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Toward a Process Theory of Making Sustainability Strategies Legitimate in Action

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Biographies are at the end of the paper, after the references and tables.

ABSTRACT

We draw on a three-year qualitative study of the processual dynamics of implementing a sustainability strategy alongside an existing mainstream competitive strategy. We show that despite the legitimacy of the sustainability strategy at the organizational level, actors experience tensions with its implementation at the action level vis-à-vis the mainstream strategy, thus creating the potential for decoupling. Our findings show that working through these tensions on specific tasks, enables actors to legitimate the sustainability strategy in action and to co-enact it with the mainstream strategy within those tasks. Cumulatively, multiple instances of such co-enactment at the action level reinforce the organizational-level legitimacy of the sustainability strategy and its integration with the mainstream strategy. We draw these findings together into a dynamic process model that contributes to the literature on integration of dual strategies at the action and organizational levels as a process of legitimacy making.

Keywords: Sustainability; Strategy Implementation; Process Theory; Practice Theory; Legitimation Processes

Toward a Process Theory of Making Sustainability Strategies Legitimate in Action

INTRODUCTION

Sustainability has become a strategic priority for many companies worldwide as consumers, shareholders, employees, and other stakeholders shape a normative context of increasing sustainability consciousness. This raises questions about the implementation of sustainability strategies in the context of a company's mainstream competitive strategy (Hahn, Pinske, Preuss, & Figge, 2016; Margolis & Walsh, 2003). Extant theorizing categorizes such strategy implementation as prone to decoupling rather than integration (Aguinis & Glavas, 2013; MacLean & Benham, 2010; Weaver, Trevino, & Cochran, 1999). Decoupling is defined as adopting "a policy symbolically, without implementing it substantively" (Haack & Schoeneborn, 2015: 307), which arises from disconnects in legitimacy between the policy, organizational, and action levels of an organization (Bromley & Powell, 2012; Haack & Schoeneborn, 2015). Tight integration, by contrast, describes the inclusion of a sustainability strategy into the existing competitive strategy, as manifested in an organization's products/services and processes (Yuan, Bao, & Verbeke, 2011). Sustainability can remain decoupled from or peripheral to organizational activities if the main aim is simply to garner external legitimacy (Crilly, Zollo, & Hansen 2012; Crilly, Hansen, & Zollo, 2016; MacLean & Benham, 2010). Yet even when the aim is to embrace sustainability internally, integration is often rife with tensions over the legitimacy of such activities within the existing profit-seeking or competitive practices of an organization (Ashforth & Reingen, 2014; Hahn, Pinske, Preuss, & Figge, 2015; Smith & Besharov, 2017).

In order to further understanding of integration, we need to examine organizations that, despite embracing sustainability as a legitimate organizational purpose, struggle with tensions over its implementation. Such tensions point to two types of challenges to integration. First, between

the organizational-level sustainability goals and the action level practices available to implement them (Ashforth & Reingen, 2014; Ashforth, Rogers, Pratt, & Pradies, 2014; Jarzabkowski, Lê, & Balogun, 2018; Smith & Besharov, 2017; van der Byl & Slawinski, 2015), and second between sustainability strategies and mainstream strategies (Smith, Gonin, & Besharov, 2013). While prior theorizing has emphasized an integrative view (e.g., Hahn, Preuss, Pinske, & Figge, 2014; Hahn, Figge, Pinske, & Preuss, 2018), we lack a comprehensive understanding of such integration as a process of legitimacy making across organizational levels and between potentially competing strategies (Ashforth & Reingen, 2014; Smith & Besharov, 2017; Wang, Tong, Takeushi, & George, 2016). While the literature on strategy implementation as a process of legitimation shows how strategies become more or less legitimate (e.g. Huy, Kraatz, & Corley, 2014; Suddaby, Bitektine, & Haack, 2017; Vaara & Monin, 2010), those few studies that examine multiple strategies indicate that the process by which one strategy gains or loses legitimacy relative to another will also affect whether such strategies may be implemented (Jarzabkowski, 2005; Spee & Jarzabkowski, 2017). We therefore need to study the implementation of a sustainability strategy (SUST) as a process of legitimacy making, relative to the existing mainstream strategy (MAST), the dynamics of which will influence the relative decoupling or integration of the two in action and at the organizational level.

We study this problem at TechPro, a leading global manufacturer of technologically-advanced consumer goods. While TechPro had long embraced sustainability values as part of its broader organizational mission, we followed the company as it initiated a new formal SUST to be implemented alongside its MAST and that, to their surprise, raised multiple tensions. Our three-year ethnography provides a highly salient case because it enabled us to observe and analyze the processual dynamics of working through tensions arising from efforts to integrate the SUST with

the MAST. Our findings show how tensions trigger three different and iterative cycles of action as people try to resolve the tensions on a task-by-task basis, in the process working out ways to implement the two strategies within such tasks. We conceptualize these action cycles as legitimating the new strategy in action because actors work through the conflicts in ways that construct the new strategy as desirable, not just as an abstract organizational mission, but as something they can *do* alongside the existing strategy. We argue that these action cycles are the key processual dynamics that underpin the wider strategy implementation process within which the two strategies are co-enacted. Our study shows how these action cycles have cumulative effects (Feldman & Orlikowski, 2011; Jarzabkowski et al., 2018) that enable integration of the SUST with the MAST at the action and organizational levels. In doing so, we show the reinforcing effects of legitimating the SUST in action on its legitimacy at the organizational level, which enhances its integration with the already legitimate MAST.

These findings allow us to make three areas of contribution to the literature. First, we elaborate on the integrative view of sustainability (Hahn et al., 2016), proposing co-enactment of dual strategies as a means of embracing their inherent tensions (Smith & Lewis, 2011; van der Byl & Slawinski, 2015) and averting decoupling (Bromley & Powell, 2012; Maclean & Benham, 2010). Second, we contribute an action level understanding to multi-level studies of how organizations respond to tensions (Ashforth et al., 2014; Ashforth & Reingen, 2014; Hahn et al., 2015, 2018), extending previous analyses of the recursive interplay between action- and organizational-level approaches to reconciling tensions (Ashforth & Reingen, 2014; Hahn et al., 2015; Jarzabkowski, Lê, & Van de Ven, 2013). Third, we extend knowledge of strategy implementation as a process of legitimacy making, both generally and in terms of implementing sustainability strategies, specifically.

THEORETICAL FRAMEWORK

Sustainability Strategy Implementation: Decoupling or Integration?

Sustainability strategies address an organization's social and environmental responsibilities in areas such as product policy and human standards (Darnall, Henriques, & Sadorsky, 2010; Surroca, Tribó, & Waddock, 2010). The question of how a SUST is tightly integrated with or decoupled from an organization's MAST is a key puzzle (Aguinis & Glavas, 2012; Hahn et al., 2016). Scholars emphasize an integrative view in which a SUST is tightly integrated into organizational processes, routines, and practices (Hahn et al., 2014, 2016). Yet often decoupling occurs between an organization's SUST and their implementation within practices and processes that are typically aimed at the competitive and profit-generating MAST (Aguinis & Glavas, 2013; Weaver et al., 1999; Yuan et al., 2011).

Decoupling arises from a disconnect between a SUST's legitimacy as it occurs at multiple levels, from the institutional or policy level to the organizational and action levels (Bromley & Powell, 2012; Haack & Schoeneborn, 2015; Hahn et al., 2016; MacLean & Benham, 2010). Institutional or policy decoupling arises when a SUST is developed to garner external legitimacy from key stakeholders, such as regulators (Crilly et al., 2016; Scherer, Palazzo, & Seidl, 2013), but which is largely symbolic and so decoupled from the organizational purpose (Bromley & Powell, 2012; MacLean & Benham, 2010) and the actions of managers. In such cases, while externally legitimate, the SUST is kept peripheral to organizational activities so that it does not interfere with the MAST (de Jong & van der Meer, 2017). Yet even where the SUST is legitimate at the organizational level, and seen as a morally appropriate and desirable goal, decoupling can arise at the action level if managers do not regard it as legitimate to their existing profit-enhancing activities and work practices (Ashforth & Reingen, 2014; Crilly et al., 2012, 2016; Delmas &

Cuerel Burbano, 2011; MacLean & Benham, 2010). Decoupling may also occur at the action level when a SUST has high moral legitimacy for managers whose personal values are oriented towards ethically responsible behaviors (Crilly et al., 2012, 2016; Hemingway & Maclagan, 2004), but these values cannot be accommodated within organizational practices that may be at odds with, or even actively contradict, the SUST (Hahn et al., 2016; MacLean & Benham, 2010; Smith & Besharov, 2017; Weaver et al., 1999). Resolving decoupling thus involves addressing these disconnects in legitimacy at the different levels (Bromley & Powell, 2012; Hahn et al., 2015).

The problem of decoupling is grounded in complex considerations of the instrumental and moral legitimacy of sustainability initiatives (Hahn et al., 2016, 2018; see also Scherer et al., 2013). Instrumental legitimacy arguments (Suchman, 1995; Tost, 2011) claim that “entities will be judged as legitimate when they are perceived as promoting the material interests of the individual” (Tost, 2011: 690). Such definitions are pertinent to the business case for sustainability, indicating that it can simultaneously enhance an organization’s competitiveness and its social agenda (Husted & Jesus Salazar, 2006; McWilliams & Siegel, 2011; Porter & Kramer, 2011). In moral legitimacy arguments, “an entity is perceived as legitimate on moral grounds when it is perceived to be consistent with the evaluator’s moral and ethical values” (Tost, 2011: 694). Such definitions appeal to value systems (Suchman, 1995: 579) within which sustainability is morally legitimate in its own right because it contributes to environmental and social welfare, regardless of the business case. Relative integration or decoupling of a SUST involves a complex mix of these legitimacy dimensions (Hahn et al., 2018) within the organizational goals and in people’s actions over time (Ashforth & Reingen, 2014). Scholars, therefore, increasingly call for studies to examine the implementation of SUST as a *process of legitimacy making* within which the moral and business case may or may not be integrated (Hahn et al., 2015; Sonenshein, 2016; Wang et al., 2016).

Tight integration of an organization's SUST with its MAST is the holy grail of sustainability research (Hahn et al., 2015; Porter & Kramer, 2011; van der Byl & Slawinski, 2015). While integration may be conceptualized in different ways (see van der Byl & Slawinski, 2015 for a review), the integrative view suggested by Hahn et al. (2016, 2018) is informed by a paradox perspective (see also Gao & Bansal, 2013; Scherer et al., 2013; Slawinski & Bansal, 2015). A paradox perspective goes beyond efforts to balance the different legitimacy dimensions of a SUST and a MAST to recognizing and embracing their underlying dualities (see Smith & Lewis, 2011; Smith, 2014) in order to both differentiate and integrate these complex moral and business dimensions (Hahn et al., 2014, 2018; Smith & Besharov, 2017).

Despite helpful conceptual frameworks that point to the potential for such integration (e.g., Hahn et al., 2015, 2018), we have only a few empirical studies of attempts to integrate a SUST with a MAST in practice (e.g., Ashforth & Reingen, 2014; Smith & Besharov, 2017). These studies illustrate numerous tensions that arise as managers experience a sensemaking disconnect, cognitive mismatch, or framing problem between the organizational sustainability goals and the practices available to implement them (Margolis & Walsh, 2003; Orlitzky, Siegel, & Waldman, 2011; Smith & Besharov, 2017; Sonenshein, 2016; van der Byl & Slawinski, 2015). These tensions are a problem of disconnect between espoused organizational-level goals and the everyday actions within which such goals are realized (Ashforth et al., 2014; Ashforth & Reingen, 2014; Jarzabkowski et al., 2018). Even within social enterprises that actively espouse synergy between sustainability and financial performance at the corporate level, actors experience the two as distinct claims on their actions that must be reconciled, for example, through interpretive sensemaking processes (Jay, 2013), selective coupling (Pache & Santos, 2013) and structured flexibility (Smith & Besharov, 2017). Managers must thus adapt their own work practices at the action level in order

to resolve tensions (e.g., Crilly et al., 2012, 2016; Smith & Besharov, 2017; see also Smith, 2014) and bring about integration, rather than decoupling, of the SUST with the MAST at the organizational level.

Yet studies note a range of approaches to the tensions that arise (van der Byl & Slawinski, 2015), from avoiding them by emphasizing the business elements of the sustainability case (e.g., Margolis & Walsh, 2003; McWilliams & Siegel, 2006, 2011; Porter & Kramer, 2011), to compromising around the inherent organizational incompatibilities raised (Wang et al., 2016; York, Hargrave, & Pacheco, 2016) to ambidexterity (Hahn et al., 2016), to embracing their interrelated nature through paradoxical framing (Hahn et al., 2018; Smith & Besharov, 2017). Despite these various responses (e.g., Smith et al., 2013; van der Byl & Slawinski, 2015), we still lack insight into how addressing tensions resolves the legitimacy disconnects that give rise to decoupling (Bromley & Powell, 2012; Hahn et al., 2015). We thus need further studies of people's actions in responding to the tensions that arise during the implementation of a SUST alongside a MAST, and the implications of these actions for the relative legitimacy of the SUST. That is the focus of our study.

Legitimation Processes and Strategy Implementation

Our study of implementing a SUST alongside a MAST is grounded in recent studies that examine strategy implementation as a process of legitimation (Huy et al., 2014; Suddaby et al., 2017; Vaara & Monin, 2010). Legitimacy is defined as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (Suchman, 1995: 574). Our study emphasizes this process of socially constructing the (il)legitimacy of a SUST alongside a MAST as they are implemented together.

Existing studies show that a new strategy is legitimated as it is implemented through actors' meaning making (Sonenshein, 2006, 2016), emotional reactions (Haack, Pfarrer, & Scherer, 2014; Huy et al., 2014) and discourses (Maguire & Hardy, 2009; Vaara & Tienari, 2008, 2011). As such, legitimacy shifts over time (Jarzabkowski, 2005; Suddaby et al., 2017), both in terms of which elements of the strategy are legitimate, and in relation to the overall construction of a strategy as legitimate or illegitimate. Furthermore, these shifts in legitimacy may be linked to different phases of the strategy implementation process (Huy et al., 2014; Vaara & Monin, 2010). Such shifts are likely to be particularly important in the context of a sustainability strategy; for example, in situations where the espoused strategy has legitimacy at the corporate level yet raises tensions as it is enacted (Ashforth & Reingen, 2014; Smith & Besharov, 2017), particularly in relation to the ongoing implementation of the MAST. Yet most studies examine the processes of legitimating only a single strategy (e.g., Huy et al., 2014; Vaara & Monin 2010), despite evidence of interpretive, political, and structural barriers to the legitimacy of a new strategy in relation to an existing strategy (e.g., Jarzabkowski et al., 2013; Spee & Jarzabkowski, 2017; Townley, 2002). For example, Jarzabkowski's (2005) study of multiple strategies within a university context shows that aspects of their respective legitimacy collide during implementation. When managers cannot construct one strategy as legitimate relative to others, they will be unsuccessful in implementing those strategies (Jarzabkowski, 2008). Yet, despite growing evidence that organizations pursue multiple, sometimes contradictory, strategies simultaneously (e.g., Jarzabkowski et al., 2013; Smith, 2014), and the serious organizational consequences of failing to implement key strategies (e.g., Mantere, Schild, & Sillince, 2012), there has been little attention to the co-implementation of multiple strategies as a process of legitimacy making.

In summary, the legitimacy of a SUST in relation to a MAST is being continuously negotiated within people's actions in responding to the tensions that their co-implementation raises (Ashforth & Reingen, 2014; Sonenshein, 2016; Suddaby et al., 2017). We need to examine the processual dynamics through which those actions enable the integration or decoupling of a SUST with a MAST at the action and organizational levels. In doing so, we will also extend understanding of strategy implementation as a process of legitimation beyond considerations of how a new strategy moves from illegitimacy to legitimacy, or vice versa (e.g., Huy et al., 2014; Vaara & Monin, 2010), to a more dynamic understanding of how legitimacies shift over time (Drori & Honig, 2013; Langley, 2007) within the co-existence of strategies. Drawing upon this theoretical framing, we therefore ask the following question: *How do organizational actors implement a SUST alongside an existing MAST, and with what implications for the legitimate co-existence of the two strategies?*

METHODOLOGY

Research Context

We studied the implementation of a new sustainability strategy at TechPro, a market-leading, globally-operating manufacturer of premium, technologically-advanced consumer goods with approximately 20,000 full time employees and an annual revenue of more than \$3.5 billion (USD). With a long history as a family-owned and -led firm, TechPro's corporate culture was grounded in being a "truly good company", placing corporate values such as "trustworthiness" and "truthfulness" (Sustainability Strategy 2012 Document) at the forefront of their actions, including employee relationships, product strategy, and responsibilities to greater society. Sustainability, while not explicitly a strategy, was part of the corporate values that were already legitimate within TechPro, and that guided decisions about firm social and environmental standards. For example,

by the mid-1990s, TechPro had established an environmental office and was deliberately monitoring and publicly reporting on the organization's environmental performance, not only as required by regulators or labeling agencies, but to meet their own standards, which went beyond mere compliance. During an interview with us, the CEO explained, *"At TechPro sustainability is in our DNA. It is our philosophy that we are dedicated to total product quality and truthful communication. Trustworthiness towards our customers is something that defines us at our core and that we safeguard under all circumstances."*

As public interest in corporate sustainability grew, TechPro managers decided to take their commitment to sustainability further. In 2012, a new SUST was formalized that would channel and further develop sustainability activities through a set of objectives and targets to be implemented. Although sustainability was legitimate within the organizational values at TechPro, the intention was to demonstrate that TechPro was making good on these values by setting and implementing demanding sustainability goals. Managers aimed to excel at the new strategy, and its new sustainability key performance indicators (KPIs), by embedding them in every procedure, decision, and task; *"TechPro's management across all hierarchies is devoted to these principles and proves this equally in big strategic decisions as well as in tiny ones on a day-to-day basis"* (CEO). The SUST was widely communicated and employees had opportunity to comment. Given TechPro's long history of commitment to sustainability, the SUST was widely perceived as legitimate by the employees, who were enthusiastic to further demonstrate these values through the new strategy; *"At TechPro, we prove the devotion to our values every day – our internal managerial KPIs are way stricter than what regulation or market standard demands. At TechPro, this is part of the value promise"* (employee in R&D). *"It [the SUST] is in the spirit of the founders*

who were willing to take even uncomfortable decisions in order to manifest the dedication to their values” (Head of innovation and sustainability).

At the same time, while the company was in a comfortable financial position, new international competitors with aggressive price agendas represented a threat. Therefore, TechPro’s existing MAST was focused on competitive objectives and targets associated with defending its market position. For example, the MAST included capitalizing on existing strengths in product functionality, enhancing TechPro’s technological leadership, improving operational excellence and efficiency to ensure attractive pricing, even in the premium segment, and maintaining and growing market share. The aim was “*to always be better*” (Doc.) than their competitors. Both the SUST and the MAST were seen as legitimate in terms of being proper and desirable for TechPro to pursue (Suchman, 1995; Tost, 2011). Yet, with rising cost pressures and aims to maintain market leadership in a sector of ultra-functional, high-end “*products with best-in-class functionalities that outperform the market standard*” (Doc.), it was not easy to implement the SUST alongside the existing MAST, as our findings will show.

Research Design and Data Collection

Research design. Consistent with other studies of strategy implementation (e.g., Jarzabkowski et al., 2018; Wiedner, Barret, & Oborn, 2017), we conducted a longitudinal qualitative case study, including periods of sustained ethnographic observation and other triangulated sources of data from 2012-2015, with follow-up visits in 2016 to discuss our emerging results. Following initial pilot interviews and some one-day site visits, TechPro agreed to open the doors to our extensive ethnographic field work, which included the first author having unfettered access to meetings and facilities, and the ability to move independently within the locations to observe and interact with employees. Furthermore, the first author was given a working space with

a telephone and company laptop that gave access to the firm's internal intranet SharePoint and schedules, and enabled continued communication.

Field observation. The first author spent 80 days in the field observing work processes, meetings, and discussions related to the SUST. These included the Sustainability Steering Committee with TechPro's top management, regular meetings within different divisions, team meetings, and internal keynote speeches, as well as informal conversations, birthday celebrations, jubilees, and tours of the firm. These observations specifically targeted implementation of the SUST initiatives within people's typical tasks. For instance, observations were conducted with product teams implementing the SUST as part of their product design processes. The author team was also able to observe within-firm reflections on the SUST implementation, such as attendance at a one-day, top-level management team workshop to review the SUST with 30 of TechPro's top managers. These observational data gave us a rich set of fieldnotes covering headquarters, divisions, and production sites, as depicted in Table 1. Fieldwork references are hereafter referenced as (Verb. Obs.), meaning a verbatim observation as it was noted in the fieldnotes, or (Obs.), which means a paraphrasing of the fieldnotes to explain something observed.

[Insert Table 1 here]

Interviews. Throughout the fieldwork, the first author conducted 90 open-ended interviews with 83 informants across organizational sites, functions, and hierarchies. Interview participants were selected from the firm directory based on relevant functional descriptions that were then verified with other informants. We aimed to collect perspectives from every corporate function and from various hierarchical positions. Interviews lasted between one and two hours and were audio-recorded and transcribed (with six exceptions where recording was not permitted and extensive notes were taken instead). Informal contact was maintained via e-mail and phone

between the formal interviews and during field observations. We randomly assigned a number to each of the interviews (e.g., X47; X11) to use when referring to them to preserve confidentiality and ensure participants would not ‘guess’ interviewees by their hierarchy, role, or the stage at which they were interviewed. Direct quotes from interviews, hereafter, are referenced as (Int. X).

Documentary data. We gathered documentary data generated by the firm from the strategy initiation phase in 2012 to 2016 when we gave the final feedback. These data included correspondence, strategy documents, meeting minutes, and internal surveys, including full transcripts from early 2012 workshops with various Function Heads about the formulation of the SUST and planning documents listing areas of the company affected by the strategy and the KPIs to be measured. From these data, referenced throughout as (Doc.), we developed a chronological overview of the strategy implementation, the relevant actors, and their key actions over time.

Analytical Approach

We aimed for trustworthiness in our qualitative analysis (e.g., Lincoln & Guba, 1985) through a few key steps. First, we kept records of all our data, including field observations, interviews, archival data, meetings, workshop participation, informal emails, field notes, and protocols that we exchanged while the first author was in the field. Second, we used the ATLAS.ti qualitative data analysis software, as well as Microsoft Excel coding files as the analysis became more mature, to enable the different authors to identify themes and query, code, and recode the data following the regular coding meetings we held throughout analytic process. Third, we presented aggregated results to managers at TechPro to check that our insights matched their lived experience and, if not, to check for potential biases on both sides.

As is typical of qualitative process studies (Langley, Smallman, Tsoukas, & Van de Ven, 2013), our analysis went through several stages of refinement. First, as we were interested in the

strategy implementation process that actors enact on a day-to-day basis, we went through all the interview transcripts, field diaries, and strategy documents and undertook two types of first-order coding. Consistent with other studies (e.g., Balogun, Best, & Lê, 2015; Jarzabkowski, 2008; Wiedner et al., 2017), we coded people's actions concerning the implementation of each of the two strategies. This involved codes such as "gather data on KPIs," "develop new KPIs," "track resource flows on product/process," "test product prototype," "input data into management system," and "check technical specifications list." This provided a dataset of actions that we could arrange, using ATLAS.ti, according to a range of criteria including chronologically, by SUST and MAST strategies, and by types of work such as product design, resource monitoring, and so forth, which formed the basis for our thematic analysis explained below.

Second, we coded for the SUST and MAST strategies. The MAST comprised the company-wide competitive strategy that was broken down into, for example, product-specific innovation road maps, production, sales, purchasing, or marketing strategies. The MAST thus comprised KPIs related to "profitability," "process efficiency," "competitiveness," "customer satisfaction," "sales," and "growth." The SUST included a definition of sustainability at TechPro, environmental and social KPIs, and respective aspiration levels. These KPIs included, for example, "increases in energy label thresholds," "increase in sustainability-related product features," "reducing energy use in production and infrastructure," "increase in use of sustainable materials," and "increase in sustainable sourcing standards." These first-order codes comprised part of the ATLAS.ti database of searchable codes and enabled the next analytic step.

Third, our data indicated that the SUST was often difficult to implement. While managers felt that sustainability was the right thing to do, we observed that they experienced tensions when implementing the MAST in their day-to-day tasks: *"I get asked: 'How does sustainability raise*

my revenue? It means extra effort, where I already have to juggle multiple demands” (Verb. Obs.). We iterated between our data and the literature on sustainability (e.g., Hahn et al., 2014; Sonenshein, 2016) to better understand this empirically-grounded finding of tensions in integrating the new SUST with the existing MAST. Drawing on the literature, we conceptualized these differences as grounded in situated struggles over legitimacy. Employees thought that the SUST and the MAST were both appropriate for TechPro to perform. Yet they sometimes appealed to different values and goals that were hard to reconcile practically (see Hahn et al., 2015; van der Byl & Slawinski, 2015). For example, the MAST objectives and KPIs were based on well-defined, long-standing goals to increase profitability by remaining the market leader in high-functioning, premium products, which accorded with definitions of legitimacy as grounded in the material interests of the company and its duty to provide a return to its shareholders. The SUST, by contrast, was grounded in TechPro’s social and environmental values to have employees that believe sustainability is “in our genes”, and to create “products [that] embody the topic of sustainability”. Our data suggested that actors experienced tension when they could not work out how to bring specific elements of these two strategies together in order to do a task. We therefore defined these as tensions that arise within actors when they “[...] must resolve incompatible action tendencies” (Unsworth, Yeo, & Beck, 2014: 1067; see also Smith, 2014).

Fourth, through further analysis, we distinguished between three empirically-grounded experiences of tension: tensions between strategic goals, tensions between product features, and tensions between organizational values. For example, the tension between strategic goals category was defined as incompatibility in tasks involving both organizational environmental compliance and organizational profit, and was informed through first-order codes such as “cost reduction vs. high sustainability investments” and “innovate for customer preferences vs. sustainability not

being a customer priority.” The tension between product features category was defined as incompatibility in incorporating SUST and MAST features in the technical design of a product or in the production process, and was informed by first-order codes such as “prioritize fun and high-performance features vs. prioritize sustainability KPIs” and “choose materials that are price stable and available vs. environmentally friendly.” Tensions between organizational values were defined as incompatibilities between TechPro’s environmental and competitive values, and were informed by first-order codes such as “competitive orientation vs. social orientation” and “competitive products vs. trustworthy products.” In Table 2, we provide further representative examples of the data coded to these tensions.

Fifth, returning to our first-order codes, we arranged people’s actions in implementing the two strategies longitudinally, examining them in relation to identified tensions on specific tasks. We developed strings of recurrent actions, which we termed action cycles because of their iterative nature, that were responses to each of the three types of tensions. Iterating between these data and the literature on tensions in implementing strategy (e.g., Jarzabkowski et al., 2013; Smith, 2014), we then further interpreted and labelled these action cycles. For example, in working through tensions over strategic goals, we found that actors engaged in two cyclical categories of action. We termed these ‘*procedural embracing*’ (see Jarzabkowski, 2005), defined as using existing procedures, such as the management information systems for reporting on MAST KPIs, to also gather data and report on the SUST strategy, which iterated with ‘*synergizing*’ (see Andriopolous & Lewis, 2009; Jarzabkowski & Sillince, 2007), defined as finding complementarities between SUST and MAST data and KPIs.

We examined each of the action cycles in the same way, clustering the data and labelling it according to its empirical characteristics, using appropriate labels from the literature where

possible. In response to tensions over product features (see Smith, 2014), we found employees worked through action cycles of compromising and reinterpreting/splitting (see Lewis, 2000; Smith & Lewis, 2011). In response to tensions over organizational values, we found action cycles of sacrificing and valorizing (see Lawrence & Suddaby, 2006; Slager, Gond, & Moon, 2012; Tsoukas, 2018). In Table 3, we provide more complete definitions of each of these themes, including representative data, as well as an example of each in the findings below.

Finally, we examined the implications of these iterative action cycles for the relative decoupling or integration of the two strategies. We noted that the action cycles occurred on tensions over specific tasks, rather than between the two strategies at the more abstract level of the organizational mission. That is, while legitimate organizationally, working through tensions in action seemed critical for legitimating performance of the SUST alongside the MAST within specific tasks. We identified three ways that working through the action cycles enabled the two strategies to be co-enacted within any specific task. The procedural embracing-synergizing cycle enabled actors to work through tensions on specific tasks where they experienced tensions over strategic goals. This action cycle enabled them to co-enact the two strategies by combining them within those tasks (see Hahn et al., 2015). The compromising-reinterpreting/splitting cycle enabled actors to work through tensions on specific product-based tasks, enabling co-enactment through mutual adjustment between the two strategies (see Jarzabkowski, Matthiesen, & Van de Ven, 2009; Lindblom, 1965). By contrast, the sacrificing-valorizing cycle supported prioritization of one strategy over the other; in this case, prioritizing the SUST over the MAST. Yet this did not indicate negation of the MAST, but rather differentiation between the values inherent to the SUST and the MAST in relation to the specific task at hand, while acknowledging the wider importance of both the SUST and the MAST at the organizational level. These action cycles were cumulative,

enabling actors to work through the tensions they experienced on multiple tasks throughout the organization.

Examining these findings on the cumulative nature of responses to tensions in relation to the literature, and their role in co-enacting both strategies, we conceptualized action cycles as generating a reinforcing loop between the action and the organizational levels (e.g., Feldman & Orlikowski, 2011; Jarzabkowski, 2008; Jarzabkowski et al., 2018; Orlikowski, 2000). That is, the action cycles were important for legitimating co-enactment of the two strategies in action on specific tasks and cumulatively, reinforced the legitimacy of their co-enactment at the organizational level. Together, these findings provide the foundation for the conceptual framework we develop in the discussion.

FINDINGS

In this section, we first explain the three tensions that managers experienced in tasks where they were implementing the new SUST alongside the existing MAST. Table 2 provides additional representative examples of these experiences of tension. Second, we reveal how these tensions trigger action cycles within which implementation of the two strategies unfold. We use short vignettes, compiling data from all sources, to illustrate the processual dynamics of these action cycles, with additional representative data included in Table 3.

[Insert Table 2 here]

Experiencing Tensions in Strategy Implementation Tasks

Tension between product features. Managers experience tension when they are unable to incorporate SUST and MAST features physically into products and production processes. For example, existing manufacturing facilities contain production costs and satisfy time-to-market processes. Work on products is thus shaped by the existing production technology, durability of

materials, availability of components, and their price stability. However, these features are often in tension with efforts to enhance the ecological footprint and environmental compliance levels of these materials and processes. Hence, while all these parameters were considered legitimate, managers at TechPro often experienced tensions over what to do when working on a product. For example, we observed product managers testing the use of recycled materials and working on processes that consumed very few resources. They were frustrated that these environmentally-friendly materials compromised the product's functionality, as a product manager explained: *"There is a tension between sustainability and efficiency in energy consumption since most often it comes along with reduced levels of basic functionalities"* (Int. X50). Yet the high-performance features they developed in premium products compromised environmental performance. Similarly, during product innovation, managers focused on new materials and designs that would deliver superior product performance and durability, albeit they might also consume relatively high energy or water resources. As one manager explained about the day-to-day work of product developers *"Premium product first. Second, he has to make sure that his component passes the durability test, if he does not accomplish this he loses anyways because then he hasn't done his job at all. This has a huge priority at TechPro"* (Int. X46). Hence managers experienced tensions between working on the *"coolest product ever"* (Verb. Obs.), and developing products that reduced resource consumption in order to meet the SUST targets.

Tension between organizational values. Managers experienced tension in tasks where adhering to the MAST might give them an advantage relative to their competitors, but only at the expense of their SUST values. In such tensions, TechPro managers embraced the SUST as part of their strong values of *"authenticity, trustworthiness, and truthfulness"* (Doc.); *"greenwashing or lip service [is] something we cannot be associated with"* (CEO during Obs.). Yet their high

standards prohibited engagement in environmental loopholes that other firms were exploiting. These standards, which went beyond those required by regulatory compliance, were in tension with their values and interests in staying competitive. In such situations, managers had to engage in tough moral reasoning about the consequences of prioritizing different strategies. For example, due to intense competitive pressure, TechPro managers had to cut operational expenditures and reduce the costs per product in order to offer more competitive prices. At the same time, a TechPro manager saw the latest advertisement by one of TechPro's international competitors, offering prices at half of their own, while still ostensibly "*doing great*" (Verb. Obs.) on regulatory environmental reporting. While inclined to cut costs and reduce environmental standards to the minimum regulatory requirements in order to be competitive, the TechPro manager instead cited the SUST. He felt they should not follow their competitors' actions, despite being sufficient for compliance. In discussion, he and his team agreed such actions would compromise the underlying values of the SUST, which were "*the company's crown jewels to be protected*" (Int. X57). In such tensions, managers had a collective baseline understanding of their corporate values, which accorded legitimacy to the MAST goals in terms of product quality and functionality, and also, importantly, legitimacy to SUST goals of honesty and trustworthiness in the environmental standards to which they subscribed.

Tension between strategic goals. Managers experienced tension in tasks where simultaneously implementing strategic goals for environmental compliance and organizational profit was difficult. Given that TechPro is the market leader, managers sometimes experienced tension between the SUST goals and their "*actual job*" (Verb. Obs.) of developing and selling premium products with highly innovative, bold, and even disruptive features. In addition, MAST KPIs involved continuously reducing costs and improving operational efficiency. Pursuing SUST

KPIs was “*suicidal*” (Verb. Obs.), as managers had to devote resources to initiatives that were costly, yet only marginally and indirectly related to efficiency increases. While implementing SUST goals was costly and time consuming, SUST-optimized products did not offset these extra costs through increased sales or profits. Yet this was not a straightforward tension between profit and sustainability. Managers also felt that highly-sustainable products could be a competitive differentiator, as their high environmental standards, which were “*more than others do*” (Verb. Obs.), could be used to position their products ahead of those of their competitors. Environmentally superior products did not command a price premium from customers, but nonetheless enhanced TechPro’s reputation. They thus experienced strategic tensions; the SUST was at the heart of the company strategy, and might add to their competitive distinctiveness, and yet was also potentially destructive to those MAST activities from which they derived profits.

Summary. These tensions were not linear or singular, but were experienced by any actor, at any stage in the strategy process, according to the specific tasks they were implementing. Most people we observed experienced tensions between strategic goals, and those engaged in product development tasks, such as engineers and product managers, also experienced tensions between product features. Tensions between organizational values were experienced by various managers, particularly when specific tasks challenged the SUST values. These various tensions occurred throughout the implementation process on the many tasks in which people were engaged, each time triggering particular action cycles that shaped the unfolding implementation of the SUST alongside the MAST (see also Table 3).

[Insert Table 3 here]

Tension Between Product Features Triggers Compromising and Reinterpreting/Splitting Cycles

When actors faced tensions about how to implement both strategies within products and production processes, they engaged in iterative cycles of compromising and reinterpreting/splitting. These cycles enabled them to mutually adjust between the SUST and the MAST within product-based tasks.

Compromising. When product developers experienced tensions over products, they engaged in compromising, trading off different aspects of the SUST and the MAST that could not be physically reconciled within a product or production process. For example, we observed product developers testing output parameters on different product variations. As they realized that the product could not optimize both SUST and MAST features simultaneously, they compromised, trading off which features, materials, and manufacturing procedures were included in making the product. Yet compromising was not a straightforward, 50/50 split decision. Quite often, consuming more resources for performance and fewer resources for sustainability at the same time was not possible within a single product: *“Of course, we ask the innovators to achieve the best functionality, have shorter run durations than the competitors, and at the same time use less energy. Well, they [the developers] then look at us and ask us whether we are aware of the physical laws at hand”* (Int. X57). Product developers thus tried to find ways to work through these tensions in improving product functionality while also improving resource efficiency and sustainability in the materials and processes used.

Reinterpreting/splitting. As they worked through the potential compromises, managers either engaged in *reinterpreting* the trade-offs in SUST or MAST goals as ultimately good for both strategies or *splitting* the goals across products or processes. When managers made compromises within a product in order to optimize it more towards the MAST features or the SUST features, we observed that they reinterpreted such trade-offs as actually good for both strategies, often by

appealing to a higher order concept such as the “total quality” of the product. By contrast when they could not make a compromise within a single product, they differentiated between the MAST and SUST features of a product, splitting them into two different types of products, some of which were constructed to optimize sustainability features, whilst others were optimized to the high-performance, but also high-resource consumption features. Below, we exemplify these nuances of the compromising-reinterpreting/splitting action cycles through two representative vignettes.

Compromising-reinterpreting action cycle. Sometimes, managers reinterpreted the compromises they made on either the SUST or the MAST elements of a product as meeting both goals at a higher level. On one product, for example, managers developed a new high-performance, high-energy feature that was attractive from a MAST perspective, yet in doing so they struggled to also stabilize the product’s energy output so that it remained SUST compliant. As the developer explained to us; “*The initial steps of increasing energy efficiency are always cheap, but then it gets harder, because either it is the very last quantum then, or you have to perform a full change of technology*” (Int. X42). This developer justified their compromise around production processes that they could not change by explaining that, from a SUST perspective, their premium, high-quality strategy was “superior” to creating less durable products since the product would not need to be replaced, thereby reducing environmental wastage (Obs.). Such compromises could be reinterpreted in terms of TechPro’s “total quality” framework (Doc.); the overall product was of a higher quality, therefore would last longer, which was also good for sustainability. “*This decision is our way to say that we want to improve the total performance of the product and not energy efficiency at the expense of functionality and vice versa*” (Int. X57). This enabled them to legitimate their compromises as consistent with the SUST even as they produced premium products that were suited to the MAST. As they faced more product tensions, they began to

estimate the durability of product materials to justify this reinterpretation of the overall quality of a product as good for both strategies. Over three years, we observed that product managers increasingly used the term “total quality” in their internal discussions and strategy documents to describe and legitimate their approach of weighing compromises on functionality, cost, and environmental performance of products.

Compromising-splitting action cycle. In other situations, managers could not compromise by advancing either a MAST or a SUST feature in a single product. Rather, they compromised by expanding the product range to make two sub-classes of the same product, each focused on one strategy. We illustrate this with the vignette of Dean, a product designer working on product innovations. Dean and his team were extremely frustrated. They were passionate about increasing their product’s technological superiority by using only the best materials to develop top-notch functionalities that would be unmatched by competitors. Yet they also wanted to make the product as resource efficient as possible with components that were durable, easily repairable, and environmentally friendly. Building prototypes and testing components, Dean’s team faced tension over the competing demands of SUST and MAST, which they could not combine within a single product. They were weary of “*lame compromises*” (Verb. Obs.) that did not really meet either of the dual strategies of “*best sustainability, for best performance*” (Int. X81).

Dean’s team iterated through various compromises, finally resolving the tension by developing product portfolios that offered an expanded range of product configurations from which the customer could choose: “*Where we cannot integrate everything into one product, we let the customer choose*” (Int. X47). Thus, they produced some high-SUST products that aligned with their SUST goals, while others incorporated high-performance features that met their MAST aims. Customers could select their product and have it optimized for sustainability or for high-

performance features. Clicking through the product ranges, Dean and his colleagues showed us how *“there is definitely both. We do have products where this [energy efficiency] is particularly high, e.g., in product Alpha100 we have models that are A+++, [a top energy rating] yet are not equipped with some of the other features”* (Verb. Obs.).

Dean’s experience was typical of the compromising-splitting cycle. We observed such action cycles when product managers and designers experienced tensions over tasks such as designing new features and selecting materials for product construction. In those tasks, product managers split the product into those with more environmentally-friendly SUST features and those with higher-performance MAST features, expanding the options from which customers could choose: *“For particular products, we offer eco-optimized programs, where you can work with less energy”* (Int. X35), while *“on the other hand, we develop features that offer major functionalities so that the customer can choose”* (Int. X47). For managers faced with these tensions between product features, the splitting approach was an effective compromise because they could embrace the legitimacy of the SUST, and implement it even as they continued to implement the also legitimate MAST.

These iterative cycles of compromising-reinterpreting/splitting enabled managers to do what we term “mutual adjusting” of the SUST and the MAST, a process in which they adjusted their work to avoid clashes between the two strategies or the neglect of one in order to perform the other. Through mutual adjustment of the two strategies, they could accord legitimacy to both within the everyday work of product design. The processual dynamics of compromising-reinterpreting/splitting happened throughout the organization when actors experienced tensions over product-based tasks, enabling them to adjust between the SUST and MAST on a task-by-task basis.

Tensions Between Values Trigger Sacrificing and Valorizing Cycles

Tensions arose when managers found that achieving a potentially competitive outcomes threatened their SUST values. Managers worked through such tensions over iterative cycles of *sacrificing* and *valorizing*, through which they were eventually able to prioritize one goal over the other on that particular task; in our vignette below, we provide an example of sacrificing the MAST to satisfy their SUST values. While this was difficult for them, they were able to legitimate their actions in prioritizing the SUST as the desirable and proper action.

Sacrificing. Sacrificing of the MAST for the SUST occurred when a task threatened a manager's core environmental or social values, on which they would never be willing to accept any "*foul compromise*" (Doc). Yet protecting SUST values also meant sacrificing MAST values, such as not releasing a product in which they had invested significant development capacity and resources, and that would put them ahead of their competitors technologically. Managers talked of "*making a sacrifice*" (Verb.Obs.) when they knew their competitors were selling products that only met the minimum environmental requirements, whereas TechPro embraced SUST as part of their core values.

Valorizing. Sacrificing was painful because managers had to give up one strategy they valued, the MAST, in order to meet the other strategy they valued, the SUST. We observed that they were able to legitimate their actions by valorizing their prioritization of the SUST. Their sacrifices would not create financial rewards, but they valorized such actions as the right thing to do: "*Truthfulness and trustworthiness is what TechPro stands for*" (Int. X81). While managers realized the high price they paid to remain loyal to their SUST values, they felt validated by having taken the moral high ground.

Sacrificing-valorizing action cycle. Sacrificing one set of values for the other was an iterative process, as shown in the following representative vignette regarding tensions over maximizing the SUST features in a product through reduced water usage. With this product, managers thought they had found a way to create a product that was SUST compliant by reducing its water usage without increasing its costs; indeed, they had slightly reduced the costs, also contributing to the MAST. However, while performing tests in the lab, Mary, one of the managers, and her colleagues found that reducing water consumption through this measure increased the potential germ growth, posing a health risk to their customers. They agonized over the problem, as they had been really proud of their highly sustainable reduction of water consumption. While they were not required to report on such measures, they felt that developing safe, hygienic products was also part of the SUST.

Mary and her colleagues struggled over the tensions between their SUST values and their MAST values. They knew that competitors were reporting water reduction levels that, if tested as thoroughly as TechPro had tested their products, must also have potential hygiene risks. They were tempted to simply display their technical superiority and release this resource-efficient, and also more cost-efficient, product. If they did so, it would be at the top of industry standards, unmatched by competitors. Yet they felt it did not truly live up to their sustainability standards, which incorporated hygiene. They contemplated a possible compromise for some time. The more they discussed it and re-examined their lab tests, the more they felt that, in order to stay true to what Mary and her colleagues regarded as the core values of the SUST, they would need to sacrifice the competitive advantage the product would give them. Having worked for TechPro for many years, Mary remembered previous issues where a sacrifice had been made in order to stay true to the organization's values. Perhaps, she suggested, they could sacrifice the opportunity to outperform

competitors and not compromise on their SUST values. Eventually they explained their tension and preferred action to the top management team who, after careful probing, were supportive, agreeing that they should not release the product, despite the sacrifice of business opportunities and potential profits (Obs.).

Throughout their iterations over the potential sacrifice, managers drew comfort from valorizing what came to be their preferred course of action. They were proud that TechPro was a company that would never lower their SUST values, even if it meant sacrificing the profitability associated with the MAST. Such valorization was a powerful complement to sacrificing, enabling managers to legitimate their actions as for the greater good of TechPro's sustainability values. They were according the SUST high levels of moral legitimacy beyond mere compliance: *"Of course, we are continuously suffering from the fact that our competitors do not take values such as truthful communication as seriously as we do. Yet at this point, we have taken a stand. We have decided on which side we want to stand, and thus we are starting to ignore this issue [release of the above product], since we cannot change it as long as we stick to our values"* (Verb. Obs.). This valorizing of sacrifices was not only symbolic, but also had practical consequences for the MAST, including not releasing a potentially competitive product into which they had already invested significant development capacity.

The sacrificing-valorizing action cycles in our study led actors to prioritize the implementation of the SUST over the MAST in order to safeguard the moral legitimacy of the SUST. Although sacrificing was always painful, as they also valued the MAST, valorizing enabled managers to accept this one-sided strategy implementation. They felt pride in being true and authentic to the values of TechPro. Importantly, while they implemented only the SUST in that task, they did not discredit the MAST in terms of its validity to TechPro as a whole. We observed

these tensions over values and the action cycles they triggered on a few tasks. For example, they also arose over the incorporation of reparability within every component of their products. By making each component open to repair and replacement, they were enhancing the durability of products, but hindering new sales and increasing production costs per unit. They knew that their competitors incorporated planned obsolescence into products to ensure that they had a lifespan after which replacement of product components would no longer be possible, thus increasing future sales (Obs.). We observed TechPro managers work through iterative cycles of sacrificing and valorizing, eventually prioritizing the SUST values over the MAST values instead of pursuing planned obsolescence.

Tensions Between Strategic Goals Trigger Procedural Embracing and Synergizing Cycles

Sometimes the environmental compliance necessary for the SUST was considered “*really bad*” for profit, raising tension between SUST and MAST strategic goals (Verb. Obs.). In these situations, we observed that managers engaged in iterative cycles of procedural embracing and synergizing.

Procedural embracing. Procedural embracing refers to managers’ use of existing management procedures in order to accommodate the SUST within their work. TechPro already had robust procedures for gathering data and reporting on MAST KPIs within the Integrated Norm Management System (INMS). It was relatively easy to use the INMS to gather data and report on the SUST, such as measuring resource flows and use. Managers began to look for efficiencies in the SUST reporting procedures, such as “*using as many KPIs for multiple purposes as possible*” (Int. X8). This involved tying some of the KPI reporting for existing MAST activities to the new SUST requirements. As one manager explained, when we observed him inputting data on the INMS spreadsheet, “*In the yearly management review, I report those KPIs which I collect for*

norm certification purposes to the top management. In this process, I also collect the data which I need for the Sustainability Reporting” (Verb. Obs.). Procedural embracing addressed immediate demands for SUST compliance, and so allowed managers to incorporate it into their everyday tasks alongside the MAST.

Synergizing. We observed that the more managers reported on the SUST KPIs, the more they also drew benefit from them for their MAST activities. This was an iterative process in which the KPIs they developed enabled them to gradually explore synergies between the SUST and MAST. Gathering data and reporting on SUST KPIs enabled managers to move their focus away from whether the SUST was strategically sensible to making at least some of its elements part of their everyday work. In doing so, they were sometimes surprised to find themselves using SUST data to inform and support the MAST elements of their tasks, such as monitoring and reducing use of costly resources. While these synergies were unexpected – enhancing MAST KPIs was not a goal of the SUST– managers who experienced these benefits began to look for additional synergies in which pursuing the SUST could also further the MAST. We now present a representative example of this iterative procedural embracing-synergizing action cycle.

Procedural embracing-synergizing cycles. Norma was managing resource flows, such as energy and water use, and their costs at a production site. In 2012, she explained that under the new SUST, she was required to report on these data in a more granular form for the sustainability report. She found this irritating; it involved a lot of extra work, including revising her techniques for tracking the more detailed KPIs, with little apparent strategic benefit. She did not see how it could help her team with their core task of keeping tight control over resource flows to ensure both cost efficiency and quality of supply. She said, *“Within the boundaries of environmental protection, we have never derived any major need for action from sustainability KPIs”* (Int. X4).

As we observed Norma's team implementing the new KPI tracking and reporting, initially they were unconvinced. They were doing more work, yet the SUST data points were isolated and did not inform their main tasks of managing resource flows. While they thought it was important to be environmentally compliant, collecting SUST data just made the team busier and did not benefit their MAST activities.

By the following year, collecting and reporting on SUST KPIs was a routine part of Norma and her team's work. Since their job was to use data to manage resource flows, they began to recognize some novel information about their resource usage in the SUST KPIs: *"These data points have long been collected on an annual budget basis, but now we reorganized this to monthly KPI revisions. [...] If I only recognize a water leakage after a year then it is already too late. Now, I can precisely determine, 'Yes – in the last month we consumed more of resource x so there might be a process anomaly.'* Some of these KPIs are reported to headquarters and are part of the Sustainability Reporting, for example, the numbers concerning waste, sewage, environmental investments, costs and we have many more" (Int. X7). The team was pleased. The revised methods of reporting SUST KPIs had generated process efficiencies in their main MAST task of controlling the use, and hence cost, of resources. Managers began to look for more synergies, as the increasingly substantial data they gathered on the SUST related quite easily to their existing work of implementing the MAST. During one fieldwork visit, we sat with Norma's team as they clustered around the new data tracking map, considering how they could use it to develop more synergies, such as improving process transparency. They discussed how they could be more efficient in identifying the excessive use of resources, which also related to some of their MAST cost-cutting work. A manager responsible for the enameling machinery pointed to the map, explaining how they succeeded in tracking all resource flows relevant for environmental

protection. Walking us through the production floor, he showed us that they first listed all procedures and input materials employed, then installed tracking tools at the machinery to measure all outflows. They had come to this idea from their granular monitoring of hazardous materials for the SUST KPIs, and were now further using these data to monitor resource efficiencies for cost control and to better streamline their processes (Obs.).

The more managers paid attention to the SUST data that they collected, the more they found that it contributed to aspects of the MAST, such as process efficiency and cost reduction. Thus, they increasingly embraced SUST measures and looked for synergies between these data and their MAST work. For example, in 2014, Norma's team worked out a localized version of the headquarter's SUST for the production site. They could use this to increase the strategic focus on sustainability KPIs and roll it out to related areas such as energy management, with measures *“in kilowatt hours, which I ultimately can convert into cost”* (Int. X5).

As our vignette shows, on some tasks, implementing the SUST gave actors an additional strategic reason to engage in and expand their MAST activities, in effect combining the two strategies. While not every SUST KPI led to synergies, such examples were happening around the organization throughout our study. For instance, we observed managers experiencing tensions on tasks such as introducing a sustainability assessment tool for new production machinery, and implementing sustainable sourcing in the purchasing division. As they worked through the resultant tensions, finding ways to procedurally embrace the SUST in their work and gaining synergies with the MAST, managers progressively enhanced the legitimacy of the SUST in their actions. The SUST was not just the right thing to do as part of TechPro's vision for high environmental standards and long-term sustainability, but also added to the profitability of the

company. In going through iterative procedural embracing-synergizing cycles, managers were able to combine the legitimacy of the SUST and the MAST in their actions.

Strategic Implications: Co-enacting the SUST Alongside the MAST

Managers across TechPro worked through these action cycles according to the tensions they were experiencing within their various tasks throughout the strategy implementation process. For example, over the three years that we observed TechPro, Norma's team, whose strategic tensions we explained in the procedural embracing-synergizing action cycle above, also experienced tensions over production processes where they could not physically integrate both strategies. Similarly, Dean's team experienced tensions over product features and also between strategic goals in their everyday work. And Mary's team, whose tensions over SUST values we explained in the sacrificing-valorizing cycle, were involved in production and experienced tensions over products and between strategic goals. Hence, managers may experience multiple tensions and engage in different processual dynamics to reconcile those tensions according to their specific tasks within the wider strategy implementation process.

We argue that working through these tensions helped make the SUST legitimate-in-action on each specific task, and had a cumulative effect as an increasing corpus of tasks were able to incorporate the SUST alongside the MAST. The cumulative effect of such multiple tasks was significant in strengthening organizational commitment to co-enacting the SUST alongside the MAST. Over the three years of strategy implementation, we observed that TechPro was able to meet their new SUST objectives and targets, and further incorporate these into the company's strategic planning. Hence, by the end of three years, we noted an important shift in their strategy. Their strategic plans included a significant strategic investment in building a greener production plant. It would mean divesting the existing efficient plant, which was not obsolete, so it was a

costly move. They could not recoup the costs in the short term, so they included longer amortization periods in their planning to achieve profitability for the investment. Yet they felt it was worth it for both their SUST aims and their MAST returns. Production costs would eventually decrease and they could model, over the long-term, not only a breakeven point, but also when the new sustainable plant would yield superior returns. By 2015, the SUST was thus being co-enacted with the MAST both within people's actions and at the organizational level as integral to their core strategy. The head of environmental plant management noted that "*making such strategic investments into green technology was only enabled through actually experiencing, through smaller machinery-specific projects, how impactful environmental KPIs can be in terms of improving your overall operational efficiency*" (Int. X6).

DISCUSSION

We now develop our findings into a conceptual process model of legitimating-in-action (see Figure 1) that shows how dual strategies are co-enacted within specific tasks at the action level in a way that also reinforces their co-enactment at organizational levels. A SUST may be legitimate at the organizational level (Figure 1, A) because it is integral to the organization's purpose and corporate values (e.g., Jay, 2013; Smith & Besharov, 2017). Yet despite this legitimacy, actors may experience practical tensions at the action level (Bromley & Powell, 2012), between organizational values, product features, and strategic goals (Figure 1, B). Working through these tensions triggers different action cycles (Figure 1, C) that enable the implementation of the new strategy as legitimate not just as an organizational mission, but also as something people do in their tasks. We conceptualize these action cycles as legitimating the new strategy *in action* (e.g., Huy et al., 2014; Suddaby et al., 2017; Vaara & Monin, 2010) because actors are able to construct the new strategy as something that is desirable or possible to *do* alongside the existing

strategy, at least in that specific task (Figure 1, D). As action cycles accumulate throughout the organization in the multiple tasks of implementing the SUST, they continuously reinforce its legitimacy as an organizational purpose (e.g., Jarzabkowski et al., 2018), as indicated by the recursive dotted arrow (Figure 1, D to A). These processual dynamics are critical in surmounting tensions between two potentially contradictory strategies (Lê & Jarzabkowski, 2015; Smith, 2014), enabling their co-enactment both within specific tasks and at the organizational level (Figure 1, T₁ to T_n). We argue that such co-enactment is central to the integration (versus decoupling) of a new strategy at both the action and organizational levels and also between the new and existing strategy, in our case, the SUST and the MAST.

[Insert Figure 1 here]

First, actors are able to co-enact the two strategies on specific tasks by *mutually adjusting* between them (Figure 1, i) when they cannot physically incorporate features of both the new and existing strategy into a product or product development process simultaneously (see also Smith, 2014). Our model shows that actors respond to such product tensions through iterative cycles of *compromising* and *reinterpreting/splitting*. Sometimes actors can reinterpret the trade-offs (Bartunek, 1988; Lewis, 2000; Westenholz, 1993) within a product or production process as meeting both strategies. Otherwise, they trade-off the different elements of each strategy by splitting them (Jarzabkowski et al., 2013; Poole & Van de Ven, 1989; Smith & Lewis, 2011) into different products. These processual dynamics over multiple cycles of compromising-reinterpreting/splitting are critical in enabling the two strategies to be co-enacted through mutual adjustment (Jarzabkowski et al., 2009; Lindblom, 1965), in which neither strategy is negated, even when they cannot be integrated into a single product.

Second, when actors are unable to co-enact the two strategies, they may *prioritize* one strategy over the other on a specific task (Figure 1, ii). In such cases, actors consciously *sacrifice* one of the strategies, *valorizing* their actions as having high moral legitimacy (Lawrence & Suddaby, 2006; Slager et al., 2012; Tsoukas, 2018) to justify their inability to co-enact both strategies on that particular task. While iterative cycles of sacrificing and valorizing are critical processual dynamics that enable actors to legitimate the prioritizing of one strategy over the other, such prioritization does not inhibit wider co-enactment of the two strategies. Rather, it is prescribed by the task, enabling differentiation between the strategies on those tasks while not inhibiting wider integration of the strategies within the organization (Smith & Lewis, 2011).

Third, actors are able to co-enact the two strategies by *combining* them within a common purpose (Figure 1, iii). Actors may attempt to minimize disruption to their work arising from tensions between strategic goals by incorporating implementation of a new strategy within their existing procedures. Such procedures nonetheless shape how actors experience the tension, because they begin to show possible synergies where actors can act on the new and existing strategy together. As actors are able to combine the SUST with the MAST, it becomes increasingly legitimate within specific tasks and also, cumulatively, as an organizational goal. Iterating between *procedural embracing* and *synergizing* supports co-enactment of both the new and existing strategy; in our case, combining elements of their respective social and commercial missions into a common purpose (e.g., Smith & Besharov, 2017).

As shown in our findings and indicated in our conceptual model, an actor may experience multiple different tensions according to the various tasks that they perform within the strategy implementation process. Our conceptual model indicates the fertile nature of these tensions in co-enacting a new and legitimate strategy, such as the SUST in our case, with an existing, legitimate

strategy, such as the MAST, at the action and organizational levels. We argue that, since both strategies are legitimate, actors do not succumb to practical decoupling from the new strategy at the action level (Bromley & Powell, 2012; Delmas & Cuerel Burbano, 2011; MacLean & Benham, 2010). Rather, they work through repeated action cycles to reconcile these tensions because they want to integrate the two strategies within their tasks. Tensions are thus productive because they enable actors to work towards legitimation of both strategies in action, which reinforces their co-enactment at the organizational level.

CONTRIBUTIONS

Our framework makes three main contributions to the literature. First, we elaborate on the integrative view of sustainability (Hahn et al., 2016), proposing the co-enactment of dual strategies as a means of embracing their inherent tensions (Smith & Lewis, 2011; van der Byl & Slawinski, 2015) and averting decoupling (Bromley & Powell, 2012; MacLean & Benham, 2010). Second, we contribute an action level understanding to multi-level studies of how organizations respond to dualities and tensions (Ashforth et al., 2014; Ashforth & Reingen, 2014; Hahn et al., 2015, 2018). Third, we extend knowledge of strategy implementation as a process of legitimacy making.

Strengthening the Integrative View through Co-enactment of Dual Strategies

First, we argue that the co-enactment of dual strategies extends the integrative view. Our concept of co-enactment is informed by a paradox perspective, in which actors acknowledge and embrace the tensions arising from implementing a SUST alongside a MAST, differentiating between the two even as they integrate them within their everyday business practices (Hahn et al., 2018; Lewis, 2000; Smith & Besharov, 2017; Smith & Lewis, 2011). Despite its moral legitimacy, actors in our case struggled, practically, with coupling (Bitektine & Haack, 2015; Bromley & Powell, 2012) the organizational belief in SUST to activities and practices that were mostly

oriented towards the MAST (Yuan et al., 2011). Thus there was potential for decoupling. Yet, contrary to existing studies, our actors did not decouple from, make peripheral, or pay lip service to the SUST (Crilly et al., 2012, 2016; Delmas & Cuerel Burbano, 2011; de Jong & van der Meer, 2017). Rather, through the cumulative process of working through action cycles on specific tasks that incurred tensions, they were able to reinforce the organizational belief in SUST and so co-enact and further integrate it into their MAST. This reinforcing loop extends our knowledge of integration, as opposed to decoupling, as organizations rise above individual responses to specific tensions, such as win-win, compromise, domination, and reframing (see Van der Byl & Slawinski, 2015), to co-enact dual strategies.

Some literature suggests that dual implementation can be achieved in win-win situations through prioritization of the business case for SUST, engaging in SUST where it increases the MAST, and thereby avoiding tensions (McWilliams & Siegel, 2011; Porter & Kramer, 2011; Surroca et al., 2010; van der Byl & Slawinski, 2015). Such organizational motivations emphasize the instrumental legitimacy of a SUST (Hahn et al., 2016, 2018; van der Byl & Slawinski, 2015) and are often associated with decoupling, as managers trade-off the SUST when it is hard to achieve within the profit-seeking business practices of the MAST (Berrone & Gomez-Mejia, 2009; Crilly et al., 2012). The win is for the business case but not integrative in terms of the moral case. By contrast, our managers were working towards a different organizational legitimacy, in which the SUST had strong moral grounds. Rather than decoupling when they encountered tensions with the MAST, they worked through these to co-enact the SUST on specific tasks.

We argue that when a firm frames the case for sustainability in terms of its moral legitimacy (Hahn et al., 2016, 2018), it exacerbates tensions. Because the moral case is equally important as the business case, managers are not willing to decouple from either the SUST or the MAST in their

actions. Rather, tensions arise as they strive to implement both. Thus, counterintuitively, the tensions we observed over dual strategy implementation were productive, pushing actors to find ways to differentiate between the strategies, even as they co-enacted them (see also Smith, 2014). Indeed, we show that actors may even assert dominance of the moral case for the SUST. Dominance of one strategy at the expense of the other is considered defensive and unproductive in most studies of tension (e.g., Jarzabkowski et al., 2013; Lewis, 2000; Smith & Lewis, 2011). Yet, when faced with a tension over values, our actors prioritized the moral values accorded to the SUST over the economic ones accorded to the MAST. Privileging one dimension does not indicate suppression of the other (e.g., Jarzabkowski et al., 2013), but rather shows the ability to differentiate between moral and business arguments and prioritize moral ones where this is central to firm values (Crilly et al., 2012, 2016; Hemingway & Maclagan, 2004; Smith & Besharov, 2017), even as the business case continues to be pursued in other actions. It is precisely these moments of tension, and the dynamics involved in working through them on a task-by-task basis, that strengthens the overarching organizational commitment to co-enactment of the SUST and the MAST, developing a substantive approach to integration that is mutually reinforcing. In our study, the cumulative nature of these individual responses eventually led to a significant strategic investment in a costly new green plant, with TechPro rationalizing the costs and longer amortization period as a win-win for both sustainability and their long-term profitability.

Addressing Disconnects Between the Action and Organizational Levels

Our framework takes us beyond existing views of the action level as rife with tensions (e.g., Ashforth et al., 2014; Ashforth & Reingen, 2014) that can override an espoused commitment to sustainability at the organizational level (e.g., Crilly et al., 2012, 2016; MacLean & Benham, 2010). By contrast, we show that tensions are enabling and mutually reinforcing of the case for

sustainability at the action and organizational levels. The dynamics of working through tensions is important beyond the specific resolution of any particular tension on a particular task, or even of one or another way of resolving tensions (e.g., van der Byl & Slawinski, 2015). Rather, multiple cumulative instances of tension resolution at the action level (Feldman & Orlikowski, 2011; Jarzabkowski et al., 2013, 2018) reinforce collective organizational commitment to the SUST as a legitimate organizational purpose (Bitektine, 2011). This reinforcement strengthens the co-enactment of the SUST alongside the MAST. We therefore argue that co-enactment, in supporting the integration of the two strategies, is also a particularly strong form of integration between the action and organizational levels.

Our understanding of tensions as enabling at the action and organizational levels is informed by a paradox approach to embracing tensions and actively working to both differentiate between their key dimensions while also integrating them (e.g., Jarzabkowski et al., 2013; Lüscher & Lewis, 2008; Smith, 2014; Smith & Lewis, 2011). In emphasizing the importance of action cycles in addressing tensions on a task-by-task basis, and their cumulative effects over time, our framework contributes to practice-based views of how actions shape organizational approaches to the reframing and transcendence of paradoxes (e.g., Bednarek, Paroutis, & Sillince, 2017; Jarzabkowski & Lê, 2017; Lê & Bednarek, 2017; Smith, 2014). We argue that in such action cycles, sustainability moves from being a morally legitimate but abstract organizational concept that is not integrated (Bitektine, 2011; Hahn et al., 2014; Scherer et al., 2013; Tost, 2011), to being actually legitimate to actors who can integrate it into their actions. Our framework thus extends analysis of the recursive interplay between action- and organizational-level approaches to reconciling tensions (Ashforth & Reingen, 2014; Hahn et al., 2015; Jarzabkowski et al., 2013), showing how the co-enactment of strategies at the action level is critical to organizational-level

responses such as integration, reframing, and transcendence (e.g., Bednarek et al., 2017; Lüscher & Lewis, 2008; Smith, 2014; van der Byl & Slawinski, 2015).

Contributions to Strategy Implementation as a Legitimation Process

Our study also extends knowledge on strategy implementation as a legitimation process (Huy et al., 2014; Neilsen & Rao, 1987; Stone & Brush, 1996; Suddaby et al., 2017; Vaara & Monin, 2010) beyond determining the legitimacy or illegitimacy of any given strategy to considering legitimation of strategies in relation to each other. Even when participants accord a new strategy legitimacy as an organizational goal, they still need to make it legitimate-in-action as they implement it alongside an existing, already legitimate strategy (Jarzabkowski, 2005, 2008). Such legitimation-in-action goes beyond the strategic discourses (e.g., Maguire & Hardy, 2009; Vaara & Monin, 2010) and emotional responses of actors (e.g., Huy et al., 2014) to encompass action cycles within which actors work out ways to practically implement a new strategy alongside existing strategies. Our findings show that in situations of dual or multiple strategies, one strategy is not legitimate or illegitimate per se, but rather the legitimacy of one vis-à-vis the other is reciprocally constructed in action. While others find a phased process from illegitimacy to legitimacy or the reverse (e.g., Huy et al., 2014; Vaara & Monin, 2010), in our study, implementing one strategy does not render the other strategy more or less legitimate. It is not necessary for one strategy to become illegitimate for the other to be legitimate (e.g., Oakes, Townley & Cooper, 1998), or for the legitimacy of one strategy to wane in order for the other to wax (e.g., Huy et al., 2014; Maguire & Hardy, 2009; Vaara & Monin, 2010). Our findings thus extend studies that examine the legitimation and de-legitimation of strategies (e.g., Huy et al., 2014; Lamin & Zaheer, 2012; MacLean & Behnam, 2010; Maguire & Hardy, 2009; Vaara & Monin, 2010) to encompass the implementation of two or more strategies that must be made legitimate relative to each other,

within people's actions (Jarzabkowski, 2005; Smith & Besharov, 2017). We highlight the iterative processual dynamics of legitimating-in-action as critical in enabling mutual reinforcement, rather than conflict, between two or more strategies.

CONCLUSIONS

This study has developed a conceptual framework of the processual dynamics through which a new strategy is integrated with, rather than decoupled from, an existing strategy at the action and the organizational levels. We now suggest some key boundary conditions to our framework. Our study has examined a particular type of new strategy, a sustainability strategy, in a company where sustainability had strong moral legitimacy. We therefore expect our framework to be particularly relevant in contexts where there is strong legitimacy of the new organizational strategy and it appeals to the value systems of organizational participants (Suchman, 1995; Tost, 2011). Specifically, the practical decoupling of action from organizational purpose (Bromley & Powell, 2012) is more likely to be surmounted where managers' personal values and interests are oriented towards achieving the new strategy, in our case, towards sustainability as a desirable and right thing for the company to do (Crilly et al., 2012, 2016; Hemingway & MacLagan, 2004). While sustainability may have particular moral 'high ground' (Hahn et al., 2016; Tost, 2011), we could equally imagine that, in other contexts, another goal, such as innovation, may constitute an essential value to organizational participants, so that they will work through tensions in order to integrate an innovation strategy into strategies that exploit existing competencies (e.g. Andriopolous & Lewis, 2009; Smith, 2014). Future research might thus go further in examining how the legitimacy of a new strategy shapes its integration into people's actions and with other strategic goals. In particular, drawing from our study, they might examine how a new strategy is

legitimated in action, and how this, recursively, shapes tendencies towards integration with, as opposed to decoupling from, other organizational goals.

Our study examined the co-enactment of a SUST with a MAST as a process of legitimacy making. Yet we expect these notions of legitimacy making to be increasingly important in studies where multiple strategies are being implemented. Given the pluralistic nature of organizations (Denis, Langley, & Rouleau, 2007; Smith, Lewis, Jarzabkowski, & Langley, 2017b), dual or even multiple strategies that have different legitimacy appeals to different stakeholders are likely to be increasingly pertinent, and to create extensive challenges for organizations (Comeau-Vallée, Denis, Normandin, & Therrien, 2017; Denis, Langley & Sergi, 2012). While our study examined a new SUST, there are likely to be many other contexts in which one or more new strategies need to be co-enacted with an existing strategy, such as digitalization strategies (e.g., Ivang, Rask, & Hinson, 2009), online strategies (e.g., Edelman, 2007), or regulatory strategies (e.g., Jarzabkowski et al., 2013; Marcus & Geffen, 1998), giving rise to legitimacy struggles during their implementation. Thus, studying how multiple, potentially competing strategies are constructed as (il)legitimate relative to each other during strategy implementation provides a fruitful avenue for future research.

Finally, our findings speak to different streams of literature, such as dualities, dilemmas, conflicts, or paradoxes (Fairhurst et al., 2016; Smith & Lewis, 2011; Smith et al., 2017a; Unsworth et al., 2014), that study how multiple, often competing, issues can be brought into continued co-existence. Increasingly such dualities are considered part of the everyday conditions of organization, which need to be embraced, rather than indicating some fundamental flaw in management. Our study responds to calls for further study into the “interwoven nature of dilemma and paradoxes” (Smith, 2014: 1615) and the way that tensions, contradictions, and dualities play

out at multiple levels of analysis (e.g., Fairhurst et al., 2016; Smith et al., 2017b). We show how people's action cycles in working through tensions enable organizations to effectively integrate dual strategies. Therefore, we expect that the conceptual framework developed in this study will have theoretical application to these other approaches to the tensions, dilemmas, conflicts, paradoxes and dualities that arise between dual or multiple strategies.

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APPENDIX

Table 1
Data Structure

Ethnographic Field Study 2012-2015						
Interview Data	Total Interviews	Total HQ Interviewees	Total Interviewees (Production Sites)			
Top managers	4	1	1			
Environmental office	11	10	-		Plus daily talks/phone calls	
Quality management	7	2	2			
Environmental and social KPIs	5	3	2			
Purchasing	7	3	4			
Logistics	2	2	-			
Sales	6	6	-			
Marketing	4	4	-			
Public relations & communications	4	4	-			
Production	5	-	5			
Controlling & finance	4	3	1			
Human resources	9	7	2			
Product innovation & development	16	3	13			
Design	4	4	-			
Consulting	1	1	-			
Total	90	53	30			
				83		
Field Work	Total Days In The Field	Days Of Workplace Observation	Sustainability Board Meetings	Action Team Meetings	Formal Business Meetings	
Total	80	73	3	2	2	
Documentary Data	2010/2011	2012	2013	2014	2015	
SUST Map	-	x	x	x	x	
Sustainability management	x	x	x	x	x	
Social & environmental KPIs & goals	-	-	x	x	x	
Sustainability reports	-	x	x	x	x	

Internal KPI benchmarking	-	-	X	X	-
Internal guidelines & norms	-	-	-	X	-
Firm philosophy	-	-	-	X	X
Total			80 Documents		

Table 2

Representative Data and Examples of People's Experiences of Tension Over Implementing the SUST Alongside the MAST

Tension between product features. Definition: Incompatibility in incorporating SUST and MAST features in the technical design of a product or in the production process

- *“The more features and functionalities you put into a product, the more features there are that consume energy.”* (Int. X36)
- As head developer of product “Z,” one manager notes that his customers buy their products because of the extreme quality standards and high product performance. Yet he shows that the better the products perform, the more energy they consume. Hence, he and the other product innovators are conflicted in the way that their product strategy includes sustainability as one dimension, yet this means that all new innovations for product development need to be fulfilled within the boundaries of the environmental KPIs. (Obs.)
- *“But it is really not easy, we have to do a balancing act here. The inner product part has to be hot, the outer product part has to be cold. I just told you about usability, which is one thing. Another topic is to save more energy. I must of course also try to dissipate as little energy as possible. And here we try to achieve the best possible on several levels.”* (Int. X40)
- *“At some point you are trapped. If you want to reduce energy consumption any further, you have to invest somewhere, yet somewhere your product will become more expensive then. And even if you yield a 50 kilowatt hours reduction, this will not change anything in your labeling class. The motivation to do this is extremely low, because basically it is a waste of resources.”* (Int. X36)
- *“Yes and you have physical boundaries, at some point some things just don't make sense anymore.”* (Int. X44)

Tension between values. Definition: Incompatibilities between environmental values and competitive values

- As one manager explained, the rationale for the SUST is complex. It is possible to release a product that is at the absolute top of some SUST KPIs and reporting requirements. But then that product may have to be sub-optimized in other important features that also have a SUST benefit, and yet, as there is no legal requirement to report them, they could be overlooked. As he reflects, sometimes he considers the real purpose of the SUST goals, which is surely to produce goods that satisfy an all-round optimal use of environmental resources. But how does he compete on that basis, if it is not something imposed also on his competitors? (Obs.)
- *“Hygiene is in particular important in two of our products. You try to reach the same result while employing less and less temperature. Yet, this is not unproblematic at all. In particular not if the cleansing agents do not dissolve properly and residues remain that then can enable the growth of bacteria and germs. Thus, reduced temperatures are to be seen critically.”* (Int. X43)
- We discussed with different managers their moral conflict about how far to reduce the water temperature in one product, which would mean it was a more efficient product, but where they also had concerns that actually this would also require longer run times for the program cycle to achieve the same degree of cleanliness of the former, hotter temperature, more water, and shorter

program cycle. Which was better for SUST: longer program cycles or higher water temperature, and would they really get the same degree of cleanliness? They reflected on the moral conflict:

- *“And what temperature do we really reach with the program? [...] 25 degrees in a 60 degree program? And this then becomes a real problem also for the sustainability. Really. According to this label you receive with this 5, 6, 7 hour long programs an effect equal to a 60 degree program, yet in reality it doesn't reach 40 degrees anymore. From a hygienic view point, this is more than alarming.” (Int. X45)*
- Another manager considered the options: *“We could make our lives easier and say, okay one additional hour of run duration? And reduce the temperature? But is that the right thing to do for the customer ... or the environment?” (Int. X57)*
- Yet another manager reflected: *“You have to think about how much you need to truthfully communicate to the customer.” (Int. X59)*

Tension between goals. Definition: Incompatibility between organizational environmental compliance and organizational profit

- Managers do not understand why they need a formal sustainability strategy as they do not see added strategic value and fear additional effort and complexity (Obs.).
- *“Considering the enormous efforts we spend on energy label adoption, we don't gain much in return. No customer cares about energy efficiency for this product.” (Int. X54)*
- *“Our strategic priorities are on quality, functionality, and cost efficiency. Sustainability increases costs and counteracts functionality.” (Verb. Obs.)*
- *“Whenever there is a very rigid regulation, there are ways to interpret these in your favor, which has been done a lot in the past, especially by our competitors. And this forces all the others to go in the same direction, because if your competitor discloses A minus 30 % and you have only A then everybody asks, why? You are a premium producer; you need to have this. Well, then you are left looking a real mug, and need to find a way to deal with it, yet in the end the customer does not have any advantage whether he has A plus, AAA plus or only A.” (Int. X42)*
- *“We want to produce timeless products that are never out of fashion and whose design transports the high standards we have. Often the more pure and recyclable a material is, the more sustainable and durable it is, but also the more expensive.” (Verb. Obs.)*

Table 3

Representative Data on Processual Dynamics of Implementing a New Strategy Alongside an Existing Strategy

MUTUALLY ADJUSTING STRATEGIES IN ACTION: COMPROMISING-REINTERPRETING/ SPLITTING ACTION CYCLES

Compromising Definition: Ways of trading-off different aspects of the SUST and the MAST within a given product

“We try to satisfy both: On the one hand, we comply to label requirements in a responsible manner [...], on the other hand, we develop features that offer major functionalities so that the customer can choose.” (Int. X47)

“For ‘PowerClean 3.0,’ we will achieve, for example, A+++ minus 40% in the program optimized for the label, at 3 hours run duration, which is the same as today. This means that we have a significant improvement in the energy consumption levels but not at the expense of the run duration. And this really is what we want to do.” (Int. X57)

“This is really challenging. You have to find a compromise here in order to satisfy all demands equally. I already mentioned it in the meantime, if I only concentrate on energy consumption levels and the temperatures of the exterior doors, because of sustainability goals I forget the original purpose of our product which is producing an optimal result, then I will not satisfy any customer with this. So now I am experimenting with different product configurations that might reduce energy consumption only a little bit but without reducing functionality.” (Int. X40)

“Product developers need to ensure that their product component is producible, very durable, and employs as little resources as possible. [...] This is an enormous bouquet, within which you have to prioritize, so we are trying to work out ways of doing that.” (Int. X46)

“We are trying to develop a product that induces the customer to use less chemicals, and this is sustainable. Although that will also require a little more energy that you have to use to run the feature.” (Int. X36)

Reinterpreting Definition: Reinterpreting the advancing of either SUST or MAST goals as ultimately good for both strategies

One manager explains that he has developed a product with top performance, and that, while resource intensive to produce, the resource consumption is ultimately likely to be sustainable: *“For example, PowerClean 3.0 is a future redevelopment. First class performance combined with, because it will rarely need replacement, lower overall resource consumption for the life of the product.” (Int. X57)*

“In discussions about new product features, such as ‘Z’ [a feature increasing product performance a lot] [...], we do have to think about what does this mean for the level of energy consumption. But in this case, most often it doesn’t lead to a yes or no answer. But we ask whether this is totally out of line or not... if not...if we consume just a little bit more water, then we decide in the direction of asking, ‘what advantage does the customer have?’ Is it more fun for him to

use the product and is the result better? And we think we have the better quality and more sustainable product for the customer because he can keep it longer.” (Int. X82)

“At TechPro, we optimize all features so they fit to each other in the best possible way. This means that we cannot be at the forefront of energy consumption levels, just because we can get the best label. We also consciously took the decision to not be leading with regards to water consumption, because we say that also from a hygienic stand-point this doesn’t make sense. We do not want to burden this on our customers. [...] Insofar our customers always receive a very balanced product, which makes sense for the customer during the product use phase. This is also sustainability. We do not engage in cherry picking to meet obvious requirements that are not, in fact, the most sustainable..” (Int. X58)

Splitting

Definition: Splitting SUST and MAST features into separate product features or by expanding product portfolios

One manager explains that they have products with different programs, some of which are oriented towards the high functionality of MAST, while others are very SUST-compliant: *“At the moment, we respond to this in the way that we have special predefined programs that we chose to be relevant for the label. This means there is one program that is declared as the Label Conform Program that is optimized for everything that has to do with energy efficiency.” (Int. X56)*

In the same vein, a different manager explains that of course they have many high-energy consumption products, as befits their premium placement, but they also have products where customers can choose whether they want to include these or energy reduction features: *“In principle we already have this today. We have, for particular products, eco-optimized programs, where you can work with less energy. And you don’t have for every product that it consumes more energy.” (Int. X35)*

A manager explains that they have products that can be tailored to the consumer, so that they select which features of resource intensity or resource efficiency they would like incorporated into the product that they buy; *“Resource consumption in general is subsumed to what we call sustainability. [...] We do now have the possibility to automatically dose the usage of a certain resource. We had this before but now it has been integrated into the product and this for me is the crucial aspect. So next to water and energy, the customer now can decide how much of resource x to use.” (Int. X57)*

PRIORITIZING STRATEGIES IN ACTION: SACRIFICING-VALORIZING ACTION CYCLES

Sacrificing

Definition: Sacrificing potential profits or competitive action in order to stick to SUST values

“Our competitors follow a strategy about which I could talk for hours. But now, in brief: we do have competitors; for example, our main competitor is the XYZGroup. So, they very clearly have a strategy where they introduce a product and claim that it is the world leader in energy reduction, or water reduction, or noise reduction. And these products are optimized with regard to only these features. This means that the customers buy a product that has one feature and yet they receive a significantly higher value for noise or water consumption. Whether this is really for the customer and whether the product is really optimized the way they claim ... if we cannot be sure about that, well, we should not just do what these competitors are claiming, but that is not tested.” (Int. X58)

“Of course we are continuously suffering from the fact that our competitors do not take values such as truthful communication as seriously as we do. Yet at this point, we have taken a stand in this situation. We have decided on which side we want to stand, and thus we are starting to ignore this issue, since we cannot change it as long as we stick to our values.” (Verb. Obs.)

“We decided not to do it. Does the label put you into a disadvantage because it prevents the product from functioning properly? Yes, this I can say, yet this is not stated in the label.” (Int. X54)

“We often already waive the use of certain materials because of TechPro internal norms, even before it becomes officially listed as prohibited materials, if we suspect that it could harm the customer in any way.” (Int. X39)

Valorizing

Definition: Legitimizing their sacrificing actions as giving them moral superiority for doing the ‘right thing’

“I believe as a firm we stand for certain values, and we defend this in our product policy.” (Int. X57)

“And of course it is tempting; in particular if you are under competitive pressure, to ask isn’t it enough if we build the product so it lasts for 12 or 15 years? We can show how much cheaper we could produce and offer it to the market then. I have to admit that from time to time there is the attempt to reduce these ‘xy’ years durability guarantee that we give. Yet I have to also say here very clearly that there is a re-occurring statement from the top management board stating, “No, it is our gold standard that our products are that long-lasting.” (Int. X35)

“At TechPro, we have taboos that we would never break. Even if we have to accept increased costs by not being able to shortcut, we would not violate our values. First, we believe that this will pay off in the long-run, since in the long run the customer will appreciate that we stand by our promises, and second, we could not afford taking that additional risk of running into a huge scandal that could ruin the credibility of our brand, which we have built over hundreds of years.” (Verb. Obs.)

COMBINING STRATEGIES IN ACTIONS: PROCEDURAL EMBRACING-SYNERGIZING ACTION CYCLES

Procedural embracing

Definition: Using existing procedures, such as those for generating data and reporting on KPIs to also perform the SUST strategy

“We have just recently started to look at [environmental and social evaluations] for all our new production machinery investments. We simply do not have a consistent process that takes environmental and workplace safety issues into account for purchasing. We want to implement this now in a practically relevant manner. We now double-check ergonomics, workplace safety, and environment. Ergonomics is the next hot topic in sustainability.” (Int. X26)

“With regard to our truck fleet we have concrete goals that are part of a regulatory standard. This standard prescribes the CO2 emissions of the truck fleet to be reduced until 2015/2016 to 130g per kilometer driven. [...] and this is a clear goal that I implement.” (Int. X1)

A colleague repeats, *“In the yearly management review, I report those KPIs which I collect for norm certification purposes to the top management. In this process, I also collect the data which I need for the Sustainability Reporting.” (Verb. Obs.)*

“We collect those KPIs that we can use them both at the production site and in a consolidated form in the big management review with the CEO.” (Verb. Obs.)

Synergizing

Definition: Finding synergies between SUST and MAST data and KPIs that support both strategies

“I cannot equalize the norm to the GRI claim [sustainability KPI]; the norm is a requirement. One, however, can focus on where the similarities and overlaps are, and this is what we do.” (Int. X4)

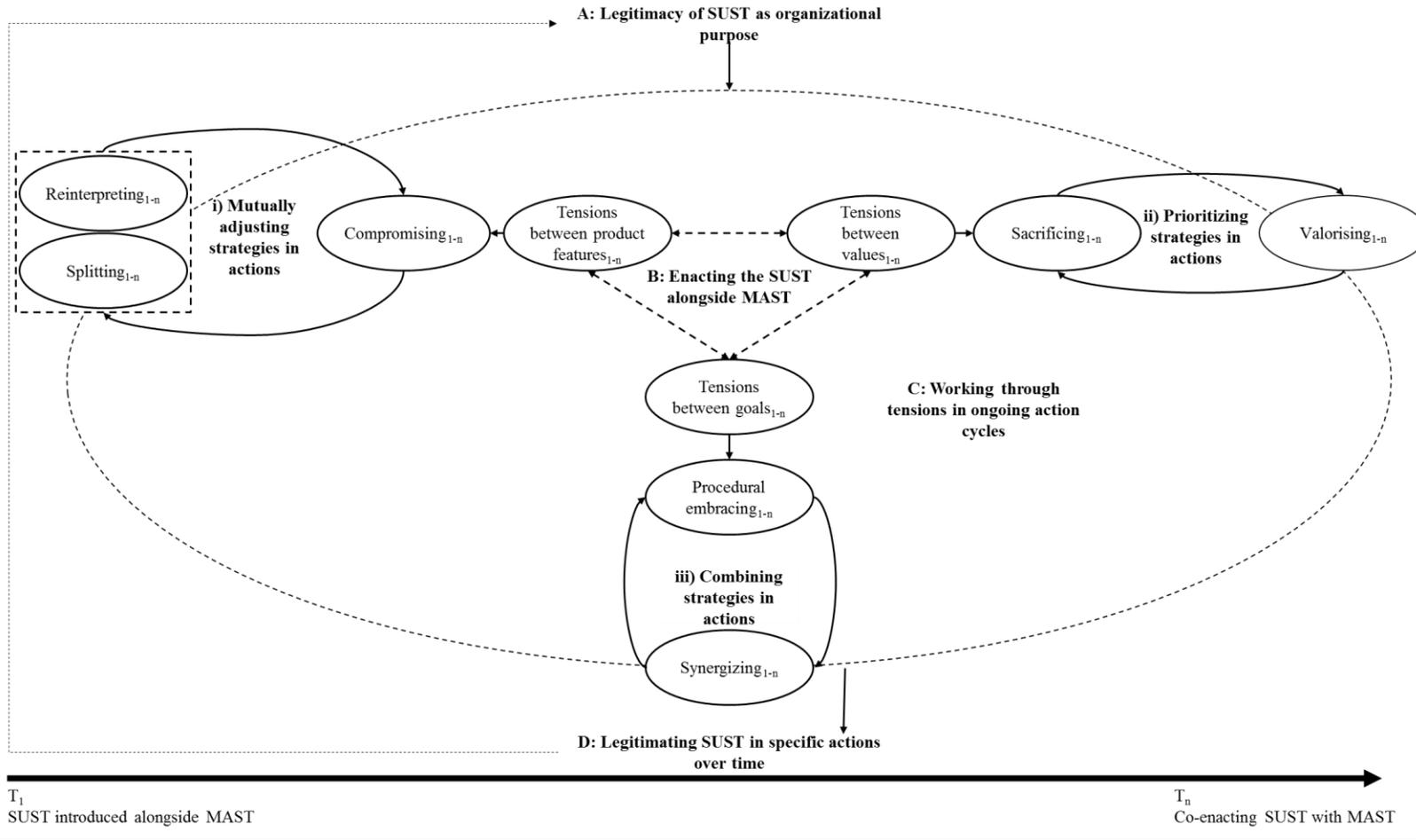
“These are very concrete topics, which I can show you. For example, waste reduction is one big topic. Here the special building component ‘XY’ is a main concern. The material is delivered to us as a dry substance and 3 years ago it has been reclassified, in a way that we weren’t able to use the ‘XY’-waste afterwards as exploitable waste, but had to actually dispose it. This was highly expensive. Today we managed to track this XY component right down to specific items and reduce our use of it. [...] And now this is also in our declared goal long-term: all XY out.” (Int. X31)

“At first it seems impossible to simultaneously uphold your product’s performance while at the same time reducing the amount of resources the product is allowed to consume; yet if you are willing to track the resource flows sometimes you find that some of the resources are not critical to the product performance; so you will most likely succeed. Typically, in the first rounds of efficiency reductions, somewhere in your construction you find some relatively effective measures that even give you some space elsewhere.” (Verb. Obs.)

“On a long-term perspective it does not pay-off to change suppliers often. [...] You might be able to achieve small short-term gains, but the big wins lie in sitting down with the supplier analyzing how he can produce the product better and cheaper [...]. Here are the real sustainable cost reductions. [...] Here the big potentials emerge.” (Int. X22) Just recently, building on these analyses, the purchasing department kicked-off a horizontal integration initiative, with workshops held at the suppliers’ production site to discuss joint investments in highly specialized machinery and production methods that better meet their sustainability goals (Obs.).

Figure 1

Conceptual Process Model: How Dual Strategies Are Co-enacted Within Specific Tasks At The Action Level That Also Reinforce Their Co-enactment At Organizational Levels



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