

Proactive sustainability strategies and capability development:
Insights from the public transportation industry

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Abstract

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In this thesis I examine the link between proactive sustainability strategies and organizational capabilities and contribute to the resource-based view of the firm and the growing research on organizations and the natural environment.

While the relationship between proactive sustainable strategies and organizational capabilities is established in the strategic management literature, a deeper understanding of how capabilities are developed in this context remains a challenge. My aim is to investigate this relationship and understand the processes involved in developing valuable, organization-specific capabilities.

The study addresses the following research questions: What explains the link between proactive sustainability strategy and capability development? How do organizations develop generic capabilities once they formulate a proactive sustainability strategic intent? What are the mechanisms and processes of capability development?

Using multiple case studies of public transit authorities in North America, I investigate the role of sustainability initiatives to capability development, through mechanisms of selection and implementation. Findings point to the need for organizations to adopt strategic structures and processes as part of a deliberate intent to develop capabilities and build advantages in a complex and competitive environment.

The thesis contributes to the resource-based view and the dynamic capabilities perspective by explaining how organizations that implement proactive sustainability strategies develop valuable capabilities. Second, the thesis extends the applicability of the resource-based view to the public sector, where competition emerges as a sophisticated and critical force, which further underscores the importance of capabilities to gaining competitive advantage. Finally, the thesis validates public transit as a research setting relevant to sustainability scholars, by explaining the tension between a green industry and its own substantial impact on the environment.