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Managing Institutional Logics in Collaborative Sustainable Innovation

PhD dissertation

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PREFACE

The main inspiration writing this PhD came from a series of company workshops in my CSR courses at the master's level in 2014. One of the things that surprised me most was that almost all the invited companies worked closely with NGOs in order to develop their businesses in more sustainable ways. The scope of this development was surprising, and made me curious because it was not immediately obvious that these organizations should collaborate at all due to fundamental differences in missions, values and governance structures—much similar to the story of the humble bee, which theoretically is not supposed to fly. Yet, the humble bee flies. In writing my PhD proposal in 2014, I therefore decided to study some of the forerunner companies from the CSR workshops in order to explore what was “going on” in this new field of research before conducting my literature review. Following the CSR workshops, a pilot study was conducted in the beginning of 2015. The selected case companies in this cross-industry were all characterized as typical (or archetypal) “forerunners” in this new development of business-NGO collaborations because they had already distinguished themselves in their respective industries over a longer period of time. Since these forerunners already had substantial experience working with sustainable innovation through NGO partners, it was expected that there would be a lot of initial learnings as to how differences among partners were handled and commercial and societal value was created. During the research process it became obvious that some of the companies perceived the concept of value and value creation through CSR and NGO collaborations primarily from a commercial profit maximization logic, whereas other companies considered societal value creation as the most prominent logic, and yet other companies considered commercial and societal logics as equally important. Further along these lines, a main consideration following the learnings from the pilot study related to the extent to which different levels of saturation of collaborative projects and

activities in core business functions potentially influence the way commercial and societal interests are handled and balanced in practice in both the inter- and intraorganizational collaborative interface. These observations from the pilot study inspired me to consult and position the research within literature on institutional logics. Finally, another important observation from the pilot study was that most of the investigated collaborative projects and activities in the examined companies stressed value creation potentials from a business perspective related to sustainable innovation in core functions rather than CSR. These initial observations formed the basis of the first article exploring company perceptions and value propositions in CSR with NGO partners (Lodsgård & Aagaard, 2017) and informed the research focus, research questions, and the following literature review on business-NGO collaborations, sustainable innovation, and institutional logics.

Based on the learnings outlined above, the empirical case selection criteria were changed to include both experienced and less experienced case companies in order to explore managerial dynamics and processes from a longitudinal perspective. Furthermore, in order to strengthen the validity and theoretical contributions of the study, I decided to conduct a cross-case study within the retail sector, so that differences and similarities across cases derived from the data would not be diluted by factors related to different industries. The aim of conducting an industry-specific case study was then to provide a more systematic analysis of the phenomenon rather than analyzing the exoticness.

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This PhD dissertation was written under quite personal turbulent conditions, which meant that my supervisor Annabeth and co-supervisor Torben had to strengthen their patience to the very extreme. I am forever thankful for your patience and support. Thanks for believing in me and my project when I got lost, and for your always inspiring guidance and friendship during tough times of university transfer, sick leave, and divorce. I also want to thank my nearest and dearest for their love and support. It is my hope that cheerfulness and good times lies ahead of me and all the persons who have suffered from my absence and self-absorption during this special and important time of my life.

Thanks for your patience, support and love

Nuuk, december, 2020

Lise

ABSTRACT (ENGLISH)

During the last two decades, we have witnessed how companies increasingly collaborate with NGOs in business ventures in base-of-the-pyramid settings, investment in social welfare innovation and through regulative innovations in the development of stewardship councils and industrial standards. What has been missing and left out in research and discussions among practitioners so far is the fact that businesses and NGOs in general are embedded within different institutional logics. Crossing sectors, businesses and NGOs are therefore challenged by managing contradicting logics in terms of policy discourses at the macro level as well as differing commercial practices in core business operations. Reviewing the literature on business-NGO collaborations it further appears that the majority of studies addresses the phenomenon from a resource-based view, including collaborative continuums and normative stage models. Thus, there is a lack of studies addressing institutional complexity and the underlying micro argentic processes in different phases of the collaboration. Likewise, the majority of studies so far have been conducted in an Anglo-Saxon empirical context, which in contrast to European/Scandinavian democratic traditions are characterized by philanthropy or contestation. Finally, the concept of sustainable innovation is still evolving and impelled by logics related to societal, social and commercial aspects, which challenge the development of accepted definitions. Addressing these theoretical and empirical research gaps the overall aim of this thesis is to explore how companies in practice manage multiple institutional logics in creating sustainable innovation with NGO partners, which is accomplished through a cross-case study consisting five companies and their collaboration with NGO partners.

The thesis is organized in three distinctive parts, where each paper “zooms in” on specific dynamic processes and practices of how multiple institutional logics is managed in the inter- and intraorganizational collaborative interface.

The first paper explore the interorganizational dynamic processes and practices in managing interpartner institutional logics and differences. The findings from this part of the study reveal how partner disagreements are managed in pre-formation, formation, and the implementation phase through micro argentic adaption processes constituting managerial strategies of logic contestation, logic coexistence, and logic blending.

The second paper explore interorganizational processes and practices of how partners organize collaborative processes. The findings of this part of the study reveal how institutional differences between businesses and NGOs influence the governance practices they use for their collaboration, and how the type of innovation moderate this relationship between institutional differences and governance practices.

The third paper explore intraorganizational dynamic processes and practices of how companies manage internal logics across core business professions and functions when collaborating with NGOs. The findings of this part of the study reveal how key actors manage conflicts related to competing logics across internal business professions and functions through relational and strategic micro argentic processes constituting managerial strategies of logic contestation, logic coexistence, and logic blending.

Overall, this thesis provides new knowledge of what happens when institutional logics meet in the same room of consciousness as to how business and NGO partners adjust and adapt to each other in various ways, representing different managerial strategies and pathways. The central argument of this PhD is therefore that there is no best strategy of managing institutional logics in business-NGO collaborations, and not all strategies is equally good; it depends on contextual conditions of the collaborative situation. By arguing why some managerial strategies are more likely under specific contextual conditions, this study provides theoretical understanding beyond normative stage models,

and thereby captures the dynamic and complexity of managing institutional logics from a practice perspective.

This study also provide managers and practitioners knowledge so that they can better navigate and make informed choices that make sense in particular collaborative situations including how partners adapt to each other and build good and productive relations.

ABSTRACT (DANISH)

I løbet af de seneste to årtier har vi været vidne til, hvordan virksomheder i stigende grad samarbejder med NGO'er i udviklingen af nye forretningsmuligheder i udviklingslande, foretager investeringer i social velfærdsinnovation samt arbejder med regulerende innovationer i udviklingen af industrielle standarder og råd. Hvad der hidtil har været overset i forskningen, og i diskussioner blandt praktikere, er imidlertid det faktum, at virksomheder og NGO'er historisk set er indlejret i forskellige institutionelle logikker. I tværsektorielle samarbejder udfordres parterne således af forskelligheden i politiske og miljømæssige logikker samt kommercielle praksisser og logikker. I gennemgangen af litteraturen om samarbejder mellem virksomheder og NGO'er fremgår det endvidere, at størstedelen af undersøgelserne adresserer fænomenet ud fra en ressourcebaseret opfattelse, herunder kontinuums og normative fase modeller der søger at forklare det ideelle, succesfulde og fremvoksende samarbejdsforløb. Der mangler imidlertid undersøgelser, som adresserer den institutionelle kompleksitet og de underliggende mikro-processer der indgår i de forskellige faser af samarbejdet. Derudover er størstedelen af den eksisterende forskning hidtil gennemført i en Angelsaksisk empirisk kontekst, som i modsætning til de Europæiske / Skandinaviske demokratiske traditioner er præget af enten filantropi eller konflikt. Endelig er bæredygtig innovation stadig et begreb under udvikling og influeret af konkurrerende logikker relateret til de samfundsmæssige, sociale og kommercielle aspekter i den tre dobbelte bundlinje,

hvilket udfordrer en tydelig begrebsmæssig definition. Det overordnede formål med denne afhandling er at adressere disse teoretiske og empiriske mangler i forskningen ved at undersøge, hvordan virksomheder i praksis håndterer modsatrettede og konkurrerende institutionelle logikker i skabelsen af bæredygtig innovation med NGO-partnere. Udgangspunktet for undersøgelsen er et cross-case studie bestående af fem virksomheder og deres samarbejder med NGO-partnere.

Afhandlingen er organiseret i tre særskilte dele, hvor hver del “zoomer ind” på specifikke dynamiske processer og praksisser for, hvordan konkurrerende institutionelle logikker håndteres og styres i den inter- og intraorganisatoriske samarbejdsflade.

I første del undersøges de inter-organisatoriske dynamiske processer og praksisser i håndteringen af forskellige, konkurrerende institutionelle logikker mellem parterne. Resultaterne fra denne del af undersøgelsen viser, hvordan forskelle og uenigheder mellem partnere håndteres i forskellige faser af samarbejdet gennem adaptationsprocesser på mikro-niveau, som leder frem til forskellige ledelsesstrategier, herunder; contestation, coexistence og blending.

I den anden del undersøges de inter-organisatoriske processer og praksisser i forhold til, hvordan partnerne i praksis organiserer samarbejdsprocessen. Resultaterne fra denne del af undersøgelsen viser, hvordan institutionelle forskelle mellem virksomheder og NGO'er påvirker de governance praksisser, de anvender i organiseringen af samarbejdet, og hvordan forskellige typer af sustainable innovation modererer forholdet mellem disse forskelle og de anvendte governance praksisser.

I den tredje del undersøges de intra-organisatoriske dynamiske processer og praksisser i forhold til, hvordan virksomhederne internt håndterer konkurrerende logikker, på tværs af funktioner og professioner, når de samarbejder med NGO'er. Resultaterne fra denne del af undersøgelsen viser, hvordan nøgleaktører internt i organisationen håndterer konflikter relateret til konkurrerende logikker gennem relationelle og strategiske mikro-processer, som leder frem til forskellige ledelsesstrategier, herunder; contestation, coexistence og blending.

Samlet bidrager denne afhandling med ny viden om, hvad der sker, når forskellige institutionelle logikker mødes i samme bevidsthedsrum og hvordan parterne gennem forskellige ledelsesstrategier i samarbejdet adapterer til hinanden. Det centrale argument i afhandlingen er, at der ikke findes én bedste ledelsesstrategi for hvordan konkurrerende institutionelle logikker håndteres, og at ikke alle ledelsesstrategier er lige hensigtsmæssige; det afhænger af kontekstuelle forhold i den givne samarbejdssituation. Der kan således argumenteres for, at nogle ledelsesstrategier er mere sandsynlige under specifikke kontekstuelle forhold. Dette bidrager til en ny teoretisk forståelse af dynamikken og kompleksiteten i håndteringen af institutionelle logikker set fra et praksisperspektiv. Denne afhandling bidrager ligeledes med ny viden til ledere og praktikere, således at de bedre kan navigere og træffe ledelsesmæssige beslutninger, der giver mening i konkrete samarbejdssituationer, - herunder hvordan partnere bedst muligt bliver i stand til at adaptere til hinanden og udvikle gode og produktive relationer.

LIST OF PUBLICATIONS BASED ON THE PRE-STUDY

Creating value through CSR across company functions and NGO collaborations: A Scandinavian cross-case study / Lodsgård, Lise Andersen; Aagaard, Annabeth. In: *Scandinavian Journal of Management*, Vol. 33, No 3, pp. 162-174, 01.09.2017. Paper 3 in the PhD dissertation is a further development of this part of the pre-study.

Leveraging sustainable business model innovation through business-NGO collaboration. / Lodsgård, Lise Andersen; Aagaard, Annabeth. 2018. Book chapter In: *Sustainable Business Models*, Palgrave MacMillan. Paper 2 in the PhD dissertation is a further development of this part of the pre-study.

LIST OF APPENDED PAPERS IN THE PhD DISSERTATION

Paper 1: Andersen, L. 2020. Managing logic multiplicity in sustainable innovation with NGO partners: Experiences from the retail industry. The paper is under review at *Business Ethics Quarterly* (BFI 2).

Paper 2: Andersen, L., and Aagaard, A. 2020. Sustainable innovation through business-NGO collaborations: Understanding the role of interpartner institutional logics and governance. The paper is under second review at *Research Policy* (BFI 2).

Paper 3: Andersen, L., and Aagaard, A. 2020. Identifying the key agency practices in managing commercial and societal logics of sustainable innovation with NGO partners. The paper is under review at *Organization Studies* (BFI 2).

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1. INTRODUCTION

Once upon a time there were three companies who got involved in sustainable innovation projects with NGOs. The first company carefully considered how to make the perfect match in order to exploit complementary resources. Everything went well, and together the two partners saved the world with a “magic bullet” and everyone was happy—it was a total “win-win.” Another company had heard that there was a “fortune” hidden somewhere in Africa at the “base of the pyramid,” and so they decided to go on an exotic business venture together with an NGO partner. But soon they realized that the “fortune” was well hidden and very hard to get. The last company was criticized by activist NGOs and had to go through many hardships, learning how to “sleep with the enemy,” (Burchell & Cook, 2013) “go to bed with strange bedfellows,” (Molina-Gallart, 2014), and “turn gadflies into allies” (Yaziji, 2004). They found that what was previously considered to be pretentious airy policy discourses among governments, international institutions, and NGOs stressing the urgency of sustainable action had suddenly slipped through the back door into the company boardroom.

Though the three stories above do not represent the conventional way of introducing the *raison d'être* of a PhD thesis, they nevertheless illustrate that the journey of collaborative sustainable innovation with NGO partners can manifest through many forms and points of departures, meaning that numerous routes and entries may lead companies to transformation of their businesses in a sustainable direction. The three stories capture dominant tales among practitioners and scholars of either “saving the world” or exploiting business opportunities, in the field of business-NGO collaborations and sustainable innovation (Deloitte, 2015; Jørgensen & Pedersen, 2018). From a resource-based view it is assumed that partners should follow normative prescriptions in collaborative phases and governance, leading to higher levels of convergence between partners

(Austin & Seitanidi, 2012a, 2012b), while other practitioners and scholars assume that partners are so “odd” that collaboration is an almost impossible mission (London et al., 2006; Burchell & Cook, 2013). There is of course nothing wrong with such tales and articulations, but it is problematic if they silence or shadow knowledge and exploration of how the involved key actors actually manage collaborative processes in practice. However, we do not have sufficient knowledge of how these collaborative processes play out in the intersection of convergence and conflict. One possible empirical scenario could be that these collaborative processes create minimal or no challenges. Another empirical scenario could be that it is very difficult, albeit not impossible, for the involved actors to make these collaborations work. Yet another scenario could reveal that the dynamic of conflicts is actually a necessary prerequisite in sustainable innovation processes. Because we do not know anything about these matters, it is important to create new knowledge as to how partners get to understand and adapt to each other—how partners in practice govern the collaborative process, and how businesses manage to make things work in their own organizations.

Since collaborative sustainable innovation with NGO partners can take many routes, the intention of this dissertation is not to develop best practice guidelines from a normative point of view. The intention is rather from an explorative point of view to open up the “black box” and gain insight into micro dynamic processes and practices in order to provide new theoretical and managerial knowledge of how companies together with NGO partners facilitate sustainable innovations with both commercial and societal impact. A key objective of this PhD thesis is therefore to move beyond competing tales and articulations and study how companies actually collaborate with NGO partners in the pursuit of sustainable innovation and what inter- and intraorganizational micro dynamic processes and practices make it possible to move these collaborations and innovations successfully forward. Looking behind the tales and articulations, it appears they are rooted in multiple institutional logics brought into play in this new research field of sustainable innovation

and business-NGO collaborations. In addition to that, more scholars have recently argued that managerial capability of handling the ambidexterity of multiple institutional logics is a necessary competence of companies in order to navigate in today's innovation environment (Kraatz & Block, 2008; Besharov & Smith, 2014; Occasio & Radoynovska, 2016). In the perspective of institutional logics we can now begin the introduction in a more conventional way.

1.1 THE NOVELTY OF SUSTAINABLE INNOVATION WITH NGO PARTNERS

In the wake of globalization, issues of poverty, hunger, health, education, inequality, climate change, etc. can no longer be ignored if businesses want to stay innovative, and ensure future sustainable business models (Perl-Vorbach et al., 2015; Yan et al., 2018). Recently a large number of countries (193) have adopted the 17 UN sustainable development goals (SDGs) from 2015, which according to practitioners have increased the focus on business-driven sustainable innovation activities and projects (Børsen, 2018). Therefore, businesses increasingly gain access to new knowledge through NGO collaborations. The recent Corporate NGO Partnerships Barometer report reveal an increase in business-NGO partnerships, with an explicit focus on innovation and long-term sustainable development (C&E, 2019). Not that business-NGO collaboration is a new phenomenon. Businesses and NGOs have a long history of collaboration on the basis of Christian values, philanthropy, and volunteerism (Doh & Guay, 2004; Lewis, 2010). However, following the dominant CSR agenda during the last decade and the increased global attention toward the 17 UN SDGs, business-NGO collaborations have grown in size of investment and strategic importance and have from a business-centric perspective become increasingly more mission and policy driven (C&E, 2019; Florini & Pauli, 2018). Statistics reveal that a decade ago the main driver for businesses to engage in collaborations with NGOs was to achieve reputational gains, whereas the main driver on the side of the NGOs was “all about the money” to gain access to financial resources (C&E, 2010). Though

these drivers are still predominant, the drivers on the side of businesses have changed such that innovation and long-term sustainable development and stability are equally important to reputational gains (C&E, 2019). One main explanation for this recent development is that the 17 UN SDGs continue to increase the amount and scope of business-NGO collaborations (C&E, 2019), meaning that it has become widely recognized that companies nowadays must cross institutional borders and engage with new types of partners with different values and practices (Perl-Vorbach et al., 2015; Yan et al., 2018). The extended focus on the business side to address policy changes has furthermore increased collaborations with activist NGOs (C&E, 2019; UN, 2019). According to Yan et al. (2018), NGOs have the capabilities to help companies facilitate transformative societal changes through expert knowledge, consultancy, and advocacy skills, and by providing access to networks, including policy networks. This renewed attention and focus on sustainable innovation with NGO partners requires new knowledge as to how companies on a practical level navigate in this new collaborative landscape and manage to develop cross-institutional innovation capabilities in the inter- and intraorganizational interface.

1.2 THE AMBIDEXTERITY OF SUSTAINABLE INNOVATION

Traditionally innovation has been dominated and shaped by shareholder activism and short-term market logics, but those have recently given way to higher-order community and societal logics (Dangelico et al., 2013). In a complex, globalized world, companies are influenced by pluralistic demands, including demands of sustainable business, which means “business as usual” is no longer sufficient to ensure profit gains and long-term survival (Ocasio & Radovnovska, 2016). The growing power of NGOs and customers in sustainable innovation is seen in the increasing demand for products and services produced in an environmentally and socially sustainable manner (Hall & Vrendenburg, 2003; Dangelico et al., 2013). The concept of sustainable innovation is defined as

innovation that considers sustainable issues in a manner that meets the needs of company stakeholders as well as those of future generations (Dyllick & Hockerts, 2002; Ketata et al., 2014:60), and it is best accomplished by the inclusion of additional groups of stakeholders such as NGOs (Perl-Vorbach et al., 2015). This means that the concept of sustainability is rather ambiguous and by some scholars considered to be a policy discourse rather than a theoretical concept (Dryzek, 2005; Amsler, 2009; Manning & Reinecke, 2016). The lack of clarification stems from discussions at policy level concerning “weak” and “strong” approaches toward sustainable development (Amsler, 2009; Jones et al., 2013; Jones et al., 2014; Wilson, 2015). Weak sustainability is understood as incremental adjustment of existing practices, where environmental and social issues are subordinate to business opportunities and profit gains. Strong sustainability, on the other hand, is characterized by radical change of existing practices, and in this approach business opportunities and profit gains are subordinate to environmental and social ambitions and principles (Amsler, 2009). This means that the concept of sustainable innovation arises from essentially different institutional logics, and one main shortcoming in the literature is therefore lack of clarification and definition (Weisenfeld, 2012; Parmentier & Gandia, 2013). Floating discourses on a continuum between diverse contested logics mean that the ontological status of the concept is quite uncertain. However, according to Amsler (2009), this uncertainty does not necessarily mean that the concept is “intellectually bankrupt” or “empty,” and consequently it is far more constructive to explore how perceptions and understandings of sustainable innovation unfold across multiple and potentially competing institutional logics. Therefore, a key objective of the study is to move research on sustainable innovation from a political position of either good or bad into an apolitical position bringing sustainable innovation back to practice and to explore how to facilitate collaborations with NGO partners effectively.

Past business innovations and consumption patterns have contributed to many of the sustainable problems we witness today, but business innovation paradoxically also holds great potentials for eliminating these problems (Westley et al., 2011), which is why a business-centric approach is applied in this study. NGO activism and campaigns, on the other hand, represent substantial pressure to push public opinion toward sustainable movements. However, at the end of the day it is the business world that possesses the resources to incorporate and integrate sustainability into innovation value chains. NGOs might have lots of opinions on sustainable issues, but they do not own any shops or factories. It is the corporate world that owns this part of reality. So if NGOs are to create structural changes at the industrial field level, they need to find ways of how to engage and collaborate with the business world; otherwise all that is left is activism, opinions, and good intentions. As mentioned in the preface, the entry of the study was informed by a series of company workshops in my CSR courses meaning that the business-centric perspective was in focus in the very early stages of the research project. Further along these lines, the research process started by contacting and interviewing responsible corporate CSR managers. However, in order to fully capture all aspects of these sustainable collaborative innovation processes, it was important to gather data through documents and interviews with NGO actors as well.

1.3 CROSSING INSTITUTIONAL BOUNDARIES

Companies have a long tradition of collaborative innovation across organizational boundaries with various partners, such as competitors, customers, suppliers, and universities (Powell et al., 1996; Tether, 2002; Caloghirou et al., 2004; Díaz-Díaz & De Saá-Pérez, 2014), but there has been limited research on collaborative innovation crossing institutional boundaries with NGO partners (Holmes & Smart, 2009; West et al., 2014). The premise that NGOs are oriented toward transformational change and value creation at the community and societal level and companies are oriented toward

value creation from a conventional value-in-use, value-in-exchange perspective in order to maximize profits means that these organizations from a historical perspective are embedded in different sectors and potentially conflicting institutional logics (Van Tulder & Van der Zwart, 2006). Institutional logics are defined by Thornton et al. (2012:2) as “socially constructed historical patterns of cultural symbols and material practices, including assumptions, values, and beliefs, by which individuals and organizations provide meaning to their daily activity.” Though it is obvious that businesses and NGOs possess complementary competences, it is important to explore how possible challenges informed by different institutional logics can be managed in order to make collaborations work in real-life situations. Consequently it is important from both an empirical and a theoretical point of view to address the dynamic intersection and trade-off between valuable complementary capabilities and institutional incompatibility due to different values, beliefs, and practices. In institutional literature, more studies have been conducted in order to explore the interplay between multiple and competing institutional logics. Examples of this are seen in the realm of new public management (Glynn & Lounsbury, 2005; Reay & Hinings, 2009; Jay, 2013), in public-private-partnership innovation (Bjerregaard, 2010), and in social enterprises or hybrids (Battilana & Dorado, 2010). However, research into the managerial implications of logic multiplicity in the context of sustainable innovation and business-NGO collaborations has been rather absent (Voltan & De Fuentes, 2016). This is in contrast to the increased number of business-NGO collaborations and the interest in the topic among practitioners, academic scholars, and national and international policy institutions, who have emphasized the positive potentials of cross-sector collaborations solving global issues related to poverty, inequality, and the climate crisis (Yaziji & Doh, 2009; Molina-Gallart, 2014; C&E, 2019; UN, 2019).

1.4 ANALYTICAL PERSPECTIVE OF THE STUDY

Literature on institutional logics has grown ever since Friedland and Alford's iconic article from 1991. However, most studies have been conducted from a macro/meso analytical perspective. These studies have been concerned with questions of how institutional logics at a macro/society level is changed and shaped by agency dynamics at a meso/field level (for examples, see Haveman & Rao, 1997; Creed et al., 2010; Smets et al., 2012), and, conversely, around how changes in logics at the meso/field level are shaped by interinstitutional dynamics and agency at the macro/society level (for examples, see Thornton, 2002; Reay & Hinings, 2005; Dunn & Jones, 2010). By contrast, very few studies have examined the micro/meso dynamics of institutional agency processes (Thornton et al., 2012). Since the aim of this dissertation is to explore how logic multiplicity is managed in sustainable innovation projects and activities with NGO partners in the inter- and intraorganizational collaborative interface, it is appropriate to adopt a micro/meso built-up analytical perspective rather than a macro/meso pulled-down analytical perspective (Powell & Colyvas, 2008). Bearing in mind increased pluralism and blurring interinstitutional boundaries it is not possible to identify institutional logics related to the three main sectors of society in pure forms, and scholars have therefore suggested that institutional logics rather should be considered as an analytical framework in order to understand interinstitutional relations and dynamics between organizations and institutions, and between levels, including the macro (society) / meso (field) level and the micro / meso (field) level (Reay & Hinings, 2005; Thornton et al., 2012; Besharov & Smith, 2014). The micro foundation of institutional logics, including micro agentic processes, therefore constitutes a suitable analytical perspective for exploring the collaborative and managerial dynamics managing sustainable innovation with NGO partners. The ontology of the concept of institutional logics and agency together with the epistemological consideration of the study is further elaborated upon in Chapter 2.

1.5 THE EMPIRICAL SETTING OF THE STUDY

Reviewing the literature on sustainable innovation and business-NGO collaborations, it became clear that two industries in particular have taken position in the absolute forefront, namely the retail and banking industries, which accounted for two thirds of the studies. The case examples from these studies were primarily founded in a base-of-the-pyramid context and related to micro credit (Yunus et al., 2010; Dossa & Kaeufer, 2014), voluntary regulations and standards (Kong et al., 2002; Baur & Arenas, 2014), fair trade (Senge et al., 2006; Phills et al., 2008; Geysmans et al., 2017), and new business model innovation (Sorescu et al., 2011; Prahalad, 2012; Lodsgård & Aagaard, 2018). This is very similar to a study conducted by Shumate et al. (2018), who found that companies in the retail and banking industries report relatively more NGO partnerships than should be expected from a statistics perspective. One possible explanation is that both industries are very similar in the offers they put up for sale, which makes it difficult to differentiate products and services (Shumate et al., 2018).

During the last two decades the retail industry has become by far the fastest-growing industry worldwide and is simultaneously challenged by numerous sustainable issues related to global supply chain, including working conditions, child labor, deforestation, and climate change (Jonsson & Tolstoy, 2014). The European Environment Agency (2012) has argued that the consumption and use of natural resources has developed completely out of proportion and that unsustainable consumption is the mother of all environmental issues. Shifting customer needs and preferences toward healthier products and products produced in an environmentally and socially sustainable way together with a very intense competition situation has driven retailers toward high levels of sustainable innovation in order to adapt to these new market conditions (Vasile, 2015; Luchs et al., 2016). The megatrends in sustainable retail innovation are seen in product innovation related to different product labels (e.g., ecologic product labels), in process innovation related to working

conditions or environmental issues in supply chain, in fair-trade products at the base of the pyramid, and in consumer-oriented innovations (e.g., sustainable shelf management leading to sustainable consumption) (Wiese et al., 2015). In addition, increasing pressure from NGO-led movements and ambiguity on the side of customers due to misalignment between declared customer interests and actual consumer behavior means that retailers are captured in a complex web. They must balance external, ambitious societal agendas of doing good in the world and short-term customer cost-efficiency behavior together with internal short-term cost-efficiency strategies in supply chain (Jones et al., 2014; Lehner, 2015). Finally, retailers have, in general, been criticized as pursuing a rather weak approach toward sustainable innovation, where ecological and social issues have been subordinate to economic considerations of profit gains (Jones et al., 2013; Jones et al., 2014; Wilson, 2015). On a practical level, more and more retailers address sustainability from an innovative perspective in both strategy and business model innovation (Sorescu et al., 2011; Wiese et al., 2012; Jones et al., 2014). One main paradox, however, is that this high activity level among retailers is not reflected in research, where managerial practices and challenges of sustainable innovation mainly have been overlooked (Wiese et al., 2012; Jones et al., 2014). Furthermore, research on sustainable retail innovation, sustainable innovation in general, and business-NGO collaborations has been rather limited in a Nordic/Scandinavian empirical context compared with the Anglo-Saxon empirical context, where research has been dominant so far.

Consequently, the retail industry is highly relevant for exploring the managerial implications of logic multiplicity in sustainable innovation. A cross-case study consisting of five Nordic/Scandinavian retailers and their NGO partners therefore constitutes the empirical setting of this study. The research focus of the study is furthermore centered on sustainable innovation in products, processes, services, and business models related to the retailers' own private labels.

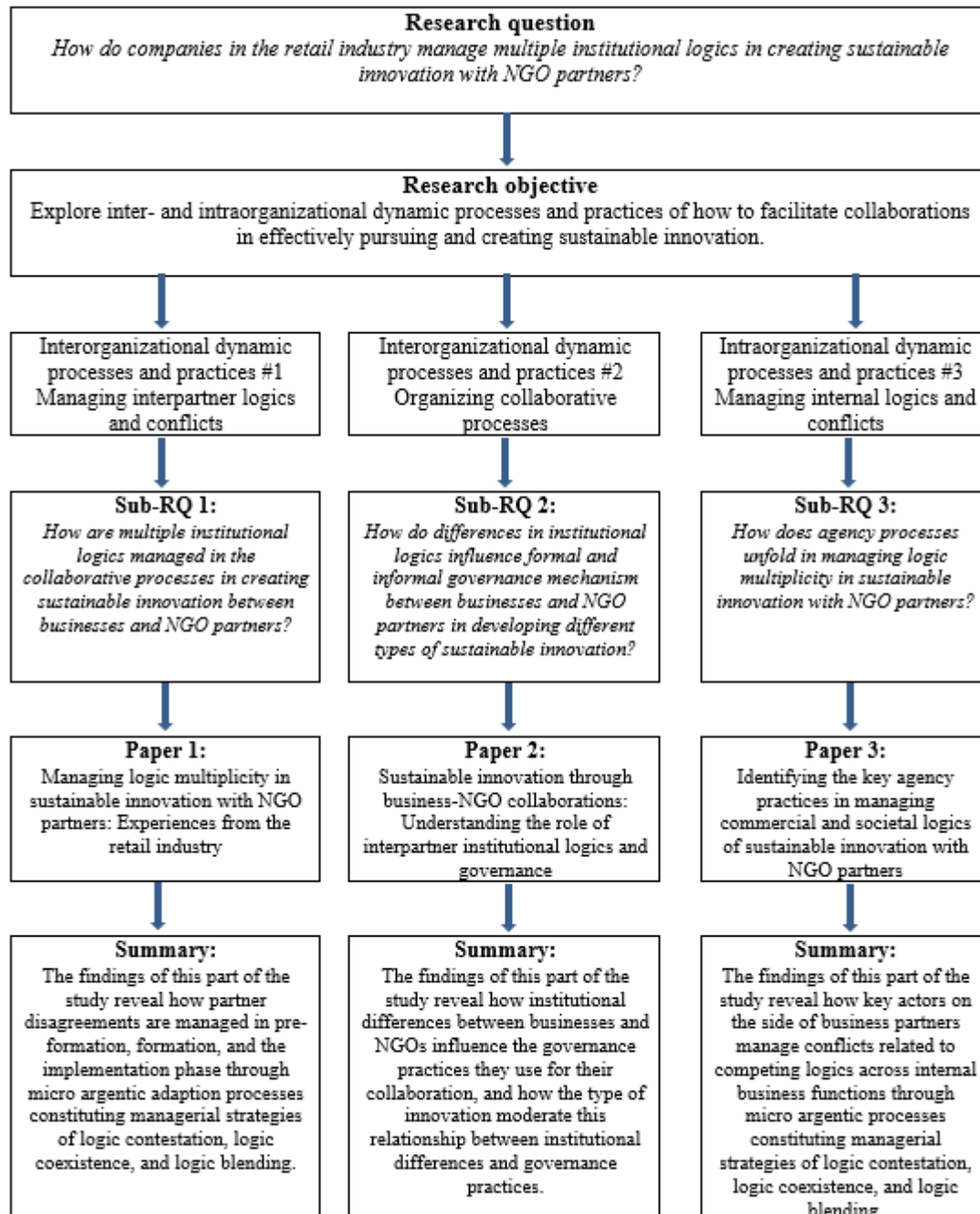
1.6 THE OVERALL AIM OF THE STUDY

The observations and research gaps in the literature outlined above reveal that there is a call for the application of the institutional logics theory exploring the inter- and intraorganizational dynamic processes and practices in this new field of sustainable innovation with NGO partners. The increased attention toward sustainable innovation through collaborative activities and projects with NGO partners (C&E, 2019) stresses the need to advance both practical and theoretical knowledge in this new field of research. Reflecting a contemporary real-life problem from a practitioner perspective drawing on actor real-life learnings and experiences (Corley & Gioia, 2011) of the collaborative processes this study advances knowledge from a practitioner perspective. Addressing the shortcomings in literature and practice outlined above, the overall aim of this thesis is to *explore how companies in the retail industry manage multiple institutional logics in creating sustainable innovation with NGO partners*.

By the exploration of logic multiplicity in the collaborative process of sustainable innovation with NGO partners, this study constitutes knowledge of the managerial dynamic processes and practices from both an interorganizational and an intraorganizational analytical perspective. Applying such an analytical approach makes it possible to generate in-depth investigation of how different dilemmas and trade-offs of multiple institutional logics are optimized and managed effectively. The managerial contribution also constitutes exploration of how multiple logics unfolds in various situations of either integration or conflicts and negotiations, where partners diverge, or in ways where partners practice a “living apart together” strategy and just get the job done. It is important to gain insight into the interorganizational and intraorganizational collaborative processes, since such an insight is the key turning point for understanding how to release and scale up these sustainable innovations, both commercially and on a society level. Finally, the open explorative approach toward sustainable innovation with NGO partner, including the many routes and forms these

collaborations may take, means that this study constitutes scientific utility (Corley & Gioia, 2011) by theoretical and conceptual clarification of this new phenomenon.

Figure 1. Overview of the distinct parts of the study



In exploring of the intraorganizational and interorganizational perspectives in sustainable innovation with NGO partners, this study is organized in three distinctive parts, where each part

“zooms in” on specific dynamic processes and practices of how multiple and conflicting logics are managed. The first paper focuses specifically on the exploration of interpartner logics and dissimilarities and disagreements in the pre-formation, formation, implementation, institutionalization, and continuation/termination phase of the collaboration, and how these disagreements are managed through adaption practices in the collaborative process.

The second paper explores the governance mechanisms to get a close-up look at how interpartner institutional logics inform the way collaborations are organized on a practical level in different context of sustainable innovation. This part of the study therefore contributes to a general and well-established discussion about formal and informal governance mechanisms in alliance, interorganizational, and cross-sector collaborative literature (Madhok, 1995; Dacin et al., 2007; Rivera-Santos & Rufin, 2010; Simpson et al., 2011). By the exploration of how different mixtures of formal and informal governance unfold in business-NGO collaborations, this study contributes theoretically to the growing literature on business-NGO collaboration and cross-sector and interorganizational collaborations in settings characterized by pluralism and institutional complexity, and to specific discussions about partnership integration and institutionalization in business-NGO literature (Seitanidi & Crane, 2009; Austin & Seitanidi, 2012b).

The third paper explores how business partners from an intraorganizational perspective manage multiple logics through dynamic agency processes. This part of the study therefore contributes to the growing body of literature on institutional complexity and ambidexterity by the exploration of how conflicting logics unfolds and is managed in practice inside businesses. It further contributes to discussions in literature in the intersection of institutional logics multiplicity, institutional agency, and institutional entrepreneurship (Battilana & Dorado, 2010; Currie & Spyridonidis, 2016). By the explicit application of Besharov and Smith’s (2014) conceptualization of the compatibility-centrality matrix, paper 1 and 3 contribute with new knowledge of the underlying micro argentic

processes that constitutes different strategies of how institutional logics are managed in the inter- and intraorganizational interface, including strategies of contestation, coexistence, and blending. Together the three distinctive parts of the study constitute theoretical contribution in the intersection of institutional theory, agency theory, interorganizational, and business-NGO collaborative literature. Though a growing body of research emphasize the importance of sustainable innovation for fostering societal impact and business opportunities (Holmes and Smart, 2009; Perl-Vorbach et al., 2015), the concept is still evolving and is impelled by diverse logics and orientations, which challenge the development of accepted definitions. The three distinctive parts of the study therefore contribute to further clarification of the concept by tapping into discussions in literature in the intersection of logic multiplicity and sustainable innovation as to how competing logics of profit maximization and policy/societal idealism unfold in practice (Bocken et al., 2015; Upward & Jones, 2016).

1.7 THE OUTLINE OF THE THESIS

The thesis consists of five initial chapters together with three empirical papers and the overall contributions of the study. The first chapter introduces the topic, identifies the main research gaps, and addresses the overall aim and contributions of the study. Chapters 2 and 3 address the scientific approach and the definitions and delimitations of the study. Chapter 4 addresses the theoretical positioning of the study and elaborates on the specific theoretical research gaps outlined in the three papers and frame how the various parts of the study are interrelated. Chapter 5 addresses the methodological considerations and choices regarding the research design, research methodology, data collection, data analysis, validity, and reliability. Finally, the three papers are presented in Chapter 6, and the overall theoretical, empirical, and practical contributions are discussed in Chapter 7.

2. SCIENTIFIC APPROACH OF THE STUDY

In this chapter, the underlying ontological and epistemological pillars of the study are discussed and elaborated upon. Ontology relates to the “nature of being” of a given phenomenon and its existence in the world (Lawson, 1997). The ontological positions in social science represent a continuum from realism in the one end of the continuum, where it is assumed that reality of social phenomena exist independently of human consciousness, to relativism at the other end of the continuum, where it is assumed that social phenomena have a more complex and social constructed nature (Fuglsang & Bitsch, 2004). Epistemology refers to how knowledge of a given phenomenon can be acquired and represents a continuum from positivism (empiricism) to constructivism (Fuglsang & Bitsch, 2004).

Neo-institutional theory and the micro foundation of institutional logics constitute the starting point of the ontological considerations. Further along these lines, the micro foundation and ontology of the different dimensions of the concept of agency are elaborated upon, inspired by Bourdieu’s work on social theory (Bourdieu, 1977; Bourdieu & Passeron, 1977), and Emirbayer and Mische’s (1998) seminal work on agency. Based on these inspirations, this study ontologically adopts a scientific position in the middle in between realism and relativism. Epistemologically, as to how knowledge of the inter- and intraorganizational micro dynamic processes and practices in collaborative sustainable innovation with NGO partners can be acquired, this study find it useful to adapt to critical realism stratification of reality into the empirical and actual domain and the domain of reality (Bhaskar, 1997). This combined ontological and epistemological choice makes it possible on a practical level to integrate realism and constructivism in the analysis process.

2.1 CLASSIC INSTITUTIONAL THEORY AND INSTITUTIONAL LOGICS

Institutional logics originate from neo-institutional theory established in groundbreaking work by Meyer and Rowan (1977) and DiMaggio and Powell (1983) and is founded within social constructivism. Early discussions in neo-institutional theory were concerned with questions related to the increased homogeneity across organizations and the mechanisms of how organizations adapt to changes at the field level. In order to achieve legitimacy it is generally accepted among neo-institutional scholars that organizations adapt to the environment in similar ways, leading to isomorphism—including coercive, mimetic, and normative isomorphism within a given organizational field—and that these processes are decoupled from core operational practices (DiMaggio & Powell, 1983). Following the institutional perspective, sustainable innovation and NGO collaborations would be perceived as a typical consequence of isomorphism in order to achieve and maintain legitimacy in an interconnected globalized world. These “rationalized myths” leading to isomorphism and homogeneity across institutions have, however, been challenged by Friedland and Alford (1991), who question whether the idea of isomorphism is able to fully explain how institutional success is achieved. Their criticism emerged from the assumption that it is impossible to interpret organizational structure independently of the institutional context in which they are embedded. The core essence in institutional logics theory is therefore to explain institutional changes across time and context—founded in the idea of subjective interpretations and actions by individual actors, rather than homogeneity through isomorphic processes (Thornton & Ocasio, 2008; Greenwood et al., 2010; Thornton et al., 2012). Institutional logics are defined as kind of supra-organizational patterns with both material and symbolic characteristics, and therefore bridge the interplay between structure and agency by which organizations and individuals inform operational practices and activities in a meaningful way (Friedland & Alford, 1991). Inspired by Friedland and Alford, Thornton and Ocasio (1999:804) move a step further and define institutional

logics as “socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality.” The aspects of context, time, and the importance of agency in institutional logics theory correspond with the ontology in social constructivism, where it is assumed that society is an objective reality that over time is created (produced) through human interpretation and activity, and that these human interpretations and activities reproduce themselves (Berger & Luckmann, 1966). The ontological subject-object dialectic process explained by the concepts of externalization, objectification, and internalization in Berger and Luckmann’s seminal work corresponds with the structure-agency discussion in institutional theory. In this subject-object dialectic process, reality is socially constructed through common-sense knowledge of everyday life through processes of externalization, objectification, and internalization. Externalization is tightly related to the micro processes of agency, as human agents externalize themselves through everyday activities and interactions. These activities and interactions lead to new routines and traditions building up new institutions that over time become permanent societal institutions reaching a level of objectification and finally a level of internalization, where individual actors become socialized through taken-for-granted values, rules, and practices such as those related to sector-specific institutional logics. Objectification corresponds with the function of legitimacy and isomorphism in neo-institutional theory, and socialization (internalization) leads to coherence of the objective and subjective reality. However, Berger and Luckmann (1966) also stress the possibility of unsuccessful socialization followed by contestation and conflicts. Thus, it is possible that individuals find themselves in situations where they are challenged to manage the contradictions of more socialization processes simultaneously, where some of these may be primary, whereas others may be secondary (Berger & Luckmann, 1966). Accordingly, both neo-institutional theory and theory on institutional logics are ontologically founded in social constructivism. However, there are

differences, as the former is primarily concerned with structural homogeneity through isomorphism, while the latter is oriented toward both structure and individual agency, where only coercive isomorphism is assumed to expose elements of agency; e.g., through actors in powerful positions at field level such as NGOs (Lounsbury & Crumley, 2007; Thornton et al., 2012).

The subject-object dialectic process of externalization, objectification, and internalization further means that institutional logics are not necessarily a stable phenomenon, because institutional and historical interdependence is the wellspring of new institutions (Thornton et al., 2012). Equivalent to the bathing metaphor by the Greek philosopher Heraklit, it could be argued that it is not possible for individuals or organizations to bathe in the same river of institutional logics twice because individuals constantly facilitate some level of institutional change at the micro level. The constant interplay between externalization, objectification, and internalization therefore holds the paradox of embedded agency (Seo & Creed, 2002), which for centuries has influenced structure-agency discussions in institutional literature. The essence of this discussion addresses the question as to how it is possible for actors to change existing practices and values in which they themselves are embedded (Seo & Creed, 2002). Accordingly, the dynamics of externalization, objectification, and internalization underlying structure and agency are important to take into consideration exploring the micro processes of how institutional ambidexterity of logic multiplicity is managed in practice. Since the focus in institutional literature for many years has been centered on isomorphic processes, stability, and deterministic explanations toward change, neo-institutional theory in general lacks interest in micro-level management processes as to how organizations and individuals manage inherent contradictions related to multiple institutional logics (Garud et al., 2007; Creed et al., 2010). By framing institutional logics theory in continuation of neo-institutional theory, this study seeks to focus on micro dynamic managerial processes of how organizations and individuals in practice manage the complexity of logic multiplicity. From a social constructivist ontological perspective,

this study bridges the interplay between structure and agency and taps into and contributes to the ongoing structure-agency discussion, meaning that neo-institutional theory is still considered as an important underlying theoretical framework. The micro foundation of institutional logics in conjunction with social constructivism therefore constitute a suitable analytical perspective for exploring the collaborative and managerial dynamics managing sustainable innovation with NGO partners. The ontology of the concept of agency that constitutes the micro foundation of institutional logics is further elaborated upon in the following section.

2.2 THE ONTOLOGY OF AGENCY

Agency is a central concept for understanding the micro foundation of managing logic multiplicity. Agency is, however, also a fragmented concept that for decades has been discussed and elaborated upon by scholars in social science (Giddens, 1984; Emirbayer & Mische, 1998; Emirbayer & Johnson, 2008), in neo-institutional theory (DiMaggio & Powell, 1983), and in theory on institutional entrepreneurship (DiMaggio, 1988; Boxenbaum & Battilana, 2004; Battilana et al., 2009) inspired by Bourdieu (Bourdieu, 1977; Bourdieu & Passeron, 1977).

The concept of agency is rather vague and associated with concepts of intentionality, the ability to force changes (Giddens, 1984), motivation and mobilization of resources (Thornton et al., 2012), creativity, and the ability to move beyond existing practices (Battilana et al., 2009). The understanding of agency further links to Bourdieu's (1977) conceptualization of fields, capital and habitus, and the dynamic interplay of these concepts. By introducing the concept of fields, Bourdieu divided society into micro entities informed by distinct values and regularities in which actors become socialized. These fields consists networks of social relations, where individual are positioned as more or less powerful actors (Bourdieu, 1977). These power positions are further influenced by valuable resource possessions, including economic (material), cultural (knowledge,

capabilities, etc.), and social capital (network, infrastructure, etc.). When these tangible and intangible resources are invested and become highly valued and legitimized in a given field, they transform into symbolic capital (Bourdieu, 1977). Studying the interplay of field positions and resource possessions (capital), Bourdieu intended to analyze social structures and the mechanisms by which these structures are maintained and reproduced (Bourdieu & Passeron, 1977). Since only a few actors are able to possess dominant positions, there will be winners and losers, meaning that inherent conflicts and contestation are underlying premises in any given field (Emibayer & Johnson, 2008). While Bourdieu explains reproduction and maintenance of social structures as something that is constituted by actor resource possession and power position in fields, neo-institutional theory explains the same phenomenon by isomorphic processes. Accordingly, neo-institutional theory lacks focus on relational micro dynamics emerging from contestation and power struggles. In this respect Swartz (2008) argues that Bourdieu's conceptualization of field, capital, and habitus reframes and bring in new inspiration into neo-institutional theory and resource dependence theory (Pfeffer & Salancik, 1978).

In a recent study, Shu and Lewin (2017) combine resource dependence and agency theory, exploring how low-power actors in a field are able to manage and transform resource vulnerability. Bringing Bourdieu's social theory into organizational analysis, Emirbayer and Johnson (2008) stress that the dynamic interplay of the concepts in Bourdieu's framework constitutes the contextual conditions as to how power relations are reproduced and unfold in both inter- and intraorganizational settings. Additionally, Eteläpelto et al. (2013) stress the need to understand the influence of these contextual conditions in agency analysis. Further along these lines, it is important to take into consideration that formal and informal social positions internally within organizations, together with organizations' social position in a given field may influence how successfully existing structures are changed Battilana (2006). Relatedly, Bourdieu (Bourdieu, 1977; Bourdieu & Passeron,

1977) was not only interested in understanding reproduction and structuration of society but also how individuals subjectively interact with these objective structures in ways that may lead to either stability or change. Bourdieu (1977) describes this subject-object interaction dynamic as habitus understood as individual actions guided and informed by past experience, together with resource possessions and positions in organizational fields in which individuals are embedded. The stabilizing and structuring understanding of habitus corresponds with DiMaggio's (1988) understanding of institutional entrepreneurs as actors that possess sufficient resources to realize their interests giving rise to new institutions. This is much in line with Giddens's (1984) understanding of agency, where actors are characterized by their conscious intentionality and the capability to pull resources and use power positions to achieve a given outcome. However, by engagement in more life arenas such as professional education, family, communities, religions, and corporations, individual actors possess the inherent ability to develop reflexive capacity and creativity in the way they engage in different situations (Emirbayer & Johnson, 2008). This understanding of agency as change corresponds with Battilana's (2006) definition of institutional entrepreneurs as individuals that actively take part in transformation processes that fundamentally break with existing practices and dominant institutional logics, whether or not these individuals possess the necessary resources and social positions to implement these changes successfully. The subject-object dynamic interplay of the concept of habitus, field-level positions, and resource possessions therefore holds the inherent potential of individual action representing both stability and change.

By introducing the concept of habitus and the dynamic subject-object interplay between habitus, fields, and capital, Bourdieu (1977) empirically and theoretically transcends the antagonism of structure and agency. Ontologically, the main inspiration of Bourdieu's subject-object dynamic in social theory came from critical theory, where the ontology is the objective reality understood as

historic determinism (Marx), and the subject-object dynamic of subjects critic clarifying processes through which awareness of the objective reality is achieved (Habermas) (DiMaggio, 1979). Another inspiration came from phenomenology (Husserl), where the ontology is that reality exists in subject-object relations, where subjects focus their attention toward a given object (intentionality) (DiMaggio, 1979). Bourdieu's (1977) subject-object dynamic of how social structure is reproduced and how individuals interact with these structures in a reproductive or transformational way further links to the subject-object dialectic processes in social constructivism, where it is assumed that society is a social constructed objective reality, by which humans become socialized more or less successfully, leading to either reproduction or change (Berger & Luckmann, 1966). Ontologically the subject-object dynamic is important in this specific research project because the dynamic interplay of field, capital, and habitus holds the inherent potential for contested and conflicting institutional logics among partners and actors and therefore constitutes the contextual conditions that may influence the micro dynamic agency processes in the inter- and intraorganizational collaborative interface. In sum, what is interesting to explore is how contextual conditions of social positions and resource possessions inspired by Bourdieu (Bourdieu, 1977; Bourdieu & Passeron, 1977) influence the way micro dynamic agency processes unfold in practice and constitute strategies of how logic multiplicity is managed in the inter- and intraorganizational interface in sustainable projects and activities with NGO partners. Based on the thoughts of Bourdieu in combination with resource dependence theory it is possible that the involved partners and actors hold equal or unequal power positions in the inter- and intraorganizational field and that they possess equally or unequally valued resources (symbolic capital). Whatever positions partners and actors may hold and whatever resources they may possess, it is important to provide new knowledge of the micro dynamic agency as to how partners learn from each other and adapt to each other through processes that may be characterized by creative reflections finding new or practical

solutions or by coercive isomorphism. Though this study holds an open door for neo-institutional coercive isomorphism in the ontological understanding of the concept of agency, the main intention is to explore non-isomorphic argentic adaption processes. In order to understand the micro dynamic agency processes as to how partners and actors reflect, adapt, create new knowledge, and find practical solutions it is important to understand agency as a contextual and temporal phenomenon in line with the social constructivism understanding and the definition of institutional logics (Thornton & Ocasio, 1999). In their seminal work, Emirbayer and Mische (1998:962) understand agency as a temporal embedded chordal triad consisting of past, future, and present dimensions. They define agency as:

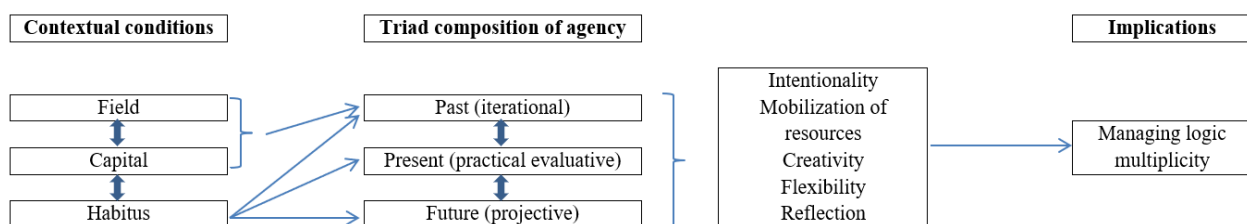
A temporally embedded process of social engagement, informed by the past (in its “iterational” or habitual aspect) but also oriented toward the future (as a “projective” capacity to imagine alternative possibilities) and toward the present (as a “practical-evaluative” capacity to contextualize past habits and future projects within the contingencies of the moment).

The temporal embedded aspect in the definition indicates the floating nature of concept of agency. The past (iterational habitual) dimension of agency is inspired by Bourdieu, and is by Emirbayer and Mische (1998) understood as routinized practices and taken-for-granted preconceptions, where it is assumed that actors replicate past actions without much reflection. The past dimension of agency therefore corresponds with structure in the structure-agency continuum, leaving little room for individual freedom, reflexivity, and creativity. Following Bourdieu’s assumption that the subject-object dynamic interplay holds the inherent potential of both stability and change, Emirbayer and Mische (1998) move a step further by introducing the future (projective) dimension of agency, which enables researchers to understand how actors are capable of challenging and reconstructing existing conceptions projecting their hopes, fears, and dreams into the future. Finally, the present (practical evaluative) dimension of agency makes it possible to understand how dilemmas and contradictions stemming from discrepancies in the intersections of past habitus,

future projections, and contextual conditions are solved through actor practical solutions in the here and now (Emibayer & Mische, 1998).

Summing up, it could be argued that the subject-object ontology of this study is somehow double as focus is on: 1) how actors subjectively interact with objective structures influenced by their positions in organizational fields and resources possessions (capital) (Bourdieu, 1977; Bourdieu & Passeron, 1977), and 2) how actors through temporal compositions of past, future, and present agency are able to comply to or change existing conceptions, routines, and practices (Emirbayer & Mische, 1998). Bourdieu's (1977) subject-object dynamic interplay of the concepts of habitus, field-level positions, and capital together with Emirbayer and Mische's (1998) multidimensional approach toward the micro foundation of agency makes it possible empirically to explore dynamic agency processes in the interplay between past, future, and present dimensions and how these compositions are influenced by contextual conditions. The double subject-object ontological understanding of the micro foundation of dynamic agency and the implications as to how logic multiplicity is managed is summarized in Figure 2 below.

Figure 2. The subject-object ontology of the micro foundation of agency and logic multiplicity



The theoretical and empirical strength of the ontology of the micro foundation of agency and logic multiplicity as illustrated in Figure 2 is that structure and agency is understood as an inseparable phenomenon. What characterizes neo-institutional theory is a fear of opening the back door to rational choice theory from older institutional and bringing it back into organizational analyses, which is why the future and present dimensions of agency have not been given much attention in

this stream of literature (Mutch, 2007). Consequently, it is not possible from a neo-institutional perspective to open the managerial black box and analyze organizational processes from a micro dynamic perspective. On the other hand, research on institutional entrepreneurship (Boxenbaum & Battilana, 2004; Lounsbury & Crumley, 2007; Battilana et al., 2009) in newer institutional theory has mainly focused on the future and present dimensions of agency overlooking the dynamic interplay and potential conflicts of temporal compositions of past, future, and present agency and how these are influenced by contextual conditions. However, according to Emirbayer and Mische (1998) and Emirbayer and Johnson (2008), it is a false assumption to think it is possible to separate structure and agency in inter- and intraorganizational analysis. Along these lines, Bourdieu's (1977) concept of habitus is to be considered not only as something that corresponds with the past dimension of agency but also something that corresponds with the future and present dimensions of agency due to actor engagement in more life arenas, which makes it possible for them to act in flexible, reflective, and creative ways. It is also assumed that changes in the contextual conditions will cause a shift as to how the triad of past, future, and present agency is composed. The illustrated ontology of agency in Figure 2 therefore fully captures structure-agency as a temporal, embedded, and contextual concept and opens for a variety of temporal triad compositions of past, future, and present argentic aspects influenced by contextual conditions. It is assumed that the way these dynamic processes play out in the inter- and intraorganizational collaborative interface constitutes the way logic multiplicity is managed in practice. Bringing both structure and agency into organizational analysis of business-NGO collaboration, and bridging neo-institutional theory, theory on institutional logics, and theory on institutional entrepreneurship, this study contributes with new understandings and inspirations to the ancient structure-agency discussion in institutional literature. The epistemological consequences of the chosen ontological understanding of the micro foundation of agency and institutional logics is elaborated upon in the next section.

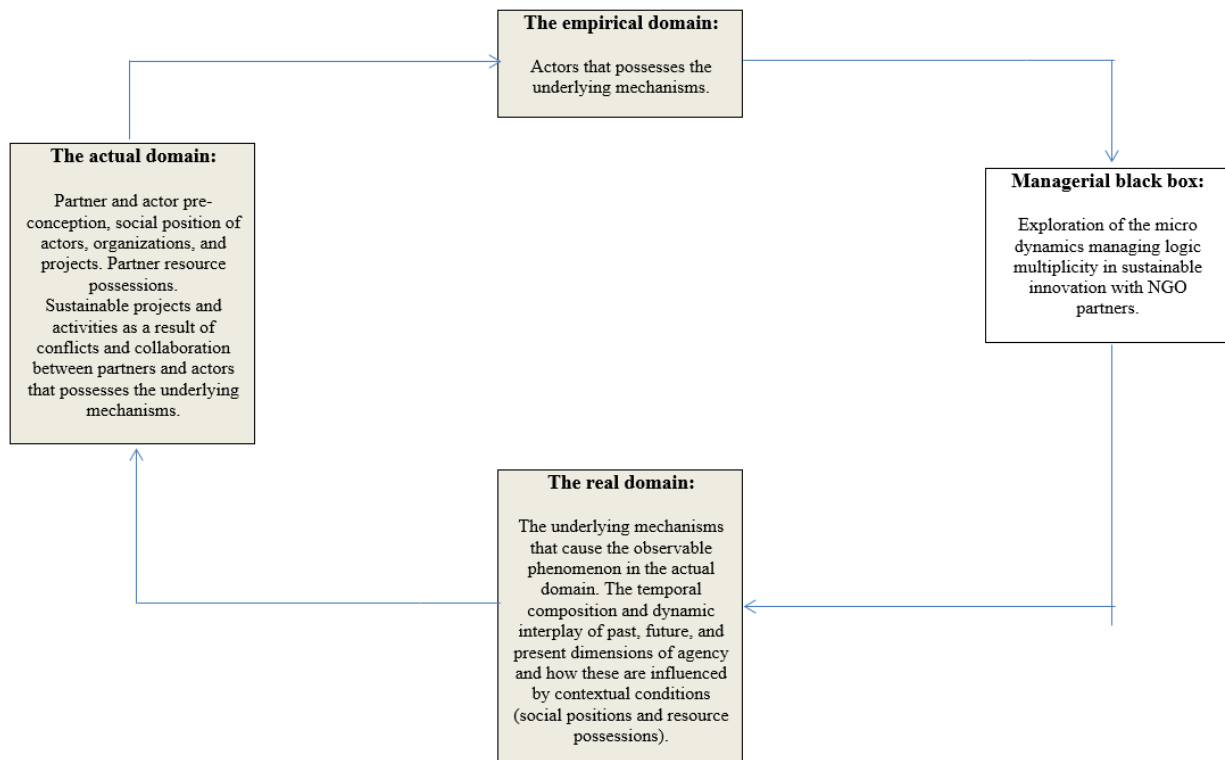
2.3 EPISTEMOLOGICAL CONSIDERATIONS

Based on the outlined ontological considerations in the previous sections, it can be argued that the ontological foundation of this study constitutes a combination of realism and relativism. The double subject-object ontological understanding of the micro dynamics of institutional logics including the inseparability of structure-agency (Bourdieu, 1977; Bourdieu & Passeron, 1977; Emirbayer & Mische, 1998) founded in social constructivism (Berger & Luckmann, 1966) is, however, not only an ontological matter. It is also an epistemological matter related to the basic understanding of “which knowledge can be acquired” and “how this knowledge can be acquired” (Fuglsang & Bitsch, 2004).

Since the intention of this study is to open the managerial black box and explore how logic multiplicity is managed in the inter- and intraorganizational collaborative interface from a micro dynamic perspective, it is necessary to apply to the epistemology of critical realism. The strength of critical realism and what distinguishes it from social constructivism is the stratification of reality into three domains: the domain of reality, the actual domain, and the empirical domain (Bhaskar, 1997). This stratification makes it possible epistemologically to open up the inter- and intraorganizational managerial black box in a way that includes both structure and agency and the contextual conditions that influence micro dynamic processes. Though social constructivism ontologically considers reality as a complex social constructed nature (relativism), whereas critical realism considers reality as something that exists independently of human consciousness, language, concepts and ideas (realism) (Bhaskar, 1997), there are more epistemological similarities between social constructivism and critical realism than there are differences. It is not that critical realism only considers reality as objective and independent of human consciousness; critical realism simultaneously recognizes the role of individual interpretations of reality, meaning that critical realism from an epistemological point of view coincides with constructivism (Taylor, 2018).

Likewise, from an ontological point of view it could be argued that social constructivism following the Berger and Luckmann (1966) tradition represents a moderate version of relativism compared with newer streams in constructivism literature, e.g., the more radical relativism seen in the social constructionism tradition (Burr, 2015). The epistemological stratification of reality into the empirical, actual, and real domain used in this PhD project is illustrated in Figure 3 below.

Figure 3. Critical realism – how knowledge is acquired in the study



The empirical domain contains data about partners and actors, which are directly observable and which can be derived from documents, interviews, observations, etc., in the studied context. Thus, from the empirical domain it is possible to gather data exploring the managerial black box as to how the micro dynamics of logic multiplicity are managed in sustainable innovation with NGO partners. The actual domain contains the preconceptions and taken-for-granted beliefs, practices, and routines that partners and actors bring into the inter- and intraorganizational collaborative interface informed by sector institutional logics and contextual conditions in terms of social positions and resource

possessions. The actual domain further contains observable sustainable projects, activities, events, and operations, which are a result of social interactions, conflicts, and collaboration between partners and actors. The actual domain, however, only surfaces what is observable, as the involved actors may not be consciously aware of their preconceptions and taken-for-granted beliefs, practices, and routines of the past and how these interrelate and potentially create conflicts in the collaborative process. The domain of reality therefore contains all of the underlying contextual conditions and temporal compositions of agency that cause the complexity and conflicts of institutional logics related to sustainable innovation projects and activities that are part of the actual domain. These underlying mechanisms are not directly observable but relate to existing structures and logics and to organizations and actors' powerful and resourceful, or less powerful and resourceful, organizational field positions. As discussed, the compositions of past, future, and present agency and the contextual conditions related to social positions and resource possessions may change over time, meaning that the causality of the underlying mechanisms in the real domain are only temporary causalities. Furthermore, across cases in a multiple cross-case study there may be multiple argentic compositions and interrelations with contextual conditions, meaning that the causality of the underlying mechanisms is not something that can be determined explicitly but is rather to be considered as argentic pathways as to how partners deal with potential conflicting situations managing logic multiplicity. Following the extended ontological and epistemological foundation of the study, the methodology of the study is elaborated on and presented in Chapter 5.

3. DEFINITIONS AND DELIMITATIONS OF THE STUDY

As mentioned previously, the aim of this study is to explore how companies in the retail industry manage multiple institutional logics in creating sustainable innovation with NGO partners. Therefore there is a need to clarify the concepts of institutional logics, business-NGO collaborations, NGOs, and sustainable innovation. Though the concept of institutional logics has already been elaborated upon from an ontological and epistemological perspective in Chapter 2, there is a need to clarify how the micro foundation of institutional logics is used in this study, and how this differs and interrelates from other familiar micro theories including sensemaking and institutional entrepreneurship.

3.1 DEFINITION AND CLARIFICATION OF THE MICRO FOUNDATION OF INSTITUTIONAL LOGICS

As mentioned in Chapter 2, Friedland and Alford (1991) challenged the assumptions of isomorphism and introduced the idea of an interinstitutional system consisting of five institutional logics emphasizing the importance of cultural, social, and contextual factors. They defined institutions and logics as:

...central institutions of contemporary capitalist West—capitalist market, bureaucratic state, democracy, nuclear family, and Christian religion—[that] shape individual preferences and organizational interests as well as the repertoire of behaviors by which they may attain them. These institutions are potentially contradictory and hence make multiple logics available to individuals and organizations. Individuals and organizations transform the institutional relations of society by exploiting these contradictions. (Friedland & Alford, 1991:232)

Friedland and Alford's (1991) interinstitutional system consisting of five institutional orders/logics was originally developed from a macro/societal perspective but has since been extended and elaborated upon by more scholars. Thornton and Ocasio (1999) contributed to this line of work by elaborating upon the concept at field level, and later Thornton (2004) changed the typology by removing the bureaucratic logic and adding the corporations' and professions' institutional logics.

Additionally, Thornton (2004) contributed by operationalization of the typology by developing elemental categories. Further, Thornton et al. (2012) introduced the idea of macro, meso, and micro analytical levels together with a seventh logic, the community logic that was added to the typology. The seven interinstitutional logics—family, community, religion, state, market, profession, and corporation—relate to a certain domain of society informed by distinct symbols, practices, and governance systems that shape preferences and behavior on the individual and organizational level (Thornton et al., 2012). It is furthermore assumed that symbols and practices are instantiated (meaning evidentially present) within or across institutional logics depending on the context, time, and situation in which a given organization is located (Thornton et al., 2012). Though Friedland and Alford (1991) emphasized the important role of individual actors in the process of combining and recombining institutional logics, they viewed these agency processes from a macro-level perspective rather than from a micro-level perspective.

From a historic perspective, businesses and NGOs originate from respectively the market sector and the civil society sector, which is why they are not equally informed by the seven institutional logics (Van Tulder & Van der Zwart, 2006). Many development NGOs are founded in Christian values and community values (Lewis, 2010), whereas activist NGOs are oriented toward citizenship and democratic involvement of stakeholder groups resonating with the state logic (Yaziji & Doh, 2009). On the other hand, corporate traditions and orientation toward shareholder value, market positions, roles, and status related to the managerial hierarchy mean that companies are anchored in market and corporation logics (Van Tulder & Van der Zwart, 2006). Though Friedland and Alford (1991) criticized the deterministic structuralism of neo-institutional theory, they did never offer any suggestions for how to analyze institutional agency from a micro-level perspective, and it could therefore be argued that the seven institutional logics formulated at a macro-level perspective are

much in line with neo-institutional theory underlining cross-sectoral embeddedness of actors (DiMaggio & Powell, 1991).

It is important to keep in mind that the seven predefined institutional logics have been formulated at the macro and field level, which is why it is not the intention of this study applying a micro foundation perspective to measure the presence of any institutional logics empirically. The intention is rather to focus on the managerial processes that constitute the strategies of managing logic multiplicity as to how partner values, beliefs, and practices informed by sectoral institutional logics at the macro and field level are brought into play at the micro level in the inter- and intraorganizational interface. What is of interest is how partners and actors shape inter- and intraorganizational collaborative processes from their preconceptions and priorities toward sustainable innovation and toward how to work together informed by institutional logics. As mentioned in the previous chapter, agency in this specific study is tightly related to partner priorities and preferences, which from a starting point are understood to be shaped by institutional logics and later on reshaped through dynamic agency processes as to how partners negotiate, adapt and learn from each other. However, as institutional logics viewed from a micro foundation perspective are part of a larger group of theories within the micro foundation perspective, it is appropriate to elaborate upon what distinguishes them from other adjacent micro founded theories where there is obvious concurrence. As discussed in Chapter 2, the micro foundation of institutional logics relates to the inseparability of structure and agency, where agency is understood as temporal compositions of past-, future-, and present-oriented agency influenced by contextual conditions of social positions in organizational fields and resource possessions. The dynamics of managing multiple logics appear when partners and actors project past taken-for-granted preconceptions, routines, and practices into the future or when hopes, dreams, and fears are projected into the future, and when these

projections then either meet practical problems in the present or are influenced by contextual conditions that constrain argentic action.

This dynamic argentic interplay of past, future, and present dimensions is to some extent seen in sensemaking theory (Weick, 1995) and in theory on institutional entrepreneurship (Boxenbaun & Battilana, 2004; Garud et al., 2007; Battilana et al., 2009). However, there are important differences that distinguish the understanding of agency used in this study from these other streams of literature belonging to the micro foundation perspective. Similar to agency theory, sensemaking theory represents a relational perspective founded within social constructivism concerned with questions related to actor perceptions (Weick, 1995). However, compared to Emirbayer and Mische's (1998) dynamic triad of past, future, and present dimensions of agency, sensemaking theory is characterized by being retrospective, as the main focus is to analyze situations where actor past preconceptions, routines, and practices are challenged by uncertainty and dilemmas in here-and-now situations (Weick, 1995). Further, Dorado (2005) argues that in situations where the present dimension of agency in Emirbayer and Mische's (1998) framework is most dominant, this situation will be characterized by actor sensemaking. Consequently, as regards the dynamics of past and present dimensions of agency there is some concurrence, while sensemaking theory lacks focus on the dynamics of future-and-past and future-and-present dimensions of agency. Finally, following, Weick's (1993) iconic article analyzing the Mann Gulch disaster, it seems that sensemaking analyses mostly have been concerned with analyzing "extreme cases" where existing preconceptions have totally collapsed. This study, on the other hand, aims to explore dynamic agency processes as to how partners and actors are able to exhibit reflection, creativity, and flexibility in the way they adapt to and learn from each other. Institutional entrepreneurship, on the other hand, has mostly been concerned with the dynamic of future and present dimensions of agency and the conditions that seem to enable entrepreneurs to project ideas into the future and

exhibit radical changes (Boxenbaum & Battilana, 2004; Battilana et al., 2009). This means that institutional entrepreneurship in general has overlooked how the past dimension of agency interplays with future and present dimensions of agency. Similarly to this study however, literature on institutional entrepreneurship considers the importance of actor social positions in organizational fields (Battilana, 2006, 2007), though the approach is not quite the same. The reason for scholars in institutional entrepreneurship to include social position in studying institutional entrepreneurship is to explain the conditions under which it is likely for actors to exhibit different levels of change in creating, maintaining, or disrupting institutions (Battilana & D'Aunno, 2009). The approach in this study is that partner and actor social positions together with resource possessions are important contextual conditions that may influence micro dynamic processes in the inter- and intraorganizational collaborative interface.

For further clarification, it is important to emphasize that institutional entrepreneurship is an integrated part of institutional work (Lawrence & Suddaby, 2006) that, parallel to institutional logics theory, represents newer streams of literature within institutional theory, where focus is on institutional change as to how institutions are created, maintained, and disrupted from a micro foundation analytical built-up perspective. What further characterizes literature on institutional work is that it builds on and already has incorporated Emirbayer and Mische's (1998) framework of past, future, and present dimensions of agency, whereas literature on institutional logics has primarily been concerned with macro and industrial field-level analysis and therefore still does not build a bridge to Emirbayer and Mische's (1998) micro agentic dimensions. Nevertheless, the increased interest in literature for how to manage multiple logics and handle potential conflicts from both inter- and intraorganizational perspectives (Kraatz & Block, 2008; Besharov & Smith, 2014) represents a call for researchers to build a micro agentic bridge in literature on institutional logics as well. In a recent article, Zilber (2013) asks whether institutional logics and institutional work

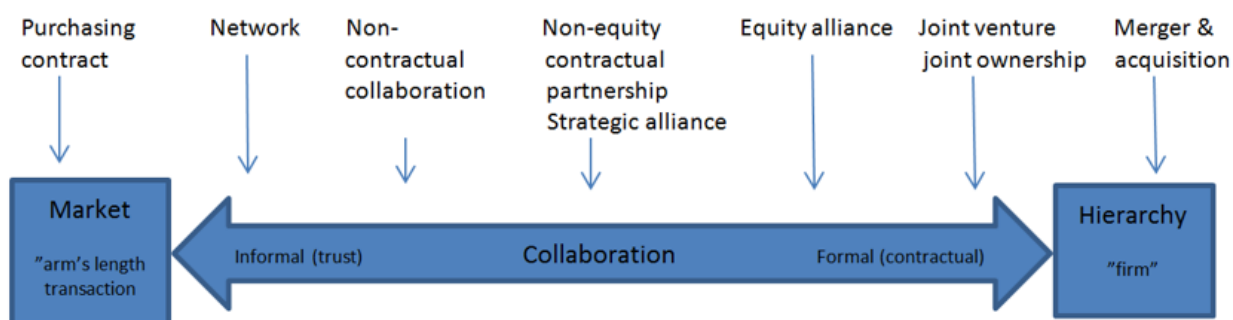
should be aligned. The same question could be asked of institutional logics and institutional entrepreneurship. Though there is some concurrence between these newer streams in institutional theory, the *raison d'être* of institutional logics theory has from an empirical stance been to explore how conflicts and contradictions of more institutional logics are handled, whereas the *raison d'être* of institutional entrepreneurship as part of institutional work has been to explain institutional change through argentic processes in creating, maintaining, or disrupting institutions (Battilana & D'Aunno, 2009). There is much inspiration to draw on from literature on institutional entrepreneurship bridging the micro agentic dimensions into literature on institutional logics theory, but it is not the intention or ambition of this study to build a theoretical framework integrating these streams of literature. How inspiration from institutional entrepreneurship explicitly is used and drawn in to the study is elaborated upon in Chapter 4 and in the papers.

3.2 DEFINITION AND CLARIFICATION OF INTERORGANIZATIONAL COLLABORATION

Interorganizational relations consist of a broad variety of collaborative forms (Caloghirou et al., 2004), such as joint ventures (Kogut, 1988), strategic alliances (Gulati, 1998; Lin, 2012), R&D partnerships (Hagedoorn, 2002), cross-sector collaborations (London et al., 2006), and networks (Inkpen & Tsang, 2005; Bergenholtz & Waldstrøm, 2011). Interorganizational collaboration is defined in the literature with a specific focus on external knowledge acquisition (Kogut, 1988; Caloghirou et al., 2004) and value creation that no single partner can create independently (Dyer & Singh, 1998; Das & Teng, 2000). Similarly, Madhok (1997:43) describes collaboration as “useful vehicles for enhancing knowledge in critical areas of functioning where the requisite level of knowledge is lacking and cannot be developed within an acceptable timeframe or cost.” Hardy et al. (2005:58) define effective collaboration as “inter-organizational action that produces innovative, synergistic solutions and balances divergent stakeholder concerns.” Accordingly, these definitions

of interorganizational collaborations are founded in the resource-based view originating from Barney's (1991) conceptualization of simultaneously valuable, rare, inimitable, and nonsubstitutable resources. In the context of interorganizational collaborations, the resource-based view refers to resource complementarity of different resource combinations of tangible (e.g., technological and financial resources) and intangible resources (e.g., managerial competencies, knowledge, and reputation), the application of idiosyncratic resources and the building of tacit knowledge that is not easy for others to imitate (Das & Teng, 2000). Regarding formalization and governance structures, Phillips et al. (2000) delimit and define collaboration as a phenomenon occurring between organizations that are founded in neither market nor hierarchical mechanisms of control. Following this simple definition, interorganizational collaborations encompass a diverse range of collaborative exchanges on a continuum from market transactions to hierarchical relations combining varying degrees of organizational integration, equity, and formalization with respect to governance mechanisms and contractual regulations (Todeva & Knoke, 2005; Dacin et al., 2007).

Figure 4. Continuum of interorganizational relations



Source: Gulati (1998: 302) and Todeva & Knoke (2005: 124-125)

Collaborative relations at the market end of the continuum are characterized as non-equity collaborations with relatively low levels of organizational integration and relational trust as the main governance mechanism, whereas collaborative relations at the hierarchy end of the continuum are characterized as equity collaborations with relatively high organizational integration and

contractual regulation as the main governance mechanism (Todeva & Knoke, 2005). According to Madhok (1995, 2006), interorganizational collaborations are generally governed from either a contract-centered approach (the hierarchy end of the collaborative continuum) or a relationship-centered approach (the market end). The contract-centered approach is basically a question of monitoring and ownership control, where partners can have majority, minority, or shared ownership of the collaboration. In situations where a partner has majority ownership, it is not necessarily a question of not trusting the other partner; it may simply be a case of one of the partners needing to protect and follow a dominant self-interest or simply to get the job done (Madhok, 1995, 2006). The relationship-centered approach is all about commitment, communication, cultural openness, and exchange. Trust is the main social control mechanism in these relational exchanges and is seen as something that develops over time, strengthening the social ties between partners (Madhok, 2006). It is important to emphasize that interorganizational collaboration is usually governed as a mixture of both approaches (as they may overlap in practice), although one of these governance mechanisms is usually the most dominant (Madhok 1995, 2006). Finally, joint ventures, licensing, trade associations, co-branding, R&D partnerships, cross-sector partnerships, networks, etc., are all part of the same history of and evolutionary development of interorganizational collaboration. Companies can form joint ventures, partnerships, or strategic alliances with external partners, but what they basically do is collaboration. In the context of business-NGO collaborations, I therefore refer to the general term “interorganizational collaborations” throughout the framing of the thesis as well as in the papers.

Similar to the collaborative continuum in interorganizational collaborative literature (Todeva & Knoke, 2005; Dacin et al., 2007), several typologies in the business-NGO literature have been developed, ranging from low to high degrees of organizational integration and interaction between partners (Googins & Rochlin, 2000; Rondinelli & London, 2003; Austin, 2010; Austin & Seitanidi,

2012a). However, the cornerstone underlying most business-NGO collaboration studies is Austin's (2010) collaboration continuum, and Austin and Seitanidi's (2012a) extended collaborative continuum (CC), illustrated in Figure 5 below.

Figure 5. The collaborative continuum

| NATURE OF RELATIONSHIP | Stage I | Stage II | Stage III | Stage IV |
|--------------------------|----------------------|----------------------|--------------------|-------------------------|
| | <i>Philanthropic</i> | <i>Transactional</i> | <i>Integrative</i> | <i>Transformational</i> |
| • Level of Engagement | Low | ----- | ----- | High |
| • Importance to Mission | Peripheral | ----- | ----- | Central |
| • Magnitude of Resources | Small | ----- | ----- | Big |
| • Type of resources | Money | ----- | ----- | Core Competencies |
| • Scope of Activities | Narrow | ----- | ----- | Broad |
| • Interaction Level | Infrequent | ----- | ----- | Intensive |
| • Trust | Modest | ----- | ----- | Deep |
| • Internal change | Minimal | ----- | ----- | Great |
| • Managerial Complexity | Simple | ----- | ----- | Complex |
| • Strategic Value | Minor | ----- | ----- | Major |
| • Co-creation of value | Sole | ----- | ----- | Conjoined |
| • Synergistic value | Occasional | ----- | ----- | Predominant |
| • Innovation | Seldom | ----- | ----- | Frequent |
| • External system change | Rare | ----- | ----- | Common |

Source: Austin & Seitanidi (2012a:736)

The first stage in Austin and Seitanidi's (2012a) continuum is very similar to arm's-length exchanges at the market end of the interorganizational collaborative continuum, whereas the last stage is characterized by addressing more complex societal problems. The stages in the collaborative continuum thus relate to different sustainable innovative activities, including development of standards and stewardship councils in supply chain in the transactional stage, development of products, services, and business models in the integrative stage, and development of social innovation at societal level in the transformative stage (Austin & Seitanidi, 2012a). The level of value creation and strategic importance gradually increase when partners invest more valuable resources leading toward co-creation and internal and external change. It is further the assumption that such gradual collaborative development over time increases relational engagement, integration and convergence between partners leading to win-win scenarios (Austin & Seitanidi, 2012).

However, little is known about whether these collaborations actually take such a convergent course and under what contextual conditions it is most likely to happen. In order to optimize the level of co-creation and transformation, Austin and Seitanidi (2012b) further developed a processual framework for how to manage the collaboration including guidelines for the formation, implementation, and institutionalization phases. In order to ensure an optimal fit between partners, it is suggested that partners prior to the collaboration measure the level of resource complementarity and access congruence in perceptions, missions, and goals (Austin & Seitanidi, 2012b). Austin and Seitanidi (2012b) also suggest partners harmonize and blend cultures in the implementation phase through trust-building processes, charismatic leadership, and increased interactions at all organizational levels leading toward high levels of familiarization, stabilization, and convergence in the institutionalization phase.

Though Austin and Seitanidi (2012a, 2012b) emphasize the importance of micro dynamic processes in terms of relational engagement, trust, and frequent interactions, both their conceptual frameworks are founded within the resource-based view (Barney, 1991) and therefore fail to explain how institutional logics shape and reshape collaborative processes. As mentioned in Chapter 2, the past dimension of agency consisting of embodied practices and routines represents governance repertoires as to how partners and actors prefer working together. The question is then how these preferences get into play and influence relational micro dynamic collaborative processes. We do not know whether partners actually apply normative measures assessing proper fit in the formation phase or blend cultures reaching high levels of convergence in the implementation and institutionalization phase. Finally, there is a lack of focus on how partners and actors actually handle and manage misfits and conflicts related to preconceptions, missions, and goals. Based on the ontological elaboration of the concept of agency in Chapter 2, it is a basic premise that partners and actors entering a given collaboration will to some extent be influenced by past preconceptions,

experience, routines, and practices, but also by potentially conflicting scenarios of how sustainability should be projected into the future. What is interesting to explore is therefore what actually happens when these potential misfits meet reality in the present. Do partners always focus on relational engagement, trust building, and frequent interaction in order to blend cultures and institutionalize the collaboration? And in what ways do partner and actors adapt to and learn from each other? Though the business-NGO collaborative continuum and the processual framework by Austin and Seitanidi (2012a, 2012b) are capable to capture micro dynamic processes from a longitudinal perspective, which is an obvious strength, these conceptualizations are nevertheless unidimensional compared to the multidimensional conceptualization of argentic micro processes put forward by Emirbayer and Mische (1998). Potential influence of contextual conditions is also not considered by Austin and Seitanidi (2012a, 2012b). However, as discussed in Chapter 2, it is important to explore how these contextual conditions influence micro dynamic processes in the collaborative process. Considering inter- and intraorganizational fields as arenas of social positions, Emirbayer and Johnson (2008) reframe the understanding of collaborations within institutional theory. Further along these lines, it is necessary to clarify the concept of trust. Literature on interorganizational collaborations has, similar to Austin and Seitanidi (2012a, 2012b), been attentive to the importance of trust and trust-building processes as something that facilitate familiarity and cultural similarity (Gulati, 1995; Johnson et al., 1996; Sarkar et al., 1997; Mandell & Steelman, 2003; Leung & Write, 2006). However, trust is a multifaceted phenomenon, meaning that familiarity is not the only dimension to consider. Trust is also defined in relation to vulnerability, meaning that it is possible that one partner will exploit the vulnerability of the other partner and behave in opportunistic ways (Barney & Hansen, 1994). Thus, contextual conditions of social positions in organizational fields (Emirbayer & Johnson, 2008) together with contextual conditions related to resource possessions (Bourdieu, 1977) hold the inherent potential of asymmetries in

resource dependence and distribution of power (Pfeffer & Salancik, 1978), influencing micro dynamic collaborative processes. In this respect, DiMaggio and Powell (1983) argue that when organizations find themselves in dependent situations they will most likely adapt through coercive isomorphism. Though the focus of this study is on non-isomorphic relational adaption from a micro dynamic perspective, it is important to consider these power issues as contextual conditions that may influence how processes unfold. Though it is not the intention of this study to take an empirical deep dive into how trust unfolds in business-NGO collaborations, the concept of trust is important because the familiarity aspect of the concept corresponds with Emirbayer and Mische's (1998) relational understanding of micro argentic processes and the vulnerability aspect corresponds with contextual conditions related to organizational fields and capital. The potentials of resource dependence and power issues is much in line with Emirbayer and Johnson's (2008) approach in their definition of inter- and intraorganizations relations as organizational fields of power structures and resource possessions that are produced and reproduced through actor social positions. Nicholls and Huybrechts (2013:133) understand interorganizational collaborations "as a phenomenon located at the interface between macro, field-level institutional trends, and micro, organizational-level dynamics," where "institutional pressures favour or hinder interorganizational collaboration and shape to a certain extent the behavior of each organization in the collaboration process." Similarly, Saz-Carranca and Longo (2012:332–333) argue that "collaborative advantage [not only] depends on the ability of each partner to bring different resources to the venture," but that these "resources are a function of institutional and organizational differences which produce inherent tensions in the collaborative initiative." This study, therefore stress the importance of combining institutional logics theory with the resource-based view in the definition and understanding of interorganizational collaborations. However, further clarification is needed, as both businesses and NGOs are part of larger ecosystems and engage in more interorganizational relations in the value

chain. It is therefore likely that sustainable innovation projects and activities are influenced by myriad underlying relations up and down the value chain. It is, however, not the intention of this study to explore all these vertical and horizontal interorganizational relations. Though suppliers and customers may influence micro dynamic collaborative processes in sustainable innovation projects and activities, the basic assumption of this study is that businesses and NGOs represent the primary key actors. Accordingly, the concept of interorganizational relations as organizational fields of power structures in this specific study is understood as dyadic relations. Summing up, defining and clarifying the concept of collaboration from a micro foundation perspective, it is relevant to combine the resource-based view in interorganizational and business-NGO literature with the understanding of organizational fields as power structures and the multidimensional understanding of agency anchored in institutional theory. By integration of these two streams in literature defining the concept of collaborations, it is possible to understand the two-sidedness of these collaborations as something that holds the potential of resource complementarity, but also holds the inherent potential of conflict and contestation, because partners and actors are anchored in different sector logics and influenced by distinct past taken-for-granted preconceptions, routines, and practices. How the resource-based view in business-NGO collaborative literature is combined with the micro foundation of institutional logics and drawn in to the study is further elaborated upon in Chapter 4 and in Papers 1 and 2.

3.3 DEFINITION AND CLARIFICATION OF NGOS

From a historic perspective, the concept of *non-governmental organizations* (NGOs) varies within different institutional settings and covers a range of closely related terms, such as activist groups and *nonprofit*, *voluntary*, and *civil society* organizations (Lewis, 2010). In the literature there are several attempts to define the concept, including 1) the roots of the NGO term (articulated by the

UN for the first time), 2) the non-definitions of the term emphasizing all the things that NGOs are not (Martens, 2002), distinct types of NGOs as relates to their institutional orientation and scope of operation (Yaziji & Doh, 2009), and 3) collaborative typologies on the side of the NGO partner consisting of different levels of interdependency on a collaborative continuum (Åhlström & Sjöström, 2005; Van Tulder & Van der Zwart, 2006; Valor & de Diego, 2009).

The term “NGO” was first articulated as part of civil society and applied in literature in the UN charter article 71 from 1945, and it was subsequently institutionalized through UN practices over the last many decades (Martens, 2002). Until that time the UN had primarily been engaged with governments, so when they began to consult nonprofit organizations independent of governments, it was convenient simply to label these organizations as non-governmental (Yaziji & Doh, 2009). Based on the original charter from 1945, the UN defines NGOs in a recent version by the following specifying criteria:

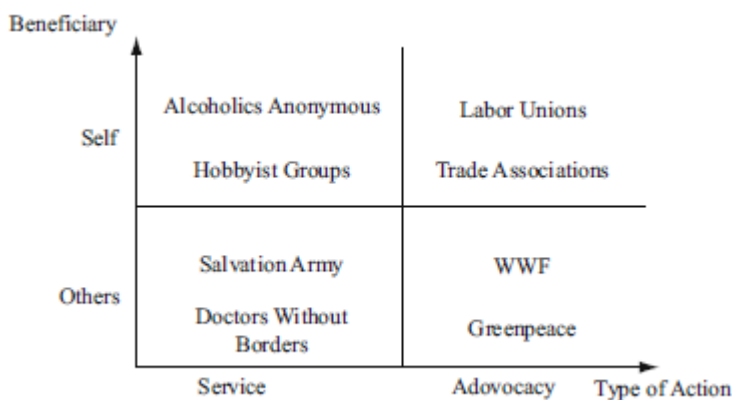
Non-Governmental Organizations are any non-profit, voluntary citizens' group which is organized on a local, national or international level Task-oriented and driven by people with a common interest, NGOs perform a variety of services and humanitarian functions, bring citizens' concerns to Governments, monitor policies and encourage political participation at the community level. They provide analysis an expertise, serve as early warning mechanisms and help monitor and implement international agreements. Some are organized around specific issues, such as human rights, the environment or health. (UN, 1998, from Yaziji & Doh, 2009:4)

The NGO term is, however, still very broad, as it embraces myriad civil society organizations (Korten, 1991), which is why researchers have discussed the non-elements of the term. Firstly, researchers agree that, besides the UN defined characteristics, NGOs also must be characterized by having a non-violent character, which excludes groups such as the Mafia, organized criminal groups, terrorist groups (e.g., Al-Qaeda), and others who predominantly apply “uncivilized” behavior and non-accepted attributes of policy and governmental legitimacy (Fowler, 2000; Martens, 2002). Secondly, Martens (2002) argues that in order to include organizations under the NGO umbrella,

they should be characterized by having a formal structure, including permanent members and self-governing practices. Accordingly, social movements anchored in literature on institutional work (for examples, see Lounsbury et al., 2003; Hargrave & Van De Ven, 2006) are not included in the study.

In classifying and understanding the functions and roles of NGOs, they are categorized in two dimensions, including service/advocating-oriented NGOs and other/self-interest-oriented NGOs, as defined by Yaziji & Doh (2009).

Figure 6. Type of NGOs



(Yaziji & Doh, 2009:5)

Service-oriented NGOs have a long history of charitable work based on Christian values, philanthropy, and volunteerism in order to meet social needs and to fill sustainable gaps nationally and globally where states do not take responsibility (Yaziji & Doh, 2009). Advocacy NGOs raise public awareness and promote specific causes that inadequately addressed by governments, such as human rights and environmental issues. Self-beneficiary NGOs are characterized by being membership/club associations in which only members benefit from the activities. Other-beneficiary NGOs are, in contrast, characterized by having a much broader view, providing non-exclusive public goods in diverse sections of society (Yaziji & Doh, 2009).

Throughout this study, the main focus will be on other-beneficiary NGOs because the potential scope of sustainable innovation is assumed to be much greater in collaborations where these NGOs are represented. Another reason for not applying self-beneficiary NGOs is to clearly distinguish from research in the field of consumer-driven innovation. In practice, however, there may be some overlap between the categories (Yaziji & Doh, 2009); for example, it could be argued that labor unions also produce public goods to some extent, especially in a European and Scandinavian context, which is different from the Anglo-Saxon context the model arises from. Finally, an increasing number of NGOs are characterized by being hybrids at the horizontal dimension, as they operate on the border between the service and advocacy archetype (Yaziji & Doh, 2009).

Concurrently with the development of Austin and Seitanidi's (2012a) collaborative continuums anchored in the resource-based view, more NGO typologies have been developed in order to classify NGO ideological orientation toward businesses on a collaborative continuum consisting of different levels of interdependencies. Ählström and Sjöström (2005) classify NGOs in terms of preservers, protesters, modifiers, and scrutinizers, where the last three categories are characterized by different types of independency strategies because they are not willing to jeopardize their sovereignty. Thus, collaborations with these types of NGOs often develop from confrontation and conflicts, such as eye-opening campaigns, demonstrations, movements, and reports on environmental issues, or labor conditions, to call attention to what are considered to be corporate wrongdoings (Ählström & Sjöström, 2005). On the other hand, preservers are characterized by having a declared partnership strategy, where the aim is not only to confront the business partner but also to collaborate in order to make changes and foster sustainable development. Similarly, Valor & de Diego (2009) developed a framework, dividing NGOs into two groups, confrontational NGOs and collaborative NGOs, consisting of five strategies. However, in contrast to Ählström & Sjöström (2005), they consider three of these strategies (arbitrator, rehabilitator, and lawyer) to be

collaborative, with high levels of interdependency, whereas only two (attorney and plaintiff) are considered to be confrontational, with low levels of interdependency (Valor & de Diego, 2009). Finally, Van Tulder & Van der Zwart (2006) characterize NGOs along a continuum from dependent “sea lions” to independent “sharks.” However, they also stress that these roles may have a fluid nature, as they are often dependent upon changes in contextual conditions. Contingent on the actual situation, NGOs may very well ask themselves, “When does it make sense to cooperate with the corporate sector and when might it be necessary to provide contravening pressure?” (Yaziji & Doh, 2009:139). These conceptualizations of collaborative strategies in NGO literature further stress the importance of applying an understanding of collaborations as organizational fields of power structures, as elaborated upon in the previous section. From an NGO-centric perspective, Shumate et al. (2018) build further on Austin and Seitanidi’s collaborative continuum by adding a distinction between antagonistic and cooperative relations between business and nonprofits. Summing up, it is problematic that Austin and Seitanidi’s (2012a) collaborative continuum founded in a resource-based view does not take into account that collaborations in some situations may evolve from a confrontational starting point. This study therefore incorporates cases that represent both conflicting / critical NGO points of departure and joint forces of departure.

3.4 DEFINITION AND CLARIFICATION OF SUSTAINABILITY AND SUSTAINABLE INNOVATION

The concept of innovation comes from the Latin word *innovatio*, which is derived from *novus*, meaning that innovation is the development of new ideas realized in practice in the form of new products, processes, services, business models, etc. in order to create value and match future needs of important stakeholder groups (Gertsen et al., 2006). Applying this definition emphasizes that innovation is not solely limited to product and process innovation but also business model innovation, which appears to be an increasingly important type of innovation (Gertsen et al., 2006),

not just in the context of open innovation (Chesbrough & Schwartz, 2007) but also in the context of sustainable innovation (Prahalad, 2012; Lodsgård & Aagaard, 2018).

The roots of sustainability can be traced back to various religious texts and teachings (Dossa & Kaeufer, 2014) and to unsustainable environmental practices regarding pollution, acid rain, and CO₂ emission in the 1980s (Dryzek, 2005). Recently, social issues of equity have become part of the discussions on sustainable development (Bansal, 2005; Achterkamp & Vos, 2006; C&E, 2019). Nevertheless, the cornerstone defining sustainable development is the single most quoted source in the literature, namely the World Commission on Economic Development (WCED) report “Our Common Future” from 1987. The report emphasizes that “Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their needs” (WCED, 1987:7). The WCED definition goes beyond former preliminary focus on environmental issues and adopts principles of social equity as equally important with an explicit focus on poverty alleviation at the base of the pyramid in developing countries (Wagner & Llerena, 2008). The Brundtland definition further invites us to perceive equity from both an intergenerational and an intragenerational long-term perspective of viability in order to secure future generations and their living conditions on Earth (Stubbs & Cocklin, 2008; Zink et al., 2008). Additionally, the Brundtland report has during the last decades been followed by numerous requests from international institutions such as the UN and the World Bank to increase the level of business-NGO collaborative activities to provide necessary systemic changes. Recently, companies have been challenged to transform the UN’s 17 SDGs into concrete innovation projects and activities with NGOs and integrate them into existing products, processes, and business models (C&E, 2019).

Further along these lines, the business-centric perspective has become increasingly important which is embraced in the following definition by Charter and Clark (2007:9):

Sustainable innovation is a process where sustainability considerations (environmental, social and financial) are integrated into company systems from idea generation and development (R&D) and commercialization. This applies to products, services and technologies, as well as to new business and organizational models.

This definition stress the importance of closely alignment between business strategies, social and environmental issues in order to exploit commercial options and increase corporate competitiveness (Perrine, 2013).

Defining corporate sustainability, it is nevertheless important to clarify the concept in conjunction to related concepts including corporate social responsibility (CSR), corporate responsibility (CR), and corporate governance, which oftentimes is used interchangeably. CSR originates from management literature, with Chester Bernard as one of the founding fathers (Aagaard, 2016), and is part of literature on business ethics, as described in Carroll's (1999) historic literature review on corporate responsibility, including economic obligations, legal obligations, and ethical and philanthropic obligations of being a "good" corporate citizen. Similarly, CR is defined as activities beyond legal and economic obligations (Blowfield & Frynas, 2005). Corporate governance implies the management of different stakeholder demands and involves new types of activities such as voluntary code of conducts (Kourula & Halme, 2008). Corporate sustainability, on the other hand, is rooted at the society level as a political concept initiated through UN and other international political institutions (Hansen et al., 2009). More scholars therefore stress that sustainability is political discourse (Dryzek, 2005; Amsler, 2009; Manning & Reinecke, 2016) or an artifact (Faber et al., 2005) rather than a theoretical concept. Despite the growing literature on sustainable development, discussions have mainly been centered at policy and society levels (Dryzek, 2005), whereas operationalization of the concept in a business-centric perspective has been relatively weak

(Bansal, 2005; Stubbs & Cocklin, 2008; Zink et al., 2008). What really matters, then, is to understand how companies through future-oriented agency project sustainable innovation into the future and how sustainable innovation is managed and operationalized through the interplay of past and present agency.

As mentioned previously, a core contribution of this study is to depoliticize the concept of sustainable innovation and bring it back to practice. From a social constructivism ontological point of view, it is therefore important to explore how sustainable innovation projects and activities are constructed in practice by the involved actors in the inter- and intraorganizational collaborative interface through different compositions of past, future and present agency. It is also important to explore how contextual conditions influence the content and micro agentic processes of sustainable innovation projects and activities. Furthermore, it is interesting to explore whether these processes unfold differently in contexts where sustainable innovation emerge from business ethics when philanthropy is transformed into social innovations (Kanter, 1999; Sanzo et al., 2015), or into new business models aimed at the base of the pyramid (Prahalad, 2012; Venn & Berg, 2014), and in contexts where sustainable innovation emerges from NGO activism and is transformed into field-level standards and legislation (Scherer & Palazzo, 2011). This further corresponds with the sustainable innovative content of Austin and Seitanidi's (2012a) collaborative stages in the collaborative continuum elaborated upon in Section 3.2. By studying different context in which sustainable innovation with NGO partners plays out through the lenses of the micro foundation of institutional logics it is possible to capture the adaptive and fluid nature of these collaborative sustainable innovations. The intersection of sustainable innovation and institutional logics in terms of how sustainable innovation projects and activities are managed in practice from a micro foundation perspective is further elaborated upon in Papers 1–3.

4. THEORETICAL BACKGROUND

In Chapters 2 and 3 the concept of institutional logics was ontologically and epistemologically elaborated and clarified from a micro foundation perspective. The purpose of this chapter is to review and discuss concrete managerial strategies for how to manage logic multiplicity derived from theoretical frameworks and empirical studies in literature on institutional logics and business-NGO collaborations. This chapter further constitutes the theoretical positioning of the study and elaborates on the specific theoretical research gaps together with the empirical and methodological research gaps informing case selection criteria, data collection, and the analytical process.

4.1 INSTITUTIONAL LOGICS

As mentioned in Chapter 2, institutional logics are not a stable phenomenon, as values, beliefs, and practices belonging to a given institutional logic are over time transferred into other contexts, meaning that institutional logics have the inherent potential of being both complementary and competing (Thornton et al., 2012). From a longitudinal perspective it could be argued that logics belonging to different spheres of society gradually become more compatible. For instance, some decades ago it was considered problematic to incorporate market logic in the field of science, whereas it is nowadays considered less problematic (Raynard, 2016). In particular, market logic has during the last decades been transferred into other contexts. Examples in literature reveal how professions logic has given way to dominant market logic within institutional fields of publishing (Thornton & Ocasio, 1999), cultural institutions (Glynn & Lounsbury, 2005), accounting (Greenwood & Suddaby, 2006), and health care (Reay & Hinings, 2009). The present situation of decreased tax-financed aid in the state domain of society prescribes new conditions for NGOs. For instance, the government-sponsored program “Danish International Development Assistance” (Danida) has recently increased its focus on financial support for the establishment of commercially

oriented collaborations between Danish companies and local partners, including NGOs. Consequently, commercialization and self-funding activities (e.g., cause-related marketing) have become a new “mantra” in the NGO world (Saunders & Borland, 2013; Adderly & Mellor, 2014; Molina-Gallart, 2014). Simultaneously, shareholder activism has been subject to huge critique due to a range of sustainable problems such as deforestation, pollution, sweatshop working conditions, and child labor (Arenas et al., 2009; Davies, 2011). This has led to increased focus on CSR, sustainability, and sustainable innovation founded in the ideas of business ethics and corporate citizenship and to the migration of institutional logics of community and state, e.g., through activism led by NGOs. According to Yaziji and Doh (2009), advocacy NGOs have urged individual companies and entire industries to change through new technical knowledge in product and process development and in product supply. In the wake of globalization, multinational companies have engaged in developing soft legislation in order to fill out global and national policy vacuums belonging to the institutional logic of the state (Scherer & Palazzo, 2011). Unsustainable practices among the traders and producers of materials and products have led to the formation of a diverse range of product stewardship councils, standards, networks, initiatives, roundtables, etc., aimed at enhancing sustainable development. For instance, the FSC (Forest Stewardship Council), and the MSC (Marine Stewardship Council) initiated by the WWF and Greenpeace and a large part of the forest and marine industry. Beside innovations aimed at environmental protection, multinational businesses and NGOs have been engaged in social policy issues, fighting for human rights and against corruption (Scherer & Palazzo, 2011). Another movement in society is seen in the appearance of social enterprises, such as NGO-initiated micro-credit institutions born in the intersection between corporation, market, and community logics (Battilana & Dorado, 2010). These movements at the macro level outlined above has led to blurring boundaries and hybridity across the market, state, and civil society sectors (Jay, 2013; Pache & Santos, 2013b; Santos et al., 2015;

Raynard, 2016) together with increased institutional complexity across institutional logics, and constitute the basic conditions of logic multiplicity in today business (Besharov & Smith, 2014). The concept of hybrids traces back the cooperative movement in the beginning of last century, but in a contemporary context the definition has been extended and includes multiple organizational forms including social enterprises (e.g., micro finance), innovation activities and ventures in base of the pyramid (BOP) settings and network governance, e.g., through NGO- or industrial-initiated stewardship councils, standards, fair trade, etc. (Santos et al., 2015; Skelcher & Smith, 2015). Regardless of whether these hybrids take form as permanent, temporary, or membership organizations, they are all challenged to instantiate potentially incompatible logics and goals related to profit and societal impact (Battilana & Lee, 2014; Mair et al., 2015; Santos et al., 2015), meaning that multiple logics are evidential present and brought into play in actions and practices by partners and actors (Powell & Colyvas, 2008; Thornton et al., 2012). In the next section I outline archetypical strategies for managing logic multiplicity derived from discussions in institutional theory.

4.2 STRATEGIES FOR MANAGING LOGIC MULTIPLICITY

More frameworks representing different managerial pathways and levels of institutional convergence between logics have been developed (Kraatz & Block, 2008; Pache & Santos, 2013a; Besharov & Smith, 2014; Skelcher & Smith, 2015). Table 1 summarizes these frameworks.

Table 1 Strategies for managing multiple institutional logics

| | Kraatz and Block (2008) | Pache and Santos (2013a) | Besharov and Smith (2014) | Skelcher & Smith (2015) |
|--------------------------------|--|---|---|--|
| Contestation | Resistance/conflict: The validity of a given logic is marginalized. | Defiance: Rejection of a given logic. Ignorance: Absence and lack of awareness of a given logic. | Contested: Intensive conflicts between logics, where core business is constantly interrupted. | Blocked: Dysfunction because it is not possible to handle conflicts between competing logics. |
| Separated coexistence | Compartmentalization: A given logic is kept separated/decoupled from core organizational functions. | Compartmentalization: Competing logics are enacted but kept separated. | Dominant: Limited or no conflict because one main logic is dominant in each organizational entity. | Segmented: Different logics are compartmentalized within the organization. Segregated: Logics are compartmentalized and kept separated in distinct organizational entities. |
| Assimilated coexistence | Balance: A given logic is accepted and loosely coupled to existing dominant logics. | Compliance: A given logic is voluntarily applied/adapted to. | Estranged: Constant/moderate conflicts, where multiple logics challenge the existing but are regulated by a single dominant logic. | Assimilated: A dominant logic adapts to some elements of a less dominant logic. |
| Blending | Forge: Logics are forced together, creating multiple identities. | Combination: Values and norms of competing logics are blended. | Aligned: Minimal conflict because multiple logics are integrated core business functions. | Blended: Elements of multiple logics are incorporated in a way that creates synergy. |

Summarizing the concepts and understandings of managerial response strategies in Table 1 above, I label levels of convergence on a continuum from 1) “contestation,” characterized by situations of rejection and intensive conflicts between logics, 2) “separated coexistence,” characterized by situations of compartmentalization, where a less dominant logic is kept separated/decoupled from core organizational functions, 3) “assimilated coexistence,” characterized by situations where a dominant logic voluntarily adapts some elements of a less dominant logic, or a less dominant logic is regulated by a dominant logic, and finally 4) “blending,” characterized by situations where more logics are forced together and integrated across functions/entities. As mentioned in Chapter 3, the *raison d’être* of institutional logics theory is to understand how conflicts and contradictions are handled. According to Besharov & Smith’s (2014), the concepts of compatibility and centrality are crucial for understanding how these conflicts and contradictions are managed in practice.

4.2.1 The concept of compatibility and centrality

The concept of compatibility refers to the degree to which means and goals reflecting different logics are perceived to be equally valuable across professional groups and functions (Besharov & Smith, 2014). The concept of centrality refers to the degree to which different logics equally

influence activities and practices, where some may be closer coupled to core business, and others are more peripheral and decoupled. The factors influencing the level of compatibility and centrality inspired from Besharov & Smith (2014) are summarized in Table 2 below.

Table 2 Compatibility and centrality

| Factors influencing the level of compatibility | Factors influencing the level of centrality |
|---|--|
| <ul style="list-style-type: none"> • Professional functions and groups and how they relate to each other. <p>Increasing the level of compatibility: Jurisdictional control of one professional function/group or no overlap between professional functions/groups at the operational level.</p> <p>Decreasing the level of compatibility: No jurisdictional control of a single professional function/group, meaning that more logics compete for cultural space.</p> <ul style="list-style-type: none"> • Embeddedness/ties to inter- and intraorganizational fields. <p>Increasing the level of compatibility: Disembeddedness/weak ties to own professional logic, making it possible for actors to enact more logics.</p> <p>Decreasing the level of compatibility: Embeddedness/strong ties to own professional logic, meaning that actors are less motivated to enact new logics.</p> | <ul style="list-style-type: none"> • Resources and power positions of individual actors and organizations in inter- and intraorganizational fields. <p>Increasing the level of centrality: Increased resource dependency influences strategic priority and incorporation of new logics into goals, core activities and practices.</p> <p>Decreasing the level of centrality: When resource dependency is low or decreasing, new logics are not necessarily incorporated into goals, core activities and practices.</p> |

In a study of the emerging field of dispute resolution, Purdy and Gray (2009) found intensive conflict between judicial logic founded in bureaucracy and social logic founded in democracy because none of these professional logics was able to exhibit any jurisdictional control, leading to a low level of compatibility. Similar conflicts and incoherence of logics with no prioritization and jurisdictional control of a single logic to guide actor daily practices were found in studies of consultancy (Pache & Santos, 2010) and social enterprises (Tracey & Jarvis, 2006; Battilana & Dorado, 2010) leading to organizational breakdown. In contrast to these examples, a study by Lok

(2010) revealed clear jurisdictional control of a single logic, where traditional shareholder logic more than citizenship logic was perceived as valuable in the field of investors. Other examples in literature including Reay and Hinings' (2009) study of health care, Bjerregaard's (2010) and Jay's (2013) studies of public-private collaborations, Mair et al.'s (2015) study of social enterprises, and Smets et al.'s (2015) study on reinsurance reveal relatively low levels of conflict because of no or minimal overlap and completion between logics in daily practices. In the study on a micro-credit company, Battilana and Dorado (2010) revealed how intensive conflicts between bank-related and development-related logics led to a total breakdown of the organization. In a reconstruction of the company, however, this problem was solved by hiring employees that had neither bank-related nor development-related professional backgrounds, which made it possible to socialize them into the core mission of microfinance. Finally, Besharov and Smith (2014) argue that the level of compatibility is influenced by actor strong/weak ties to dominant logics in the field (in this study understood as inter- and intraorganizational fields; see Emirbayer & Johnson (2008)). When ties to the field are weaker, it is possible for actors to deviate from a dominant logic and become socialized with and enact more logics leading to higher levels of compatibility. This is very similar to institutional entrepreneurs who are characterized by their ability to challenge existing practices and project new ideas into the future (Boxenbaum & Battilana, 2004; Battilana et al. 2009). In a study on eco-entrepreneurship Mars & Lounsbury (2009) found that a movement against market fundamentalism made it possible for students to combine eco-activist logic and market logic in creating ecologic enterprises, whereby the level of compatibility was increased. In a study of Ontario fine wine, Voronov et al. (2013) found that farmers, artists, and business professional disembeddedness in, respectively, aesthetic, farmer, and market logics made it possible for them to adhere to these logics in flexible ways in their interaction with different audience groups, including consumers, wine critics, and elite restaurateurs. Similar actor disembeddedness is found in

McPherson and Sauder's (2013) study on a drug court, Maibom and Smith's (2016) study of a social enterprise, Lee and Lounsbury's (2015) study of industrial environmentalism, and Binder's (2007) study on childcare, making it possible for professionals on regular basis to deviate from their own professional logic and easily apply to logics of other professional groups. On the other hand, when actors are deeply embedded in their own professions, it may be impossible for them to combine logics, as seen in Glynn's (2000) study of a symphony orchestra, where musicians' strong ties to artistic professional logic made them react strongly by striking against a newly introduced market logics, resulting in a total breakdown. Gradually, as the musicians became more familiar with the market logic it became possible for them to combine both logics in mixing different musical genres in planning programs, whereby the level of compatibility increased (Glynn & Lounsbury, 2005).

As mentioned previously the concept of centrality refers to the degree to which different logics equally influence core activities and practices. In a study of student eco-entrepreneurship, Mars and Lounsbury (2009) found that activist and market logics equally influenced core activities and practices, leading toward increased centrality. In Purdy and Gray's (2009) study on the emerging field of dispute resolution, they found that some dispute offices eventually prioritized or integrated social logic into judicial logic, whereby it was possible to increase the level of centrality. Similarly, in Voronov et al.'s (2013) study of the Ontario fine wine industry, McPherson and Sauder's (2013) study of a drug court, Maibom and Smith's (2016) study of a social enterprise, Lee and Lounsbury's (2015) study of industrial environmentalism, Binder's (2007) study on childcare, and Mars and Lounsbury's (2009) study of eco-entrepreneurship, it was found that multiple logics was integrated into core business functions. On the other hand, when resource dependency is low it is most likely that new logics become peripheral or secondary to existing logics. In a study by Pache & Santos (2010) of a consultancy company, it was impossible for the company to merge two conflicting

logics related to distinct client groups, leading to organizational breakdown. In order to solve the problem it was eventually decided to separate these client groups and logics into their own organizational entities. Similarly, in studies of new public management (Reay & Hinings, 2009; Jay, 2013), consultancy (Pache & Santos, 2010), CSR (Lok, 2010), and social enterprises (Smets et al., 2015), it was found that less dominant logics were kept separated from core activities and practices, yet working toward mutual goals. Assimilation of a less dominant/peripheral logic into existing dominant logics was found in a study of public-private partnerships by Murray (2010), and social enterprises by Pache and Santos (2013b). Yet a multiple case study of public-private partnerships by Bjerregaard (2010), and a large scale quantitative study on social enterprises by Mair et al. (2015) revealed mixed results meaning that competing logics were assimilated in some cases and separated in other cases. Finally, it is assumed that individual power positions of central actors such as boundary spanners increases the level of centrality, meaning that it is more likely that multiple logics will inform core activities and practices (Besharov & Smith, 2014). However, none of the studies elaborated above focused on these matters. The managerial strategies found in empirical literature on institutional logics elaborated above are summarized in Table 3 below.

Table 3 Summary of managerial strategies of logic multiplicity found in empirical literature

| Managerial strategy | Description | Examples | Methods/analytical level |
|--------------------------------|---|--|---|
| Contestation | <p>Low compatibility: No jurisdictional control of a single logic, leading to intensive conflicts/organizational breakdown. Embeddedness in professional logics.</p> <p>High centrality: Strategic prioritization/resource dependency of multiple logics stressing the need to integrate new logics into core business functions.</p> | <p>Purdy & Gray (2009) Glynn (2000) Tracey & Jarvis (2006) Battilana & Dorado (2010) Pache & Santos (2010)</p> | <p>Interviews, survey, and documents/industrial field analysis Interviews and documents/intra-organizational field analysis Documents/intra-organizational field analysis Interviews/intra-organizational field analysis Documents/intra-organizational field analysis</p> |
| Separated coexistence | <p>High compatibility: Jurisdictional control of a single logic or no overlap between logics across professional groups.</p> <p>Low centrality: Strategic prioritization but less resource dependency of new logics making it possible to keep less dominant logics separated from core business functions.</p> | <p>Reay & Hinings (2009) Lok (2010) Smets et al. (2015) Mair et al. (2015) Bjerregaard (2010) Jay (2013)</p> | <p>Interviews and documents/industrial field analysis Interviews and documents/industrial field analysis Interviews, observations, and documents/industrial field analysis Quantitative survey/industrial field analysis Interviews/inter-organizational field analysis Interviews, documents and observations/inter-organizational field analysis</p> |
| Assimilated coexistence | <p>Low compatibility: No jurisdictional control of a single logic.</p> <p>Low centrality: Strategic prioritization but less resource dependency of new logics, making it possible to assimilate less dominant logics into dominant existing logics.</p> | <p>Murray (2010) Pache & Santos (2013b)</p> | <p>Interviews and documents/industrial field analysis Interviews and documents/intra-organizational analysis</p> |
| Blending | <p>High compatibility: No jurisdictional control of a single logic combined with actor disembeddedness in own profession, leading to openness and flexibility.</p> <p>High centrality: Strategic prioritization/resource dependency of multiple logics, stressing the need to integrate new logics into core business functions.</p> | <p>Mars & Lounsbury (2009) Voronov et al. (2013) Lee & Lounsbury (2015) Glynn & Lounsbury (2005) Binder (2007) McPherson & Sauder (2013) Maibom & Smith (2016)</p> | <p>Interviews/industrial field-level analysis Interviews/industrial field-level analysis Quantitative survey/industrial field-level analysis Documents/intra-organizational field-level analysis Interviews/intra-organizational field level analysis Interviews and observations/intra-organizational field-level analysis Interviews and observations/intra-organizational field-level analysis</p> |

Following the literature review on institutional logics revealed in Table 3, it seems that managing logic multiplicity manifests through more strategies, including contestation, separated coexistence, assimilated coexistence, and blending. The strategy of logic contestation is characterized by single organizations that get stuck into situations where it is impossible for actors to merge competing logics, leading to major conflicts and organizational breakdown, as seen in the case of new public management in a symphony orchestra (Glynn, 2000) and in micro-credit and social enterprises (Tracey & Jarvis, 2006; Battilana & Dorado, 2010; Pache & Santos, 2010). In other cases actors manage the complexity of competing logics by keeping them apart in a sort of practical “living apart together” approach, as revealed in cases where community/citizenship logics are kept separate from shareholder and market-based logics in financial fields (Lok, 2010; Smets et al., 2015), in new public management in health care (Reay & Hinings, 2009), in public-private partnerships (Bjerregaard, 2010; Jay, 2013), and in social enterprises (Mair et al., 2015). More integrated managerial strategies are characterized by the assimilation of new and less dominant logics into existing logics, as seen in cases where market logic is assimilated into a dominant scientific logic (Murray, 2010), and in cases of social enterprises where social welfare logic is assimilated into a more dominant market logic (Pache & Santos, 2013b). Together the examples of separation and assimilation represent managerial strategies of logic coexistence, where actors manage to live relatively peacefully with multiple and potentially conflicting logics. Finally, the managerial strategy of blending representing the highest level of integration between competing logics is characterized by equal priority of logics, as seen in the examples of eco-entrepreneurship (Mars & Lounsbury, 2009), industrial environmentalism (Lee & Lounsbury, 2015), social enterprise (Maibom & Smith, 2016), childcare (Binder, 2007), fine winery (Voronov et al., 2013), and legal systems (McPherson & Sauder, 2013) where actors dependent of the situation managed to deviate from their home professional logics and combine and equally draw on other professional logics.

Some of the cases represented in the review table also revealed that the scenario of logic contestation changed over time, as seen in the case of the symphony orchestra, where strike and organizational breakdown (Glynn, 2000) over time and through negotiations were replaced by assimilated coexistence, eventually leading to a situation where musicians in the orchestra easily combined and drew on both professions and market logics in planning programs (Glynn & Lounsbury, 2005). Another relational managerial strategy to move from contestation toward logic blending was seen in Battilana and Dorado's (2010) study of micro-credit, where the company was reconstructed through new hiring and socialization procedures. Other less relational managerial strategies for how to overcome organizational breakdown caused by conflicting logics are seen in the study by Pache & Santos (2010), where the company was reconstructed in a way where conflicting logics were kept separated. Similarly, in the study by Purdy and Gray (2009) a new and less dominant logic was assimilated into existing logics. The examples above reveal how strategies ranging from contestation over separated and assimilated coexistence to logic blending vary over time on a continuum representing different pathways for how to manage logic multiplicity. At the same time, however this raises important questions for further research. For instance, how did it come to be that social enterprises (Tracey & Jarvis, 2006; Battilana & Dorado, 2010; Pache & Santos, 2013b; Mair et al., 2015; Maibom & Smith, 2016), ecologic ventures (Mars & Lounsbury, 2009), and industrial environmentalism (Lee & Lounsbury, 2015)—all representing cases where companies are challenged to manage social and ecologic logic with commercial market logic—chose quite different pathways in order to handle massive conflicts and manage the situation toward higher levels of convergence? Reviewing empirical examples it seems that sometimes companies move from contestation toward blending by transforming situations with no jurisdictional control of single professional logic into openness, flexibility, and innovation, whereas other cases reveal a movement toward separated coexistence by keeping logics separated. Similarly, in the studies of

Lok (2010) and Smets et al. (2015), within the field of financial services both investors and insurance agents chose to separate respectively shareholder logic and citizenship logic and short-term market logic and long-term community logic.

4.2.2 Outline of research gaps in empirical institutional logics literature

Though more scholars have developed theoretical frameworks consisting archetypical strategies for how to manage logic multiplicity, there has not been much research on how these strategies are constituted through micro argentic processes. By introducing the concepts of compatibility and centrality, Besharov and Smith (2014) provide the very initial steps of bridging micro argentic dimensions into institutional logics literature. Reviewing the literature it further seems that there are inconsistent conclusions as to whether logic multiplicity is managed through logic contestation, separated coexistence, assimilated coexistence, or logic blending and what underlying micro argentic processes lead to these managerial outcomes.

Summing up, it is important to explore how various compositions of past (iterational), future (projective), and present (practical evaluative) agency (Emirbayer & Mische, 1998) interrelate with different levels of compatibility and centrality (Besharov & Smith, 2014), and how this constitutes strategies as to how conflicts and contradictions of multiple institutional logics are managed in practice. As revealed in the empirical examples from institutional logics literature, the level of compatibility is influenced by contextual conditions related to situations of interdependence/independence between functions and groups and to situations where one function or group is more dependent than the other. In this respect, Besharov and Smith (2014) stress that it is likely that functions and groups will be more motivated to enact unfamiliar logics when the level of interdependence is high, leading to higher levels of compatibility. The importance of social positions is further emphasized in literature on institutional entrepreneurship (Battilana, 2006; Battilana et al., 2009; Currie & Spyridonidis, 2016). Since the concepts of centrality and

compatibility are both influenced by power related to social positions, it is important to explore how compositions of past, future, and present agency processes unfold in different context of social positions at the field level and the organizational level. Though there have been studies of how future and present dimensions of agency constitute unsuccessful changes (logic contestation) (Battilana & Dorado, 2010) or successful changes (logic blending) (Maibom & Smith, 2016) in literature on institutional entrepreneurship, none of these studies has been able to explore the micro argentic processes that create movements on the continuum in between logic contestation and logic blending. Summing up, literature on institutional entrepreneurship has left out the past dimension of agency, whereas neo-institutional literature only considers the past dimension, meaning that study of the dynamic compositions of past, future, and present agency has mainly been overlooked. However, it is important to explore how the past dimension of agency interrelates with the present and future dimension in order to fully understand how managerial strategies of separated and assimilated coexistence are constituted in practice.

Qualifying the literature review it appears that the majority of studies have been conducted at the industrial field level, whereas studies at the interorganizational level have been rather absent. Though there have been some studies at the intraorganizational level, these have been conducted as single-case studies. However, in single-case studies it is not possible to explore how different managerial strategies are constituted through underlying compositions of past, future, and present agency. It is only possible to explore such managerial pathways through multiple cross-case studies. Further along these lines, there is a need for longitudinal studies in order to explore movements on the continuum between logic contestation and logic blending. By the definition of agency as a temporally embedded phenomenon, Emirbayer and Mische (1998) implicitly incorporate a longitudinal dimension to the concept. Finally, most studies have been conducted using mixed methods, combining qualitative interviews and documents. How the multiple cross-case and

longitudinal design is used in combination with data collection based on interviews and documents is elaborated upon in Chapter 5.

4.3 BUSINESS-NGO COLLABORATIONS AS A CONTESTED PHENOMENON

Still in their embryonic stage, business-NGO collaborations have oftentimes been portrayed as a contested phenomenon due to the dichotomy between confrontation and collaboration (Yaziji & Doh, 2009; Van Huijstee & Glasbergen, 2010), indicating that something complex and almost impossible is going on here. More scholars have argued that it is against all theoretical logic that these organizations should collaborate at all due to their fundamental differences in missions, values, and governance structures and due to a rather conflicting past (London et al., 2006). This has been witnessed in NGO campaigns against Nestlé's infant milk, Nike's sweatshop working conditions, and Shell's dumping of the oil platform Brent Spar (Baur & Palazzo, 2011). Reviewing the business-NGO collaborative literature, several issues appear, leading toward collaborative situations of logic contestation including; issues of unequal power positions and resource dependency of one of the partners; cultural differences; and goal conflicts due to different values, priorities, and operational practices. The issues of unequal power positions, resource dependence, cultural differences, and goal conflicts found in empirical business-NGO collaborative literature elaborated above are summarized in Table 4 below.

Table 4: Issues in the business-NGO literature related to logic contestation

| Issues | Description | Examples | Methods/analytical level/empirical context |
|--|--|--|--|
| Unequal power positions and resource dependence | Influencing centrality: | | |
| | Field-level power position / structure: NGO activism forcing businesses to comply with new innovations, standards, and CSR activities. Capitulation and/or resistance on the side of business partners. | Argenti (2004) Doh & Guay (2004) Potts & Haward (2007) Arenas et al. (2009) Stafford et al. (2000) Kourula (2010) | Document/industrial field analysis/Germany Documents/industrial field analysis/USA Documents/industrial field level/Australia Interviews/industrial field analysis/Spain Documents/intra-organizational field analysis/Mexico Interviews and documents/intra-organizational field analysis/Finland, Brazil, China, Poland, and Russia |
| | Vulnerability/resource dependence: Vulnerability on the side of businesses drives them toward collaboration in order to cope with criticism and gain legitimacy. Financial vulnerability on the side of NGOs drives them to be more dependent on businesses resources. Vulnerability on the side of both partners leads to collaborative challenges. | Dees (1998) Linton (2005) Van Huijstee & Glasbergen (2010) Burchell & Cook (2013) Molina-Gallart (2014) | Documents/industrial field analysis/USA Documents/industrial field analysis/USA Interviews and documents/intra-organizational field analysis/Netherlands Interviews and focus groups/industrial field analysis/UK Documents/industrial field analysis/UK |
| Cultural differences and goal conflicts | Influencing compatibility: | | |
| | Battels of jurisdictional control between business and NGO: Dissimilarity in value frames, missions, and priorities. Rigid perceptions and issues related to mutual influence. Misinterpretation of each other's motives. Skepticism toward partner intentions. Strong disagreements and goal conflicts. | London et al. (2006) Senge et al. (2006) Yaziji & Doh (2009) Le Ber & Branzei (2010) Venn & Berg (2013) | Documents/industrial field analysis/USA Documents/intra-organizational field analysis/Indonesia Documents/industrial field analysis/USA Interviews and documents/inter-organizational field analysis/UK Survey and interviews/intra-organizational field analysis/Netherlands |
| | Embeddedness in own profession: Cultural differences/cultural clashes. Especially NGOs challenged in their identity and cultural roots by engaging in new business development. | Dees (1998) Crane (1999) Molina-Gallart (2014) | Documents/industrial field analysis/USA Interviews/documents/industrial field analysis/UK Documents/industrial field analysis/UK |

As revealed in the previous section, the concept of centrality relates to power structures in the field—especially shifting power positions leading to increased resource dependency on the side of less powerful actors. Some of the reviewed articles in the business-NGO literature reveal that there are issues of power distribution and asymmetries in resource dependence at play, because advocacy NGOs make target corporations in particular industries to adapt to new technological knowledge and engage in large scale sustainable projects and programs (Stafford et al., 2000; Spar & La Mure, 2003; Doh & Guay, 2004; Linton, 2005; Potts & Haward, 2007). In the case of NGO activism, companies may find themselves in a less favorable power situation because they have to adjust each and every time new critical issues arise on the NGO agenda (Van Huijstee & Glasbergen, 2010). These issues of asymmetries in resource dependence and power distributions are furthermore revealed in a large-scale interview study by Burchell and Cook (2013). In times of changes the question is how companies manage to incorporate the underlying demands of NGO and activist logic into their core activities and practices. What is important in the context of sustainable innovation projects and activities activated through NGO criticism and pressures is therefore to explore whether companies manage to integrate, assimilate, or separate NGO logic leading to different strategies in managing logic multiplicity.

As revealed in the previous section the level of compatibility is influenced by resources and power positions of professional functions and groups in fields. Reviewing the business-NGO literature it is obvious that there are some issues related to cultural differences and goal conflicts, meaning that it may be challenging for partners to reach a point of agreement as to how jurisdictional control is exhibited if exhibited at all. In this respect London et al. (2006) argue that cross-sector collaborations between businesses and NGOs in general are characterized by a high level of cultural dissimilarity because the two partners have often been on opposite sides of the argument. According to Mandell and Steelman (2003), partners often base their perceptions on

stereotypes—meaning that NGOs are unaware of business realities and that business are only interested in making profits. The absence of similarity between partners regarding cultural norms, values, and managerial philosophy is furthermore related to conflicts, misunderstandings, and mistrust of the other partner’s motives and reliability (London et al., 2006; Senge et al., 2006; Yaziji & Doh, 2009; Le Ber & Branzei, 2010; Venn & Berg 2013). Further along these lines, Rivera-Santos and Rufin (2010) stress that business-NGO collaborations are much more complex compared to intersector collaborations because the missions and governance structures of NGOs and private organizations are basically very different. Corporations typically adopt a hierarchical structure for decision-making, whereas nonprofits frequently use more democratic approaches (London et al., 2006). The question is then whether partners use the unresolved jurisdictional control of multiple logic as a learning opportunity toward increased disembeddedness in their own professional logics or whether they let the logic of one of the partners dominate. Another issue related to cultural dissimilarity is that NGOs may find themselves in a cultural identity crisis (Dees, 1998; Molina-Gallart, 2014), transforming inherent grass-root innovative capabilities founded within value-driven management and voluntary energy into the development of new business-oriented inclusive business models (Venn & Berg, 2013). Simultaneously, there has been a movement on the side of NGOs becoming more businesslike; however, Molina-Gallart (2014) stresses that NGOs still are rather embedded and tied to their own professional logics, which constrain their ability to enact to commercial logic collaborating with business partners.

This part of the literature articulating the tale of “odd allies”—portraying business-NGO collaborations as a contested phenomenon, marking all the areas of incompatibilities in cultural and operational practices related to institutional logics—is in general not that optimistic about collaborative perspectives. This means that NGO knowledge may not automatically transform into a given sustainable innovative outcome.

4.3.1 Research gaps challenging business-NGO collaborations as a contested phenomenon


Though business-NGO collaborations have been portrayed as a contested phenomenon, the question is whether multiple institutional logics play out through internal conflicts, collaborative breakdown, a practical living-apart-and-together version of coexistence, assimilation, or logic blending of partner values, beliefs, and ways of doing things. However, we actually do not know anything about how logic multiplicity plays out and is managed across different collaborative context as to whether multiple logics overlap, supplement, or conflict each other within in the collaborative interface and in business organizations. Perhaps business and NGO partners are not that odd at all. Qualifying the literature review on business-NGO collaborations, it appears that the majority of the studies relate to the Anglo-Saxon empirical setting, whereas research conducted in European/Scandinavian empirical settings have been rather absent. Another shortcoming is that most studies have been conducted at an industrial field level or at an intraorganizational level, whereas studies at the interorganizational level have been few. Accordingly, the dyadic aspects of the collaborations have mainly been overlooked. Regarding methodological choices, most of the reviewed studies are based on archival documentary sources and surveys, whereas in-depth qualitative interviews have been used to a lesser degree. The findings related to the contested scenario may not be generalized to a European/Scandinavian empirical context, which in contrast to Anglo-Saxon predominant shareholder-oriented logics equivalent in liberal market economies is characterized by predominant stakeholder-oriented coordinated market economies. Due to the fact that European political institutions, in contrast to Anglo-Saxon political institutions, have a long tradition of involving NGOs in social and environmental issues, they are less driven toward activism and demonstration toward companies (Doh & Guay, 2006). In addition, Scandinavia is characterized by a well-established welfare system where government institutions solve many charity tasks that are usually solved by NGOs in Anglo-Saxon countries (e.g., by Oxfam in the UK). Consequently, the empirical

contribution of this thesis is an exploration of business-NGO collaborations under quite specific institutional conditions, which could imply different patterns and pathways as to how partners manage multiple logics.

4.4 IMPEDING CONVERGENCE IN BUSINESS-NGO COLLABORATIONS

Business-NGO collaborations are not solely portrayed as a contested phenomenon as outlined in the previous section. Yet, another part of literature portrays business-NGO collaborations as a win-win phenomenon based on stage models and process descriptions for how partners should move toward higher levels of convergence. As mentioned in Chapter 3, these stage models and process descriptions are founded in the resource-based view with a specific focus on resource complementarity and the process of value co-creation. The essential idea is that perfect match of complementary resources provides a unique result that neither partner could have created independently. Theoretical frameworks based on the resource based view (Table 5) below idealize collaborative equality and mutual dependency in different phases as a necessary prerequisite for successful collaboration in tackling societal issues (Googins & Rochlin, 2000; Jamali & Keshishian, 2009; Seitanidi & Crane, 2009; Murphy & Arenas; 2010; Austin & Seitanidi, 2012b).

Table 5 Theoretical frameworks for how to impede collaborative convergence

| | Googins and Rochlin (2000) | Jamali and Keshishian (2009) | Murphy and Arenas (2010) | Seitanidi and Crane (2009) Austin and Seitanidi (2012b)* |
|---------------------------------------|---|--|--|---|
| Pre-formation/formation phase | Defining clear goals: Where business and community goals are equally important. | Initiation Phase: Assessment of partner choice and alignment of goals and missions in order to ensure compatibility. | Alignment: Ensuring proper fit of partner missions, goals, strategies, and values. | Partner selection/ formation: Assessing partner options, including risk assessment. Assessment of motives and mission fit to ensure complementary resources and high levels of compatibility and value creation. |
| Implementation phase | Organizational embeddedness: by ensuring senior management's commitment and by engaging professionals in the work. | Execution phase: Ensuring a high level of relational engagement at management level. Volunteer work at employee level. Intensive and frequent interaction.  | Relationship development: Alignment of partner motivations and setting a high level of collaborative intensity. Setting a high level of CEO engagement. Alignment of cultures. | Partnership design: Alignment of partner objectives and design of partnership structure and processes that allows a high level of engagement at management level, employee level, and for relational trust building and learning. |
| Institutionalization phase | Mutual commitment: Through frequent communication and long-term investment in resources beyond financial resources, including mutual dependency in generating new ideas, exchange of training, and volunteer work. | | Alliance management: Focused attention through frequent interaction and communication at more organizational levels. Development of relational trust. High level of investment in time and resources at management level. | Partnership institutionalization: Institutionalization of the designed structure and processes in each partner organization in order to increase relational familiarization in both organizations and between the two organizations. |
| Continuation/termination phase | Maintenance and continuous development: Through evaluation of results and societal and business impact. | Re-evaluation phase: Evaluation and learnings for creating better conditions for continuation of the partnership. | | Exit strategy: The last part of the implementation phase if the partnership is not to continue beyond an actual project. |

*The framework of Austin and Seitanidi (2012b) is based on and represents further development of the framework by Seitanidi and Crane (2009).

4.4.1 The pre-formation and formation phase

Reviewing the empirical business-NGO literature, more scholars emphasize the importance of mission and goal alignment, and assessment of the right partner supporting collaborative convergence in the pre-formation and formation phase (Berger et al., 2004; Jamali & Keshishian, 2009; Austin, 2010; Murphy & Arenas, 2010). In Jamali and Keshishian's (2009) study, it was found that partnership missions in general mostly reflected the mission of the NGO partner, and that business assessment for finding the right NGO partner mostly took place by assessing concrete NGO project proposals for whether they seemed to fit the strategic goals of the company. Austin's (2010) study found that NGOs systematically search for companies that match the cause, and that business representatives in NGO boards often help NGOs in their search finding right partners for collaboration. Further along these lines, the 10 cases explored in Austin's (2010) study revealed that companies and NGOs invest and spend a lot of time in the formation phase in order to define exactly what they want to achieve from the collaboration, and how to ensure alignment in mission, strategy, and values. The importance of CEO and top management-level engagement in the implementation phase is further stressed by scholars as an important vehicle to ensure that the partnership is designed in a way that allows collaborative processes to develop and become institutionalized at more organizational levels. The findings from Jamali and Keshishian's (2009) study reveal that top managers from both organizations were equally involved in the formation phase. However, only NGO managers were fully engaged beyond the formation phase, whereas company managers were more symbolically engaged beyond this phase. In Austin's (2010) study it was found that a high level of top management engagement is the key driver for creating strategic partnerships with solid structural setups and for engaging employees at more organizational levels in collaborative processes. Seitanidi and Crane (2009) found that key functional departments in both organizations made a great deal of effort in order to design the partnership in a way that mobilized

resources for developing trustful relations and engagement among all employees. Moreover, Seitanidi (2009) stresses the importance of employee volunteer activities and relational engagement in business-NGO collaborations.

In the explorative cross-case study by Holmes and Smart (2009), it was furthermore found that the important role of senior management involvement was tightly interrelated with boundary-spanning roles in managing social innovation processes in the collaboration. In half of the cases, the boundary-spanner role of senior managers was characterized by being formal and centralized, whereas in the other half of the cases the role was characterized by being informal and explorative. Though Murphy and Arenas (2010) stress the importance of partner fit, goal alignment, cultural alignment, and CEO engagement in the formation and implementation phase, the empirical evidence of their study of three business-NGO collaborations in the context of indigenous people at the base of the pyramid reveals that these processes are not that straightforward. In two of the examined cases founded in the mining industry, the starting point of departure was conflict, meaning that partners went through lengthy periods of dialogues and negotiations before reaching the point of alignment.

4.4.2 The implementation and institutionalization phase

More scholars stress the importance of relational development in the implementation and institutionalization phase. In a large-scale quantitative study by Sanzo et al. (2015), it was found that trust building is a key factor in developing innovative capabilities in social innovation through business-NGO partnerships. In another large-scale quantitative study Venn and Berg (2014) found a negative relationship between goal conflicts and trust, and between power execution and knowledge exchange, and a positive relationship between knowledge exchange and trust. In a cross-case study Jamali et al. (2011) explored the conditions under which social innovation thrives in business-NGO collaboration. In line with the underlying assumptions of Austin's collaborative continuum (2010),

they found that social innovation are more likely to thrive when partners develop strong ties through frequent interaction and trust building processes. A similar finding was revealed in Murphy and Arenas' (2010) study of indigenous people commercialization of designs. In a explorative longitudinal single-case study by McDonald and Young (2012) of an Australian mining company and their environmental NGO partner, it was found that the collaboration after a period of 20 years moved toward higher levels of integration through increased employee engagement and community programs facilitated by the company CSR department. Trust is emphasized as an important relational catalyst in the collaborative process, and a key factor in fostering collaborative capabilities from the perspective of the resource-based view (Seitanidi, 2009; Jamali et al., 2011; Sanzo et al., 2015).

The findings in Austin's (2010) study reveal how partners develop the collaboration toward higher levels of interaction through regular social interactions (e.g., frequent communication or joint routines and activities) leading toward higher levels of flexibility, commitment, and trust. Likewise, the study revealed how enthusiasm and engagement by top level managers became cultivated down the organizational hierarchy, leading to widespread voluntary work among employees and increased partnership familiarization and institutionalization. The importance of managers in the role as boundary spanners together with openness toward cultural differences has also been emphasized in order to build relations and make innovation processes thrive (Holmes & Smart, 2009). Though Jamali and Keshishian (2009) stress, in their collaborative framework, the importance of intensive and frequent interaction and volunteer work at the employee level, they found only minimal empirical evidence of this in their cross-case study. Following the underlying assumptions of increased interaction and integration among partners in Austin's (2010) and Austin and Seitanidi's (2012a) collaborative continuum, very few studies addresses the phase of continuation/termination. Though Jamali and Keshishian (2009) found evidence of partner re-

evaluation toward increased closeness and more frequent communication in a few cases, the majority of the NGOs in the study expected continuous support from their company partners but without any closer involvement regarding implementation of projects at operational level.

4.4.3 The continuation/termination phase

Seitanidi and Crane (2009) mention exit strategies as a theoretical possibility in the termination phase but found no empirical evidence for the application of such strategy in their study. In a further development of Seitanidi and Crane's (2009) theoretical framework, Austin and Seitanidi (2012b) do not incorporate this last phase addressing partner exit strategies. The underlying assumption seems to be that business-NGO collaboration is a constantly evolving phenomenon that continues beyond the termination of actual projects, leading toward creation of more permanent institutions. The central managerial issues related to the different stages in the collaboration are shown in Table 6 below.

Table 6 Issues in the business-NGO literature related to convergent collaborative development

| Issues | Description | Examples | Methods/analytical level/empirical context |
|--|--|--|---|
| | Influencing convergence (Increasing compatibility and centrality): | | |
| Formation phase | Mission and goal alignment: Perfect match / alignment in missions, goals priorities and problem definition between partners from the outset of the collaboration. Selecting the right partner is a prerequisite for collaborative success. | Berger et al. (2004) Jamali & Keshishian (2009) Seitanidi & Crane (2009) Austin (2010) Murphy & Arenas (2011) | Interviews and documents/multiple-case study/USA Interviews/comparative multiple-case study/Lebanon Interviews and document/case study (two cases)/UK Interviews and documents/multiple-case study/USA Documents/multiple-case study/Peru |
| Implementation phase | Structuring/planning processes: Partnership design, structure, and processes. Setting goals and plans. Ensure high level of engagement at CEO/top management level. | Holmes & Smart (2009) Jamali & Keshishian (2009) Seitanidi & Crane (2009) Austin (2010) Murphy & Arenas (2011) | Interviews and documents/comparative multiple-case study/UK Interviews/comparative multiple case study/Lebanon Interviews and document/case study (two cases)/UK Interviews and documents/multiple-case study/USA Documents/multiple-case study/Peru |
| Institutionalization phase | Relational development: Intensive communication, frequency in interactions and activities. Relational investment on more organizational levels. Trust-building processes/active boundary-spanner role in order to facilitate knowledge exchange in innovation processes. Active employee engagement through volunteer work. | Jamali & Keshishian (2009) Seitanidi (2009) Seitanidi & Crane (2009) Austin (2010) Jamali et al. (2011) Murphy & Arenas (2011) McDonald & Young (2012) Venn & Berg (2014) Sanzo et al (2015) | Interviews/comparative multiple-case study/Lebanon Interviews and documents/single-case study/UK Interviews and document/case study (two cases)/UK Interviews and documents/multiple-case study/USA Interviews/comparative multiple-case study/UK Documents/multiple-case study/Peru Interviews, observations and documents/single-case study/Australia Survey/inter-organizational field analysis/Netherlands Survey/industrial field analysis/Spain |
| Continuation/termination phase: | Re-evaluation: Increased/closer involvement; more frequent communication. Better structuring of projects. | Jamali & Keshishian (2009) | Interviews/comparative multiple case study/Lebanon |

This part of the business-NGO collaborative literature is basically founded in ideas from long-established alliance literature. It is assumed that completion of activities in the formation, implementation, and institutionalization phase, including assessment of fit in mission, goals, and potential risk together with design of structure and operations in the implementation phase, and cultural embeddedness and relational ties in the institutionalization phase, leads to a successful collaborative outcome (Manning & Roessler, 2014). This is very similar to the underlying ideas in Austin & Seitanidi's (2012a) collaborative continuum, where it is recommended that partners strengthen personal relations through cross-organizational activities in order for the collaboration to gradually evolve from the philanthropic stage to the integrative and transformative stages of value co-creation. These assumptions are furthermore recommended in a number of practical guidelines and toolboxes published by, e.g., WWF (2009), International Business Leaders Forum (2011), and Deloitte (2015), stressing the importance of screening for suitable partners, goal and mission alignment in the initiation phase, project design in the implementation phase, and impact assessment and evaluation in the termination and maintaining phase.

4.4.4 Research gaps challenging business-NGO collaborative convergence

Literature on business-NGO collaborations is still at an early stage and characterized by numerous taken-for-granted statements, win-win stories, conceptual frameworks, and normative guidelines (Bowen et al., 2010; Laasonen et al., 2012). More researchers have criticized this overwhelmingly rationalistic one-size-fits-all focus in the business-NGO literature, where it is assumed that partners have the ability to assess proper fit and design the collaborative process right from the outset, and the obvious truth that complementary resources automatically transform into value co-creation (Rein & Stott, 2009; Vurro et al., 2010; Selsky & Parker, 2010; Manning & Roessler, 2014). Given

that businesses and NGOs are basically embedded in a larger field of competing institutional logics at the macro level, it could be questioned whether partners are able to be fully aligned right from the outset of a collaborative relationship, no matter how carefully partner selection is assessed. It is therefore important to challenge these “one size fits all” guidelines for managing business-NGO collaborations and explore which conditions they are most likely to develop according to the underlying assumptions of the collaborative continuum (Austin & Seitanidi, 2012a).

One main knowledge gap in studying business-NGO collaborations is the lack of knowledge of how micro-level interactions between partners actually unfold, including investigation of how integrated, strategically committed, and formalized these collaborations really are in terms of governance mechanisms between market and hierarchy (Todeva & Knoke, 2005; Dacin et. al, 2007). Applying Emirbayer and Mische’s (1998) understanding of past, future, and present agency, it becomes possible to explore the underlying mechanisms of what constitutes the level of integration, formalization, and strategic commitment between partners. Since the past dimension of agency represents governance repertoires of preferred practices and routines (Emirbayer & Mische, 1998), it is important to explore what practical evaluative adaption processes are brought into play when these governance repertoires meet together in here-and-now situations. The process of convergence and alignment between business and NGO practices, routines, values, and belief systems may therefore not be that normative or rational at all. Perhaps the reality is much more complex or irrational. Perhaps partners from a practical evaluative perspective find their own ways of managing institutional logics even though they are not fully aligned on all issues. However, there have been very few studies with focus on collaborative micro processes and no studies that explicitly address micro argentic collaborative processes.

Another main shortcomings in literature on business-NGO collaborations is that the phenomena have mainly been investigated from a general perspective, without any consideration of institutional contexts (Vurro et al., 2010; Voltan & De Fuentes, 2016). The complexity of managing multiple institutional logics has therefore mainly been overlooked. However, since the world has become far more interconnected with a general increase in cross-sector collaborations, the content and scope of institutional complexity is unknown. Perhaps partners have already become homogeneous through convergence processes and has developed institutional capabilities. In addition to that, there is a lack of knowledge of which central issues cause disagreements between partners in the formation, implementation, institutionalization, and continuation phases of the collaboration. It is also important to explore how convergence movements are created through different compositions of past, future, and present argentic adaption processes.

Qualifying the literature review, most of the studies have been conducted in Anglo-Saxon empirical settings, where business-NGO collaborations are portrayed as a phenomenon that from the outset of philanthropy has continuously evolved toward higher and higher levels of integration and alignment (Austin, 2010; Austin & Seitanidi, 2012a, 2012b). However, it is important to take into consideration that circumstances from the outside or from one of the partners over time may push the collaboration back and forth toward new equilibrium points of integration and alignment, meaning that collaborations may follow more pathways than those described in the collaborative continuum and stage process models. Another observation from the literature review is that the majority of studies are multiple-case studies consisting of 10 or more cases and surveys, meaning that most studies are characterized by being variable-oriented case studies, whereas in depth case-oriented case studies up to 5 cases are less represented

(Ragin, 1999). The methodological choice of case-oriented case study analysis in this study is further elaborated in Chapter 5. Finally, by the combination of both interviews and documents this part of the business-NGO literature appears to be less anecdotal than the part of literature describing the business-NGO collaborations as a contested phenomenon.

Addressing the theoretical, empirical, and methodological shortcomings and research gaps outlined above this study provides insight into institutional matters and opens up the managerial black box by exploration of central aspects in the collaborative process.

4.5 SUMMING UP RESEARCH GAPS ADDRESSED IN THE PAPERS

The empirical, methodological and theoretical research gaps outlined in the previous sections of the chapter are summarized in Table 7 below.

Table 7 Summing up research gaps

| Empirical research gaps | Methodological research gaps | Theoretical research gaps |
|---|---|--|
| <p><u>Literature on institutional logics:</u></p> <ul style="list-style-type: none"> Majority of studies conducted within the financial sector, social enterprises, culture & art, and public-private partnerships. Lack of studies exploring the collaborative interface of businesses and NGOs. <p><u>Business-NGO literature:</u></p> <ul style="list-style-type: none"> Majority of studies in Anglo-Saxon empirical settings. Lack of studies in European/Scandinavian empirical settings. Majority of studies that consider business-NGO collaborations as either contestation or something that develops from philanthropy toward higher and higher levels of convergence representing logic blending. Lack of studies that consider both conflicting and collaborative points of departure. | <p><u>Literature on institutional logics:</u></p> <ul style="list-style-type: none"> Majority of studies are conducted at the industrial field level and single-case studies at the intra-organizational level. Lack of inter-organizational collaborative studies. Lack of multiple cross-case studies exploring managerial pathways in managing logic multiplicity. Lack of longitudinal studies exploring movements in managing logic multiplicity. <p><u>Business-NGO literature:</u></p> <ul style="list-style-type: none"> Many studies have been conducted at the industrial field level and intra-organizational level. Studies at the inter-organizational level have mainly been conducted as large N variable-oriented case studies. Lack of multiple cross-case studies addressing dyadic aspects of the collaboration. More studies are conducted through documentary data sources, leading to anecdotal evidence. | <p><u>Literature on institutional logics:</u></p> <ul style="list-style-type: none"> Inconsistent conclusions of how logic multiplicity is managed through logic contestation, separated coexistence, assimilated coexistence, and logic blending. Lack of studies that explore the underlying compositions of micro argentic processes that constitute how logic multiplicity is managed. Lack of studies that are able to explore movements on the continuum between logic contestation and logic blending. Lack of studies that integrate the chordal triad of agency incorporating both structure and agency. <p><u>Business-NGO literature:</u></p> <ul style="list-style-type: none"> Majority of studies address business-NGO collaborations from a resource-based view, including the collaborative continuum and normative stage models for how to impede collaborative convergence. Lack of studies addressing institutional complexity leading to multidimensional understanding of the business-NGO collaborative phenomenon beyond normative theoretical frameworks. Lack of studies addressing underlying micro argentic processes of how integrated and strategically committed business-NGO collaborations are. Lack of studies addressing underlying micro argentic processes in different phases of business-NGO collaborations. |

The methodological research gaps outlined above have qualified and informed choices of research design in the study by selecting a dyadic multiple cross-case study in combination with some elements from the longitudinal design. Likewise, the elaborated empirical research gaps have qualified and informed the development of empirical case selection criteria. These empirical and methodological choices are further elaborated upon in the next chapter addressing overall methodological considerations regarding research design, data collection, and analytical methods of the study. How the

theoretical research gaps are addressed is revealed in Papers 1–3, including specific theoretical case selection criteria.

5. RESEARCH METHODOLOGY

The overall research aim and main driver of the PhD project is rather broad and has an explorative approach in order to understand how retailers manage logic multiplicity in sustainable innovation with NGO partners. The research questions of the papers represent a narrower investigation of the overall aim. Including 1) Exploration of interpartner dissimilarities and disagreements, and how these are managed through adaption processes in the collaborative process (Paper 1), 2) How institutional differences influence governance practices (Paper 2), and 3) How key actors on the side of businesses manage institutional conflicts across internal business functions (Paper 3).

In order to comply with requirements of transparency in research, the selected research design, research methodology, analysis strategy, and analysis processes are elaborated upon in the following chapter. In the first section, the cyclic case study design is elaborated upon together with the overall empirical case selection criteria across Papers 1–3. In the second section, the data collection is examined together with the selection of informants in the study. In the third section, the analytical strategy and process of thematic analysis, constant comparative method, and cross-case analysis are elaborated upon. Finally, in the fourth section the quality of the study is discussed.

5.1 RESEARCH DESIGN

As mentioned previously, there has been a relatively high amount of focus on future (projective) and present (practical evaluative) dimensions of agency in contemporary studies of institutional entrepreneurship, whereas the past (iterative) dimension has mainly been overlooked. It is nevertheless important to study how different compositions of past, future, and present agency unfold and constitute different managerial strategies and pathways in managing institutional logics. In order to study

these differences and similarities, it was decided to move beyond single-case studies and conduct a multiple cross-case study. The intention was furthermore to capture movements and changes in the collaborative process by incorporating elements from the longitudinal design. The advantage of case studies is that they are grounded in real-life practices of the studied organizations and key actors, which permit the researcher to get close to the studied phenomena and to uncover the complexity of theoretical concepts through new interpretations (Neergaard, 2010). The managerial practices explored in this study relate to partner collaborative and institutional orientations and to dynamics and processes in the interorganizational and intraorganizational collaborative interface. This includes partner roles, responsibilities, personal relations, and learnings. The case study design is relevant in new contemporary research fields, where more detailed knowledge is requested in order to identify underlying mechanism and structures (Yin, 2009), and where the ontological status of the studied phenomena and concepts is uncertain. As discussed in the previous section, sufficient theoretical and conceptual distinctions in this research area have not yet been established, which is why large-scale cross-sectorial surveys are not a logical or practical choice. Finally, a multiple cross-case study design makes it possible to explore the broadness of potential similarities and differences across the selected cases.

There are in general three research strategies for researchers to follow in order to ensure rigor and purposive case studies, namely empirically and theory-driven case studies and cyclic case study design (Neergaard, 2010). Empirically driven case study strategy is much similar to grounded theory and characterized by explorative and inductive theory building without any focus on prior theory (Claser & Strauss, 1967), and it is a well-suited strategy for pre-studies in order to qualify research focus and research questions (Neergaard, 2010). Theory-driven case study strategy, in contrast, is

based on conceptual and theoretical frameworks and is characterized by deductive explanation in large-N case studies (10–50 cases), similar to theory testing and falsification identifying all the “black swans” in existing theory (Flyvbjerg, 2006; Neergaard, 2010). Finally, there is the cyclic case study design characterized by being additive, because researchers start with a single case and over time add more cases. This means that concepts and theoretical constructs are reformulated and reinterpreted through the process of explorative integration (Neergaard, 2010). Gradually, as more cases are added, the investigation goes from exploration of concepts and theoretical constructs to a stage of confirmation and testing where there is no more new knowledge to be added and the investigation reaches the point of saturation (Eisenhardt, 1989). The strength of this approach is a high level of openness toward the phenomena as to “what is going on” in the field in the beginning of the study.

In between the pre-study (mentioned in the preface) and the following extended case study, the literature review was conducted, meaning that the multiple cross-case study is informed by theory to a much larger extent. However, the approach is still explorative due to the uncertain ontological status of the investigated phenomena. Besides, the insights from the literature revealed that the micro processes of “what is going on” in the collaborative process is not well described in prior research. The case study research process therefore follows the principles of the cyclic case study design, with a high level of openness toward the field and the phenomena in the beginning of the investigation, and where cases are added and analyzed one after the other until the saturation point is reached. Consequently, the theoretical criteria for case selection, and the order by which the selected cases is examined and analyzed, is a crucial part of the research process. The empirical case selection criteria is elaborated in the next section, whereas the theoretical case selection criteria is elaborated upon in Papers 1–3.

5.1.1 Empirical case selection criteria

According to Yin (2009), the underlying logic of selecting cases with different empirical characteristics is similar to the replication logic used in multiple experiments. Yin (2009) furthermore emphasize that such an analytical approach provides a more robust study outcome. Although there are no formal guidelines emphasizing the ideal number of selected case examples, Eisenhardt (1989) stresses that 4–10 case examples should be plenty to enable in-depth study of the phenomenon in focus.

The core essence in small-N case studies is furthermore to select cases that enable the researcher to gain insight into complex underlying mechanisms and processes rather than to establish representativeness, which is why empirical and theoretical-based selection criteria are considered more suitable than random sampling (Gerring, 2007).

The empirical setting consists of five retail companies in a Nordic/Scandinavian institutional context. The reason for this selection of empirical context relates to the fact that Scandinavian and Nordic countries have a well-established welfare system where government institutions solves many charity tasks that usually are solved by NGOs in Anglo-Saxon countries (e.g., by Oxfam in the UK). The rationale behind choosing the retail industry is that it is the fastest-growing industry internationally (Jonsson & Tolstoy, 2014) and an industry where customer demands on sustainable solutions have been direct and relatively strong. Finally, it appears that retailers situated in a Northern European/Scandinavian institutional context are especially involved in sustainable innovation projects and activities (Strand et al., 2015). This means that sustainable innovation with NGO partners is studied under quite specific institutional conditions, which potentially could imply how multiple institutional logics are managed in the inter- and intraorganizational interface.

The process of case selection was informed by literature on business-NGO collaborations and sustainable innovation, and by empirical identification of relevant cases through document sources. The five selected cases within the retail industry (see Table 7) are all characterized by being relevant in terms of ongoing public discussions and mainstream movements at consumer and societal level. As mentioned in the previous section, the intention is furthermore to perform a formal and to a higher degree theory-driven case selection representing distinct theoretical constructs. The theoretical case selection criteria are related to the specific aims and RQ in the distinct parts of the study and elaborated upon in Papers 1–3.

As outlined previously in the theoretical sections, one main research gap relates to the basic assumptions in literature stressing that business-NGO collaborations are either to be considered as a contested phenomenon due to NGO activism (Burchell & Cook, 2013) or a converging phenomenon because partners—as they move through phases of pre-formation, formation, implementation, and continuation—over time merge their value frames through adaption processes (Austin & Seitanidi, 2012b), similar to the managerial strategy of logic blending. However, as stressed by Van Huijstee & Glasbergen (2010), these processes may be more dynamic and complicated due to shifts in collaborative approaches over time. Empirically, these matters relates to partner maturity and life time experience, which is why it is important to select cases with different levels of collaborative maturity and sustainable innovation experience.

One important empirical criterion was therefore to select case examples that had reached beyond initial phases and thus had a history of sustainable innovation and NGO collaborations together with cases in the premature and initial phases. To fully understand the implications of logic multiplicity in terms of how competing logics and relational dynamics are managed in the inter- and intraorganizational interface, it is

necessary to adopt a dynamic longitudinal perspective, which is not that easy to apply to if only here-and-now situations are addressed in the process of data collection. Applying a longitudinal time perspective makes it possible to capture many aspects of the dynamic processes in managing institutional logics.

Additionally, case examples were selected based on sustainable innovative collaborative activities beyond the level of philanthropy and PR/marketing. Finally, the selected cases all represent retail companies engaged in production and sale of both food and non-food private-label products. The empirical case selection criteria together with the specific theoretical case selection criteria elaborated on in Papers 1–3 make it possible to identify differences and similarities in collaborative patterns across a variety of collaborative stages and activities and thereby extend emergent concepts and theory (Eisenhardt, 1989). By using case examples with both adverse and affirmative potential toward existing theory (see the distinct theoretical case selection criteria in Papers 1–3) it is possible to develop new interpretations of existing theory. Such an approach in case selection is especially appropriate in the cyclic case study design and for examining collaborative stage models identifying new alternative collaborative pathways (Neergaard, 2010).

In order to qualify as a research objective, the selected case examples had to meet the following empirical-based criteria:

- The retailer headquarters is placed in a Northern Europe/Scandinavia context.
- The retailers should have gone beyond philanthropic and PR/marketing collaborative activities toward identified sustainable innovation activities, and relate to the production and sale of both food and non-food private label products.

- The retailers should differ in maturity and experience in terms of their work with NGOs and sustainable innovation.

In accordance with the empirical case selection criteria, the empirical part of the study consists of five retail companies anchored in Northern Europe/Scandinavia, with headquarters in Denmark, Sweden, Norway, and Germany.

The five cases are described in Table 8 below.

Table 8: Case descriptions

| Case | Company | Description of innovation projects and activities | Prior experience | NGO partner |
|------|------------------------------|--|------------------|----------------------------|
| 1 | Food retail chain A | Incorporation of small African farmers in the supply chain to secure the future supply of vegetables, cocoa, coffee, and meat products. Since the global population is expected to increase to 8 billion by 2025, the main driver for the retailer is to secure the future supply chain. | Mature | Development organization |
| 2 | Non-food retailer | Process and product innovation in global supply chain in collaboration with an advocacy environmental NGO to improve forest management practices among farmers in risk countries in Eastern Europe and Asia and influence advocacy policy work, technical support, awareness raising, etc. The motivation for the collaboration is to speak together with one voice influencing governments and to facilitate sustainable forest management in risk countries. | Mature | Environmental organization |
| 3 | Non-food company/retailer | Development and implementation of programs and tools together with a child policy and advocacy organization in a base of the pyramid context aimed at influencing the government, schools, teachers, and parents providing children access to play and stimulating children's learning capabilities through play. | Mature | Child organization |
| 4 | Food retail chain B | Health-related product and service innovation in collaboration with a health NGO. Redesign of products/recipes to minimize sugar and fat in product supply chain. Implementation of new management tools to promote the sale of healthy products. Removal of multi-piece offers. The motivation for this collaboration was to reverse the explosive development of the obesity curve and help customers make healthier choices when purchasing food. | Moderate | Health organization |
| 5 | Food/non-food retail chain C | Process innovation with advocacy environmental and socially oriented NGOs aimed at developing and ensuring sustainable policies and audit in the supply chain. The motivation is generally to scan the environment through NGOs to be at the forefront with future sustainable issues. | Limited | Environmental organization |

The different levels of maturity further means that the collaborations represented in Cases 1–4 are characterized by dyadic collaborative projects and activities, whereas Case 5 so far is characterized by an collaborative agreement at headquarter level that has not yet been implemented through dyadic projects and activities. This specific case therefore represents a very initial stage of dialogue and knowledge exchange.

5.1.2 Principles for anonymization of cases

A central ethical consideration related to the research setting was to ensure the right level of anonymization of the involved case organizations. According to Thomson et al. (2005) it is almost a taken-for granted principle that cases are anonymized in case studies. This principle is also used in most dyadic business-NGO studies (e.g., Holmes & Smart, 2009; Le Ber & Branzei, 2010). The study consists of a mixture of both highly and less experienced organizations where the less experienced organizations were more sensitive to anonymity at corporate level. It was therefore decided to anonymize the examined organizations across all five cases, knowing that some readers would probably be able to recognize the more experienced case organizations as they represent large brands and have a rather long collaborative history. Another reason for anonymizing corporate and NGO names were to encourage the informants to be open and straightforward in the interview process. Therefore, the five cases are identified by numbers 1–5 in the study, which also reveal the order in which the cases were studied and the interviews conducted. In Table 7 the organizations are named by using the principle of pseudonyms (Thomson et al., 2005) related to the type of retailer and the missions of the NGOs. The intention and choices made in relation to anonymization of the cases was to ensure the integrity of data as much as possible without compromising the analysis with too much de-contextualization, which is why contextual information related to, e.g., the collaborative history and critical events was not omitted from the analysis.

5.2 DATA COLLECTION

In order to explore the dynamic processes and practices in creating sustainable innovation with NGO partners, data was collected through semi-structured interviews and documents. The advantage of the semi-structured interview (Kvale & Brinkmann, 2008) is that the informants are stimulated to give exhaustive descriptions and interpretations of their involvement and understanding of certain activities, situations, and events in the innovation and collaborative process. It also means that the informants are able to express themselves in long continual passages, where series of thoughts are followed to the end and put into a larger context. Following the social constructivist perspective, the interviews were conducted similar to an everyday conversation (Nielsen, 2007) in order to stimulate interpretations, assumptions and formulations of practices, interactions, negotiations and changes in the collaborative process. The reason for applying documents is that these sources are an integrated part of organizational reality (Justesen & Mik-Meyer, 2012), which makes it possible to capture the history of sustainable innovation and collaborative projects and activities from a longitudinal perspective (Bryman & Bell, 2007). In this respect, interviews are distinctive from document sources because they often reflect a here-and-now picture, which is inadequate for exploring the dynamics and practices in collaborative process from a longitudinal perspective. By the use of document sources it is possible to address the historic aspects of the collaborative process in a more qualified manner in the interviews through questions related to how innovation projects and activities were initiated together with the most significant events, changes, and learnings along the process.

5.2.1 Informant selection

The chosen informants in the study are all characterized as key informants (Kumar et al., 1993), and knowledgeable experts (Meuser & Nagel, 2009). Knowledgeable experts are characterized by their “socially institutionalized expertise” much in line with institutional agents that operate individually within certain fields of action regardless of their social positions (Meuser & Nagel, 2009). Meuser

and Nagel further stress that the understanding of expert interviews links to the social constructivist perspective of the interview because:

Knowledge production is an open-ended process, moving towards unknown futures, taking into account unforeseen options and developments. Looking in the reciprocal and collective process discourse among experts with different outlooks and across boundaries of disciplines, professions, and spheres of knowledge, expert knowledge cannot but be recognized as a social construction, as socially created in a social practice. (2009:29)

Following the social constructivist perspective it was important to select:

- 1) Individuals directly involved in the innovation and collaborative activities, such as responsible decision-making persons at top-level management and project owners.
- 2) Key persons in project management roles operating in boundary-spanner roles at the inter- and intraorganizational interface.
- 3) Managers and employees at the operational level involved in or affected by the innovation and collaborative activities.

The knowledgeable experts in this study were therefore not solely selected according to specific hierarchical or functional positions but according to their active involvement in the innovation and collaborative activities. However, this implies subjective assessments made during the research process as to which informants are considered experts. For instance, in some of the corporate organizations, CSR managers and employees were not always deeply involved in the innovation and collaborative activities—but on the other hand, some of them proved to be extremely knowledgeable about specific internal cross-functional tensions and attitudes, which clearly qualified them as experts. In sum, 2 managers at department level, 3 project owners, 4 CSR managers, 6 project managers, 1 forest specialist, 1 environmental expert, 1 supply/marketing assistant, 1 CSR employee, and 1 store manager was selected across corporate and NGO organizations in the five cases. Some of the key informants act in the role as coordinators and decisions makers, while the majority of the selected informants act in the role as boundary spanners

at the inter- and intraorganizational interface. Finally, only a few key informants act in roles at the employee and operational level. The rather low level of selected informants at the employee level emphasizes one of the main findings from the study, namely the low level of employee activities and voluntary work directly related to sustainable innovation projects and activities (see Paper 3). In some of the cases, the informant selection process started by contacting and interviewing the responsible corporate CSR managers, who in most cases also were persons directly involved in the innovation and collaborative activities, and who further provided access to other actively involved informants at different levels in their own organization as well as access to the involved NGO key informants. The supply function is clearly an important function across most of the selected case companies, but in one case it was not possible to get access to a category manager or supply responsible because of a current situation of reorganization. However, this problem was counterbalanced by a very entrepreneurial and perceptive project manager who at the time of the interview was on the way out of the organization, which enabled this person to see problems and experiences across function from an outside-in perspective rather than an inside-out perspective. The research procedures described above mean that the process of informant selection was approached through snowballing into the involved organizations (Kumar et al., 1993), which is why it took quite a long time to collect the interview data. It may seem that 20 key informants is a relatively small number of informants. However, what characterizes business-NGO collaborations is that relative few actors are directly involved at a level that provides sufficient in-depth knowledge. Using the snowball method of selecting key informants the fieldwork came to an end when the point of saturation was reached and additional interviews would not add further knowledge. More scholars have discussed the appropriate sample size for reaching the point of saturation (Bowen, 2008; Francis et al., 2010; Constantinou et al., 2017). According to Constantinou et al.'s (2017) seminal work, the appropriate sample size lies between 12 and 17 interviews depending on the method used for calculating the saturation rate. The disadvantage of snowball sampling is that it

does not ensure representativeness across organizational levels and functions. However, in this specific research context, it was considered the most appropriate method in order to ensure all relevant informants was selected and interviewed. Kumar et al. (1993) further stress that though multiple informants potentially increase reliability and validity, interorganizational collaborations usually rely on relatively few people, at least when it comes to key informants and experts with in-depth knowledge of collaborative activities and processes. Though the selection of key informant was not based on classic criteria in terms of functions, titles, hierarchical position, age, and gender, these basic data were recorded in order to ensure transparency. The majority of the interviews were conducted face-to-face, while a few were conducted by telephone due to informant positions outside Denmark. Similar to the ethical considerations and principles related to anonymization of the involved case organizations, it was important to ensure anonymity and privacy of the involved key informants in order to provide openness in the interview situation and minimize potential harm. Following the guidelines of Saunders et al. (2015), personal details such as names and titles were removed from the analysis and replaced with pseudonyms related to key informant roles in the sustainable innovation and collaborative process. Regardless of titles, the informants are therefore referred to as informants at coordination/decision level, informants in the role of boundary spanners in the inter- and intraorganizational collaborative interface, and informants at the employee/operational level. Some passages in the transcriptions were considered unsuitable for the analysis because they related to key informant comments and expressions about third-party competitors. However, informant comments and expressions about partners and other internal key actors in the actual sustainable innovation and collaboration were maintained in order to provide richness of the data material. Anyway, according to Saunders et al. (2015) absolute anonymity is never achievable and therefore the challenge is to find the right balance of protecting key informant identities and maintain as much richness in the data material as possible. In particular, the informants in Case 1 and 2 had been studied by more scholars, and these informants are therefore

potentially more recognizable than the rest of the informants. A detailed record of informant information and practical information of the interview process is given in Table 9 below.

Table 9 Key informants and interview information

| | | | |
|---|--------------------------------------|---------------------------|------------------------------------|
| Number of key informants | 20 | Period of data collection | March 2016 – May 2017 |
| Role of key informants: Coordination /decision level: 5 Boundary-spanner collaborative level: 12 Employee/operational level: 3 | | | |
| Number of company informants | 13 (11 face-to-face; 2 telephone) | Number of NGO informants | 7 (4 face-to-face; 3 telephone) |
| Informant gender/age | 8 female/12 male Average age 45 | Total hours | 28 |

5.2.2 Informant information

In the actual interview situation the informants were informed about the PhD project, including an overall introduction to the themes in the interview guide. The informants were further informed that the transcribed interview together with secondary data would form the basis of the coding process analyzing themes and theoretical constructs, and that illustrative quotes from the transcribed interview eventually would be translated to English and used in the publication of academic papers after the PhD defense. Finally, the informants were informed that illustrative quotes would be anonymized. Subsequent to conducting the interviews, the transcriptions were sent to the informants together with guiding information of how missing words and unfinished sentences had been handled in the transcription process. The informants were encouraged to edit the transcribed interview and send it back in case of any misunderstandings, comments, or text passages they would like to be omitted from the analysis. Very few informants used this opportunity, and in these cases it was in general passages talking about third-party competitors in the industry. During the

interview process it also happened occasionally that an informant talked about competitors and said that this was “off the record” and only for the interviewer to hear. The learnings from these episodes helped to inform the principles for anonymization including identification of text passages that should be omitted from the analysis. However, this sensitivity related to competitors itself constitutes a finding, because it revealed that something is at stake business-wise regardless of individual commercial and societal institutional orientations toward sustainable innovation.

5.2.3 Documents in the study

Document data was gathered from both internal and external sources including project descriptions, CSR reports, corporate magazines, media articles, homepages, blogs, and presentations. First, all document sources was used to explore partners orientation toward collaboration and sustainable innovation, e.g., shaping standards at the industrial level, influencing policy processes, and developing products, markets, and suppliers. It is assumed that these orientations link to categories of basic attention and strategic priorities related to commercial/market and societal/policy institutional logics. Thus, by exploring relevant documents, valuable information was provided prior the interviews regarding the dominance of one or more logics in the interorganizational and intraorganizational collaborative interface. Second, media articles, blogs, and presentations were used to follow NGO activism articulation, critical events, and changes in collaborative approaches. This information was further relevant in the process of case selection in order to ensure a sample of both collaborative and conflicting starting points of departure, and to capture longitudinal and historic aspects of the collaborations. Third, by the exploration of project descriptions and presentations, valuable knowledge was provided regarding projects organization, roles, and responsibilities, including partner desire and ability to act alone. By using document sources in the study it became possible to understand longitudinal aspects related to the historic background of the collaborations as well as to qualify case selection criteria and themes in the analytical process.

An overview of the documents included in the study is given in Table 10 below.

Table 10 Overview of documents in the study

| Type of document | No. | Pages | Period of collection | Use of documents in the research and analysis process |
|--|-----|-------|------------------------------|--|
| Public documents: Reports and media articles | 28 | 424 | Middle of 2015 – end of 2015 | Primarily used for understanding the collaborative context, initial insight of partner value frames and historic development, critical events and articulations in the pre-collaborative and collaborative process. Used in case selection, and for validation of themes related to partner institutional orientation toward sustainable innovation. |
| Internet-based documents: Homepages, presentations, and blogs | 40 | 272 | Middle of 2015 – end of 2015 | Primarily used for understanding the collaborative context, initial insight of partner value frames and historic development, critical events and articulations related to collaborative preferences and priorities. Used in case selection, and for validation of themes related to partner institutional orientation toward sustainable innovation and partner collaborative approach. |
| Reports: Partnership reports, CSR reports, and year reports | 32 | 1343 | Early 2016 – end of 2016 | Primarily used for understanding and identification of collaborative activities and priorities. Used in case selection, and for validation of themes related to partner collaborative orientation, partner institutional orientation toward sustainable innovation, and the importance for the companies to legitimize business case potentials. |
| Internal documents: Project descriptions and letters | 10 | 111 | Early 2016 – end of 2016 | Primarily used for understanding and identification of roles and responsibilities in the collaborative process. Used for validation of themes related to partner collaborative approach. |
| Total | 110 | 2150 | | |

5.3 DATA ANALYSIS

This section will explain the process of data analysis. Presentation of analytical outcome and findings of the study is revealed in Papers 1–3.

5.3.1 Analytical strategy

In this section considerations related to the chosen analytical strategy and methods are elaborated upon. What is distinctive about qualitative research is the absence of standardized analytical pathways compared to quantitative research, which nevertheless does not mean that “anything goes” (Olsen, 2003). Consequently, qualitative analysis is a challenging discipline. The aim of this section is therefore to outline how various analytical strategies and methods are combined and used at the outset of the study as well as through different stages of the study, meaning that no single analytical strategy is applied in its pure form. As mentioned previously, one main methodologic question relates to the role theory plays. Regarding the analytical process it is a matter of how empirically driven or theory driven the analysis is. Empirical-driven analytical strategies from the

inductive end of the continuum include phenomenological and narrative analysis, discourse analysis, and grounded theory. In the phenomenological and narrative tradition, the focus is on the individual actor experience perceived from an intersubjective perspective situated in everyday life (Giorgi, 1985). However, the focus in this study is not centered on how individual actors bring personal values into play in their everyday work with sustainable innovation and cross-sector collaborations. In discourse analysis, the focus is on how different discourses are articulated and negotiated through social interactions (Laclau & Mouffe, 1985). As mentioned previously, literature on sustainable innovation and NGO collaborations has in general been influenced by policy articulations and discourses, and more studies have already been conducted from a discourse analytical perspective (examples see Poncelet, 2001; Geels et al., 2008; Laasonen et al., 2012), whereas studies exploring “what is actually going on” in practice have been rather absent. Finally, in grounded theory the focus is on a specific area of reality as to how key actors participating in this reality interpret “what is going on” (Claser & Strauss, 1967). Though this study explores activities and practices of key actors in the innovation and collaborative process, the analysis deviates from grounded theory as the main focus is on managerial practices rather than individual interpretations of “what is going on.” However, since the aim of this study is to move beyond policy discourses and normative guidelines exploring how retailers and their NGO partners actually collaborative in practice and handle multiple institutional logics, the most logical analytical starting point is grounded theory. It could also be argued that grounded theory is more related to social constructivism as it represents a practical empirical approach exploring how different actors construct meaning related to a specific area of reality, rather than explanatory research where themes and concepts are derived from data based on previous formulated hypothesis. From an historical perspective, grounding theory is rooted in criticism of “universal theory” and empiricism (Claser & Strauss, 1967). However, the intension is two-sided, as the aim is to combine elements from both empiricism (positivism) and relativism (social constructivism), in order to develop empirical grounded theories (Suddaby, 2006). This

further constitutes the conjunction between grounded theory and the epistemological community between social constructivism and critical realism. Though the analysis of this study is inspired from grounded theory, it is not possible in a multiple cross-case study to apply to all the elements and principles to the full extent. The following therefore elaborates upon which elements from grounded theory this study builds on and which parts are not used in the analysis process. Grounded theory represents a rather radical approach toward inductive and empirical-driven research, as the researcher basically approaches the field without being influenced by any prior theory. Though the research area of sustainable innovation and business-NGO collaborations is in an embryonic stage, this study is informed by prior well-established institutional literature on institutional logics, agency, and institutional entrepreneurship. Furthermore, identified research gaps in the review process of business-NGO collaborative literature have informed both empirical and theoretical case selection criteria (see Papers 1–3). On the other hand, theory is not operationalized as if it were a straitjacket, meaning that the empirical field was approached without explicit theoretical expectations in advance. According to Suddaby (2006), this constitutes a practical middle-ground approach toward prior theory, which is more appropriate in contemporary grounded theory as it diverges from the major misunderstanding that the researcher goes into the field uninformed by prior theory. However, grounded theory and cross-case studies in general have different methodological points of departure. Grounded theory always starts in the field and ends with theory, and is often conducted through open and unstructured interviews with accessible and randomly selected informants. On the other hand, case studies always start with theory in the form of literature reviews, initial assumptions, and definitions informing theoretical and empirical case selection criteria related to the research questions in focus of the study. Finally, by the end of the analysis process, case studies move back to theory again. By combining elements from grounded theory with cross-case analysis, this study moves from general theoretical assumptions related to tales of “win-win” and “mission impossible” to exploration of what is actually going on in practice in the selected cases. In order to outline

where this study deviates from and uses elements from grounded theory, three other central concepts need to be discussed: the constant comparative method, theoretical sampling, and analytical induction (Glaser & Strauss, 1967). In grounded theory the constant comparison method constitutes a flexible and constant interplay between data collection, memos, and coding, where the researcher constantly moves back and forth between the field and data analysis (Glaser & Strauss, 1967). Thus, immediately after collecting the first data, the analytical process of coding begins capturing relevant nuances and aspects related to how central actors perceive a certain domain of reality. Whatever way grounded theory is approached in a study, the constant comparative method helps to avoid a situation described by Kvale and Brinkmann (2008) as the 1,000-page question, where researchers after collecting all the data seek to find a method to analyze 1,000 pages of interview transcripts. During the iterative coding process central concepts and categories are derived and related to each other. Until the phase of constant comparison this study shares common ground with grounded theory. However, when the analytical process moves from identification of grounded concepts into the next phases of analytical induction, formulation of hypothesis, and theoretical sampling (Corbin & Strauss, 1990), it is not possible in this study to follow the analytical process of grounded theory. Thematic analysis is considered as an alternative as it constitutes a “lite” version of grounded theory in situations such as in multiple-case studies, where it is not possible to apply the “full-fat” grounded procedures of analytical induction and theoretical sampling (Braun & Clarke, 2006). In thematic analysis, meanings and interpretations of central actors are identified in themes and patterns across the entire data set rather than analyzing individual interviews as in phenomenological meaning condensation and narrative-meaning structure analysis (Kvale & Brinkmann, 2008). Interviewing in grounded theory is often approached in a more evolutionary and open way, whereas interviewing in thematic analysis is more directive and less open (Braun & Clarke, 2006). Moving between single coded extracts and the entire data set (Braun & Clarke, 2006), the principles in thematic analysis are similar to the principles in the

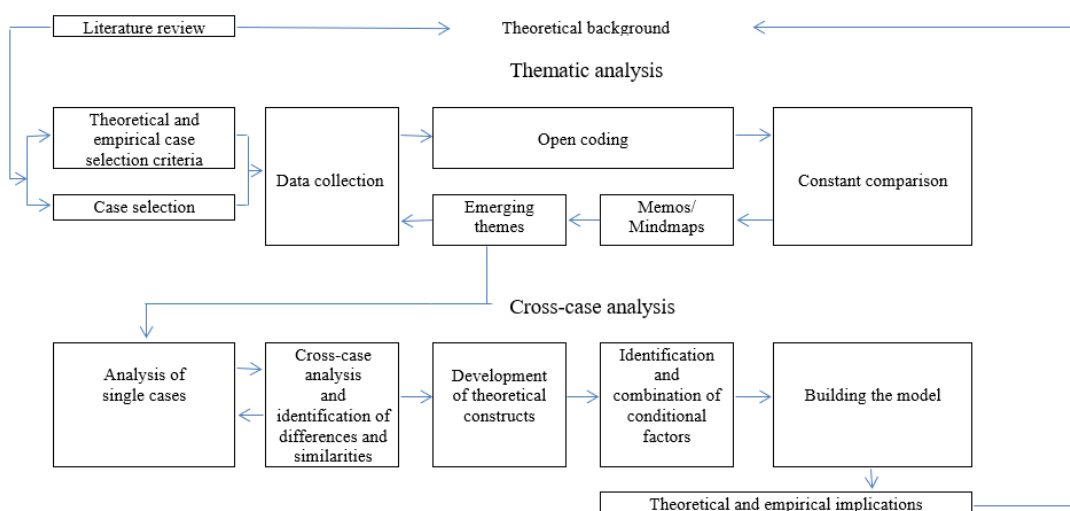
constant comparative method and to the principles of cyclic case study design, starting with a single case, gradually adding more cases—where themes and concepts are reformulated and reinterpreted in an iterative process of explorative integration until the analysis reach the point of saturation where no more new knowledge is added (Eisenhardt, 1989). The concrete process and phases of how the constant comparative method, cyclic case study design, and thematic analysis are used in conjunction in this study are elaborated upon and illustrated in the next section, 5.3.2.

In continuation of the constant comparative method, a cross-case analysis was applied, developing and comparing constructs in order to identify differences and similarities across the cases in each of the coded themes, which according to Eisenhardt (1989) is suitable for theory-building research. Cross-case analysis consists of two main pathways, including variable-oriented and case-oriented cross-case analysis (Ragin, 1999). In variable-oriented cross-case analysis, the intention is to identify variables explaining what causes variation across cases. In case-oriented cross-case analysis, the focus is to explore whether or not a given phenomenon is approached the same way across the selected cases. This means that the goal is not to identify or evaluate any causal variable as seen in variable-oriented cross-case analysis, but rather to identify causally contextual conditions and factors that seem to constitute different pathways in processes and outcomes (Ragin, 1999; Khan & VanWynsberghe, 2008). When these conditions are outlined it is then possible to evaluate them through variable-oriented cross-case analysis (Ragin, 1999). Case-oriented case studies are in general characterized by small N (5–10 cases) and medium N (more than 10 cases), whereas variable-oriented case studies are characterized by large N (more than 50 cases). Case-oriented and variable-oriented cross-case analysis thus constitutes the very continuum in between inductive and deductive case analysis. In comparative case-oriented analysis causal conditions shared by more cases are identified and the way these conditions are related and combined constitute the very essence in building explanatory models (Ragin, 1999). According to Marx et al. (2014) it is often the combination of more conditional factors that lead to the same outcome, e.g., a certain

managerial implication or governance mechanism. Depending on contextual factors (related to empirical and theoretical case selection criteria) it becomes possible to outline different conditional pathways across cases leading to the same or to different outcomes. This is also why comparative case-oriented analysis is often referred to as an approximated form of analytical induction (Rihoux, 2006). Explanations related to longitudinal dynamics is furthermore possible in comparative case-oriented analysis as they can be incorporated in the conditions (Rihoux, 2006, Marx et al., 2014), which is the case in two of the case selection criteria, “collaborative starting points” and “initial dependency” (see paper1 and 2).

Based on the reflections and choices outlined above it is possible to visualize the phases in the analysis process. The first phase in Figure 7 below reveals how the constant comparison method and memos inspired from grounded theory are used in conjunction with thematic analysis in a cyclic case study design, where more cases are gradually selected and added based on empirical and theoretical case selection criteria informed by the literature review. The second phase illustrates the cross-case analysis process informing development of theoretical constructs and theoretical model building.

Figure 7 Overview of the analysis process



5.3.2 Analytical process

In this section the analytical process of open coding, constant comparison, and memos/mind maps is elaborated upon.

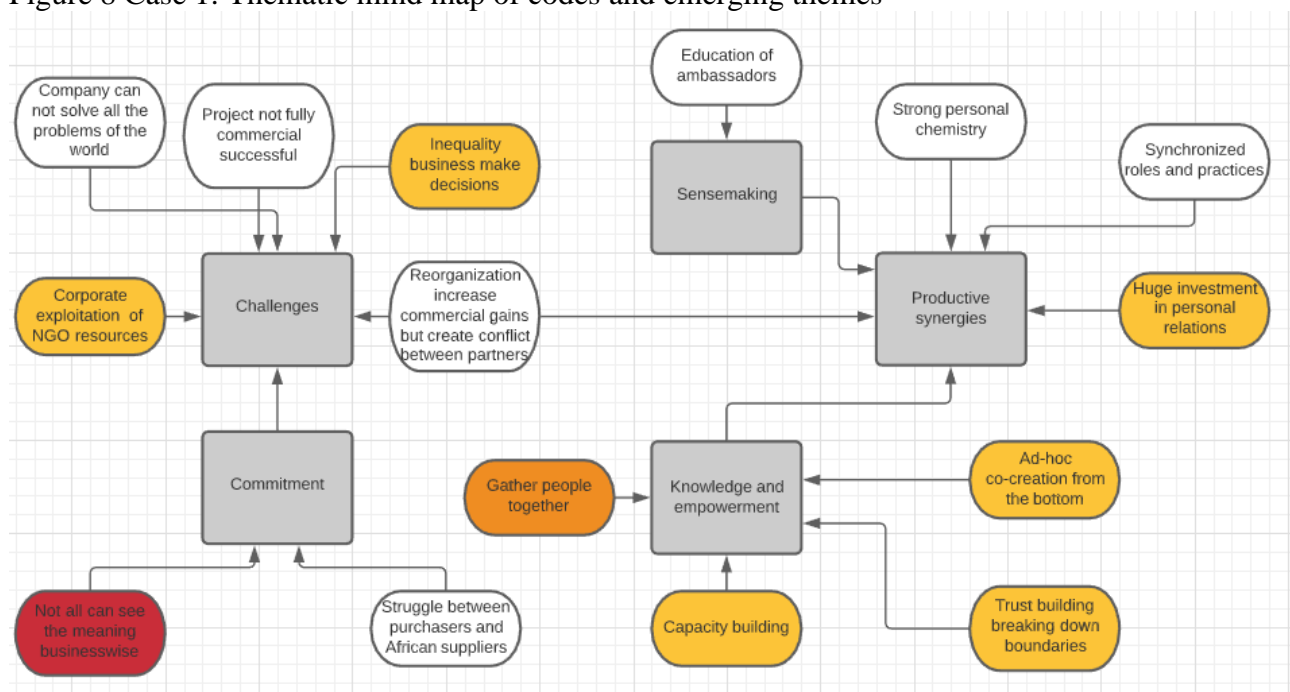
Following the principles of the cyclic case study design and the constant comparison method inspired from grounded theory, I chose to transcribe the interviews myself in order to familiarize with the data in the early stage of analysis. The transcriptions were made as rigorous verbal accounts in line with social constructivism and thematic analysis, where there is not the same requirement for recoding details of the conversation as in discourse and narrative analysis (Braun & Clarke, 2006). Field notes from the interviews informed the interpretive process of open coding where meaningful extract from the data regarding the phenomenon were coded using Post-Its and colored highlighters. Following the method of constant comparison, memos were written before returning to the field, informing the next interview sessions. First-order codes were derived from the transcriptions and memos informing the development of initial emerging themes. In the next part of the process overlapping codes were clustered together into themes using the technique of mind maps in thematic analysis (Braun & Clarke, 2006). Finally, the coded data extract were revisited in order to ensure that the themes represented coherent patterns in telling the story, meaning that some themes were split up and combined in new ways. The final definition of the six emerging themes in the interorganizational analysis and the three emerging themes in the intraorganizational analysis are illustrated in Table 3 in Paper 1, Table 5 in Paper 2, and Table 3 in Paper 3. Though there exist more software programs for qualitative data analysis (e.g., NVivo), these technological possibilities do not fully support cross-case analysis, which is the main reason to perform the analysis manually. Further, in moving back and forward to the field, writing memos, and drawing mind maps, the analysis process already began before any consideration was made with regard to the many technical possibilities and nuances for structuring data in NVivo. The analytical process using the

method of constant comparison, open coding, memos, and mind maps developing initial themes is illustrated in section 5.3.3.

5.3.3 Snapshot from the analysis process

Figures 8–12 below illustrates a “snapshot” of developing initial emerging themes from the process of open coding in Cases 1–5. The colors of yellow, orange, green, and red in the mind maps illustrates that respectively 1, 2, 3, and 4 of the following or previous cases share the same codes. From the thematic mind maps in Figures 8–12 it clearly appears that the iterative process of explorative integration reaches a point of saturation in Case 5, as only a few more codes are added.

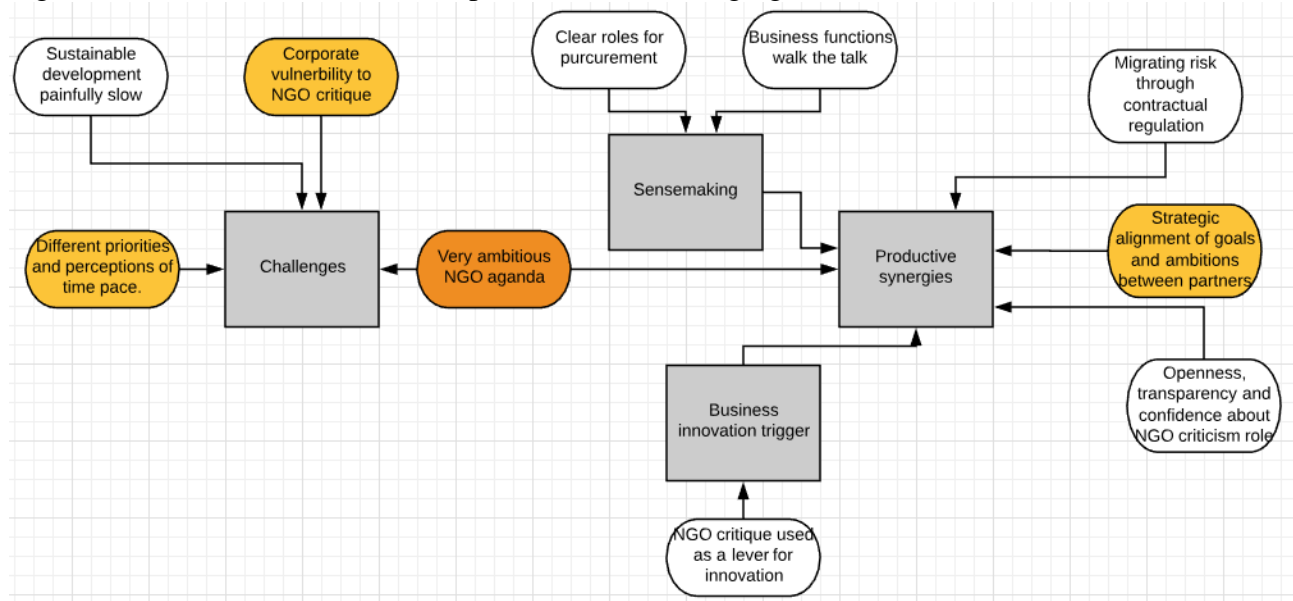
Figure 8 Case 1: Thematic mind map of codes and emerging themes



Case 1 is the only case that was part of the pilot study, which is why this case constituted the starting point of the analysis. The initial learning from the case brought about two overall emerging themes, including challenges that were further intensified by lack of internal commitment on the side of the business partner and productive synergies that were further enhanced by sensemaking activities and knowledge and empowerment. The underlying colored codes are interesting because they overlap with other cases. Thus, the lack of internal “commitment” and “sensemaking” activities became the center of attention in telling the story of how commercial and societal logics

are managed in the intraorganizational collaborative interface in Paper 3. The underlying colored codes related to “challenges” and “productive” synergies informed the development of central themes related to respectively partner dissimilarity, preferences of how to work together, adaption practices, integration level, and governance mechanisms studying how logic multiplicity is managed in the interorganizational collaborative interface in Papers 1 and 2.

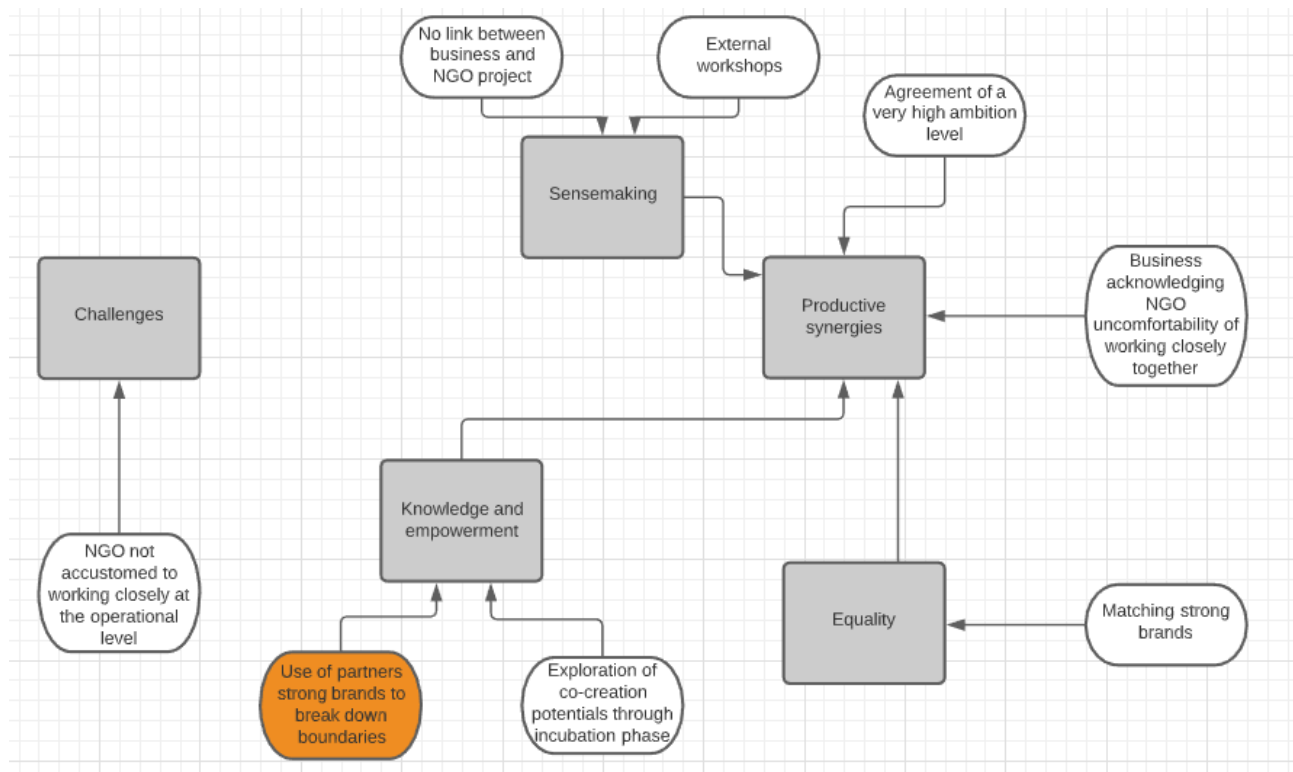
Figure 9 Case 2: Thematic mind map of codes and emerging themes



The learning from this case further enhanced and inspired the development of the theme “dissimilarity” in Paper 1. Studying this case, I became aware that a different perception of time and ambitiousity is crucial for understanding the challenges of managing logic multiplicity in business-NGO collaborations. I already knew from the literature review that different perceptions related to priorities, missions, and goals could be problematic but what was new to me was that different perceptions of time and ambitiousity were such prevailing factors in the interorganizational collaborative interface. Thus, exploring the following cases I tried to find similar patterns related to these specific challenges. Likewise, compared to the learning from Case 1, it seemed that the productive synergies between partners were much more anchored in strategic alignment processes and contractual regulations rather than investment in personal relations. Finally, from this case I

also became aware that NGO critiques actually function as a lever for transformative sustainable innovations.

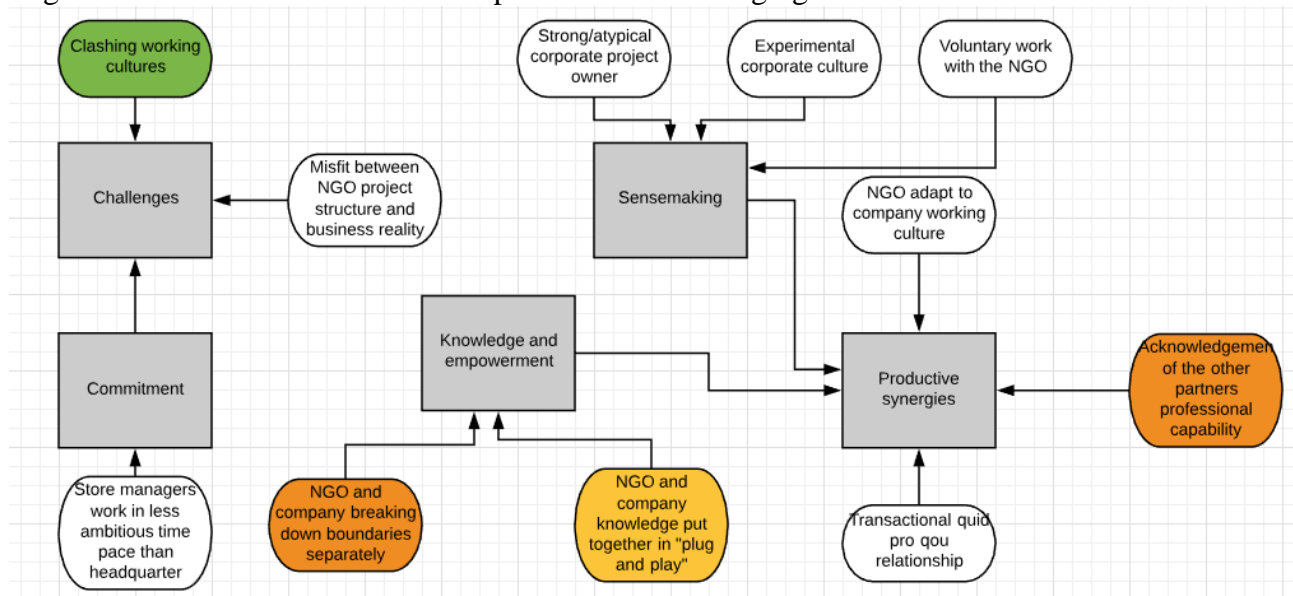
Figure 10 Case 3: Thematic mind map of codes and emerging themes



Studying this case I became aware that there was something at stake in these collaborations as to how closely partners prefer to work together. Similar to Case 1, the sustainable innovation project is anchored in a base-of-the-pyramid context characterized by huge investment in personal relations taken to the extreme by co-creation through an incubation phase. However, what was new to me was that working closely exploring co-creation potentials was not comfortable for the NGO partner, which made me search for patterns related to preferred ways of working across the five cases. This eventually inspired me to tell the story of how partners actually manage to organize the work across different governance repertoires in Paper 2. Studying this case I also became aware of the importance of both partners being equally strong brands enhancing the ability to gather together important local stakeholder groups, much similar to the learning from Case 2. This inspired me to

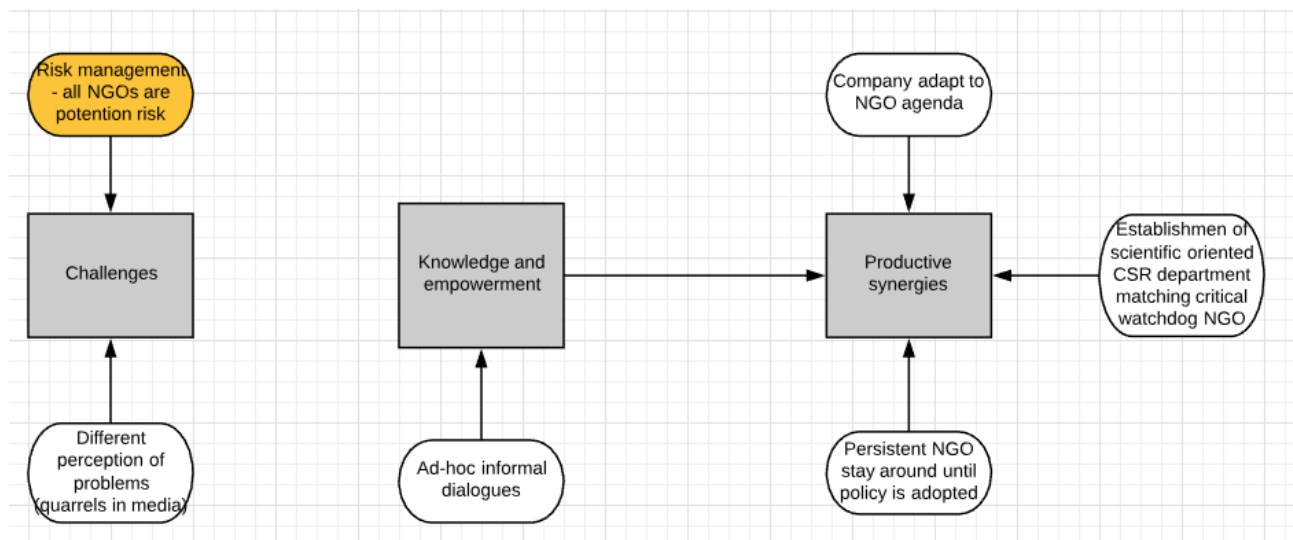
search for patterns related to both partners role in exhibiting strong social position at industrial field level manifested through policy-based logics.

Figure 11 Case 4: Thematic mind map of codes and emerging themes



The awareness and interest of different working approaches was, similar to Case 3, an important learning gained from this case. The agile and experimenting corporate culture of the business partner made me look for similar patterns across the five cases. I found that more business partners actually prefer experiments and to pursue “plug and play” ways of collaborative exploitation. Furthermore, the great advantage is that it allows partners to work separately, lowering the level of conflicts. The extremely successful, respectful, and separated way of these two partners working together made me think of the concept of “living apart together” used as a concept to describe how some married couples arrange their lives nowadays.

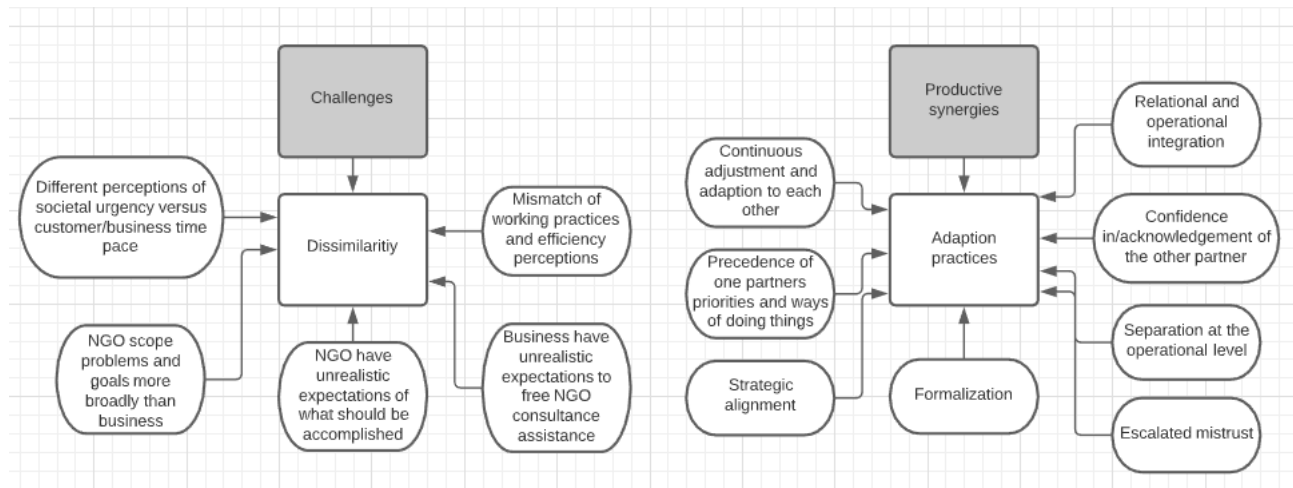
Figure 12 Case 5: Thematic mind map of codes and emerging themes



The specific learning from studying this last case is relatively minimal, meaning that the analysis processes clearly came to the point of saturation, where no more new knowledge was added. Similar to the learning from Case 2, this case emphasized the need for businesses to adapt to NGO critique in order for them to stay at the competitive forefront.

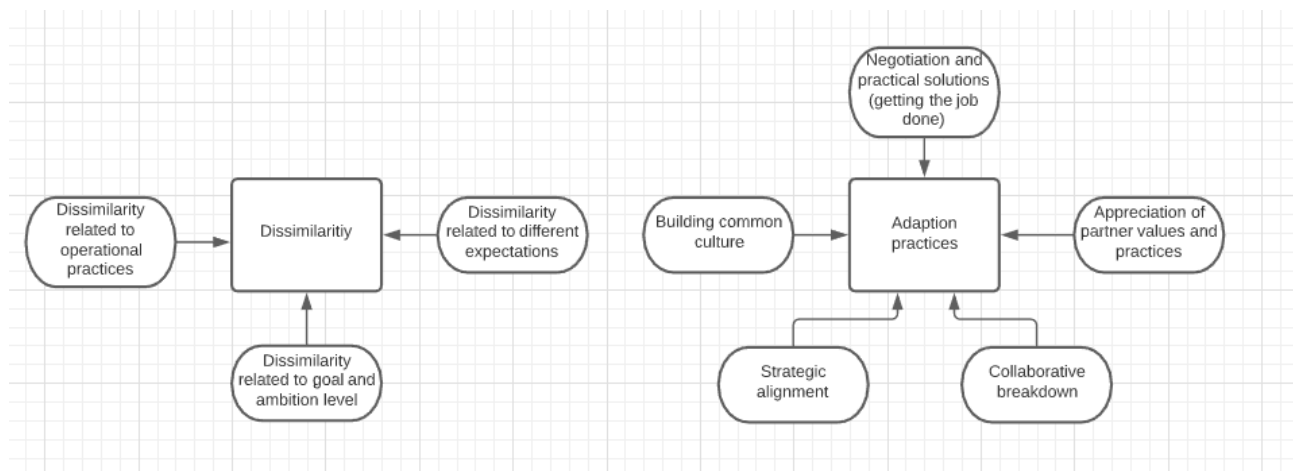
The comparative cross-case analysis illustrated above exemplifies the process of explorative integration and the constant comparative method of moving back and forth between cases, meaning that knowledge gained from a particular case is used to adjust and revisit learning from previous cases and to inspire search for similar learning in following cases. Figures 8 to 12 thus illustrate the very initial step of the analytical process, where first-order codes were derived from the transcriptions and memos informing the development of emerging themes. In the next part of the process, overlapping codes were clustered together in the process of developing second-order codes, and the content and definition of the initial themes were refined. Some themes were split up and combined in new ways. The process of clustering codes and defining the meaning of themes is illustrated in Figures 13 and 14 below for two initial themes “challenges” and “productive synergies.”

Figure 13 Thematic mind map of clustering first-order codes



Further refinement of the two themes “dissimilarity” and “adaption practices” is illustrated below in Figure 14.

Figure 14 Further refinement of initial emerging themes



Second-order codes and refinement of the other initial themes, including “knowledge and empowerment,” “sensemaking,” “equality,” and “commitment” were refined in a similar way. Thus, Figures 8 to 12 developing first-order codes and initial themes and Figures 13 and 14 illustrating further refinement of emerging themes is an attempt to visualize “snapshots” for the analytical process, which of course in the actual situation was even more complex, going back and forth using the method of constant comparison in the circle of open coding, memos, and mind maps developing initial themes. In the next phase the coded data extracts were revisited in order to ensure that the

themes represents coherent patterns in telling the story. The two themes “dissimilarity” and “adaption practices” was further refined during the process of writing Paper 1. The final definitions of the nine emerging themes in the interorganizational and intraorganizational are illustrated in Tables 3, 5, and 3 in, respectively, Papers 1, 2, and 3.

5.3.4 Analytical outcome and presentation of findings

Presentation of findings entails an inherent contradiction as the constant comparison method is characterized by being creative and nonlinear moving back and forward in between the field and the analysis, whereas most journal articles have a rather positivistic approach illustrating the analysis outcome in data tables (Suddaby, 2006). Apparently, there is a trade-off between telling rich stories and creating better theoretical constructs when writing up findings in multiple-case studies (Eisenhardt, 1991; Eisenhardt & Graebner, 2007). A major challenge in presenting the findings in Papers 1–3 was therefore to find the right balance in between “telling” through data tables and “showing” narratives from the data (Pratt, 2009). Figures 1–3 in Paper 1, Figures 2–4 in Paper 2, and Figure 2-4 in Paper 3 provides an overview of the first- and second-order codes related to the emerging themes from the inter-and intraorganizational analysis. Tables 3, 5, and 3 in, respectively, Papers 1, 2, and 3 reveal how first-order codes were clustered together into second-order codes and into themes representing aggregated dimensions. In order to enhance the element of “showing” the derived first-order codes illustrate narratives from the data extract in line with the method of Gioia and Corley (2012), whereas the derived second-order codes and aggregated dimensions represent emerging theoretical themes. In total, 193 first-order codes and 55 second-order codes was derived from the data extract. In order to enhance the theoretical strength, the further aim was to minimize the number of aggregated themes as much as possible without giving an oversimplified view of the data or losing individual case nuances.

A cross-case analysis was applied, developing and comparing constructs in order to identify differences and similarities across the five cases in each of the coded themes, which according to

Eisenhardt (1989) is suitable for theory building research. The results of the cross-case analysis are summarized in matrixes in Tables 4, 6, and 4 in, respectively, Papers 1, 2, and 3, and illustrate case by case the patterns and underlying constructs related to the aggregated themes.

5.4 THE QUALITY OF THE STUDY

There is a general lack of agreement across quantitative and qualitative researchers and across scientific paradigms for how to define, achieve, and evaluate quality in research. In quantitative research there is a distinction between validity and reliability (Bryman & Bell, 2007). The concept of validity and reliability is furthermore born within the positivism paradigm, where validity is assessed through construct, internal, and external validity, and reliability is assessed through concepts of stability and consistency (Bryman & Bell, 2007). However, within qualitative research there are more nuances and discussions of how to understand these concepts, including recommended methods put forward by researchers in order to increase the quality of research (Healy & Perry, 2000; Olsen, 2003; Riege, 2003). In particular, the relevance of external validity (generalization) and reliability has been questioned by more qualitative researchers (Healy & Perry, 2000; Olsen, 2003; Riege, 2003). Since there are no predefined requirements for how to assess the quality of qualitative research, the starting point of this section is therefore to outline the conceptual foundation for assessing validity and reliability in this specific study.

In constructivism/relativism, validity is assessed through concepts of confirmability (comparable to construct validity), credibility (comparable to internal validity), transferability (comparable to external validity), and dependability (comparable to reliability) (Lincoln & Guba, 1985). The application of a cross-case study design using data from semi-structured interviews and documents combined with the application of institutional logics and agency theory, as described in Chapter 2, means that this study from an epistemological perspective is founded in critical realism. Inspired by both positivism and constructivism, critical realism assesses validity through concepts

of construct validity (comparable to positivism), contingent validity (comparable to internal validity and credibility), analytical generalization (comparable to external validity and transferability), and trustworthiness (comparable to reliability and dependability) (Healy & Perry, 2000). As this study from an epistemological perspective is founded in critical realism, it is primarily Healy and Perry's (2000) concepts for assessing validity and reliability that are used, and supported by Lincoln and Guba's (1985) concepts. The methodological choices related to phases of the research process, including case selection criteria, selection of key informants, data collection, and data analysis (section 5.1, 5.2 and 5.3), will further inform the basis for discussions of the quality of the study. The central criteria used for assessing validity and reliability in this study are elaborated on and discussed in the following sections.

5.4.1 Construct validity

Construct validity in case study research and critical realism relate to theoretical operationalization of central concepts used in the study (Healy & Perry, 2000; Neergaard, 2010), which is provided through the literature review where concepts of managerial strategies for managing logic multiplicity, compatibility, centrality and agency has been elaborated on and used in Papers 1–3. Confirmability in the constructivism understanding is provided through techniques recommended by Riege (2003), including taped and transcribed interviews reviewed by key informants, field notes, and mind maps during the process of data collection. Furthermore, all methods used in the study, including steps in the analysis process, are described in details in section 5.3 and Papers 1–3.

5.4.2 Contingent validity

The core strength of case studies is not to identify universal cause-and-effect correlations as in big N quantitative research but to identify underlying generative mechanisms that can provide new knowledge about what is happening from a real-life practical perspective (Neergaard, 2010; Flyvbjerg, 2006). This is in line with the critical realism epistemology of this study, where underlying mechanisms of agency practices and the contextual conditions that influence them are

accounted for in the empirical and theoretical case selection criteria and in the analysis. The technique used to enhance contingent validity and credibility is the application of within-case analysis and cross-case analysis identifying patterns (Reige, 2003), which is illustrated in data matrices in Tables 4, 6, and 4 in, respectively, Papers 1, 2, and 3. Further techniques for enhancing credibility in case studies include triangulation of multiple data sources, presentation and discussion of findings among peers, and elaboration of the scientific approach underlying the ontological and epistemological understanding of core concepts (Reige, 2003). In order to enhance contingent validity, this study has used triangulation of data using both semi-structured interviews and documents together with regular presentations of the research findings at research seminars and conferences. Although documents are produced independently of the researcher, there are nevertheless some issues of contingent validity because internal documents such as CSR reports are not necessarily objective or true stories of events and activities in the past because they may have been part of the organizations external legitimization in order to improve their “license to operate.” Additionally, it is likely that many details and reflections are “clinically cleaned” out of internal notes and reports (Justesen & Mik-Meyer, 2012). However, when documents are triangulated with other data sources from semi-structured interviews, which is the case in this particular study, it could be argued that the credibility is confirmed to the extent that these sources tell the same story (Justesen & Mik-Meyer, 2012). Since the concepts of sustainable innovation and business-NGO collaborations have both been subject to more policy discourses there was in general a need to move beyond official stories in the interview process as well which potentially influence the level of credibility. By using key informant review of transcribed text it is possible to ensure credibility from an overall perspective, whereas triangulation of data can ensure that there is coherence between different data sources. Finally, the core purpose of Chapter 2 was to discuss and elaborate the ontology and epistemology of the concepts of institutional logics and agency.

5.4.3 Analytical generalization

Analytical generalization relates to the generalizability of findings into a broader field of theory (Neergaard, 2010). So when two or more cases support certain mechanisms of a theory it is possible to claim analytical generalization. The intention in case studies is therefore not to generalize to a larger population but to generalize to existing literature (Neergaard, 2010). This further means that multiple cross-case studies in general are considered more robust than single-case studies (Eisenhardt, 1989). While the process of comparison with existing theory is of general importance when doing research, it is especially important in studies where the findings are derived from a small number of cases (Riege, 2003) like in this study. This implies clarification of the theoretical foundation of the study, which is accounted for in Chapters 3 and 4. The empirical development of constructs and how they relate to theory is illustrated in the inductive analysis of data in Papers 1–3, where the central themes and patterns of the study are identified.

Further along these lines, social phenomena such as sustainable innovation projects and activities with NGO partners are in general context dependent, meaning that the underlying mechanisms are not easily generalized. Welch et al. (2011) go as far as to argue that there is a trade-off between generalization and contextualization in case study research. The description of complexity of a certain phenomenon is by Welch et al. (2011) considered as a quality in itself compared to decontextualized research. The intention of this study has been to provide rich context-dependent explanations of the studied phenomenon rather than specific decontextualized explanations, which furthermore is in line with critical realism where focus is on theory building rather than theory testing (Healy & Perry, 2000). Considering the dominance of Anglo-Saxon studies and uni-dimensional explanatory phase and process models (Googins & Rochlin, 2000; Jamali & Keshishian, 2009; Seitanidi & Crane, 2009; Murphy & Arenas, 2010; Austin & Seitanidi 2012a, 2012b), there is a need for developing context dependent contingency theories. This means that the knowledge provided in this study contributes to qualify existing uni-dimensional context

independent explanatory models in the field by adding contingency nuances. Though the external validity is questioned from a positivist understanding of the concept, small-N case studies are in general theoretically innovative, as they contribute to the collective learning process among scholars in the research field, which is especially important when creating knowledge about new and complex phenomena (Flyvbjerg, 2006). Further along these lines, Flyvbjerg (2006) argues that it is a great misunderstanding that the criteria of generalizability is so overestimated in research in general, whereas descriptive examples are rather underestimated.

Transferability relates to the degree to which the findings of the study correspond with the reality of the studied phenomenon (Riege, 2003). Techniques following traditions in qualitative research in order to enhance transferability relate to theoretical replication by selecting multiple cases that provide knowledge about the underlying mechanisms and the contextual conditions wherein they play out (Riege, 2003). The case selection criteria used in this study are based on existing literature and accounted for in Papers 1-3. Though transferability of quantitative studies in general is not considered to be high, it is possible to transfer the findings of this study to other studies of collaborative sustainable innovation with NGO partners in the retail sector in an Northern European/Scandinavian institutional context. Transferability also requires detailed presentation of the findings, which makes it possible for other researchers to assess the transferability by themselves (Riege). Detailed presentation of the findings in this study is illustrated in Figures 1–3, Figures 2–4, and Figure 2 in, respectively, Papers 1, 2, and 3. Finally, transferability relates to the point of saturation, described as the point where adding more cases to the study only provides incremental further learning and knowledge (Eisenhardt, 1989). The techniques used for assessing the point of saturation of the identified themes in this study is illustrated in section 5.3.

5.4.4 Trustworthiness

Trustworthiness corresponds to the positivism quality criteria reliability and stresses the importance of methodological transparency, meaning that it should be possible for other researchers to replicate

the various phases of the research (Olsen, 2003). The techniques used to enhance trustworthiness are shown in data figures and matrices in Papers 1–3 that, together with snapshot from the mind mapping process in section 5.3.3, give a full account of the various research phases. The openness toward unexpected learning using the method of constant comparison further enhances the trustworthiness of the study. All together it is possible for other researchers to add one or more cases to my study and generate additional knowledge about pathways leading to the same strategies for managing logic multiplicity. Or it could be additional knowledge focusing on the managerial processes when the project is transferred from the fund / CSR department to be integrated into the business. What are the key agency practices of such processes? Another technique to enhance trustworthiness of the study inspired by Bowen (2008) was to focus on key informants experience, activities, and practices together with focus on key events and why they happened in the collaborative context. This is illustrated in the narratives from data in the first order codes in Figures 1–3, Figures 2–4, and Figure 2-4 in, respectively, Papers 1, 2, and 3. Trustworthiness is further ensured through key informant review of transcribed interviews. Following the recommendations of Kvale (1997), the interviews were to a large extent confirmed by the end of the interview by using summative and interpretive questions. Kvale (1997) goes as far as to argue that these techniques make informant review unnecessary. The process of thematic analysis is furthermore highly sensitive, meaning that interpretations may exceed the original content of the interviewee's understanding of reality. The intention was therefore to refine initial emerging themes with the transcription, which is in line with hermeneutics, where various parts of interpretations are tested by comparing each interpreted part with the transcriptions during the entire analysis process (Kvale & Brinkman, 2008). Finally, the elaborated themes have been discussed with my supervisor and co-author in Papers 2 and 3, which further increases the reliability of the findings. Finally, it is possible to enhance the trustworthiness of the study through peer reviews (Riege, 2003). While writing this PhD, preliminary versions of the various part of the study have been presented and gone

through peer review processes at more conferences, including CINet (2017), IPDMC (2016), and JPIM Research Forum (2018).

6. INTRODUCTION TO PAPERS 1–3

While the papers in this PhD build on the same overall research question, and combine theoretical lenses from institutional logics, agency, and business-NGO literature, each paper zooms in on different aspects in the inter- and intraorganizational interface. The first two papers explore how logic multiplicity is managed in the interorganizational collaborative interface. At the outset of both papers are gaps in partner expectations of each other and how these gaps are managed in practice. Paper 1 focuses on the perceptual gaps in institutional orientations and priorities that partners bring into play in the collaborative interface. Paper 2 focuses on operational governance gaps in collaborative approaches and preferences that partners bring into play in the collaborative interface. Paper 1 therefore tells the story of how partners come together in the first place, adapt to each other, and arrange the marriage contract, whereas Paper 2 tells the story of how partners on a practical level organize how to work together. The outset of Paper 3 shows how business partners from an intraorganizational perspective manage logic multiplicity through internal agency processes. Paper 3 therefore tells the story of how business partners solve internal conflicts and tensions of commercial and societal logics and institutionalize collaborative sustainable innovation processes across business functions and hierarchical level.

PAPER 1

Managing Logic Multiplicity in Sustainable Innovation with NGO Partners: Experiences from the Retail Industry

Abstract

Increasing interconnectivity, globalization of value chains, and interactions with the bottom of the pyramid (BOP) expose businesses to sustainable and ethical issues that they must address to maintain their legitimacy. However, addressing these challenges requires skills and knowledge than most companies have, so businesses cross institutional boundaries to collaborate with NGOs. Through five case studies of large Scandinavian retail companies' collaborations with NGOs, this article explores how institutional logics are managed in businesses and NGOs collaborating on sustainable innovations. The study contributes new insights into 1) how contextual factors of initial resource dependency and collaborative starting points and 2) underlying microargentic processes of how partners adapt to each other influence the way multiple institutional logics is managed in a compatibility-centrality matrix. The managerial implications show how partner positions and resource dependency lead to changing strategies of managing logic multiplicity.

Keywords: *Institutional logics, sustainable innovation, business-NGO collaborations, open innovation, BOP markets, CSR.*

INTRODUCTION

Increasing interconnectivity across institutional boundaries raises the need for cross-sector collaboration, and both scholars and practitioners stress that companies to an increasing extent collaborate with non-governmental organizations (NGOs) in the pursuit of sustainable and social innovation (Perl-Vorbach, Rauter, Globocnik and Baumgartner 2015, Lashitew, Bals, and van Tulder 2020). "Cross-sector partnerships are reaching a paradigmatic status in society, but both

research and practice need more thorough evidence of their impacts and of the conditions under which these impacts can be enhanced” (Van Tulder, Seitanidi, Crane, and Brammer 2016, 1). Crossing sectors, businesses and NGOs are challenged by managing multiple and contradicting logics in terms of diverse policy discourses at the macro level as well as differing commercial practices in core business operations (Voltan and De Fuentes 2016). Particularly, two elements are emphasized in the research, namely that partners should be oriented toward consensus and set aside their own interest (Baur and Palazzo 2011, García-Marzá 2005). However, Brand, Blok and Verweij (2020) argue that both elements are problematic because of latent tensions between commercial and societal interests. Consequently, the authors argue that consensus in general is neither desirable nor compatible with the role of NGO criticism, and that dialogue addressing conflict and self-interest is far more helpful.

In this respect Vurro, Dacin, and Perrini (2010) distinguish between market-based and policy-based institutional logic in businesses’ underlying institutional orientations toward partnering with NGOs. Though institutional orientation in the nexus of market-based and policy-based logic may overlap, Vurro, Dacin, and Perrini (2010) argue that one of these orientations is often predominant, while the other is more peripheral. A key research gap relates to a shortcoming in the collaborative literature that portrays business-NGO collaborations as “magic bullets capable of providing solutions to diverse development problems across a variety of settings through win-win situations whereby all stakeholders benefit” (Vurro, Dacin, and Perrini 2010, 40, Rein and Stott 2009, 80). Due to a perfect match of complementary resources for creating sustainable innovation, this idea of win-win situations is founded in the resource-based view (Austin and Seitanidi 2012, Jamali, Yianni, and Abdullah 2011) overlooking the complexity of institutional logics. Further along these lines, more scholars have been interested in developing theoretical frameworks and guidelines for how to impede collaborative development toward convergence in order to optimize the level of co-creation and transformational innovation. It is suggested that partners in the formation phase should perceive

business and community goals as equally important and access partner options before choosing the right partner (Jamali and Keshishian 2009, Austin and Seitanidi 2012), and finally that partners should align goals and missions in order to ensure complementary resources and high levels of compatibility from the outset of the collaboration (Jamali and Keshishian 2009, Murphy and Arenas 2010, Austin and Seitanidi 2012). In addition to that, research suggests that partners harmonize and blend cultures leading to high levels of integration, stabilization, and convergence in the implementation and institutionalization phase (Austin and Seitanidi 2012). Regarding the continuation/termination phase, research indicates that partners should re-evaluate in order to create better conditions for how to continue the collaboration to evolve toward higher levels of interaction and cocreation (Jamali and Keshishian 2009). However, the literature does not discuss that these collaborations, similar to other projects, may exist only in a limited period of time or that the learning curve eventually may peak and reach a point of saturation. Likewise, it is not always possible to follow such frameworks and guidelines of how to match partner complementarity in goals and missions from the outset of the collaboration, and more scholars stress that the microargentic dynamic of these collaborations related to different institutional logics have often been overlooked in literature (Manning and Roessler 2014, McLnerney 2015).

Another shortcoming in business-NGO literature founded in the resource-based view is that these frameworks do not consider the influence of contextual conditions related to resource dependency in situations of unequal resource contribution, where one partner is more dependent on the relation than the other partner (Pfeffer and Salancik 1978).

This means that there may be some issues of power influencing microdynamic collaborative processes. For instance, it is not the strategy of all NGOs to enter into collaborative relations with businesses with high levels of interdependency (Valor and de Diego 2009). Scholars within institutional logics literature further stress the importance of considering contextual conditions from a historical and political perspective influencing the adaption and response processes toward

institutional logics among actors (Nicholls and Huybrechts 2016, Mutch 2018, Waeger and Weber 2019). These shortcomings in existing literature stress the usefulness of combining institutional logics theory with the resource-based view exploring sustainable innovation through business-NGO collaborations. By the combination of institutional logics theory with the resource-based view, it becomes possible to understand that business-NGO collaborations are subject to two opposing forces. While they hold great potential for transformational sustainable innovation due to resource complementarity, they are also restricted by incompatibility due to different institutional logics understood as the taken-for-granted rules and belief systems of different organizations (Thornton, Ocasio and Lounsbury 2012, Hesse, Kreutzer, and Diehl 2019). Voltan and De Fuentes (2016) therefore argue that successful sustainable innovation is followed by change or the modification of existing institutional logics.

Based on institutional theory on institutional logics and the processual suggestions for how to impede collaborative development toward convergence in formation, implementation/institutionalization and termination/continuation phases in business-NGO literature, this study explore how partners handle and manage the latent conflicts and tensions of institutional logics in developing sustainable innovation. Thus, the research objective of this study is to explore and gain insights into this new journey of sustainable innovation created between businesses and NGOs, which in theory and practice may be described as “odd couples” due to differences in institutional logics (Rivera-Santos and Rufín 2010). The research question of this paper is, then:

How are multiple institutional logics managed in the collaborative process in creating sustainable innovation between businesses and NGO partners?

The paper is outlined in the following way. Section 2 sets the theoretical background on a) managing institutional logics, b) logic multiplicity in business-NGO collaborations, c) the microfoundation of institutional logic, and d) sustainable innovation and institutional logic. Section 3 explains the methodology, including the empirical context, case selection, data collection, and

data analysis. Section 4 presents the findings and Section 5 provides a discussion on the results. Finally, Section 6 presents the conclusions of the study, including theoretical and empirical contributions, managerial implications, limitations, and suggestions for future research.

MANAGING LOGIC MULTIPLICITY

The concept of institutional logics originates from institutional theory and is defined as supra-organizational patterns of taken-for-granted rules and belief systems with both material and symbolic characteristics, and therefore bridges the interplay between structure and agency by which organizations and individuals inform operational practices and activities in a meaningful way (Friedland and Alford 1991). Inspired by Friedland and Alford, Thornton and Ocasio (1999, 804), define institutional logics as: “socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality.” The social constructivism of institutional logics means that logics are constantly reframed through microagency processes across institutional and organizational boundaries leading to logic multiplicity (Thornton and Ocasio 2008, Besharov and Smith 2014).

More scholars in institutional literature have recently discussed the management of logic multiplicity from a theoretical perspective (Besharov and Smith 2014, Nicholls and Huybrechts 2016, Hesse, Kreutzer, and Diehl 2019). It is assumed that conflicting institutional logics may potentially lead to several managerial situations and strategies, ranging from logic contestation over separated and assimilated logic coexistence to actual logic blending; that is, the logics are not necessarily mutually exclusive dichotomies but can also be a variety of continua. Logic contestation has been argued to be likely in situations when new and contradicting logics are introduced in a field. This is seen in studies of social enterprises (Tracey and Jarvis 2006, Battilana and Dorado 2010), where goal conflicts and misunderstandings resulted in organizational breakdown. In

situations of logic contestation, new logics (e.g., logics related to sustainable issues) are perceived as incompatible among leading actors, meaning that there are few guidelines for how to deal with this logic in core functions, leading to disruption and inconsistency (Tracey and Jarvis 2006, Battilana and Dorado 2010, Besharov and Smith 2014). In situations of logic coexistence, actors recognize that multiple logics are equally relevant, leading to separation, where two or more logics live peacefully together but stay apart at the operational level, or to situations where new and contradicting logics are assimilated into a single, dominant logic. The strategy of logic separation is seen in studies of public-private partnership innovation (Bjerregaard 2010, Jay 2013) and in studies of corporate social responsibility (CSR) implementation (Lok 2010, Smets, Jarzabkowski, Burke, and Spee 2015), whereas the strategy of assimilated coexistence is seen in a study of social enterprises by Pache and Santos (2013). Finally, the strategy of so-called logic blending implies that multiple logics are deeply institutionalized, meaning that actors draw on multiple logics in core functions and switch between them in a relatively peaceful manner depending on the situation. This strategy is seen studies of social enterprises (Mars and Lounsbury 2009) and in studies of CSR implementation (Lee and Lounsbury 2015, Maibom and Smith 2016).

According to Besharov and Smith (2014), managerial situations and strategies of logic multiplicity reflect different levels of conflict constituted by different levels of compatibility and centrality. Logic compatibility is defined as the degree to which different logics create consistency between goals and operational practices and logic centrality is defined as the degree to which different logics equally influence activities and practices. The level of compatibility is influenced by resources and power positions of professional functions and groups in fields, where it is assumed that actors will attempt to manifest legitimacy of their own knowledge and perceptions over other actors by which it is possible for some actors to exhibit jurisdictional control. When logics of one particular group dominate or when there is no overlap of logics across groups, there will be fewer conflicts and battles, leading to higher level of compatibility (Besharov and Smith 2014). Similar to

Austin and Seitanidi's (2012) suggestions toward collaborative convergence, Besharov and Smith (2014) further emphasize that the level of compatibility is highly influenced by hiring and socialization practices, which enables actors to enact various logics depending on what is needed in a given situation. Finally, Besharov and Smith (2014) argue that the level of compatibility is influenced by actor capability to deviate from their own professional logic, and apply to logics of other professional groups. This capability is influenced by actor ties to dominant logics in their professional fields. When ties to professional fields are weaker, it is possible for actors to become socialized with and enact more logics. These thoughts are much in line with Battilana, Leca, and Boxenbaum's (2009) understanding of institutional entrepreneurs as disembedded heroes that are capable of projecting ideas into the future and exhibiting radical change. Similar to compatibility, the level of centrality is influenced by power structures in the field, meaning that a single dominant logic or multiple logics hold sufficient power positions to inform core activities and practices (Besharov and Smith 2014). It is further assumed that organization priorities in terms of mission, strategy, and goals over time will be influenced by shifting power positions in fields leading toward increased or decreased resource dependency. When shifting situations increase resource dependency, it is most likely that the underlying demands of new challenging logics will be incorporated into core activities and practices of existing logics, leading to an increased level of centrality (Besharov and Smith 2014). In other situations where there is no such resource dependency, organizations may not be that motivated to incorporate the underlying demands of a new challenging logic into existing activities and practices, leading to lower levels of centrality (Besharov and Smith 2014). In some of these cases it is chosen to assimilate less dominant/peripheral logics into existing dominant logics in core business leading to a decreased level of centrality (Murray 2010, Pache and Santos 2013). Other examples in literature reveal that it is possible for actors to manage challenging but less dominant logics by keeping them separated from core business activities and practices but collaborative toward mutual goals, decreasing the

level of centrality (Reay and Hinings 2009, Lok 2010, Jay 2013, Smets, Jarzabkowski, Burke, and Spee 2015). The evidence outlined above from empirical literature on social enterprises, public-private partnership innovation, and CSR implementation that similar to business-NGO collaborations are challenged to handle logic multiplicity reveals inconclusive results as to how institutional logics are managed in practice. This stresses the need for a deeper understanding of the contextual conditions, which constitute different situations and managerial strategies as well as an exploration of the microargentic processes that unfolds within each of them. This study therefore contributes to the literature on collaborative innovation by exploring how managerial practices unfold and are influenced by contextual conditions, values, and priorities across sectors.

LOGIC MULTIPLICITY IN BUSINESS-NGO COLLABORATIONS

The premise that shareholders are often driven by profit maximization means that companies are generally embedded within capitalism toward the market and corporate logic, whereas NGOs are generally impelled by their civic roots and oriented toward equality, idealism, democracy, and community welfare embedded in the state, community, and profession logic (Voltan and De Fuentes, 2016, Vurro, Dacin, and Perrini 2010). These cross-sector collaborations are therefore often portrayed as challenging from a managerial point of view due to profound differences in institutional logics (Voltan and De Fuentes, 2016). Reviewing literature on business-NGO collaborations, it was found that more issues influencing the level of centrality and compatibility.

Issues of unequal power positions influencing centrality are seen in cases of NGO activism forcing businesses to comply toward new innovation, standards, and CSR activities followed by capitulation and/or resistance on the side of businesses (Doh and Guay 2004, Arenas, Lozano, and Albareda 2009). Similarly, vulnerability and resource dependence influence the level of centrality in cases where businesses enter into collaboration in order to cope with criticism and gain legitimacy (Van Huijstee and Glasbergen 2010), and in cases where NGOs enter into collaboration in order to

gain financial support (Molina-Gallart 2014). These issues further stress the importance of considering contextual conditions related to resource dependency and collaborative and conflicting starting points in studying sustainable innovation through business-NGO collaborations. Issues influencing the level of compatibility relate to cultural differences and goal conflicts. It seems that dissimilarity in value frames, missions, and priorities together with misinterpretation of motives and skepticism leads to battles of jurisdictional control between businesses and NGOs (Le Ber and Branzei 2010, Venn and Berg 2013). Further along these lines, partner embeddedness in own professional culture influences the level of compatibility and challenges the collaborations to evolve toward higher levels of convergence (Crane 1999, Molina-Gallart 2014). The findings from empirical literature outlined in this section cast light on the need for deeper understanding of how institutional logics unfold and which contextual conditions constitute different managerial strategies of logic multiplicity. This study therefore contributes to the growing literature on managing institutional logics and collaborative and open innovation by investigating how collaborative practices and processes unfold under pluralistic conditions formed by different values, priorities, and institutional logics across sectors.

THE MICROFOUNDATION OF INSTITUTIONAL LOGIC

As stressed previously, the social constructivism of institutional logics means that logics are constantly reframed through microagentic processes. Consequently, agency is a central concept for understanding the microfoundation of managing logic multiplicity. Emirbayer and Mische (1998: 962) define agency as: “A temporally embedded process of social engagement, informed by the past (in its ‘iterational’ or habitual aspect) but also oriented toward the future (as a ‘projective’ capacity to imagine alternative possibilities) and toward the present (as a ‘practical-evaluative’ capacity to contextualize past habits and future projects within the contingencies of the moment).” The temporal embedded aspect in the definition indicates the floating nature of the concept of agency.

The past (iterational habitual) dimension of agency is by Emirbayer and Mische (1998) understood as routinized practices and taken-for-granted preconceptions where it is assumed that actors replicate past actions without much reflection. The past dimension of agency therefore corresponds with structure in the structure-agency continuum, leaving little room for individual freedom, reflexivity, and creativity. The future (projective) dimension of agency is described as actors' projection of hopes, fears, and dreams into the future, and by doing that they increase their capability to challenge and reconstruct existing conceptions. Finally, the present (practical evaluative) dimension of agency makes it possible to understand how dilemmas and dissimilarities stemming from institutional differences are solved through practical solutions (Emirbayer and Mische 1998). Though the three dimensions of agency are to be understood as cohesive composition, Emirbayer and Mische (1998) stress that one of these three dimensions usually will be predominant. Such predominance will, however, only be temporal, as contextual conditions can change over time, meaning that partners and actors are forced to reconsider and challenge the existing whenever there is a need to respond to changes in the field (Emirbayer & Mische, 1998). It is interesting to explore how the dynamic and potential conflicts of the past and future aspects of agency play out in the collaborative pre-formation and formation process when partners have to define plans, goals, and activities of sustainable innovation projects. Furthermore it is important to explore what happens when these plans, goals, and activities are to be implemented meeting the reality of the here and now. These questions constitute the managerial black box as to how logic multiplicity is managed in practice in the interorganizational collaborative interface from a microdynamic perspective leading to different levels of compatibility and centrality and to different situations of logic contestation, logic coexistence, and logic blending. By the integration of the processual suggestions for how to impede collaborative development toward convergence in formation, implementation/institutionalization, and termination/continuation phases in business-NGO literature, Besharov and Smith's (2014) compatibility-centrality matrix, and Emirbayer and

Mische's (1998) theory on agency it becomes possible to explore how logic multiplicity is managed in practice by businesses and NGOs in pursuing sustainable innovation projects and activities.

SUSTAINABLE INNOVATION AND INSTITUTIONAL LOGICS

One main shortcoming in the literature is the lack of clarification and definition of the concept of sustainable innovation (Weisenfeld 2012). The concept of sustainability consists environmental, social, and financial dimensions defined as the triple bottom line by Elkington (1997). Charter and Clark (2007, 9) embrace these multiple dimensions of sustainability in their definition of sustainable innovation: *"Sustainable innovation is a process where sustainability considerations (environmental, social and financial) are integrated into company systems from idea generation and development (R&D) and commercialization. This applies to products, services and technologies, as well as to new business and organizational models."* This definition illustrates an integrated business-centric win-win approach toward sustainable innovation by legitimizing the business-case potentials of social and environmental issues (Perrine 2013). However, this approach has been criticized by Ozanne, Phipps, Weaver, Carrington, and Luchs (2016) because it favors the financial dimension overlooking the inherent tensions of the multiple dimensions of the triple bottom line. Following this critique, it is more appropriate to understand the complexity of sustainable innovation from an institutional logic perspective in terms of how companies in practice manage the inherent tensions of environmental, social, and financial dimensions. The intention of this study is therefore to offer some clarification of the concept by bringing sustainable innovation into practice from an institutional logics perspective. This study provide understanding of the multiple dimensions of the triple bottom line as to how these logics are put into play and managed through microargentic processes, where partners and actors adapt to each other in various ways. Finally, it is important to take into consideration that these microargentic processes are influenced by different contextual conditions related to resource dependency and power positions.

METHODOLOGY

Considering the explorative nature of the research question, exploring how logic multiplicity is managed in the collaborative process together with the embryonic status of theoretical concepts and definitions related to sustainable innovation, the recommendations of Edmonson and McManus (2007) and McCutcheon and Meredith (1993), was followed, and an exploratory cross-case design chosen for the study. The advantage of a case study is, furthermore, that it enables researchers to conduct in-depth, rich data (Yin 2009, Eisenhardt and Graebner 2007) and to analyze underlying themes and patterns (Eisenhardt 1989). The empirical setting of this study consists of five retail companies situated in a Nordic/Scandinavian institutional context. The rationale behind choosing this empirical setting is that the retail industry is the fastest-growing industry internationally (Jonsson and Tolstoy 2014) and an industry where customer demands on sustainable solutions have been direct and relatively strong. Additionally, intense competition has challenged retailers to maintain the same level of profit gains, which in general are accomplished through trade with suppliers at the base of the pyramid, enabling them to keep up with short-term cost efficiency (Jonsson and Tolstoy 2014). Maintenance of profit gains through cost-efficiency strategies together with the growing awareness among customers and NGOs on climate change, working conditions, and child labor in third-world countries constitute the ethical dilemmas and ambiguity of competing institutional logics that retailers constantly have to balance and deal with (Jonsson Tolstoy 2014, Lehner 2015). The challenges of managing sustainability together with short-term cost efficiency means that the retail industry is very suitable for studying how logic multiplicity is managed in sustainable innovation projects and activities. The study was conducted among Scandinavian retailers. The reasoning for the Scandinavian context is that Scandinavian companies are especially involved in CSR, sustainable innovation projects and activities (Strand, Freeman and Hockerts 2015). Finally, the retailers in the Scandinavian institutional context appear to be forerunners in

facilitating cross-sector and collaborative cultural communities (DIEH, 2016). Thus, the Scandinavian context is relevant in exploring the most elaborate collaborations between businesses and NGOs and how they successfully manage the multiple institutional logics.

CASE SELECTION

The process of case selection was informed by literature on business-NGO collaborations, including collaborative phases of pre-formation, formation, implementation/ institutionalization, and termination/continuation, where it is assumed that convergence and adaption and interaction between partners evolve over time toward higher levels of interaction and relational development (Austin and Seitanidi 2012). Therefore, one important criterion was to select case companies that had reached beyond the initial phases and the implementation phase and thus had a history of collaboration together with cases in a premature and initial phase, in order to capture many aspects of the collaborative process. Another important criterion was to study the phenomenon from different starting points in the collaborative journey. A general shortcoming in the business-NGO literature is that only collaborative starting points are considered not adversarial. Consequently, it was important to include case companies in the sample that illustrated both collaborative and conflicting starting points of the collaborative journey. Furthermore, a key selection criterion, which narrowed down the possible case companies, was to select companies that had gone beyond mere PR/marketing collaborative activities toward identified sustainable innovative activities. The elaborated case selection criteria make it possible to identify differences and similarities in collaborative patterns across a variety of collaborative stages and thereby extent emergent concepts and theory (Eisenhardt 1989). Thus, the cases were selected using the following criteria: 1) The retailers should have gone beyond philanthropic and PR/marketing collaborative activities toward identified sustainable innovation activities, 2) The retailers should differ in maturity and experience in terms of their work with NGOs and sustainable innovation. 3) The selected innovation projects,

activities, and collaborations should represent different stages in the collaborative process, including pre-formation phase, formation phase, implementation phase, and termination/continue phase. 4) The selected case examples should illustrate collaborative and conflicting starting points of the collaborative journey. The selected cases consist of five Northern Europe/Scandinavia retailers with headquarters in Denmark, Sweden, Norway, and Germany and their collaborations with NGO's in co-creating sustainable innovations. The selected cases are described in Table 1 below in relations to their dependency and collaborative starting point, the collaborative stage of the cases at the time of the interview as well as their prior collaborative experience.

Table 1: Case Descriptions

| # | CASE | NGO | Initial dependency / collaborative starting point (influencing centrality) | Collaborative stage | Prior experience with NGO collaborations |
|---|-----------------------------|----------------------------|--|--|--|
| 1 | Food retail chain A | Development organization | <p>Mutual dependency: The company partner is not used to working in Africa, incorporating African farmers in the supply chain, and rely on NGO network and knowledge. Government business orientation in development programs has motivated the NGO to collaborate with business partners.</p> <p>Collaborative/joint forces: The partners designed the project together from the beginning.</p> | Termination/continuation phase | The company has for many years worked strategically with NGOs beyond the compliance level. Strategic philanthropy is added to innovation partnerships. The NGO has transformed their funding strategy toward business-oriented partnerships. |
| 2 | Non-food retailer | Environmental organization | <p>Dependency on the side of the company: Vulnerability on the side of the company to achieve acceptance and legitimacy from the NGO. Company dependent on NGO knowledge in order to develop their business model.</p> <p>Critical/adversarial position of the NGO: Long history of criticism by the NGO partner. The NGO constantly points out things that need improvement.</p> | Implementation /institutionalization phase | The company has a 25-year-long CV with NGO collaborations and has for many years developed long-lasting strategical partnerships with target NGOs. The NGO has a history of campaigns and advocacy activities but has for some years worked strategically with target companies in order to gain influence and impact at the industrial field level. |
| 3 | Non-food company / retailer | Child organization | <p>Dependency on the side of the company: Company needs to do advocacy work in developing and implementing</p> | Formation phase | The company has for many years been engaged in compliance, philanthropy, dialogues and strategic |

| | | | | | |
|---|--------------------------------|----------------------------|--|--------------------------------|--|
| | | | teaching methods to improve marginalized children's education/access to play in a base-of-the-pyramid context. Company has no experience with advocacy work, and the NGO opens the doors to suspicious governmental actors. NGO gets access to new scientific knowledge. Collaborative/joint forces: Matching strong brands of both organizations. Incubation phase with exploration of compatibilities. | | partnerships with target NGOs. The NGO have just recently transformed from philanthropy to innovation partnership. |
| 4 | Food retail chain B | Health organization | Dependency on the side of the NGO: NGO partner act in consultancy role in health-related project activities in product and service innovation in the supply chain in exchange for access to company data. Company partner makes decisions and decides content and scope of project activities. Collaborative/joint forces: Stepwise negotiations in scoping and defining project activities. | Termination/continuation phase | The company has for some years been engaged in compliance, community activities, voluntary work, and dialogues with NGOs. The NGO has for many years worked closely with business partners in the food industry and is very skilled in funding, developing, and managing collaborative projects. |
| 5 | Food / non-food retail chain C | Environmental organization | Dependency on the side of the company: Vulnerability on the side of the company to not get negative press. Company dependent on NGO knowledge, because new topics appear on the agenda all the time. The NGO is serious about their independence of businesses. Critical/adversarial position of the NGO: NGO watchdog campaigning in order to generate politics and initiate dialogue. | Pre-formation phase | The company has for some years been engaged in compliance and dialogues with NGOs but has never (at a local level) been engaged in a real partnership. The NGO has for many years campaigned against companies and has just recently supplemented activism with commitment toward common goals with businesses. The two partners have a partnership at the global level, which has not yet been unfolded at the local level. |

The organizations are named by using the principle of pseudonyms in case studies (Thomson, Bzdel, Golden-Biddle, Reay, and Estabrooks 2005) related to the type of retailer and the missions of the NGOs.

DATA COLLECTION

Data was collected through documentation studies and 20 semi-structured in-depth interviews among key company informants and NGO informants that were either responsible for or actively involved in the collaborative processes and collaborative activities. The chosen informants in this

study are therefore all characterized as key informants (Kumar, Stern, and Anderson 1993), and knowledgeable experts (Meuser and Nagel 2009), and includes 2 managers at department level, 3 project owners, 4 CSR managers, 6 project managers, 1 forest specialist, 1 environmental expert, 1 supply/marketing assistant, 1 CSR employee and 1 store manager across the corporate companies and NGO organizations in the five cases. Though multiple informants potentially increase internal and external reliability and validity in inter-organizational research these collaborations usually rely on relative few persons at least when it comes to key informants and experts with in-depth knowledge of collaborative activities and processes (Kumar, Stern, and Anderson 1993). Through the interview sessions the contextual factors, underlying microargentic processes and specific collaborative activities were explored. Combining documents and interviews it became possible to capture the historic and dynamic aspects of the collaborative pre-formation, formation, implementation/institutionalization, and termination/ continuation phases in a more qualified manner in the interviews. This was accomplished through questions about how the relation was initiated together with the most significant activities, events, and changes in the process. Further along these lines, the informants were questioned about their learnings and perceptions of the other partner, and how distinct partner interests were managed and balanced in practice. Most of the informant statements cited in the article have been translated from Danish and Swedish to English. The complete record of documents and interviews is summarized in Table 2 below.

Table 2: Overview of Data Sources

| Data source | Explanation | Number | Total |
|-------------------------------|--|---|-----------------------------------|
| Documents | Public documents, reports, websites, and internal documents | 110 | = 2,150 pages |
| Interview sessions | 8 female/12 male Average age 45 | 13 company informants 7 NGO informants | = 20 informants = 28 hours |

Period of data collection: Documents: middle 2015–ultimo 2016, Interviews: March 2016–May 2017.

Anonymization of informants is ensured by using the principle of pseudonyms in interview studies (Saunders, Kitzinger, and Kitzinger 2015), where personal details such as names, titles, etc., are replaced with key informant roles in the sustainable innovation and collaborative process.

The information gathered through documents was also used to ensure selection of cases illustrating respectively collaborative and conflicting starting points, and illustrating different situations of resource dependency between partners, which according to Besharov and Smith (2014) influence the level of centrality.

DATA ANALYSIS

The data from interviews and from documentary sources was analyzed applying the “thematic analysis” (Braun and Clarke 2006). The method involves coding text from transcribed interviews and from documents into underlying patterns and themes of the collaborative process and partner institutional orientation toward sustainable innovation. Following the advice of Braun and Clarke (2006), the coding process was divided into several phases: The analysis gradually evolves from an explorative, inductive approach to the development of underlying patterns and themes. In the first step of this process, a thorough list of codes derived from the transcriptions was developed. Overlapping codes were then clustered together, extended, and refined in their definitions, and the

underlying patterns and themes were developed. Inspired from grounded theory (Glaser and Strauss 1967) the constant comparison method was used in interviewing, writing memos and coding moving back and forth between the field and data analysis. This study however applies thematic analysis, which as stressed by Braun and Clarke (2006) is considered as a “lite” version of grounded theory and used in situations, where it is not possible to apply grounded theory to the full extend. Immediately after collecting the first data, the analytical process of coding began. Themes where reformulated and reinterpreted in an iterative process of explorative integration until the analysis reached a point of saturation where no more new knowledge was added (Eisenhardt 1989). Table 3 below provides an overview of the thematic codes and coded themes.

Table 3: Thematic Codes from the Analysis Process

| 1st code s | 2nd code s | Coded themes | Description |
|-------------------|-------------------|--|--|
| 27 | 7 | Institutional orientation (influence centrality) | This theme describes partner institutional orientation toward sustainable innovation reflecting market-based logic and policy-based logic. |
| 20 | 7 | Dissimilarities related to jurisdictional control) (influence compatibility) | This theme describes the main areas of dissimilarity between partners related to different perceptions and priorities related to formation, implementation/institutionalization, and continuation of sustainable collaborative projects and activities. |
| 29 | 8 | Adaption practices (influence compatibility) | This theme describes how partners handle dissimilarity and adapt to each other though actor dis-embeddedness in own logic, actor practices exemplifying jurisdictional control of a single logic, no jurisdictional control of a single logic or no overlap between logics across professional groups. |

A cross-case analysis was furthermore applied, developing and comparing constructs in order to identify differences and similarities across the five cases in each of the coded themes, which according to Eisenhardt (1989) is suitable for theory building research. In line with the method of

Gioia and Corley (2012) the derived first-order codes illustrate narratives from data, whereas the derived second-order codes and aggregated dimensions represent emerging theoretical themes in the theorizing process. Figure 1–3 reveals how the 76 first-order codes were clustered together into 22 second-order codes and into aggregated dimensions of institutional orientation (Figure 1), dissimilarity (Figure 2), and adaption practices (Figure 3).

Figure 1: Development of Thematic Codes and Theoretical Constructs

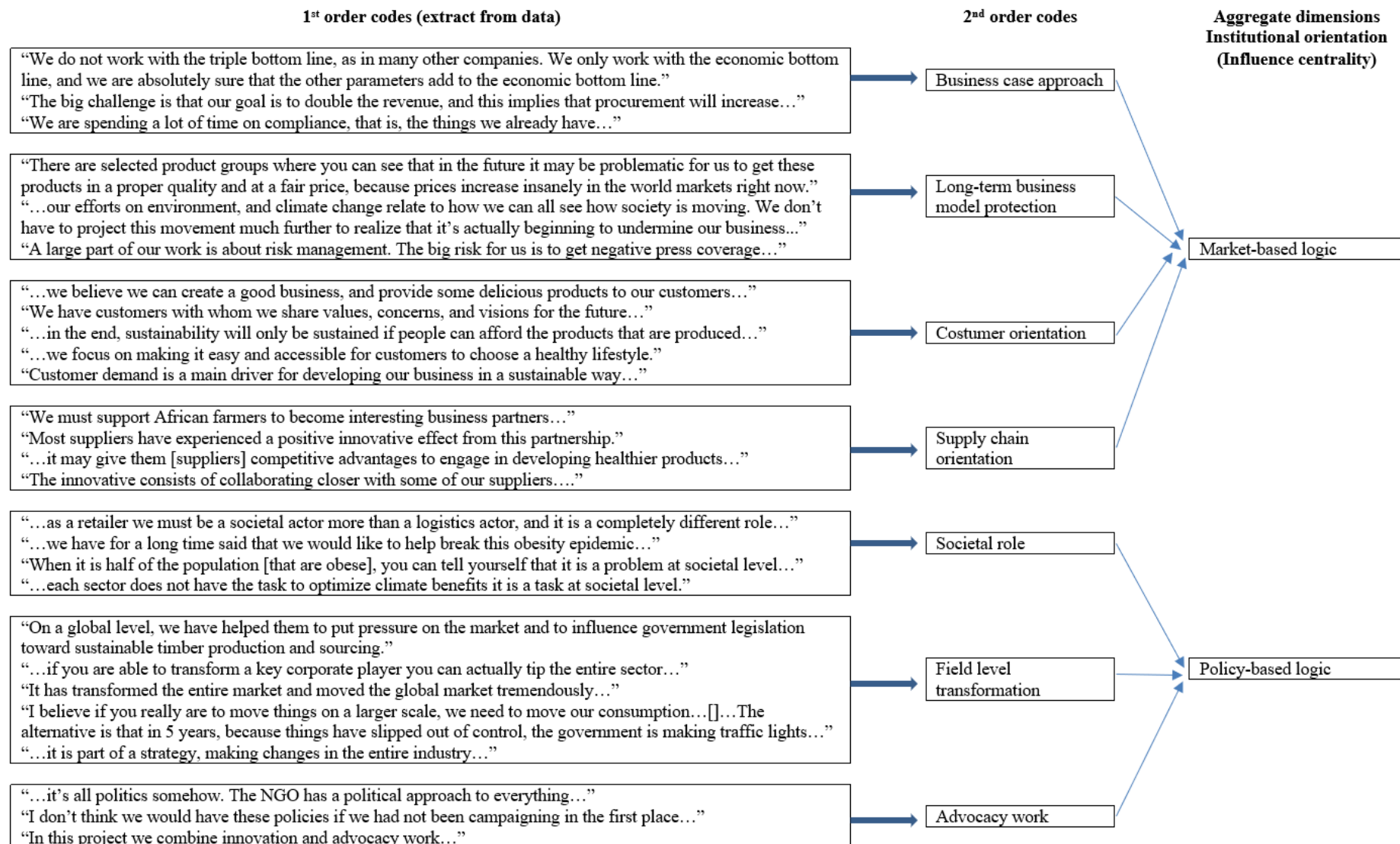


Figure 2: Development of Themes and Theoretical Constructs (continued)

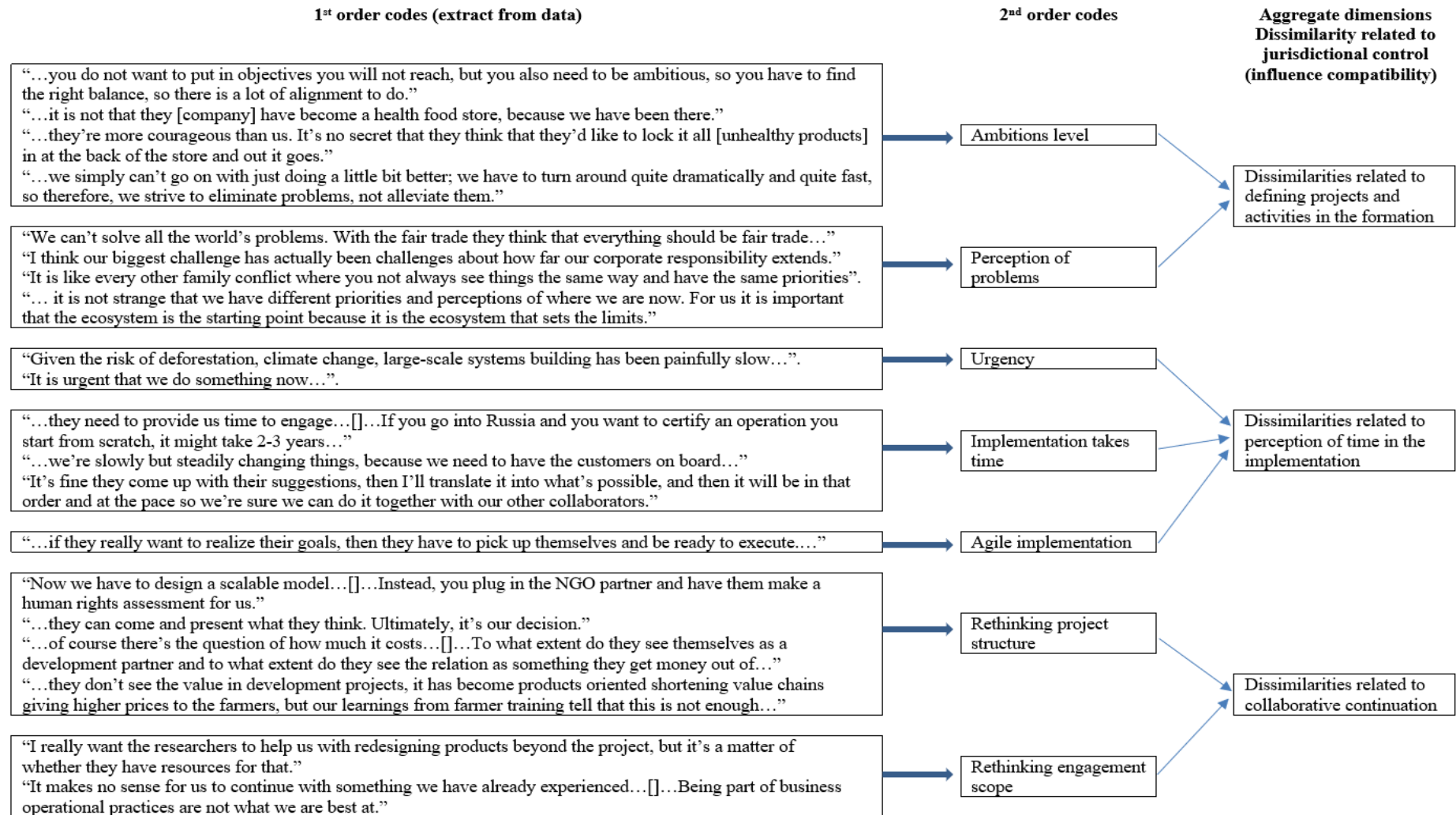
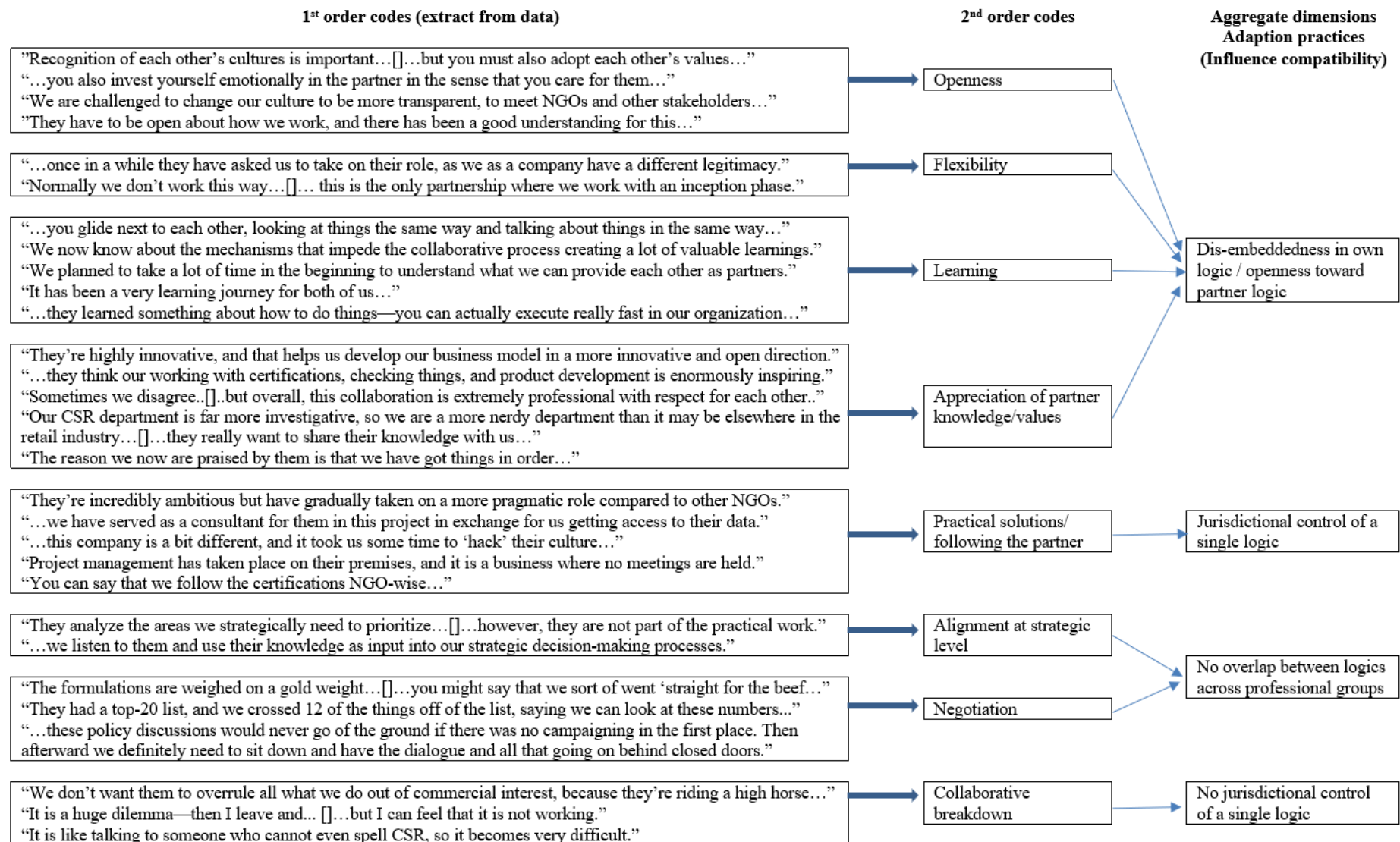


Figure 3: Development of Themes and Theoretical Constructs (continued)



FINDINGS

The results of the study, summarized in Table 4, illustrate case by case the themes and patterns related to institutional orientation toward sustainable innovation and collaborative microdynamics. These findings reveal the areas of dissimilarity between partners related to the pre-formation/formation phase, implementation/institutionalization phase, and continuation phase and how partners handle these dissimilarities through adaption practices. These findings are explained below and exemplified further in relation to 1) the influence of institutional orientations, 2) dissimilarities in the collaborative process, and 3) adaption practices in the collaborative process.

Table 4: Findings from the Cross-Case Analysis

| Coded Themes | Case 1 | Case 2 | Case 3 | Case 4 | Case 5 |
|--|--|--|---|--|--|
| Institutional orientation (Influence centrality) | Market-based logic. Long-term business model protection. Customer orientation. Supply chain orientation. Policy-based logic. Societal role. | Market-based logic Business case approach. Long-term business model protection. Customer orientation. Supply chain orientation. Policy-based logic. Field-level transformation. Advocacy work. | Policy-based logic. Advocacy work. | Market-based logic. Customer orientation. Supply chain orientation. Policy-based logic. Societal role. Field-level transformation. | Market-based logic. Business case approach. Customer orientation. Supply chain orientation. Policy-based logic. Field-level transformation. Advocacy work. |
| Dissimilarities related to jurisdictional control (Influence compatibility) | Inconsistent perceptions in scoping problems in the formation phase. No inconsistent perceptions of time in implementation. Inconsistent perceptions of how to continue beyond projects and activities. Rethinking project structure. | Inconsistent perceptions in scoping problems and urgency in the formation phase. Inconsistent perceptions of time in implementing projects and activities. Implementation takes time. No inconsistent perceptions of how to continue. | Inconsistent perceptions of ambition level in the formation phase. | Inconsistent perceptions of ambition level in the formation phase. Inconsistent perceptions of time in implementing projects and activities. Implementation takes time. Agile implementation. Inconsistent perceptions of how to continue beyond projects and activities. Rethinking engagement scope. | Inconsistent perceptions of ambition level in the formation phase. Not yet reached implementation and continuation phase. |
| Adaption practices (Influence compatibility) | Dis-embeddedness of actors in own logic leading toward openness, flexibility, and learning in the formation and implementation phase. No jurisdictional control of a single logic in the continuation phase leading to collaborative breakdown. | Dis-embeddedness of actors in own logic leading toward appreciation of partner knowledge/values and learning in the formation and implementation phase. Jurisdictional control of a single logic by finding practical solutions/following the partner in the implementation phase. No overlap between logics by negotiation and alignment at strategic level in the implementation and continuation phase. | Dis-embeddedness of actors in own logic leading toward openness, flexibility, and learning in the formation and implementation phase. | Dis-embeddedness of actors in own logic leading toward appreciation of partner knowledge/values and learning in the formation and implementation phase. Jurisdictional control of a single logic by finding practical solutions/following the partner in the implementation phase. No overlap between logics by negotiation and alignment at strategic level in the implementation and continuation phase. | Dis-embeddedness of actors in own logic leading toward appreciation of partner knowledge/values and learning in the formation phase. Jurisdictional control of a single logic by finding practical solutions/following the partner in the formation phase. No overlap between logics by negotiation and alignment at strategic level in the formation phase. |

THE INFLUENCE OF INSTITUTIONAL ORIENTATION

The theme institutional orientation relates to priorities of market-based and policy-based logic of how sustainable issues should be solved and projected into a better sustainable future. These institutional orientations influence the level of centrality together with contextual conditions related to initial dependency and collaborative starting points. The findings reveal that the companies across the five cases are oriented toward both market-based logic and policy-based logic except Case 3 where the company is solely oriented toward policy-based logic. Business orientation toward market-based logic are revealed in varying degrees across cases 1-2 and 4-5. Classic business-case orientation is predominant in Cases 2 and 5, where sustainable innovation from historic perspective has been about compliance, cost savings and economic gains. The collaborative engagement histories in Cases 2 and 5 have furthermore been characterized by NGO activism and criticism increasing the dependency on the side of the companies. In order to stay at the competitive forefront, the two companies engage in NGO-driven projects and activities related to innovation through stewardship councils, roundtables, and industrial standards building a sustainable infrastructure. These projects and activities rethinking processes and products reflect policy-based logic filling national and global policy vacuums informed by advocacy work leading to field-level transformation positioning the NGOs in a central and less dependent position. The complexity of balancing classic business case logic and policy-based logic constitutes a major managerial challenge in the company represented in Case 2, where the intention is to achieve economic growth and double the sales by 2020 and simultaneously achieve a 100 percent sustainable supply chain. Dealing with this challenge, the company works intensively with the NGO partner to scale up sustainable innovation through investment in projects that support and enable small suppliers in high-risk countries with certifications and better forest management. Summing up, both market-based and policy-based logics are highly prioritized at strategic level in both companies in cases 2 and 5. While simultaneously being exposed to NGO criticism emphasizing dependency on the company side to get help to

develop their businesses in more sustainable ways, this initially led to a high level of centrality stressing the need to integrate both market-based and policy-based logics into core business functions. Moving beyond initial NGO criticism toward dialogue and collaborative engagement through common projects the companies represented in Cases 2 and 5 still prioritize both logics but in a less resource dependent position slightly decreasing the level of centrality.

The retailers in cases 1-2 and 4-5 all reflect market-based logic in their orientation toward suppliers and customers. Thus, it is important for the retailers to facilitate innovation in supply chains in order to ensure future competitive advantage for the suppliers. However, the retailers represented in cases 1 and 4 are to a much higher degree characterized by sharing values and concerns with the customers and suppliers for how to move future consumption in a more sustainable direction, which is done through customer engagement, crowdfunding and redesign of products. Further along these lines, the companies represented in Cases 1 and 4 perceive themselves not only as retailers but also as societal actors reflecting policy-based logic, meaning that they not only follow customer movements toward sustainable consumption but also actively push these movements forward. The company represented in Case 1 is challenged to develop and integrate African suppliers in supply chains in order to ensure future food supply. The collaboration is furthermore characterized on both the side of the retailer and the side of the NGO partner by a dominant, market-based institutional logic in their pursuit of inclusive, business-model innovation incorporating small African farmers in the supply chain and developing their business capabilities. The common orientation toward a market-based logic created joint forces and mutual dependency in the formation phase, where the two partners designed the project together leading to a high level of centrality.

The policy-based logic used for rethinking products creating transformation at field level was dominant in the collaboration represented in Case 4, where the NGO is known for their systematic approach to collaboration with business partners in order to set health-related standards in the food sector. The project—consisting of product development and new management tools, in order to

nudge customers toward healthy products—was originally initiated by the NGO partner, who started out in an early phase with the retailer represented in Case 1. However, taking the project to the next level, the Case 1 partner withdrew because they would not open up for the NGO to conduct research, and the NGO was then forced to find a new retail partner. The establishment of the collaboration with the smaller retailer represented in Case 4 was therefore partly characterized by being accidental, where the NGO had to design and implement the project on the premises of the retailer in exchange of getting access to their data, which positioned them in a more dependent position. The strategic prioritization but at the same time less dependency on the side of the company made it possible to assimilate policy-based logic into existing market-based logic lowering the level of centrality.

The findings further reveal that the companies in Cases 1 and 2, representing mature experience with NGO collaborations and projects beyond the pre-formation and formation phase, are oriented toward market-based logic in order to ensure future long-term business model protection.

Finally, the policy-based logic is predominant in the collaboration represented in Case 3, where the main objective of the company is to facilitate systemic change at the societal and governmental levels through advocacy work in order to provide children with access to play and develop their learning capabilities through play. However, at the outset the company had no experience with advocacy work in a base-of-the-pyramid context and therefore highly dependent on the NGO partner to provide access to governmental actors. Similar to Case 1, this collaboration is therefore characterized by joint forces in developing the project together in the formation phase leading to a high level of centrality.

The findings reveal how institutional orientation reflect different aspects related to policy-based and market-based institutional logics, which together with contextual conditions related to initial dependency and collaborative starting points influence the level of centrality.

DISSIMILARITIES RELATED TO JURISDICTIONAL CONTROL

The aspects of market-based and policy-based logics outlined in the previous section reveal how business and NGO preconceptions are projected into the future. Though the involved business partners across Cases 1-2 and 4-5 all address both market-based and policy-based logics and the involved NGO partners are open toward market-based logic, the findings from the study also reveal that there are some dissimilarities stemming from the different aspects of market-based and policy-based logics. When partner preconceptions are put into play in present here and now situations it appears that there is a dissimilarity in perceptions of how to scope out sustainable problems and ambition levels in the formation phase, influencing the level of compatibility. In Case 1 it was a huge challenge to scope out how far corporate responsibility extends because the NGO partner perceived that everything should be fair trade. Likewise, in Case 2 the NGO perceived the limits of the ecosystem as the starting point of scoping problems, whereas the company was more oriented toward customer needs, including sustainable prices in order for customers to afford the products. Another issue of dissimilarity in the formation phase relates to different ambition levels as to which projects and activities should reflect radical or more incremental change. In Cases 2, 4, and 5 it has been challenging to align and find the right balance in between high ambitions among the NGOs and business reality of the retailers of stepwise incremental changes in order to get suppliers and customers engaged. These tensions continue in the implementation phase, where the companies represented in Cases 2 and 4 were especially challenged because it takes a lot of time to engage suppliers and customers in sustainable innovation projects and activities, meaning that their perception of how fast it is possible to implement activities differs from the involved NGOs' perception of time. Somewhat idealistic NGO perceptions of urgency solving sustainable problems meet business pragmatism of doing things in an order and pace where they can get suppliers and customers on board.

By the end of a five-year project period the partners represented in Cases 1 and 4 had to consider continuous collaboration. The company represented in Case 4 placed great value on the innovation potential of their NGO partner and wanted to continue to collaborate with them after this project. However, this was only possible on a smaller scale on the side of the NGO. The retailer represented in Case 1 experienced that the African products over time developed into a brand worth DKK 70 million a year. In order to scale up and exploit the commercial benefits and further develop the brand, the project moved from the foundation and CSR department to the business development department. Designing a scalable model, the company rethought and changed the project meaning that they wanted to place the NGO partner in a role where they could be “plugged in,” making a human rights assessment for them every time a new Fairtrade product was to be developed. However, on the side of the NGO, it was important to project the learnings gained from farmer training into future Fairtrade projects and activities. The dissimilarities between partners outlined above related to the formation, implementation and continuation phases potentially influence the level of compatibility as they represent areas described by Besharov and Smith (2014) where actors are challenged to balance jurisdictional control of competing logics.

ADAPTION PRACTICES IN THE COLLABORATIVE PROCESS

The findings of the study also reveal how partners adapt to each other in the formation, implementation, and continuation/determination phases in managing underlying dissimilarities and tensions related to different aspects of market-based logic and policy-based logic in the collaborative process. These adaption processes relate to the jurisdictional control of balancing and managing competing logics, which the involved companies and NGOs do in more ways, including jurisdictional control of a single logic, no jurisdictional control of a single logic, no operational overlap between logics across professional groups, and though actor dis-embeddedness in own logic. These adaption practices managing dissimilarities in the collaborative process all influence the level

of compatibility. In order to align ambition level and perception of problems in Cases 1 and 3, it has been important for partners to recognize and be open toward the other partner's values and traditions and invest emotionally in the relationship. This means that, the partners represented in Cases 1 and 3 are characterized by being able to exhibit high levels of flexibility in deviating from their own logics and taking on roles and logics of the other partner increasing the level of compatibility. In the implementation phase in Case 1, the retailer became able to take on the role of the NGO partner in managing processes "on the ground in Africa." This flexibility further made it possible for the retail partner to reduce their commercial expectations during critical periods in the project. During the five-year project period partners gradually glided next to each other, learning to perceive challenges and problems the same way. Similarly, the NGO partner in Case 3 deviated from their normal practice of working separately, instead following the company in developing personal relations and learning capabilities through an inception phase the first half-year of the project in order to build up a common knowledge base. Summing up, the findings of Cases 1 and 3 reveal the importance of openness, flexibility, and learning, which enabled partners to adapt to each other by deviating from their own logics and establishing a common working culture as a solid foundation for knowledge co-creation increasing the level of compatibility. Similar to Cases 1 and 3, Cases 2, 4 and 5 also illustrate some initial levels of dis-embeddedness in own logic exemplified by appreciation of partner knowledge, values and learning in the formation and implementation phase. However, as actors do not work as closely together at the operational level as in Cases 1 and 3 they have not yet reached a level where actors switch between logics building a common culture. The lack of common work at operational level further means that there is no significant overlap between market-based and policy-based logic in Cases 2, 4 and 5 decreasing the level of compatibility.

Due to different ambitions and perceptions of time, one of the first challenges was for the NGO in Case 4 to exhibit openness and redefine the project structure and find practical solutions in order to adapt to the retailer, meaning that the NGO during the implementation phase to a large

extent followed the premises of the retailer. While dissimilarity related to priorities and scientific ambitions appeared from time to time, the ability of the NGO to adapt to the market-based logic and retail time horizons together with the openness and honesty of the company inspired a “just get the job done” mentality leading to a practical living-apart-together pattern. This collaborative pattern was further supported by stepwise negotiations, stepwise maturing of ambitious ideas, and distinct appreciation and respect for the other partner’s professionalism and knowledge. During the five-year project period the NGO became familiar with the agile project management preference of the retailer and learned how to experiment and execute in business-time pace when implementing their scientific research activities. These adaption practices reflect jurisdictional control of market-based logic by finding practical solutions where the NGO follows the company way of doing things in the implementation phase. This adaption practice together with the initial level of actor dis-embeddedness in own logics and keeping logics rather separated in the implementation phase leads to a medium level of compatibility. The retailer represented in Case 5 adapted to the NGO criticism by practical solutions following NGO-initiated certifications. As part of the retailer strategy to increase their efforts regarding sustainable development, they recently established a CSR department consisting of staff members with a rather thorough and scientific approach to sustainability reflecting appreciation of the NGO scientific approach. Following recommendations from the NGO, the retailer has been praised by the NGO and become one of the leading retailers in developing sustainable tuna-fish products. This case exemplifies how NGO pressure and scientific knowledge on sustainable issues set the agenda for innovation and product development in retail companies reflecting jurisdictional control of policy-based logic following the NGO. Similar to Case 4 the combination of jurisdictional control of a single logic together with initial actor dis-embeddedness in own logic and keeping logics rather separated in the implementation phase leads to a medium level of compatibility. Being exposed to critique, the retailer represented in Case 2 has become more open and transparent about sharing their challenges and concerns with the NGO partner, who over time has taken on a

more practical role. Simultaneously, the NGO moved from criticism toward practical solutions and developed a two-sided strategy balancing high environmental ambitions with the market-based logics of the retailer. Thus, while still serving as vigilante whistleblowers, the NGO chose to go a step further compared to other advocacy NGOs and help the retailer to develop sustainable, innovative solutions to their problems. In order to balance policy-based and market-based logics, the partners adapted to each other through alignment of missions and goals at strategic level, meaning that the NGO was invited into the strategic ‘engine room’ of the retailer, whereas projects activities were kept separated at the operational level in contrast to the collaborations represented in Cases 1 and 3. This alignment of missions and goals at the strategic levels means that the collaboration over time has reached a transformative level. This collaborative strategy exemplifies practical solutions where the company partner follows NGO programs and policies in developing their business in a sustainable way, meaning that there is a predominant jurisdictional control of policy-based logic. Though the retailer represented in Case 5 has not yet entered into a formal collaboration with the NGO, they, similarly to the retailer represented in Case 2, adapted to the NGO by using their knowledge as input into their strategic processes. Summing up, the findings of Cases 2, 4, and 5 reveal how partners solve dissimilarities related to ambition level, perception of problems, urgency, and time, not only through openness and learning but also through the fellowship of one partner, appreciation of the other partner’s knowledge and values, negotiations, and alignment at strategic level leading to medium levels of compatibility.

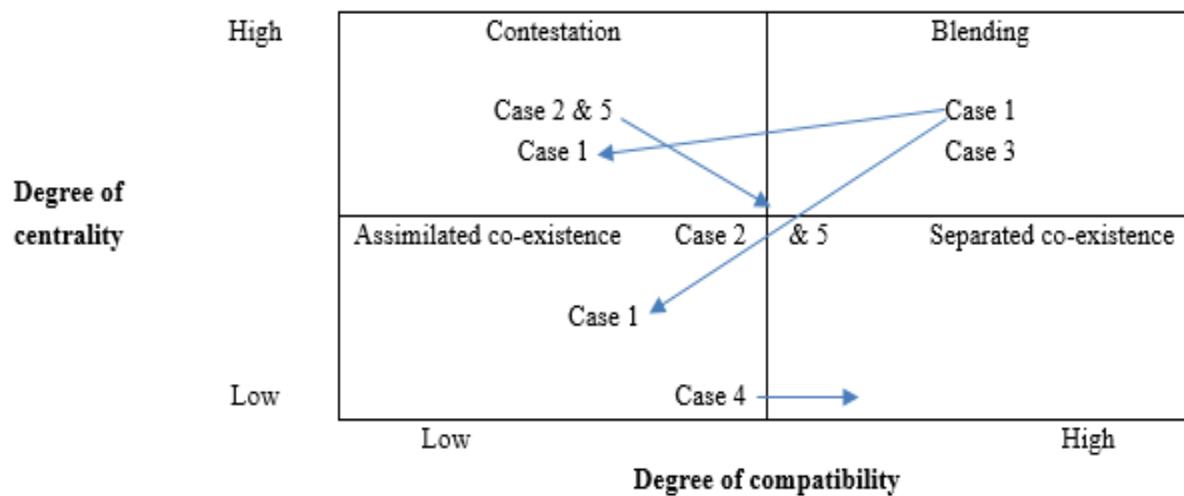
The collaborations in Cases 1 and 4 both reached the end of a five-year project period, meaning that partners were challenged to rethink future collaboration. Though the retailer in Case 4 wanted the researchers of the NGO to continue helping them reformulate products, it was not possible for the NGO to continue to be part of business operational activities. By the end of the project period, the decision was therefore made to continue the collaboration on a smaller scale due to the NGO’s limited resources beyond funded projects, which potentially may lower the level of

compatibility. Similarly, in Case 1, being reduced as a “friend of the house”—providing the retailer with consultancy services for free and external legitimacy—did not match the expectations and operational practices of the NGO partner, which eventually led to collaborative termination decreasing the level of compatibility.

DISCUSSION

In combining Besharov and Smith’s (2014) conceptualization of the compatibility-centrality matrix and Emirbayer and Mische’s (1998) conceptualization of past, future, and present agency together with theoretical suggestions in business-NGO literature related to different phases of the collaborative process, this study outlines the strategies of how logic multiplicity is managed in the collaborative process. The findings from the five retailers and their NGO partners reveal how these managerial strategies unfold and change over time on a continuum from logic contestation to separated and assimilated logic coexistence to logic blending. The findings further reveal how underlying contextual conditions related to collaborative starting points of conflicts and joint forces together with resource dependence influence the level of logic compatibility and centrality in collaborative adaption constituting different and shifting strategies of managing logic multiplicity. Using the compatibility-centrality matrix, the strategies of managing logic multiplicity of the study is summarized in Figure 4.

Figure 4: Summary of Findings in the Compatibility-Centrality Matrix



The findings from Cases 1 and 3 illustrate the managerial strategy of logic blending in the formation and implementation phases of Case 1, and in the formation phase of Case 3. In both cases the company and NGO partners worked together in an unfamiliar and new area at the base of the pyramid and therefore it made no sense that a single logic should exhibit jurisdictional control in the collaborative process. The need for partners to co-create new knowledge moving projects forward motivated them to deviate from their own professional logic and become socialized within and adapt to the professional logic of the other partner, leading to a high level of compatibility. The disembeddedness in own professional logic led toward adaption practices reflecting high levels of openness, flexibility, and learning, building a common culture in the collaborative interface and making it possible for the actors to draw on multiple professional logics and knowledge, occasionally switching between them depending on the situation. The ability for actors to draw on multiple logic correspond with studies of social enterprises (Mars and Lounsbury 2009) and studies of CSR implementation (Lee and Lounsbury, Maibom, and Smith 2016). It can further be argued that the disembeddedness of partners and actors is much in line with Battilana, Leca, and Boxenbaum's (2009) understanding of institutional entrepreneurs and Emirbayer and Miche's (1998) conceptualization of present and future agency. Summing up, the managerial strategy of logic

blending in Cases 1 and 3 is supported by high levels of compatibility and centrality stemming from underlying mechanisms reflecting present and future agency practices and contextual conditions related to joint forces and collaborative starting points of departure.

Regarding contextual conditions related to initial resource dependency between partners, the findings from Case 1 illustrate what happens when the balance of mutual dependency changes in the continuation/termination phase, when the company have explored and cocreated new knowledge with the NGO in a pilot phase and want to continue to a phase where commercial benefits are exploited. While still prioritizing both market-based and policy-based logics but in a less resource dependent position the increased commercial orientation of the company reflecting market-based logic led to a lower level of centrality. Still valuing the knowledge of the NGO partner, but in a less resource-dependent position increased the jurisdictional control of business professional logic leading to a lower level of compatibility reflecting the strategy of assimilated coexistence. However, due to misunderstandings and lack of alignment between partners, these changes eventually moved the collaboration into a situation of logic contestation. Similar development caused by misunderstandings and battles of jurisdictional control of commercial and societal logics is seen in studies of social enterprises resulting in organizational breakdown (Tracey and Jarvis 2006, Battilana and Dorado 2010). Since, the collaboration represented in Case 3 has not yet gone beyond the formation phase facing any changes in underlying contextual conditions, it continue to be managed through logic blending.

This finding implies that NGO knowledge should primarily be applied in the formation and implementation phases of sustainable business innovation projects in Bottom-of-the-pyramid BOP markets requiring exploration and the cocreation of new knowledge bases. This underlines the importance of managing shifts in jurisdictional control of market-based and policy-based logics across collaborative phases.

The findings from Cases 2, 4 and 5 illustrate managerial strategies in between separated and assimilated co-existence in formation, implementation and continuation phases. Although both market-based and policy-based logics are strategically prioritized Cases 2 and 5 are characterized by primarily jurisdictional control of policy-based logic, while Case 4 is characterized by primarily jurisdictional control of market-based logic. Cases 2, 4 and 5, are furthermore characterized by, no overlap between logics across professional group, which together with the predominance of a single logic increase the level of compatibility.

Partners across Cases 2, 4 and 5 adapt to each other through negotiation and alignment processes at strategic level. When applying such a strategy, it becomes possible for partners to keep logics apart, because there is no overlap between logics across professional groups at an operational level. Although both partners recognize the other partners' logics, they have chosen a separated variant on a practical level, where logics coexist peacefully but stay apart. Thus, the projects in the forest program in Case 2 are solely run by responsible forest coordinators on the side of the NGO and coordinated with company activities, leading to low levels of interaction, interdependencies, and socialization in building a common working culture. Similarly, the involved partners in Case 4 mostly worked separated in the common project on the operational level. While, underlying tensions reflecting different ambition levels popped up from time to time, meaning that a commonly recurring theme related to the level of compatibility in the collaborative process, this was handled through incremental adjustments in expectations and negotiations in order to balance commercial interests and scientific ambitions. Further along these lines, Case 2, 4 and 5 illustrates adaption practices related to assimilated coexistence, because both partners appreciate the other partner's knowledge as equally relevant, while simultaneously one partner to a large extent has chosen to follow and assimilate into the predominant logic of the other partner. Thus, the establishment of a CSR department with a scientific profile in Case 5 has created common ground for the two partners to understand each other and engage in dialogue illustrating appreciation of partner knowledge, which

has increased the level of compatibility. Similarly, in Case 4, the adaptability on the side of the NGO partner to “hack” the company’s working culture, meant that the professional logics of the NGO were, on a practical level, assimilated into a commerce-oriented sense of retail timing. The strategy of assimilated coexistence corresponds with the findings of Pache and Santos (2013) in a study of social enterprises. Summing up, the collaborations represented in Cases 2, 4 and 5 illustrates initial level of adaption practices where actor dis-embeddedness in own logics stimulate the level of compatibility. This differs, however, from Cases 1 and 3, where openness and learning combined with flexibility, enables actors too actually deviate from their own professional logic building a common working culture illustrating the strategy of logic blending. Compared to Cases 1 and 3, the collaborations represented in Cases 2, 4 and 5 therefore illustrates a rather moderate level of compatibility.

Cases 2 and 5 furthermore illustrate how contextual conditions related to resource dependency and adversarial starting points of departure for the collaborations has stimulated corporate partners to follow the policy-based logic of the NGO in creating radical changes at the field level, while simultaneously developing their business in sustainable ways. This has led to a collaborative situation, where the company’s market-based logic has been assimilated into an NGO-dominant policy logic and to a separation of professional logics at operational level, leading to a managerial strategy in between separated and assimilated coexistence resulting in a moderate level of centrality. In Case 4, it is seen how resource dependency on the side of the NGO, led to a rather low level of centrality. Together with the moderate level of compatibility, this case also illustrates a managerial strategy in between of assimilated and separated coexistence.

Summing up, the adaption practices in Cases 2, 4 and 5 reveal how partners with a moderate level of compatibility and a moderate level of centrality in Cases 2 and 5 and a low level of centrality in Case 4 can succeed in staying apart at the operational level practicing a kind of living-apart-together form of logic coexistence. This finding further implies that high levels of interaction and

socialization blending culture in the collaborative interface is not necessarily the only pathway toward convergence, as often suggested in the literature on cross-sector collaborations (Austin and Seitanidi 2012). The collaborations in Cases 2 and 5, furthermore, exemplifies the journey from logic contestation to logic coexistence, and will probably never fully reach the level of logic blending. However, both collaborations represent successful business-NGO collaborations in retail in terms of creating transformational sustainable innovation at the societal level. This challenge the underlying assumptions of Austin and Seitanidi's (2012) theoretical framework for how to impede collaborative development toward convergence blending cultures, where it is suggested that only high levels of convergence and cocreation lead to transformational innovation.

Cases 2, 4 and 5 further illustrate how partners' existing (past) knowledge, experience, and preconceptions about sustainable innovation are projected into the future. This leads to the manifestation of dissimilarities and tensions that is primarily solved through adaption practices related to present agency through negotiations and strategic alignment where one partner becomes assimilated into professional logics of the other partner, and to past agency, because there is no overlap between logics across professional groups at operational level. The findings from Cases 2 and 5 also show how important it is for companies to develop policy capabilities in sustainable innovation, which clearly contradicts market-based logics in conventional open innovation.

Finally, Cases 2 and 5 illustrate how changes in contextual conditions related to resource dependency and collaborative starting point lead to collaborative movements and shift in balancing jurisdictional control of market-based and policy-based logic. Over time these collaborations developed from a situation of logic contestation to a managerial strategy between separated and assimilated coexistence. The findings from Cases 2 and 5, reveal how critique and campaigns on the side of the NGO together with initial resource dependency on the side of the company can move the collaborative process from a stage of logic contestation to a stage of logic coexistence over time, when partners adapt to each other through negotiation and alignment processes at strategic level.

When applying such a strategy, it becomes possible for partners to keep logics apart, because there is no overlap between logics across professional groups at an operational level. Thus, Cases 2 and 5 illustrate how high levels of centrality in the very initial phase of the collaboration decrease over time to a moderate level of centrality through strategic alignment processes, leading to a managerial strategy in between separated and assimilated coexistence. Similarly, in Case 4, once the NGO had conducted its research, it was no longer in a resource-dependent situation, decreasing the level of centrality. The partners chose to continue the relation on a very small scale, moving the collaborative relation toward separated coexistence. Though these findings challenge Austin and Seitanidi's (2012) suggestions for how to impede collaborative convergence, the managerial strategy of separated coexistence is represented to a large extent in public-private partnership innovation (Bjerregaard, 2010; Jay, 2013), in CSR implementation (Lok 2010, Smets, Jarzabkowski, Burke, and Spee 2015), and in social enterprises (Pache and Santos 2013).

CONCLUSION

This study explores how collaborative practices in sustainable innovation unfold over time and how different managerial scenarios of logic multiplicity is constituted by institutional orientation, dissimilarities and adaption practices. These collaborative practices reflect past, future and present agency that together with underlying contextual conditions influence levels of compatibility and centrality. In the following subsections the theoretical contributions, managerial implications and limitations and further research is elaborated.

THEORETICAL CONTRIBUTION

This study builds on and contributes to Besharov and Smith's (2014) theoretical framework by the identification of underlying microargentic dynamics that together with contextual conditions related to joint forces/adversarial positions and resource dependency seem to influence dimensions of

compatibility and centrality. Though existing studies provide insight into managerial strategies of contestation, coexistence, or blending, they do not provide insight as to how microargentic practices vary across different levels of compatibility and centrality. Through the application of Besharov and Smith's (2014) conceptualization of the compatibility-centrality matrix, this study contributes with new knowledge of how underlying microargentic dynamics influence levels of compatibility and centrality constituting different managerial strategies of logic multiplicity, including contestation, coexistence, and blending. This study reveals that partners on an overall level agree about the importance of solving retail related sustainable issues. Yet, solving these issues creates managerial challenges in present formation and implantation processes when partner priorities are projected into future activities due to dissimilarity on ambition levels, perception of problems, urgency, and time perceptions. Further, this study contributes by mapping collaborative adaption practices of how partners adapt to overcome these dissimilarities, as requested by Nicholls and Huybrechts (2016). This knowledge is an important contribution to existing literature, as it opens the collaborative black box, which from a managerial point of view is important in order to understand how to make these collaborative sustainable innovations thrive and move forward.

Managing logic multiplicity has been subject to discussions and empirical investigation in literature related to CSR (Lok 2010, Lee and Lounsbury 2015, Smets, Jarzabkowski, Burke, and Spee 2015, Maibom and Smith 2016), social enterprises (Tracey and Jarvis 2006, Mars and Lounsbury 2009, Battilana and Dorado 2010, Pache and Santos 2013, Mair, Mayer, and Lutz 2015), and public-private partnership innovation (Bjerregaard 2010, Jay 2013). However, strategies of managing logic multiplicity have mainly been outlined from a general perspective overlooking microargentic dynamics and contextual conditions. The focus on microargentic dynamics of this study supports ideas forwarded by Thornton and Ocasio (2008), Thornton, Ocasio and Lounsbury (2012), and Besharov and Smith (2014) about how institutional logics are constantly reframed through institutional agency processes across organizational boundaries. Most of the studies so far

have been conducted at the industrial field level (Mars and Lounsbury 2009, Lok 2010; Lee and Lounsbury 2015, Smets, Jarzabkowski, Burke, and Spee 2015) or as single case studies (Tracey and Jarvis 2006, Battilana and Dorado 2010, Pache and Santos 2013, Maibom and Smith 2016), meaning that contextual conditions influencing managerial strategies have been left out.

By the application of a multiple cross-case study, this paper contributes to existing literature by exploring how strategies in managing logic multiplicity are influenced by contextual conditions related to the starting collaborative positions and the resource dependency of the partners. Thus, this study reveals that the combination of either joint forces or adversarial positions together with either mutual or unequal resource dependency seems to influence the level of centrality, and also influences whether market-based and policy-based logics are equally important to core functions in sustainable innovation projects and activities.

This study further builds on Emirbayer and Mische's (1998) multidimensional approach toward agency, which has made it possible to explore the microdynamic processes in managing logic multiplicity, and how different compositions in the interplay of past, future, and present agency are influenced by contextual conditions. This study reveals that in situations of unequal resource dependency and in situations of NGO critique, partners adapt to each other in ways that relate to past and present agency. However, partners in situations of mutual dependency and joint forces adapt to each other in ways that relate to present and future agency. This study further reveals that changes in contextual conditions simultaneously change the way microargentic processes are composed, meaning that the underlying patterns—as to how logic multiplicity is managed—are only temporal, which supports the multidimensional approach toward agency put forward by Emirbayer and Mische (1998). This further supports the thoughts of Mutch (2018) and Waeger and Weber (2019), stressing the importance of contextual conditions related to historical and political issues influencing actor adaptability toward institutional logics. Finally, this study builds on and contributes to theoretical discussions in business-NGO literature for how to impede collaborative development toward

convergence through alignment of missions making a perfect match right from the outset of a collaboration and through blending cultures in implementation/institutionalization phases (Jamali and Keshishian 2009, Murphy and Arenas 2010, Austin and Seitanidi 2012).

The findings from the five cases clearly challenge the theoretical idea of constant evolvement toward higher levels of socialization blending cultures, put forward by Austin and Seitanidi (2012) as the key factor to trigger transformational and radical innovation. It rather seems that collaborative starting points, regarding adversarial or joint positions together with resource dependency, influence the level of relational integration between partners. This, support the arguments put forward by Brand, Blok and Verweij (2020) that orientation toward consensus is challenging due to the critical role of NGOs. Furthermore, that relational integration is not necessarily the triggering factor for developing transformational sustainable innovation. The collaborations described in Case 2 and 5 shows how transformational innovation was created at the field level, caused by high levels of resource dependency on the side of the company together with a high ambition level forced by the NGO. At the same time, however, partners were able to engage in stakeholder dialogue in the formation phase and keep logics separated at the operational level later on. This supports the arguments put forward by Baur and Palazzo (2011) that partners should orientate toward consensus and set aside own interest. The collaboration described in Case 1 also shows how a perfect match, together with intensive activities stimulating cocreation and socialization in operational practices that lead to high levels of centrality and compatibility, is no guarantee for partners to remain together forever. The collaboration presented in Case 4 reveals how organizations sometimes unexpectedly end up with another partner than originally planned. Thus, underlying mechanisms behind the choice of the right partner influence the levels of compatibility and centrality, but are not always strategic as they can equally be caused by accidental or critical activism-related events. High levels of logic centrality may therefore be constituted more by contemporary situations of resource dependency than by deliberate effort to align missions and goals prior to the collaboration. In some situations,

resource dependency may develop over time into the formulation of common goals and mission statements stimulating continuous innovation, as seen in the collaborations represented in Case 2, while in other situations, such as the collaborations represented in Cases 1 and 4, partners leave when they are no longer dependent on the other partner's resources simply because the learning potential has been exhausted. This stresses the importance of considering the complexity of institutional logics and contextual conditions in the formation, implementation/ institutionalization, and continuation/termination phases put forward in the theoretical framework by Austin and Seitanidi (2012).

Furthermore, this study reveals how shifting levels of resource dependency on the side of either the company or the NGO challenge the counterpart to choose either to assimilate into this new situation or to leave the collaboration. Finally, there will be situations: 1) where companies choose to open up strategic processes together with the NGO partner (as seen in Case 2), 2) where companies choose to open up both strategic and operational processes (as seen in Cases 1 and 3), 3) where the NGO is challenged to adjust to corporate operational processes (as seen in Case 4), and 4) where both strategic and operational processes remain rather separated from the NGO (as seen in Case 5). This study therefore contradicts and adds nuance to existing theory on resource complementarity and theoretical frameworks for how to ensure a right match together with mission and goal alignment (Jamali and Keshishian 2009, Murphy and Arenas 2010, Austin and Seitanidi 2012)—because at the end of the day, what really matters in these collaborations is the underlying microdynamics, which are not easily captured and turned into formulas.

One main theoretical contribution of this study, following the critique by Manning and Roessler (2014) and McLnerney (2015), is therefore to outline business-NGO collaborations as a multidimensional phenomenon of shifting microargentic compositions influenced by contextual conditions in contrast to one-dimensional processual collaborative stage model frameworks based on the assumption that business-NGO collaborations over time will evolve toward higher and higher

levels of integration and institutionalization blending cultures. Finally, this study contributes to the clarification of the concept of sustainable innovation. Although a growing body of research emphasizes the potential of sustainable innovation for fostering societal impact and business opportunities (Charter and Clarke 2007, Perl-Vorbach, Rauter, Globocnik, and Baumgartner 2015) the concept is still evolving and impelled by diverse logics and orientations. Therefore, this study contributes with knowledge of the managerial implications of managing sustainable innovation from a practical perspective.

MANAGERIAL IMPLICATIONS

The managerial implications of this study include recommendations about how to manage and engage in business-NGO collaboration in the pursuit of sustainable innovation. The findings reveal how the outset of business-NGO collaborations varies, because they are sometimes initiated by the company and sometimes by the NGO, and in extreme cases they are triggered by activism and conflicts. The study also reveals how underlying factors of partner positions and resource dependency impact microargentic compositions leading to changing strategies of managing logic multiplicity over time. The managerial implications of this study furthermore constitute knowledge of how the balance between policy-based and market-based logics is influenced by partner adaption practices reflecting different compositions of past, future, and present agency. The managerial implications of this are for companies and key actors to be able to navigate different types of adaption practices in pluralistic innovation environments, where the dynamic interplay between past, future, and present agency underlying institutional logics are constantly reframed. Thus, underlying factors that yesterday influenced a high level of logic centrality and compatibility constituting the managerial strategy of logic blending may be changed tomorrow. Moreover, organizations and key actors should be aware of how these movements and re-orientations in the collaborative process will cause temporary conflicts and misunderstandings and that they will cost substantial resources and

efforts to negotiate or assimilate and adapt to the partner moving the collaboration forward. However, the study also reveals that these collaborative processes hold huge learning potential. Further, one might argue that it is not necessarily a bad thing to end up in a situation of logic contestation and get a “divorce,” as it may be a sign of the learning curve having peaked and it being time to find a new partner. Equally, it is not necessarily a bad thing for a collaboration to start from a point of logic contestation caused by NGO activism. If companies are ready to follow the ambitious timing of advocacy policy-oriented NGOs, they can reach a high level of transformational, radical sustainable innovation—as revealed in Cases 2 and 5. Conversely, if a company is not ready to follow ambitious NGO policy-oriented timing, then they must be prepared to use extensive resources on incremental negotiations, as seen in Case 4.

LIMITATIONS AND FURTHER RESEARCH

The aim of this study has been the interorganizational aspects of managing logic multiplicity in sustainable innovation projects and activities. However, little is known about the intra-organizational aspects of managing logic multiplicity internally in organizations, which requires further research. The geographical context of the study provides empirical contributions to the existing research, which has primarily been conducted in a more shareholder-focused Anglo-Saxon context and case studies. This may also be a limitation, however, as some of the lessons from the study may be aimed at companies with a dominant stakeholder-oriented focus or long learning curve with sustainability and sustainable responsibility, such as organizations based in Scandinavian countries with strong sustainable emphases and value systems. This stresses the ongoing discussion of the Scandinavian vs. Anglo-Saxon school of CSR and sustainable business to which this study contributes. However, more research is requested to explore the impact of origin and collaborative history/learning curves on the impact and development sustainable innovation. Furthermore, the objective has been to study the object in the context of retail. Thus, a cross-industry study would be able to elaborate on the

differences in managing logics multiplicity and business-NGO collaborations across industries. These gaps and shortcomings represent key areas that further research should attempt to answer.

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PAPER 2

**SUSTAINABLE INNOVATION THROUGH BUSINESS-NGO COLLABORATIONS:
UNDERSTANDING THE ROLE OF INTERPARTNER INSTITUTIONAL LOGICS AND
GOVERNANCE MECHANISMS**

ABSTRACT

A growing body of research and empirical interest emphasizes the dynamics and potentials of business-NGO collaborations in developing sustainable innovation. When crossing sectors, operational practices stemming from different institutional logics emerge, which influence how collaborations and sustainable innovation are governed and managed. Based on a cross-case study of five business-NGO collaborations, this paper provides an in-depth examination of how institutional differences between businesses and NGOs influence the governance practices they use for their collaboration, and how the type of innovation moderate this relationship between institutional differences and governance practices. Our findings reveal how institutional logics together with collaborative starting point influence the collaborative preferences, dynamics, and mechanisms in governing the collaborative process. The theoretical contributions of the study constitute new insights into our theoretical understanding of how 1) contextual factors related to different types of sustainable innovation and collaborative starting points and 2) underlying governance informed by institutional logics influence formal and informal governance practices in the collaborative process. Furthermore, the study provides managers with new knowledge of how managers enter into, govern, engage, and interact during collaborations with NGO partners in creating different types of sustainable innovation.

Keywords: *Sustainable innovation, collaborative innovation, business-NGO collaborations, institutional logics, governance, agency processes, BOP markets*

1. INTRODUCTION

In the wake of globalization, international governmental institutions, researchers, NGOs, and leading customers increasingly stress the urgency for radical sustainable innovation as, for example, the state of the environment is increasingly deteriorating (Nill & Kemp, 2009; Visser, 2011; Moratis, 2014; UN, 2019). Consequently, companies nowadays deal with complex policy discourses and societal logics at field level together with commercial logics and belief systems at organizational level, when developing sustainable innovation (Ocasio & Radoynovska, 2016). Maybe because of the latter, we now witness a new phenomenon, where NGOs increasingly get involved when companies invest in new business ventures and sustainable innovation in base-of-the-pyramid (BOP) settings, e.g., in India and on the African continent (Dahan et al., 2010; Venn & Berg, 2014). These inclusive sustainable business innovations in BOP contexts generally relate to “access problems” for marginalized people to gain access to clean water, electricity, financial products, fair trade, etc. (Prahalad, 2012; Lodsgård & Aagaard, 2018). Other examples relate to regulative innovations (Lodsgård & Aagaard, 2018) that typically emerge when confrontational activist groups such as Greenpeace facilitate radical business innovation through new “game changing” environmental technologies (Stafford et al., 2000) or through stewardship councils and industrial standards (Scherer & Palazzo, 2011).

However, businesses and NGOs are institutionally embedded within different institutional logics, understood as different values, belief systems, and practices (Thornton & Ocasio, 2008; Besharov & Smith, 2014). In general NGOs are oriented toward societal changes and companies are oriented toward commercial gains (Vurro et al., 2010; Voltan & De Fuentes, 2016). Differences

regarding business and NGO preferences in operational practices are described in literature by scholars (e.g., Van Tulder & Van der Zwart, 2006; Yaziji & Doh, 2009; de Lange et al., 2016) and influence how these collaborations are governed.

Yet, research on cross-sector collaborations with NGO partners in the context of developing sustainable innovation has been rather limited (Holmes & Smart, 2009; Dahan et al., 2010; Rivera-Santos & Rufin, 2010; Simpson et al., 2011; West et al., 2014; Shumate et al., 2018).

The lack of theory building and modeling on this topic presents a gap in academic research, which this paper attempts to explore. Through a discussion of the existing theoretical literature and a cross-case study of five business-NGO collaborations for sustainable innovation, we examine how companies govern these collaborations with NGO across the different institutional logics and three types of sustainable innovation. We show how institutional logics together with starting point influence preferences for how partners work together, and the mechanisms applied in governing the collaborative process across different sustainable innovation types. Jointly, these findings enrich our theoretical understanding of how 1) contextual factors related to different types of sustainable innovation and collaborative starting points and 2) underlying governance strategies informed by institutional logics influence formal and informal governance mechanisms in the collaborative process. Moreover, our insights provide managers with new insight into how to enter into, govern, engage, and interact during collaborations with NGO partners in creating different types of sustainable innovation.

Though business-NGO collaborations and collaborative innovation are on the rise, surprisingly few studies have explored how formal and informal governance mechanisms are informed by institutional logics related to differences in operational orientations among these potentially odd allies (Simpson et al., 2011). Nevertheless, according to Rivera-Santos and Rufin (2010), the high levels of risk of opportunistic behavior affiliated with business-NGO collaborations point to the importance of further research as to how governance mechanisms actually unfold in

practice. The lack of empirical investigation and theory building on this topic presents a gap in academic research, which this paper attempts to explore through the mapping and discussion of the existing theoretical literature and through five empirical cases within the retail sector.

Building on literature on different types of sustainable innovation, interorganizational management, and institutional logics theory, this study contributes to discussions in literature by exploring the role of institutional logics and governance in business-NGO collaborations. As such, the research question of this paper is:

How do differences in institutional logics influence formal and informal governance mechanisms between businesses and NGO partners in developing different types of sustainable innovation?

2. THEORETICAL BACKGROUND

The theoretical background which this study aims to contribute to is elaborated on in five sections. First, the concept of sustainable innovation is defined in relation to institutional logics. Second a typology of three different sustainable innovation types is presented. Third, the microfoundation of governing institutional logics in collaborations is discussed. Fourth, the governance mechanisms of interorganizational collaborations are explored. Finally, the informal governance of business-NGO collaborations is explained.

2.1 Sustainable innovation and institutional logics

Over recent years, many companies have embraced their social goals just as much as they embrace their commercial goals (Andries et al., 2019; Stephan et al., 2019), e.g., as part of their CSR strategies (Jamali & Keshishian, 2009). Recently, companies have been challenged to transform the UN's 17 Sustainable Development Goals into concrete innovation projects and activities with NGOs and integrate them into existing products, processes, and business models (C&E, 2019). As explained by Ebrahim and Rangan (2014), governments, investors, and other stakeholders are increasingly requiring organizations to demonstrate their results or performance in addressing social

problems. Consequently, the business-centric perspective has become increasingly important in sustainability. Embracing the triple bottom line from a business-centric perspective Charter and Clark (2007, p.9) define: *“Sustainable innovation is a process where sustainability considerations (environmental, social and financial) are integrated into company systems from idea generation and development (R&D) and commercialization. This applies to products, services and technologies, as well as to new business and organizational models.”*

However, the concept of sustainable innovation is still a relatively young, fragmented, and unsettled field of research that provides potential for future research in number of areas, including the policy perspective (van der Have & Rubalcaba, 2016). Furthermore, there is a blur between the various concepts. For example, “sustainable innovation” and “social innovation” are often used interchangeably or as umbrella terms for other innovation notions of a similar nature, such as eco-innovation, environmental innovation, and green innovation (Shiederig et al., 2012). Thus, sustainable innovation bridges essentially different concepts including conventional innovation aimed at the creation of profitable economic outcomes and sustainability anchored in ethical (Carroll, 1999), religious (Dossa & Kaeufer, 2014), and political discourses (Dryzek, 2005). Overall, as argued in Delmas and Pekovic (2018), sustainable innovation involves changes in processes or products that result in reducing environmental impact of our society or benefit the community in other ways. Thus, in applying the concept of sustainable innovation in this article, we include social, green, and environmental innovations.

These discussions in literature illustrate the institutional complexity of the concept of sustainable innovation, which is why one main shortcoming in the literature is lack of clarification and definition of the concept (Weisenfeld, 2012; Parmentier & Gandia, 2013). Floating discourses in between societal, public, and business logics mean that the ontological status of the concept is quite uncertain. According to Vickers et al. (2017), sustainable innovation is shaped not only by public sector logic but also by logic of market and civil society (e.g., funders, service users, or service

delivery partners). The interplay of logics also relates to the specific internal strategies of fostering creativity, financial management, knowledge sharing, and protection. As stated in a recent literature review by Lupova-Henry and Dotti (2019), a consensus on who should lead the governance and to what extent the stakeholders should be involved has not been reached yet. Nonetheless, governments, civil society, and the corporate sphere are commonly identified as the key strategic actors. Andries et al. (2019) underline that (for-profit) organizations differ with respect to their reasons to engage in environmental innovation. While some are proactively modifying current or developing new products, processes, and management systems, others do so only when forced by legal and regulatory requirements. Thus, the drivers, interests, and motivations for engaging in sustainable innovation collaborations with NGOs differ.

In their extensive literature review, besides highlighting the outdatedness of the standard hierarchy-market-network trichotomy of research, Lupova-Henry and Dotti (2019) identify six partially overlapping directions for further research. The authors call for more knowledge regarding conflicts among stakeholders caused by variant interests. This complex governance has been addressed only by the state-centric approach, where the need for transparency in communication and community security is stressed. Furthermore, the authors state the need for a common framework that could be used for assessing governance, allowing international benchmarking. What is also missing is the comparison of different kinds of innovation. According to the authors, a majority of articles label the sustainable innovation as radical; nonetheless, it is not known how the governance of incremental would be employed in this case. The last research gap identified is the missing focus on individual stages of sustainable innovation and their respective governance. Additionally, van der Have and Rubalcaba (2016) stress that given the presence of shared norms and values, the central questions to explore are how competing values at varying levels are resolved for sustainable innovation, and how social-value creation opportunities are constructed in a multi-stakeholder setting. Watson et al. (2018, p. 266) specifically argue that: “*Institutional logics or “value frames” provide*

social groups with values, organizing frameworks, and legitimate practices to guide their behavior in a social context.”

2.2 Types of sustainable innovation of business-NGO collaborations

We have made a thoroughly literature review identifying sustainable issues in business-NGO collaborations. Based on the literature review we have elaborated three types of sustainable innovation including; Regulative innovation, Inclusive sustainable business innovation and Social investment innovation, which is elaborated in table 1 below.

Table 1: Types of sustainable innovations (SI) between businesses and NGOs

| SI Types | Issues | Content | Examples |
|--|--|--|--|
| Regulative sustainable innovation | Development and implementation of soft laws (policies); NGO initiated stewardship councils, NGO scientific knowledge and technology, development of eco-labels and eco-efficient products. | NGO activism forces businesses to comply with new innovations, standards and CSR activities. Capitulation and/or resistance on the side of business partners. Businesses are driven toward collaboration in order to get access to NGO knowledge and legitimacy. | Stafford et al. (2000) Kong et al. (2002) Argenti (2004) Doh & Guay (2004) Potts & Haward (2007) Arenas et al. (2009) Kourula (2010) |
| Inclusive sustainable business innovation | Co-creation of new business opportunities: micro credit, inclusion of marginalized suppliers and market development at the base of the pyramid. | Businesses request valuable NGO capabilities in pursuing business opportunities in developing markets. NGOs help businesses to identify areas for product development, test of products, building supply chains, customer bases, and help build local network. | Dahan et al. (2010) Murphy & Arenas, 2010 Prahalad (2012) Venn & Berg 2013 Dossa Kaeufer (2014) Schuster & Holtbrügge (2014) |
| Social investment innovation | Businesses investment in building social welfare infrastructure at the base of the pyramid that are tightly related to its core mission: education, job training, community service and health care. | Businesses develop their philanthropic engagement into mission driven social investments. In order to do that they highly rely on NGO knowledge regarding local community network and knowledge. | Holmes & Smart (2009) Austin (2010) Eweje & Palakshappa (2011) Jamali et al. (2011) Sanzo et al. (2015) |

The growing practice of businesses and NGOs collaborating in developing sustainable innovation has fostered an increasing need for knowledge of what happens in this “black box” of collaborations for innovation (Nugroho, 2011). Also important is how these collaborations are governed and organized (Rivera-Santos & Rufin, 2010; Simpson et al., 2011; Shumate et al., 2018). Following

section 2.5 of how business-NGO collaborations is governed it appears that there is overlap between business-NGO sustainable issues and informal governance (table 2) regarding inclusive sustainable business innovation and social investment innovation.

2.3 The intersection of institutional logics and governance

Across seven societal institutions including family, community, religion, state, market, profession, and corporation, institutional logics are defined as supra-organizational patterns of taken-for-granted assumptions, values, and belief systems that shape actors' perceptions of how reality should be interpreted and provide guidance for organizational behavior and operational practices (Friedland & Alford, 1991; Thornton et al., 2012). Following this definition, it is important to elaborate the concept of agency for understanding the microfoundation of institutional logics as to how partner operational practices are brought into play in governing the collaborative process. In the seminal work by Emirbayer and Mische (1998, p. 962), agency is defined as "A temporally embedded process of social engagement, informed by the past (in its 'iterational' or habitual aspect) but also oriented toward the future (as a 'projective' capacity to imagine alternative possibilities) and toward the present (as a 'practical-evaluative' capacity to contextualize past habits and future projects within the contingencies of the moment)."

According to Emirbayer and Mische (1998), it is a basic premise that the past (iterational) dimension of agency understood as preconceptions and routinized practices will always be a present and underlying factor because it interrelates with actor experience, knowledge, and preconception. It could therefore be argued that past embodied practices of the involved partners represent governance repertoires of preferred ways of working together (Emirbayer & Mische, 1998; Emirbayer & Johnson, 2008). So what happens when partners bring their past routinized practices and taken-for-granted governance preferences for how to work together into play in here-and-now collaborative situations? Do they reconstruct existing governance repertoires and become socialized into other professional

logics reflecting future (projective) agency? Or do they work together in ways where they solve their differences by finding practical solutions reflecting present (practical evaluative) agency? Further along these lines, the concept of governance in literature on institutional logics relates to how different institutional logics are combined and balanced (Mair et al., 2015).

During the last decade more scholars have discussed archetypical strategies for how to govern institutional logics in both inter- and intra-organizational hybrid context (Raynard, 2016). Differences in institutional logics can be governed through co-existence characterized by situations where logics are kept separated at the operational level or by situations where a dominant logic voluntarily assimilate some elements of a less dominant logic, or a less dominant logic is assimilated into a dominant logic (Kratz & Block, 2008; Pache & Santos 2013; Besharov & Smith, 2014; Skelcher & Smith, 2015). Another strategy for governing differences in institutional logics are logic blending characterized by cultural embeddedness and strong relational ties making it possible for actors to deviate from their home professional logic combine and equally draw on other professional logics (Kratz & Block, 2008; Pache & Santos 2013; Besharov & Smith, 2014; Skelcher & Smith, 2015). The managerial governance strategy of separated and assimilated co-existence represents rather low levels of integration across institutional values, beliefs and working preferences. In similar fashion, the managerial governance strategy of logic blending represents the highest level of integration across institutional values, beliefs and working preferences (Kratz & Block, 2008; Pache & Santos 2013; Besharov & Smith, 2014; Skelcher & Smith, 2015). Finally, some managerial situations can be characterized by contestation due to intensive conflicts between competing logics (Kratz & Block, 2008; Pache & Santos 2013; Besharov & Smith, 2014; Skelcher & Smith, 2015).

In literature on public-private partnerships that similar to businesses and NGOs are challenged by the ambiguity of handling multiple institutional logics it has been found that actors govern institutional differences through separated and assimilated co-existence. In a large scale case study of R&D collaborations between small and medium sized enterprises and public universities by

Bjerregaard (2010) it was found that in some cases academic professional logic where assimilated into business professional logic, whereas academic professional logics was kept separated from business professional logic in other cases. In another study by Murray (2010) it was found that business professional logic was assimilated into a more dominant scientific professional logic. In a study by Jay (2013) it was furthermore revealed that separation of professional logics in a public-private energy alliance actually impeded the innovation process. Reviewing literature in the intersection of public-private partnership innovation and institutional logics there was however, no evidence supporting the strategy of blending professional logics.

Though theory on institutional logics are rather absent in business-NGO literature, partner differences in operational practices and preferences are described by more scholars (Van Tulder & Van der Zwart, 2006; Yaziji & Doh, 2009; De Lange et al., 2016). From a historical perspective NGOs are embedded in the civil sector (third sector), and typically oriented toward either social relief or advocacy and policy activities in order to promote sustainable causes related to human rights, animal welfare, or climate change (Yaziji & Doh, 2009). Companies, by contrast, are embedded within market-based logic regulating organizational behavior through mechanisms of profit and competition (Van Tulder & Van der Zwart, 2006). The structural and operational differences between companies and NGOs arise from their missions, where NGOs are characterized by developing products, programs, and services from the idea of overall societal value, whereas companies are founded in the idea of making profits through the development of new products and services (Hull & Lio, 2006; De Lange et al., 2016). Consequently, companies and NGOs differ in scope of impact in their products, services, and programs (Hull & Lio, 2006). The ultimate intention and operational logic of NGOs is to create as much impact for as many as possible at societal level, whereas sustainable issues on the part of companies oftentimes are subordinate to commercial goals (Hull and Lio, 2006; De Lange et al., 2016).

Thus, where companies are able to document value creation through profit measures, it is not that easy for NGOs to quantify the value of social services or advocacy activities. In short, NGOs have a accountability problem, leading them to perform long-lasting internal decision-making processes combined with external stakeholder involvement in order to ensure high levels of democracy, participation, and fairness (Rivera-Santos & Rufin, 2010). This contradicts most operational practices in the business world, where efficiency serves as a valuable guiding principle. NGOs are furthermore typically less adaptive to changes in their activities and operations because they are constrained by risk aversion—reluctance to make failures and compromise the vision in the eyes of employees, volunteers, and external stakeholders—whereas companies are much more adaptive and tolerant of taking risks because of the potential first-mover effect (Hull & Lio, 2006; De Lange et al., 2016). Such cultural contrast of inertia on one side and dynamic entrepreneurship on the other hand is assumed to be related to governance principles in, respectively, state and market logics (Thornton et al., 2012). These incompatibilities in operational practices informed by institutional logics stress the importance of exploring how business-NGO collaborations are governed.

Furthermore, it is important to explore how these institutional differences influence the governance practices they use for their collaboration, and how the type of sustainable innovation would moderate this relationship between institutional differences and governance practices.

2.4 Governance mechanisms of interorganizational collaborations

Interorganizational collaboration is defined in literature with a specific focus on external knowledge acquisition (Kogut, 1988; Caloghirou et al., 2004) and value creation that no single partner can create independently (Dyer & Singh, 1998; Das & Teng, 2000). Prior studies on governance mechanisms in literature on interorganizational collaborations (Madhok, 1995; Gulati, 1995), open innovation (Clauss & Spieth, 2017), cross-sector collaborations (Rein & Stott, 2009; Vickers et al., 2017; Weisenfeld & Hauerwaas, 2018), and business-NGO collaborations (Rivera-Santos & Rufin, 2010;

Simpson et al., 2011) broadly focus on two interrelated governance approaches that can be either formal or informal. In order to minimize risk of opportunistic behavior the idea of formal governance is to protect self-interest through contracts, monitoring, ownership control, and predefined coordination and division of work that clearly define responsibilities and roles (Madhok, 1995; Clauss & Spieth, 2017). Consequently, relational ties are rather weak and collaborative patterns are in general characterized by infrequent interactions (Clauss & Spieth, 2017). Informal governance, meanwhile, is founded in the idea of social exchange, relational trust, commitment, and cultural openness (Madhok, 1995; Simpson et al., 2011). Consequently, relational ties are strong and the frequency of meetings and joint work is relatively high (Clauss & Spieth, 2017).

Interorganizational collaborations are usually governed as a mixture of formal structures and informal dynamics of trust, relational embeddedness (strong ties), commitment, and the willingness to adapt to changes (Ring & Van De Ven, 1994; Madhok, 1995, 2006; Faems et al., 2008). However, others have argued that formal governance is most suitable in situations, where partners need to protect resource investment and ensure alignment of converging goals (Simpson et al., 2011; Gesing et al., 2015). Furthermore, it has been stressed that informal governance is appropriate in:

1. Non-equity collaborative situations associated with high risk of opportunistic behavior, which characterizes most business-NGO collaborations (Rivara-Santos & Rufin, 2010),
2. Situations characterized by high levels of uncertainty and complexity due to differences in ideology and institutional logics (Manning & Roessler, 2014; Panda, 2015), and
3. Collaborative situations striving for innovation (Holmes & Moir, 2007; Clauss & Spieth, 2017; José-Sanzo et al., 2015).

Further along these lines, it is important to explore how strategies of separated and assimilated co-existence together and logic blending relates to formal and informal governance mechanisms.

2.5 Informal governance in business-NGO collaborations

The importance of informal governance principles in business-NGO collaborations is to a large extent emphasized in Austin and Seitanidi's (2012) collaborative continuum consisting of four levels of integration between business and NGO partners as illustrated in Figure 1 below.

Figure 1. The Collaborative Continuum

| | Stage I | Stage II | Stage III | Stage IV |
|--------------------------|--|----------|-----------|----------|
| NATURE OF RELATIONSHIP | <i>Philanthropic > Transactional > Integrative > Transformational</i> | | | |
| • Level of Engagement | <i>Low <-----> High</i> | | | |
| • Importance to Mission | <i>Peripheral <-----> Central</i> | | | |
| • Magnitude of Resources | <i>Small <-----> Big</i> | | | |
| • Type of resources | <i>Money <-----> Core Competencies</i> | | | |
| • Scope of Activities | <i>Narrow <-----> Broad</i> | | | |
| • Interaction Level | <i>Infrequent <-----> Intensive</i> | | | |
| • Trust | <i>Modest <-----> Deep</i> | | | |
| • Internal change | <i>Minimal <-----> Great</i> | | | |
| • Managerial Complexity | <i>Simple <-----> Complex</i> | | | |
| • Strategic Value | <i>Minor <-----> Major</i> | | | |
| • Co-creation of value | <i>Sole <-----> Conjoined</i> | | | |
| • Synergistic value | <i>Occasional <-----> Predominant</i> | | | |
| • Innovation | <i>Seldom <-----> Frequent</i> | | | |
| • External system change | <i>Rare <-----> Common</i> | | | |

Source: Austin & Seitanidi (2012, p. 736)

The underlying assumption of the collaborative continuum is that the level of integration gradually increases through relational engagement and trust, and that the level of interaction gradually increases through broader scope of activities and more frequent interactions. It is further, recommended that partners strengthen personal relations through cross-organizational activities in order for the collaboration to gradually evolve from the philanthropic stage to the integrative and transformative stage of value co-creation. Austin and Seitanidi (2012) stress the dynamic nature of the collaborative continuum where characteristics belonging to different traits follow the evolving nature of the continuum. Literature on business-NGO collaborations in general points to the importance of informal governance mechanisms related to trust-building, relational investment, and frequency in interactions in order to institutionalize these collaborations and to create a successful collaborative outcome, as illustrated in Table 2 below.

Table 2. Informal Governance in Business-NGO Collaborations

| Authors | Issues related to informal governance |
|----------------------------|---|
| Holmes & Smart (2009) | Senior management in the role as formal and informal boundary spanners. Cultural openness, openness to new ideas, willingness to take risk and experiment. Relations building. |
| Jamali & Keshishian (2009) | Minimal empirical evidence of frequent interaction and volunteer work at the employee level. Decreased closeness and communication in the continuation phase. |
| Seitanidi (2009) | Trust and relations building fostering collaborative capabilities. |
| Austin (2010) | Regular social interactions (frequent communication or joint routines and activities. Flexibility and trust. Top-level management engagement and voluntary work among employees, increasing familiarization and institutionalization. |
| Murphy & Arenas (2010) | Development of strong ties through interaction and trust-building processes. |
| Jamali et al. (2011) | Trust and relations building fostering collaborative capabilities. |
| McDonald & Young (2012) | Increased integration through voluntary work among employees. |
| Venn & Berg (2014) | Positive relation between trust and knowledge exchange. |
| Sanzo et al. (2015) | Trust and relations building fostering innovative capabilities. |

Existing literature on business-NGO collaborations stresses the importance of informal governance practices in terms of frequent communication, strong ties through relations- and trust-building processes, cultural openness, and increased integration and institutionalization through voluntary work among employees. This empirical evidence is much in line with the strategy of logic blending. As regards to collaborative content and sustainable innovation types informal governance is found in the context of CSR (Jamali & Keshishian, 2009; Seitanidi, 2009; Austin, 2010; McDonald & Young, 2012; Venn & Berg, 2014), and in the context of social innovation (Holmes & Smart, 2009; Jamali et al., 2011; Sanzo et al., 2015), and in the BOP context (Murphy & Arenas, 2010).

However, the studies outlined above have mainly investigated business-NGO collaborations from a resource-based view (Jamali & Keshishian, 2009; Murphy & Arenas, 2010; Austin &

Seitanidi, 2012). By emphasizing “win-win” potentials of resource complementarity together with suggestions for how partners can facilitate value co-creation and innovation through evolving collaborative integration and relational engagement on a continuum from philanthropic to transformational collaboration (Austin & Seitanidi, 2012), these studies have not paid much attention to institutional complexity (Vurro et al., 2010; Manning & Roessler, 2014). Another shortcoming is that different collaborative positions related to conflicting starting points of departure are not considered in existing business-NGO literature (Manning & Roessler, 2014; Shumate et al., 2018). However, in studies of NGO collaborative approaches it appears that some NGOs deliberately apply a more independent collaborative approach toward companies (Ählström & Sjöström, 2005; Valor & de Diego, 2009). This means that there may be more pathways beyond the unidimensional pathway toward increased collaborative integration, as outlined by Austin and Seitanidi (2012). Further along these lines, some scholars stress the need for further research on how underlying tensions of institutional logics influence the interrelated mechanisms of formal and informal governance (Rein & Stott, 2009; Vurro et al., 2010).

In this respect, Emirbayer and Johnson’s (2008) conceptualization of interorganizational relations as power structures that are produced and reproduced through actor positions at organizational field level opens a new understanding of collaborations as a phenomenon where partners and actors may be equally or unequally advantaged. In this understanding of interorganizational collaborations Nicholls and Huybrechts (2013, p. 133) define collaborations as “a phenomenon located at the interface between macro, field-level institutional trends, an micro, organizational-level dynamics,” where “institutional pressures favour or hinder interorganisationsal collaboration and shape to a certain extent the behavior of each organization in the collaboration process.” Based on institutional logics theory, it is plausible to assume that collaborative levels of integration are influenced by collaborative starting points and types of sustainable innovation. These

thoughts stress the usefulness of combining institutional logics theory with the resource-based view underlying existing business-NGO and interorganizational literature.

By combining theoretical suggestions in business-NGO literature for how to increase integration through informal governance practices with theory on institutional logics and agency it becomes possible to explore the formal and informal governance practices businesses and NGOs use for their collaboration.

3. METHODOLOGY

The premise of this study is to uncover a complex phenomenon about which it can be said that the ontological status or “nature of being” is quite uncertain. The overarching goal is therefore to explore and provide knowledge of how different institutional logics influence governance strategies and formal and informal governance mechanisms in different types of sustainable innovation with NGO partners. Consequently, the most logical choice is to follow an exploratory, cross-case study design (Eisenhardt & Graebner, 2007; Yin, 2009).

3.1 Data collection

The study was conducted in a Nordic/Scandinavian institutional context consisting of five retail companies. Retail companies are challenged in managing and building sustainable value chains across different partners while ensuring short-term cost efficiency. This makes the retail industry very suitable for studying how logic multiplicity is managed in sustainable innovation projects and activities (Jones et al., 2014; Lehner, 2015). The five selected retail companies were all involved in the production and sale of both food and non-food private label products and were anchored in a Northern European/Scandinavian institutional context with headquarters in Denmark, Sweden, Norway, and Germany. Scandinavia is routinely cited as a global leader in CSR and sustainability (Strand et al., 2015; Economist, 2013). In the Global Sustainability Competitiveness Index

(SolAbility 2019), which is based on numbers of credible organizations, such as World Bank and various UN agencies, their 2019 ranking of 180 countries showed that the top 5 spots are occupied by Scandinavia: Sweden leads the Sustainable Competitiveness Index, followed by the other 4 Scandinavian nations and Switzerland (the United States was ranked at number 34). Thus, the Scandinavian context is relevant in exploring the most elaborate and highest level of sustainability in collaborations between businesses and NGOs and how the multiple institutional logics are managed across these collaborations for different sustainable innovation types. Consequently, all the selected case companies shared similarities in industry (retail), geography (Scandinavia), and experience with NGO collaborations for sustainable innovation.

In exploration of how the different institutional logics influence formal and informal governance mechanisms across the different types of sustainable innovation of Business-NGO collaborations, we specifically selected case companies and NGO collaborations that were engaged in different types of sustainable innovation projects and activities related to inclusive sustainable business innovation, regulative innovation, and social investment innovation.

Often the collaborative journey is triggered by activism and critique on the side of the NGO, as revealed in the business-NGO literature. However, the starting point of the collaboration was not part of the theoretical sampling as we did not foresee or had a hypothesis about starting point having an influence. However, during our study, it became evident that the starting point of the collaboration does influence governance strategies and governance mechanisms. The starting point is therefore not included in the research question as it is not part of the sampling strategy or a concept theoretically explored, but an empirical finding from the study. Consequently, in exploring this development in formal and informal governance mechanisms during collaborations between businesses and NGOs, we realized that we needed to understand the starting point and how this may impact the governance mechanisms later during the collaborative activities. Therefore, we included the data we had retrieved about both collaborative and conflicting starting points of the collaborative journey in the

case description (table 4). Also, as examples with both adverse and affirmative potential toward existing theory may inspire the development of new interpretations of existing theory. The five cases are described in Table 3.

Table 3. Case Descriptions

| Case | Company | NGO focus | Sustainable innovation types & collaborative starting point | Prior experience with NGO collaborations |
|------|------------------------------|---------------|--|--|
| 1 | Food retail chain A | Development | <p><u>Inclusive sustainable business innovation:</u> Incorporation of small African farmers at the base of the pyramid in the supply chain to secure the future supply of vegetables, cocoa, coffee, and meat products.</p> <p><u>Collaborative/joint forces:</u> The partners designed the project together from the beginning.</p> | <p>The company has for many years worked with NGOs beyond the compliance level. Strategic philanthropy is added to innovation partnerships.</p> <p>The NGO has transformed their funding strategy toward business-oriented partnerships.</p> |
| 2 | Non-food retailer | Environmental | <p><u>Regulative innovation:</u> Process and product innovation in global supply chain in order to improve forest management practices through Forest Stewardship Council (FSC) certifications among farmers in high-risk countries.</p> <p><u>Critical/adversarial position of the NGO:</u> Long history of criticism by the NGO partner. The NGO constantly points out things that need improvement.</p> | <p>The company has a 25-year-long CV with NGO collaborations and has for many years developed long-lasting strategic partnerships with target NGOs.</p> <p>The NGO has a history of campaigns and advocacy activities but has for some years worked strategically with target companies in order to gain influence and impact at the industrial field level.</p> |
| 3 | Non-food company/retailer | Children | <p><u>Social investment innovation:</u> Development and implementation of teaching tools and methods in order to improve marginalized children's education/access to play in a base-of-the-pyramid context.</p> <p><u>Collaborative/joint forces:</u> Matching strong brands of both organizations. Incubation phase with exploration of compatibilities.</p> | <p>The company has for many years been engaged in compliance, philanthropy, dialogues and strategic partnerships with target NGOs.</p> <p>The company and NGO have just recently transformed from philanthropy to innovation partnership.</p> |
| 4 | Food retail chain B | Health | <p><u>Regulative innovation:</u> Health-related product and service innovation in the supply chain aimed at redesign of products/recipes in order to minimize sugar and fat.</p> <p><u>Collaborative/joint forces:</u> Stepwise negotiations in scoping and defining project activities.</p> | <p>The company has for some years been engaged in compliance, community activities, voluntary work, and dialogues with NGOs.</p> <p>The NGO has for many years worked closely with business partners in the food industry and is very skilled in funding, developing, and managing collaborative projects.</p> |
| 5 | Food/non-food retail chain C | Environmental | <p><u>Regulative innovation:</u> Product and process innovation aimed at developing and ensuring sustainable standards, policies, and audit in the supply chain.</p> <p><u>Critical/adversarial position of the NGO:</u> NGO watchdog campaigning in order to generate politics and initiate dialogue.</p> | <p>The company has for some years been engaged in compliance and dialogues with NGOs but has never (at the local level) been engaged in a real partnership.</p> <p>The NGO has for many years campaigned against companies and has just recently supplemented activism with commitment toward common goals with businesses. The two partners have a partnership at the global level, which has not yet been unfolded at the local level.</p> |

Semi-structured interviews were conducted among 20 company and NGO informants represented by key actors that were either responsible, directly involved, or influenced by the collaborative projects and activities. Document studies were conducted in order to address the historic and contextual aspects of the collaboration in a more qualified way. A complete record of documents and interviews is summarized in Table 4 below.

Table 4. Overview of Data Collection

| Data source | Explanation | Number | Total |
|---------------------------|---|---|---------------------------|
| Documents | Public documents, reports, websites, and internal documents | 110 | 2,150 pages |
| Interview sessions | 8 female/12 male Average age 45 | 13 company informants 7 NGO informants | 20 informants 28 hours |

By the combination of document and interview data material it was possible to identify and understand partner roles and responsibilities, including the importance of formal arrangements (e.g., contract, project description, and project organization) that appeared in internal documents. The informants were questioned about decision making and coordination processes, roles, and responsibilities in the development and implementation of activities. Further along these lines, the informants were questioned about the importance of formal arrangements, the importance of trust, and informal investment in personal relations. Finally, the informants were questioned on how they handled critical situations in the collaborative process, and how commercial and societal interests were managed in practice.

3.2 Data analysis

Applying the “thematic analysis” (Braun & Clarke, 2006) method, we analyzed the data from the interviews and from documentary data sources. The method involves coding text from transcribed

interviews and from documents into underlying patterns and themes of how collaborative processes are governed across partner institutional logics and sustainable innovation. Following the advice of Braun and Clarke (2006), the coding process was divided into several phases. The analysis gradually evolves from an explorative, inductive approach to the development of underlying patterns and themes. In the first step of this process, we developed a thorough list of codes derived from the transcriptions. Overlapping codes were then clustered together, extended, and refined in their definitions, and the underlying patterns and themes were developed. Inspired by grounded theory (Glaser & Strauss, 1967), the constant comparison method was used in interviewing, writing memos, and coding moving back and forth between the field and data analysis. Thus, immediately after collecting the first data, the analytical process of coding began. Themes were reformulated and reinterpreted in an iterative process of explorative integration until the analysis reached a point of saturation where no more new knowledge was added (Eisenhardt, 1989).

A cross-case analysis was furthermore applied, developing and comparing constructs in order to identify differences and similarities across the five cases in each of the coded themes, which according to Eisenhardt (1989) is suitable for theory building research. The derived thematic codes and coded themes are illustrated in Table 5, and the result from the data analysis in developing the three themes is depicted in Figures 2-4.

Table 5. Thematic Codes from the Analysis Process

| 1st codes | 2nd codes | Coded themes | Description |
|-----------|-----------|--------------------------------------|---|
| 17 | 5 | Preferences for how to work together | This theme describes the main dissimilarities in partner governance preferences for how closely to work together and for how experimentally or bureaucratically to work together. |
| 26 | 5 | Integration level | This theme describes the level of integration between partners in the collaborative process as regards to whether partners co-create new knowledge and coordinate work closely together or they share knowledge and work separately. The theme further describes how partners perceive trust. |
| 20 | 6 | Governance mechanisms | This theme describes how collaborative projects and activities are organized and managed on the operational level as regards communication frequency, planning of activities, and the importance of relational/contractual governance. |

The essence of thematic analysis is to begin with data from transcripts and documents and to identify the underlying mechanisms and factors of what creates the themes. In line with the method of Gioia and Corley (2012), the derived first-order codes illustrate narratives from data, whereas the derived second-order codes and aggregated dimensions represent emerging theoretical themes in the theorizing process. Figures 2-4 illustrate the coding process of how the 63 first-order codes were clustered together into 16 second-order codes, and into the aggregated dimensions of preferences for how to work together (Figure 2), integration level (Figure 3), and governance mechanisms (Figure 4), as explained in the next three sections.

Figure 2. Preferences for how to Work Together

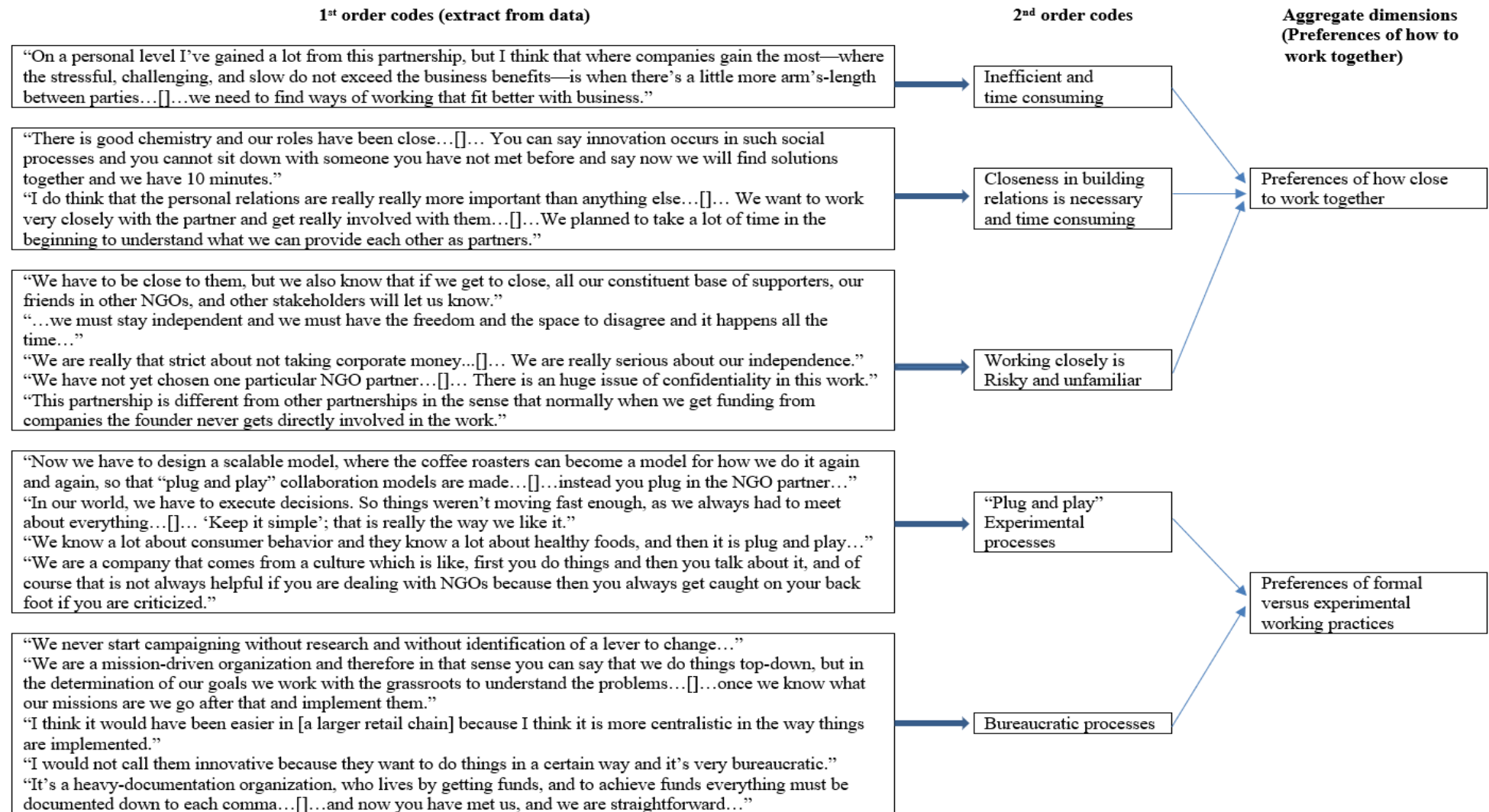


Figure 3. Integration Level

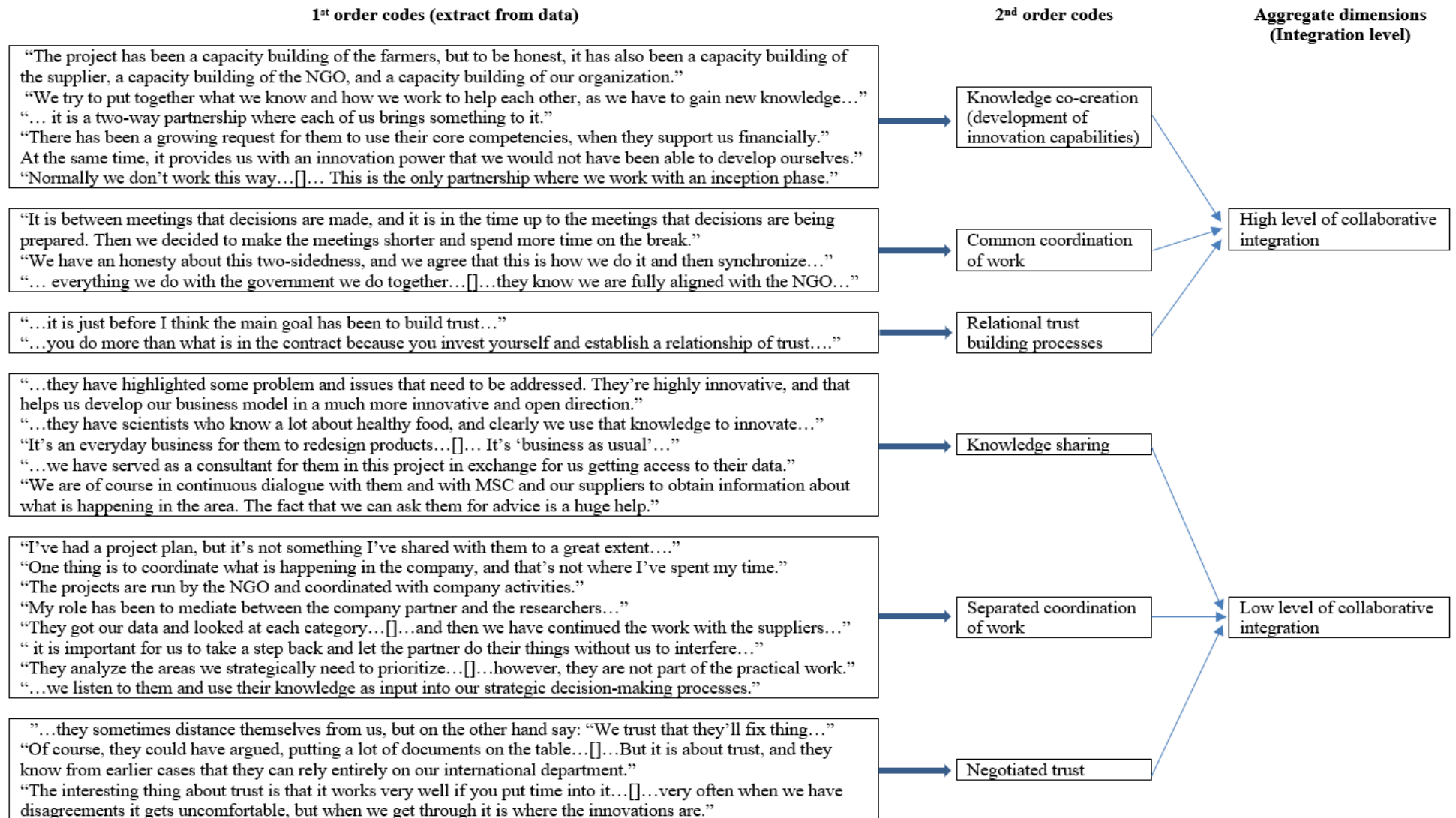
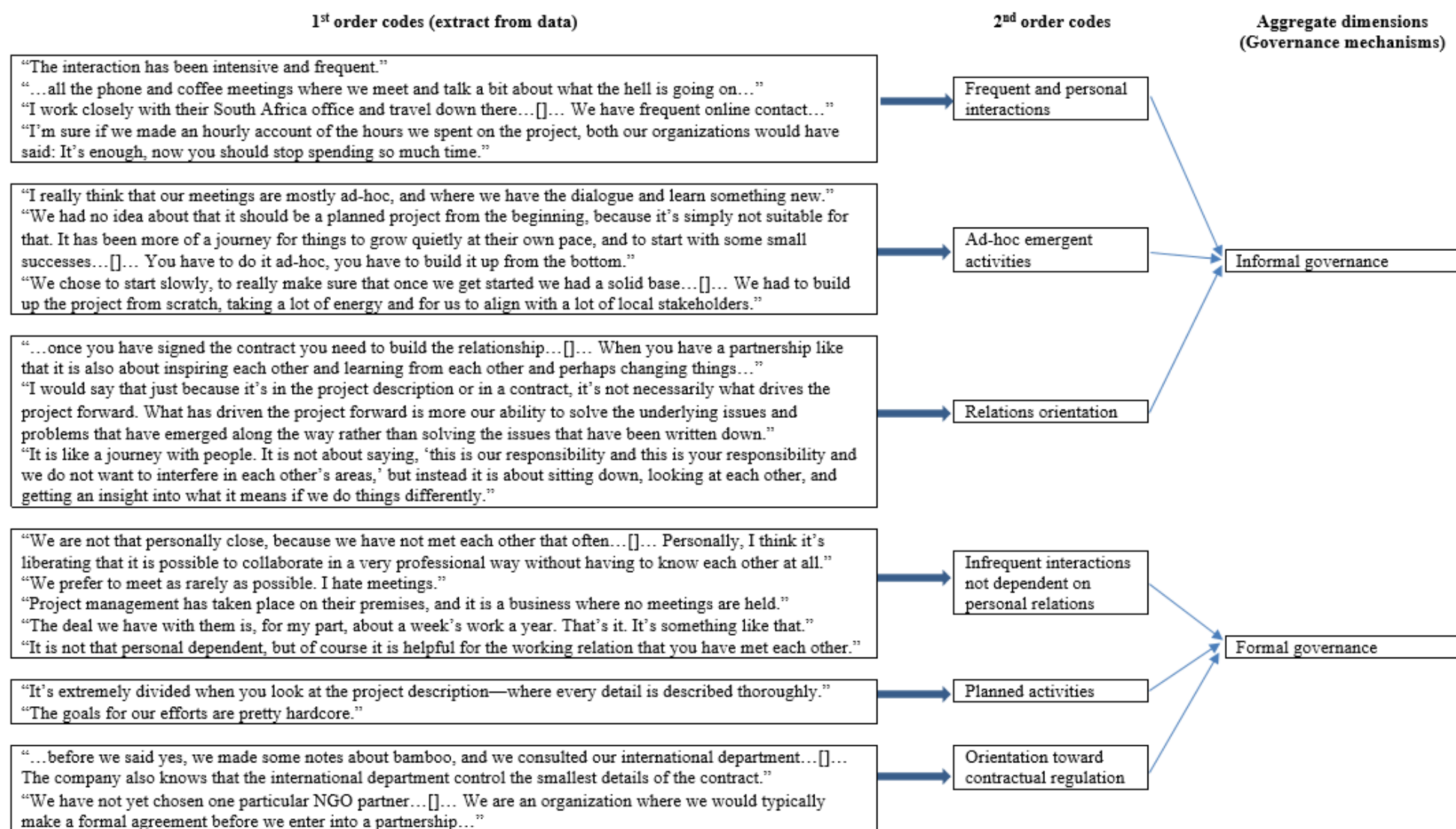


Figure 4. Governance Mechanisms



4. FINDINGS

The findings of the study are presented in Table 6 and reveal different preferences of how business and NGO partners prefer working together stemming from institutional logics. The findings furthermore reveal differences and similarities of how integrated partners work together, influencing the governance practices they use for their collaboration and how the type of innovation moderates this relationship.

Table 6. Findings from the Cross-Case Analysis

| | CASE 1 | CASE 2 | CASE 3 | CASE 4 | CASE 5 |
|---|---|---|--|--|--|
| Preferences for how to work together | Business partner prefers arm's-length working practices. NGO partner prefers close working practices. Business partner prefers experimental working practices. | The NGO prefers arm's-length working practices. Business partner prefers experimental working practices. NGO prefers bureaucratic working practices. | Business partner prefers close working practices. NGO partner prefers arm's-length working practices. NGO prefers bureaucratic working practices. | The business partner prefers arm's-length working practices. Business partner prefers experimental working practices. NGO prefers bureaucratic working practices. | Both partners prefer arm's-length working practices. Both partners prefer bureaucratic working practices. |
| Integration level | High level of integration. Knowledge co-creation. Trust building processes. Common coordination of work. | Low level of integration. Knowledge sharing. Negotiated trust. Separated coordination of work at the operational level. | High level of integration. Knowledge co-creation. Trust building processes. Common coordination of work. | Low level of integration. Knowledge sharing. No focus on trust. Separated coordination of work at the operational level. | Low level of integration. Knowledge sharing. Negotiated trust. Separated coordination of work at the operational level. |
| Governance mechanisms | Informal governance. Frequent/informal meetings. Ad-hoc/emergent activities. Relations orientation. | Formal governance. Infrequent/formal meetings. Planned activities. Orientation toward contractual regulation. | Informal governance. Frequent/informal meetings. Ad-hoc/emergent activities. Relations orientation. | Formal/informal governance. Infrequent/informal meetings. Ad-hoc/emergent activities. Non-relations orientation. Non-orientation toward contractual regulation. | Informal/formal governance. Infrequent/informal meetings. Ad-hoc/emergent activities. Potential orientation toward contractual regulation. |

4.1 Preferences for how to work together

The theme of preferences for how to work together describes the main dissimilarities in governance preferences for how closely to work together and how experimentally or bureaucratically to work together. The involved NGOs in Cases 2, 3, and 5 are all characterized by a rather modest preference for working closely together. The collaborative starting point in Cases 2 and 5 has been characterized by criticism on the side of the NGOs, though this criticism has over time developed into dialogues and industrywide voluntary regulative sustainable innovations in terms of certifications and standards. However, both NGOs stress the riskiness of becoming too close and familiar with business, meaning that they prefer to stay fairly independent in order to provide space for disagreements and secure continuous support from their base of supporters and other NGOs. Likewise, the company represented in Case 5 stresses the riskiness and confidentiality issues related to a full-scale partnership beyond dialogue and knowledge exchange. The involved NGO in Case 3 has from a historical perspective emerged from conventional philanthropy, meaning that it has been challenging for them to adjust to new practices working closely with the founder at the local level, which they do not normally do. The preference for the involved NGOs in Cases 2, 3, and 5 to stay independent of the company means that it is most comfortable for them to work alone at the operational level. The involved companies in Case 1 and Case 4 also prefer a comparatively low level of closeness, but for quite other reasons than the NGOs in Cases 2, 3, and 5. In both Cases 1 and 4 the involved actors consider high levels of closeness as time consuming and ineffective. While the involved business and NGOs in Cases 2, 4, and 5 have few disagreements related to preferences of how closely to work together, it represents a significant collaborative challenge in Cases 1 and 3. Both the inclusive sustainable business innovation in Case 1, and the social investment innovation in Case 3, play out in a base-of-the-pyramid context, meaning that partners have to build the project from the bottom up. The company in Case 1 considers this to be a rather inefficient and time-consuming working practice,

and the NGO in Case 3 considers it an uncomfortable and unfamiliar practice. The partners in Cases 1 and 3 therefore struggle to find the right balance for how closely to work together “on the ground.”

Another dissimilarity in businesses and NGOs governance preferences relates to how experimentally or bureaucratically partners prefer to work. The involved NGOs in Cases 2-5 are characterized by internal bureaucratic processes in conducting research, documenting, and determining goals at the grassroots level. This means that these NGOs prefer to do their homework thoroughly inside their own organizations before playing the role of innovative catalyst bringing new scientific knowledge to the table toward the company partner. This especially contradicts the preferences of the involved companies in Cases 1, 2 and 4, which are characterized by a far more experimental culture toward innovation, and by a general search toward “plug and play” collaborative models where decisions are executed in straightforward ways that match agile business thinking. The findings reveal how different preferences for closeness and bureaucratic/experimental ways of working together present a managerial challenge of governing sustainable innovation projects and activities in practice.

4.2 Integration level

This theme describes how integrated partners work together as to how knowledge is created in the innovation process, how trust is perceived, and work is coordinated and how the type of innovation moderates this. The findings from Cases 1 and 3 reveal the importance of knowledge co-creation, and trust building in pursuing inclusive sustainable business innovation and social investment innovation in a base-of-the-pyramid setting. Though working closely together is considered time consuming and ineffective by the involved company in Case 1, they deviated from their preference, taking on the role of the NGO during critical periods in the project. The high level of integration between partners provided the necessary capacity building of the involved local African actors and the company and NGO partners. Similarly, the NGO partner in Case 3 deviated from their normal

practice of working separately, instead following the company in developing personal relations and learning capabilities through and inception phase the first half-year of the project in order to build up a common knowledge base.

Further along these lines, the collaborative process in Cases 1 and 3 were characterized by trust-building processes. These were highly needed in Case 1 due to misunderstandings and conflicts among local farmers, suppliers, and key actors in the purchasing department and in Case 3 due to misunderstandings and conflicts among policy actors and local community actors. This means that the main operational goals in these two cases have been about trust-building processes at the local level leading to collaborative practices, exemplifying highly coupled roles where partners work closely together and coordinate work together in order to motivate local key stakeholders.

The findings from the study further reveal how scientific NGO knowledge on sustainable issues is exploited and applied in the regulative sustainable innovation represented in Cases 2, 4, and 5. In particular, in Cases 2 and 5 (characterized by NGO criticism), there is a need on the side of the companies to position the NGOs in the role of knowledgeable consultants helping them to develop their business models in sustainable, innovative ways. In Case 2 partners choose to work separately with the distinct parts of the project. By doing that, the NGO was provided the necessary space for internal bureaucratic processes and the company was provided the necessary space for internal experimental working. Instead of working closely together partners align to each other at the strategic level, where NGO knowledge is used as input in strategic processes. Though the company represented in Case 5 had not yet entered into a formal collaboration with the NGO, they, similarly to the company in Case 2 use NGO knowledge as input into their strategic processes. Given the adversarial approach of the NGO in Case 5, which had positioned the company in a less favorable and more vulnerable situation, they chose to follow NGO-initiated certifications. As part of their strategy to increase their efforts regarding sustainable development, they recently established a CSR department consisting of staff members with a rather thorough and scientific approach to

sustainability reflecting adaption to the NGO scientific and bureaucratic way of working. Given the dichotomy in between NGO confrontation and collaboration in Cases 2 and 5, which may position the company in a less favorable and vulnerable situation, it would be reasonable to assume that partners offered some resources on relations- and trust-building processes. However, it seems that trust is something that is negotiated and built up over time through contractual dynamics and dialogue. Thus, in the context of regulative sustainable innovation trust is interrelated with the creative potential of contradictions as something that arises over time from accumulated dialogues, negotiations, and contractual regulations.

Being highly dependent on gaining access to company data in the project, the NGO in Case 4 has chosen to follow the company experimental and agile way of working. Simultaneously, the company partner in Case 4 has opened up and influenced the collaboration toward “plug and play” practices motivating the NGO to put experiments into action. While at the same time having a low preference for working closely together, partners have worked largely separated with the distinct parts of the project at the operational level.

4.3 Governance mechanisms

The findings of the study furthermore reveal how formal/informal partners organize and govern the collaboration at the operational level, including communication frequency, planning of activities, and the importance of relational/contractual governance. Though the company represented in Case 2 comes from an experimental innovation culture, the findings reveal how partners to a large extent have developed collaborative practices reflecting existing governance preferences on the side of the NGO, including formalized project management, infrequent meetings, and a high level of work division and planned activities. The collaborative governance practices in Case 2 are furthermore informed by regular contractual regulations and negotiations in order to balance commercial interests and scientific ambitions in developing regulative sustainable innovation.

The regulative sustainable innovation represented in Case 4 is similarly characterized by infrequent meetings. However, in contrast to Case 2, the preference for working informally and maintaining agility on the side of the company has become predominant. The company represented in Case 5 has not yet entered into a real partnership, and therefore the relation is characterized by informal ad-hoc dialogues and meetings. However, in a long-term perspective they prefer formalized arrangements, which apparently matches the bureaucratic preferences of the NGO.

In contrast to the regulative sustainable innovation represented in Cases 2, 4, and 5, inclusive sustainable business innovation and social investment innovation in Cases 1 and 3 are characterized by a high level of closeness between partners followed by informal and frequent communication and interaction, ad-hoc emergent activities leading to blurred work division and absence of contractual regulations. Moreover, the collaborations in Cases 1 and 3 are characterized by being highly oriented toward developing personal relations and learning capabilities beyond project descriptions and contracts. However, the findings from Case 1 reveal that these collaborative governance practices are not necessarily a stable phenomenon. For instance, the company represented in Case 1 prefers to reduce the level of closeness and independence beyond the first five years of the project period.

Similarly, the company partner in Case 3 is very aware that the NGO partner is not used to working closely with company founders at the local office level. Consequently, the company does not consider the necessarily high level of closeness in the beginning of the process to be a governance practice that should remain unchanged for all time, increasing the level of formalized governance practices. Thus, it seems that the partners represented in Cases 1 and 3 pursuing sustainable innovation in a BOP context over time move from predominant informal governance practices toward a mixture of both informal and formal governance practices. Likewise, it seems that regulative sustainable innovation aimed at industrywide voluntary standards and stewardship councils is characterized by either highly formalized governance practices, as seen in Case 2, or a mixture of formal and informal governance practices, as seen in Cases 4 and 5.

5. DISCUSSION

In Table 7 we outline how the different types of sustainable innovation are governed using different governance strategies of blending, separated co-existence, and assimilated co-existence together with formal and informal governance mechanism.

Table 7. Summary of Findings Across Types of Sustainable Innovation (SI)

| Governance strategy | Separated co-existence | Assimilated co-existence | Blending | Separated co-existence |
|-----------------------|-----------------------------|--------------------------|--|--|
| Governance mechanisms | Formal | Informal | Informal | Formal |
| SI type | Regulative innovation | Regulative innovation | Inclusive sustainable business innovation (start-up phase) Social investment innovation | Inclusive sustainable business innovation (continuation phase) |
| Case example | Case 2 Case 4* Case 5 | Case 4 Case 5 | Case 1 Case 3 | Case 1 |

* During the case study, Case 4 moved governance strategy from separated co-existence to assimilated co-existence, and Case 5 moved from assimilated co-existence to separated co-existence, both in pursuing regulative innovation, as illustrated by the arrows. Case 1 moved governance strategy from blending to separated co-existence in the continuation phase of the collaboration. Case 2 and Case 3 did not change their governance strategies during the study.

The regulative sustainable innovation in Cases 2, 4, and 5 is characterized by knowledge exploitation and rather decoupled collaborative activities, where partners coordinate work separately dealing with their own key stakeholders in the project. The separated work coordination in the context of regulative sustainable innovation is tightly related to NGO and preferences for bureaucratic planning of activities and working alone, including clearly defined roles and responsibilities. Likewise, investment in relations- and trust-building processes at the personal level was relatively absent. Reflecting the strategy of separated co-existence, Cases 2, 4, and 5 are characterized by having no overlap between logics at the operational level. Though partners recognize the other partners working preferences, they have chosen to work separately at the

operational level. This separated way of coordinating collaborative projects and activities in Cases 2, 4 and 5 reflects formalized governance, including infrequent interaction, planned activities, and contractual regulation, whereas socialization activities are rather absent. When applying such governance of separated co-existence, it becomes possible for partners to work together in creating regulative innovation, while simultaneously providing sufficient space to participate on their own terms. This aligns with Emirbayer and Misches (1998) conceptualization of past agency where each partner participates on their own terms manifesting existing governance repertoires.

Further along these lines, Cases 4 and 5 illustrate practices related to assimilated co-existence, because the NGO partner in Case 4 has chosen to follow and assimilate to the company's way of working, while the company partner in Case 5 has chosen to assimilate to the NGO partners way of working. In Case 4, the NGO chose to follow the company's working culture, in other words the professional logics of the NGO were, on a practical level, assimilated into a business experimental way of working. Similarly, the establishment of a CSR department with a scientific profile in Case 5 reflects how the company voluntary has chosen to assimilate into NGO scientific and bureaucratic way of working. This implies managerial skills reflecting the willingness to imitate the partners way of doing things, the capability to switch roles, and the ability to find practical solutions. This aligns with Emirbayer and Misches (1998) conceptualization of present agency where partners solve their differences in working preferences by finding practical solutions "getting the job done".

The strategy of assimilated co-existence in the regulative innovations in Cases 4 and 5 further relates to informal ad-hoc emergent collaborative activities. The findings from Cases 2, 4, and 5 reflecting the strategy of separated co-existence correspond with studies of public-private partnership innovation (Bjerregaard, 2010; Jay, 2013). This further corresponds with Jamili and Keshishian's (2009) study on CSR through business-NGO collaborations, where they found only minimal empirical evidence of frequent interactions. Likewise, the findings of assimilated co-existence in Cases 4 and 5 correspond with studies of public-private partnership innovation (Bjerregaard, 2010;

Murray, 2010). This implies managerial skills organizing business-NGO collaborations in practical “living apart and together” arrangements, meaning that partners work together toward common goals while simultaneously allowing space for each partner to participate on their own terms.

In contrast, it appeared as though intensive relations- and trust-building processes were predominant in base-of-the-pyramid settings in the pursuit of inclusive sustainable business innovation and social investment innovation in Cases 1 and 3. The findings derived from these BOP settings further emphasize the importance of knowledge co-creation and common coordinated work and stakeholder activities in the collaborative process of managing conflicts between local partners “on the ground.” Cases 1 and 3 are furthermore characterized by key actors that occasionally switch roles depending on the situation, meaning that partners ways of working are blended on a practical level. This stress the importance of high levels of integration and informal governance including frequent communication, ad-hoc emergent activities, and relations building in inclusive sustainable business innovation (Case 1) and social investment innovation (Case 3).

The governance practices used in Cases 1 and 3 aligns with business-NGO studies on CSR (Seitanidi, 2009; Austin, 2010; Venn & Berg, 2014), social innovation (Holmes & Smart, 2009; Jamali et al., 2011; Sanzo et al., 2015), and innovation in base-of-the-pyramid settings (Murphy & Arenas, 2010). This further aligns with Emirbayer and Misches (1998) conceptualization of future and present agency where partners reconstruct existing governance repertoires and find practical solutions “getting the job done”. Consequently, the involved company and NGO partners should provide the involved key actors freedom and space to build a common learning culture, weakening the institutional ties of their own organizations. Beyond the exploration phase, the company represented in Case 1 no longer found it effective to work closely together, putting forward a more separated “plug and play” way of working together, including narrow work division between partners lowering the level of integration. However, the NGO was not able to adapt to this working practice. These changes in governance corresponds with Jamili and Keshishian’s (2009) study on

CSR through business-NGO collaborations, where they found decreased closeness and communication in the continuation phase. This again stresses the importance of managing shifts across innovation phases of exploration and exploitation, where partner institutional preferences for how to work together seems to manifest. This means that the level of integration is not a stable phenomenon because underlying preferences for how to work together manifest occasionally during the collaborative process.

This study shows that companies in general are most comfortable in contexts of knowledge exploitation implemented through collaborative “plug and play” models, whereas positions of external knowledge exploration as exemplified in Case 1 are less comfortable. In these settings, close can easily become too close. This can be seen in Case 3, where the NGO partner is less comfortable with involving company founders in activities at the local level, and in Case 1, where close became too close for the company partner taking the innovation a step beyond the phase of external exploration to external exploitation. The findings from the study reveal that evolving dynamics in sustainable innovation across businesses and NGOs are not a stable phenomenon, because the balance between formal and informal governance is constantly challenged by underlying company and NGO governance and preferences for how to work together. In practice this means that these collaborations from a longitudinal perspective may be driven toward decreased levels of integration and closeness over time. Consequently, it is important not to ignore partner governance and preferences related to internal and external exploration and exploitation because they constitute the very essence of the managerial and institutional complexity in governing these collaborations.

Finally, in contrast to Holmes and Smart (2009), this study does not find empirical evidence for senior management in the role as informal boundary spanners. This study also does not find empirical evidence of volunteer work tightly coupled to the innovation process, which is in line with the study by Jamali and Keshishian (2009) and in contrast to the studies by Austin (2010) and McDonald and Young (2012). The managerial implication is that the companies in general miss the

opportunity to institutionalize these sustainable innovations more broadly in their organizations, increasing the level of collaborative integration.

Although business-NGO literature (Austin, 2010) often suggest that only high levels of integration and cocreation lead to transformational innovation, our finding implies that a high level of socialization blending working cultures in the collaborative interface is not necessarily the only pathway. The central argument of this study is therefore that there is no best strategy of governing dissimilarities between businesses and NGO; it depends on the type of sustainable innovation that is pursued in the specific situation. Additionally, this study provides insights into the dynamic aspects and shift in governance practices that need to be considered and incorporated as business-NGO collaborations progress over time.

6. CONCLUDING REMARKS

6.1 Implications for research

This cross-case study contributes to a better theoretical understanding of how institutional differences between business and NGO partners influence governance across different types of sustainable innovation.

First, we provide new knowledge of what happens in this “black box” of collaborations, when partners handle different preferences for how to work together in ways leading to separated co-existence, assimilated co-existence, blending, and contestation. We explore and operationalize these governance strategies for handling institutional differences, whereas prior business-NGO research on social innovation (Holmes & Smart, 2009; Jamali et al., 2011; Sanzo et al., 2015) and base-of-the-pyramid innovation (Murphy & Arenas, 2010) has mainly focused on informal governance practices. Our findings strongly suggest that the governance strategies and level of integration partners apply moderated by different types of sustainable innovation influence formal and informal governance mechanisms. This study further contributes to literature on public-private partnership innovation that,

similar to regulative business-NGO innovations, is governed through a mixture of separated and assimilate co-existence. On the other hand, inclusive sustainable business innovation and social investment innovation governed through blending with the possibility to develop into separated co-existence corresponds with findings in the study by Jamali and Keshihian (2009) on social innovation revealing decreased closeness and communication in the continuation phase. As elaborated in the theoretical background, there is an ongoing discussion in institutional literature (Kraatz & Block, 2008; Pache & Santos 2013; Besharov & Smith, 2014; Skelcher & Smith, 2015) regarding strategies of managing different institutional logics. This study builds on these conceptualizations and underlines the importance of considering the governance of institutional differences in cross-sector collaborative innovation. In line with Ocasio and Radoynovska (2016), we argue that the ability to manage different institutional logics has become a core capability in contemporary innovation processes. This study therefore highlights the importance for partners to handle different institutional preferences for how to work together through separated and assimilated co-existence or through blending in order to make innovation processes thrive.

Second, we contribute with new knowledge of how businesses govern collaborations with NGOs effectively (Rivera-Santos and Rufin, 2010; Simpson et al., 2011; Shumate et al., 2018), in developing sustainable innovation (Nugroho, 2011; West et al., 2014; Andries et al., 2019). A key theoretical contribution of this study relates to the collaborative continuum of Austin and Seitanidi (2012), which emphasizes the importance of microdynamic processes in terms of relational engagement, trust, and frequent interactions. However, the collaborative continuum does not explain how partner preferences for working together are informed by institutional logics and how existing governance repertoires shape and reshape the way sustainable innovation projects and -activities are governed in practice.

In addition, the study provides new insights into the conflicts among stakeholders caused by variant interests and a comparison of different kinds of sustainable innovation (Lodsgård & Aagaard,

2018), as stressed by Lupova-Henry and Dotti (2019). Furthermore, the findings contribute new knowledge for the research gaps identified by van der Haven & Rubalcaba (2016), emphasizing how competing values and logics at varying levels are resolved for sustainable innovation, and how this value creation opportunities are constructed in a multi-stakeholder setting.

Third, by integrating Emirbayer and Mische's (1998) framework on agency, this study contributes with new knowledge of microdynamic collaborative processes. Though it is possible to capture microdynamic processes from a longitudinal perspective in Austin and Seitanidi's (2012) collaborative continuum, these conceptualizations are nevertheless unidimensional compared to the multidimensional conceptualization of argentic microprocesses put forward by Emirbayer and Mische (1998). Potential influence of contextual conditions is also not considered by Austin and Seitanidi (2012). Consequently, it is important to explore how these contextual conditions influence microdynamic processes in the collaborative process. In this respect, Emirbayer and Johnson's (2008) conceptualization of inter- and intraorganizational fields opens for a new understanding of collaborations as arenas of social positions, where partners and actors may be equally or unequally advantaged. By reframing interorganizational in literature on institutional logics it becomes possible to explain why the underlying assumption of gradually increased relational engagement, frequent interactions, and relational trust-building processes put forward by Austin and Seitanidi (2012) does not seem to hold in all types and contexts of sustainable innovation.

The evidence outlined in this study furthermore contradicts the argument put forward by Rivara-Santos and Rufin (2010) that informal governance is especially relevant in situations with high risk of opportunistic behavior. The findings from Case 2 characterized by adversarial criticism NGO position rather indicate that risk is handled through formalized governance, including contractual regulations and separately coordinated work. The findings from Case 5, also characterized by adversarial criticism from the NGO position, similarly indicate a preference toward formalized collaboration. This study partly, meaning in cases of joint formation positions, supports

the argument by Manning and Roessler (2014) and Panda (2015) that high levels of institutional complexity lead to informal governance. Finally, by nuancing differences and similarities of how formal and informal governance play out across regulative sustainable innovation, inclusive sustainable business innovation, and social investment innovation, this study constitutes a general contribution to literature on business-NGO collaborations.

Finally, this study contributes methodologically and theoretically in the openness toward contextualized explanation. Because contextual conditions related to differences in institutional logics and different types of sustainable innovation have been overlooked in prior research, it has not been possible to move beyond explanations stressing the importance of informal governance mechanisms in business-NGO collaborations. The central conclusion in this study is that there is no best way of governing institutional differences between businesses and NGOs—it depends on contextual conditions including the type of sustainable innovation and collaborative starting points.

6.2 Implications for practice

Our study yields important recommendations for managers and practitioners with new knowledge of how differences in institutional logics, governance strategies (separated co-existence, assimilated co-existence, and blending), moderated by the type of sustainable innovation and initial starting points (conflict or collaboration) influence governance mechanisms in the collaborative process. Our data reveals that the integration processes at the operational level are essential to leveraging the huge learning potentials related to effectively managing these collaborative governance practices. For social investment innovation and inclusive sustainable business innovation, we therefore recommend that managers engage in informal governance practices, including frequent interaction, intensive trust-building processes, common coordinated work, and coupled coordination of work activities “on the ground,” which are requested in governing these sustainable innovation types. In the context of regulative innovations initiated through NGO critique, it appears that infrequent interactions,

separated coordination of work, and knowledge sharing are key factors in the collaborative process, and contracts and negotiations are the main features in trust-building processes. Business-NGO partners may perceive governance mechanisms related to exploration and knowledge co-creation in joint sustainable innovation as time-consuming and maybe even uncomfortable in relation to their native institutional logic. However, the data show that these informal practices constitute a necessary first step in innovation and collaborative processes because they contain a capacity building of local actors and of companies and NGO organizations. Although the learning curve for business-NGO collaborations may seem steep, the finding clearly reveals that capacity building through informal governance is a prerequisite for exploitation and scaling up both commercial and societal gains.

In practice, large companies are often engaged in several collaborative, sustainable innovation projects and activities at the same time, and this may challenge their day-to-day operations and how they handle competing institutional logics and governance preferences of these collaborations. A practical solution could be for companies to manage all types of sustainable innovation in identical ways. This study however, argue that differences in institutional logics and collaborative preferences should be accounted for, as they influence the use of different governance strategies and governance mechanisms depending on the types of sustainable innovation pursued. Consequently, managers need to be able to handle this complexity and variation in how to govern and manage different NGO collaborations across different projects, and also over time, as changing conditions and partner requests impact the optimal governance strategy and mechanisms.

Our findings also have implications for policy makers. The crucial role of cross-sector collaborations to stimulate sustainable innovation is widely recognized at regional, national, and international policy levels. At the European level, a number of Horizon 2020 programs emphasize the value of cross-sector collaboration between firms, NGOs, and public organisations in addressing grand challenges and sustainability problems. Thus, to achieve the full potential of these collaborations for sustainable innovation, differences in institutional logics should be considered

from the proposal writing and project initiation. They impact how to design the optimal governance strategies and mechanisms to leverage the full capability-building potentials, commercial results, and sustainable impact of these Horizon 2020 project collaborations.

The present study is conducted in the context of the retail industry. However, many large and international companies have complex value chains, which go across national borders, sectors, and partners with different institutional logic. Thus, the findings of how to govern business-NGO collaborations for sustainable innovation may correspond with other industries with complex value-chains representing different partner logics. Yet, to generalize the findings to other industries' NGO innovation collaborations, a quantitative study across sectors would have to be conducted.

6.3 Limitations and further research

The limitations of this study also reveal key avenues of research to be pursued. For one, further research should attempt to explore sustainable innovation not just “at a glance,” but over time and through longitudinal studies to investigate how sustainable innovation and cross-sector collaborations evolve and should be governed in the long term. Secondly, further research should also investigate how formal and informal governance practices influence sustainable innovation outcomes at the societal level and in developing scalable, sustainable business models at the field level. These gaps and shortcomings in the existing literature present key areas in the research field for developing and governing sustainable innovation through cross-sector collaborations like business-NGO collaborations. Finally, very recent research from Pisano (2020) and Ritter & Pedersen (2020) has addressed the extent of the global grand challenges of the COVID-19 pandemic and how it provides new research and business opportunities in: 1) exploring new types of collaborations in innovating solutions for these grand sustainability challenges and 2) understanding potential new roles of NGOs in collaborating with companies to transform their businesses and innovations in solving these challenges.

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PAPER 3

IDENTIFYING THE KEY AGENCY PRACTICES IN MANAGING COMMERCIAL AND SOCIETAL LOGICS OF SUSTAINABLE INNOVATION WITH NGO PARTNERS

ABSTRACT

Increased institutional and global pressure toward sustainable business development is challenging companies to manage environmental, social, and economic concerns representing multiple and potentially conflicting institutional logics. Recent research therefore focuses on how actors are able to manage multiple institutional logics in contemporary pluralistic institutional environments. However, since most studies have explored the management of logic multiplicity through dynamic agency from a field-level perspective, there is a need to explore the intra-organizational dynamics of agency regarding how companies respond to conflicting institutional logics in sustainable innovation projects. Based on an explorative and comparative cross-industry study of five companies' sustainable innovation projects with NGO partners, this paper reveals how logic multiplicity is managed through strategic and relational agency practices and how these practices are influenced by business drivers, organizational placement of projects, and organizational position at the field level, leading to managerial strategies of either logic contestation, logic coexistence, and logic blending.

Keywords: Agency practices, institutional logic, managerial strategies, sustainable innovation, NGOs, case study

1. INTRODUCTION

Increased institutional and global pressure toward sustainable business development has during the last two decades challenged companies to manage environmental and social issues parallel to economic and commercial concerns (Ozanne et al., 2016), representing

different institutional logics (Friedland & Alford, 1991). Institutional logics (Friedland & Alford, 1991) are founded in neo-institutional theory, and are defined as “*socially constructed historical patterns of cultural symbols and material practices, including assumptions, values, and beliefs, by which individuals and organizations provide meaning to their daily activity*” (Thornton et al., 2012, p. 2). Embracing the multiple logics of the triple bottom line from a business-centric perspective Charter and Clark (2007, p. 9) define: “*Sustainable innovation is a process where sustainability considerations (environmental, social and financial) are integrated into company systems from idea generation and development (R&D) and commercialization. This applies to products, services and technologies, as well as to new business and organizational models.*” The definition illustrates an integrated win-win approach toward sustainable innovation, where it is assumed that commercial interests easily go hand in hand with environmental and social concerns (Esslinger, 2011). Literature on CSR and sustainability has been concerned with investigation and legitimization of the business case (Wagner, 2003). Yet other streams of literature articulate the urgency of transformational and system-level innovations that are not necessarily profitable at all, since the consequences of unsustainable business practices are only getting worse (Nijhof & Jeurissen, 2010; Moratis, 2014).

These discussions represent competing institutional logics and corporate drivers toward sustainable innovation and cross-sector collaborations on a continuum between business-case drivers and values-based drivers (Murphy & Arenas, 2010). This is explained by Thornton, Ocasio, and Lounsbury (2012, p. 65) “*as the competition for cultural space and attention among competing institutional logics over time*”; the authors stress the complexity and ontological uncertainty of the concept of sustainable innovation in both theory and practice. However, the need to move beyond these

articulations bringing sustainability back to practice has accelerated since the introduction of the UN's 17 Sustainable Development Goals (SDGs) in 2015 (UN, 2015). On a practical level many companies struggle to figure out how to operationalize the rather abstract SDGs into concrete innovation projects and activities and integrate them into existing products, processes, and business models (Esty, 2017). Furthermore, the complexity of the sustainable issues and challenges represented in the SDGs requires knowledge that most companies lack access to. Consequently, recent practitioner studies reveal a renewed momentum and focus on business-NGO collaborations, with explicit focus on innovation and long-term sustainable development (C&E, 2019).

Multiple and potentially conflicting institutional logics related to the incorporation of environmental and social aspects in business have been studied in intra-organizational single case studies on social enterprises (Tracey & Jarvis, 2006; Mars & Lounsbury, 2009; Battilana & Dorado, 2010; Pache & Santos 2013b; Maibom & Smith, 2016), and CSR implementation (Lok, 2010; Lee & Lounsbury, 2015; Smets, Jarzabkowski, Burke & Spee, 2015). However, these studies reveal inconsistent conclusions of how logic multiplicity is managed in practice ranging from situations of logic contestation over separated and assimilated coexistence managerial practices to logic blending managerial practices. This is further illustrated in a quantitative study by Mair, Mayer, and Lutz (2015), showing that the majority of the sampled social enterprises kept commercial and social logic separated. Thus, there is a lack of studies exploring how societal and commercial logics are integrated and managed from a microfoundation perspective (Thornton et al., 2012), and how companies deal with and integrate these new institutional logics in practice (Maguire, Hardy & Lawrence, 2004; Battilana, Leca & Boxenbaum, 2009; Thornton et al., 2012). Particularly as this is

considered an essential strategic capability in contemporary business development, where sustainable innovation projects and activities with NGO partners are added to existing innovation practices (Durand, Szostak, Jourdan & Thornton, 2013).

However, most studies investigate how institutional logics change over time through dynamic agency at the field level (Thornton et al., 2012). In contrast, very few studies have explored the microfoundations of institutional change and dynamic agency from an intra-organizational perspective (Thornton et al., 2012). The microdynamics of agency processes are founded in the idea that it is possible for organizations and individuals to be aware of and integrate beliefs and practices of different and potential conflicting institutional logics (Thornton et al., 2012; Pache & Santos, 2013a). Further research is therefore needed to fully understand how agency processes and practices unfold within this new journey of innovation. The gap in literature points to the theoretical and empirical relevance of studying the microdynamics of managing logic multiplicity. The aim of this paper is therefore to explore how multiple institutional logics in the context of sustainable innovation with NGO partners are managed through agency practices. Thus, the research question is: *“How does agency processes unfold in managing logic multiplicity in sustainable innovation with NGO partners?”*

2. MANAGING LOGIC MULTIPLICITY

Recently more theoretical frameworks have been developed consisting of archetypical strategies for how to manage logic multiplicity on a continuum from logic contestation over logic coexistence to logic blending (Kraatz & Block, 2008; Pache & Santos, 2013a; Besharov & Smith, 2014; Skelcher & Smith, 2015). The managerial situation of contestation is characterized by resistance and conflict, where new or competing logic is marginalized (Kraatz & Block, 2008), rejected, or ignored (Pache & Santos, 2013a),

causing intensive conflicts and dysfunction because core organizational functions are constantly interrupted (Besharov & Smith, 2014; Skelcher & Smith, 2015). Yet other managerial strategies reveal different levels of logic coexistence, where new or competing logics are either kept separated and decoupled from core organizational functions or assimilated into a dominant existing logic. Finally, in the optimal stage of logic blending, multiple logics are integrated in core organizational functions, leading to new organizational identity (Kraatz & Block, 2008; Pache & Santos, 2013a; Besharov & Smith, 2014; Skelcher & Smith, 2015). The core essence of research within the field of institutional logics is to understand how conflicts and contradictions are handled, which is addressed explicitly in Besharov and Smith's (2014) framework by introducing and clarifying the concepts of *compatibility* and *centrality*. The concept of compatibility refers to the degree to which means and goals reflecting multiple logics are perceived as equally valuable across internal groups and functions (Besharov & Smith, 2014). It is therefore important to understand how actors across internal functional groups and professions manifest power of their own preconceptions and knowledge toward sustainable innovation projects with NGO partners. This is by Besharov and Smith (2014) explained as the ability of certain actors to exhibit jurisdictional control of a single logic. In situations, where either societal or commercial logic of a single professional group dominates internal processes, the level of conflicts will be rather low, leading to a higher level of compatibility (Besharov & Smith, 2014). Similarly, the level of conflicts across societal and commercial logic will be rather low in situations where sustainable innovation projects and business functional groups are kept separated (Besharov & Smith, 2014). The concept of *centrality* refers to the degree to which multiple logics equally influence activities and practices, where some activities and practices may be closer tied to core business, whereas others are more peripheral

(Besharov & Smith, 2014). Accordingly, it is important to understand how internal resources and power structures influence how societal logic is tied to core business functions in pursuing sustainable innovation with NGO partners.

2.1 Strategies for managing logic multiplicity

Reviewing the literature it appears that organizations use different strategies for managing logic multiplicity internally. The strategy of *logic contestation* was identified from studies on social enterprises (Tracey & Jarvis, 2006; Battilana & Dorado, 2010). Here characterized by no jurisdictional control of either commercial or social logics meaning that competing logics constantly try to dominate values, strategies, and practices leading to low levels of compatibility. When centrality is also high, the core of business is constantly disrupted. A study by Pache and Santos (2013b) of a social enterprise revealed the managerial strategy of *assimilated coexistence* characterized by no jurisdictional control of a single logic, and by the assimilation of social welfare logic into the dominant market logic leading to low levels of compatibility and centrality. On the other hand, managerial strategy of *separated coexistence* was found in cases of CSR implementation characterized by clear jurisdictional control of a single logic (Lok, 2010), and no or minimal overlap between logics, leading to a high level of compatibility (Smets et al., 2015). Finally, the managerial strategy of *blending* was identified in studies of social enterprises (Mars & Lounsbury, 2009; Maibom & Smith, 2016), and in studies of CSR implementation (Lee & Lounsbury, 2015), characterized by actor ability to strategically prioritize, combine, and equally draw on more professional logics, leading to high levels of compatibility and centrality.

Though the reviewed studies outlined above similar to this study apply an intra-organizational analytical perspective, they reveal that logic multiplicity in practice is

managed and handled in various ways, ranging from contestation over separated and assimilated coexistence to logic blending. Consequently, what is interesting to explore is how businesses end up with quite different strategies and pathways handling internal conflicts and managing institutional logics successfully. This is best explored in a cross-case study considering contextual factors. Furthermore, exploration of the microdynamics in agency, including individual actor's resistance and mobilization of support, is called for among more scholars in order to understand how organizations deal with and integrate new institutional logics (Maguire et al., 2004; Battilana et al., 2009; Thornton et al., 2012). Accordingly, there is a need to adopt a relational perspective in order to explore how these dynamic agency processes influence and constitute different types of logic multiplicity in sustainable innovation projects with NGOs.

3. MICROARGENTIC DYNAMICS

The concept of agency traces back to discussions of structure and agency in neo-institutional theory (Battilana & D'Aunno, 2009) and provides valuable knowledge of the dynamic processes related to institutional stability and institutional change, which constitute the very paradox of embedded agency (Seo & Creed, 2002). This paradox addresses a puzzle that has occupied researchers in the institutional field for decades - namely, how it is possible for actors to exhibit innovation capabilities that actively change taken-for-granted values and practices of existing logics in which they themselves are embedded (Seo & Creed, 2002). Accordingly, the inherent tension between stability and change underlying agency constitutes the core essence of understanding the microprocesses of how organizations and individuals manage logic multiplicity in sustainable innovation projects. Neo-institutional work from the 1980s

represents a deterministic approach toward agency as articulated in the iconic article by DiMaggio and Powell (1983) revisiting the iron cage, where institutional change emerges through isomorph processes orchestrated by powerful actors at field and societal levels. The lack of knowledge related to the paradox of embedded agency leftover by early neo-institutional scholars led to an extension of the concept of agency toward a relational and multidimensional perspective. This approach originally emerged from the seminal work by Emirbayer and Mische (1998, p. 962), where agency is defined as *“A temporally embedded process of social engagement, informed by the past (in its “iterational” or habitual aspect) but also oriented toward the future (as a “projective” capacity to imagine alternative possibilities) and toward the present (as a “practical-evaluative” capacity to contextualize past habits and future projects within the contingencies of the moment).”*

The framework includes time perspectives of the past (iterational), future (imaginative and innovative capacity), and present (practical evaluative), which means agency is defined as a temporal social constructed phenomenon that reproduces and transforms existing preconceptions and practices depending on contextual conditions (Emirbayer & Mische, 1998). The past dimension of agency is characterized by organizational and individual preconceptions and practices that sustain existing taken-for-granted routines, traditions, and dispositions. This is much in line with structural homogeneity in neo-institutional theory where actors in powerful positions at field level facilitate changes (Lounsbury & Crumley, 2007; Thornton et al., 2012). In contrast, future (projective) agency represents creative transformation emerging from actors' fears, hopes, and imaginations translated into future opportunities. Finally, practical evaluative agency is oriented toward present circumstances of uncertainty and contradictions, where organizational and individual actions are characterized by

reflection, improvisation, and mediation in order to find practical solutions (Emirbayer & Mische, 1998). Though implementation and institutionalization of sustainable innovation happen in here-and-now situations, it is important to explore how priorities, plans, and activities projected into the future is influenced by internal business functions and their past preconceptions, and experiences embodied in daily routines and practices. The past dimension of agency may therefore determinate what problems that are given and not given managerial attention and the strategic actions by which they are given attention (Thornton & Ocasio, 1999).

3.1 Microdynamic agency processes in sustainable innovation

A prerequisite of exploring microdynamic agency processes in sustainable innovation projects and activities is to consider past corporate attention toward values-based CSR and justification of the business case of CSR. Future and present agency is closest to the understanding of institutional entrepreneurship, where actors in some studies are portrayed as disembedded heroes, ignoring the impact of institutional pressure toward institutionalized practices (Boxenbaum & Battilana, 2004; Battilana et al., 2009).

In addition, institutional entrepreneurship is characterized by activities reflecting present agency in terms of here-and-now practical and experimental activities changing existing cultural symbols articulating new institutional logics through various sensemaking and communication activities such as storytelling (Dorado, 2005; Thornton et al., 2012). These activities intend to eliminate resistance and inertia among actors in order to mobilize adaption for new practices and ensure support and resource allocation from powerful actors (Dorado, 2005; Battilana et al., 2009). De Clercq and Voronov (2011) argue that the very essence of institutional entrepreneurial activity is to merge sustainability and profitability on a practical day-to-day level in a way that fosters

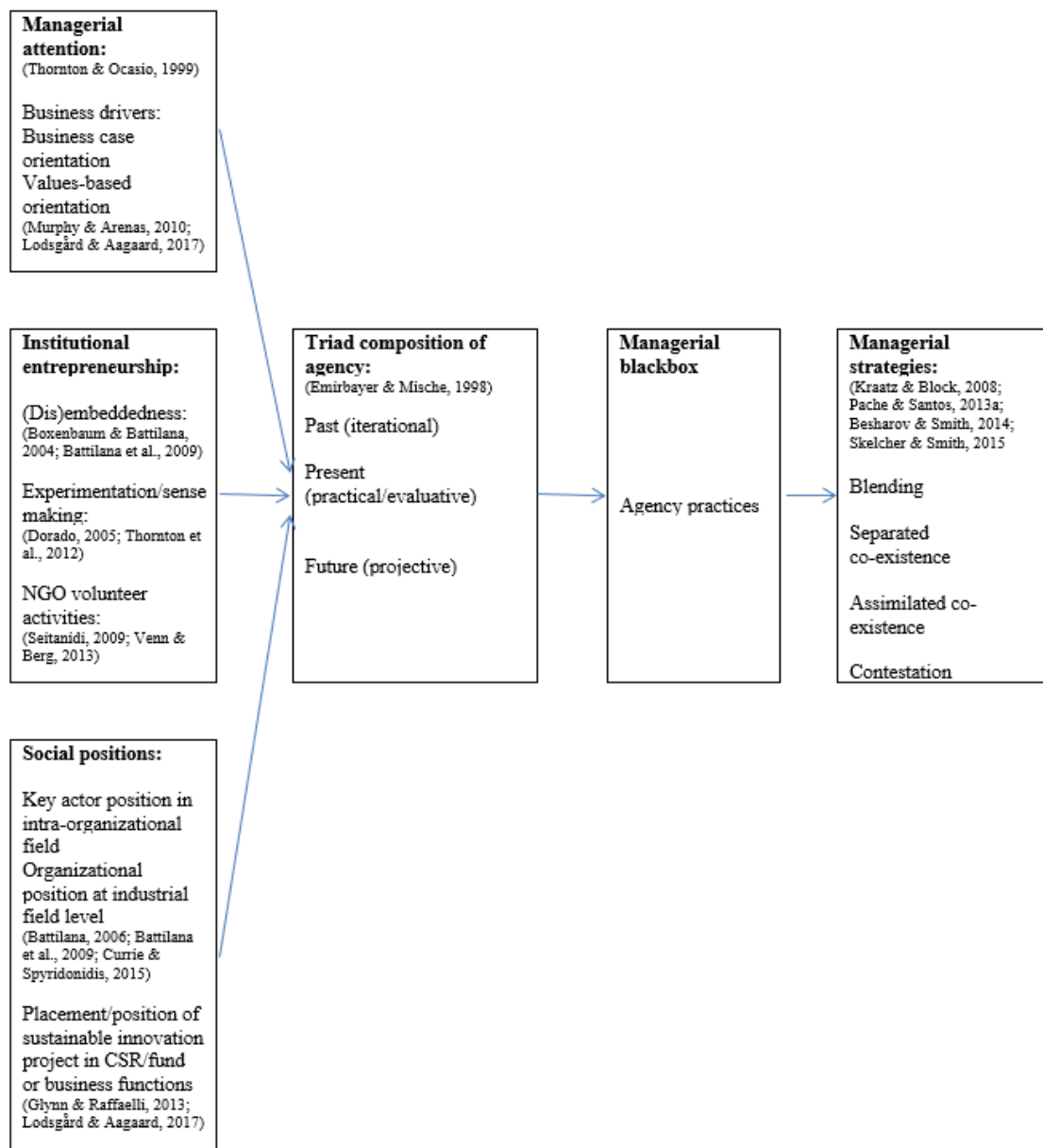
legitimization among powerful stakeholders. This is accomplished through key actor capability to deviate from their “home” professional logic and become socialized across internal and external professional groups and logics (Battilana et al., 2009). Institutional entrepreneurs are therefore characterized by low levels of embeddedness toward existing logics (Reay, Golden-Biddle & Germann, 2006; Battilana et al., 2009), which according to Besharov and Smith (2014) increases the level of compatibility.

Another aspect of institutional entrepreneurship is employee volunteer activity that support creativity and stimulate the exchange of values, practices, and beliefs belonging to multiple logics (Seitanidi, 2009; Venn & Berg, 2013). Employee activities have therefore become important vehicles to foster future innovation and learning capabilities. However, according to Seitanidi (2009), companies often miss opportunities for employee involvement and relational engagement in business-NGO collaborations that in turn may affect the extent to, which these collaborative, sustainable innovations becomes institutionalized in the organization on a more permanent basis. A key feature in understanding the microdynamics of agency relates to individuals’ formal and informal social positions within the organizational hierarchy together with individuals’ and organizations’ social position (Battilana, 2006; Battilana et al., 2009; Currie & Spyridonidis, 2016) in a given field. The social position of individuals and organizations influences actor ability to allocate resources, the willingness to instantiate and recombine multiple logics in practices, and the mobilization of allies internally as well as at the external field level (Battilana 2006; Battilana et al., 2009; Currie & Spyridonidis, 2016).

The position of sustainable innovation activities and projects across company functions reflects organizational attention to how new logics are implemented. For instance, Glynn and Raffaelli (2013) found that when market logic is predominant,

sustainable activities and projects are likely to be placed in core business units such as marketing, whereas placement in non-core business units such as CSR departments or foundations reflects a predominant community logic. Similarly, a study by Lodsgård and Aagaard (2017) found that business case-oriented sustainable innovation primarily involves core business functions such as communication/marketing, R&D, and HRM, whereas CSR departments and foundations are involved to a larger extent when there is a values-based holistic approach toward sustainable innovation taking additional groups of stakeholders into account. Consequently, in order to fully understand the microdynamics in agency processes it is appropriate to add social position of sustainable innovation projects and activities as yet another aspect exploring how logic multiplicity is managed in practice. In summary, the elaborated theoretical concepts above, including managerial attention, institutional entrepreneurship, and social positions, relate to past, future, and present agency as illustrated in Figure 1.

Figure 1. Summary of central theoretical concepts informing microagentic processes



The dynamic interaction of different compositions of past, future, and present agency constitutes the managerial black box, which influences the levels of compatibility and centrality and how effectively institutional logics in sustainable innovation are managed.

4. METHODOLOGY

Considering the explorative nature of the research question and considering the floating discourses and lack of theoretical definition and clarification regarding the business case

of sustainability, we followed the recommendations of Edmonson and McManus (2007) and McCutcheon and Meredith (1993) and chose an exploratory cross-case design for this study. The advantage of a case study is that it enables researchers to gather rich, in-depth, data (Yin, 2009; Eisenhardt & Graebner, 2007) and to analyze underlying themes and patterns (Eisenhardt, 1989). The process of case selection was informed by literature on sustainable innovation and the microfoundation of institutional logics, including past, future, and present dimensions of agency.

Since it is not possible to separate structure and agency, and because the past dimension of agency corresponds with contextual conditions (Emirbayer & Miche, 1998; Emirbayer & Johnson, 2008), it was important to select cases that reflected different practices, preconceptions, and positions regarding managerial attention toward sustainable innovation, placement/position of sustainable innovation projects and activities, and organizational position at the field level. Inspired by Murphy and Arenas (2010), and Lodsgård and Aagaard (2017), one important criterion was therefore to select both case companies that are characterized by having a business case-oriented approach and those that have a values-based oriented approach toward sustainable innovation. According to Glynn and Raffaelli (2013) and Lodsgård and Aagaard (2017), placement matters, which is why case companies with placement of sustainable innovation projects in CSR departments/foundations and in the core business functions were selected. Furthermore, inspired by Battilana (2006), Battilana et al. (2009) and Currie and Spyridonidis (2016), it was important to select case companies that reflected both leading and entrepreneurial positions at the field level and different levels of maturity and experience in working with NGOs for sustainable innovation. Finally, a key selection criterion, which narrowed down the possible case companies, was to select companies that had gone beyond mere PR/marketing collaborative activities toward

concrete, sustainable innovative activities. These elaborated case selection criteria make it possible to identify differences and similarities in the dynamic interplay of past, future, and present agency in managing institutional logics and thereby extent emergent concepts and theory (Eisenhardt, 1989).

4.1 The empirical setting of the case study

The empirical setting of this study consists of five retail companies situated in a Nordic/Scandinavian institutional context, as illustrated in Table 1. The rationale behind choosing this empirical setting is that the retail industry is one of the fastest-growing industries internationally (Jonsson & Tolstoy, 2014), where customer demands for sustainable solutions have been explicit. However, intense competition is challenging retailers' level of profit gains, which is often maintained through cost-efficiency strategies working with third-world countries. Consequently, the growing awareness among customers and NGOs on climate change, working conditions, and child labor in third-world countries constitutes the ethical dilemmas and ambiguity of competing institutional logics that retailers constantly have to balance and deal with (Jonsson & Tolstoy, 2014). The reasoning for the Scandinavian context is that the region is routinely cited as a global leader in sustainability (Strand et al., 2015). The Global Sustainability Competitiveness Index (SolAbility, 2019), which is based on numbers of credible organizations such as World Bank and various UN agencies, ranked 176 countries, and the top 5 spots are occupied by Scandinavia: Sweden as nr. 1 and followed by the other three Scandinavian nations and Switzerland. Thus, the Scandinavian context is relevant in exploring the most elaborate collaborations between businesses and NGOs and how they successfully manage the multiple institutional logics.

Table 1. Case descriptions

| # | Case | Experience | Sustainable innovation projects and activities | Organizational ownership | Business drivers / position at the field level |
|---|--------------------------------|------------|---|--------------------------|---|
| 1 | Food retail chain A | Mature | Incorporation of small African farmers in the supply chain with development NGOs to secure the future supply of vegetables, cocoa, coffee, and meat products. | CSR/fund | <p>Values-based business drivers: The retailer's corporate strategy is to work for sustainable development and help small/marginalized and ecological suppliers into the market.</p> <p>Leading and entrepreneurial position at the field level: One of the largest food retail chains in Scandinavia with an ongoing and active entrepreneurial role at the field level in sustainable development through trade and crowd funding.</p> |
| 2 | Non-food retailer | Mature | Process and product innovation in the global supply chain collaborating with advocacy environmental NGO to improve forest management practices among farmers in high-risk countries in Eastern Europe and Asia, influencing advocacy policy work, technical support, awareness raising. | CSR/marketing/supply | <p>Business case-oriented business drivers: Low-cost business model. Works only with the economic bottom line. Risk management and compliance in order to ensure future business model.</p> <p>Leading position in supply chain at the field level: The retailer uses their leading position together with the NGO partner to gather together actors in the industry influencing governments and legislation.</p> |
| 3 | Non-food / company/retailer | Mature | Programs development and implementation with a child policy and advocacy organization in a base of the pyramid context aimed at influencing the government, schools, teachers, and parents providing children access to play. | CSR/fund | <p>Values-based business drivers: Mission-driven non-profit investment and research in children's access to play and learning capabilities.</p> <p>Leading position due to strong brand at the field level: Use their strong brand in advocacy work and gather together partners that would not naturally get together.</p> |
| 4 | Food retail chain B | Moderate | Health-related product and service innovation in the supply chain with a health NGO to reverse the obesity curve. Redesign of products/recipes in the supply chain. Implementation of new tools in space management and customer services to promote the sale of healthy products. | Marketing/Supply | <p>Values-based business drivers: Highly driven by sustainable values with prioritized sustainable innovation activities on both the top and bottom line on short term and long-term sustainable investment in the future.</p> <p>Small and entrepreneurial position at the field level: Pioneer in spotting customer movements and in introducing new sustainable innovation in the field including: Initiatives to stop food waste, establishing an NGO working with food waste, removal of multi-piece offers and developing healthier private label products.</p> |
| 5 | Food / non-food retail chain C | Limited | Product and process innovation with advocacy environmental and socially oriented NGOs in order to ensure sustainable policies and audit in supply chain. | CSR/supply | <p>Business case-oriented business drivers: Low-cost business model. Risk management and compliance in order to ensure sustainable supply chain.</p> <p>Leading position in supply chain at the field level: The size of the retailer/procurement organization together with the high level of private label products mean that suppliers follow requirements for price, quality, and accountability.</p> |

4.2 Data collection

Data was collected through documentation studies and 13 semi-structured interviews among key company informants. The informants were directly involved in the innovation and collaborative activities, e.g., responsible decision-making persons at top-level management, project owners, key persons in project management roles operating as boundary spanners at the inter- and intra-organizational interface, and managers and employees at the operational level involved in or affected by innovation and collaborative activities. Though multiple informants potentially increase internal and external reliability and validity in interorganizational research, these collaborations usually rely on relative few persons at least when it comes to key informants and experts with in-deep knowledge of collaborative activities and processes (Kumar, Stern & Anderson, 1993). Further, seven interviews with the involved NGOs were conducted in order to capture as many influencing aspects related to the managerial microprocesses of agency as possible. The complete record of documents and interviews is summarized in Table 2.

Table 2. Overview of data sources

| Data source | Explanation | Number | Total |
|---------------------------|---|---|-------------------------------|
| Documents | Public documents, reports, websites, and internal documents | 110 | = 2,150 pages |
| Interview sessions | 8 female/12 male Average age 45 | 13 company informants 7 NGO informants | = 20 informants = 28 hours |

Combining documents and interviews makes it possible to capture the dynamics of agency processes in a more qualified manner in the interviews through questions about organizational and key actor engagement, attitudes, and attention toward sustainable and

business logics in the intra-organizational collaborative interface. Also, it was important to question key informants of how internal “buy in,” institutionalization, and gained learnings across hierarchical levels and functional departments were facilitated in the innovation and intra-organizational collaborative process.

4.3 Data analysis

Applying the “thematic analysis” (Braun & Clarke, 2006) method, we analyzed the data from the interviews and from documentary data sources. The method involves coding text from transcribed interviews and from documents into themes, sub-themes, and overall themes of the managerial and collaborative process. Following the advice of Braun and Clarke (2006), the coding process was divided into several phases: The analysis gradually evolves from an explorative, inductive approach to the development of underlying patterns and themes. In the first step of this process, we developed a thorough list of codes derived from the transcriptions. Overlapping codes were then clustered together and extended and refined in their definitions, and the underlying patterns and themes were developed. Inspired by grounded theory (Glaser & Strauss, 1967) the constant comparison method was used in interviewing, writing memos, and coding moving back and forth between the field and data analysis. Thus, immediately after collecting the first data, the analytical process of coding began. Themes were reformulated and reinterpreted in an iterative process of explorative integration until the analysis reached a point of saturation where no more new knowledge was added (Eisenhardt, 1989). Table 3 provides an overview of the entire data analysis process and output of how the developed themes relate to internal challenges, organizational position, and managerial practices.

Table 3. Thematic codes from the analysis process

| 1st codes | 2nd codes | Coded themes | Description |
|-----------|-----------|-------------------------|--|
| 16 | 5 | Internal challenges | This theme describes the internal tensions and conflicts between sustainable innovation projects/activities, core business functions, and hierarchy levels. |
| 17 | 6 | Organizational position | This theme describes the social position and embeddedness of key actors and sustainable innovation projects/activities across business functions and hierarchy levels. |
| 21 | 6 | Managerial practices | This theme describes the strategic processes of how companies integrate sustainable innovation projects and activities into core business through screening, strategic dialogue, alignment with existing practices and policy work. Also, how organizational buy-in and commitment is ensured through relational processes of stepwise muddling through, sensemaking, and employee engagement. |

A cross-case analysis was furthermore applied, developing and comparing constructs in order to identify differences and similarities across the five cases in each of the coded themes, which according to Eisenhardt (1989) is suitable for theory building research. In line with the method of Gioia and Corley (2012) the derived first-order codes illustrate narratives from data, whereas the derived second-order codes and aggregated dimensions represent emerging theoretical themes in the theorizing process. The three figures below reveal how the 54 first-order codes were clustered together into 17 second-order codes and into aggregated dimensions of internal challenges (Figure 2) organizational position (Figure 3), and managerial practices (Figure 4).

Figure 2. Development of thematic codes and theoretical constructs – Internal challenges

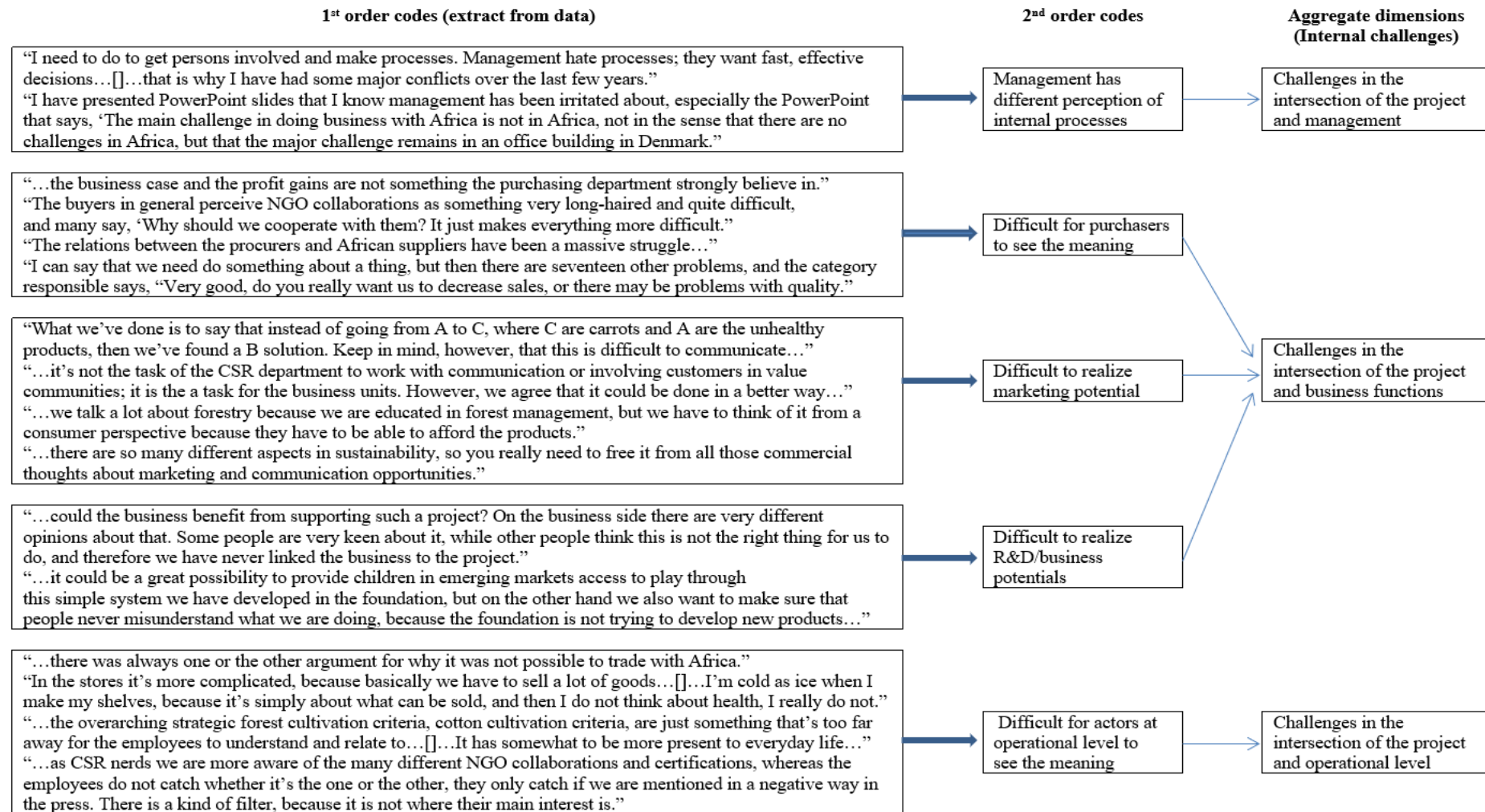


Figure 3. Development of thematic codes and theoretical constructs – Organizational position

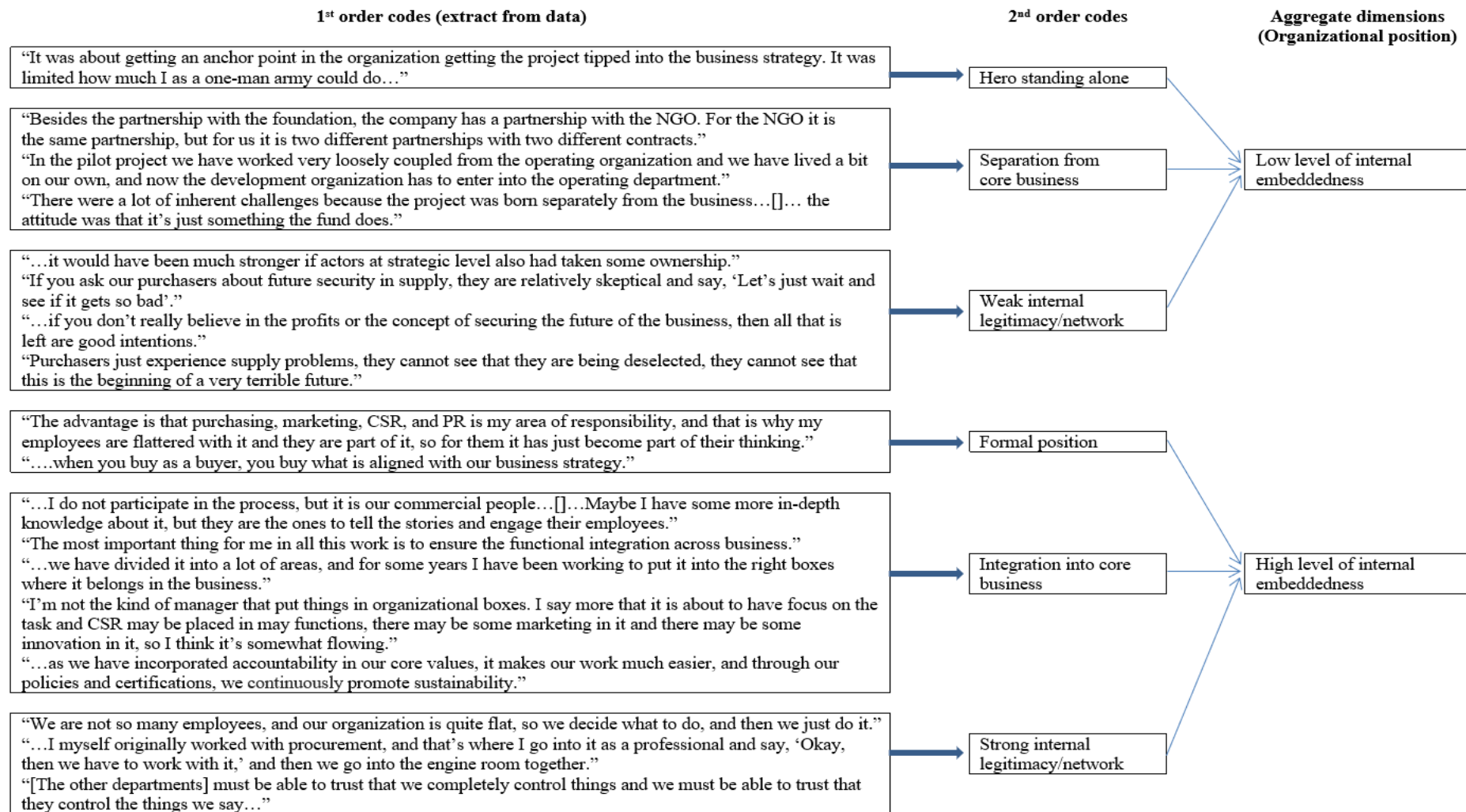
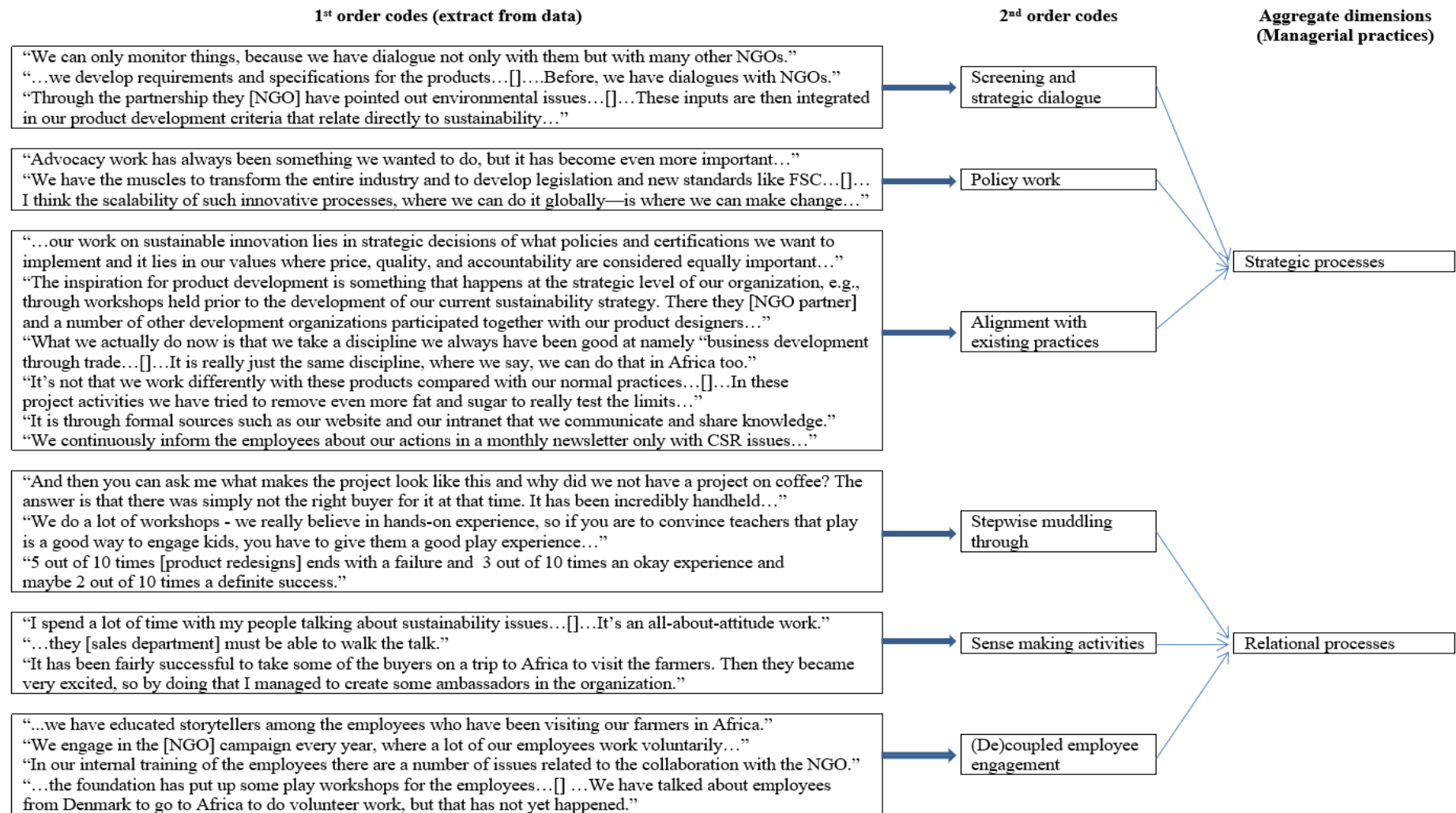


Figure 4. Development of thematic codes and theoretical constructs – Managerial practices



5. FINDINGS

The findings reveal how internal challenges and tensions of institutional logics relate to organizational positions and embeddedness of key actors and are managed through strategic and relational agency processes. The results of the study is summarized case by case in Table 4.

5.1 Internal challenges

The theme *internal challenges* relate to internal tensions and conflicts between sustainable innovation projects and activities, core business functions, strategic management, and actors at the operational level. The placement in CSR or foundations reflecting community logic (Glynn & Raffaelli, 2013), as seen in Cases 1 and 3, causes internal tensions and conflicts between sustainable innovation projects and activities on one side and “defenders” on the business side. The predominance of community logic by organizational placements separated from core business functions in CSR and foundations seems to create managerial challenges characterized by business actors’ inability to see the meaning and business potentials of projects and activities. The placement in core business functions reflecting market logic (Glynn & Raffaelli, 2013) is seen in Cases 2, 4, and 5. Despite the central placement and higher level of integration between sustainable innovation projects/activities and core business functions, these cases manifest internal tensions and conflicts as well. However, these relate to the complexity of balancing business case logic and community logic and not to the inability of business key actors to see the meaning of sustainable innovation projects and activities.

Table 4. Findings from the cross-case analysis

| Coded themes | Case 1 | Case 2 | Case 3 | Case 4 | Case 5 |
|-------------------------|--|---|---|--|--|
| Internal challenges | <p>Challenges in the intersection of the project/activities and management.</p> <p>Challenges in the intersection of project/activities and business functions.</p> <p>Challenges in the intersection of project/activities and the operational level.</p> | <p>Challenges in the intersection of project/activities and business functions.</p> <p>Challenges in the intersection of project/activities and the operational level.</p> | <p>Challenges in the intersection of project/activities and business functions.</p> | <p>Challenges in the intersection of project/activities and business functions.</p> <p>Challenges in the intersection of project/activities and the operational level.</p> | <p>Challenges in the intersection of project/activities and business functions.</p> <p>Challenges in the intersection of project/activities and the operational level.</p> |
| Organizational position | <p>Low level of internal embeddedness.</p> <p>Hero standing alone.</p> <p>Separation from core business (in fund).</p> <p>Weak internal legitimacy.</p> | <p>High level of internal embeddedness.</p> <p>Integration into core business.</p> | <p>Low level of internal embeddedness.</p> <p>Separation from core business (in fund).</p> | <p>High level of internal embeddedness.</p> <p>Formal position.</p> <p>Integration into core business.</p> <p>Strong internal legitimacy.</p> | <p>High level of internal embeddedness.</p> <p>Formal position.</p> <p>Integration into core business.</p> <p>Strong internal legitimacy.</p> |
| Managerial practices | <p>Strategic processes:</p> <p>Alignment with existing practices.</p> <p>Relational processes:</p> <p>Stepwise muddling through.</p> <p>Sensemaking activities.</p> <p>Coupled employee engagement/volunteer work.</p> | <p>Strategic processes:</p> <p>Screening and strategic dialogue.</p> <p>Policy work.</p> <p>Alignment with existing practices.</p> <p>Relational processes:</p> <p>Sensemaking activities.</p> <p>(De)coupled employee engagement/volunteer work.</p> | <p>Strategic processes:</p> <p>Policy work.</p> <p>Relational processes:</p> <p>Stepwise muddling through.</p> <p>(De)coupled employee engagement/volunteer work.</p> | <p>Strategic processes:</p> <p>Alignment with existing practices.</p> <p>Relational processes:</p> <p>Stepwise muddling through.</p> <p>Sensemaking activities.</p> <p>(De)coupled employee engagement/volunteer work.</p> | <p>Strategic processes:</p> <p>Screening and strategic dialogue.</p> <p>Alignment with existing practices.</p> <p>Relational processes:</p> <p>No employee engagement/volunteer work</p> |

The findings from the study further reveal challenges in the intersection of sustainable innovation projects or activities and actors at the operational level across the five cases. Building up value communities centered on sustainable causes related to health and food waste in Case 4 has been rather difficult to follow from a store manager perspective at the operational level. Similarly, in Case 1, the process has been characterized by arguments at the operational level as to why it is not possible to trade with African farmers. In Cases 2 and 5, the companies have experienced that it is too far away from employee everyday life to understand and relate to sustainability at the global level and to buy into nerdy scientific NGO knowledge.

5.2 Organizational position

The theme *organizational position* relates to the embeddedness and social position of key actors across business levels and hierarchy levels (Battilana, 2006; Reay et al., 2006; Battilana et al., 2009; Currie & Spyridonidis, 2016). Due to the organizational placement of sustainable projects and activities in the foundation and CSR department detached from core business functions the key actors in Cases 1 and 3 are characterized by being less institutional embedded. The separation from core business functions together with lack of ownership at the strategic level further means that the managerial complexities of handling conflicting logics in the company represented in Case 1 have been rather intense during the pilot phase of the project.

The involved key actors in the companies represented in Cases 2, 4, and 5 are all characterized as being relatively powerful in terms of formal positions, internal legitimacy resources and internal networks. The rather long history of CSR and sustainable business development in Case 2, tracing back more than three decades, means that sustainable innovation is fully integrated in core business functions, supported by the CSR department. The same high level of internal embeddedness is seen in Case 5, where accountability is incorporated in core values at the strategic level and in core business functions. The company in Case 4 is characterized by an entrepreneurial experimental

culture driven by more prevalent managers at the strategic level, meaning that sustainable innovation activities are flowing across functions.

5.3 Managerial practices

The findings from the study reveal how strategic and relational microdynamics unfold across the five cases, where strategic microdynamics relate to past agency and relational microdynamics relate to future and present agency (Emirbayer & Miche, 1998). The past agency is reflected in Cases 2 and 5 through strategic processes, where NGO partners screen, analyze, and point out potential critical business aspects providing guidance in order to help the companies to prioritize areas where their business models need to be developed in a more sustainable way. The past agency is further reflected in these two cases because both companies use their powerful social position at the field level (Battilana, 2006; Reay et al., 2006; Battilana et al., 2009; Currie & Spyridonidis, 2016) in developing legislation and new standards through policy work, whereas the company in Case 3 uses their powerful position in a more entrepreneurial manner to mobilize support and understanding for the importance of the cause reflecting future agency.

Yet another managerial practice reflecting past agency is strategic processes with the intention to align sustainable innovation projects and activities with existing practices. In Cases 2 and 5, this alignment lies at the strategic level, where NGO partners are invited to inspire implementation of politics and certifications and product development, whereas the company represented in Case 4 aligns sustainable product development with existing practices in redesigning products. Finally, in order to manage internal tensions and conflict in Case 1, it was decided to align the project with existing practices of how to incorporate suppliers through the discipline of “business development through trade.” The relational microdynamics relate to future and present agency (Emirbayer & Miche, 1998) and are revealed through stepwise muddling through and sensemaking

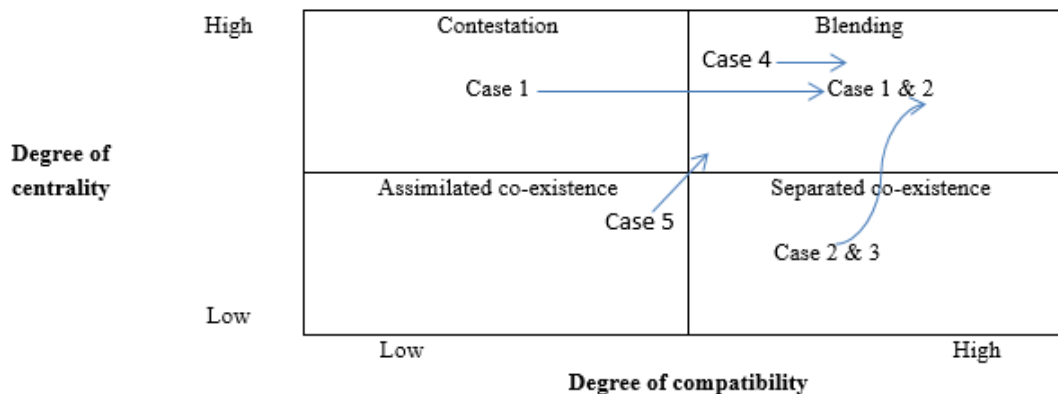
processes reflecting institutional entrepreneurship (Dorado, 2005; Thornton et al., 2012) and employee engagement (Seitanidi, 2009; Venn & Berg, 2013).

The managerial processes in Cases 1 and 3 are characterized by being highly relational, where key actors put things into play through sensemaking activities, ad hoc workshops, hand-on experience, and experiments creating stepwise movements forward. Description of various activities orchestrated by the leading key actor in Case 1 places this person in an entrepreneurial, almost heroic role but also a very vulnerable role because the project at that time was formed by coincidence and unforeseen events moving the process forward in small steps. However, the alignment of the project into existing practices reflecting past agency led to the resignation of the leading key actor. In Case 4 the alignment of product development into existing practices reflecting past agency is combined with an experimental innovation culture carrying out incremental movements reflecting future and present agency. Regarding relational processes coupling employee voluntary activities and sustainable innovation projects and activities, the findings from the study further reveal a rather low level of engagement and coupling to innovation processes across the five cases.

6. DISCUSSION

The findings from this study reveal how underlying tensions between commercial and sustainable logic are handled through various practices related to strategic and relational agency reflecting compositions of past, future, and present agency (Emirbayer & Mische, 1998). These agency compositions, together with managerial attention (Thornton & Ocasio, 1999) and social positions (Battilana, 2006; Battilana et al., 2009; Currie & Spyridonidis, 2016), influence the level of compatibility and centrality (Besharov & Smith, 2014), leading to managerial scenarios of logic contestation, logic coexistence, and logic blending. This is summarized in the compatibility-centrality matrix in Figure 5.

Figure 5. Summary of findings in the compatibility-centrality matrix



The companies represented in Cases 1 and 4 are characterized by a relatively high level of centrality in their values-based approach toward sustainable innovation, meaning that commercial business logic and sustainable logic on a corporate level are equally prioritized. Though the project in Case 3 is prioritized at the strategic level, the business part is not directly dependent. The low level of centrality in this case lies in management’s deliberate separation of business activities on the side of business and social development and philanthropic activities on the side of the corporate foundation. The low level of centrality in Case 5 originates from decoupling sustainable innovation in the CSR department from commercial business logic. Though critique exists under the surface, these underlying tensions do not escalate inappropriately because CSR is prioritized at a high hierarchical level where corporate values related to sustainability are tightly interwoven with values related to price and quality. Finally, the company represented in Case 2 exemplifies a mature and high level of centrality accomplished through various strategic agency processes and where sustainable logic over time has become assimilated and then merged into core business.

The level of compatibility is influenced by social positions (Battilana, 2006; Reay et al., 2006; Battilana et al., 2009; Currie & Spyridonidis, 2016) and power positions of professional functions and groups, where actors seek to manifest legitimacy of their own knowledge and perceptions in

order to exhibit jurisdictional control. Higher levels of compatibility originate from situations where one particular logic dominates or where there is no overlap of logics (Besharov & Smith, 2014).

The managerial situation in Cases 1, 2, 4, and 5 is characterized by no jurisdictional control of a single logic. The managerial practices embodied by the disembedded key actor and project manager in Case 1 were highly based on relational processes in terms of entrepreneurial activities reflecting present and future agency in order to change the mindset toward African food products. However, due to the weak social position of the key actor, these relational agency dynamics were not enough to fully eliminate the internal tensions between commercial business logic and sustainable logic and increase the level of compatibility. Because the level of centrality at the same time was high, the core business was constantly disrupted with activities related to the project, which in the beginning caused a relatively high level of conflict and lead to the managerial scenario of logic contestation. Eventually, the progress of the project and the growing level of compatibility were created through strategic agency processes assimilating the African project into existing practices reflecting past agency coupling the project closer to the business development department.

Though sustainable and business logics are not perceived to be equally important across core business functions and hierarchical levels in Case 4, the level of compatibility is relatively high originating from a composition of past, future, and present agency, meaning that sustainable innovation activities become assimilated into existing practices. These strategic and relational agency processes are supported by the central hierarchical position of the involved key actors and the absence of a CSR department, meaning that sustainable innovation is characterized as a phenomenon that flows between the various business departments. The intensive focus on relations and entrepreneurial experiments further means that the employees in this case are building learning capabilities that enable them to draw on more logics in business development, which increases the level of compatibility. In Case 5 the moderate level of compatibility originates from aligning sustainable innovation into existing strategic practices reflecting past agency. The low level of

centrality and the moderate level of compatibility in this case reflect a managerial strategy where logics related to sustainability are assimilated into existing dominant logics, which in practice is accomplished through a combination of tight couplings at strategic level and internal loose couplings between CSR and business departments. The strong social position of the company at the field level further enhances this managerial strategy. In Case 2 the high level of compatibility originates from strategic processes reflecting past agency and to a lesser degree future and present agency. Similar to Case 5, this company plays a central role at the field level, which further enhances past agency toward the managerial situation of logic blending.

In contrast to Cases 2 and 4 the high level of compatibility in Case 3 originates from the lack of overlap between logics across professional groups because of the separated placement of the project in the fund decoupled from core business. The high level of compatibility is further informed by a positive synergy between strategic agency in terms of policy work and entrepreneurial agency building relations and network reflecting present and future agency. This positive synergy and complementarity are enabled and supported by the powerful social position and brand value of the company at the field level. The managerial strategy handling commercial and sustainable logics in this case is therefore associated with a rather low level of internal conflicts leading to a scenario of peacefully separated coexistence.

7. CONCLUSION

This study has explored how logic multiplicity is managed through strategic and relational agency processes and how underlying factors related to key actors' social position together with organizational position at the field level and organizational position of sustainable innovation projects constitute different managerial scenarios of logic multiplicity.

7.1 Theoretical contribution

This study contributes to discussions raised by Kraatz and Block (2008), Pache and Santos (2013a), Besharov & Smith (2014), and Skelcher and Smith (2015) of how companies from an intraorganizational perspective respond to the complexity of competing institutional logics. However, these managerial response strategies have mainly been investigated from a theoretical and conceptual perspective, without any empirical mapping of the agency processes and enabling factors that constitute these strategies and scenarios. This study builds on the centrality-compatibility matrix developed by Besharov and Smith (2014) and contributes to the framework through the identification and mapping of strategic and relational agency microdynamics that influence levels of compatibility and centrality in handling the complexity of multiple logics in practice. The findings reveal how overall managerial attention related to traditional business case thinking appears to influence dimensions of compatibility positively through a preference of strategic agency processes related to screening activities, strategic dialogues with NGO partners, policy work, and alignment with existing business practices, as seen in Cases 2 and 5. In Cases 1, 3, and 4, characterized by a values-based managerial approach, it further seems that especially strategic agency of policy work and alignment with existing practices in combination with relational agency practices increase the level of compatibility.

This study further contributes to specific discussions in the intersection of CSR and institutional logics literature, including discussion put forward by Glynn and Raffaelli (2013) and Lodsgård and Aagaard (2017) related to the placement of sustainable innovation and activities across core business functions. Organizational placement and strategic positioning of sustainable innovation projects seem to influence the level of centrality through different combinations of tight and loose couplings between commercial business units and sustainable causes. The study further builds on discussions related to key actor social positions and power resources put forward by Battilana (2006) and Battilana et al. (2009) by revealing how respectively strong and weak social positions among

leading key actors influence the level of compatibility positively, as illustrated in Case 4 and rather negatively in Case 1.

This study also builds on the seminal work by Emirbayer and Miche (1998), who formulated a chordal triad of agency including past, future, and present agency, and contributes to broader discussions of structure and agency (DiMaggio & Powell, 1983) in neo-institutional literature. It seems that the deterministic approach toward agency put forward by DiMaggio and Powell (1983) is supported by strong positions at the field level and past agency related to strategic processes of policy work and alignment with existing practices. By exploring how interwoven factors and dynamics at the field level and collaborations with NGOs influence the level of logic multiplicity internally in companies, this study further contributes by the identification of essential managerial practices through which organizational actors are able to pursue institutional and embedded agency (Seo & Creed, 2002). Thus, it seems that the exhibition of innovation capabilities related to the paradox of embedded agency (Seo & Creed, 2002) is supported by key actors' social positions in combination with experiments and entrepreneurial activities related to future and present agency (as seen in Cases 1 and 4).

Finally, by embracing both structure and agency opening up for a variety of temporal triad compositions of past, future, and present argentic aspects, this study contributes to literature on institutional entrepreneurship, where only future and present agency are considered to be important. However, leaving out the past dimension of agency, these studies are not able to explain why institutional entrepreneurs fail in the process and why the managerial situation ended in conflict or even organizational breakdown (Tracey & Jarvis, 2006; Battilana & Dorado, 2010). Further along these lines, by incorporating the past dimension of agency it becomes possible explain how organizations become capable of moving managerial situations from a logic-contested scenario to a logic-blending scenario.

7.2 Managerial implications

The managerial implications of this study constitute knowledge of how companies internally manage and deal with different trade-offs in conducting sustainable innovation projects with NGO partners. It appears that agency practices of how multiple logics are handled in the context of sustainable innovation depends on corporate intentionality and the extent to which companies are exposed to NGO critique and social positions.

Based on the findings from the study, the key to successful management of multiple logics in situations where companies follow a cost-efficiency business model and are exposed to NGO critique appear to be strategic processes reflecting past agency in combination with internal tight couplings between sustainable innovation project activities at the strategic level and rather loose couplings at the operational level.

On the other hand, companies following a values-based approach exploring long-term business opportunities through sustainable innovation seem to be most successful when relational and strategic processes are combined, reflecting past, future, and present agency, and when projects in the first phases are internally decoupled from core business functions and placed in corporate foundations or CSR departments functioning as incubators for sustainable business development.

Another managerial implication derived from this study relates to the extent to which sustainable innovation projects and activities already have been established at the field level. Thus, sustainable innovation projects and activities related to certifications and stewardship councils such as the Forest Stewardship Council are part of an already established infrastructure in sustainable development, whereas development of new institutions (e.g., in order to minimize food waste and engagement in emerging markets at the base of the pyramid) represents embryonic activities at the field level. The findings of this study reveal that presence and combination of strategic and relational agency vary depending on the maturity level of the sustainable innovation activities in the field. In sum, it appears that strategic agency is most successful in context of risk management and when

activities have reached a mature level in the field and that combined relational and strategic agency are most successful in context of long-term business development and when activities have not yet reached a mature level in the field.

Finally, a managerial implication of this study stresses the missed learning opportunities and capacity building when employee volunteer work is either absent or decoupled from sustainable innovation project activities. These shortcomings mean that there is a potential risk that learning gains will be enclosed at either the strategic level or the individual level and never reach the functional or group level. Especially when hero-like entrepreneurial agents positioned in weak social positions reflecting future and present agency leave the organization, this may potentially limit the internalization of learning gains. This further emphasizes the importance of tight couplings between corporate foundations, CSR departments, and HR departments in situations where companies follow a values-based approach in sustainable innovation with causes and activities that have not yet reached a mature level in the field. Though this study verifies the managerial strategy of keeping sustainable project activities separated from core business function in the first phases of the innovation process in emerging markets, this may not be true when it comes to business departments related to human resource.

7.3 Limitations and further research

The limitations of this study also reveal key avenues of further research to be pursued. While this study contributes to existing theory on institutional logics and agency with empirical knowledge of how multiple logics are managed in sustainable innovation, it does not fully capture all underlying aspects of the interplay between corporate foundations, CSR, and core business functions due to the methodological limitations of multiple cross-case research. Consequently, further research is needed to dig deeper into these aspects through longitudinal nested single case studies. Since this study has focused on the corporate side in collaborative sustainable innovation, future research should uncover

the intra-organizational managerial strategies and agency processes from an NGO perspective. This study also indicates that strategic and relational agency varies as to whether sustainable innovation projects and activities have reached a mature level in the field. Future research should therefore investigate the microdynamics of agency in the intersection of more analytical levels, including individual, organizational, and field level. Though this study reveals the conditions under which strategic and relational agency strive, more research is needed to explore the factors that influence individual actors' and managers' attention toward the past, the present, and the future (Emirbayer & Miche, 1998) in sustainable innovation. In addition, there may be individual factors other than social positions such as individual psychological traits that stimulate individual preferences toward strategic and relational agency, which also constitute venues for further research.

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7. CONCLUSION

This last chapter of the PhD summarizes the overall theoretical contributions of the study together with more specific theoretical and empirical contributions derived from Papers 1–3. I also reflect on the managerial and practical implications of the study, which are of great importance considering the increased focus on business-driven sustainable innovation activities and projects with NGO partners (C&E, 2019). Finally, I discuss the limitations of the research, and elaborate upon avenues for further research.

7.1 THE THEORETICAL CONTRIBUTION OF THE STUDY

This study provides new knowledge of what happens when institutional logics meet in the same room of consciousness regarding how business and NGO partners over time adjust and adapt to each other in various ways, exemplifying different managerial strategies and pathways. As noted in the theoretical background (Chapter 4) and in Papers 1–3, there is an ongoing discussion in institutional literature put forward by more scholars (see Kraatz & Block, 2008; Pache & Santos 2013a; Besharov & Smith, 2014; Skelcher & Smith, 2015) regarding managerial strategies of logic multiplicity and how for companies to respond to conflicting demands belonging to different institutional logics. However, none of the existing conceptualizations and frameworks has addressed the underlying micro argentic practices and contextual conditions. The intention of this study has therefore been to advance existing knowledge of how logic multiplicity is managed by the combination of theory on institutional logics and agency (Emirbayer & Mische, 1998), and thereby hopefully to inspire further empirical studies in this growing and important area of research. By providing new understanding of how logic multiplicity is managed in practice, this study makes more theoretical contributions to literature on institutional logics and business-NGO collaborative literature.

First, by exploring different compositions of past (iterative), future (projective), and present (practical – evaluative) agency processes constituting different pathways as to how logic multiplicity

is managed, this study contributes to broader structure-agency discussions in institutional theory related to the paradox of embedded agency put forward by Seo and Creed (2002). Following the suggestions by Emirbayer and Mische (1998), and Mutch (2007), this study considers structure and agency as equally important in analyzing how managerial practices for managing logic multiplicity play out in the inter- and intraorganizational interface. The learning and knowledge gained from this study reveal that adaption practices corresponding with the idea of isomorphism in neo-institutional theory (DiMaggio & Powell, 1983) reflecting past agency are equally as prevalent as relations-oriented non-isomorphic adaption practices reflecting future and present agency practices. Past agency practices are seen when partners adapt to each other through processes of alignment and negotiations at the strategic level, contractual regulations, and when companies screen for risks and align sustainable innovation processes with existing business practices. This pathway of managing logic multiplicity leading toward assimilated and separated coexistence is furthermore supported by present agency practices where partners adapt to each other through practical followship and by separated coordination of work. Neo-institutional theory has not given relational agency dynamics much attention (Mutch, 2007). A shortcoming in institutional literature that has recently been taken up in research on institutional entrepreneurship (Boxenbaum & Battilana, 2004; Lounsbury & Crumley, 2007; Battilana et al., 2009), where future and present agency are highly prioritized. In this study, future agency is seen in situations where there is a need for knowledge exploration and co-creation, where partners adapt to each other through openness, learning, frequent interactions, and intensive relations- and trust-building. These future adaption practices are frequently combined with present agency practices, where partners work closely together in handling various stakeholders through emergent ad-hoc activities, and where companies institutionalize sustainable innovation projects through stepwise muddling through, experimentation, sensemaking activities and employee volunteer work leading to logic blending. This study therefore argues that both isomorphic argentic adaption and non-isomorphic argentic adaption play important roles in managing logic multiplicity in

sustainable innovation with NGO partners, leaving a door open for neo-institutional theory. Bridging the interplay of structure and agency, this study contributes to institutional literature by bringing neo-institutional theory back into organizational analysis with new understandings and inspirations to be added to the paradox of embedded agency. Since literature on institutional entrepreneurship has mainly focused on conditions that enable key actors to detach from their home logics and exhibit radical changes through future and present agency practices (Boxenbaum & Battilana, 2004; Battilana et al., 2009; Battilana & Dorado, 2010), none of these studies has been able to explain how unsuccessful processes with a lack of internal organizational support toward new logics can move forward beyond the individual level. This study contributes to this stream of literature by stressing the importance of combining future and present agency practices with past agency practices, where sustainable innovation processes are strategically aligned with existing business practices. Furthermore, by combining Besharov and Smith's (2014) conceptualization of compatibility and centrality with Emirbayer and Mische's (1998) conceptualization of agency, this study contributes to the expanding body of research on micro processes within institutional logics theory. By taking into consideration how contextual conditions together with past, future, and present agency practices influence the level of compatibility and centrality and constitute different managerial strategies of how logic multiplicity is managed, this study contributes to ongoing discussions in institutional literature on structure and agency. Finally, this study reframes existing literature on business-NGO collaborations put forward by more scholars (see Jamali & Keshishian, 2009; Murphy & Arenas, 2010; Austin & Seitanidi, 2012a), moving it away from uni-dimensional frameworks founded in resource-based theory and creating a multi-dimensional research focus, where contextual conditions are taken into consideration.

Second, the fact that business and NGO partners from a historical point of view are founded in different institutional logics has mainly been overlooked in existing literature on business-NGO collaboration. Following the request put forward by Vurro et al. (2010), and Voltan and Defuentes

(2016) to incorporate institutional logics in business-NGO collaborative research, this study contributes by exploring how underlying mechanisms related to past, future, and present agency practices together with contextual conditions influence how integrated, strategically committed, and formalized partners work together. Institutional logics do not only represent different values, they also represent different preconceptions, beliefs, and practical routines and governance repertoire. Following the request for studying how institutional logics influence the interrelated mechanisms of formal and informal governance put forward by Rein and Stott (2009) and Vurro et al. (2010), this study has explored how institutional differences between businesses and NGOs influence the governance practices they use for their collaboration, and how the type of innovation moderate this relationship between institutional differences and governance practices.

The knowledge provided in this study reveals that differences in governance repertoires informed by institutional logics should not be overlooked because they constitute the very essence of how business-NGO collaborations are governed and organized successfully in situations of both exploration and exploitation. The underlying assumptions in existing literature stressing the importance of informal governance practices in business-NGO collaborations, including frequent communication, intensive relations- and trust-building processes (Jamali & Keshishian, 2009; Seitanidi, 2009; Seitanidi & Crane, 2009; Austin & Seitanidi, 2012a) only seem to be the case in inclusive sustainable business innovation and social investment innovation where partners need to explore new knowledge together (Paper 2). Further along these lines, this study reveals that when there is no longer a need for exploration moving the innovation process toward commercialization, these governance practices change as well. This learning and knowledge means that the underlying assumption of the collaborative continuum—that partners facilitate value co-creation through evolving collaborative integration from philanthropic to transformative collaboration—put forward by Austin and Seitanidi (2012a) is too simplistic to fully explain the institutional complexity of managing these collaborations. This knowledge further contributes to general discussions in alliance,

interorganizational and cross-sector collaborative literature (Madhok, 1995; Dacin et al., 2007; Rivera-Santos & Rufin, 2010; Simpson et al., 2011).

Though existing business-NGO collaborative research considers the importance of micro argentic processes (Seitanidi, 2009; Austin & Seitanidi, 2012a, 2012b) including relational engagement and trust, this part of literature fails to explain how institutional logics shape and reshape collaborative processes. Following the understanding of interorganizational relations as fields of power structure put forward by Emirbayer and Johnson (2008), this study contributes by combining institutional theory and resource-based theory in studying interorganizational collaborations. Digging into the micro argentic processes, this study argues that there are more pathways to follow than those described in previous collaborative continuums put forward by Rondinelli and London (2003) and Austin and Seitanidi (2012a), and in collaborative stage models put forward by Googins and Rochlin (2000), Jamali and Keshishian (2009), Murphy and Arenas (2010), and Austin and Seitanidi (2012b).

Third, what constitutes a methodological and theoretical contribution of this study is the openness toward contextualized explanation (Welch et al., 2011), which is in line with the epistemological influence of critical realism (Bhaskar, 1997), and the inspiration from Ragin (1999) and Rihoux (2006) taking contextual conditions into consideration in case-oriented cross-case analysis. This study further builds on the suggestions put forward by Etäläpelto et al. (2013) to incorporate contextual conditions in agency analysis. This study argues that it is especially important to take contextual conditions into consideration in cross-sectorial research because institutional situations related to field-level social positions among actors in the interorganizational interface may influence the collaborative process. Thus, contextualized theorizing helps to understand the complexity of the business-NGO collaborative phenomena. Inspired from literature on institutional entrepreneurship (Battilana, 2006, 2007), this study argues that social positions of organizations and sustainable innovation projects serve as crucial contextual conditions that influence micro argentic

processes of how logic multiplicity is managed in the interorganizational and intraorganizational collaborative interface. As revealed previously, there has also been a growing interest among scholars in business-NGO literature (Manning & Roessler, 2014; Shumate et al., 2018) to take contextual conditions into consideration—a challenge this study has responded to. This study therefore also considers contextual conditions related to dependency (mutual or on the side of one partner), critical position of the NGO, and the type of sustainable innovation as relevant aspects of the collaborative process. Contextual conditions are in general not considered in previous research, meaning that it has not been possible to move research on business-NGO collaboration beyond uni-dimensional collaborative stage models. Following the critique and research gaps stressed by Vurro et al. (2010) and Manning & Roessler, (2014) this study takes some initial steps toward developing a multi-dimensional model taking contextual conditions into consideration.

Fourth, there has in general been a lack of cross-case studies exploring how contextual conditions influence and shape managerial processes of logic multiplicity in sustainable innovation with NGO partners. However, when the aim is to explore how logic multiplicity is managed in practice and transforms over time, it is necessary to move beyond single-case studies and apply cross-case studies. Likewise, most studies within institutional logics theory have been conducted at the industrial field level. This study exemplifies the strength of multiple cross-case studies by developing new multi-dimensional theoretical explanations of micro dynamic collaborative processes, including key agency practices during formation, implementation, institutionalization, and termination/continuation phases. In other traditions within case study research the focus is primarily on explanation in terms of proposition formulation and formulation of hypotheses for further research (Eisenhardt, 1989; Yin, 2009). This tradition in case study research leading toward quantitative hypotheses testing is, however, in general criticized for developing universal law-like explanations without any openness toward contextual conditions (Welch et al., 2011). It is not that Eisenhardt (1989) and Yin (2009), who in general are considered as the good mother and father of

case study research, deny the importance of contextual explanation—it is just that it is considered as an initial pre-stage for hypothesis testing. This study, however, follows the arguments put forward by Welch et al. (2011) where contextualized explanation is the very essence of theorizing from case study research. This study argues that the manifestation of underlying mechanisms related to different compositions of past, future, and present agency practices is dependent on contextual conditions. It is not that actor intentionality and relations-oriented institutional entrepreneurship are unimportant, but these human agency processes are not capable fully of explaining why and how specific managerial strategies handling logic multiplicity are brought in to play. Exploration of collaborative in-depth knowledge and experience viewed from the perspective of individual actors are not sufficient because these actor perceptions are highly informed by social positions in intra- and interorganization fields. Summing up, contextual conditions are indeed important when considering effective and appropriate strategies for managing logic multiplicity in sustainable innovation with NGO partners. To argue that all collaborations should evolve toward higher-level interaction, integration, and logic blending—whatever the actual situation—is both simplistic and inappropriate. The central argument of this PhD is therefore that there is no best strategy of managing institutional logics in business-NGO collaborations, and not all strategies are equally good; it depends on the contextual conditions of the collaborative situation. Based on the results of this study, it is therefore not possible to come up with any normative suggestions of why some managerial strategies in managing logic multiplicity are more successful than others. However, what can be concluded based on this study is that there are different managerial pathways in managing logic multiplicity constituted by contextual conditions and underlying agency processes. Capturing some longitudinal aspects, this study further provides new insights into the dynamic nature of these managerial practices. By arguing why some managerial strategies are more likely under specific contextual conditions, this study provides theoretical understanding beyond normative stage and

process models, and thereby captures the dynamic and complexity of logic multiplicity from a practice perspective.

From the theoretical contributions outlined above, I will in the following sections elaborate on the empirical contributions together with the managerial implications derived from the analysis presented in Papers 1–3.

7.2 THE EMPIRICAL CONTRIBUTION OF THE STUDY

The empirical contributions relate to the empirical context consisting of five Northern European/Scandinavian retailers and provide new knowledge as to how retailers handle pluralistic conditions through governance mechanisms and managerial strategies constituted by underlying past, future, and present agency processes in order to stay at the innovative forefront and to maintain stability and legitimacy at the field level.

First, climate change and a growing global population raise questions about whether it is possible to produce food the same way and in the same places as today and, for example, to source timber in the same way we do today. This study illustrates the importance for retailers to ensure future supply chain by engaging in developing suppliers in base-of-the-pyramid contexts that normally lie outside their comfort zone. This requires new knowledge that the companies normally do not have access to—but that NGOs are specialists in. Through engagement with NGOs, retailers can gain access to networks and local “on the ground” knowledge, which makes it possible for them to not only innovate their own business and business models, but facilitate sustainable innovation in the entire supply chain. Sustainable innovation projects and activities with NGO partners can therefore be a crucial competitive factor for retailers to ensure that their business models stay at the competitive forefront today, tomorrow, and further into the future. However, this new journey of sustainable innovation with NGO partners increases the institutional complexity in both the inter- and intraorganizational interface.

Second, this study argues that retailers in the interorganizational interface are challenged to handle operational complexity in sustainable innovation related to misalignment between customer steady time pace and NGOs' ambitious agendas and accelerated pace toward radical changes. While conducting this study, there was no interest among the retailers to hide cigarettes in the stores, which for many years have been a dream for one of the involved NGOs. However, by the end of the study it suddenly became possible due to renewed public discussions. Because of these shifting discourses and priorities retailers are highly dependent of integrating NGO knowledge in developing their business. This also means that retailers hold great potential for filling out existing policy vacuums at global, national, and local levels by adapting to NGO-predominant policy logic through advocacy work and by taking on the role as societal actors that creates transformation in global supply chain from a long-term perspective. This study also argues that the more controversial and politically tense issues that are brought into play, the more significant are partners' power positions in the field, and the more large-scale transformational sustainable innovation is created. Though there are tensions and disagreements related to inconsistency in perceptions of time, ambitions, problem definition, and urgency, these also serve as very productive vehicles for sustainable innovation. This study argues that sustainable innovation is accomplished through future agency processes, where partners adapt to each other through openness, flexibility and learning, through present agency processes where partners appreciate and follow each other, and through past agency processes where partners adapt to each other by strategic alignment and negotiations. This study further argues that retailers in the interorganizational collaborative interface manage logic multiplicity by adapting to each other's governance repertoires, finding the right balance between formal and informal governance in developing sustainable innovation. The different combinations of partner adaptations related to past, present, and future agency and combinations of formal and informal governance, as elaborated on in Papers 1 and 2, therefore constitute key knowledge as to how retailers become capable of managing different institutional logics and collaborative approaches in the interorganizational interface.

Third, another main empirical contribution of this study relates to retailers' central position moving consumption in a more sustainable direction, including engagement in local value communities and initiation of new NGOs. This central position furthermore challenges retailers to find the right balance of passively following existing consumer behavior and actively changing these behaviors, which may not offer any business gains in a short-term perspective. This means that retailers to a large extent are challenged to find ways of handling competing logics and time frames in managing long-term sustainable development in an intensely competitive retail context where discount markets always react on the short term. Further along these lines, cost efficiency business models accomplished through inclusion of small suppliers in risk countries position retailers in a rather vulnerable and complex situation, where short-term economic gains are to be united with ambitious long-term community development. This study therefore argues that retailers in the intraorganizational collaborative interface manage institutional complexity by finding the right timing and balance between strategic and relational agency and by finding the right balance between tight and loose couplings between sustainable innovation projects and core business functions. The different combinations of strategic and relational agency processes and combinations of tight and loose couplings elaborated on in Paper 3 therefore constitute key knowledge as to how retailers becomes able to manage long-term sustainable innovation projects and activities in a short-term world.

Fourth, a key contribution of this study relates to the Northern European/Scandinavian empirical setting, which is characterized by predominant stakeholder-oriented social democracy-coordinated economies. This means that logic multiplicity and tensions in organizational fields may lead to the scenario of logic contestation to a lesser degree than in the shareholder-oriented Anglo-Saxon equivalent in liberal market economies, which counts most existing studies. Though partners disagree on various areas such as perceptions of time, ambitions, problem definition, and urgency it is also fair to say that this study to a much lesser degree has found empirical evidence of contested

managerial situations in the collaborative process compared to Anglo-Saxon studies. This study therefore argues that what is special about the Northern European/Scandinavian empirical contexts is that practical and peaceful “living apart and together” is much more in line with the political history of social democracy and business and governmental interactions with NGO partners.

Though collaborations with NGOs sometimes arise from a starting point of criticism or activism, this study argues that these interactions quite smoothly move toward friendly dialogues, negotiations, appreciation of the other partner’s profession, and knowledge leading toward separated or assimilated coexistence. It is therefore a central argument of this study that it is more manageable to handle unfamiliar preconceptions, values, and practices stemming from different institutional logics when they unfold in a European/Scandinavian social democratic institutional context.

Finally, a key contribution of the study relates to the lack of traditions in the Northern European/Scandinavian context of employee volunteer work. It is not that there are no volunteer employee activities at all across the five retailers, but that these activities are rather decoupled from the sustainable innovation activities with the NGO partner. This is in contrast to the Anglo-Saxon empirical context, where philanthropy and voluntary work is at the heart of CSR and sustainable innovation. While philanthropy is often the starting point of business-NGO collaborations in the Anglo-Saxon part of the world, including Christian values and traditions for voluntary work, the *raison d’être* of business-NGO collaborations in the Northern European/Scandinavian part of the world is sustainable business combined with social democratic traditions, including extended stakeholder dialogues. This means that Northern European/Scandinavian companies in general miss opportunities to develop entrepreneurial capabilities, which potentially could increase the level of compatibility and decrease the level of internal tensions and conflicts.

7.3 THE MANAGERIAL IMPLICATIONS OF THE STUDY

Given the increased focus on sustainable innovation with NGO partners, there is a need for providing new knowledge of how the complexity of multiple institutional logics can be managed in practice. It is my hope that this PhD will provide key actors and managers in the inter- and intraorganizational collaborative interface knowledge so that they can better navigate and make informed choices that make sense in particular collaborative situations.

7.3.1 Adaption and relations building in business-NGO collaborations

So what are the managerial implications of building good and productive business-NGO collaborations? And how do partners adapt to each other in the collaborative process? This study argues that there are different levels as to how partners adapt to each other and build good and productive relations, including levels of 1) structural settlement, 2) professional appreciation, 3) openness and flexibility, and 4) incubation. These four levels furthermore relate to the managerial strategies of separated and assimilated coexistence and blending, and to underlying compositions of past, future, and present agency.

What characterizes the first level of adaption is that these collaborations are typically initiated by NGO critique, meaning that the NGO uses their position at field level to manifest structural power, but has no desire to use their power and expertise at the operational level. Companies to a large extent adapt to NGO policies and programs, reflecting the structure element of past agency, meaning that relations building is primarily centered on accumulated dialogues, negotiations, contractual settlements, programs, and policies. In these collaborative situations partners chose to manage tensions stemming from different institutional logics at the strategic level through separated coexistence, which implies managerial skills related to the involvement of NGOs in business strategic development and decision-making processes.

The second level of adaption and relations building is characterized by deep respect and appreciation of the other partner's knowledge, where actors trust that the other partner will do their

part of the work with professional competence, but where partners still prefer to collaborate in ways that leads to either separated or assimilated coexistence constituted by past agency. This may seem obvious, but is by far not always the case as research on business-NGO collaborations contain several examples, where partners have rigid perceptions, exhibit distrust, and misinterpret the other partner's intentions (Berger et al., 2004; London et al., 2006; Yaziji & Doh, 2009). This study indeed argues that partners organize themselves in practical arrangement "living apart and together," meaning that they work together toward common goals while simultaneously allowing space for them to participate on their own terms.

The third level of adaption and relations building is informed by recognition, openness, and flexibility, where partners are capable to overlap roles, meaning that one or both partners assimilate perceptions and governance preferences of the other partner, leading toward assimilated coexistence and blending constituted by present agency. This implies managerial skills related to agile experimentation finding practical solutions in here-and-now situations.

The fourth and most intensive level of adaption and relations building is seen in cases where partners work closely together in incubations separated from both organizations including in-depth investment in relations and freedom for the involved key actors to build a common learning culture. It is important that partners are aware of facilitating the formation of such separated incubations so that the involved key actors are able to weaken the institutional ties of their own organizations and by doing that create a free zone for innovation. This level of adaption is related to the managerial strategy of blending institutional logics constituted by present and future agency. Simultaneously in the intraorganizational interface these key actors focus on legitimization and mobilization of support, convincing the rest of the organization that it is worth working with the partner. This study has identified what could be labeled the "hero" problem of key actors. When managerial processes is mainly driven by hero-like entrepreneurs, there is a risk that learnings from the collaboration will fall apart when these actors get exhausted or leave the organization.

Though it is a complex task for key actors to manage and balance tensions of logic multiplicity, the managerial implications related to the four levels of adaption and relations building are not the same. Adaption through structural settlement together with adaption through professional appreciation is mainly founded at the strategic level, meaning that these collaborations are to a large extent driven by key actors in powerful positions at the strategic level. On the other hand, when adaption processes are characterized by openness, flexibility, and intensive investment in relation to building a common learning culture, these collaborations are mainly founded at the operational level and driven by key actors in the role as entrepreneurial incubators. Whatever the level of adaption and relations building, the managerial processes are in general considered to be time consuming by the involved key actors. Thus, in order to build good and productive business-NGO collaborations, it is important that the involved actors take into consideration that adaption processes both at operational key actor level and at the strategic organizational level require a lot of time and effort.

One main managerial implication related to the last levels of adaption and relations building is that it is not always easy for companies to transfer learning and innovations that have been placed separated in incubations in CSR departments or funds to core business departments when the process reaches the level of exploitation and commercialization. What incumbent entrepreneurs have developed and agreed upon in early phases of the innovation is not necessarily considered to be valuable from the perspective of core business professionals. This study argues that activities including volunteering work coupled to sustainable innovation projects and education of ambassadors among actors placed in core business functions are particularly crucial in this part of the process, but nevertheless also rather underdeveloped considering the priorities of the involved companies. Further, this study argues that the more these collaborations are anchored at the strategic level, the easier it is to institutionalize learning and innovations in core business functions. Likewise, the more these collaborations are anchored at operational level, the harder it is to institutionalize learning and innovations in core business functions. This study therefore stresses the importance of

engaging HRM departments in collaborative activities. By activating HRM departments the companies could be able to tie employee voluntary work to sustainable innovation projects, meaning that support and motivation would be institutionalized more broadly in the intraorganizational collaborative interface. Employee voluntary work could indeed be the missing link for how to institutionalize these collaborative sustainable innovations.

7.3.2 The influence of contextual conditions

This study further argues that managers should be aware that contextual conditions related to dependency (mutual or on the side of one partner), critical position of the NGO, and the type of sustainable innovation influence how the four levels of adaption and relations building plays out in the collaborative process. The power dynamics in business-NGO collaborations stem from different power positions in the field, meaning that partners sometimes choose to align with a more powerful partner and assimilate into their institutional logic. Another main component is how complex and controversial the issue of the actual sustainable innovation project is. The question is whether the issue of the sustainable innovation is highly controversial, meaning that strong political arguments are brought into play, or whether the issue is more about doing good, such as health and inclusion of poor farmers in the supply chain, which no one would disagree about. Paper 2 in this study shows that there is a tendency for partners in the collaboration to stay more independent the more controversial and political issues that are brought into play and that dependencies are easier to create the less controversial issue of the sustainable innovation. Likewise, the more critical position of the NGO and the more dependency is on one of the partners, the more likely it is that partners adapt through negotiations, structural settlements, respect, and appreciation. Then again, the more mutual dependency and joint forces, the more likely it is that partners will adapt through intensive investment in relations building and through incubations separated from partner organizations. Both companies and NGOs should be aware of these situations, as they imply different governance mechanisms and levels of adaption and relations building in managing logic multiplicity in the

collaborative interface. Prior to the formation process of the collaboration, key actors and managers should be aware of the contextual conditions of the collaborative situation they find themselves into and consider which managerial strategy is most suitable.

7.3.3 Managing institutional logics in the sustainable innovation process

This study argues that when there is a need for exploration in collaborative sustainable processes, a managerial strategy of logic blending with a high level of closeness between partners is necessary. It further appears that internal placement of sustainable innovation projects with NGO partners in company funds and CSR departments enhances the managerial strategy of logic blending in the interorganizational interface, but from an intraorganizational perspective challenges commercial logics of core business departments. The learning from this study is therefore that funds and CSR departments can function as incubators for sustainable innovation, but simultaneously cause considerable logic contestation when commercial potentials are to be scaled up. Consequently there is a need for managers to figure out how to manage phases of both exploration and exploitation in the innovative process where the collaborative process of activating logic blending and assimilated coexistence are equally important to the process of deactivation of these managerial strategies, moving the collaborative process toward separated coexistence in the phase of exploitation and commercialization. Companies engaging in sustainable innovation projects with NGO partners in base-of-the-pyramids context should be especially aware of this managerial challenge.

Another learning from the study is that radical sustainable innovation aimed at transformation at the industrial field level does not necessarily require integrated collaborations where partners work closely at the operational level. A practical “living apart together” strategy reflecting separated coexistence is very functional. It also appears that smaller companies with less powerful positions at the industrial field level are able to act in the role of institutional entrepreneurs, introducing new sustainable themes and movements through incremental experimentation that later on can be scaled up when companies in more powerful positions follow up with further development.

This study also argues that collaborations changes over time, since managerial strategies for handling logic multiplicity and the level of interaction continuously are reshaped. When there no longer is a need for exploration most companies and NGOs prefer to return to a more independent position reflecting separated coexistence but at the same time an ability to work together toward common goals. For the companies it is a question of returning to comfortable “plug and play” exploitation ways of working, whereas for the NGOs it is a question of working more independently with programs on the ground in order to maintain and secure support from important stakeholder groups. One important managerial implication is therefore to find practical solutions that allow the partner to contribute in ways that suits their needs. Further, development NGOs should be aware that when they collaborate with CSR departments and funds the collaboration will change when the company is to bring the innovation into the phase of exploitation and commercialization. Consequently, NGOs should be able to constantly spot new sustainable issues that could develop into new sustainable innovation projects, let go of past projects, and accept new roles as innovation processes enter into new phases. This is, however, not in line with the suggestions in the business-NGO literature, where Austin and Seitanidi (2012a) argue that partners should continuously develop the relation toward increased interaction and integration leading to blending of institutional logics. Likewise, there is no longer the same need for advocacy NGOs to manifest critique and activism because most companies are already convinced of the sustainable crises of the world. These NGOs are therefore challenged to help companies transform their business models, meaning that collaborative strategies of independence should be reconsidered.

From an intraorganizational perspective the managerial complexity of handling societal and business logics is highly interrelated with companies attempting to follow customer time pace and supply chain time pace together with being active in transforming the market-moving customers and suppliers. The difference between incremental and radical sustainable innovation is therefore very much about the degree to which companies follow customer time pace waiting for customer

movements and the degree to which they play the role as societal actors trying to create movements in the market. This study argues that the management of institutional logics in sustainable innovation indeed is a highly complex process because companies often do both, meaning that they are challenged to balance long-term management in retail markets that generally respond on short-term. Because companies constantly are forced to handle this complexity, it is not always possible for them to follow ambitious NGOs toward radical transformative sustainable innovations. Not that companies are not ambitious, but for them it is all about finding the right balance between long-term societal logic and short-term business logic. An important managerial implication for NGOs is therefore to acknowledge this and to lower their ambitions.

7.4 LIMITATIONS AND FURTHER RESEARCH

The limitations of this study also reveal key avenues for further research. While contributing to the micro foundation of institutional logics by developing multi-dimensional explanations consisting of different pathways of managing institutional logics, there is a need to explore more underlying past, future, and present agency practices due to the methodological limitations of multiple cross-case research. It is my hope that the initial learning and knowledge gained from this study can inspire other researchers and serve as a starting point for considering more agency practices as well as their interplay with contextual conditions in building further theoretical explanation. Future research should also consider integrating research on micro argentic practices with field-level analysis of how logic multiplicity is managed in ecosystems consisting of more corporate and NGO partners possessing different social positions. Though this study has clarified some aspects of the complexity of the concept of sustainable innovation, further research could explore this even more by linking institutional logics theory with innovation research related to the ambidexterity of exploration and exploitation.

Further research should also dig deeper into how sustainable innovation with NGO partners becomes institutionalized across functions and hierarchical levels. One main finding from this study reveals that these collaborative innovation processes are institutionalized at either an individual entrepreneurial level or an organizational level through strategic processes and practices. However, there is a need to explore the underlying agency practices and mechanisms that are able to enhance institutionalization in the intersection of individual actors and functional business groups and at the intersection of individual actors and organizational level. This study particularly argues that there is a need for further research in the interplay between CSR and HRM departments in order to explore how voluntary work coupled to collaborative innovation processes may enhance the level of commitment and institutionalization at all levels. Further, this study reveals that there is a tradition among Northern European/Scandinavian companies to consider philanthropic voluntary work as something that is completely decoupled from the business. The strategy of separating sustainable innovation processes in fund or CSR departments gives further evidence for this basic belief. That philanthropic voluntary work in general is not thriving well in the Scandinavian context became obvious to me when I together with some fellow researchers experienced the rejection of an research application aimed at the industrial fund in Denmark with the specific aim of exploring value creation and increased competitiveness through business driven voluntary work. From the rejection letter it appeared that the reviewers of the fund were simply not able to see the link between business and voluntary work, which to a large extent reflects the deep-rooted traditions for business-oriented stakeholder engagement instead of philanthropic engagement in the Nordic European/Scandinavian social democratic culture.

This means that Northern European/Scandinavian companies indeed are challenged because cultural contextual conditions to a large extent prevent them from using one of the tools that are able to impact the compatibility dimension in managing institutional logics and by that institutionalize these sustainable innovations more broadly. This is in contrast to companies anchored in the Anglo-

Saxon institutional context, where sustainable innovation and business-NGO collaborations are far more founded within cultural and religious traditions of philanthropy and voluntary work. Further research should therefore take different cultural and religious contexts into consideration in cross-cultural comparative studies exploring underlying agency practices that constitutes different managerial strategies in handling logic multiplicity. This avenue of further research draws attention to the ongoing discussion of the Scandinavian vs. Anglo-Saxon school of CSR, to which this study contributes. Since this study is limited to the empirical context of retailers it would be appropriate to follow up with cross-industry research in order to elaborate differences in managing logic multiplicity in sustainable innovation with NGO partners.

Finally, since this study has adopted a business centric perspective, further research should explore how NGO partners manage to handle logic multiplicity in the intraorganizational collaborative interface. Since the inception of this study, the number of business-NGO collaborations has increased (C&E, 2019), which positions NGOs in an even more central role. Together with increasing awareness of the global sustainable crisis on the side of business partners, this means that NGOs no longer need to campaign against companies at the same level as before. This raises new questions for further research of how NGO partners rethink their collaborative strategies and roles related to dependency in order to manage different phases in business innovation process.

These gaps and shortcomings represent key areas that further research should follow up on.

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Appendix A - Co-author declarations for Papers 2 and 3



SCHOOL OF BUSINESS AND SOCIAL SCIENCES
AARHUS UNIVERSITY

Declaration of co-authorship*

Full name of the PhD student: Lise Andersen

This declaration concerns the following article/manuscript:

| | |
|----------|---|
| Title: | Sustainable innovation through business-NGO collaborations: Understanding the role of interpartner institutional logics and governance logics |
| Authors: | Lise Andersen og Annabeth Aagaard |

The article/manuscript is: Published ☐ Accepted ☐ Submitted ☒ In preparation ☐

If published, state full reference:

If accepted or submitted, state journal:

Has the article/manuscript previously been used in other PhD or doctoral dissertations?

No ☒ Yes ☐ If yes, give details:

The PhD student has contributed to the elements of this article/manuscript as follows:

- A. Has essentially done all the work
- B. Major contribution
- C. Equal contribution
- D. Minor contribution
- E. Not relevant

| Element | Extent (A-E) |
|--|--------------|
| 1. Formulation/identification of the scientific problem | B |
| 2. Planning of the experiments/methodology design and development | A |
| 3. Involvement in the experimental work/clinical studies/data collection | A |
| 4. Interpretation of the results | A |
| 5. Writing of the first draft of the manuscript | B |
| 6. Finalization of the manuscript and submission | C |

Signatures of the co-authors

| Date | Name | Signature |
|------------|------------------|-----------|
| 23-06-2020 | Annabeth Aagaard | |
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| | | |

In case of further co-authors please attach appendix

Date: 23-06-2020

Signature of the PhD student

*As per policy the co-author statement will be published with the dissertation.



SCHOOL OF BUSINESS AND SOCIAL SCIENCES
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Declaration of co-authorship*

Full name of the PhD student: Lise Andersen

This declaration concerns the following article/manuscript:

| | |
|----------|---|
| Title: | Identifying the key agency practices in managing commercial and social logics of sustainable innovation with NGO partners |
| Authors: | Lise Andersen og Annabeth Aagaard |

The article/manuscript is: Published ☐ Accepted ☐ Submitted ☒ In preparation ☐

If published, state full reference:

If accepted or submitted, state journal:

Has the article/manuscript previously been used in other PhD or doctoral dissertations?

No ☒ Yes ☐ If yes, give details:

The PhD student has contributed to the elements of this article/manuscript as follows:

- A. Has essentially done all the work
- B. Major contribution
- C. Equal contribution
- D. Minor contribution
- E. Not relevant

| Element | Extent (A-E) |
|--|--------------|
| 1. Formulation/identification of the scientific problem | B |
| 2. Planning of the experiments/methodology design and development | A |
| 3. Involvement in the experimental work/clinical studies/data collection | A |
| 4. Interpretation of the results | A |
| 5. Writing of the first draft of the manuscript | B |
| 6. Finalization of the manuscript and submission | C |

Signatures of the co-authors

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In case of further co-authors please attach appendix

Date: 23-06-2020

Signature of the PhD student

*As per policy the co-author statement will be published with the dissertation.