

# Quo Vadis Coal? An Analysis of the Coal Divestment Strategies of the Four Big German Electricity Providers

## Motivation

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- Energy turnaround in Germany forces established energy suppliers to develop strategies for phasing out electricity generation using lignite and hard coal
- There are major differences in the way energy suppliers approach the divestment of their coal activities
- We investigate what measures companies are taking to divest their coal-fired power plants and opencast mines, and which drivers contribute to the different strategies

## Method

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- Review of 11,488 press paper articles on coal strategies of big four utilities (from 2007 to 2019) via LexisNexis and manual extraction of 631 particularly relevant press articles covering divestment decisions of firms
- Interviews with experts and company representatives (currently 12; additional ones scheduled and planned)

## Prof. Dr. Jörn Hoppmann

Project with Dr. Josua Oll and Swantje Freund

### Research interest

- Strategic management
- Sustainability
- Innovation

### Lectures in SEM

- Corporate Social Responsibility (MA)
- Renewable Energy Management (MA)
- Sustainable Mobility (MA)
- Unternehmen und kultureller Wandel (MA)



### Literature

- Berry, H. (2010). Why Do Firms Divest? *Organization Science*, 21(2), pp. 380–396.  
Decker, C. & Mellewig, T. (2007). Thirty Years After Michael E. Porter: What Do We Know About Business Exit? *AMP*, 21(1), pp. 41–55.

## Chair of Management

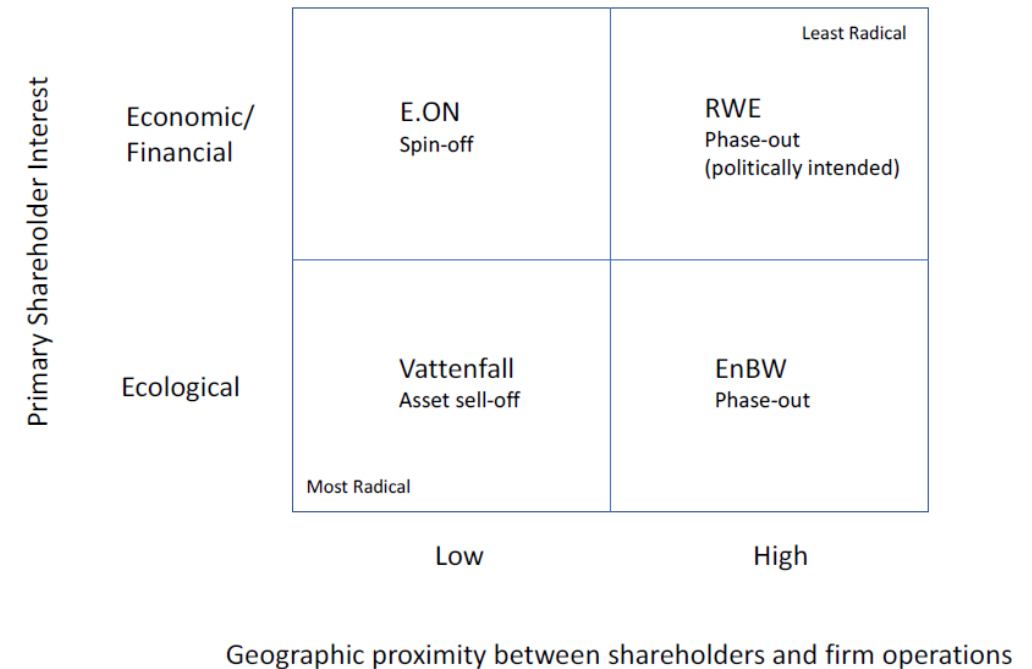
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### Results

- Two factors shape radicality/strategy of coal exit:
  - Primary shareholder interest:
    - Economic/financial vs. Ecological interest
  - Local embeddedness/geographic proximity between shareholders and firm operations
    - Local ownership, political networks, historical local ties, jobs

### Discussion

- Previous literature focuses on innovation in new (instead of exits from old technologies)
- Literature on divestments has not studied in detail the role of shareholders
- We add detailed insights how local ties shape impact of shareholders



#### Literature

Bergh, D. D.; Johnson, R. A. & Dewitt, R.-L. (2008). Restructuring through spin-off or sell-off: transforming information asymmetries into financial gain. *Strategic Management Journal*, 29(2), pp. 133–148.