

## THE IMPORTANCE OF BEING PARADOXICAL: A PARADOX APPROACH TO FOSTER SUSTAINABILITY

### *Summary*

Today sustainability has become a crucial aspect for organizations, due to stakeholder pressure, increasing stringent regulations or intrinsic motivations (Bansal & Roth, 2000) regarding environmental and social grand challenges as climate change or social justice. However, corporate sustainability requires organizations important efforts because it is complex phenomenon with a multidimensional nature, consisting of three interrelated and contrasting dimensions: environmental integrity, social equity, and economic prosperity (Bansal, 2005). These sustainability's constitutive aspects have heterogenous demands, interests and perspective (Smith & Lewis, 2011), thus organizations experience trade-offs, challenges, tensions in implementing corporate sustainability initiatives (Haffar & Searcy, 2017). Thus, sustainability related tensions (economic Vs environmental and social goals, competing stakeholders' demands, resistance within companies, etc.) constitute an important challenge that organizations have to address to contribute to the achievement of a truly sustainable development.

When two or more sustainability elements collide, usually, organizations resolve tensions by prioritizing the economic element over the others, adopting the so-called business case perspective (Hahn et al., 2015; Van der Byl & Slawinski, 2015). However, a different approach is possible: organizations can accept such tensions and navigate them by integrating conflicting demands, goals, perspectives. This approach has been conceptualized, only recently, by Hahn et al., (Hahn et al., 2014, 2015, 2018) as the paradox approach to corporate sustainability.

The literature on organizational paradox has highlighted how tensions can be a double-edge sword, in fact responses implemented by individuals and organizations can produce positive or negative effects, creating virtuous or vicious cycles (Lewis, 2000; Smith & Lewis, 2011). Indeed, not accepting tensions leads companies to organizational inertia, defensive responses (Jarzabkowski et al., 2013; Vince & Broussine, 1996) or focusing on one pole of the contradiction (Smith & Lewis, 2011; Sundaramurthy & Lewis, 2003). On the contrary, when tensions are recognized and accepted, individuals and organizations began to adopt a paradox approach where competing demands and goals are pursued simultaneously in paradoxical responses, generating positive outcomes (Miron-Spektor et al., 2018; Smith & Lewis, 2011). Such results are valid even for sustainability, indeed tensions in sustainability can be seen as threats or opportunities by individuals and organizations, leading to defensive or proactive responses (Iivonen, 2018; Pinkse et al., 2019; Slawinski et al., 2019).

The seminal work on paradox and corporate sustainability argues that this approach should be able to go beyond the business case bringing together the three pillars of sustainability, leading to "superior business contributions to sustainable development" (Tobias Hahn et al., 2018, p. 3). So far there are some studies that offer empirical support to such an idea, showing that economic, social and environmental results can be present simultaneously (Gao & Bansal, 2013; Walker et al., 2020). Moreover, the current empirical research has showed, trough qualitative studies, the different positive impacts a paradox approach has in managing sustainability related tensions: e.g. regeneration of place (Slawinski et al., 2019), success in NGOs – business collaborations (Sharma

& Bansal, 2017), creation of sustainable business model development (van Bommel, 2018), going beyond the compliance (Joseph, Borland, Orlitzky, & Lindgreen, 2018). However, what is missing in current sustainability literature is a clear understanding of the impact of general sustainability tensions on organizations' sustainability efforts and the role a paradox approach plays in supporting organization in order to respond to their possible negative influence. Therefore, this led us to ask: what is the impact of sustainability tensions on organizations' sustainability performance? And how a paradox approach support organizations in coping with sustainability tensions?

Against this background, we aim at studying the role organizational paradox approach can have in fostering companies to accept sustainability related tensions and to mitigate their possible negative consequences. To do this, we collected original survey data on companies' experience and response to sustainability tensions and conducted regression analyses. Our results provide empirical support of the importance of organizational paradoxical approach to mitigate tensions' negative effects on sustainability performance, especially in its environmental and social dimensions.

Accordingly, the contribution of this study is twofold. On the one hand, it extends the paradox literature on sustainability: first, providing empirical evidence on the positive role of organizational paradox approach in coping with general sustainability tensions – a field of research on which contributions reporting empirical evidence are still scant; second, offering measure to detect directly the organizational paradox approach. On the other hand, it contributes to the literature on sustainability performance, drawing attention on the negative impact that sustainability tensions have on companies social, environmental and economic performance and on the need to manage them simultaneously – an issues that has been overlooked to the advantage of the business case approach (Hahn et al., 2018; Ponte, 2019).