The greening of black gold: towards international environmental alignment in the petroleum industry

van de Wateringen, S.L.

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PART III: Case Studies: Environmental Alignment in Focus

Introduction to the cases

Working with a broad sample of petroleum companies, the results from part II of this study showed the developments for general strategy, general structure, reputation, environmental strategy and environmental structure: the different variables in the International Environmental Alignment Framework (see Figure 3.1 in Chapter 3). Influenced by regional patterns, institutional backgrounds and sometimes company-specific developments, several sector trends stood out for all variables. This third part of the study will deepen the insights in the trends for environmental management and examine the relationships between the variables in the framework by applying the data on individual companies in a multiple case study design.

Following a strategy of maximum variation sampling (see Chapter 4), four European international petroleum companies were selected: BP, Shell, Statoil, and TotalFinaElf. The cases also include the companies on which their mergers were based (Amoco, ARCO, and Elf Aquitaine). The companies differ in terms of regulatory background, merger experience, structure of ownership, size, experience of a catalyst event, degree of internationalisation, degree of centralisation, reputation and reporting status (see Chapter 4). The maximum variation in the companies’ characteristics leads to a multi-dimensional perspective on the developments in environmental alignment and attributes in order to answer the central question of the study: Which factors influence the relation between environmental strategy and environmental structure in a multinational corporation?

Building on the International Environmental Alignment Framework, each case consistently addresses a series of variables: company history, strategy and structure, reputation, environmental strategy and environmental structure. All of these variables are evaluated by means of a broad range of documentation and semi-structured interviews with company representatives. For Shell and Statoil, a survey was carried out in addition (for a complete overview of its methodology, see Chapter 4). The result of the examination is a structured approach of the relevant issues for each of the companies. Each case concludes with a company-specific conclusion for the developments in environmental alignment over the period 1990-2002. Cross-case comparisons will be drawn in the overall conclusions of the study (Chapter 12).

The examination starts with Shell (Chapter 8). This is not only the largest company in the sample (by sales) but also the company that experienced the most extreme catalyst event. The subsequent external profiling on environmental strategy eventually gave Shell its reputation of environmental leadership. This leads to expectations concerning the status of its environmental alignment. To what degree did public attention change the company’s organisation? Did it result in structures underneath the strategy, or did Shell merely publish reports to start a dialogue?
BP is the second company in line (Chapter 9). Equal in size to Shell but without the experience of a catalyst event, it has a similar reputation for environmental leadership: the company is considered to be Shell's competitor in the environmental reputation contest. However, BP is different with regard to its decentralised structure and merger history; the company had to combine diverse institutional backgrounds. In addition, it is an early instead of a being a late reporter. The question is whether and how these characteristics of the company have influenced the developments in its environmental alignment.

Subsequently, the case of TotalFinaElf is discussed (Chapter 10). This company shows similarities with BP with regard to both the size-increase due to a merger and its high degree of internationalisation. However, in contrast with BP, TFE builds solely on France as its institutional context and not on the more Anglo-Saxon tradition. In addition, the French state was heavily involved in the company until the mid-1990s. As far as Total is concerned, the company is an extremely late reporter: Total even used to be the single European petroleum company without a corporate environmental report. The case includes all these differentials to further the examination of the development of environmental alignment for the international petroleum industry.

Finally, Norwegian Statoil is the smallest company in the sample (see Chapter 11); it contrasts the previous companies on the basis of 1. its extremely low degree of internationalisation and 2. its embeddedness as a state company in the highly regulated Norwegian institutional context. The company was partly privatised in 2001, but its degree of centralisation is still high, especially compared with the other cases. The question is how these characteristics of the company have influenced its environmental strategy and environmental structure, and their mutual relationship.