

Competing corporate sustainability perceptions in a global retail organization

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perceptions

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Abstract

Purpose – The purpose is to explore the different and often contradictory perceptions individual managers have about corporate sustainability within a global retailer.

Design/methodology/approach – A qualitative case study method is used, including interviews and document studies. The authors study the global retailer IKEA. In total the authors have interviewed respondents on both the global level and the country level, within the sustainability organization as well as corporate, sales and communication management. The study includes managers in Sweden, the UK and Germany.

Findings – The research is based on institutional theory, focusing upon cognitive and normative aspects; the authors propose that managers may have a proactive, forceful view on sustainability or a reactive view. These need to coexist. The authors also show how global retailers can balance sustainability goals with other business considerations, as well as about the implications of the sustainability approach for the retailer's business model.

Practical implications – Retail managers need to recognize and integrate the contradictory views on sustainability that managers hold. The authors show how sustainability can be given different impact depending on the context and the strategic issue it is linked to.

Originality/value – Most studies have focused on how sustainability is managed on an organizational level and how different goals can co-exist. The authors' focus is on individual managers and their perceptions of sustainability – what it includes, how they want to manage sustainability issues, and the priority it should be given.

Keywords Corporate sustainability, Global retailer, Institutional perspective, Manager perceptions, Conflicting views

Paper type Research paper

1. Introduction

The importance of corporate social responsibility (CSR) and corporate sustainability (CS) is increasingly highlighted—both for business in general (Pedersen and Gwozdz, 2014; Porter and Kramer, 2006) and for retailers (Ganesan *et al.*, 2009; Ruiz-Real *et al.*, 2018; Wilson, 2015). It is argued to generate competitive advantages (Foerstl *et al.*, 2010; Marin *et al.*, 2017), but at the same time, there are mixed views regarding the impact on performance and consumer preferences as well as the link between attitude and behaviour (Elg and Hultman, 2016; Nilssen *et al.*, 2019; Schleiden and Neiberger, 2020).

It has often been argued that it is important to relate sustainability activities to the firm's industry and core strategy (Ellen *et al.*, 2006; Porter and Kramer, 2006), and to a retailers' business model (Bilińska-Reformat *et al.*, 2019). The role of human resources in the process of



developing and implementing sustainability initiatives is also relevant (DuBois and DuBois, 2012; Frostenson *et al.*, 2012; Fuentes and Fredriksson, 2016; Gupta and Pirsch, 2008). One main theme in this research area is that it is important that employees feel involved and committed to the sustainability strategy (Lee and Ha-Brookshire, 2017) and that the link to other strategic issues be clear and understandable (Fuentes and Fredriksson, 2016). Earlier research has also shown that there may be tensions between different corporate sustainability goals (Hahn *et al.*, 2015) and that managers may differ in their commitment to the various aspects of sustainability (Banerjee, 2001; Yuan *et al.*, 2011). We argue that we need a better understanding of the different perceptions of sustainability that may exist among managers within an organization and of how these perceptions interact.

Retailing is especially complex. Different views may develop on the store level, among managers responsible for different business areas and within top management (Simões and Sebastiani, 2017). Retailers often also have the responsibility for sustainability in the supply chain (Björklund *et al.*, 2016; Glover *et al.*, 2014). For a global retailer, sustainability might also mean different things on different country markets (Elg *et al.*, 2017; Tan and Wang, 2011). The aim of the current paper is therefore to explore the different perceptions managers have about corporate sustainability within a global retailer. We will present the different views expressed by managers, analyse how they are related, and discuss the implications of our findings for how a global retailer may manage corporate sustainability. We will also discuss how different sustainability perceptions may influence the overall business model and strategy. The paper is based on an in-depth case study of the global retailer IKEA.

2. Theoretical background

Corporate responsibility and society has been discussed using a number of partly overlapping concepts, the broadest and most used ones being CSR (e.g. Davis, 1973; Elg and Hultman, 2011) and CS (e.g. Hahn *et al.*, 2015). The concept and ideas behind CSR was introduced almost sixty years ago and has then been further developed (e.g. Bowen, 1953; Caroll, 1979; Dang *et al.*, 2020). The earlier studies had a main focus upon whether companies should consider CSR but through the years it has shifted to investigating how a firm should work with CSR (Bhattacharya and Sen, 2004; Smith, 2003). While CSR originally had a social focus and a normative view based on ethical aspects, CS stems from sustainability research, viewing the firm as a part of a larger system influencing the environment (Bansal and Song, 2017). In the later researches, however, these concepts have come closer and both involve environmental, social and economic aspects (Hart and Dowell, 2011; Montiel, 2008).

This paper is based on the CS construct. CS takes a management perspective upon the firm's role in the broader society, which corresponds to the focus of this study. It also makes a distinction between the areas of environmental, social and economic sustainability; the triple bottom line (Bansal, 2005; Dyllick and Hockerts, 2002; Elkington, 1997; Wilson, 2015). CS is thus based upon the idea that firms need to consider these three areas in an integrated and holistic way (Bansal, 2002). We thus view CS as the firm's voluntary activities in order to support environmental, social and economic sustainability (Reinecke *et al.*, 2012; Scherer *et al.*, 2013). Previous research has identified tensions regarding sustainability areas within an organization. Hahn *et al.* (2015) presented a framework for how firms may integrate the sustainability areas and manage different tensions. Presenting a case study of Marks and Spencer, Wilson (2015) discussed how a retailer overcomes such difficulties and implements CS based upon the triple bottom line idea.

In general, the literature has focused on tensions on the organizational level, sometimes addressing how managers can deal with them (Banerjee, 2001; Husted and Allen, 2006), but not on tensions on the individual level. We argue that, within a large global retailer, there are likely to be tensions between managers that represent different interests and perspectives

within the organization, and that contradictory views on the role of CS might even be held by one and the same manager (Fuentes and Fredriksson, 2016). In line with Crilly *et al.* (2016), we thus assume that sustainability is based on individuals' perceptions of what can be considered proper behaviour.

Previous research, such as Ruiz-Real *et al.* (2018) focused on different aspects of social responsibility related to retailers. This becomes particularly complex when managing a set of stores, product areas and a worldwide supply chain, while at the same time being accountable for social responsibility issues in the eyes of consumers and other stakeholders (Elg and Hultman, 2016; McGoldrick and Freestone, 2008; Perry and Towers, 2009). When we consider larger global retailers, the issue becomes even more challenging (Björklund *et al.*, 2016). Multinationals generally have to deal with a variety of cultural and contextual factors on their different markets (Goodeham *et al.*, 2011; Morris *et al.*, 2014). This is also likely to lead to different perceptions of sustainability among managers within a firm (Lee *et al.*, 2018) as well as among consumers (Tascioglu *et al.*, 2019).

Corporate responsibility can be considered a way of gaining legitimacy (Fuchs and Kalfagianni, 2009) and enhancing corporate reputation (De Vries and Duque, 2018; Park, 2019) by supporting norms and values that are shared in the society (Mantovani *et al.*, 2017). Previous studies have investigated how companies translate institutional pressure into sustainability activities (Husted and Allen, 2006; Pedersen and Gwozdz, 2014; Perego and Kolk, 2012) and discussed the central role retailers play in driving sustainability issues (Glover *et al.*, 2014; Hultman and Elg, 2018). Several studies have applied the three pillars presented by Scott (2013). For example, Kostova (1999) discussed how national contexts can differ and the implications for multinational enterprises. Andersen *et al.* (2009) analysed differences between buyer and supplier perceptions of trust and obligation based on Scott's approach. Here, actors are influenced by institutionalized forces based on: (1) a cognitive/cultural pillar involving basic values and knowledge that characterize a certain culture, (2) a normative pillar that concerns what is right and wrong, and (3) a regulative pillar that concerns laws and regulations and how they are enforced. The last pillar will not be considered here, because CS as defined in this study, refers to voluntary activities and not those required by the legal system, and the actors perception of these voluntary activities.

Further drawing upon Scott (2013), the pillars include logical assumptions regarding why things should be done a certain way and the appropriate consequences of a certain behaviour, as well as an emotional side that influences perceptions. The normative pillar is based on values and norms regarding what constitutes desirable, legitimate behaviour, in accordance with moral standards. Different formal goals and measures can be used to evaluate behaviour. The emotional side includes honour and respect for actions that follow established norms, and feelings of shame, disgrace or being an outsider when failing to live up to them. The cognitive/cultural pillar is based upon a logic that is more or less taken for granted. It is strongly influenced by cultural frameworks rooted in the society or shared by a certain group. The group may be geographically defined, but it can also be employees belonging to a certain organization with a strong culture. Affections belonging to the cognitive pillar can be pleasure and confidence when taken for granted values are confirmed and supported but confusion or frustration when they are contradicted.

Organizations may also have a proactive or reactive approach with regard to sustainability issues. A reactive view means that the company should do mainly what is required, and that sustainability activities should be adapted to existing culture, goals and performance measures (Elg *et al.*, 2017; Jones *et al.*, 2016; Sharma and Vredenburg, 1998). A proactive view on sustainability means that the manager believes the company should strive to drive the development and to take initiatives not necessarily required or expected. For example, Dang *et al.* (2020) argued that retailers should develop CSR programmes that reinforce consumers' concern for sustainability, while Buysse and Verbeke (2003) found that

a proactive strategy calls for a more developed understanding of different actors and their roles, and that multinationals are more inclined to assume a leading sustainability role.

Applying these two dimensions, we identify four types of perceptions with regards to CS, as illustrated in [Figure 1](#). First, within the cognitive/cultural dimension a reactive view may be that sustainability is a matter of living up to taken for granted and culturally rooted expectations about what a firm should do. Confirming to established norms will reduce confusion. Second, a manager may base a personal view on deeply rooted cognitive beliefs about the obligation to consider sustainability and to proactively drive the development. Such proactive behaviour may lead to feelings of frustration within the organization, but personal satisfaction. Third, he/she may feel that sustainability is mainly relevant when it is related to established norms regarding performance and goals in a measurable way. Giving priority to established norms may create a feeling of respect and responsibility. Finally, he/she may express a proactive approach by striving to implement alternative measures and rules concerning sustainability and thus to some extent challenge the focus on profitability and sales. This can lead to a feeling of being questioned for not supporting the retailer's overarching goals. In the empirical part, different manager perceptions will be discussed based on this approach.

3. Research method

Our focus is on managers' underlying assumptions and perceptions regarding sustainability. Such underlying logics and ideas are complex and challenging to uncover, and this makes use of a qualitative approach particularly relevant ([Bettis and Prahalad, 1995](#); [Crilly and Sloan, 2012](#); [Franke and zu Knyphausen-Aufsess, 2014](#)). Furthermore, case study research is suitable for theory development and when studying complex research questions ([Eisenhardt and Graebner, 2007](#)). [Wilson \(2015\)](#) further demonstrated the suitability of a case study method when investigating Marks and Spencer's CS work, while [Yin \(2018\)](#) argued that case studies are suitable for investigating how organizational practices become routinized. This is partly what happens when managers interpret and work with CS.

We decided to conduct a single in-depth embedded case study (c.f. [Yin, 2018](#)) that enabled us to capture the view upon sustainability in different parts of the organization and using different types of data. IKEA was chosen as our empirical case. The retailer stresses

Cultural/ cognitive perceptions	<i>Adapt to taken for granted values culturally rooted in society or firm. Avoid confusion by confirmative behaviour.</i>	<i>Follow personal view and take initiatives beyond culturally rooted values. Non-confirmative behaviour may create frustration.</i>
Normative perceptions	<i>Consider sustainability if it supports established goals and performance. Respect by living up to established expectations</i>	<i>Drive sustainability as independent goal and performance dimension. Questioned for challenging traditional measurements.</i>
	Reactive view	Proactive view

Figure 1.
A theoretical approach to analysing managers' sustainability perceptions

sustainability as a key part of its overall corporate strategy and has invested substantial resources in sustainability over the years. At the same time, IKEA is grounded on a global approach, meaning that the image and perceptions of the brand should be similar worldwide, though allowing room for local variation. The fact that sustainability is regarded as an integrated part of the global strategy also means that all managers are expected to be aware of the role of sustainability within the organization and to relate to it in one way or another. IKEA's view upon sustainability embraces all areas of the CS approach. The firm stresses the responsibility for healthy and sustainable living, waste handling, becoming climate positive, treating people in a fair and equal way and responsible sourcing (IKEA, 2020a).

The study was approved and encouraged by the chief sustainability officer at corporate IKEA, and later on information about IKEA presented in this article was read and approved. Our empirical investigation of IKEA was conducted between October 2016 and November 2019. It is based upon interviews, observations and various internal documents. In total we interviewed 28 respondents on both the corporate level and the country level, including respondents from Germany, Sweden and the UK. Out of the 28 respondents, 14 were on a corporate/global level and 14 were working within a country organization. At the same time, 13 respondents were specifically responsible for the sustainability area while 15 had more general responsibilities such as sales, marketing or communication, related to sustainability aspects. The interviews were transcribed prior to analysis and shared within the research team. They lasted between 30 and 90 min and were semi-structured, in the sense that they followed an interview guide with a set given of themes. The interviews covered a broad set of questions, probing for the respondents' perceptions of IKEA's sustainability strategy, its scope and role, the meaning of sustainability and how sustainability was used and implemented in the daily routines. The case study approach should, however, be based on different types of data in order to provide a more holistic view and allow triangulation. In addition to interviews, we therefore carried out observations and used internal documents for additional insights and understanding that could be used as a basis for the interviews. The latter included presentations of the CS strategies, documents communicating CS views to different parts of the organization as well as more general strategic documents.

We used NVIVO12 for coding the empirical material; it also supported our analysis and made this work more transparent (Sinkovics *et al.*, 2008). We thus followed a systematic and well-specified coding process. First, all quotes in which respondents accounted for their opinions, beliefs and actions regarding sustainability were identified. They were coded based on whether they referred to cognitive aspects (i.e. emotions, beliefs, knowledge, world view, etc.) or normative ones (roles, responsibilities, rules, facts, performance, etc.). Second, the quotes were coded based on whether they stressed proactive or reactive views. Some quotes could not be classified as proactive or reactive and were not coded further. Statements were coded as proactive when respondents expressed that the organization should be a driving force, educate different stakeholders, or change existing structures and strategies in favour of sustainability. Opinions implying that sustainability should be adapted to existing business and organizational practices as well as customer preferences, and that it needs to promote business performance, etc., were coded as reactive. This procedure for working with interviewee accounts has been used in previous research based on institutional theory (Suddaby and Greenwood, 2005). In total, 760 accounts from the interviews were coded using the cognitive/normative and the proactive/reactive dimensions. NVIVO has enabled us to conduct an analysis of an extensive body of material in a systematic and transparent manner.

4. The sustainability perceptions of IKEA managers

IKEA has a long tradition of working with sustainability. The retailer is to a large extent driven by a corporate brand supported by a set of strong values (Tarnovskaya and

de Chernatony, 2011). These values have also clearly guided the firm’s sustainability work. For example, Elg and Hultman (2011) referred to IKEA as a best practice case when discussing CSR in retailing, highlighting relationships to suppliers, early use of auditing, educating suppliers, publishing sustainability reports, etc. IKEA explains their view as:

... ensuring environmental, economic and social well-being for today and tomorrow. It means meeting the needs of people and society, without compromising the ability of future generations to meet their needs – acting in the long-term interests of the many people and not just the few. It is about living within the limits of the planet and protecting the environment. It means promoting a strong, healthy, inclusive and just society where people can prosper and fulfil their potential. (IKEA, 2020b)

This corresponds well with the basis of the CS approach. At the same time, IKEA is a decentralized organization. It means that, for example, managers in IKEA of Sweden that are responsible for the different product areas, such as kitchen, have a large degree of freedom when it comes to sustainability. The same goes for the retail organization:

The things we provide retail with, the sales countries, it is more like a smorgasbord. Then it is up to them to choose things they find suitable based upon their own business strategy and what is relevant for their customers. . . . There is very little that we can control. (corporate/sustainability)

We will next discuss how CS is reflected in the statements and views of our different respondents. The section focuses on six themes that involve perceptions of corporate sustainability. These themes were a result of our coding and analyses of the empirical material. The discussion will bring up perceptions that reveal different ideas about what sustainability is and what it should be, as well as assumptions concerning how sustainability should be related to other critical issues and priorities. For each quote we indicate whether the respondent was on a corporate or a country level, and whether he/she worked specifically with sustainability or had more general responsibilities.

Figure 2 illustrates the discussion that follows. It shows how the six dimensions involve normative as well as cognitive taken-for-granted assumptions about CS, and that they include both reactive and proactive views on how IKEA should relate to CS.

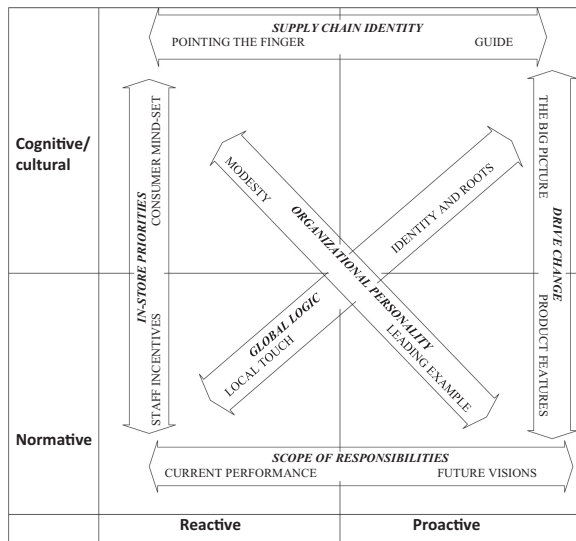


Figure 2.
The various perceptions shaping corporate sustainability at IKEA

4.1 Supply chain identity

This dimension concerns how the retailer is expected to be perceived by other actors in the supply chain. On the one hand, managers expressed the desire to proactively lead sustainability development within the industry. This includes educating other actors – suppliers as well as consumers – and being perceived as an inspiration and a leading example within the sustainability area. It represents a perception of IKEA as an enabler and a guide for others. IKEA managers often stressed their role in educating various stakeholders as well as in enabling them to become more sustainable and to realize how this can greatly benefit them. This perspective was particularly noticeable when discussing actors in the supply chain – customers and suppliers as well as co-workers. For example, this could involve helping customers to become more energy efficient;

... for example forests, how we moved that this year was like okay, we want to show that we're taking care of this, being 100% energy sufficient, so we also tell people if you want to become more sustainable we can partner you with someone who will help you only use sustainable electricity. So, it sparked up a story, when we collaborate with customers around this. ... there's a strong statement we repeat again and again and again. (country/general)

Many managers thus regarded the company as a guide towards increased sustainability. These managers also argued for the importance of transparency in increasing credibility and providing good examples for other stakeholders.

On the other hand, there was the view that the retailer may be regarded as assuming the role of Big Brother, someone who meddles in other parties' affairs. Thus, the role of enabler may not be in line with market expectations. For consumers, this might mean feeling guilty for not wanting to consider the sustainability aspects stressed by IKEA, or feeling that the retailer is pointing a finger at them. For suppliers, managers felt there was a risk of IKEA being perceived as interfering with their business model and reducing their strategic freedom. Pushing the sustainability issue too hard in the supply chain may create conflicts with suppliers and lead to weaker long-term relationships.

4.2 How to drive change

The quote above also relates to the view that sustainability is a matter of promoting the whole picture of IKEA's leading role in the area. The dimension of how to drive change is purely proactive and concerns *how* to drive sustainability. Here, a more cognitive long-term vision is contrasted with a more normative, pragmatic view on how to support sustainability.

One view often expressed was based on a holistic perspective; this was often stressed when discussing global strategies and how sustainability could be related to the corporate brand. It included the vision that IKEA should be positioned as leading the world in sustainability;

in the past we've been very range and product led and now with this movement we're trying to be more holistic. So, in the planning process, we're building in aspects related to, you know, who we are as a company plus sustainability aspects that are related to range but may also not be related to range. (corporate/sustainability)

Here, one main idea was that IKEA should stand for something as a company that contributes to society; IKEA should increase trust among stakeholders and make employees more committed.

In contrast, many managers expressed the opinion that driving sustainability requires concrete, practical examples clearly related to functional aspects and specific products. According to this perception, it is a matter of how well the retailer manages to explain the roles of different products and services and then bring that across to employees as well as customers:

So if it's about natural material you'll get, literally, a beautiful picture of a section of bamboo. And then the message is on the back. If it's about solar, then it will be something that suggests sunshine that you relate to. If it's about water saving, it needs to be an image of beautiful water, yeah? And then you connect. (country/general)

This statement represents a much more pragmatic view, arguing that sustainability is in the details and that sustainability messages often tend to be a bit "fluffy," not down to Earth enough. Several respondents also argued that making consumers and suppliers more sustainability oriented requires that it entails other benefits for them as well. Thus, it cannot be a purely ideological matter.

4.3 Scope of the responsibilities

This dimension concerns contrasting normative views on what a retailer should focus on, what the main responsibilities should be and how to measure and evaluate various aspects of sustainability. To some extent, the differing views can be related to different actors. Some managers would argue that sustainability is matter of establishing long-term goals and visions, based on broader concerns rather than business aspects. This was also the view that was expected to please non-business actors such as NGOs, the media and political actors. From this perspective, it was also argued that the sustainability issue should be driven by fact-based arguments regarding, for example, climate impact, how the retailer could support better working conditions at supplier sites through a variety of activities, the importance of measuring sustainability dimensions and of making them public, etc.

At the same time, some respondents supported a more reactive and defensive approach. One argument was that customers as well as suppliers and employees can be expected to be pragmatic. Their first question would be "what's in it for me" rather than asking for statistics on climate change. Therefore, the sustainability agenda should primarily be related to personal or business benefits. The importance of making sustainability a business case was stressed. This was described by one manager when discussing how to sell sustainability to other parts of the organization:

... they need to understand the benefits of it for the business. And then you need to articulate that in ways that they understand. Otherwise it's kind of too vague. So it's this constant translation of value. (country/sustainability)

Along the same line, sustainability was discussed in relation to the retailer's strategic plans and different performance measures and whether it actually promotes business. This reactive perception also stressed a much shorter time perspective and the fact that some managers and stakeholders have a shorter time frame and focus on direct effects – in contrast to the proactive view, which stresses a much longer perspective regarding the retailer's responsibilities.

4.4 In-store priorities

When discussing sustainability in the store, a number of reactive perceptions came up, stressing the need to adapt the store environment to consumer expectations and business considerations. This dimension concerns the relationship between normative and cognitive views on the store, both based on the assumption that it is a matter of adapting to expectations. From a normative point of view, managers described a number of initiatives aimed at increasing store employees' understanding of sustainability aspects, providing them with facts and information to be passed on to customers, and showing them how sustainability can fit in with other issues of concern to customers.

For example, water and energy saving may be of interest to customers regardless of the sustainability aspect. This was a way for managers to show that it is a central matter. At the

same time, daily realities and the dominant business logic seemed to get in the way of sustainability concerns:

Sometimes we have a product that's important from a sustainability perspective, but if you look at the sales of that product its way down on the list. And then how do you see to it that the product gets a good position in the store when it does not drive sales? That's a bit tricky. (country/general)

Furthermore, many managers felt that the consumer's cognitive mind-set when visiting the store was far from being focused on sustainability concerns. Here, the argument was often that sustainability is not top of mind for consumers. The store may thus not be the right place for sustainability communication, although IKEA does offer a considerable amount of promotional material for stores concerning this issue. This was also thought to make it difficult for store employees to communicate sustainability messages.

If you walk through a store you can potentially see 44,000 messages, but usually you come because you want something fun to do with your family or because you want to buy something. So, you're not really receptive. (corporate/general)

Furthermore, some respondents argued that it is not only a matter of how receptive the customer is. The concern was even raised that bringing up sustainability might make customers feel uncomfortable, and that this may undermine the positive experience of visiting an IKEA store.

4.5 Relation to the global business logic

IKEA's identity as a global retailer has already been discussed. From a cognitive point of view, it was often stressed that sustainability has been part of the IKEA culture for many years and in many ways, even though this has not been expressed explicitly. For example, not wasting resources and cost consciousness were said to be part of IKEA's DNA and deeply rooted in the perceptions of employees on different levels. Managers also described the many initiatives and strategies aimed at creating a global image and organizational culture. This also included sustainability aspects and promoting IKEA's image as a company that is doing good and that employees can be proud of.

At the same time, respondents often stressed that local markets had their own responsibilities to make priorities and decide, for example, how to communicate. This also implies that the logic prevailing on different markets may be different and that the sustainability issue may be adapted in different ways and given different meanings. Sustainability concerns may also be given lower priority by managers on certain markets. This may make it difficult to maintain IKEA's identity as a globally responsible retailer, because this identity may not be completely accurate on all markets. One example put forward was the plastic straw issue raised in the UK. Here, IKEA was accused of not taking responsibility for plastic straws harming the environment as well as animals. After taking actions against plastic straws in the UK, it was still difficult for the retailer to communicate this in a trustworthy way:

Because again, this plastic issue is just an example where it's really important that we act here you know. We have e-mail and letters from children and customers and co-workers everyday, everyday about straws! So it's not a nice thing to do, it's absolutely critical. And then other countries and central teams that sit very removed from it do not have the same sense of urgency. Or they are more risk averse, so it's more about a risk-based approach. You know it's more like oh we have to, we cannot say anything because that's maybe important to you but what about all the other countries? (country/sustainability)

Consequently, some managers also questioned whether it was realistic for IKEA to push a global identity, or whether a more localized, reactive view on sustainability was called for.

4.6 Organizational personality

This dimension highlights the balance between the deeply rooted perception that IKEA stands for modesty and never uses big words to brag, and the view that the firm should really show that it is doing a great deal in the area of sustainability, using facts and figures that ought to be more well known.

On the whole, the managers felt that IKEA was a responsible company that does many good things in different parts of the world. Furthermore, they viewed IKEA as a leader in sustainability development in many areas, setting examples for other retailers as well as suppliers to follow. One example given was the work with IWAY and the firm's role in driving sustainability in the supply chain. IKEA was also described as active in many areas;

We do a lot of things that make people very proud. So though you do not have to know the details of our chemical strategy – the big changes we make, investments in wind power, and FSC certification of forests, cotton from more sustainable sources. People are proud of that and think we do good things. I think it's important to get that through and that the co-workers feel this is a company with good values that really does a lot about this issue. (corporate/sustainability)

Several respondents were frustrated and felt that IKEA should better communicate the positive efforts made to support sustainability. The desire to spread the word about IKEA's position in driving sustainability and taking a number of good initiatives has clashed to some extent with the firm's culture, which promotes being modest and not bragging. This is another factor, deeply rooted in the IKEA culture, that goes as far back as to the founder himself, Ingvar Kamprad. It can even be said to be a part of the local culture in the area in Sweden where IKEA has its roots.

This dimension also relates to the balance between a desire to be transparent and trustworthy and a fear to be questioned, the risk of exposure and the problems that it may entail. Transparency was regarded as problematic because it is almost impossible to predict the sustainability-related issues that may emerge in different parts of the large global organization. Being transparent was thus regarded by some respondents as a major source of uncertainty and as involving the risk that IKEA would be scrutinized by social actors, such as the media, and that it would always be possible to identify a problem somewhere.

5. The managers' overall view on sustainability

Although this is a qualitative study, we also found it interesting to use the coded accounts to gain a broader view of what role the managers feel IKEA should have in relation to sustainability. We therefore analysed how the 760 coded accounts were distributed across the two theoretical dimensions. The distribution of the accounts is illustrated in [Table 1](#).

First, we find that, overall, the included managers placed stronger emphasis on being proactive and driving the development in different ways. This underlines the view often expressed – that IKEA should be a leading actor in the area of sustainability. Second, it is evident that, among these managers, a proactive view was primarily supported using cognitive arguments and accounts. On the other hand, the normative accounts expressed placed more emphasis on a reactive view. This is a limited study, and the results are not generalizable as such. Nevertheless, they illustrate two forces that appear to be significant in

Table 1.
Distribution of the
coded accounts

	Proactive	Reactive
Cognitive	243	136
Normative	178	203
	421	339

relation to sustainability. On the one hand, there is an *emotional motivation* among managers to be responsible for our future and the environment. On the other hand, the study provides a number of examples illustrating a *logical inertia* linked to existing structures and norms regarding how to do business. Here, limitations regarding what can be done in the area of sustainability tend to come to the fore.

6. Conclusions and implications

Overall, we identify three levels of sustainability adoption for a global retailer, leading to different degrees of change. The three alternatives also illustrate the path from a purely reactive approach to a proactive one. They are illustrated by [Figure 3](#).

The least demanding level of adoption is to *integrate sustainability aspects into the existing business model*, without making any significant changes. This reactive approach, means that aspects of sustainability are only recognized if they are in harmony with and can support the existing strategy. It also means that one basic requirement will be to show that sustainability supports the firm's performance and competitive position. Several accounts offered by the respondents illustrate the view that it is necessary to integrate and manage sustainability so that it does not undermine the existing business model and strategy.

A second step would be to *develop the business model further* so that it considers salient sustainability issues. This means a combination of proactive and reactive views concerning both the normative and the cognitive dimension. One method would be to establish links between sustainability and previously established views so that they become part of a sustainability approach, for example by translating the cost consciousness that has always been part of IKEA into saving resources. This alternative means that sustainability ideas will modify certain parts of the existing business logic. Third, a retailer may choose to *revise the business as a whole based on sustainability aspects*. This would build on a proactive normative as well as cognitive sustainability perception and on challenging previously prevailing assumptions. It may also lead to major changes in the existing business logic and can be seen as the last stage in a development towards increased adoption of sustainability-promoting measures over time.

This research develops an approach for uncovering different perceptions among managers concerning sustainability. It also increases our understanding of the multiplicity of perceptions that create tensions and conflicts if they are not adequately addressed and recognized. Other researchers have already stressed that the differences between environmental, social and economic sustainability in a firm may lead to conflicting goals on the organizational level ([Hahn et al., 2015](#)). It has also been found that the support from managers and the interactions with the staff will have a major impact on how sustainability is

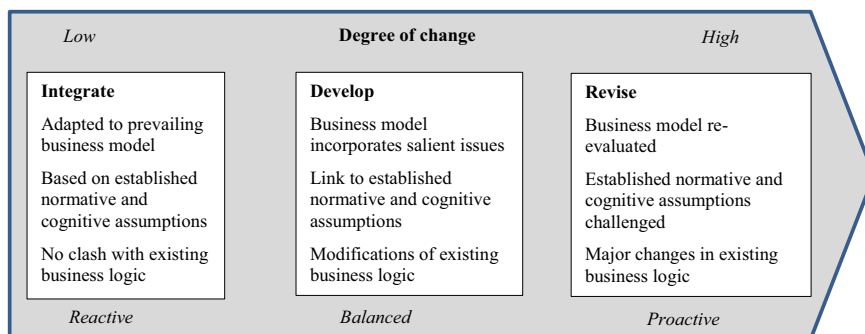


Figure 3. Degree of impact of sustainability perceptions on the business model

perceived in relation to organizational identity (Fuentes and Fredriksson, 2016; Lee and Ha-Brookshire, 2017). We extend this view to the individual level and adapt it to the specific characteristics of a global retailer and show how identity and sustainability is linked through the cognitive and normative dimensions. In doing so, we also contribute to the field of study by integrating findings from other research areas into retail management.

Earlier research showed how a global supply chain involving many actors will make sustainability more complex and demanding for retailers (Björklund *et al.*, 2016). One important insight from this paper is that interdependencies between the different consumer markets in which a global retailer operates can also make it difficult to make general sustainability claims in a credible way and to link these claims to a global brand. This becomes especially evident when the organizational structure is complex and decision-making is decentralized, which is the case for sustainability within IKEA. At the same time, we have identified six dimensions that can be used in order to identify and sort out the existing sustainability perceptions within a retail organization. This may facilitate understanding and managing the complexity of sustainability in retailing showed in earlier studies (Elg and Hultman, 2016; Perry and Towers, 2009; Simões and Sebastiani, 2017).

Another key question is whether sustainability should become an integrated part of the already established strategy and business model, as often suggested in the literature (Bilińska-Reformat *et al.*, 2019; Porter and Kramer, 2006), or whether it should lead to a different business logic. While it may be effective to relate sustainability to the existing strategy, there is also a possibility that managers will only find it relevant when there is an evident link to performance measures regarding, for example, sales. This became especially clear when managers discussed the conditions in the store, and it may promote a more reactive approach. This study contributes by suggesting different ways of combining the business model with sustainability – from a more reactive approach where sustainability is adapted to the existing business logic, to a proactive approach that allows sustainability concerns to re-evaluate and change the business model.

Furthermore, the study suggests the two contradictory concepts of emotional motivation versus logical inertia. It illustrates that the interaction between those two sides can reinforce sustainability awareness, but also leads to tensions. One example is the in-store priorities. Here, overall messages and guidelines within the organization highlight the importance of sustainability. At the same time, store managers experience that they are evaluated more upon other aspects such as sales. This can easily lead to feelings of confusion and frustration that will reduce sustainability initiatives. The same can be observed on the consumer side; on the one hand the stores are expected to communicate sustainability messages, but on the other hand managers feel that consumers visit the store to have a good time shopping and that sustainability messages may not contribute. We take organizational personality as another example. The view of the retailer as being modest is strongly rooted in the cultural values and logic. On the other hand, some managers feel very proud of IKEA's sustainability work and believe that the company deserves to be appreciated and recognized.

These contrasting views illustrate the tensions between the different sustainability perceptions. This cannot be simplified as a conflict between the corporate perspectives and managers on other levels, or between the three areas of CS (c.f. Hahn *et al.*, 2015; Wilson, 2015). In fact, respondents, on all levels often stressed both an emotional motivation, but at the same time logical aspects working against that motivation. This insight is also supported by Fuentes and Fredriksson (2016) who argued that a certain manager may hold contradictory views. To a large extent, the tensions due to these competing views were not resolved by IKEA, but allowed to coexist due to a high degree of decentralization and trust in local managers. Furthermore, we argue that these two contrasting views co-exist also on other levels of society, without being resolved.

It should be noted that our conclusions are based on a case study of a single retailer, and thus we cannot say whether the presented perceptions and tensions are general in nature. It is quite possible that institutionalized views in the Swedish home market context may have an influence. It is also possible that they are related to the furnishing business and that other perceptions prevail within, for example, the food or fashion sector. Therefore, it is important to continue this research by looking at a broader sample of firms. One question is whether the six identified dimensions are the same across different retailers. It is also relevant to investigate further how other retailers handle the cognitive versus the normative side of sustainability, as less decentralised retailers may show other patterns and may be more inclined to manage conflicting views. Nevertheless, our findings imply that individual managers' of sustainability might play a more important role in the process of developing and implementing sustainability initiatives than has been shown in previous research.

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