced or changed over time, as emphasized by Strategy as Practice research (Jarzobkowski 2010, Orlikowski 2010, and Whittington 2010).

A limitation of the findings is their reliance on a single case study within the same company. Future research should comprise additional organizations, either as comparative studies comprising other shipping companies, and/or as extensive studies comprising companies from various industries. Another avenue for future research might be to revisit the “green operations” campaign as research case at a later stage for investigating challenges in maintaining sustainability as performative micro-organizational praxis. Yet another proposal would be to examine links between organizational strategizing founded on a practice perspective (Golsorkhi et al. 2010) and change-oriented leadership theories and typologies (Yukl & Lepsinger 2004). A conceptual paper investigating the connections between the two theoretical directions might contribute towards integrating the concepts that so far seem to have been living very much in separate vacuums while at the same time adding to the knowledge required to develop a framework that might assist practitioners in their organizational strategizing endeavors.

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## Appendix A

Seven categories of “green operations” were defined through which a vessel could streamline its environmental performance and focus its efforts on operating the vessel in a more sustainable way. The seven categories were:

- Anchoring
- Drift
- Reduced transit speed
- Green dynamic positioning
- Stop main engine
- Optimize trim, and
- Reduce electrical consumption.

A registration system was established for the registration of fuel-saving operations and each vessel was supposed to report “green operations” on a daily basis and a quarterly report was to be submitted to the main office.

### *The CNO- Concept*

In the CNO- concept the company invites their customers to be involved at three levels of the company`s environmental work:

- The customer is given an overview of a vessel`s CO<sub>2</sub> accounts.
- The shipping company introduces measures to reduce fuel consumption on the ships, and for each “green operation” registered there is a direct result in terms of reduced CO<sub>2</sub>, NO<sub>x</sub> and other exhaust emissions. Moreover, the company pays the Norwegian Rainforest Foundation for the preservation of 1000 m<sub>2</sub> of rainforest a year for each fuel-saving operation carried out.
- In collaboration with its customers, the company compensates for its emissions by investing in, and supporting, projects that are certified for CO<sub>2</sub> cuts in accordance with the United Nations climate quotas.

CNO could be characterized as an industry-leading concept and a breakthrough on the road to becoming a climate-neutral company. Because of the savings supposed to be achieved from carrying out fuel-saving operations, it would actually be more expensive for their customers to contract a ship without environmental measures than a vessel operating under the CNO- concept, thus establishing climate- neutral shipping as a commercially profitable measure for the company as well as for their customers by combining sustainability and commerciality.