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**Do the right thing**

A paradox theory approach to corporate sustainability strategies

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# Do the right thing

A paradox theory approach to corporate sustainability strategies

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## ABSTRACT

Through a never-before-seen momentum, the concept of corporate sustainability has become a considerable part of the corporate world. In the past couple of years, more and more multinational corporations have tried to develop and integrate a sustainability strategy encompassing environmental-, social and economic aspects within their organisations, often with a mainstream, for-profit strategy. Researchers and practitioners have approached the inherent tensions between sustainability objectives and profit maximisation with strategies that aim to align, compromise and balance the objectives, seemingly failing to grasp the inherent paradoxical tensions that exist continuously and constantly between them. This thesis aims to explore the tensions that arise when a multinational pharmaceutical company tries to integrate sustainability objectives into their traditional, for-profit approach to organising. By conducting a case study and using a paradox approach, we can identify tensions between contradictory objectives and understand how the case company responds. The empirical data suggest that the case company, due to an influx of stakeholders –and structural change– created an environment where the organisation had to deal with salient paradoxes of performing and subsequently paradoxes of organising. The primary response by the case company was the use of the set phrase ‘doing the right thing’. While it might initially have proven successful in justifying and legitimising particular behaviour and pushing responsibility further down in the organisation, it did little to accept –and embrace– the underlying salient tensions. Our study also complements previous research by exploring and discussing the potential relationship between paradoxes of performing and organising.

**Keywords:** Corporate Sustainability, Organisational tensions, Paradox theory, Sustainability strategy, Performing paradoxes, Organising paradoxes, Case study

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# Introduction

In the past decades, the concept of *sustainability* has won never-seen-before momentum and attention in the world of business, academic and society as a whole (Eweje, 2011; Hengst, Jarzabkowski, Hoegl & Muethel, 2020; Nyberg & Wright, 2012). It has become integrated into the societal contextual environment to such an extent that many would consider it odd –perhaps even preposterous– if an organisation did not have any sustainable objective in their strategy, especially those that exist as a public traded corporation under a large extent of visibility and scrutiny (Perkins & Serafeim 2015).

The apparent popularisation of the sustainability concept can be traced back to the report “*Our common future*”, ordered by the United Nations and published by the Brundtland Commission in 1987. Commonly referred to as the “Brundtland report” (Brundtland, Khalid, Agnelli, Al-Athel, & Chidzero, 1987), the commission outline the core purpose of having a sustainability program with the formulation of the concept “Sustainable development”, which Brundtland et al., defines as the “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (1987, p. 43). In short, the societies in which we humans reside, must organise to ensure we do not permanently deplete the resources that the current - and future - generations need.

Another major contributor and influencer to sustainable development are the corporations around the world (Nyberg & Wright, 2012). The corporate response to the sustainable development concept has been diverse and discussed extensively (Nyberg & Wright, 2012; Margolis & Walsh, 2003), but a clear majority of surveyed executives agrees that sustainable development is crucial for corporations long-term survival and competitive advantage (Kiron, Kruschwitz, Haanaes & Velken, 2012). The question remains, with the increase in corporate –and public– interest, discussion, initiatives, summits and action plans, there is still an apparent, distinct and objective worsening of all sustainability related (Landrum, 2018). That is, as pointed out by Caprar and Neville, “valuing sustainability does not always translate into practising it” (2012, p. 231).

Aptly put by Dyllick and Muff (2016), this “big disconnect” between the intent of increased sustainability performance and actual performance has partly been accredited to different tensions and conflicts within the context of corporate sustainability. Specifically, the complexity that arises between the different objectives of corporate sustainability (Bansal, 2005; Elkington, 1997). These tensions seem to arise when organisations try to implement a strategy that integrates a sustainability strategy –or run parallel– to a mainstream, for-profit strategy (Hengst et al., 2020) and mainly stems from differences in opinions of *why* for-profit companies should organise in the first place. The generally accepted approach is that of the market logic, fronting for a purpose for organising such as “...the primary, if not sole, purpose of the firm is to maximise wealth for shareholders...” (Margolis & Walsh, 2003, p. 271).

The consequences of adhering to market logic have warped the concept of corporate sustainability to have taken an *instrumental* approach by businesses and researchers in their attempt to develop a successful sustainability approach (Van der Byl & Slawinski, 2015; Margolis & Walsh, 2003). In other words, corporate sustainability is being viewed and used as a tool to increase shareholder value. While the instrumental approach has without a doubt

been successful in functioning as a legitimising tool for the concept of corporate sustainability, it has also created tensions between the three pillars of sustainability, the economic, environmental and social (Van der Byl & Slawinski, 2015; Lewis, 2000; Smith & Lewis, 2011). Eventually, the consequences of tensions between the market logic and corporate sustainability have led to a clear discriminatory approach towards two out of the three parts of corporate sustainability (Gao & Bansal, 2013) due to its often contradictory goals. Thus, there is a risk of decoupling between strategy and actual sustainability practices that are contradictory, i.e., between the desire for societal benefits and profit maximisation goals and the tensions that arise between them (Hengst et al., 2020; Hahn, Pinkse, Preuss & Figge, 2015).

Furthermore, the best practice of approaching these tensions has been studied extensively and can be summarised into four concepts. The *win-win approach* aims to align the different goals of sustainability to a situation where both - or more - objectives within a strategy are all positively achieved (Van der Byl & Slawinski, 2015; Margolis & Walsh, 2003). The *trade-off approach* –in contrast to the win-win approach– acknowledges that sometimes one might need to compromise when wanting to achieve contradictory goals in a corporate strategy, thus choosing one above another (Hahn, Figge, Pinkse, & Preuss, 2010). Instead, the *integrative approach* opts for an approach that balances the weights of the different objectives without discrimination, thus finding a balance between different objectives (Van der Byl & Slawinski, 2015). Finally, the *paradox approach*, a development of the integrative approach, aims to understand tensions as paradoxical (Smith & Lewis, 2011). The origins of tensions are contradictory objectives on the organisational level strategy that occur concurrently and endure continuously (Smith & Lewis, 2011). The idea of the *paradox approach* is to investigate how companies can approach competing and contradictory objectives simultaneously by the acceptance and embracement of arisen tensions (Smith & Lewis, 2011; Van der Byl & Slawinski, 2015).

Although past research has focused on tensions between social, environmental and economic objectives on a corporate level (See literature review by Van der Byl & Slawinski, 2015), they have mainly been studied through the lenses of a *win-win approach*, *trade-off approach* or *integrative approach*. However, a consequence of this research trend has turned out to be a missed opportunity to delve deeper into the concept of tensions within corporate sustainability and, therefore, a failure to understand why they arise in the first place and, more importantly, how to approach them (Van der Byl & Slawinski, 2015). In an attempt to move away from the idea of handling tensions by removal or compromise, while simultaneously answering the call of past researchers in the realm of paradox theory (See Smith & Lewis 2011; Hengst et al., 2020; Van der Byl & Slawinski, 2015), the focus is to develop further and deepen the understanding of paradoxical tensions within corporate sustainability.

The lack of paradox approach studies has been discussed, and many suggestions have been made to expand this area of research within the corporate sustainability field (Van der Byl & Slawinski, 2015). Thus, in an effort to study paradoxical tensions that arise, as well as the actor's responses to them, our aim is to develop further and understand how researchers and practitioners can use the paradox theory to approach challenges raised by the introduction of sustainability in the context of corporate strategies.

Therefore, we aim to answer the following research questions:

1. *What paradoxical tensions emerge in corporate sustainability strategies?*
2. *What responses do these paradoxical tensions raise?*

A case study of the multinational pharmaceutical company ‘Medica’ was conducted to answer the research questions. Medica was chosen due to its extensively developed sustainability strategy, which clearly states several strategic objectives within the three dimensions of corporate sustainability, thus a corporate strategy that can be argued to challenge the more common and accepted market logic. Since Medica’s executive team and boards of directors have communicated these sustainability strategy changes, the company is deemed as a promising research area for this case study and is seen to be both time-relevant and unique.

## **Theoretical framework**

### **The concept of Corporate sustainability**

Corporate sustainability is a concept grounded in the more encyclopedic word ‘sustainability’ –which in its purest form refers to the concept of the ability or possibility to carry on with an activity continuously– and the term itself has then been influenced and constructed by societal, political, academic and cultural forces since it was coined, in the beginning of the 20th century (Kidd, 1991). When one refers to sustainability in a layman context, one is likely to refer to the concept of ‘sustainable development’ as presented by The World Commission on Environment and Development (WCED) in 1987. The report was a response to the growing concerns of human impact on our natural world. Sustainable development, which WCED quite simply defined as “development that meets our needs of the present without compromising the ability of future generations to meet their own needs” (Brundtland et al., 1987, p. 43), was the United Nations attempt to create a concept which societies around the world could start from together, to build a homogenous understanding of sustainability and its future implications.

While the concept of sustainable development is designed to operate on a societal level and thus to have primary recipients as governmental entities (Landrum, 2018), its cousin ‘corporate sustainability’ is designed for the world of business. However, in contrast to sustainable development, corporate sustainability is not a universally agreed-upon concept, is has been re-interpreted and re-defined by both the corporate world, academia and the general public as a whole

(Caprar & Neville, 2012; Linnenluecke, Russell & Griffiths, 2009; Bénabou & Tirole, 2010; Van Marrewijk, 2003; Kok et al., 2019). It carries names such as ‘corporate social responsibility’, ‘corporate responsibility’, ‘sustainability management’ and ‘business management, just to name a few (Landrum, 2018). Even though all these concepts in their fundamental state have theoretical differences, they are used and applied in such a way that it is difficult to pinpoint exactly what makes them different in practice except that they - in one sense or the other - stems from the concept of sustainable development (Landrum, 2018). Nonetheless, as stated by Landrum (2018), “...corporate sustainability is business’ contribution toward the achievement of sustainable development” (p. 289).

Furthermore, sustainable development –and, in extension, corporate sustainability– is inherently not only just one ‘thing’ but consists of three distinct elements: economic prosperity, environmental integrity and social equity (Bansal, 2005; Elkington, 1997). These three elements are interconnected and essential for sustainable development as stated by Bansal “Each of these principles represents a necessary, but not sufficient, condition...” (2005, p. 198), and if it happens that any of the elements in practice are ignored, there can be no actual sustainable development. Bansal (2005) defines these elements: *Social equity* refers to the ambition to ensure “equal access to resources and opportunities” (p. 198), *environmental integrity* represents the ambition to stop the human species from “eroding the earth’s land, air, and water resources.” (p. 198), and *economic prosperity* aims to provide a “reasonable quality of life through the productive capacity of organisations and individuals in society” (p. 198).

In an attempt not to confuse the matter further, hereinafter in this report, the term ‘corporate sustainability’ will be used and is defined based on the definition laid forward by Visser, which states it is “an integrated, systemic approach by business that builds, rather than erodes or destroys, economic, social, human and natural capital” (2011, p.1).

### **Tensions and Corporate Sustainability**

The influx of sustainability into the world of business has thus put managers across industries ,and functions, in situations riddled with competing demands and tensions (Hahn et al., 2015). First of all, as presented by Elkington (1997) in the triple bottom line, the commitment to corporate sustainability necessitates companies to devote thought towards their traditional economic point of view while simultaneously incorporating consideration towards the social and environmental consequences. At the same time, while these different aspects of corporate sustainability provide naturally desirable objectives with potentially beneficial results, they are also interconnected (Elkington, 1997). In other words, changes in one of the sustainability aspects might lead to unintentional results in another aspect due to them being codependent. Secondly, the concept of corporate sustainability implies benefits for the organisation itself and the entire society, implying that decision-makers must consider the consequences on an organisational level and a societal level (Schwartz & Carroll, 2008). Thirdly, due to sustainability demands originating from a multitude of stakeholders (I.e., primary and secondary stakeholders) and potentially being directed towards different aspects within the sustainability dimensions, the demands risk being conflicting, even contradictory (Hahn et al., 2015). In sum, Corporate sustainability is riddled with tensions, competing and conflicting demands due to its naturally integrated parts of social, economic and environmental elements. These elements in all make up a system of interrelated demands that decision-makers must address at the same time (Hahn et al., 2015).

### **Tensions approaches**

How to approach and manage these tensions to reach a balance has not until recently been investigated. (Van der Byl & Slawinski, 2015). While previous research has mainly adopted a business case –commonly referred to as an instrumental– approach where the focus has been to explore how companies may achieve a position where the social and environmental elements of the corporate sustainability may enhance the financial element, or at least not

hurting it (Hahn et al., 2010; Hahn et al., 2015). Critics have attacked this instrumental approach for being too inadequate and straightforward and by in large ignoring tensions originating from complexity, and thus, sustainability objectives will only be judged to the approach of profit maximisation (Van der Byl & Slawinski, 2015; Hahn et al., 2010, 2015).

Recently, researchers have opted for exploration of tensions instead of avoidance of tensions, in an attempt to go further, away from the focus on financial performance and into the inherent tensions of sustainability (Van der Byl & Slawinski, 2015). When addressing corporate sustainability, it is important to point out the four different approaches (see table 1) to tensions which Van der Byl & Slawinski (2015) identified in their review of corporate sustainability tensions.

Table 1. Approaches to Tensions

Type of Approach	Conceptual view	How tensions are approached
Win-Win	Instrumental (profit and shareholder maximization focus)	Tension managed through optimization of sustainability elements
Trade-off	Instrumental (profit and shareholder maximization focus)	Tension avoided through the active choice over one element over the other
Integrative	Integrative (equal weighting and balancing of sustainability elements)	Tension managed through constant shifting between sustainability elements
Paradox	Paradox (further development of integrative where one embrace tensions)	Tension accepted and explored rather than avoided or 'fixed'

Note: Adapted from 'Embracing tensions in corporate sustainability: A review of research from win-wins and trade-offs to paradoxes and beyond', by Van der Byl & Slawinski (2015, p. 57)

A *win-win approach* is an instrumental approach where researchers or practitioners pursue activities that align and optimise the sustainability elements of environmental, social and economic objectives (Van der Byl & Slawinski, 2015). In other words, advancements in one of the three elements (e.g., environmental) should simultaneously lead to advancements in at least one of the other two elements (e.g., economic), or at the very least not impair or negatively affect any other elements of the corporate sustainability concept. Thus, this approach leads to practitioners –and researchers– to explore and understand how firms can benefit from investing in sustainability, or at least not worsen their odds of reaching the economic goals or shareholder value (Van der Byl & Slawinski, 2015; Margolis & Walsh, 2003)

Previous research investigating the relationship between a company's corporate sustainability activities and financial performance have found a positive relationship between the two, that is, firms do - according to these meta-studies - improve their financial performance by involving themselves in social and environmental activities (Van der Byl & Slawinski, 2015). These results, according to some, have led to firms being given a financial incentive or rationale to adopt a corporate sustainability strategy, thus aligning sustainability with the more common market logic (Margolis & Walsh, 2003; Van der Byl & Slawinski,

2015). However, while exploring the corporate sustainability strategy for *win-win* scenarios, researchers and practitioners miss out on the opportunity to manage these often conflicting objectives (Van der Byl & Slawinski, 2015).

A *trade-off approach* is the second instrumental approach and thus also puts focus on economic- and shareholder value maximisation. However, in contrast to the win-win approach, the trade-off approach recognises the different elements of corporate sustainability lie at risk of being contradictory and conflicting; thus, companies must opt for an *either-or strategy* and actively choose one element over the other (Van der Byl & Slawinski, 2015).

Hahn et al. describe the concept more rigorously by claiming that trade-offs require an acceptance of “...a relatively small loss in corporate economic performance to generate a substantial social or environmental benefit [that] might well result in a greater positive corporate contribution to sustainable development compared with a situation of minor gains in economic performance alongside modest improvements in environmental or social performance” (2010, p. 220). Their understanding of the concept leads to the conclusion that there can be no *win-win*, and thus, one must accept a loss in one element to advance in another, albeit marginally (Hahn et al., 2010; Van der Byl & Slawinski, 2015). Although, previous research has found that when companies are in a position where they must choose between the sustainability elements, advancement in economic goals is often the preferred choice (Slawinski & Bansal, 2015; Van der Byl & Slawinski, 2015).

While the *win-win* and *trade-off* approach both manage tensions via an attempt to align and choose beneficial outcomes via the elements of sustainability, the *integrative approach* tries instead to “...bring together the three elements of sustainability holistically - economic, social, and the environment - without favouring any one element” (Van der Byl & Slawinski, 2015, p. 58). Thus, in the integrative approach, it is assumed that the sustainability elements are a part of an interconnected system, and as such, the elements should and can be balanced (Van der Byl & Slawinski, 2015). While the instrumental approaches tend to opt for - consciously or not - an economic focus, the integrative approach is not supposed to discriminate between the different elements (Hahn et al., 2015). Indeed, the integrative approach should be what the instrumental approach is not (Hahn et al., 2015; Van der Byl & Slawinski, 2015). However, although past research has provided - some - examples of how one might approach to weigh and balance sustainability elements equally, they tend to fall short on the actual management of tensions and thus may lack practicality (Van der Byl & Slawinski, 2015). In response to these issues with the integrative approach, the *paradox approach* was conceived.

### **Organizational Paradoxes**

The *paradox approach* adds another dimension compared to the integrative approach in that it provides a theoretical perspective on how tensions can be managed. Paradox theory, in its essence, is to view organisational tensions as paradoxical (Smith & Lewis, 2011). The theory adopts an approach of simultaneous management of competing objectives by accepting and recognising tensions in the effort to understand them (Van der Byl & Slawinski, 2015). In other words, and in extension, by recognising tensions, one might also manage them due to the opportunity of viewing them not as an either/or, which the instrumental approaches do, but as a both/and.



According to Smith and Lewis (2011), organisational paradoxes can be defined as “contradictory yet interrelated elements that exist simultaneously and persist over time” (p. 382), which concerning sustainability is transferable to the three legs of sustainability. The contradictory elements of corporate sustainability might seem coherent, attractive and reasonable when considered in its solitude. Nevertheless, once they become bundled together and studied in relation to each other, they seem incoherent, conflicting and even preposterous (Smith & Lewis, 2011; Van der Byl & Slawinski, 2015).

Therefore, in the spirit of paradoxes, they are best managed in the open and under scrutiny. The paradox lens implies that actors and their organisations must not ignore or combat tensions and conflicts but instead promote an acceptance that openly acknowledges the existence of tensions between different goals and their paradoxical nature.

Similar to the instrumental approaches, the paradox approach does allow for trade-offs and either-or solutions but stresses that these are only fruitful in the short-term as in paradox theory, tensions not dealt with will resurface in the long term (Smith & Lewis, 2011; Van der Byl & Slawinski, 2015). Instead, paradoxical tensions require a continuous effort to cope with the tensions. Thus, organisations –according to paradox theory– have always and are constantly facing paradoxes in their reality. Such tensions might then be better understood and managed as interconnected and ever conflicting (i.e., as paradoxical) instead of ‘settling for an approach which chooses above the other, such as trade-offs and win-win approaches (Smith & Lewis, 2011).

An adept example of a paradox in the pharmaceutical industry is the effort to minimise its carbon footprint while simultaneously striving to provide medicines for anyone whose lives might depend on it. Maximising distribution of the product might suggest that the company should not engage in voluntary or above and beyond self-regulation in their substance sourcing and production facilities to minimise the cost for greater affordability and reach. Ironically, the very decision not to engage in such regulation might lead to diseases caused by emissions and unsustainable working conditions that the medicine itself is meant to cure. In contrast, maximising the effort to decrease carbon footprint might lead to fewer people needing the actual drug to survive, but it might also make the drug too expensive for the people who would get sick for other reasons. Depending on what perspective one studies the problem from, both can be viewed as successes and failures.

Smith and Lewis (2011) recognise and classify four groups of paradoxes –performing, organising, belonging and learning– and then further five categories which lie in the crossroads of the four fundamental organisational tensions (i.e., Learning-Belonging, Learning-organizing, belonging-organizing, learning-performing, performing-belonging, performing-organization). The fundamental four categories proposed by Smith and Lewis (2011) is meant to depict core activities within the organisation and thus where tensions and accompanying paradoxes can be found.

### **Performing**

Tensions of performing, defined by Smith and Lewis as “Plurality fosters multiple and competing goals as stakeholders seek divergent organisational success” (2011, p. 383), is a tension that originates from the pursuit of meeting the demands from a diverse pool of stakeholders. Stakeholders –ranging from both internally and externally– might all ask for

different outcomes based on the resources available from the organisation, these outcomes are often conflicting and outright contradictory, and once the company realises these demands in the form of strategies and goals, competition for success will take place between them (Smith & Lewis, 2011; Smith, Gonin & Besharov, 2013; Brix-Asala, Geisbüsch, Sauer, Schöpflin & Zehendner, 2018; Ozanne, Phipps, Weaver, Carrington, Luchs, Catlin, & Williams, 2016).

Concerning corporate sustainability, the potential scope of stakeholders is enormous, ranging from the coral reefs all the way to a community living and people working next to a factory. Due to the nature of the amount of stakeholders and their uncountable demands, a process for evaluating such advancements towards goals is in its best unstandardised, of qualitative nature and ambiguous data, which naturally creates difficulties in the measurements of success in the pursuit of sustainable projects (Smith et al., 2013).

Contradictory to corporate sustainability, the business case, with a more distinct number of stakeholders, mainly customers, employees, investors and owners. Due to its narrow group of stakeholders, the business case also has a narrow definition of success –i.e. profit maximisation– which in contrast to corporate sustainability, is measured in a standardised manner, quantitatively focused with a defined and specific set of data (Smith et al., 2013). Taken together, they create an environment where an organisation has to account for a variety of demands that are often conflicted and contradictory. One significant consequence and question presents itself; how can organisations measure and define advancements towards a goal which are in contrast to each other or even depend on the other goal failing?

According to Smith et al. (2013), people are inclined to choose measurable metrics that are distinct, quantifiable and focus on the short-term rather than long and thus in an organisational environment with competing demands, one, more standardised, quantifiable, and short-term metric tends to dominate over one who is not (Levinthal & March 1993; Smith et al., 2013). Thus, in relation to corporate sustainability, there is a risk that metrics that are in nature business directed become the dominant way of measuring success in such projects.

## **Organising**

Tensions of organising, defined by Smith and Lewis as “Structuring and leading foster collaboration and competition, empowerment and direction, and control and flexibility”, is a tension which mainly surfaces when the organisation is going through change, be it continuous or episodic, mainly due to contradictory processes, practices, frameworks and procedures for reaching and accomplishing desired objectives (Smith & Lewis, 2011; Brix-Asala et al., 2018; Ozanne et al., 2016). In other words, every organisation consists of numerous (sub-)departments who, through their distinctive work, contribute to the larger organisation, taken together these departments are working individually. At the same time, as a whole –organisationally–, they are all interdependent and belong to the same system (Jazabkowski et al., 2013). According to Jazabkowski et al., organising as a concept is in its nature paradoxical due to “tensions between different organisational parts and tasks and the need for the organisation to cohere as a collective system” (2013, p. 247). Organisational tensions become especially noticeable when systematic change occurs within the organisation (Smith & Lewis, 2011) because “change spurs tensions between the old structures, and the

new ones that emerge as actors struggle with simultaneous needs for stability and change” (Jarzabkowski et al., 2013 p. 247; Lewis, 2000).

### **Belonging**

Tensions of belonging can become salient when actors within an organisation seek to separate themselves as distinct individuals while simultaneously seeking homogeneity with the organisation, other individuals and internal groups. These tensions –often referred to as tensions of identity– can show themselves between groups and individuals and stem from values, identity and roles. (Smith & Lewis, 2011; Lewis, 2000; Brix-Asala et al., 2018; Ozanne et al., 2016). Companies with an articulated corporate sustainability strategy –either in parallel or integrated with a business strategy– can raise belonging tensions when actors find themselves asking who they, as individuals and a part of a collective, are and again, what they do. For example, in organisations with an articulated corporate sustainability strategy in parallel with –or integrated with– a commercial strategy, employees might ask which one is being followed the most. In larger organisations with many employees, departments and sub-departments, actors might identify different values, roles and groups and thus find themselves in subgroups conflicted with each other or the organisation (Smith et al., 2013; Smith & Lewis, 2011).

### **Learning**

Tensions of learning, defined by Smith and Lewis as “Efforts to adjust, renew, change, and innovate foster tensions between building upon and destroying the past to create the future” (2011, p. 382), surface when organisations must bundle multiple and different time horizons. That is, as organisations desire to grow and evolve in the long term, they must also secure certainty and stability in a short term horizon (Smith & Lewis, 2011; Lewis, 2000; Brix-Asala et al., 2018; Ozanne et al., 2016). In other words, while organisations and their actors must innovate for the future via exploring, they must simultaneously continue to exploit and produce from their current resources and operations, a concept that is prone to spawn tensions (Smith & Lewis, 2011). For example, Volvo Cars recently announced that they would shift from combustion engines to electric by 2030 (BBC, 2021). Actors at Volvo must work with their current strategy and business model while simultaneously accepting and working with new ideas and a future strategy that will take the former strategies place, juxtaposing long-term and short-term objectives and outcomes that might generate tensions.

### **The surfacing of Paradoxical tensions**

What Smith and Lewis (2011) aim to conceive in their review of paradoxical tensions is a framework for viewing, understanding and handling tensions in which “supports the opposing forces and harnesses the constant tensions between them, enabling the system to not only survive but continuously improve” (p. 386). They further proclaim that, although the proposition –that tensions exist continuously and consistently within organisations– are accepted, they may not necessarily be in open view and under scrutiny by organisational actors. Tensions may be hidden or ignored due to not being viewed as mission-critical, and they may not become important or noticeable until they are experienced by the organisational actors (Smith & Lewis, 2011). This shift in attention by organisational actors, consequently

moving tensions from dormant to salient, proposed by Smith and Lewis (2011) to originate from alterations in the contextual circumstances, to be more exact, the concepts of change, plurality and scarcity.

Change –as the word implies– is when the environmental contexts are altered, and the company is forced to take action to adapt its structure. It is not unusual that change specifically occurs within tensions of short- and long-term needs. In the context of sustainability, external pressure and scrutiny from outsiders can also awaken these tensions (Smith & Lewis, 2011; Ozanne et al., 2016). Plurality means that there are a multitude of views and opinions –mainly conflicting and sometimes contradictory– in the effort to organise a strategy towards desired organisational outcomes. An example of plurality is when an organisation finds itself uncertain on how it might achieve the goals they have committed and, in extension, which strategies they need to deploy, such as lowering one’s carbon footprint (Smith & Lewis, 2011; Ozanne et al., 2016). Lastly, scarcity denotes a context with a lack of or restraints in resources, such as time, human capital, technical resources, raw materials and financial resources (Smith & Lewis, 2011; Ozanne et al., 2016). A lack of funding for sustainability initiatives is an apt example, but also deadlines such as the environmental Paris agreement.

When these shifts occur together, actors who have to make decisions in their contextual environment are at risk of focusing on short-term, critical objectives and choose an either/or approach, consequently obscure the interconnectedness of the tensions and their origins (Smith & Lewis, 2011).

### **Responses to Paradoxical tensions**

Academic research within paradox theory encourages two types of responses to paradoxical tensions, that is, strategies of acceptance and resolutions (Poole, Van de Ven, 1989; Smith & Lewis, 2011). The most agreed-upon responses within paradox theory were developed by Poole and Van de Ven (1989) and contain four strategies that can be applied to paradoxical tensions.

Firstly, *acceptance*, which denotes a strategy of acknowledgement and actively differentiate between competing and contradictory strategies in an attempt to avoid having to opt for choosing one strategy and ignoring another (Poole & Van de Ven, 1989). *Spatial separation* means separating the groups or functions of actors who work with contradictory goals (E.g., R&D have the objective to make the best drug while Sustainability has the objective to make the most sustainable drug). In effect, letting different groups work through it to the best solution (Poole & Van de Ven, 1989). *Temporal separation* simply means that the organisation picks one leg of the paradoxical tensions to focus on and switches the focus to the different leg later. They effectively maintain both objectives but in a different space and time (Poole & Van de Ven, 1989). Finally, *Synthesis*, which is a process of reaching a common point that is suitable for both contradicting objectives of the tension (Poole & Van de Ven, 1989).

The paradox approach is constructed to avoid choosing one objective over another, avoiding what could be described as the road to a pyrrhic victory. Instead, the approach is built on the idea that via continuous maintenance of multiple and contradictory demands while simultaneously avoiding an unfair weighting and favouritism of objects objectives

through an actively managed process of splitting, spatial separation, temporal separation and synthesis (Poole & Van de Ven, 1989; Smith & Lewis, 2011), one could reach a dynamic equilibrium which satisfies all objectives. When ‘splitting’ a paradox, organisational members can aim their attention towards each leg of the paradox and their specific opportunity. The consequence of this is that actors can focus on establishing short-term objectives which aim to solve critical paradox objectives (Smith & Lewis, 2011; Poole & Van de Ven, 1989). Furthermore, while applying synthesis, one accepts that the process of splitting will continue to occur in cycles, but every rerun will be a shift in focus (Smith & Lewis, 2011). Thus, by using a paradox approach, actors can manage competing and contradictory objectives within the three legs of sustainability by focusing on them differently, continuously over a long period, eventually leading to the arrival of a ‘dynamic equilibrium’ (Smith & Lewis, 2011).

### **Criticism of Paradox theory**

Paradox theory does, however, not come without problems and weaknesses. Paradox theory demands researchers and practitioners to recognise and understand tensions to be able to manage them and their connected complexities (Schad & Bansal, 2018). That is, paradox theory begins by finding a particular tension between conflicting sustainability elements and then tries to solve this conflict via different management strategies. However, as pointed out by Schad and Bansal (2018), “Paradox studies formulate these responses to address salient tensions - the tensions that organisations and decision-makers perceive” (p. 1492); they do not, however, address the ones that are not perceived nor does it recognise where the tension originates. For instance, if the executive team denies that operating emissions are slowly poisoning their factory workers, it does not change the fact that they are being poisoned, nor does it recognise the source of poison. Moreover, thus “the source of tensions, whether they are perceived or not, still matters” (Schad & Bansal, 2018. p. 1491). Schad and Bansal argue that although one can recognise any particular tension, it does not mean that one recognises the reality of that tension (2018), making the effectiveness of the approach subjective, at best.

In a similar fashion, critics have been clear that paradoxes and approaches that researchers and practitioners might recommend can spiral out of control (Gaim, Clegg & Cuhna, 2019). There is no lack of appraisal of paradox theory and its research field, something which Gaim et al. (2019) critically point out. They claim that organisations might believe when opting for a paradox approach –and thus accepting and embracing paradoxes– might not lead to the promised successes but to organisations reaching for practically impossible objectives leading to “[paradoxes]being resolved by illusion rather than practice” (Gaim et al. 2018. p.2). In other words, it might seem like the organisation is handling the tension successfully from a paradox approach view, but due to its extreme complexity it might in fact be worsened due to a perceived false mastery of paradoxes. (Gaim et al., 2019).

# Methodology

As this thesis aims to contribute to the research by investigating how the case company responds to paradoxical tensions and identifying the paradoxical tensions present within their sustainability strategy, a qualitative research method was chosen. As Silverman (2017) argues, a qualitative method is suitable when investigating underlying motives, which is why it was chosen for this thesis. Furthermore, this thesis took the form of a case study.

Researchers acknowledge and criticise case studies, with opponents often dismissing case studies because of the perceived inability to make generalisations and focus on practical knowledge (Flyvbjerg, 2006). While caution has to be taken when generalising from an in-depth case study, Flyvbjerg (2006) argues that it is indeed possible to do so. Our aim is to provide insights into a broader phenomenon, and as Silverman (2017) states, regarding case studies, the main goal is to be able to generalise and apply the findings to a larger population.

## Case study setting

The setting of our study is one large publicly traded multinational company with a global presence. The company will be mentioned in this thesis as ‘Medica’, a fictional name created to give the case company anonymity, and different departments might be renamed to preserve the case company anonymity. According to their Annual Report for the fiscal year 2019, the largest shareholders consist of institutional investors such as investment companies, banks, and pension funds (Annual Report, 2019). The core business of Medica is healthcare, including R&D, production and distribution of medicine. The company entails an attractive setting not only because of the company’s global presence but also because of the nature of their core business and its relation to the triple bottom line - people, planet and profit. According to the company’s annual report (2019), healthcare access, the carbon footprint of drug development, and ethical challenges are the company’s main sustainability concerns.

## Medica’s corporate-wide sustainability strategy

Like many multinational corporations (MNCs) around the globe, the case study firm Medica has transformed its organisation during recent years with the intent to focus heavier on sustainability efforts and activities. By reworking both their global strategy, organisational structure and a concentrated push to integrate sustainability into their contextual environment further, Medica has quite plainly shifted the narrative surrounding sustainability to more present than ever. The narrative can be described as shifted as many of the interviews can tell; the core values connected to sustainability have always been there through one of their founding principles, ‘to do the right thing’. Therefore healthcare is sustainability, and by “being a pharmaceutical company, healthcare is our business” (Sustainability report, 2020). With a change of narrative and to better tackle the future challenges of corporate sustainability work, Medica presented a re-focus and the concept of ‘materiality assessment’ in the year 2018 (Sustainability report, 2018). The materiality assessment is a process where the purpose is to critically evaluate and conclude which areas and subjects Medica on the one hand, has the most potential to have and drive impact, and on the other which are the most important for their stakeholders (Sustainability report, 2020)

The materiality assessment (see table 2) has 16 topics of focus, such as medical ‘affordability’ and other objectives that are further incorporated under three main focus areas, ‘Healthcare access’, ‘Environmental protection’ and ‘Ethics & transparency’. Their global sustainability strategy, based on these 16 objectives, is meant to enable Medica to create a healthy business, healthy planet and healthy people (Sustainability report, 2020). The company’s standpoint is that understanding the three ‘legs’ of sustainability, through their interconnectedness, is their best chance of having a substantial impact (sustainability report, 2020). These ‘legs’ also represent the three different divisions of the sustainability department.

Table 2 - Sustainability organizational structure and objectives

Healthcare Access	Ethics and transparency	Environmental protection
Disease treatment and prevention	Ethical business culture	Product environmental stewardship
Responsible research and development	Diversity and Inclusion	Pharmaceuticals in the environment
Investments in health systems	Talent and workforce evolution	Greenhouse gas reduction
Environment’s impact on health	Workforce wellbeing	Water stewardship
Affordability	Responsible supply chain	Waste management
	Human rights	

### Medica’s Sustainability Governance

To further understand the dynamic relationship between Medica and its quite recent re-focus on sustainability, their sustainability governance framework is relevant to describe.

Figure 1 - Sustainability Governance structure

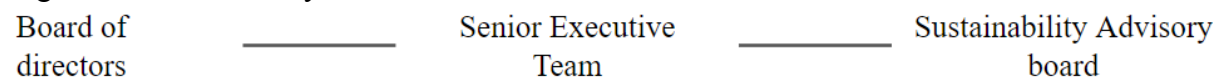


Figure 1 shows their fundamental structure of sustainability governance, where the board of directors hold the ultimate responsibility for the implementation and adherence of the sustainability strategy on an organisational/operational level. Two of the board of directors are also a member of the Senior Executive team, that is, the CEO and the CFO both belong to the BoD and SE team, thus bridging the two groups. The SE team consists of the CEO and all of Medica’s executive team, who directly reports to the CEO and has a core purpose of reviewing the scorecard set for the entire organisation. Furthermore, within this group, our –hierarchically– most senior interview subject belongs, the executive vice president for sustainability; solely responsible for the overall strategy and its administration and delivery. The last key in this chain is the sustainability advisory board which consists of both executive members of the organisation but also external experts within the sustainability area. The primary purpose of the sustainability advisory board is to approve proposals that align with their strategic direction, informing the organisations with insights, opportunities and risks; it is worth mentioning that the advisory board has no formal decision-making power (Sustainability report, 2020).

## **Data collection**

The data collection of this thesis consists of both document analysis as well as interviews. While a combination of multiple data sets in terms of using both document analysis and interviews as our method comes with some risk, often related to the extensive time and resource constraints, as well as potential bias towards one specific data set (Silverman, 2017), the risk was deemed manageable, and the method was chosen after careful consideration. Having both secondary data, in the form of documents and policies from the case company, and primary data from the interviews might prove helpful as it gives us insights into both the past, the present and where Medica wants to be in the future.

## **Document analysis**

A document analysis was conducted on previous research as well as secondary data. Initially, to gain insight into the subject of corporate sustainability, tensions and paradox theory, a review of previous research was conducted. Articles were collected from academic journals using the “Supersearch” database provided by the University of Gothenburg’s Library. Keywords were used in the database search and consisted of words such as *sustainability*, *tensions* and *paradox theory*. Consideration was taken when selecting our material, and peer-reviewed articles were exclusively chosen. Our secondary data consists primarily of official documents from our case company, such as annual reports, sustainability reports and other publicly available information. The aforementioned data were retrieved from the case company’s official website. In addition to the official documents, we also received internal documents and organisation structure schematics from the case company.

## **Interviews**

Interviews were held with the case company representatives to gain insight and understanding of how the sustainability department worked and overcame tensions in their day-to-day operations. They also served as a complement to the document analysis by giving valuable deeper insight into the individual’s thoughts and concerns regarding the sustainability strategy. Twenty-five interviews in total were conducted, with representatives from various levels and branches of the sustainability department (see Table 3). To include employees from several different levels of the company was a conscious decision to get a more nuanced understanding of the company’s actions. The interviews were conducted digitally due to geographical distance and personal safety concerns amidst the covid-19 pandemic, and the average duration of the interview was approximately 55 minutes.

Before the interviews, broader themes of interest were mapped out, and questions suitable to these themes were predetermined. However, since the interviews were semi-structured, follow-up questions were not determined but instead suited to the specific interview with the intention of giving the interviewee a chance to elaborate. The choice of conducting semi-structured interviews relies on Silverman’s (2017) argument that it better captures the individual’s thoughts and experiences within the company. One unintended outcome of conducting semi-structured interviews was that the data gathered centred around two particular types of paradoxes. While we believe that paradoxical tensions of the other two categories might and probably do exist within the case company’s sustainability strategy,



the fact that interviewees highlighted two distinct types of paradoxes led us to conclude that our focus should be on those two paradoxical tensions.

Table 3 - Interviewees at case company

Area	Job Title	Location	# of interviews
Global Head of Global Sustainability function	Executive Vice President (EVP), Sustainability Officer & President	Sweden	1
Ethics and Transparency	Vice President (VP) Compliance Officer and Transparency & Ethics	USA	1
Ethics and Transparency	VP Compliance Europe & North America Biopharmaceuticals	Poland	1
Ethics and Transparency	VP Biopharmaceuticals NA	USA	1
Ethics and Transparency	Head of Global Investigations	UK	1
Ethics and Transparency	Compliance Business Partner	Italy	1
Ethics and Transparency	Compliance Director	Sweden	1
Ethics and Transparency	Compliance Business Partner	Spain	1
Ethics and Transparency	Compliance Business Partner	Poland	1
Global Environment, Health & Safety	VP, Global Environment, Health, Safety & Operations Sustainability	UK	1
Global Environment, Health & Safety	Head of Environmental Protection	UK	1
Global Environment, Health & Safety	Head of Operations Sustainability	UK	1
Global Environment, Health & Safety	Global Assurance Lead, Environment, Health & Safety	USA	1
Global Environment, Health & Safety	Compliance Associate Director	Sweden	1
Global Environment, Health & Safety	Global Environment, Health & Safety Lead	UK	1
Global Environment, Health & Safety	Data Analytics and Commercial Global Environment, Health & Safety Lead	UK	1
Global Environment, Health & Safety	Environmental Advisor – Pharmaceutical Development & Technology	UK	1
Global Environment, Health & Safety	Senior Environmental Risk Assessor	UK	1
Global Environment, Health & Safety	Occupational Health and Ergonomics Lead	USA	1
Global Environment, Health & Safety	Associate Principal Global Environment, Health & Safety Scientist	Sweden	1
Healthcare Access	VP Sustainability, Healthcare Access	UK	1
Healthcare Access	Associate Director, Sustainability	USA	1
Healthcare Access	VP, Business Development	South Africa	1
Healthcare Access	Medical Advisor	Kenya	1
Healthcare Access	Kenya Lead	Kenya	1
<b>Total # of interviews</b>			<b>25</b>

# Data analysis methods

## Document analysis.

Our data collected in the document analysis was processed and examined in several phases. As an initial step of coding, after identifying the objectives of this thesis, documents were chosen based on relevance and importance. Secondly, the chosen documents were categorised into categories such as *sustainability strategy*, *organisation* and *activities* to provide an overview of the data. After the initial selection and categorisation, based on the level of relevance to our thesis, the secondary data was coded with keywords and topics identified in line with the purpose of the thesis. The coding of the secondary data was based on keywords such as *paradoxes*, *tensions*, *sustainability strategy* and *responses*. This enabled categorisation in line with the theoretical framework of the thesis, and comparisons between different categories were easier to make. Once the categorisation was conducted, key insights and sentences were extracted for each of the different categories to create an overview of the secondary data and a basis for the empirical material and following discussion. As a final step, the data were analysed together with the primary data collected from the conducted interviews.

## Interviews

The primary data consists of data gathered during interviews with representatives from Medica. As a first step in the analysis, the interviews were recorded using software and thereafter transcribed into text files. By using a software tool to transcribe the interviews, the process of transcribing the data was fast and allowed for reflection between different interview sessions. This process made follow-up questions or clarifications about a specific subject possible, albeit with another representative from the company.

After transcribing the interviews, they were coded in a similar manner as used in the document analysis. Keywords and sentences were highlighted and used for the coding and categorisation of the data. Keywords included *paradoxes*, *tensions* and *responses*. After the transcribed interviews were coded, key findings were extracted and combined with the document analysis in order to analyse the joint findings through the lens of the theoretical framework.

## Ethical reflections

There are ethical reflections to be made regarding the qualitative interviews conducted and the case company's dependency. When conducting interviews, it is important to remember that the expressed opinions and insights are subjective opinions of the interviewees and not general insights into the matter. It is also important to be aware of the power asymmetry that can arise during the interviews because the interviewees are placed in an interview setting they have not experienced before. Kvale (2006) concludes that *trust* is essential for mitigating the risk of answers being biased to fit the study. Regarding the dependence of the case company, there is a possibility that our access to data and selection of interviews is limited or skewed to fit the thesis-specific objectives of the company. However, this study is not sponsored by the company, and in order to mitigate the above mentioned risk, the case company will receive a company-specific report derived from the findings of this thesis.

Before conducting the interviews and accessing data, the authors of this thesis signed non-disclosure agreements to ensure the confidentiality and anonymity of the case company. The name of the case company is therefore left out of the thesis.

### **Limitations**

One limitation to our study is the access to data and the inability to compare our company of interest with other companies in different market segments or industries. Instead, our focus will be on a single entity, one company, and therefore dig deeper into their particular responses and paradoxical tensions within the sustainability strategy. By doing so, we hope that our findings also will provide some general insights about sustainability strategies and different responses to paradoxes. Our target group consists of companies looking for inspiration and insights as to how corporate sustainability is realised within a company and academia, seeking to understand the underlying tensions at play, affecting, collaborating, and competing with each other.

## **Empirical material**

The empirical section of this thesis has been divided into sections based on two of the paradox classifications in the paradox theory matrix (Smith & Lewis, 2011). The data gathered from both the interviews and secondary sources highlighted tensions in the areas of *performance* and *organising*. Taken together with the purpose of this thesis, the presentation of the empirical material will therefore focus on those two types of paradoxical tensions.

### **Performance tensions**

As discussed in the theoretical framework, performance tensions concern the attempt by organisations to adhere to a multitude of demands and goals from a variety of stakeholders (Smith & Lewis, 2020). This kind of tension is believed to be quite common in complex organisations, and both the interviews and external documentation analysis show evidence of these tensions existing in both the strategy of Medica and their day-to-day operations. Medica's official strategy and the discussion by interviewees bring these tensions to the surface. In Medica's case, much of their performance tensions originate from the different goals of a public, for-profit organisation while at the same time having a heavy sustainability strategy in the areas of environmental and social responsibility.

At Medica, several tensions can be ascribed to the performance dimension within paradox theory. The most obvious one can be traced back to their most-used sustainability slogan, "Healthy planet, healthy people and healthy business". This slogan shows that the organisation strives for a "Win-win-win" concept where, according to both interviewees and the sustainability report, all dimensions of the sustainability strategy is part of a more extensive system, which must be viewed holistically and interconnected for the company to engage in the challenges of sustainability successfully. In their words, the business ( e.g., suppliers and investors), the societies (e.g., patients, doctors, employees, citizens) and the planet –in an environmental sense– are interdependent and thus, affecting one will affect the others. As their slogan proclaims, a healthy planet, healthy people and a healthy business are inseparable and are all part of a circular, ever reinforcing system and all need to be considered and addressed to have a lasting impact. Nevertheless, as interviewees tell us,

these three sustainability focuses in their slogan do not always carry an equally distributed weight within the organisation, nor are they necessarily positively reinforcing when juxtaposed.

Sustainability has been given an essential role at Medica due to its novel way of including a larger pool of stakeholders than have perhaps been acknowledged before, and there is no understatement that a multinational pharmaceutical company has many stakeholders. These companies are significant players in the global financial market with many investors and job opportunities, but they also develop medicines that aim to make life easier for a large pool of patients, even saving people's lives and will continue to do so as long as diseases exist. Thus, there is no surprise that there are many stakeholders who are personally invested and care about the actions of large pharmaceutical companies. Medica has realised and acknowledged one of many stakeholders in their strategy report, the people - and their families - who need their drug for an easier life. Medica's official position to engage in corporate sustainability is based on the sentiment that "It is the right thing to do" or, as another interviewee aptly described it, "Creating health is our business". Simultaneously, Medica is a for-profit organisation with an outspoken business approach that aims to generate profit for its shareholders. Creating health, lowering the carbon footprint and having a business that strives does not necessarily always go hand in hand with each other; in fact, it can often be directly contradictory.

One of the most significant projects to date at Medica is their aim to become "zero-carbon" within their operations (e.g., production sites, R&D sites, sales fleet) and their even grander goal of negative carbon by 2030, not only at their operations but through their entire value chain. According to the annual report, this project will partly be completed by various technological improvements on sites, change their entire company car fleet to electric, only make use of renewable energy, and put significant pressures on their value-chain to adapt and make a change. In several interviews, this project was described as "*non-negotiable*", in terms of - potential - resistance from stakeholders and "no one knows how we are supposed to do this, I do not even think the technology is there yet", which is rationalised by the interviewees by stating it as a drive for innovation and change. This project is described as purely a sustainability project while including the entire core business as stated: "It is a significant engineering effort, it is a big leadership challenge with the sites because I do not own the sites, but I need them to change some of the things that they do". When discussing *why* Medica engages in such a project, there are a couple of reasons. First, holistically, Medica serves the patients not only by producing medicines but by how they are producing the medicines. That is, they are producing medicines to save people and make them healthy; in extension, they can not hurt nature or work against social issues, which in extension also hurts the people they serve. As stated by one of the subjects, "Our [Medica's] obligation is to make sure that we create no harm through those products, but more importantly, keeping people healthy". When discussing the potential benefits of this project from a for-profit perspective, there is no general mention of financial motives except "If we do not have a planet, what is the point of having a business?". The reasons behind this project seem to be clear to the subjects, that is, "It is the right thing to do" and pointing out which stakeholders are benefiting from the project, as well perhaps as stakeholders who do not.

Simultaneously the company has invested approximately 1 Billion USD into the project to successfully become carbon negative by 2030 through their entire value chain. Furthermore, one witnessed consequences of the project which affect others and the same stakeholders is the –potential– rising cost of the medicine. One subject expressed their concern; “If we start asking them to comply to our sustainability standard because of a commitment we made, they are going to ask for a premium for that”, another subject rationalised dropping such suppliers by once again stating the different consequences “if [suppliers] do not take care of their environment and employees, I do not trust them to take care of the product”. Internally at the firm, changes are also expected to occur in addition to their day-to-day work, measured on their internal scorecard in parallel and juxtaposed with production and financial performance metrics.

Another identified tension when talking about performing tensions is regarding the measuring of success of the sustainability initiatives. As Smith et al. (2013) pointed out, corporate sustainability goals are often non-standardized, qualitative and in many cases subjective in their nature. During the interviews with representatives from Medica, it was made clear that the company thoroughly used scorecards and KPIs to evaluate and motivate progress in a range of different business objectives. In recent years, efforts have been made to include sustainability KPIs in the scorecards of the employees to incentivise them to focus more on sustainability projects. As one of the interviewees pointed out, “If you do not have [sustainability] KPIs, and you do not have a clear goal of where to go, half of the employees will lose focus or will not deliver.” However, given the difficulties to measure the success of the sustainability projects and the need for goals and targets to be relevant to a specific site, the KPIs used might not always offer the clear goal of where to go, as mentioned in the quotation above.

Although Medica uses quantitative targets in terms of their sustainability projects, e.g. Co2-emissions or number of electric cars in the business fleet, in terms of site-specific KPIs and targets, several of the interviewees expressed that there was room for improvement in terms of how well employees understand how the targets ladder up to the overall sustainability strategy. As Smith et al. (2013) pointed out, people are often inclined to choose distinct, short term metrics over ambiguous long term ones. As brought to our attention during the interviews, there are also instances where sustainability-related KPIs are included in the scorecard, not necessarily to achieve the goal but to evaluate the employee’s effort. The objective might be unrealistic to reach for a specific site, but it is still included in the scorecard.

In the context of Medica and its organisational structure, with more than 50,000 employees across continents, there is a risk for competition within the sustainability department. First, between the different areas within the sustainability organisation (i.e., Healthcare access, Ethics & transparency and Environment, Health & Safety). In other words, are the members' identity within each pillar aligned with the identity of that pillar? Are they simultaneously aligned with different, even contradictory, identity expectations from stakeholders within the other pillars? Secondly, tensions can most likely become apparent between sustainability and the rest of the organisation (i.e., Research & Development or Commercial) where they now, once more, are exposed to even more stakeholder expectations. The consequences of these tensions and conflicts can vary, but Medica’s actors

might experience an environment in which they are divided between stakeholders, their identities and objectives, and as a result, unsure and undecided about which to adhere to and follow.

For instance, in Medica's sustainability pillar of "healthcare access", an example of a performing tension occurred when discussing sustainability strategies and their effort to successfully distribute medicines to patients around the world who are in need. As made clear by several interviewees, various markets are not covered by Medica's distribution network due to both financial and infrastructural reasons; one of them commented, "No matter how cheap we make the drugs, some still can not afford it". Furthermore, interviewees state that many nations' governments may lack the infrastructure to effectively and equally distribute medicines to patients in need. However, due to Medica's position, much of their medicines are only obtainable from Medica, mainly because their medicines are patented and that their business model is based on being the sole competitor on the market until it becomes generic. Thus, Medica has the opportunity to provide –sometimes– lifesaving medicines to people who need them, something that is clearly stated in their sustainability strategy as an aim. However, Medica is a publicly traded company with an outspoken for-profit agenda and business case approach. As many of the interviewee subjects has stated, what makes the business sustainable –in a business sense– is "[sustainability] is sort of continuing to have a business, continue to be relevant, continue to improve", and without investments which comes from profitable medicines, they will not be able to develop and commercialise any medicines for the future and those future patients. Thus, the question to distribute medicines to people in need is both in adherence to and in contradiction with their for-profit approach. In sum, although for profit is the only way forward, providing medicines to people in need is very much aligned with their sustainability strategy. Nevertheless, the company both regards and disregards these goals.

On a final note regarding performing tensions, Medica is about to launch a new bonus package linking executive pay to sustainability initiatives. While the overall reaction during our interviews concerning the bonus has been positive, as one extra tool to drive change, the interviewees raised some interesting insights. The link to executive pay was often described as a blunt instrument and best used in combination with other tools in order to drive the proper behaviour. As one of the interviewees stated, "I would view it [executive pay] a bit like it is the icing on the cake. However, the actual cake is engagement, communication and bottom-up pressure". This might indicate that the executive pay is a bit misaligned since, if anything, it would promote top-down pressure. The bonus also faces the same challenges as other sustainability projects in terms of measurability difficulties; the success in one must evidently lead to the failure of the other. Interestingly enough, this is not viewed as a conflict and barely as an issue at the company and the interviewees. Instead, if there are different priorities and projects, it is based on the necessity for the survival of the company, being strategic and "Doing the right thing".

### **Organising tensions**

To reiterate, organising tensions are often found in complex systems of competing designs and processes to achieve the desired outcome and often manifest in times of organisational change. (Smith & Lewis, 2011) As mentioned earlier, Medica reworked its sustainability

strategy and restructured the departments around its new strategy in 2018. In doing this, compliance as a function was moved into the ethics and transparency leg of the sustainability function. During interviews with representatives from the compliance department, who worked at the company during the time of the change, it was made clear that for some people within the compliance division, there was an initial reluctance to change and a feeling of not being a part of sustainability in anything other than the organisational charts. It was, in effect, looked upon as a siloed function that just happened to be positioned within the sustainability department. This, in some instances, led to a feeling of disconnect between the objectives of the broader sustainability strategy and the objectives relating to the compliance business unit. However, since the time of the inclusion, efforts have been made to educate and inform the compliance function about their relevance and how their function contributes to the overall sustainability strategy. When reflecting on the structure today, most subjects felt that the compliance was a good fit in sustainability and that the internal organising was more aligned. There might still be individuals who question why the organisation is structured like it is and fail to see the relevance, as was made clear when interview subjects from the compliance department declined interviews for this thesis.

One other aspect of organising tensions can be observed in the way that they have organised their sustainability departments in line with the triple bottom line, besides not having an outspoken “for-profit” unit. They have one side with a clear focus on the social-, and another side focusing on the environmental side of sustainability. Although both are working for a more sustainable company and future, these two divisions are in effect competing with one another for status, recognition, and funding. This is not exclusively a tension for Medica, as working with sustainability often leads to organisational tensions between the three different legs, i.e. people, planet and profit. What is interesting in the case of Medica is how they respond to said tension and how it is viewed internally. During the interviews, it was made clear early on that not all interviewees necessarily recognised the organisational tension mentioned above. Interestingly, most of the representatives working within the environmental leg of Medica’s sustainability strategy did not see any bias or favouring taking place between the different sustainability branches, whilst representatives from other branches felt that there was an emphasis on Co2-emission reduction and environmental initiatives in general. These competing goals might lead to organising tensions and one goal being favoured over the others.

In an “Healthcare access” project to provide a new medicine for a market who were on the top of potential patients in absolute numbers, it became clear that sustainability managers are torn between different stakeholders and the collective of individuals as which they adhere to, seemingly creating tensions between identities and their objectives. When members of the sustainability team examined the possibility of incorporating a sort of “sustainability thinking and consideration” into their pipeline of drug development (i.e., from discovery to approval) for easier distribution and commercialisation of the medicine in developing countries, it became clear that their [R&D] focus is on the science of development. That is, their primary purpose is to ensure that the medicines which they discover works and are thus not particularly concerned with who gets it, why they get it, nor that it is commercially viable as stated by one of the interviewees “We make medicine, leave us alone... [and] those guys [Commercial] commercialise it in a way that is equitable, not our

problem”. Similarly, the commercial team is concerned with the commercialisation of the drug, not that it is distributed to markets where there is no commercially viable plan, as stated in the same conversation, “You are not planning to get it to [market who needs it], you are just planning to get it to our major, top eight [commercial] markets and you are doing what you have to do to get that done”. When the discussion leads to the access to healthcare strategy and affordability, the discussion surrounds profitability “Maybe we should be going to low-income markets, but we have to figure out how it makes business sense”. Similarly, when one subject describes their sustainability work and projects which aims to influence other areas of the business, the subject expresses how their position is viewed - according to the subject - in contrast to the core business “You weirdos in sustainability sound like you are messing with the core business, and if you want a future at Medica to do all those great [Sustainability] things, stop messing around with core business and mess around with things you can mess around with”. This puts sustainability managers in a spot where they need first to consider other stakeholders’ priorities and their own while simultaneously figuring out how their identity confirms or contradicts said priorities.

Interestingly enough, Medica involves itself in projects which –at least partly– contradicts the above account. The most notable project is their presence in Africa, where they, with a *break-even* approach, try to aid the healthcare system for disease prevention and treatment with training, equipment, –option to buy– Medica’s products, and guidance. Interestingly enough, according to one subject within this function, they are also separate from the commercial and R&D side of the business, stating, “if we enter a market where Medica [Commercial] is present, we do not get absorbed”. This is a self-sustainable part of global sustainability, clearly separated and distinct from the core business. According to the subject, this is not a project with aims to make a profit, nor to –necessarily– sell medicines to new markets but as stated by the majority of subjects, ‘Do the right thing’ and that the intention “always been has been about just to do the right thing for patients where they needed the most”. When the discussion further discusses if the project adheres to the for-profit strategy, one subject states, “if somebody said profit maximisation to me, the first thing I think of is the commercial side of the business”, which again to clarify, is run in parallel in the markets they end up both operating in.

At Medica, according to many of the interviewees, innovation is heavily integrated into the business as well as a part of the business model. It could be –and is– argued that it is the core of the organisational identity in the sense that they are “following the science” (Annual report, 2020). As one of the interviewees pointed out, their business model is organised around life-cycles of drugs. It begins with discovering a new drug, which they patent and commercialise, eventually losing its exclusivity due to patent regulation and finally devolving the drug as it goes generic. Therefore, they must replace the stream of income with new drugs and this, according to one of the interviewees, is sustainability because “if you do not continuously improve, you are not very sustainable, and then, you know, your business will collapse, fall over, and you know, no longer be successful.” According to many subjects, this is why Medica is so good with change, learning and adapting to the contextual environment because it is part of their strategy. Nonetheless, although people seem to agree that change is necessary, as someone aptly stated, “Change is



good until you have to change." Thus, the tensions which arise in Medica in relation to the sustainability strategy are numerous.

One of the more radical changes at Medica in the near past is perhaps the sustainability strategy. Interestingly enough, Medica's sustainability strategy development took place relatively recently and was quite revolutionary in terms of scope compared to what the organisation had communicated before. With a top-down approach, the sustainability strategy was seemingly overnight consolidated into what it is today. Although radical, according to many of the interviewees, there was not much resistance to be witnessed, and as one subject stated, "The existence of sustainability [strategy] has become impossible to question". However, something that was perhaps more controversial was the strategic sustainability goal of integrating sustainability into the entire business.

According to the sustainability reports (2018, 2019, 2020) produced since the renewal, sustainability is integrated. It should be viewed as a core part of the company's strategy, simply because it is the right thing for the company to do while simultaneously being the main driver for innovation. Nevertheless, the integration of sustainability into the day-to-day business is, according to many interviewees, an uphill battle yet to be won with many "confused" and failing to grasp the reason for integrating the concept into other departments such as operations sales, R&D and production. The reason, aptly put by one of the interviewees "When you talk about healthy planet, healthy people, healthy business and without all those coming together, you cannot just focus on one or another" she continued "...because all of them, it is the sum of the parts that makes up a sustainable approach". While simultaneously putting the focus on the business perspective of things, "[Sustainability] is about doing the right thing, but also for being commercially competitive." where the subject continued to point out that if the company fails to realise a sustainability strategy that is a "Significant risk to the business" while successfully realising a strategy is a "potential competitive advantage". Tensions begin to surface during these discussions between different stakeholders and their functions. For instance, when one of the subjects discuss potential integration of sustainability within the design group process, "...They believe they are the experts in product design, why should someone give them some new criteria, assess product design and the decisions they make" which also indirectly claims that they are unsustainable. As one of the environmental managers stated, the employees feel more like sustainability is adding tasks onto already busy roles, while in reality, according to the interviewees, they are "asking people to optimise what they are doing by simply integrating new ways of thinking and doing this".

Several subjects witnessed a too narrowly view of sustainability at the organisation and thus failed to realise what sustainability within the context of their job means. There is a general tendency to focus on environmental issues such as recycling and printing less paper. If sustainability instead at the company is being viewed as "...[sustainability] is continuous improvement, and continuing to thrive as time moves forward", and that sustainability as a concept should be part of the business model as risk management and competitive advantage scope.

Nevertheless, involving sustainability as a strategic tool can also be a complex process full of contradictory consequences. While discussing the integration of sustainability into the drug product life-cycles (i.e., discovery to divestment), one of the subjects discussed

how operations have started to become involved earlier in the life-cycle and already at such a stage attempted to calculate sustainability value in such early stages.

One subject provides an example where one can imagine a discovery of a life-saving drug that can enter the market and reach patients in need three years before any competitor might. Securing a market advantage, a secure revenue stream, and saving lives make the prioritisation on sustainability low. However, in the future, the decision to not focus on sustainability and delaying the drug might cost them both reputation and competitive advantage in the future of the said drug. The tension between ‘business as usual’ and sustainability comes from the failure to quantify the different costs and benefits of releasing the first version of the drug. The subject takes the example further by imagining that the drug enables patients to be treated at home instead of at the hospital. This enables Medica to take a premium price of the drug while simultaneously helping the hospitals to become more sustainable by having fewer patients in-house. This new, redeveloped drug could delay the drug and even make it more environmentally damaging, but the issue lies in the failure to calculate the cost versus benefit and thus a failure to evaluate the value in the drug life-cycle. One subject interestingly described this problem as “having a well-intentioned activity that actually does not help [in a sustainable way]”. According to several subjects, the tension is most likely grounded in the failure of providing context and “the bigger picture” strategically for the organisation at large. Since sustainability integration is such a significant project, coming seemingly from nowhere, it has not been translated equally throughout the organisation, creating tensions.

On a final note, whereas the global structure of the sustainability team consists of clear roles and responsibilities often included in the work description of the employee, site-level sustainability responsibilities are often placed on top of the employee’s usual tasks. By organising it in this way, tension might arise as the employee might be facing difficulties in prioritising between the sustainability initiatives and the objectives usually associated with the tasks that the employee was hired to do. When asked about it during the interviews, interviewees who had an experience of sustainability responsibilities added on top of their usual tasks were overall positive.

## **Discussion**

### **Paradoxical tensions in Medica’s sustainability strategy**

Medica, like many other companies, have in the past years radically changed their strategic objectives towards a more sustainable purpose of existence. There has been a combination of shifts in the contextual environment, each being a potential candidate for the responsibility of tension creation. This change can be seen as the origin of the many paradoxical tensions identified in the empirical section, such as initial resistance and confusion to merge the compliance division with the global sustainability team fully. When the new sustainability strategy was first launched, the contextual conditions shifted, and change became imminent. When studying the empirical data gathered during the interviews and documentation analysis, many of these new objectives and purposes are contradictory and are the roots of some tensions. As Smith and Lewis (2011) stated, paradoxes are “contradictory yet interrelated elements that exist simultaneously and persist over time”, and as for the tensions identified at

Medica, as presented in the empirical part of this thesis, one could argue that these tensions are indeed based on paradoxical and contradictory objectives and demands.

Taking a closer look at the tensions within Medica's corporate strategy and interconnected operations, it becomes clear that its for-profit strategy is in a general conflict with its social and environmental objectives. As stated in the empirical section of this paper, much of the salient tensions reveal themselves between the economic element of sustainability and the remaining two elements. In other words, although one could argue for salient tensions between the social and the environmental, these seem to be seldom put against each other at Medica; instead, they are either rationalised or de-rationalised via the help of economic arguments.

The organisational paradox tensions identified in the empirical section belong to either performance tensions or organising tensions. Interestingly enough, no paradoxes of belonging nor learning were found in the empirical data-gathering of this report. The reason none of these paradoxes was recognised can be numerous. As discussed in the method section, one reason could be that the applied interview strategy simply failed to reach these paradoxes while being much more suitable for identifying performing- and organising paradoxes. Another reason which could be possible is that of the weaknesses of paradox theory put forward by Schad and Bansal (2018) that actors may only perceive salient tensions but, we do not, however, identify tensions that the interviewees do not perceive.

Paradoxes of performing concern Medica's attempt to listen and adhere to several various stakeholders and their demands (Smith & Lewis, 2020); these paradoxes in the context of Medica originate from their strategic objectives and communicated purposes. This mainly includes –but are not limited to– their for-profit purpose; they aim to maximise their value for shareholders and their communicated and committed social responsibility to strive for affordability and accessibility of their medicines and healthcare as a concept. Similarly, the environmental elements –such as Negative carbon by 2030– of their strategy further increase tensions quite disruptively, much in the way the social element does, by adhering to a different set of stakeholders compared to their economic purpose. When Medica views these objectives as separate, they are coherent with their core values, but these conflicting objectives become incoherent and contradictory when taken together, which is the origin of tensions within paradoxes of performing.

Paradoxes of organising relate instead to the current processes and structures within the contextual environment of Medica. In one sense, the inherent structure within their organisation constrains different departments, countries, operational sites, project groups, and general sub-groups. These paradoxes in the context of Medica reveal themselves in the tension between exploration and exploitation of resources and processes while simultaneously adhering to a need for stability in the short-term and change in the long term (Smith & Lewis, 2011). For instance, in the case of the incorporation of “sustainability thinking” in the R&D pipeline process, sustainability was engaging in the process of exploration where a key objective was to future-proof the R&D pipeline in a competitive and sustainable sense. However, the R&D team was mainly concerned with the potential alteration of their already –successfully– functioning pipeline; that is, R&D was focused on continued exploitation and stability of their process and resources. This project, initiated via an ambition to innovate current structures at Medica, prompted tensions between the accepted

and tried structures and the new, untried ones and the “...actors struggle with simultaneous needs for stability and change” (Jarzabkowski et al., 2013 p. 247). Thus, due to a wave of changing structures and objectives between sub-groups of Medica’s organisation, organising paradoxes came to the surface.

Taking a closer look at the interplay between organising and performing paradoxes, one could argue that –in this case study– the two are naturally connected and not manifested in isolation of each other. To reiterate, performing paradoxes often manifest themselves in the appearance of new demands from various –newly acknowledged– stakeholders, while the organising paradoxes often manifest themselves as a direct consequence of the emerging performing paradoxes. In other words, in the profound change of Medica’s strategic direction into a greater sustainability integrative business model, there was a sudden influx of various stakeholders from a multitude of directions and interests. Simultaneously, the structure of Medica as an organisation was constructed in coherence with a slim business-case strategy with a limited number of distinct stakeholders (e.g., primary stakeholders) which, as stated in the theoretical section of this paper, mainly concern themselves with a limited amount of metrics measuring success. The sudden addition of stakeholders revealed a gap in Medica’s structures, and once actors were charged with carrying out these objectives in adherence to these new demands, the tensions became salient between the new and old stakeholders. These recently revealed paradoxes of performing led to the organisation and its actors trying to achieve objectives in a structure designed for quite differing objectives. This mismatch between objectives and structures of achieving said objectives eventually led to the reveal of organising paradoxes.

For instance, once the sustainability strategy became redirected and crystallised in 2018, it came with a package of new objectives –based on demands from recently considered stakeholders– to the R&D Pipeline of Medica; the responsibility of said objectives was however given to sustainability. The objectives in the pipeline –from a sustainability perspective– were differing from current structures and objectives from an R&D point of view. Once members of the sustainability team tried to achieve their objectives, the R&D department was pushing back and simultaneously trying to achieve their –separate– objectives, thus revealing the organising paradoxes.

Interestingly enough, the two types of paradoxes identified did not seem to occur in separation from one another. Instead, they are seemingly interrelated and conditional. As previously discussed, it becomes noticeable that one type of paradoxes came first and was then followed by a second type. In this case, organising paradoxes seemingly present themselves in the wake of performing paradoxes. For instance, at Medica, organising paradoxes rose salient due to the restructuring of the organisation, which was a consequence of adopting new objectives based on performing paradoxes. Thus, at Medica, organising paradoxes can be directly connected to –and dependent on– the existence of performing paradoxes. Furthermore, the relationship of the two types of paradoxical tensions did not occur in a vacuum; instead, it can be argued that the origin of the tensions is the newfound strategic direction of Medica and the change which was then set into motion.

## Responses

Medica's responses and practices in place to face these challenges of paradoxical tensions vary and are seldom actively managed or initiated but instead created without acknowledgement of the underlying paradoxes. During our interviews, many of the interviewees expressed an initial standpoint somewhat in line with the integrative approaches presented in the article by Van der Byl and Slawinski (2015). Identified tensions were often approached from either a trade-off or win-win perspective, with the business case presentation often being the deciding factor for achieving a certain objective. Providing decision-makers with projected financial data, i.e., to prove the potential win-win scenario, was often cited as the most common way to drive change as cited in the empirical section "[Sustainability] is about doing the right thing, but also for being commercially competitive". As for the trade-off approach to tensions, it was more likely to be used when proposing changes that mostly regarded the different branches of the sustainability strategy and did not affect the other divisions of Medica to a large extent. An example of this would be the billion-dollar funding and the following focus that the carbon zero initiative has received whilst other areas within the sustainability strategy have not been given the same resources. During interviews with more senior members of the company, some managers approached tensions in a more integrative way. Based on the tension theory, it makes sense since, as Hahn et al. (2015) explained, the integrative approach posits that managers need to embrace tensions rather than dismissing them. The integrative approach also assumes that the divergent goals of the sustainability strategy can be balanced (Van der Byl & Slawinski, 2015). It is worth mentioning that, although these approaches to handling the tensions do exist within the company, the paradox theory approach is critical to the effectiveness of these approaches. The paradoxical tensions can not be resolved through trade-offs or win-win scenarios as the effect is only temporary, and the underlying tension persists and will resurface again in the future.

Another finding, albeit maybe not recognised by Medica themselves, is the responses in relation to Poole and Van de Ven (1989) and their proposed resolution strategies (i.e., acceptance, spatial separation, temporal separation and synthesis) and the paradox theory presented by Smith and Lewis (2011). While it is clear that Medica indeed has tensions that could be viewed as paradoxical, how they manage them in their day-to-day work is not as clear. For instance, Spatial separation, as defined by Poole and Van de Ven (1989), can be seen across Medica's organisation, where the contradictory objectives and strategies are often put against each other based on different functions with their own objectives, for instance, when sustainability has an objective to increase access to healthcare in developing countries and R&D and commercial did not. Similarly, temporal separation can be argued to be the case in the zero-carbon project, since they made a commitment which they will not back away from, slashing carbon is their main focus, and everything else will be managed afterwards (Poole and Van de Ven, 1989).

Synthesis as a strategic response can be seen across the organisation regarding how they are working with -and using- one of their core values, "doing the right thing" in practice. During our interviews, it was reiterated many times that the most important value, and often a contributing factor to why certain projects were started, for Medica was to do the right thing. When reflecting on it, doing the right thing is ambiguous in its nature because it can carry

different connotations depending on the person and the circumstances. However, it can enable Medica to accommodate opposing poles both internally within the sustainability strategy and the business side of the company. It can also serve as a tool for Medica to distribute responsibility across the organisation.

The common denominator for Medicas responses above is the core value of “doing the right thing”. Although not always conscious, it might enable them to address paradoxes and tensions without necessarily accepting their existence. It seems to work within the organisation that when a decision is too difficult to make, and someone has to decide between two, often legitimate options, they opt for doing the right thing ‘right now’. For example, when the Africa initiative contemplated going into an area with a current outbreak of ebola virus, although it could be argued they could save lives but simultaneously not wanting to risk their employees, they rationalise their decision to not enter by claiming it is not the right thing to do ‘right now’. By adhering to the logic of doing the right thing at a specific moment, it is also used in temporal separation as it provides an argument for choosing one point of the tension at one specific time and then changing. Although Medica has shown to accept paradoxical tensions on a collective level, we believe that most interviewees do not. The use of the core value ‘doing the right thing’ is often used in an effort to resolve the tensions, rather than accepting, embracing them and considering the divergent goals simultaneously. However, it is crucial to be critical to the use of ‘doing the right thing’, as the core value might be nothing more than a set phrase used by management to push the tensions previously on their shoulders down in the organisation.

When the sustainability strategy was changed, organisational and strategic changes led to sustainability being integrated across the company’s functions. The sustainability department went from being effectively a siloed function to being brought to light and relevant across all Medica. With limited instructions to the rest of the organisation, this sudden change served as a breeding ground for paradoxical performance- and organising tensions to see the light of day. When management then pushed the new sustainability agenda through the organisation, with some guidance but mostly centred around ‘doing the right thing’, they effectively placed the paradoxes in the lap of the employees. Before the implementation, managers were probably aware of the sometimes contradicting nature of the sustainability strategy, but the existing tensions were distributed across the organisation when the change took place. Gaim et al. (2019) give some insight into this phenomenon in their study of management asking employees to solve an impossible paradox. Although the notion of ‘doing the right thing’ might be a response from Medica to try to embrace and accept tension, there is still a reality with a limited set of options and outcomes. Even if it proves to be somewhat successful as a tool for Medica, and in extension, might make it easier for management to work with the sustainability strategy, it still does not change the underlying issues (see Schad & Bansal, 2018). Instead, it might be worth considering the role of ‘doing the right thing’ in terms of employees and managers using the set phrase to legitimise and justify behaviour and actions. Based on our findings, it can be theorised that the actual use of the set phrase for Medica is to justify and legitimise decision making in the uncertain, changing environment that the new strategy is presenting for the company. Giving the relevant parties a tool to legitimise their actions might benefit the company by driving the change forward to some extent, albeit not by embracing the salient tensions at play.

## **Conclusion**

The purpose of this thesis was to explore the paradoxical tensions of an organisation that is actively working with integrating corporate sustainability objectives into its mainstream, for-profit business approach. The aim was also to highlight how organisations responded to identified tensions within their organisation by applying a paradox theory lens developed by Smith and Lewis (2011) on our empirical material to illuminate –and categorise– salient tensions between objectives and goals in the current project of integrating corporate sustainability objectives into the day-to-day operations of the pharmaceutical company Medica. Together with previous research (Smith & Lewis, 2011; Smith et al., 2013; Hahn et al., 2014; Van der Byl & Slawinski, 2015) and insights in the field of corporate sustainability, organising tensions and paradox theory, we could then examine the identified tensions and the responses from the company.

This thesis has identified key points worth bringing to light as they might have implications for businesses and contribute to the research field of paradox theory—first, the identified paradoxical tensions and their relationship to one another. Although only two paradoxical tensions were identified in the data, a relationship could be observed between performing and organising tensions. In other words, the data implies that organising paradoxes might be prone to become salient directly through and as a consequence of change-induced performing paradoxes, making their interplay more connected than previously theorised.

Secondly, the incorporation of sustainability strategies today has shifted to a rather integrative approach where companies such as Medica want to do what is right and be the leaders of change. This shift towards integration and the subsequent organisational change proved to be a breeding ground for paradoxical tensions. The organisational structure centred around the business-case strategy and the new sustainability objectives and integration of sustainability across the organisation brought performing- and organising tensions to the surface. While the ‘doing the right thing’-approach might have been helpful for Medica in terms of temporarily resolving tensions by temporal separation and synthesis (see Poole & Van der Ven, 1989; Smith & Lewis, 2011), it still does not enable them to fully accept, embrace or understand the underlying paradoxical tensions but instead works as a legitimising tool. It also provides little to no guidance and might come across as a set phrase used to push responsibilities elsewhere in the organisation.

In sum, the contribution of this thesis is to provide insights into how a company, whether consciously or unconsciously, successfully or unsuccessfully, might identify and respond to tensions emerging within their corporate sustainability strategy. It also contributed to the field of paradox theory by exploring and theorising about the relationship between performing- and organising tensions present in this case.

Finally, suggestions for future research are to broaden the scope and investigate corporate sustainability strategies at companies across different countries and industries. While this study solely focuses on one multinational pharmaceutical corporation, insights gained by examining different sectors and regions would increase the knowledge about the relationship between organisational tensions and industries. Furthermore, in regards to the integration of a new corporate sustainability strategy, this thesis was centred around the

people working close to the sustainability strategy. Thus we urge researchers to broaden the scope and look at organisational tensions across the entirety of the company. We also invite future research to investigate further the interplay between performing- and organising tensions in organisations changing their corporate strategy.



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