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**Stakeholder perceptions on shareholder value creation in sustainable businesses: implications for the paradox between sustainable business practices and shareholder value creation**

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## Abstract

This study aims to understand how stakeholders perceive shareholder value creation within sustainable businesses and researches to what extent the stakeholders perceive shareholder value creation as contingent on the business' ability to integrate sustainability. Drawing on capitalism, paradox theory, institutional theory, and stakeholder salience, the study introduces inherent tensions between sustainable business practices and shareholder value creation and aims to find how stakeholders position themselves within these trade-offs. The theory also suggests why stakeholder perceptions might be relevant for the navigation of such a paradox. Nine semi-structured interviews were conducted with stakeholders from seven different top 15% overall scoring B-corporations, from where the data was analysed by combining both deductive and inductive approaches and resulted in 71 micro-themes that clustered into six overarching domains. The stakeholders recognized the inherent trade-offs between shareholder value creation and sustainable business practices, providing insights on their perceptions on the relationship between monetary profit and sustainability. Stakeholders emphasized acceptance and fairness in shareholder value creation as moderate salary, but had negative perceptions on an emphasize on shareholder value creation. This was due to the fact that this emphasize on shareholder value creation can undermine the company's mission, which stakeholders demanded to be transparent and authentic. This had consequences on the stakeholder's perception on investor relationships and additional management of these inherent tensions. The research concludes that sustainable companies should accept the trade-offs between sustainable business practices and shareholder value creation, adopt to mission-central governance, and align the investors to the company mission if the company aims to take stakeholder perceptions into account when navigating these inherent tensions.

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# Introduction

As global capitalism structurally gives shape to our contemporary global economic system and as the creation of shareholder value appears to be a dominant corporate ideology, profit accumulation is a big driver across diverse industries and organizations. The traditional belief that corporations exist primarily to benefit shareholders by maximizing share price is criticized by Stout (2012). Stout (2012) argues that this approach ignores the various values held by shareholders and the larger obligations some shareholders might aim to cohere to. Despite criticism on this measurement of corporate performance and Stout (2012)'s disbelieves on the fiction of single shareholder value, monetary profit remains central to capitalist business strategies. However, there is an agreement that profit is not the only corporate objective, and companies are increasingly incorporating sustainability as a crucial business practice.

As sustainability has become a crucial concern in global discourse, the unsustainable behaviours and practices related to global capitalism have raised critical questions regarding whether the pursuit of sustainability objectives within a corporation can coexist harmoniously with the traditional pursuit of monetary gains or even shareholder value creation. Actors navigating these contradictions deal with what is described as the paradox theory. According to Smith and Lewis (2011), tensions are inherent in complex systems, such as businesses with multiple, sometimes incompatible objectives. The researcher implies that the paradox of simultaneously pursuing sustainable business practices and creating shareholder value is central to contemporary business challenges. This paradox can take shape into trade-offs for entrepreneurs that aim to create shareholder value and practice sustainable business practices in symbiosis. An example of a trade-off could be the decision between directing monetary gain to the shareholder or directing monetary gain to amplifying sustainable impact. An observation and two propositions emerge from this paradox.

**Observation:** Objectives of entrepreneur between shareholder value creation and sustainable business practices cannot- or are difficult to be in symbiosis.

**Proposition 1:** Sustainable business practices can only be maximized when all monetary value is put into these sustainable business practices, rather than paid out to shareholders as their monetary gain. Similarly, monetary gain for a shareholder can only be maximized when all monetary value is paid out to shareholders, rather than put into sustainable business practices.

**Proposition 2:** Stakeholders may view shareholder value creation as contingent on the business' ability to integrate sustainability.

Although shareholder value creation could also be seen as pursuing sustainable practices as argued by Stout (2012)'s perspective on no such thing as single shareholder value. For this research, we use Menyah (2013)'s concept of shareholder value creation, which emphasizes how management strategically uses shareholder equity to generate financial returns and increase the wealth of those shareholders. By this, the researcher does not imply that any actor creating shareholder value has particular business strategies that maximizes shareholder value creation in any way or is mainly focusing on increasing wealth for a shareholder but rather acknowledges that part of the monetary profit, or generated value, will go to the shareholder(s) and thus creates value for its shareholders. The amount of shareholder value creation is not relevant and out of scope for this research.

In relation to proposition 2, literature emphasizes the implications stakeholder perceptions might have on navigating this paradox between sustainable business practices and shareholder value creation for businesses. For example, DiMaggio and Powell (1983) argue that organizations are influenced by institutional pressures as they compete "not just for resources and customers, but for political power and institutional legitimacy, for social as well as economic fitness" (DiMaggio and Powell, 1983, p. 150). Consequently, stakeholder perceptions regarding the legitimacy of business practices are critical, especially for firms attempting to balance sustainable business practices with shareholder value creation and do not want to be perceived as a 'greenwashing firm'. The literature review will further elaborate on the effects stakeholder perceptions can have on this business legitimacy and the navigation of such paradoxes. The literature review not only expands on the theories mentioned above but also introduces additional theories relevant to this study.

Furthermore, this thesis aims to research stakeholder perceptions on shareholder value creation in sustainable businesses, specifically, those companies within the top 15% of B Corporations based on overall-impact scores (>110.6). The researcher acknowledges that the B Lab has published new B Corp standards and is moving away from the overall-impact scores which are not intended to measure as 'better', or 'sustainable' or 'not sustainable'. However, as it is out of the scope for this research to determine if a business "meets the needs of the present without compromising the ability of future generations to meet their own needs" (WCED, 1987), or if the business fits within Raworth (n.d.)'s doughnut framework, the decision to identify a company as a 'sustainable business' by analysing the top 15% of B Corporations based on overall-impact scores was made. This was especially possible because the new standards were only announced and not incorporated yet during the time of this research.

Finally, this thesis aims to research stakeholder perceptions on shareholder value creation within sustainable companies and to what extent stakeholders perceive shareholder value creation as contingent on a business's ability to integrate sustainability. Understanding these stakeholder perceptions may provide implications for companies that have to navigate trade-offs that come with the paradox between sustainable business practices and shareholder value creation and may support the consumption and practice of sustainability more effectively within a global capitalistic economic system. It is important to emphasize that this study focuses on stakeholder perceptions, not on how businesses actively manage the aforementioned paradox. Whether or not these perceptions help in paradox management is a potential implication but not the main research objective. These stakeholder perceptions are collected by conducting qualitative interviews with stakeholders of 'sustainable businesses' within a social constructivist approach. Results from these interviews are presented in the thesis, discussed elaborately after having transparently analysed the data and is eventually concluded in the main findings related to this research topic. The main research questions guiding this study are:

**RQ1:** What are stakeholder perceptions on shareholder value creation within sustainable companies?

**RQ2:** To what extent do stakeholders perceive shareholder value creation as contingent on a business's ability to integrate sustainability?

# Literature review

## Global capitalism and shareholder value creation

Capitalism is often referred to as our contemporary global economic system and often being tied to unsustainable behaviour from several actors, such as companies and customers. The world has globalized rapidly over the past few decades, and it seems like capitalism has (nearly) reached global influence. Dunn (2014) highlights the complex entanglement of economics and politics, asserting that states actively influence and encourage capitalist accumulation within their borders. There may be several reasons why a shift away from capitalism may be the global optimum when it comes to sustainability, but the reality is that all actors, states or firms, have their own agency when it comes to creating value within our global economic system. Dunn (2014) emphasizes that different interests, businesses, and industries compete within capitalism for different forms of capital and, drawing on Marx, elaborates that “capital ‘wends its way’ to wherever profits are highest, this is seldom a smooth process” (Dunn, 2014, P. 8).

Within this capitalist framework, a dominant ideal that emerges is shareholder value creation or even shareholder value maximization, referring back to actors having their own agency when it comes to creating value. Stout (2012) explains that shareholder primacy theory presumed that corporations primarily served shareholder interests, often through maximizing share price and shareholder value. However, Stout (2012) also mentions that there is no such thing as single shareholder value by emphasizing on the variety of shareholder values and interests, challenging the notion of a collective shareholder interest. This means that some shareholders may prioritize long-term commitments, whereas some shareholders may prioritize short-term profit and thus could measure corporate performance differently. Despite this criticism, Stout (2012) notes that certain advocates might continue to argue that share price should be the main indicator of corporate performance because more subjective measures could make managers unaccountable. And although Stout criticizes this advocacy by pointing out two flaws, share price, or monetary value in general, is often used as competitive measure within the current capitalistic framework. This is reasonable as earning monetary profits are necessary for a firm’s survival. Especially within our contemporary global economic system. Even though this is respected, Stout (2012) introduces the concept of replacing corporate maximizing with corporate “satisficing” -a word derived from ‘satisy’ and ‘suffice’-, as for both organisms and institutions, optimization, or maximizing, is rarely the optimum course of action. This emphasizes the value of corporations pursuing several objectives decently well, instead of maximizing one corporate objective.

In addition, Hinton (2022) criticizes the limitations to monetary profit as she notes that contemporary capitalist economies often derive profits from exploitative practices, asserting that "there are only so many ways of generating profit and that strategies derive profit from a limited number of sources, including the exploitation of various stakeholders. In seeking financial gain, profit-driven actors tend to gravitate to exploitative practices in order to cut costs and increase revenue as much as possible" (Hinton, 2022, p.17). Similarly, Hinton (2022) argues for the fact that money ought to be viewed as a tool rather than a goal and that we should consider what kind of value profit generates, for whom, and from what sources. This implication that stakeholders can be exploited when a corporation seeks financial gain, or shareholder value, is partly why this research on stakeholder perceptions on shareholder value creation in sustainable businesses is so interesting and might help corporations navigate this paradox of two contradicting corporate objectives.

**Paradox theory and trade-offs**

Organizations navigating the tensions between sustainable business practices and shareholder value creation most likely will encounter situations in which this complex system is inherently tense and according to Smith and Lewis (2011), in order to be sustainable, organizations must attend to competing demands that are both contradictory and interconnected. As sustainable business practices and shareholder value creation can be contradictory yet interrelated elements that are both demanding for organizations, it can create a paradox for them. And these are especially noticeable in contexts where organizations attempt to balance economic, environmental, and social objectives simultaneously.

Building on this, Hahn et al. (2014), drawing on Beech et al. (2004), suggest that when paradoxical tensions are ongoing and irresolvable, organizations may adopt acceptance strategies that involve stakeholder dialogue to create a better understanding of these tensions and generate innovative solutions. As organizations continuously navigate these interrelated yet conflicting objectives, it is emphasized that these tensions represent persistent contexts that require continuous paradox management, rather than representing problems that can be solved definitively. That means that organizations will continuously face paradoxes in the practical form of trade-offs, such as directing financial returns to shareholders or directing these to sustainable business practices. This consistent paradox necessitates a strategic paradox management approach, and understanding stakeholder perceptions on shareholder value creation in sustainable businesses might be an important implication for navigating these paradoxes more effectively. Navigating these paradoxes more effectively is crucial for consuming and practicing sustainability more effectively within a global capitalistic economic system. One of the reasons why stakeholder perceptions can be such an important implication for this navigation is elaborated in institutional theory and business legitimacy.

**Institutional theory and business legitimacy**

Smith and Lewis (2011) argue that managing paradoxes entails ongoing efforts to meet competing demands, and as stakeholders have their demands, organizations perhaps depend on this external validation. Besides, it is emphasized by DiMaggio and Powell (1983) that when organizational objectives are unclear or disputed (perhaps in tension), organizations are most likely highly dependent on legitimacy sought through appearances. This implies that organizational legitimacy, or legitimacy, defined by Suchman (1995, p. 574) as "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate" is an important resource to understand external validation and can represent demands that organizations aim to conform to when navigating the paradox between shareholder value creation and sustainable business practices. This is supported by Greenwood and Hinings (1996), arguing that organizations adopt commonly accepted structures to gain legitimacy and increase their chances of survival.

Stakeholder perceptions are part of the construction of business legitimacy because they actively interpret and evaluate the positioning of organizational actions with prevailing institutional norms. If stakeholders perceive shareholder value creation in symbiosis with sustainable business practices, they may perceive greater business legitimacy, allowing the organization to better manage these paradoxical tensions. This means that stakeholder perceptions not only influence business legitimacy but could be looked at as a central mechanism through which business legitimacy is evaluated and sustained.

This approves the notion that stakeholder perceptions influence business legitimacy and thus the navigation of the paradox between shareholder value creation and sustainable business practices and that understanding these perceptions can provide implications for navigating this paradox. This leads to the proposition that stakeholder perceptions influence business legitimacy and thus the navigation of the paradox between shareholder value creation and sustainable business practices

**Proposition 3:** Stakeholder perceptions influence business legitimacy and thus the navigation of the paradox between shareholder value creation and sustainable business practices.

Figure 1 visualizes how stakeholder perceptions influence business legitimacy and thus the navigation of the paradox between shareholder value creation and sustainable business practices, supporting proposition 3.

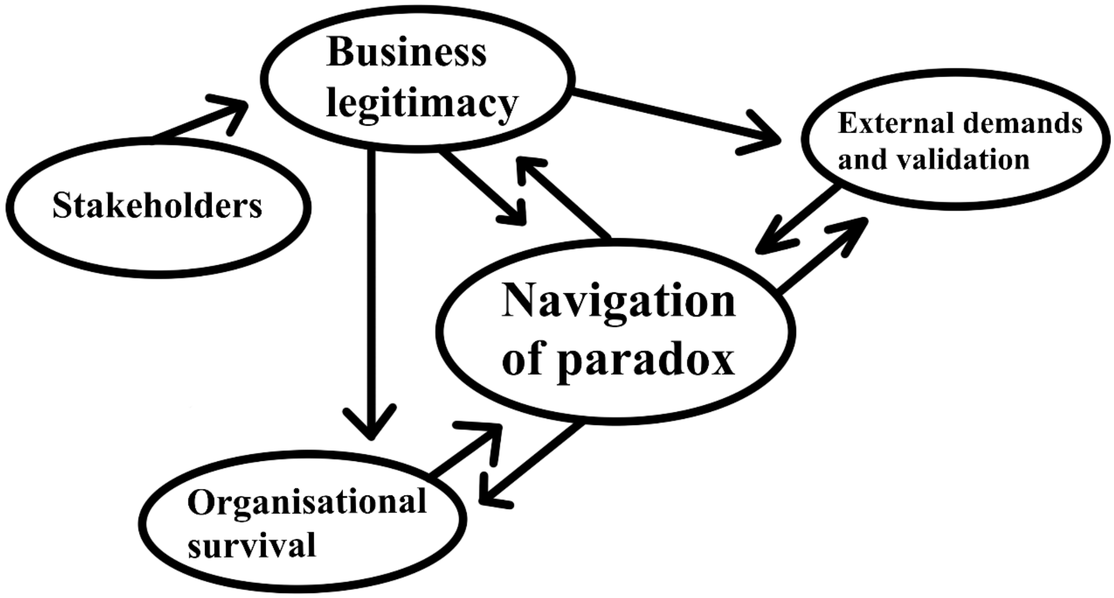


Figure 1

Visualization of stakeholder perceptions influencing business legitimacy and thus the navigation of the paradox between shareholder value creation and sustainable business practices.

Own illustration.

***Predictability of paradox management (institutional theory)***

Institutional theory provides a strong framework for comprehending how organizations conform to societal norms. For example, DiMaggio and Powell (1983) articulate institutional isomorphism as the process by which organizations grow more similar, regardless of becoming more efficient. Di Maggio and Powell (1983, p. 147) argue that "highly structured organizational fields provide a context in which individual efforts to deal rationally with uncertainty and constraint often lead, in the aggregate, to homogeneity in structure, culture, and output". A mechanism through which institutional isomorphism occurs as identified by DiMaggio and Powell (1983) is coercive isomorphism, which originates from the influence of politics and the worry of legitimacy. "Coercive isomorphism results from both formal and informal pressures exerted on organizations by other organizations upon which they are dependent and by cultural expectations in the society within which organizations function" (Di Maggio & Powell, 1983, p. 150). As 'other organizations upon which they are dependent' and 'society' can refer to stakeholders, stakeholders can be seen as a primary source of coercive isomorphic pressures, directly influencing the social norms organizations aim to conform to, partly because their worry of legitimacy.

It is possible to imply that coercive isomorphism occurs within organizations from similar organizational fields that provide the paradox between shareholder value creation and sustainable business practices. Our contemporary global economic system could even be picked as this organizational field. If this phenomenon of coercive isomorphism indeed occurs within organizations that operate within our contemporary global economic system, it could imply that the navigation of the paradox between shareholder value creation and sustainable business practices could be predictable, as the same institutional pressures from certain organizational fields possibly result in similar business behaviours. Understanding stakeholder perceptions might give a better insight into these institutional pressures and provide implications for why certain businesses behave the way they do when managing the paradox between shareholder value creation and sustainable business practices. This may also provide implications for navigating the paradox more effectively.

Figure 2 visualizes how stakeholders and coercive isomorphic pressures have an influence on business legitimacy and the phenomenon of coercive isomorphism and eventually have an influence on the navigation of the paradox. This all takes place within a certain organizational field.

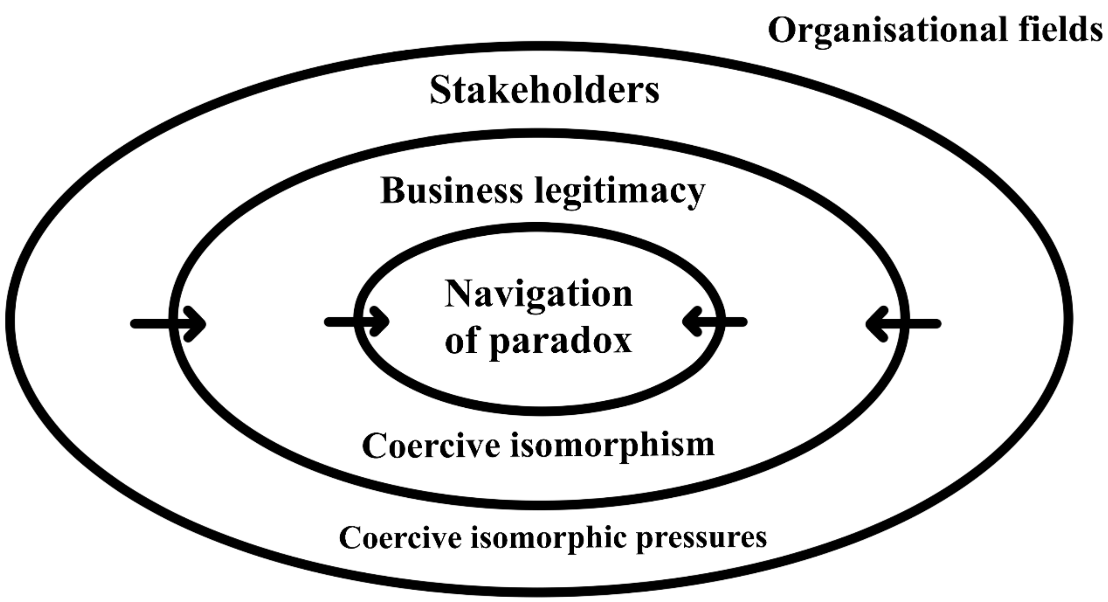

Figure 2

Visualization of stakeholders and coercive isomorphic pressures having an influence on business legitimacy and the phenomenon of coercive isomorphism and eventually have on the navigation of the paradox.

Own illustration.

**Stakeholder salience**

As the proposition that stakeholder perceptions influence business legitimacy and thus the navigation of the paradox between shareholder value creation and sustainable business practices has been established, it is worth considering what stakeholder claims are relevant to managers that navigate the aforementioned paradox, and how relevant. Mitchell, et al. (1997) provides a framework for this by discussing the concept of stakeholder salience as the degree to which managers give certain stakeholder claims priority. Mitchell, et al. (1997) propose that stakeholders can be identified and categorised based on three attributes: power, legitimacy, and urgency, with a mixture of these influencing the perceived importance, or priority, to managers. Mitchell, et al. (1997) predict that stakeholder salience increases with the presence of more of the three attributes, with the highest salience occurring when all are combined. It is crucial to include that according to Mitchell, et al. (1997), these stakeholder attributes are dynamic and can shift over time. Additionally, Mitchell, et al. (1997) emphasize that stakeholder salience is constructed by social interpretation and is not an objective reality. This implies that stakeholder salience itself is dynamic as well, as stakeholder attributes or managerial perceptions can change over time.

Building on this, Bundy, et al. (2013) position issue salience as a key factor that influences firm responsiveness and develop a view of issue salience as the degree to which a stakeholder claim, captures management and is prioritised by them. Bundy, et al. (2013) confirm that managerial perception of issue salience is dynamic and is a result of how managers cognitively interpret issue salience. Bundy, et al. (2013, p. 370) also highlight that “strategic cognition -the study of organizational cognitive structures and decision processes in an attempt to understand strategic decision making (p. 356)- represents the key mediating process by which external factors translate to issue salience within the firm” and recognize that how stakeholder concerns are interpreted and acted upon is greatly influenced by organizational identity and strategic framing. At last, Bundy, et al. (2013, p. 371) calls attention to “strategic cognition as a mediating process and issue salience as a perceptual outcome influencing responsiveness”.

Whereas Mitchell et al. (1997) categorizes stakeholders upon their relational attributes, Bundy et al. (2013) emphasizes how the framing of issues by stakeholders shapes managerial attention and interpretation. Both perspectives emphasize the significance of perception and interpretation. Together, these frameworks support the notion that stakeholder perceptions not only reflect external validation, but also inform internal strategic choices, such as how to navigate internal paradoxes as an organization. Stakeholder salience theory reveals the perspective that business legitimacy is co-constructed as it is not only granted by stakeholders but also arranged through managerial framing and responsiveness. This supports the fact that stakeholder perceptions could be an important implication for navigating the paradox between shareholder value creation and sustainable business practices.

# Methodology

## Research design and philosophical approach

This study explores a qualitative research design to explore stakeholder perceptions on shareholder value creation within sustainable businesses. As this study emphasizes subjective benchmarks and the interpretive nature of perception, the qualitative research approach is grounded in a social constructivist epistemology. This worldview perceives that knowledge is a result of human interaction and interpretation rather than an objective reality, as humans create their own realities in a variety of ways based on their individual experiences, relationships, and perspectives. This worldview is particularly suited to understanding how stakeholders perceive shareholder value creation in sustainable businesses.

## Research strategy

In order to acquire the perceptions from stakeholders, semi-structured qualitative interviews were conducted with stakeholders affiliated with sustainable businesses. In this research, as mentioned in the introduction, sustainable businesses were defined as companies in the top 15% scoring B corporations based on their overall impact scores (>110.6). These companies were picked as exemplars of sustainable business practices and provide a relevant context in which to explore the stakeholder perceptions on shareholder value creation. The stakeholders were selected based on purposive sampling so that the results included different kinds of stakeholders from different kinds of industries. In order to avoid any assumptions or research biases, the connection between what kind of stakeholder and what kind of industry was not made beforehand and simply resulted from what stakeholders decided to participate in the interviews.

## Data collection

The interviews were conducted in a semi-structured form, which means that the researcher used the same interview guide of pre-determined set of open questions for all conducted interviews (only difference being in English or translated to Dutch) with the chance to further explore particular themes or responses. These open questions allowed the interviewees to express their perceptions in depth and to articulate meaning in their own terms. The researcher tried to engage as neutral as possible, allowing themes to emerge naturally instead of being pushed into a certain direction. The audio of all interviews was recorded with permission and transcribed verbatim with the help of AI tools (TurboScribe & Otter) and manual double checks. The data was kept anonymous to protect confidentiality.

**Data analysis**

The transcripts were analysed by a thematic coding approach, combining both deductive and inductive strategies. The deductive dimension was guided by the three research propositions, one observation, and the support of AI (ChatGPT pro). In order to keep data analysis as objective as possible, the researcher utilized ChatGPT pro to understand what 'codes' it was able to identify from the transcripts. Simultaneously, an inductive approach was used to allow codes to emerge from the transcripts. So, once codes were identified from a deductive standpoint, the researcher read line-by-line the transcripts and assigned any passage related to the deductive codes or formed additional codes that AI had not identified. For example, statements that seemed important, repeated, or emotionally charged were annotated. This was crucial to ensure that stakeholder perceptions shaped the results beyond deductive assumptions. From this combined approach, 26 codes were established. These 26 codes were assigned to its fitting passages in ATLAS.ti. However, each code had its own themes, so the researcher utilized a combination of both deductive and inductive strategies again. This way, these micro-themes within the existent codes could be identified. The deductive strategy involved the support of AI (ChatGPT pro) to keep the data analysis as objective as possible and let it identify these micro-themes within the codes. To include an inductive strategy as well, the researcher went through every code in ATLAS.ti to read the assigned passages line-by-line to ensure that micro themes were established beyond deductive assumptions. Additionally, the researcher, by line-by-line reading, assigned how many interviews featured these micro-themes to allow a saturation score that could distinguish the saturation of each micro-theme. This combined approach generated 128 initial micro-themes across 26 initial codes with saturation scores of 1 to 9 (n). The 128 initial micro-themes were formed into 71 micro-themes, which will be elaborated on in the results. All initial codes, micro-themes, and saturation scores can be found in appendix B. All tables included in this study were made- and imported from Excel.

**Ethical considerations**

The University of Groningen provided ethical approval of the study prior to the collection of data. Additionally, all interviewees signed a consent form after having been informed about the study's purpose, the voluntary nature of participation, and their right to withdraw at any point without consequence. All data was anonymized and stored securely in order to ensure confidentiality.

**Research scope and limitations**

This study included nine qualitative interviews with stakeholders from 7 different ‘sustainable businesses’. The aim of this study is to interpret stakeholder perceptions into a certain conclusion and provide implications on how these perceptions bring shape to an environment, rather than finding the objective truth on how these perceptions influence any environment. Whether or not these perceptions help in paradox management is a potential implication but not the main research objective.

While the researcher aimed to pursue deep insights within these qualitative interviews, the relatively small sample size and purposive sampling of interviewees may limit the generalizability of findings. The findings may reflect specific contexts, roles, or experiences related to the companies rather than broader stakeholder perceptions across sustainable businesses. As a result, the findings might be limited to the top 15% overall scoring B Corporations that the interviewees were related to, outside of other businesses. Some of the questions were also framed as hypothetical scenarios, which may reflect assumptions or ideals from the interviewees, rather than observed reality which could affect the validity of the results as well.

Additionally, interviews were both conducted in Dutch and English. And although the researcher tried to stay neutral while conducting the interviews, the interpretations of language and body language could subtly affect how themes and meanings emerged from the interviews. Also, the transcripts might include grammatical inconsistencies and informal phrasing, which might alter interpretations from the researcher during analysis. The positioning of the researcher toward the research objectives may have had an influence on how certain codes and themes were interpreted as well, even though the coding process was ensured to be rigorous, reflective, and as objective as possible. However, researcher biases are always a difficult subject to maintain completely objective when conducting qualitative research, as it requires dialogues and interpretation.

At last, the time constraint for this study was short and had affect on the access to a broader variety of stakeholders. Also, there is no matter of longitude, so the study fails to incorporate different institutional factors that can evolve over time. This means that this study captures a moment in time, rather than objective reality over a indefinite period of time.

# Results

As mentioned in the introduction, this study is guided by two research questions. I will state these two questions below.

**RQ1:** What are stakeholder perceptions on shareholder value creation within sustainable companies?

**RQ2:** To what extent do stakeholders perceive shareholder value creation as contingent on a business's ability to integrate sustainability?

## Interview sample

In order to collect data, the researcher conducted nine interviews with stakeholders of 'sustainable businesses'. In appendix A, quotations are shown from the interviews, so the reader can inform itself on what kind of stakeholders were interviewed and to be transparent on how these stakeholders associated themselves to the 'sustainable businesses'.

## Processing of data

From the conducted interviews, 71 micro-themes were established with saturation scores of 1 to 9 (n) and combined into 6 overarching domains. Within each domain, the researcher identified core micro-themes ($n \geq 6$), secondary micro-themes ($4 \leq n \leq 5$), and minor micro-themes ($1 \leq n \leq 3$). Below, the overarching domains with micro-themes by tier will be shown. However, only the micro-themes deemed relevant for answering the research questions will be included in the results.

## Domain 1: Mission and purpose

| Mission and purpose | Saturation # |
|---|---|
| Mission as guideline for decision making | 9 |
| [redacted] | |
| Complex to embed mission in capitalism | 5 |
| Value of long term perspective | 4 |

Figure 4

Visualization of domain 1 (mission and purpose) by tier.

Own table.

**Domain 2: Relationship between profit and sustainability**

| Relationship between profit and sustainability | Saturation # |
|---|---|
| Profit acceptable as tool for sustainability (reinvesting) | 9 |
| Profit-first-behaviour undermining mission | 9 |
| Profit necessary as tool for sustainablity (enabler) | 7 |
| Profit necessary to sustain operations | 7 |
| Profit and sustainability reinforce each other | 7 |
| | |
| Sustainability as barrier to profit | 5 |
| | |
| Sustainability enabler of profit | 2 |

Figure 5

Visualization of domain 2 (relationship between profit and sustainability) by tier.

Own table.

**Domain 3: Shareholder value creation (SHVC)**

| Shareholder value creation | Saturation # |
|---|---|
| Acceptance of SHVC in sustainable company | 8 |
| SHVC as barrier to sustainability | 8 |
| SHVC undermines mission | 7 |
| Negative reaction to shareholder value-emphasis | 7 |
| | |
| Demand for transparancy in SHVC | 5 |
| Shareholder value creation as fair compensation | 5 |
| Skepticism when SHVC is pursued | 4 |
| | |
| indifference to shareholder payouts and internal operations | 3 |
| No perceived clash between profit and SHVC (due to investors) | 2 |
| SHVC orientation as ethically questionable | 2 |
| Shareholder value fluctuation without behavioral impact | 2 |
| ESG is also value creation | 2 |
| Corporate performance equals investor KPIs | 2 |
| SHVC is fair (if operations are fair) | 1 |
| Curiosity about shareholder fluctuation without behavioral impact | 1 |
| Curiosity about shareholder fluctuation with behavioral impact | 1 |

Figure 6

Visualization of domain 3 (shareholder value creation) by tier.

Own table.

**Domain 4: Investor types / shareholders and influence**

| Investor types / shareholders and influence | Saturation # |
|---|---|
| Investor heterogeneity shape pressure on sustainability | 7 |
| | |
| Profit-only investors create conflict | 5 |
| Impact-oriented investors enable sustainability | 5 |
| Patient capital models sustain long-term viability | 4 |
| Investor influence on allocation | 4 |
| | |
| Distrust in shareholders | 2 |
| Decision-making power | 1 |

Figure 7

Visualization of domain 4 (investor types / shareholders and influence) by tier.

Own table.

**Domain 5: Paradox and trade-offs**

| Paradox and trade-offs | Saturation # |
|---|---|
| Trade-off recognition | 8 |
| Complexity of balancing SHVC and purpose | 7 |
| | |
| Paradox acceptance | 5 |
| Short term shareholder demand vs long term sustainability | 5 |
| Navigating paradox (complex) | 4 |
| | |
| SHVC vs Impact (leaning toward non-profit) | 3 |
| Collaboration enables paradox navigation | 2 |

Figure 8

Visualization of domain 5 (paradox and trade-offs) by tier.

Own table.

**Domain 6: External pressures and legitimacy**

| External pressures and legitimacy | Saturation # |
|---|---|
| Demand for transparancy and authenticity | 7 |
| Lifestyle-values | 7 |
| Broader concern for social and environmental well-being | 6 |
| | |
| Fairness language in operation | 5 |
| Tangible actions for sustainability | 5 |
| Growing societal emphasis on sustainability | 5 |
| Ethical non-negotiables | 4 |
| Transparancy enables business legitimacy | 4 |
| Allocation to sustainability fosters legitimacy | 4 |
| | |
| Stricter sustainability criteria is upcoming | 3 |
| Market and government provide limited extrensic incentives | 2 |
| Transparancy (unsustainable ) can harm business legitimacy | 2 |
| Short term capitalism demand vs long term sustainability | 2 |
| Moral critique on capitalism | 2 |
| Market-level unfairness | 1 |

Figure 9

Visualization of domain 6 (external pressures and legitimacy) by tier.

Own table.

**Elaboration of core micro-themes**

For readability purposes, the researcher will only elaborate on the core micro-themes by adding quotations from the transcripts and providing an interpretation of such themes. Doing this for all micro-themes (secondary and minor) will overwhelm the reader with information that is not as relevant. Please find the table with quotations from the transcripts below.

| Overarching domain | Core micro-themes | Original quote | Translated quote | IDs |
|---|---|---|---|---|
| Mission and purpose | Mission as guideline for decision making | So if we're going back into the sustainable business side, as long as they're sticking to their practices, what they preach. | | 3 |
| | | | | |
| Relationship between profit and sustainability | Profit acceptable as tool for sustainability (reinvesting) | Het moet gewoon een bedrijf zijn dat rendabel is. Maar daar moet het meeste geld naar een stukje duurzaamheid gaan. | It should be a business that is profitable. But most of that money should go to a part of sustainability | 9 |
| | Profit-first-behaviour undermining mission | Like, because sometimes you start making money. More because you cut corners on some of the sustainable aspects of it. | | 3 |
| | Profit necessary as tool for sustainablity (enabler) | Want kijk, hoe meer wij verkopen – dus hoe meer waarde wij creëren in die zin, economische waarde – en hoe beter we als koffie- en thee-machines verkopen, hoe meer projecten wij kunnen doen. Dus we willen een soort van uitrimpeleffect creëren door de keten heen. | Because look, the more we sell – so the more value we create in that sense, economic value – and the better we sell as coffee and tea machines, the more projects we can do. So we want to create a kind of ripple effect throughout the chain. | 7 |
| | Profit necessary to sustain operations | Maar hoe dan ook, een bedrijf zal onder de streep winst moeten maken, op zijn minst de kosten moeten betalen voor de mensen die als werknemer aan zo'n bedrijf werken. | But in any case, a company will have to make a profit at the bottom line, at the very least to pay the costs for the people who work their as employees. | 8 |
| | Profit and sustainability reinforce each other | But when they're actually investing into developing the business into the more greener future, do more research maybe provide sort of visions for the years ahead. So like creating the business plan to showcase the growth. And then this way they're more trustworthy this way maybe more people wanna follow them, and this way the value of the business grows. | | 3 |
| | | | | |
| Shareholder value creation | Acceptance of SHVC in sustainable company | And, and like I said before about, I don't see anything wrong in like, some of the, like, like CEOs making, making, making a lot of, lot of, but yeah, a lot of money out of one business if it's sustainable. | | 2 |
| | SHVC as barrier to sustainability | Nou, ook daar zou ik wel heel secuur willen omgaan met de reden waarom er meer rendement zou worden uitgekeerd. Dat gaat dus ten koste van andere zaken of van lange termijn investeringen voor [name company]. | Well, also there, I would like to be very careful about the reason why more returns would be paid out. That would be at the expense of other things or long-term investments for [name company]. | 4 |
| | SHVC undermines mission | Uiteindelijk is het gewoon niet de bedoeling dat de directeur of de aandeelhouders daar heel veel geld aan overhouden. Het geld gaat ook naar de mensen die daar op de cacaoplantages werken, of de boeren. Daar hoort voor een groot gedeelte alles naartoe te gaan. En daar vertrouw ik ook op, dat dat bij dat soort bedrijven ook gebeurt. | Ultimately, it is simply not the intention that the director or the shareholders make a lot of money from that. The money also goes to the people who work there on the cocoa plantations, or the farmers. That is where a large part should go to. And that is what I trust, that that is what happens with those kinds of companies. | 9 |
| | Negative reaction to shareholder value-emphasis | Interviewee: Well, it's slightly that. Well, if they get money, hopefully if the businesses are fair, they'll distribute it amongst the different departments to grow and develop. But I know that a lot just kind of pocket it, I guess.<br>…<br>Interviewer: How do you feel about that? Like how, how do you,<br>Interviewee: how does it feel? Oh, absolutely awful. | | 3 |
| | | | | |
| Investor types / shareholders and influence | Investor heterogeneity shape pressure on sustainability | dan stel je maakt op een gegeven moment de beslissing om aandeelhouders of aandelen in de markt te gaan zetten – dus aandeelhouders aan te gaan trekken – dan denk ik dat je de structuur waarop je dat doet, ga je nooit kiezen voor aandelen met zo'n hele korte doorlooptijd. Dus waar je vrij in en uit kan stappen. Dus dan zal je altijd kiezen voor aandelen die je alleen beschikbaar stelt aan pensioenfondsen of duurzame beleggers, waarvan je zeker weet dat ze een wat langere tijdshorizon hebben, en dat ze niet elke week op je deur komen kloppen als de koers iets omlaag gaat. | then suppose at some point you make the decision to put shareholders or shares on the market – so to attract shareholders – then I think that the structure in which you do that, you will never choose shares with such a very short lead time. So where you can enter and exit freely. So then you will always choose shares that you only make available to pension funds or sustainable investors, of whom you know for sure that they have a somewhat longer time horizon, and that they will not come knocking on your door every week when the value drops a little. | 7 |
| | | | | |
| Paradox and trade-offs | Trade-off recognition | Uiteraard, iedere cent die je uitgeeft ligt een afweging aan te grondslag, want het is niet zo dat daar enorme overschotten te verdelen zijn. Dus het zal dagelijks aan de orde zijn waar je het geld aan uitgeeft, absoluut. Dat is in menig bedrijf ook wel een spagaat. | Of course, every cent you spend is based on a trade-off, because it is not the case that there are huge surpluses to be divided. So it will be a daily issue where you spend the money, absolutely. That is also a balancing act in many companies. | 4 |
| | Complexity of balancing SHVC and purpose | Je ziet het natuurlijk wel – dat is gewoon de eeuwige discussie tussen lange termijn investeringen en korte termijn waardecreatie. | You see it of course – it's just the eternal debate between long-term investments and short-term value creation. | 7 |
| | | | | |
| External pressures and legitimacy | Demand for transparancy and authenticity | also the branding that they use for safety for the farmers and nice treatment. So that's really important for me. | | 1 |
| | Lifestyle-values | so I'm very into the organic thing in my private life, but especially in my work. | | 2 |
| | Broader concern for social and environmental well-being | Ik denk dat de effecten van hoe we met de aarde omgaan inmiddels zodanig merkbaar en zichtbaar zijn, dat we onze verantwoordelijkheid moeten nemen – ook als ondernemers, ook als bedrijven. | I think that the effects of how we treat the earth are now so noticeable and visible that we have to take our responsibility – also as entrepreneurs, also as companies. | 8 |

Figure 10

Table with direct quotations and translated quotations from the transcripts (conducted interviews) to elaborate on core micro-themes within the overarching domains.

Own table.

***Interpretation of core micro-theme 1 (Mission as guideline for decision making)***

The researcher interprets this micro-theme as a 'sustainable business' putting its sustainability mission at the heart of the company (highest priority) and using this pursuit as main guideline for decision making.

***Interpretation of core micro-theme 2 (Profit acceptable as tool for sustainability (reinvesting))***

The researcher interprets this micro-theme as the stakeholder's acceptance of monetary profit within a sustainable business as tool for reinvesting sustainable business practices.

***Interpretation of core micro-theme 3 (Profit-first-behaviour undermining mission)***

The researcher interprets this micro-theme as the stakeholder's perception that profit-first-behavior of a sustainable business undermines its mission that it has claimed to pursue.

***Interpretation of core micro-theme 4 (Profit necessary as tool for sustainability (enabler))***

The researcher interprets this micro-theme as the stakeholder's perception that monetary profit is necessary as a tool for sustainable business practices. So, profit works as an enabler to sustainable business practices.

***Interpretation of core micro-theme 5 (Profit necessary to sustain operations)***

The researcher interprets this micro-theme as the stakeholder's perception that monetary profit is necessary to sustain the operations of a company, whether these are focused on sustainability or not.

***Interpretation of core micro-theme 6 (Profit and sustainability reinforce each other)***

The researcher interprets this micro-theme as the stakeholder's perception that monetary profit and sustainable business practices reinforce each other and thus act as enablers to each other.

***Interpretation of core micro-theme 7 (Acceptance of SHVC in sustainable company)***

The researcher interprets this micro-theme as the acceptance of shareholder value creation in sustainable companies by its stakeholders.

***Interpretation of core micro-theme 8 (SHVC as barrier to sustainability)***

The researcher interprets this micro-theme as the stakeholder's perception that shareholder value creation is a barrier to sustainable business practices.

***Interpretation of core micro-theme 9 (SHVC undermines mission)***

The researcher interprets this micro-theme as the stakeholder's perception that shareholder value creation undermines a sustainable business' mission that it has claimed to pursue.

***Interpretation of core micro-theme 10 (Negative reaction to shareholder value-emphasis)***

The researcher interprets this micro-theme as the negative reaction stakeholders have on a sustainable business that emphasizes shareholder value creation.

***Interpretation of core micro-theme 11 (Investor heterogeneity shape pressure on sustainability)***

The researcher interprets this micro-theme as the stakeholder's perception that different types of investors (investor heterogeneity) shape the pressure on sustainable business practices.

***Interpretation of core micro-theme 12 (Trade-off recognition)***

The researcher interprets this micro-theme as stakeholders of sustainable businesses recognizing the trade-offs or paradox between sustainable business practices and shareholder value creation.

***Interpretation of core micro-theme 13 (Complexity of balancing SHVC and purpose)***

The researcher interprets this micro-theme as the stakeholder's perception that balancing shareholder value creation and purpose by a sustainable business is complex.

***Interpretation of core micro-theme 14 (Demand for transparancy and authenticity)***

The researcher interprets this micro-theme as the stakeholder's demand for transparency and authenticity when it comes to business practices of a sustainable business.

***Interpretation of core micro-theme 15 (Lifestyle-values)***

The researcher interprets this micro-theme as the stakeholder's personal values that are incorporated throughout its day-to-day life (lifestyle). Personal values are interpreted as the interviewee considerably thinking about its personal values, rather than describing a perception and assuming a personal value from that.

***Interpretation of core micro-theme 16 (Broader concern for social and environmental well-being)***

The researcher interprets this micro-theme as society's (which stakeholders are part of) broader concern for social and environmental well-being.

# Discussion

**Relationship between profit and sustainability**

From the results, it is clearly saturated that stakeholders perceive monetary profit as necessary to sustain business practices, whether that is sustainable or not (n=7). They also perceive monetary profit as an enabler for sustainable business practices (n=7). It is even perceived that monetary profit and sustainable business practices can reinforce each other (n=7). Although some stakeholders also perceive sustainability as a barrier to monetary profit (n=5). This seems logical, as sustainable business practices can be a barrier to monetary profit from short-term perspectives. However, once it comes to sustainable businesses and their claimed mission, stakeholders hold a strong judgement towards what this profit is utilized for and where it comes from. For example, it is strongly saturated that profit is accepted as tool for reinvesting into sustainable business practices (n=9) and it is mildly saturated that monetary allocation to sustainable business practices fosters business legitimacy (n=4). Additionally, it is strongly saturated that profit-first behaviour undermines the mission of a sustainable business (n=9). Nevertheless, shareholder value creation in sustainable businesses is accepted by its stakeholders (n=8), but with its limitations.

**Shareholder value creation, and paradox and trade-offs**

The core micro-themes under domain 3 (shareholder value creation) emphasize that shareholder value creation is perceived as a barrier to sustainable business practices (n=8), shareholder value creation undermines the sustainable business' mission (n=7), and a negative reaction to an emphasize on shareholder value creation is even strongly saturated (n=7). However, shareholder value creation is also seen as a fair compensation (n=5) and again, is overall accepted (n=8). These contradictory tensions make sense, as balancing shareholder value creation and a sustainable business' purpose is perceived as complex (n=7) and a trade-off is indeed recognised by the stakeholders (n=8). Stakeholders also perceive it to be complex to embed a 'sustainable' mission in a capitalistic system (n=5). In addition to this, it is mildly saturated that the paradox should be accepted by the sustainable business (n=5). This supports the suggestion by Hahn et al. (2014), drawing on Beech et al. (2004), that when paradoxical tensions are ongoing and irresolvable, organizations may adopt acceptance strategies.

This implies that shareholder value creation is accepted as a moderate salary, perhaps as award for risk-taking or the amount of responsibility a shareholder can hold. But once this exceeds the stakeholder's perception of 'fair compensation' and is aligned with emphasize on shareholder value creation, it will be perceived as contingent on the business' ability to integrate sustainability which can lead to negative reactions on the business' governance.

**Mission and purpose, external pressures and legitimacy, and investor / shareholder types and influence**

Stakeholders strongly opinion that sustainable businesses should utilize their mission as a guideline for decision making (n=9) and demand transparency and authenticity (n=7). Some even demand transparency in shareholder value creation (n=5) and it is even mildly saturated that transparency enables business legitimacy (n=4). This could stem from their lifestyle-values (n=7) -which could translate into their will of tangible actions for sustainability (n=5) and their ethical non-negotiables (n=4)-, or from a broader concern for social and environmental well-being (n=6), a demand in 'fairness' in business operations (n=5), or simply the growing societal emphasis on sustainability (n=5). But there does seem to be a pattern in stakeholders demanding 'sustainability' once it has been claimed by the company mission itself. And although this paradox between sustainable business practices and shareholder value creation is still present, there seems to be a pattern in responses that aims to navigate this paradox.

Stakeholders emphasize the different types of investors that shape the relationship between shareholder value creation and sustainable business practices (n=7), which may stem from their perception that investors have influence on monetary allocation (n=4). It is mildly saturated that profit-only investors create conflict within this paradox (n=5) and that impact-oriented investors enable sustainable business practices (n=5). In addition, stakeholders perceive patient capital models to sustain long-term viability (n=4) and put value in a sustainable business' long-term perspective (n=4).

## Theoretical implications

Dunn (2014) already emphasized that different interests compete within capitalism for 'different forms of capital', which can refer to shareholders aligning their forms of capital (patient-capital, social capital, environmental capital, etc.) with their company's mission (interests), and Stout (2012) already mentioned that there is no such thing as single shareholder value by emphasizing on the variety of shareholder values and interests. Rather, firms should pursue several objectives to do decently well at each (shareholder value creation and sustainable business practices), instead of maximizing one objective (shareholder value creation for example). This supports Smith and Lewis (2011)'s argumentation that managing paradoxes entails ongoing efforts to meet competing demands and in order to be sustainable, organizations must attend to competing demands that are both contradictory and interconnected.

### Theoretical contributions and limitations

This study highlighted the stakeholder side of paradox navigation as stakeholders exert pressures that companies must institutionalize. So far, this stakeholder-driven dynamic has received little attention, and these perceptions might form implications for sustainable companies that struggle to navigate the trade-offs that come with the paradox between shareholder value creation and sustainable business practices. Some results may seem straightforward or expected to some readers, but the researcher had no prior assumptions on what the outcome was going to be and believes that the results can support the navigation of aforementioned trade-offs, as it provides guidelines for sustainable companies to create shareholder value while keeping their stakeholders positively engaged.

The research questions guiding this study did not pursue to answer if stakeholder perceptions influenced business legitimacy, how it connected to institutional theory, and how that effected the navigation of the paradox between shareholder value creation and sustainable business practices or could predict such paradox navigation. Rather, this study aimed to find perceptions that bring shape to an environment, which could have implications for navigating the aforementioned paradox.

### Transdisciplinary dimension

From the conducted interviews, it became clear that the ways of thinking in practice often differ from each other or from academic perspectives. Customers often had difficulty answering to or thinking about complex topics that were academically grounded as sustainability concerns do not occupy their day-to-day thoughts compared to professionals, who engaged more deeply into the matter in their life. However, this difference in background, familiarity, and knowledge made the insights more valuable as it pertains a more realistic reflection of society and stakeholders overall. A process of challenging thoughts and reframing perspectives helped coordinate various thought processes and were balanced into similar and dissimilar patterns.

# Conclusion

This study set out to research stakeholder perceptions on shareholder value creation within sustainable companies and to what extent stakeholders perceive shareholder value creation as contingent on a business's ability to integrate sustainability. Drawing on the theory and conducted interviews, key insights emerged.

At first, stakeholders seemed to agree that monetary profit is essential to keep any enterprise performing healthy. Rather than perceiving monetary profit as an end itself, stakeholders perceived it as an enabler to reinvest into sustainable business practices, reinforcing the company's mission. It seems that once sustainability benchmarks (guided by the company's mission) have been met by the business or profit is generated from these sustainable business practices, profit distributions to shareholders are 'accepted', sometimes as 'fair compensation'. But once this exceeds the stakeholder's perception of 'fair compensation' and is aligned with emphasize on shareholder value creation, it will be perceived as contingent on the business' ability to integrate sustainability which can lead to negative reactions on the business' governance.

Secondly, stakeholders acknowledge the tension between sustainable business practices and shareholder value creation and rather than expecting the company to solve those tensions, continuous management of such paradox is expected to be accepted by the company. However, stakeholders emphasize that a mission-central governance that is transparent and authentic, is of necessity to do so in the eyes of their personal values and the broader concern on social and environmental well-being. So, by allocating all profit through a lens of the company's sustainability mission, all objectives should be legitimate in the eyes of the stakeholders. Without this mission-central governance, the justification of shareholder value creation, or any other objectives, will most definitely be questioned by some and potentially influence business legitimacy.

At last, stakeholders perceive that the type of investors in a sustainable company fundamentally shape how the paradox is navigated. So, profit-only investors that prioritize monetary returns will continuously be perceived as misaligned with the company's mission, whereas impact-oriented investors and patient-capital investors enable the (long-term) reinforcement between profit and sustainability.

Tying this back to the study's observation that objectives of entrepreneurs between shareholder value creation and sustainable business practices cannot- or are difficult to be in symbiosis, the theory combined with our results imply that entrepreneurs or businesses can pursue both objectives in symbiosis but the shareholder value creation should come out of sustainable business practices and should not be created from practices or pressures that undermine the company's mission by emphasizing on shareholder value creation, as stakeholders will perceive this as contingent on the business' ability to integrate sustainability, which confirms proposition 2. The researcher also believes that proposition 1 has been confirmed by the results. Although profit and sustainable business practices have been perceived as enablers to each other, it is clear that a trade-off between allocating monetary profit between shareholder value creation and sustainable business practices is recognized by stakeholders and maximizing any of the two will opposite the other. However, the theory suggests that maximizing might not be the corporate optimum anyway and organizations should aim to adhere to both or more objectives simultaneously.

Taken together, the findings from this research show that stakeholders demand 'sustainability' once it has been claimed by the company mission itself. Stakeholders perceive shareholder value creation within sustainable companies as 'acceptable' or as 'fair compensation' as a moderate salary, once sustainability benchmarks have been met by mission-central governance or profit is generated from these sustainable business practices. Stakeholders perceive shareholder value creation within sustainable companies as contingent on the company's ability to integrate sustainability if the shareholder exerts pressure that undermines the company's mission, like shareholder value emphasis.

Thus, if managers wish to engage with, or prioritize the stakeholder perceptions when navigating the inherent tensions between shareholder value creation and sustainable business practices, the researcher recommends sustainable businesses to adopt acceptance strategies towards the paradox between sustainable business practices and shareholder value creation, govern the company with mission-central mechanisms in order to stay transparent and authentic, and align investors with the company mission. This is an implication for a more effective way to consume and practice sustainability within a capitalistic economy.

Future research could expand on the sample size and see how different stakeholders perceive shareholder value creation in sustainable businesses, connecting the results more to stakeholder salience. Furthermore, quantitative surveys and longitudinal studies could support the recommendations from this research and find if these navigation mechanisms actually foster business legitimacy from the stakeholders. In addition, research might want to research if stakeholder perceptions in general, influence business legitimacy and how these drive managerial responses that shape internal governance and the navigation of the inherent tensions. This could support this study's third proposition that has not been aimed to validate in this study. Future research could also explore what is considered a moderate salary for shareholders in sustainable businesses.

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# Appendix A

Visualization of stakeholders of 'sustainable businesses' interviewed by researcher.

| Interview # | Original quote | Translated quote | Stakeholder Type | Company |
|---|---|---|---|---|
| 1 | I think my role for [name company] is like just a customer. | | Customer | Company T |
| 2 | I'm just like, uh, uh, uh, a happy buyer of, uh, the company. | | Customer | Company B |
| 3 | Interviewer: …you were a volunteering content creator or?<br>Interviewee: Yeah.<br>--------------------------------------------------------------------------------<br>Interviewee: ...so I bought actually after using some of the items... | | Volunteering content creator / customer | Company U |
| 4 | Als consultant op het gebied van… die ondersteun ik met advies… | As consultant on the area of… those I support with advise… | Consultant | Company O |
| 5 | Ja, zij zijn gewoon een impact-investeerder. | Yes, they are just an impact-investor. | Investee | Company G |
| 6 | But I am partnership director of [name company],… | | Employee | Company N |
| 7 | Op papier ben ik impact manager,… | I am impact manager on paper,… | Employee | Company W |
| 8 | Mijn rol als, ik ben een consument. | My role as, I am a consumer. | Customer | Company T |
| 9 | Ik ben een klant die regelmatig [name company] koopt in de supermarkt. | I am a customer that regurarly buys [name company] in the grocery store. | Customer | Company T |

# Appendix B

## All initial codes, micro-themes, and saturation scores

| Code | Themes | Saturation # | Interview Ids |
|---|---|---|---|
| Role of company mission and identitiy | Mission as marketing tool | 2 | 1,2 |
| | SHVC undermines mission | 7 | 1,3,8,9,4,6,7 |
| | Trust in mission | 3 | 1,3,9 |
| | Mission as guideline for decision making | 9 | 1,2,3,8,9,4,5,6,7 |
| | Complex to embed mission in capitalism | 5 | 8,5,6,7,2 |
| | | | |
| Fairness language | Fairness language in operation | 5 | 1,3,6,5,2 |
| | Fair pricing | 3 | 1,3,6 |
| | Farness language as marketing tool | 1 | 1 |
| | Market-level unfairness | 1 | 4 |
| | SHVC is fair (f operations are fair) | 1 | 1 |
| | | | |
| Conditional perception | Profit acceptable as tool for sustainability (reinvesting) | 9 | 9,7.3,5,6,2,3,4,1 |
| | Demand for transparancy in SHVC | 5 | 3,9,6,4,5 |
| | SHVC vs Impact (leaning toward non-profit) | 3 | 2,6,7 |
| | Profit-first-behaviour undermining mission | 9 | 1,9,4,6,7,2,3,8,5 |
| | Profit necessary as tool for sustainablity (enabler) | 7 | 8,6,7,5,2,3,4 |
| | Acceptance of SHVC in sustainable company | 8 | 9,4,5,1,2,7,3,6 |
| | SHVC as barrier to sustainability | 8 | 1,2,9,6,7,3,5,4 |
| | Negative reaction to shareholder value-emphasis | 7 | 1,2,3,9,4,6,7 |
| | | | |
| Profit vs Purpose | Profit necessary to sustain operations | 7 | 4,2,8,5,6,3,9 |
| | Profit-first-behaviour undermining mission | 9 | 1,9,4,6,7,2,3,8,5 |
| | Profit acceptable as tool for sustainability (reinvesting) | 9 | 9,7.3,5,6,2,3,4,1 |
| | Complexity of balancing SHVC and purpose | 7 | 1,2,8,9,5,6,4 |
| | Demand for transparancy in SHVC | 5 | 3,9,6,4,5 |
| | Mission-aligned equity | 3 | 4,5,6 |
| | Sustainability as barrier to profit | 5 | 2,8,9,4,5 |
| | | | |
| Personal values | Ethical non-negotiables | 4 | 2,5,6,7 |
| | Demand for transparancy and authenticity | 7 | 1,2,3,9,4,6,5 |
| | Lifestyle-values | 7 | 2,3,9,4,5,6,7 |
| | Fairness language in operation | 5 | 1,3,6,5,2 |
| | Tangible actions for sustainability | 5 | 1,2,4,5,6 |
| | Broader concern for social and environmental well-being | 6 | 2,8,9,4,5,7 |
| | | | |
| Investor types | Profit-only investors create conflict | 5 | 3,4,5,6,7 |
| | Impact-oriented investors enable sustainability | 5 | 3,7,5,6,4 |
| | Patient capital models sustain long-term viability | 4 | 8,4,5,7 |
| | Early grants & Later mission-aligned capital | 1 | 5 |
| | Investor heterogeneity shape presure on sustainability | 7 | 2,3,8,7,4,5,6 |
| | Distrust in shareholders | 2 | 2,3 |
| | | | |
| Proposition 1 | Trade-off recognition | 8 | 2,8,9,4,7,5,6,1 |
| | Profit necessary as tool for sustainablity (enabler) | 7 | 8,6,7,5,2,3,4 |
| | Sustainability enabler of profit | 2 | 1,4 |
| | Profit and sustainability reinforce each other | 7 | 4,7,1,3,8,5,6 |
| | Investor influence on allocation | 4 | 3,5,6,4 |
| | Demand for transparancy and authenticity | 7 | 1,2,3,9,4,6,5 |
| | | | |
| Observation | Trade-off recognition | 8 | 2,8,9,4,7,5,6,1 |
| | Profit and sustainability reinforce each other | 7 | 4,7,1,3,8,5,6 |
| | Profit necessary as tool for sustainablity (enabler) | 7 | 8,6,7,5,2,3,4 |
| | Investor influence on allocation | 4 | 3,5,6,4 |
| | Complexity of balancing SHVC and purpose | 7 | 1,2,8,9,5,6,4 |
| | | | |
| Positive perception | Profit necessary as tool for sustainablity (enabler) | 7 | 8,6,7,5,2,3,4 |
| | Acceptance of SHVC in sustainable company | 8 | 9,4,5,1,2,7,3,6 |
| | Shareholder value creation as fair compensation | 5 | 1,2,3,4,9 |
| | | | |
| Proposition 2 | SHVC as barrier to sustainability | 8 | 1,2,9,6,7,3,5,4 |
| | Profit necessary as tool for sustainablity (enabler) | 7 | 8,6,7,5,2,3,4 |
| | No perceived clash between profit and SHVC (due to investors) | 2 | 6,7 |
| | Investor heterogeneity shape presure on sustainability | 7 | 2,3,8,7,4,5,6 |
| | Skepticism when SHVC is pursued | 4 | 2,9,3,6 |
| | Demand for transparancy in SHVC | 5 | 3,9,6,4,5 |
| | | | |
| Tension in symbiosis | Trade-off recognition | 8 | 2,8,9,4,7,5,6,1 |
| | Profit and sustainability reinforce each other | 7 | 4,7,1,3,8,5,6 |
| | Profit necessary as tool for sustainablity (enabler) | 7 | 8,6,7,5,2,3,4 |
| | Profit acceptable as tool for sustainability (reinvesting) | 9 | 9,7.3,5,6,2,3,4,1 |
| | Navigating paradox (complex) | 4 | 8,4,5,6 |
| | Profit from sustainability accepted as monetary value | 1 | 2 |
| | Sustainability as barrier to profit | 5 | 2,8,9,4,5 |
| | Impact-oriented investors enable sustainability | 5 | 3,7,5,6,4 |
| | | | |

| | | | |
|---|---|---|---|
| | | | |
| Dependendce on profit | Profit necessary to sustain operations | 7 | 4,2,8,5,6,3,9 |
| | Profit acceptable as tool for sustainability (reinvesting) | 9 | 9,7.3,5,6,2,3,4,1 |
| | Complex to embed mission in capitalism | 5 | 8,5,6,7,2 |
| | Paradox acceptance | 5 | 8,6,4,5,7 |
| | | | |
| negative perception | SHVC as barrier to sustainability | 8 | 1,2,9,6,7,3,5,4 |
| | Profit-first-behaviour undermining mission | 9 | 1,9,4,6,7,2,3,8,5 |
| | Negative reaction to shareholder value-emphasis | 7 | 1,2,3,9,4,6,7 |
| | Demand for transparancy and authenticity (profit allocation) | 5 | 1,3,9,4,6 |
| | SHVC orientation as ethically questionable | 2 | 2,7 |
| | | | |
| Short term vs Long term | Short term shareholder demand vs long term sustainability | 5 | 5,7,2,8,4 |
| | Value of long term perspective | 4 | 3,4,5,7 |
| | Trade-off recognition | 8 | 2,8,9,4,7,5,6,1 |
| | Profit and sustainability reinforce each other | 7 | 4,7,1,3,8,5,6 |
| | External influence on paradox navigation | 1 | 5 |
| | | | |
| Reference to paradox | Paradox acceptance | 5 | 8,6,4,5,7 |
| | Collaboration enables paradox navigation | 2 | 4,5 |
| | Trade-off recognition | 8 | 2,8,9,4,7,5,6,1 |
| | | | |
| Transparancy and trust | Packaging as transparancy | 2 | 1,2 |
| | Perceived greenwashing | 2 | 3,1 |
| | Reliance on external standards | 1 | 2 |
| | Skepticism when SHVC is pursued | 2 | 2,9 |
| | Transparancy enables business legitimacy | 4 | 1,3,2,4 |
| | Market and government provide limited extrensic incentives | 2 | 1,5 |
| | | | |
| Governance | Investor heterogeneity shape pressure on sustainability | 7 | 2,3,8,7,4,5,6 |
| | Investor influence on allocation | 4 | 3,5,6,4 |
| | Mission-aligned equity | 3 | 4,5,6 |
| | Fairness language in operation | 5 | 1,3,6,5,2 |
| | Navigating paradox (complex) | 4 | 8,4,5,6 |
| | Impact-oriented investors enable sustainability | 5 | 3,7,5,6,4 |
| | | | |
| Perception influencing legitimacy | Perceived greenwashing | 2 | 3,1 |
| | Transparancy enables business legitimacy | 4 | 1,3,2,4 |
| | Transparancy (unsustainable ) can harm business legitimacy | 2 | 2,3 |
| | Allocation to sustainability fosters legitimacy | 4 | 2,3,9,7 |
| | Shareholder influence on allocation | | |
| | Company's longevity enbles sustainable resistance | 1 | 2 |
| | | | |
| Societal expectations | Growing societal emphasis on sustainability | 5 | 8,9,4,5,7 |
| | Fairness language in operation | 5 | 1,3,6,5,2 |
| | Society rewards sustainability-driven marketing (sales) | 1 | 1 |
| | Societal skepticism toward environmental harmful products | 1 | 2 |
| | | | |
| Neutral perception | indifference to shareholder payouts and internal operations | 3 | 1,2,6 |
| | Curiosity about shareholder fluctuation without behavioral impact | 1 | 3 |
| | Curiosity about shareholder fluctuation with behavioral impact | 1 | 6 |
| | Shareholder fluctuation without behavioral impact | 2 | 8,9 |
| | Everyone expects ROI | 1 | 6 |
| | Acceptance of SHVC in sustainable company | 8 | 9,4,5,1,2,7,3,6 |
| | Profit necessary to sustain operations | 7 | 4,2,8,5,6,3,9 |
| | | | |
| Ownership | Impact-oriented investors enable sustainability | 5 | 3,7,5,6,4 |
| | Investor heterogeneity shape presure on sustainability | 7 | 2,3,8,7,4,5,6 |
| | Short term shareholder demand vs long term sustainability | 5 | 5,7,2,8,4 |
| | Decision-making power | 1 | 7 |
| | | | |
| Market expectations | Growing societal emphasis on sustainability | 5 | 8,9,4,5,7 |
| | Short term shareholder demand vs long term sustainability | 5 | 5,7,2,8,4 |
| | Acceptance of SHVC in sustainable company | 8 | 9,4,5,1,2,7,3,6 |
| | Market and government provide limited extrensic incentives | 2 | 1,5 |
| | | | |
| Reference to capitalism | Short term capitalism demand vs long term sustainability | 2 | 5,7 |
| | Complex to embed mission in capitalism | 5 | 8,5,6,7,2 |
| | Moral critique on capitalism | 2 | 7,4 |
| | Paradox acceptance | 5 | 8,6,4,5,7 |
| | | | |
| Regulations | Market and government provide limited extrensic incentives | 2 | 1,5 |
| | Stricter sustainability criteria is upcoming | 3 | 1,5,7 |
| | | | |
| Corporate performance | Corporate performance cannot be solely based on monetary profit | 1 | 4 |
| | ESG is also value creation | 2 | 4,6 |
| | Corporate performance equals investor KPIs | 2 | 4,6 |
| | | | |