



 **Imkon** INTEGRATION VON MITARBEITERN ALS  
KONSUMENTEN IN NACHHALTIGKEITSINNOVATIONSPROZESSE



# Balancing logics through sustainability innovation practices: Explorations in the laundry & home care industry

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Research team



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## Structure

- 1) Introduction
- 2) Theoretical approach: logics, hybrids and innovation practices
- 3) Empirical setting: NICE and LOOP
- 4) Findings
- 5) Discussion & further directions

## Intro

- why: innovation as a key tool to tackle sustainability issues (Adams et al., 2016; Klewitz & Hansen, 2014)
- IMKoN: organizational embeddedness of sustainability innovation practices
- idea: innovation practices as a chance to balance conflicting logics at the organizational level
- stage: explorative/work in progress



# Theoretical approach: Practices and logics

## Logics

- „socially constructed, historical patterns of material practices, assumptions, values, beliefs and rules“ (Thornton & Ocasio, 1999:804)
- logics shape identities and practices at the organizational level (Olsen & March, 1989)

## Practices

- „activities of people and organizations that are informed by and bound up in logics“ (Lounsbury, 2008:357)
- “practices constitute the horizon within which all discursive and material actions are made possible and acquire meaning” (Nicolini, 2010)
- innovation practices: meanings, artifacts, rules, skills applied in actual, local innovation activities



## Ideal type logics: sustainability vs. profitability

	<b>Sustainability</b>	<b>Profitability / commercial logic</b>
Values	Commitment to the environment and social causes, ecological footprint reduction	Wealth creation
Production focus	Waste reduction, development of green technology and processes	Speed to market, cost reduction
Basis of attention	Develop low eco footprint, promote fairness	Maintain financial success, secure broad market presence
Governance	Stakeholders	Shareholders

(Mair et al., 2015; Schaltegger & Hörisch, 2015; Voronov et al., 2013)



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Proxy	Legitimacy orientation sustainability	Profit-seeking sustainability
Stakeholder focus	Community, NGOs, public	Banks, shareholders
Measures	Reputation, employee motivation	Cost reduction, revenue
Tools	Corporate citizenship, reports, eco-sponsoring, stakeholder dialogue	Eco-efficiency analysis, environmental cost accounting

## Hybrid organizations: enacting conflicting logics

### Conforming hybrids

- identify strongly with one of the two institutional logics
- adopt practices dominated by either the profitability or the social welfare logic
- de-couple other logic
- adaptive response (Schumpeter, 1947)

### Dissenting hybrids

- actively defy expectations to privilege one logic over the other
- selectively couple elements prescribed by both logics
- innovate by adopting new practices not prescribed by either one logic (creative response)

(Mair et al., 2015)



## Balancing multiple logics through innovation

- Conflicting logics as a chance to develop critical organizational capabilities (Kraatz & Block, 2008)
- Enacting conflicting logics simultaneously is „something that must be accomplished rather than something that just is“ (Child, 2012)
- Innovation as a chance to bridge or transcend the two logics (embracing innovative org. practices internally and vis-à-vis their markets) (Mair et al. 2015)

RQ: How do dissenting hybrids balance multiple logics through innovation practices?

## Case studies

NICE	LOOP
Laundry & home care eco-leaders as dissenting hybrids	
▪ eco-pioneer SME	▪ greening Goliath
interviewees: sustainability, HR, innovation experts	
▪ 3 interviews	▪ 5 interviews
documents on innovation processes and tools	
explorative // inductive data analysis	

## Findings

Superorder: prioritization of sustainability logic

Suborder: reconciling sustainability with other logics

centrality of  
sustainability  
// profitability

Means: sustainability innovation as competitive advantage

Ends: innovation to achieve sustainability

innovation as  
a bridging tool

Structures: formalization, materiality, explicit rules

Mindsets: leading by example, shared values & expectations

stabilization of  
innovation  
practices

# Findings

centrality of  
sustainability  
// profitability

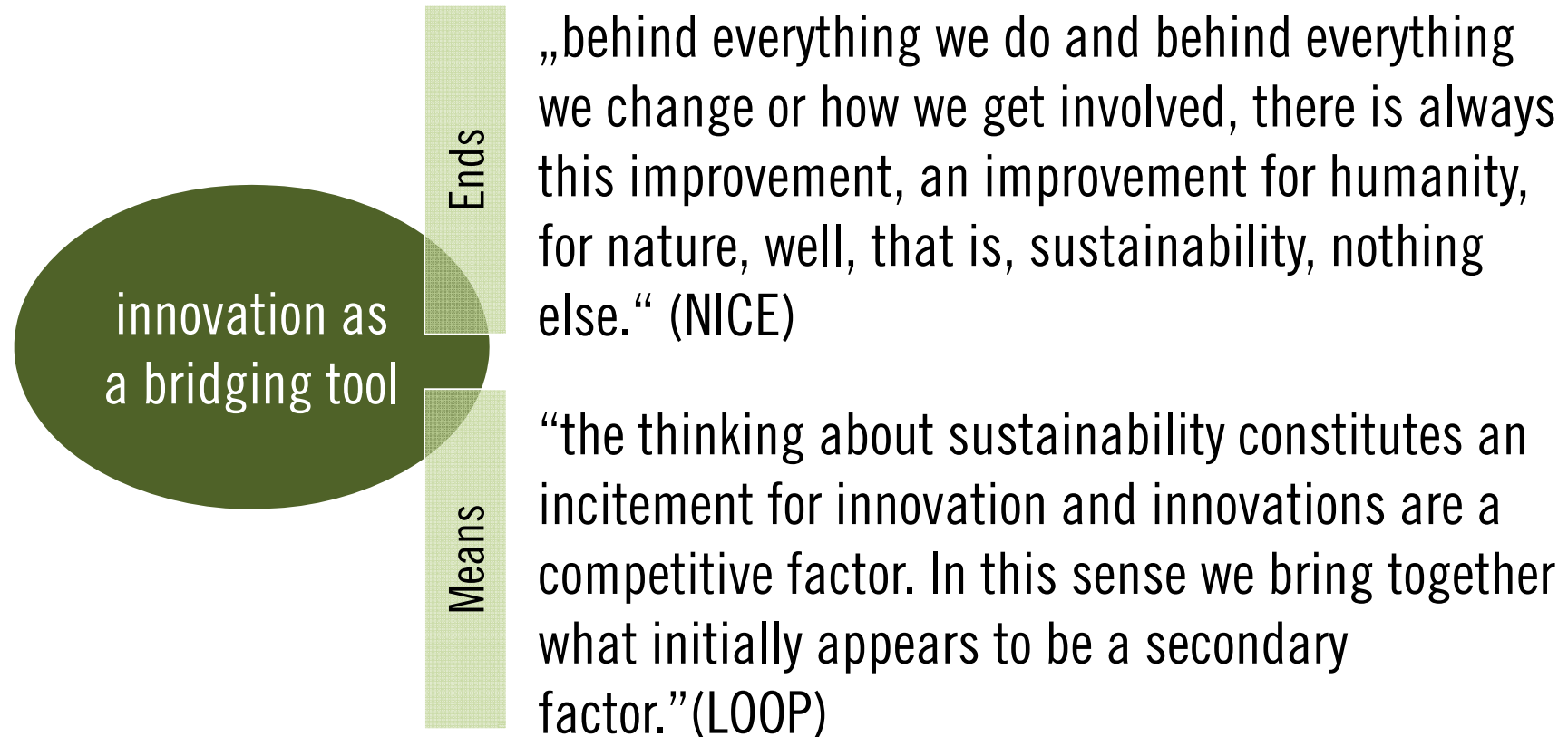
Superorder

„We are, as already stated, an exceptional company. Here, sustainability is not some division; everything is based on this big term of sustainability.“ (NICE)

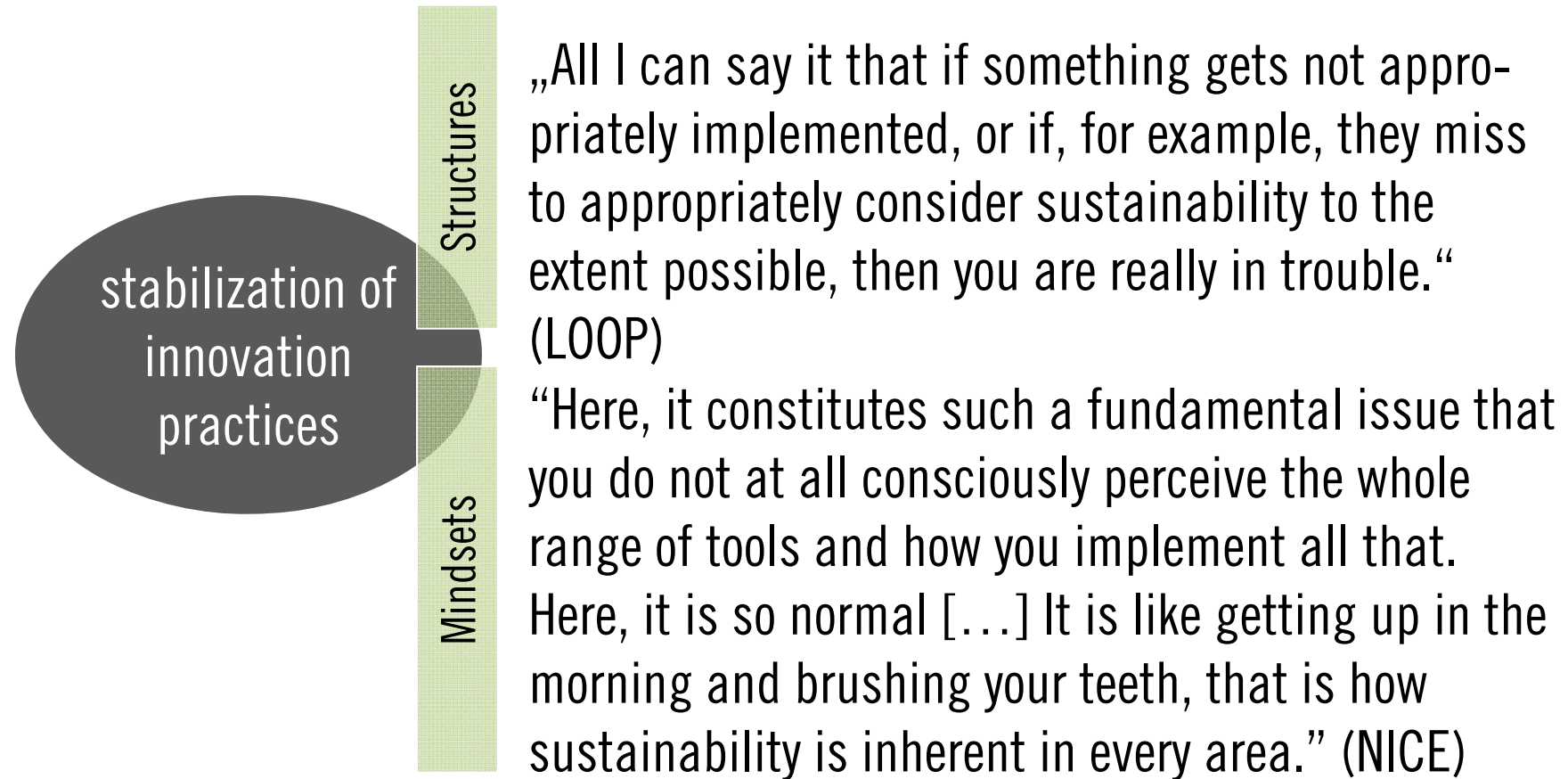
Suborder

“managers are evaluated by their supervisors based on how they live our values. There are five and one of them is sustainability” (LOOP)

# Findings



# Findings



## Findings

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## Discussion & further directions

- Innovation practices are used by hybrids to balance sustainability and profitability logics (cf. Mair et al., 2015)
- Dissenting hybrids make use of different configurations of innovation practices in order to bridge conflicting logics
- Innovation configurations differ on three dimensions:
  - (i) centrality of sustainability (cf. Besharov & Smith, 2014)
  - (ii) sustainability as means or ends of innovation
  - (iii) stabilization mechanisms
- ? Theoretical framing logics//hybrids//practices



# Contact

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