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Strategic Sustainability or Reactive Chaos?

The Role of the Business Case in Managing Paradoxical Tensions and Display of Dynamic Capabilities

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Abstract

This thesis explores to what extent the perceived business case for sustainability influences how companies manage paradoxical tensions and demonstrate dynamic capabilities. Using a qualitative multiple-case study approach, seven interviews were conducted across five Dutch companies from various industries, including banking, food, finance, consultancy, and tech. The study integrates two theoretical lenses: Paradox Theory and Dynamic Capabilities Theory. Findings reveal that companies perceiving sustainability as a strategic opportunity, due to client pressure, or a strong business case, are more likely to act systematically, using structured data, sensing and seizing opportunities, and transforming their operations. In contrast, when sustainability is perceived as a cost or compliance obligation, responses are symbolic, fragmented, and short-term oriented. The perceived business case thus acts as a central influencer that determines whether tensions are embraced as manageable paradoxes or avoided as trade-offs. This research contributes to corporate sustainability literature by showing how perception shapes capabilities and outcomes, offering practical insights for managers aiming to move from reactive to strategic sustainability integration.

1. Introduction

The pressure on companies to address sustainability issues is at an all-time great. Environmental disasters, widening social inequalities and the need to preserve the planet for future generations make stakeholders expect companies to do better (Singh, 2024). The United Nations Sustainable Development Goals (SGD's) reflect this global call to action, pressing companies to look further than short term profit and align their strategies with long-term sustainable value creation (Mio et al., 2020). Sustainability is no longer a buzz word or a "nice to have" but a defining challenge for modern businesses. (Singh, 2024).

Despite this, companies differ strongly in how they respond to sustainability. Some embrace it, embed it into their strategy, and even see it as an opportunity, while others adopt only fragmented or symbolic approaches that fail to deliver long-term impact (Hahn et al., 2014). A key explanatory factor for this difference in behaviour lies in the tensions companies experience whilst handling sustainability discussions and decisions. Traditional business logic, such as being price competitive and trying to keep cost as low as possible, is in stride with reducing emissions or meeting long-term climate goals whilst under short-term shareholder pressure. These are not simple decisions; they are ongoing and complex issues that appear at different levels within a company. This phenomenon is described by Carmine & de Marchi (2022) as paradoxical tensions.

Paradox theory emphasizes that these tensions are inevitable but manageable. Companies must choose how to deal with sustainability demands, the decision the company makes shape their long-term sustainability strategy. (Carmine & De Marchi, 2022). Research shows that companies often respond differently to the paradoxes involved in sustainability (Hahn et al., 2014). One possible reason for these differences could be how strongly they believe there is a business case for sustainability, that is, whether they think sustainability efforts will help them achieve financial or strategic goals (Schaltegger & Lüdecke-Freund, 2012).

The business case is not universal or fixed; it must be actively created and internalized. This requires companies to identify sustainability opportunities that align with their values, such as brand reputation, cost savings or innovation (Schaltegger & Lüdecke-Freund, 2012). Companies that adopt certain sustainability practices often benefit in form of lower operating cost, improved customer loyalty, more resilient supply chain and strengthen competitive advantage (Singh, 2024). These outcomes arise from energy efficiency, circular design, sustainable sourcing and transparent reporting. This is demonstrated by companies such as Unilever, Tesla, IKEA, and Patagonia (Singh, 2024).

The business case for sustainability is not a universal or fixed principle; rather, it varies across contexts and depends on how companies design and manage their environmental and social efforts (Schaltegger & Lüdeke-Freund, 2012). Companies must have the right internal capacity to be informed, respond and adapt. This is where the Dynamic Capabilities Framework from (Teece et al., 1997) comes in. Dynamic capabilities refer to a firm's ability to sense, seize and transform. Sense change in the business environment, seize new opportunities through for instance innovation, and transform routines and resources.

companies respond differently to sustainability, some act structurally and strategically, while others remain reactive or symbolic. This research starts from the idea that these differences may be linked to how strongly companies perceive the business case for sustainability. Do companies that perceive a strong business case respond differently? And to what extent can this be explained by the fact that these companies engage more effectively in sensing, seizing, and transforming sustainability opportunities? In other words, this thesis proposes that the enactment of dynamic capabilities helps explain why some companies manage to turn sustainability tensions into strategic outcomes, while others do not.

To do so, this thesis integrates three theoretical perspectives: paradox theory (Carmine & De Marchi, 2022). Dynamic capabilities (Teece et al., 1997). and the business case for sustainability (Schaltegger & Lüdecke-freund, 2012). Building on these, the study explores how companies interpret and act upon sustainability-related tensions, and how these processes are shaped by the perceived strategic relevance of sustainability.

The central research question is as follows:

> How does the perceived business case for sustainability explain differences in how companies enact dynamic capabilities and manage paradoxical tensions?

This question is addressed through a qualitative multiple-case study involving multiple companies from the tech, consulting, banking, printing and food-agri industries and with varying sustainability maturity. Using thematic analysis of semi-structured interviews, the research investigates how the perceived business case influences organizational responses to sustainability tensions, whether those responses are reactive and fragmented, or strategic and integrated.

The structure of this thesis is as follows. Chapter 2 introduces the theoretical framework, drawing from literature on paradox theory, dynamic capabilities, and business case logic to build the conceptual foundation. Chapter 3 outlines the methodological approach, including the selection of cases, the data collection process through semi-structured interviews, and the analytical strategy based on thematic

coding. Chapter 4 presents the empirical findings, highlighting patterns in how companies perceive and respond to sustainability-related tensions. Chapter 5 then discusses these findings in light of the theoretical framework, identifying key mechanisms, such as leadership, client pressure, and perceived business case strength, that shape strategic sustainability responses. Finally, Chapter 6 offers a concluding reflection on the main insights.

Ultimately, this research contributes to a more nuanced understanding of how the perceived business case for sustainability determines whether companies activate dynamic capabilities and manage paradoxical tensions constructively. While some firms translate these tensions into strategic opportunities and long-term competitive advantage, others remain trapped in symbolic or reactive responses. As Singh (2024) concludes, sustainability is no longer an optional add-on, it is "a fundamental component of long-term corporate success." This thesis investigates the capabilities and conditions that allow companies to act on that insight.

2. Theoretical Framework

2.1 External pressures & paradoxic tensions

Companies are under pressure to find ways to make sustainability initiatives align with economic value creation or competitive advantage (Sinthupundaja & Kohda, 2017). These efforts often improve environmental outcomes but their impact on operational performance remains unclear (Adebanjo et al., 2016). Diabat and Govindan (2011) emphasized the significance of external pressure in driving the adoption of sustainable practices. External pressures come from all sides including customers, competitors, society, regulations and policies. Organisations must find ways to line up environmental and social goals with financial outcomes (Yang et al., 2017).

External pressures can be categorized into regulatory/coercive pressures, driven by government regulations, market/normative pressures stemming from customer demands and societal norms, competitive/mimetic pressures from the need to keep up with competitors and social pressures from the public and environmental groups (Adebanjo et al., 2016). These external pressures drive improvements in environmental outcomes, often through the adoption of formal sustainability programmes or less formal initiatives in direct response (Adebanjo et al., 2016). The implementation of formal programs, while often improving environmental performance, does not always translate to improved economic performance or manufacturing performance. Therefore, external pressure alone does not always lead to direct improvements in manufacturing performance (Adebanjo et al., 2016).

Companies pursuing sustainability in their strategies are confronted with contradictory demands. For example, minimizing both cost and emissions, while the latter is often more expensive, or meet long-term climate targets whilst shareholders are pressing for short term rewards. Economic and environmental goals are inherently conflicting but in the modern business world related. These sustainability dilemmas can be understood through the lens of paradox theory (Carmine & De Marchi, 2022).

Carmine & De Marchi (2022) categorize paradox-related research into three streams: paradoxical tensions (what is experienced), paradoxical framing (how it is interpreted), and paradoxical strategies (how it is acted upon). See figure 1. Building on this, Hahn et al. (2014) contributes a so-called ‘cognitive lens’ which means it gives a perspective or framework which can be used to understand the behaviour that shows when a paradox appears. They argue that managers interpret sustainability tensions through different cognitive frames, which shape how they look for issues, interpret their meaning, and choose strategic responses. They identify two ideal types. The business case frame, where managers interpret sustainability issues in terms of their contribution to financial performance. This frame simplifies decision-making and enables focused, efficient responses, but may

lead to symbolic or narrow action. The paradoxical frame, where managers accept that sustainability issues involve conflicting yet interrelated economic, social, and environmental goals. This frame enables broader and more thinking, but can also lead to slower, more cautious decision-making due to its complexity and mixed feelings.

These frames influence what managers see as legitimate sustainability issues, how much control they feel over them, and whether they view them positively, negatively, or with mixed feelings. Hahn et al. (2014) show that while the business case frame leads to implementable responses, it often overlooks deeper tensions. The paradoxical frame, on the other hand, supports more comprehensive thinking, but may limit decisive action.

In this thesis, paradox theory is used not only to describe the tensions companies face, but to understand how managers' frames shape their responses. Specifically, I explore whether companies with a stronger perceived business case are more likely to engage in focused, business-case framing, or whether they can embrace paradoxical thinking that enables strategic sustainability transformation.

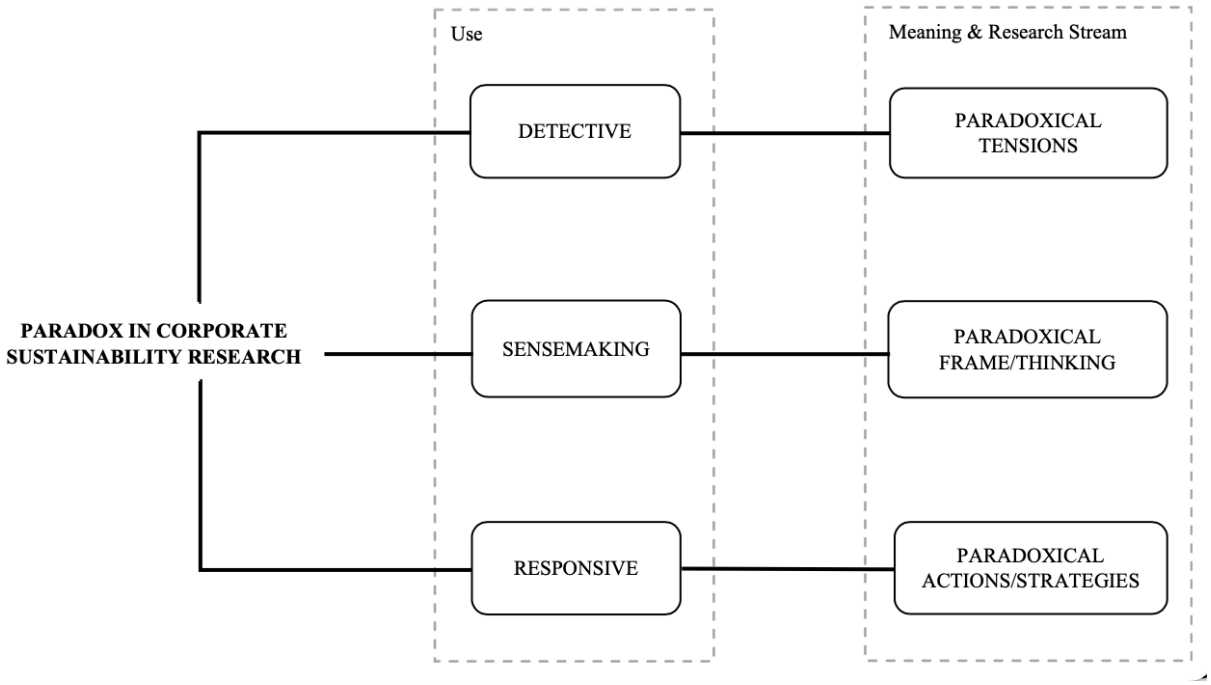

Figure 1: Uses, meanings, and research streams of paradox in corporate sustainability research

2.2 Shared value creation & sustainable business modelling

Porter and Kramer (2011) introduced the concept of shared value creation, pointing out that businesses can address social challenges whilst simultaneously achieving economic success. Shared value focuses on integrating societal needs into core business strategies to create measurable economic and social benefits, unlike traditional corporate social responsibility (CSR). Porter and Kramer (2011) Creating Shared Value (CSV) offer a model shift by implying that businesses can achieve economic

growth while addressing environmental and social challenges. Shared value focuses on three pathways for achieving win-win where sustainable practices meet financial incentive outcomes: (1) revise products and markets to meet societal needs, (2) redefining productivity in the value chain by improving efficient use of the resources, and (3) building supportive ecosystems for business and community growth by enabling local cluster development.

The strategic integration of shared value improves organizational legitimacy and stakeholder trust. By lining up business goals with societal progress, companies can build stronger relationships with consumers, employees, and policymakers (Porter & Kramer, 2011). These relationships not only reduce operational risks but also create new pathways for collaboration and innovation, further embedding shared value principles into the organizational culture.

Furthermore, shared value creation highlights the importance of measurement and accountability. Companies pursuing CSV must develop robust metrics to assess the economic and societal impacts of their initiatives (Dembek et al., 2016; Menghwar & Daood, 2021). Menghwar & Daood (2021) Call for further qualitative research on exploring the role of Dynamic capabilities in CSV. The role of dynamic capabilities shows how businesses respond to changing societal demands while maintaining competitiveness. Dynamic capabilities, such as sensing emerging opportunities, seizing them effectively, and transforming operations to adapt, are critical for integrating shared value into business strategies (Teece et al., 1997). These capabilities, particularly dynamic stakeholder management, enable companies to adapt their stakeholder relationships over time, allowing them to respond effectively to social and environmental challenges while aligning stakeholder demands with core business objectives (Breternitz, 2020).

A key challenge for businesses is finding ways to make sustainability initiatives align with economic value creation or competitive advantage (Yang et al., 2017). This involves rethinking business models so that trade-offs can potentially become new business strategies. Sustainable Business Models (SBMs) are a way to take sustainability into account as the core of business decisions, aiming for more than as much financial gains as possible. SBMs should be rooted in moral values and beliefs that line up with the organisational culture (Morioka et al., 2017). Innovation is the foundation for companies that look at sustainability as an opportunity, not just a cost (Yang et al., 2017). SBMs are expected to contribute to Sustainable Development Goals (SDGs) and integrating sustainability can be a source of competitive advantage through enhanced reputation, premium pricing, increased sales, and greater stakeholder trust (Gupta & Benson, 2011; Porter & Kramer, 2011; Schaltegger et al., 2012). It can also be a driver for innovation and cost reduction. Some companies proactively reduce environmental impacts and embrace social responsibility because it delivers greater value and increases competitiveness

The usage of sustainable practices into new business models is further supported by Bocken et al. (2013), the author highlights the role of sustainable business models (SBMs) in delivering triple-bottom-line value: economic, environmental and social. Additionally, studies have examined the drivers of sustainable practices, highlighting the importance of cost reduction, risk mitigation, enhanced reputation, and innovation (Schaltegger et al., 2012). Case examples, such as IKEA's adoption of circular economy practices presented by Yang et al., (2017) demonstrate the potential for businesses to achieve both profitability and societal impact.

When creating a business case for sustainability active management and detailed knowledge are required as the drivers of both profit-increasing and cost-reducing measures (Schaltegger et al., 2012). This involves managing the connections between social, environmental, and economic performance (Yang et al., 2017). Businesses need to identify the correct measures in line with their core business if they want to transform sustainability into a competitive advantage (Schaltegger et al., 2012). Strategic management of resources and competencies are required to be able to transform external pressure into a competitive advantage (Adebanjo et al. 2016). Businesses must consider economic, social, and environmental benefits as valuable and should integrate sustainable value into their business models, linking resources and outcomes across multiple stakeholders (Yang et al., 2017).

The concept of a business case for sustainability refers to the idea that environmental and social actions can actively contribute to a company's economic success. As Schaltegger and Lüdeke-Freund (2012) define it, this involves more than simply aligning sustainability with business, it requires the intentional design of voluntary environmental or social activities that create measurable business benefits. Rather than assuming that sustainability and profitability are inherently aligned, Schaltegger and Lüdeke-Freund (2012) emphasize that a business case must be actively created and managed.

Schaltegger and Lüdeke-Freund (2012) also identify six main drivers of a business case for sustainability, see figure 2. These drivers can be direct (like cost savings) or indirect (like long-term brand strength) and may differ in intensity across industries and companies. Importantly, not every sustainability activity will lead to economic benefits. The link between sustainability performance and business success depends on how well the activity is integrated into business operations and value creation logic.

Core business case drivers
Costs and cost reduction
Risk and risk reduction
Sales and profit margin
Reputation and brand value
Attractiveness as employer
Innovative capabilities

Figure 2: Core Business Case Drivers

Finally, Schaltegger and Lüdeke-Freund (2012) highlight that business cases for sustainability do not have to lead to the creation of entirely new companies or markets. Often, they appear through transformations within existing business models, for example, changing sourcing practices, product design, or internal KPIs. This makes the business case a flexible concept: it can support both incremental improvements and fundamental innovation.

In this thesis, the concept of the business case for sustainability is used not as outcome, but as a perception variable. In other words, how do companies see sustainability, as a cost or opportunity? And is there a relation to how strong or weak the business case for each sustainability initiative is and does that help explain why some companies engage with sustainability systematically, while others do so only reactively or symbolically. By combining this with the dynamic capabilities and paradox theory perspectives, this research aims to explore how such perceptions influence companies' ability to respond to tensions and innovate towards win-win outcomes.

2.3 Dynamic capabilities

To respond effectively to sustainability challenges, companies need more than ambition, they need the ability to act. The concept of dynamic capabilities provides a framework for understanding how companies adapt and transform in response to external pressures and internal goals. According to Teece et al. (1997), dynamic capabilities are a firm's capacity to sense opportunities and threats, seize them through resource reallocation, and transform operations to maintain competitiveness in changing environments, see figure 3.

Dynamic capabilities are especially critical in navigating strategic tensions, such as those between short-term financial performance and long-term environmental commitments. These tensions, often described as paradoxical, are increasingly notable in sustainability contexts (Carmine & De Marchi, 2022; Hahn et al., 2014). Managers might cognitively frame sustainability either as a business case or as a paradox (Hahn et al., 2014). Their ability to act constructively on these tensions depends on their firm's underlying capabilities.

Dynamic capabilities are essential for companies to successfully implement Creating Shared Value (CSV) and Sustainable Business Model Innovation (SBMI). They help companies adapt by spotting sustainability opportunities, acting on them, and changing their operations accordingly. For example, shifting to eco-friendly products or redesigning processes often requires new ways of thinking and working across departments.

In this thesis, dynamic capabilities are not only seen as enablers of sustainability transformation but also as mediators between the perceived business case for sustainability and the strategic responses companies adopt. companies that perceive a strong business case, that is, clear financial or competitive benefits linked to sustainability, are more likely to invest in capabilities that allow them to exploit these opportunities. For instance, sensing increasing consumer demand for eco-friendly products may trigger investments in innovation, which are seized through new product development and transformed into routines or supply chain shifts.

However, perception alone is not sufficient. As Schaltegger & Lüdeke-Freund (2012) argue, the business case for sustainability must be actively created through strategic design and internal capabilities, not passively assumed. Dynamic capabilities are the mechanism through which companies translate perception into action. In companies where the business case is less clear or contested, strong dynamic capabilities can still drive experimentation and learning, enabling the firm to test new sustainability strategies and iterate toward solutions, even in the face of ambiguity.

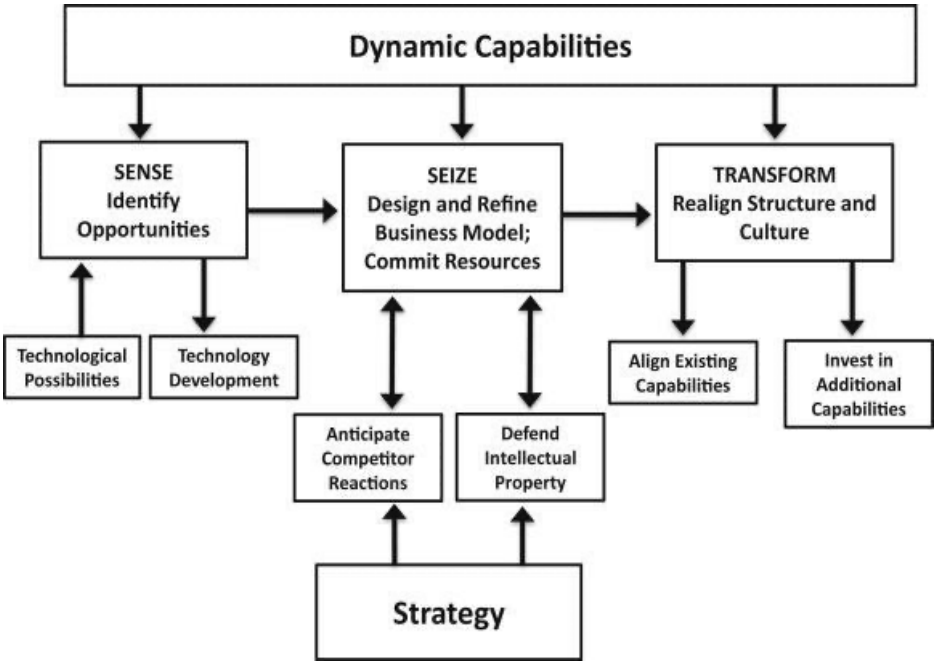

Figure 3: Dynamic Capabilities Framework

Empirical studies support this mediating role. For example, Eikelenboom and De Jong (2019) found that integrative dynamic capabilities, those that combine knowledge and resources internally across departments or externally with stakeholders, are positively related to all three pillars of sustainability performance (economic, social, and environmental). This suggests that capabilities are critical not just for seizing immediate win-win opportunities, but for balancing competing priorities over time.

Thus, the strength of the perceived business case influences how a firm cognitively frames sustainability challenges, while dynamic capabilities determine whether those frames lead to symbolic compliance, incremental improvements, or strategic transformation. By placing dynamic capabilities at the centre of this relationship, this thesis explains why some companies succeed in managing paradoxical tensions and achieving win-win sustainability outcomes, while others remain reactive or fragmented in their efforts.

However, despite growing evidence of the benefits of sustainability-driven strategies, gaps remain in understanding the mechanisms that enable companies to achieve win-win outcomes. Adebanjo et al. (2016) emphasize the need to investigate the internal factors that influence businesses' ability to align sustainability goals with financial success.

3. Methods

3.1 Research design

This research was done by a qualitative, interpretive methodology, which is well suited for exploring how companies respond and perceive tensions between sustainability and financial performance. Sustainability challenges are layered and very context specific in how companies manage them. A qualitative approach enables for deeper understanding of how paradoxical tensions are being handled. Instead of looking at numbers, qualitative research allows in this case for managerial sensemaking, framing processes, and strategic action as this takes place in real organizational settings. Paradox Theory was particularly relevant here, as it supports the exploration of how managers cognitively navigate tensions between conflicting goals, such as profit and sustainability. Similarly, Dynamic Capabilities Theory helped guide the focus on organizational action, how companies adapt and respond to sustainability pressures over time.

The focus is on how companies act on sustainability initiatives, and how this relates to the perceived strength of the business case for sustainability, and whether dynamic capabilities are therefore enacted or not. Therefore, this study draws on semi-structured interviews with practitioners directly involved in sustainability strategy and decision-making. This approach supports theory-building through abductive reasoning, starting with theoretical concepts, but remaining open to new insights that emerge from the data. The two theoretical pillars, Dynamic Capabilities and Paradox Theory were used not only to guide the initial design but also to ensure alignment between theoretical constructs and practical phenomena observed in the field.

3.2 Data collection

This study was conducted by doing 7 interviews across five companies operating in the Netherlands. They were selected for their diverse industrial/sectoral background and difference in maturity level of sustainability. The companies represent a wide range of industries such as, Tech and cloud services, Banking sector, Food production and processing and IT/Cloud Consultancy. Several of these companies are large multinational corporations, while others are Dutch (family) founded companies. This industrial diversity enables exploration of sustainability interpretation and actions/strategy in different strategic contexts. The selection of companies was designed to capture variation in: Sustainability maturity (ranging from symbolic efforts to deeply embedded practices), Perceived business case strength (from compliance-driven to innovation-oriented), Market orientation (business-to-business, consumer-facing, or hybrid), Organizational scale (regional to multinational). This variation strengthens the study's ability to explore how companies perceive and manage paradoxical tensions in sustainability, and how they demonstrate, or fail to demonstrate, dynamic

capabilities in response to these tensions. It also allowed testing whether perceptions of the business case for sustainability differed systematically across contexts.

A purposive sampling strategy was used to identify participants with deep involvement in their company's sustainability strategy. Respondents were selected to reflect variation in roles (sustainability manager worldwide, operations managers, local sustainability manager, commercial director), and to provide both strategic and operational perspectives. Inclusion criteria required that participants be involved in sustainability-related decision-making and be able to reflect on internal tensions, organizational responses, and framing of sustainability within the firm. This selection was informed by Paradox Theory, ensuring that participants were in positions where competing priorities (e.g., short-term vs long-term) were both visible and personally experienced. Participants were identified through professional networks. A total of seven interviews were conducted across the five companies.

Case ID	Type of industry	Company Scale	Approx. Employees	Role of interviewee
Case 1	Food processing	Large Enterprise	1500	Logistics manager
Case 2	Banking	MNC	49.000	Head of Sustainability
Case 3	IT/Cloud consultancy	MNC	50.000	Sustainability Lead
Case 4	Banking	MNC	49.000	Team lead Marketing Communication
Case 5	Printing	SME	150	HR Manager
Case 6	Tech and Cloud services	MNC	183.000	Director Technology Cluster Benelux
Case7	Food processing	Large Enterprise	1500	Sustainability Manager

Table 1: Overview of Interview Participants and Company Characteristics

Interviews lasted approximately 30 minutes, were conducted in Dutch, and took place online. With informed consent, all interviews were recorded, transcribed by hand for accuracy, and translated into English for analysis. The interview guide was carefully designed to align with the study's theoretical framework, namely paradox theory, dynamic capabilities, and the perceived business case for sustainability. It covered seven key thematic areas: how sustainability is currently positioned within the organization and how this has evolved over time; examples of concrete dilemmas where competing priorities, such as long-term versus short-term goals or profit versus environmental responsibility, were

at play; the emergence of sustainability initiatives and the processes of sensing, seizing, and transforming that supported them; whether and how organizations have developed more structured ways of managing sustainability tensions over time; how internal and external stakeholders frame sustainability issues and which narratives dominate; the systems, tools, and routines used to anticipate and respond to sustainability-related change; and finally, perceived outcomes across economic, social, and environmental dimensions, including what would be needed to better integrate sustainability into core business strategy. Each thematic block was rooted in the theoretical dimensions, Paradox Theory shaped the exploration of competing priorities, Dynamic Capabilities Theory informed the focus on sensing, seizing, and transforming, while the Business Case directed attention to how sustainability was framed within the firm.

While each interview followed this general structure, follow-up questions were adapted based on the participant's role and the role sustainability played in that company. For instance, the commercial director was asked about the trade-off between client demands and sustainability strategy, while the consultant was asked how different clients frame and respond to sustainability pressures. This flexibility allowed the theoretical framework to guide the interview process while remaining responsive to emerging context-specific insights, consistent with an abductive approach. This format provided a consistent yet flexible basis for comparing responses across roles and organizations.

3.3 Data Analysis

Data analysis was conducted using thematic coding in Atlas.ti, guided by both theoretical concepts and insights that emerged from the interview data. The process followed an abductive logic, moving iteratively between theory and empirical material. The findings were drawn from the original Dutch interviews and translated in the Findings chapter by the researcher. The structure of the coding process reflected the theoretical lenses: codes were pre-structured around key concepts from Paradox Theory (e.g., symbolic vs. substantive action), Dynamic Capabilities (e.g., sensing, seizing, transforming), and the perceived Business Case for sustainability (e.g., sustainability as cost vs. opportunity).

The initial coding framework was developed based on the three main theoretical pillars of this thesis: paradox theory, dynamic capabilities, and the business case for sustainability. This deductive structure was complemented by inductive coding, which allowed unexpected themes and insights to emerge naturally from the interview data.

Codes were grouped into four overarching themes that guided the analysis. The first theme, paradox and tensions, captured how competing sustainability and business logics were experienced in practice. This included tensions between cost and efficiency, short-term and long-term goals, profit and

purpose, symbolic versus substantive action, and instances of internal resistance. The second theme, dynamic capabilities, focused on tracing how companies' sense, seize, and transform in response to sustainability challenges. Additional codes under this theme included client-driven innovation, cultural transformation, and the slow pace of change. The third theme, business case strength, examined how sustainability was framed within the organization, whether it was seen primarily as a cost or an opportunity, and how elements such as reputation, risk mitigation, or innovation shaped this perception. Finally, the theme of barriers and enablers covered contextual factors that influenced sustainability outcomes. These included leadership alignment, external pressures, and data-related challenges that either enabled or constrained the development of structured sustainability responses.

3.4 Ethical considerations

Prior to data collection, the study design and consent procedures were approved by the thesis supervisor. Participants received an information sheet outlining the privacy conditions, the voluntary nature of participation, and the right to withdraw at any time. Prior to the interview I discussed and explained the privacy conditions to make sure the participant understood and also to make the participants feel at ease for optimal data outcome. All data was anonymized, securely stored behind a password wall of which the password is only known to me and used only for academic purposes. Quotes in the findings are pseudonymized to ensure confidentiality. The use of frameworks such as Paradox Theory and Dynamic Capabilities also shaped how data sensitivity was handled, given that topics like internal tensions, missed sustainability targets, or leadership misalignment could surface, ethical care was taken to ensure honest responses were protected.

4. Findings

This chapter presents the empirical findings based on interviews with five companies operating in sectors ranging from finance, banking, food production to consultancy and printing. While theoretical references to sensing, seizing, and transforming provide a useful vocabulary to describe change processes, they are not treated as a formal framework in this analysis.

4.1 Perceiving Tensions and External Pressure

Across the cases, sustainability-related action is often externally triggered. Companies tend to perceive and respond to sustainability tensions primarily when there is clear pressure, logical strategic move or interest from clients, either B2B or B2C. The food production company's ambitious sustainability agenda is largely shaped by their main client demands, one interviewee explained, "*No we would not be this far sustainability wise without pressure from our main client, because our client is really far ahead and asks for a lot (7)*". Similarly, in consultancy contexts, sustainable services are added to proposals only when clients ask for them and is the first thing to be removed during price negotiations if it goes over budget, as one interviewee explained, "*Sustainability plans often fail because there is a price tag attached to them (3)*". The consultant also noted that in 80 to 90 percent of cases, clients treat sustainability as a regulatory box to tick, not a true strategic priority, "*Furthermore, you often see that it is a 'must' that is pushed in and that it is actually something from either a regulation or yes, because somewhere a stakeholder at a high level finds it important (3)*".

Where there is no visible demand, no action follows. The printing company, for example, postponed its investment in a sustainable recycling solution because it could not see immediate returns even though clients are starting to ask for it. In such contexts, sustainability is not perceived as urgent or valuable and is sidelined accordingly. "*If there is something that has a conflict of interest, we want to do that because the market is increasingly responding to that. But at the same time, we also find it difficult because it involves investments, and it does not necessarily yield much more money (5).*"

4.2 Framing and Decision-Making

The way companies frame sustainability internally strongly shapes whether and how they act. Some frame sustainability as a reputational or strategic asset; others see it purely as a cost. The case of the Bank illustrates a hybrid framing: sustainability is embedded in strategy, but initiatives are ultimately justified through long-term portfolio protection. For example, providing home insulation subsidies to customers is seen as a way to ensure the long-term value of mortgage assets. This framing allows the bank to act while still aligning with financial logic. One interviewee from the bank explained, "*I think we are aware that it is a risk if you reduce the coverage radius, but, of your mortgage investments as the depreciation of your collateral so much because the homes are not geared towards*

the future. Then you simply have a depreciation of your collateral. So, it is not that we are making progress, but we do see that if we do nothing about it and do not persuade customers to join, then that customer will have a problem in the future, but so will we (4)" Another interviewee said, "*We want to green that portfolio towards 2030, 2040, 2050. Ideologically you would say, in 2050 that whole 300 billion is zero, in old, gray. And 300 billion green, that's of course not going to happen. But 15 billion new will be invested, but also 16 billion shifting, so that is changing your current to green. That way you take a kind of movement towards the future. If you follow that, then you can follow it financially (2).*"

In contrast, the printing company's framing is narrowly commercial. One interviewee explained, "*I prefer to look at what it means for my EBITDA this month and next month* (5)". Meanwhile, companies like the food manufacturer or the bank are more willing to act when sustainability is viewed as a strategic issue, even if short-term gains are uncertain. Example from the interview of the food manufacturer: "*So we really have to coordinate closely, not only with the company that makes our packaging, but also with our main client, who, by the way, supports this. They said, 'We're willing to do this" even though the container we normally buy for 5 cents will cost 50 cents for the first three to five years.' That's incredibly more expensive* (7)" In this sense the client not only exerts pressure but also acts as a driver.

Even when sustainability is perceived as important, action varies widely. At the food-processing company, changes such as shifting towards less food waste as possible and shifting away from biogas and waste flows towards care farms or piloting costly biobased plastics. These actions occur mainly because of cost minimization, external pressure and strong internal leadership. "*So, the positive thing within the company is that we have a higher yield of our current raw materials. Because less waste of the product means higher yield. That directly contributes to the costs and that really goes by several hundreds of thousands of euros per year. That really goes very fast* (1)"

Similarly, the bank's initiatives, such as offering energy subsidies or piloting flexible housing, were often justified through long-term strategic thinking. This suggests that companies with a clear internal logic for sustainability, whether moral, strategic, or reputational, are more likely to persist in the face of dilemmas.

Meanwhile, companies without such alignment tend to rely on symbolic action. As one interviewee put it, "*It is a highly commercial organization, so the primary focus is on what it delivers in terms of financial return (5)*" Without either internal belief or external pressure, sustainability becomes superficial.

4.3 The Role of Leadership and Clients

Leadership was repeatedly mentioned as the key internal enabler of sustainability. When senior figures advocate for change, whether out of personal conviction or strategic insight, the rest of the organization tends to follow. However, even strong internal leadership is not always enough without external demand. Several interviewees emphasized that clients must be on board for real change to occur. One respondent phrased this well: “If the client doesn’t see that something is sustainable, then it becomes a weak business case and hard to push internally (7)”

Conversely, when clients are vocal and clear, such as the client from the food producer demanding ESG compliance, companies adapt quickly. Thus, the combination of internal leadership and external pressure appears to be the strongest driver of change. One of the interviewees explained, "Legislation and regulations should be set up in such a way that almost everything has to be sustainable, companies will change themselves. If you really have to, then you will do it (3)". Another speaking example of portrayed leadership that shows systematic change is “With all due respect, if there's an oil tycoon with some dirty industry who wants a loan, I just say: you know what, you can either walk past my door or you start changing something. Then we'll go through the transition with you. But if you're not willing to change, then we say no (2)”

4.4 The Business Case as a Trigger for Dynamic Capabilities

Ultimately, the variation across cases is best explained by how strong or weak the business case for sustainability is perceived to be. This is particularly clear at the food-processing company. Here, dynamic capabilities are supported by both strong client pressure and a deeply embedded culture of data-driven decision-making. The interviewee emphasized the long-term integration of performance goals: “We measure the result every year. We've set our goals in absolute terms, compared to 2018, and track what we've achieved. (7)” The interviewee further noted: “What has changed most in recent years is insight into your numbers. You now know much better what causes emissions. (7)” Another interviewee highlighted this systematic approach: “We continuously measure how much food is being wasted, and based on that, we introduced smaller trays and smaller plates. Everything is measured, we even have a prize for the most sustainable kitchen. (6)” This reflects a structured sensing and seizing process, where metrics directly inform operational change.

One of the interviewee’s provided further insights into operational transformation: “We had to adjust several procedures and processes within the factory. (1)” The shift was described as a long-term strategic commitment: “That’s a very long-term decision. We’re working hard on it, but you don’t solve that in one go. (7)” Sustainability at the food-processing company is clearly positioned as a core identity: “We want to be a green company, a healthy company. We produce healthy products that are

eaten by 14% of Dutch people every evening. (1)" These reflections show a full activation of dynamic capabilities, enabled by a strong and strategic business case.

At the banking company, dynamic capabilities are similarly supported by portfolio management and reputational factors. As the interviewee explained: "We really want it to be measured, and we don't want greenwashing data. So, it has to be done very precisely. (2)" This precision focus is tied to risk mitigation and long-term asset protection, showing how sensing and seizing are grounded in robust data frameworks. The bank ESG efforts are not symbolic; they are institutionalized in products, client conversations, and internal KPIs.

The IT/cloud consultancy company illustrates how a strong business case for sustainability directly leads to the enactment of dynamic capabilities and consistent sustainable outcomes. As the interviewee described, one of their clients a sustainable animal feed company, has built its business model around reducing methane emissions in livestock. "Because they are a sustainable feed company, their product has a measurable impact on methane emissions from cows. They've seen that when cows eat their feed, emissions go down by up to 25%. (6)"

Crucially, this company does not act on sustainability purely from ideological motivation, it does so because sustainability makes them money. The perceived business case is strong: their data-driven sustainability impact provides clear market value and differentiates them from competitors. "They're collecting an entire set of data on the cow and its lifecycle. It's data that no other party has, and now they can commoditize it. (6)" By leveraging sustainability data, the company gains a market advantage, demonstrating how sustainability is actively monetized.

This commercial logic triggers the systematic enactment of dynamic capabilities. The company actively senses opportunities through product impact data, seizes them by incorporating this into client offerings, and transforms their value proposition around verified sustainability outcomes. As the interviewee put it: "That's part of their business model and product. They see sustainability as an asset." The outcome is not symbolic but substantive: sustainability is embedded, measured, and consistently delivered.

The interviewee further added: "If you want to accelerate sustainability, you need data. People often start by measuring, it's often required by law, but many find it uncomfortable. It goes a bit against people's nature." This reinforces the point that even when sustainability requires effort or cultural adaptation, companies with a clear business case are willing to do the hard work, because it pays off, both economically and environmentally.

By contrast, in companies where the business case is perceived as weak, due to unclear ROI, limited client interest, or cost sensitivity, dynamic capabilities are inconsistently enacted. The same interviewee as above shared: “My big plans to set up the service provision in a really beautiful and sustainable way they fail because they have a price tag that is ‘on top’. (6)” Another remark: “In communication, it is seen as an opportunity, but if the plan costs 10 million, then suddenly it’s: ‘it doesn’t have to be that sustainable’. (6)” These responses reveal a breakdown between sensing and seizing, where sustainability is acknowledged, but abandoned in practice due to lack of a weak business case or less external pressure.

The printing company provides a particularly clear example of this inverse logic. Here, the perceived business case for sustainability was weak, and as a result, dynamic capabilities were largely absent, leading to sporadic and largely symbolic sustainability outcomes. As one respondent noted: “So at our printing company so to speak, they didn’t really see it as an important theme. We were actually just happy to put on the website that we have solar panels on all the roofs.” This reflects a superficial engagement with sustainability, focused more on image than transformation. The company did implement measures such as Lean management and solar panels, but primarily for cost savings: “In the past five years, we’ve mainly chosen to invest in solar panels and Lean management to reduce waste, but mainly from a cost-efficiency perspective, not really from a sustainability angle.” Because the initiatives were not strategically framed around sustainability, no systematic sensing, seizing, or transforming occurred. Action remained fragmented.

This contrast reveals a reinforcing loop: when the perceived business case is strong, through client alignment, reputational logic, or internal framing, companies are more likely to systematically enact dynamic capabilities. Sensing is deliberate, seizing is backed by leadership and data, and transformation is embedded in processes and culture. However, when the business case is weak, capabilities are enacted only sporadically, and sustainability becomes symbolic, more communicated than operationalized.

In short, the perceived business case functions as both a filter and a trigger for dynamic capabilities. These findings support the claim that business case strength is the primary explanation for variation in sustainability action. Leadership and internal skill matter, but without clear perceived value, particularly from clients and regulators, firms are unlikely to move beyond surface-level efforts

5. Discussion

This chapter interprets the findings in relation to existing literature and provides an integrated understanding of how the perceived business case for sustainability influences companies' management of paradoxical tensions and display of dynamic capabilities. The findings reveal considerable variation in sustainability engagement, largely dependent on whether sustainability is perceived as strategically beneficial or merely as a reputational necessity.

5.1 The Role of the Business Case: Catalyst or Constraint?

The current data show that companies with a strong perceived business case for sustainability, often enabled by clear client expectations or regulations, tend to take a more systematic, long-term approach. Sustainability becomes consistent in routines and decision-making processes, leading to more proactive sensing and seizing of sustainability opportunities. This aligns with Schaltegger and Lüdeke-Freund's (2012) idea that a true business case for sustainability requires not only an economic return but also a clear link between intentional sustainability actions and business value creation.

Conversely, companies that perceive sustainability as a financial matter and 'weak business case' only often remain reactive. These companies demonstrate what Hahn et al. (2014) term a "business case frame," which emphasizes alignment with economic logic and tends to limit scanning to financially relevant opportunities. This results in narrow, incremental initiatives, often labelled "Weak business case" that lack strategic depth and are primarily symbolic in nature.

5.2 Systematic versus Symbolic Responses

Companies that only see weak business cases in sustainability initiatives only engage when it is not expensive or within the projected budget. These companies often only invest in sustainability when the business case is strong, and a win-win appears therefore engaging in one-off projects with little systemic follow-up. These actions serve to satisfy external stakeholders while preserving the status quo. This behaviour supports earlier findings on the symbolic/substantive distinction in sustainability management (Hahn et al., 2014).

Moreover, companies that engage more systematically with sustainability often rely more on data, KPIs, and measurement systems to track progress and justify investments. This use of data improves internal legitimacy, especially when sustainability outcomes are not immediately visible or profitable.

In contrast, when companies perceive intrinsic value in sustainability, whether through innovation potential, brand enhancement or strategy alignment they are more likely to embed

sustainability into their core processes. These companies engage in what paradox literature calls "paradoxical actions": embracing the tension between cost and sustainability rather than choosing one over the other (Carmine & De Marchi, 2022).

5.3 The Crucial Role of Leadership and Organizational Framing

Leadership emerged as an important factor in translating sustainability tensions into opportunity. Strong leaders are able to frame sustainability not just as a compliance issue but as a strategic opportunity. In companies where strong leadership was shown sustainability initiatives flourished and were really pushed and believed in by others, without strong leadership sustainability initiatives would not have the same outcome as with the leadership. This was a factor that was mentioned very often by the interviewees.

This resonates with Hahn et al. (2014), who suggest that managers with a "paradoxical frame" are more likely to interpret sustainability issues from two sides, seeing both their risks and potential, only Hahn et al. (2014) also claim that due to their higher awareness of risk and tensions managers with a paradoxical frame move forward slowly and carefully, this not something that was discovered in the interviews conducted for this research.

5.4 Visibility and Client Pressure as External Enablers

Client expectations, especially from dominant buyers stated in findings, were strong external drivers of sustainability engagement. When clients demand quantifiable sustainability actions or data transparency, companies become more systematic in their approach. However, where client expectations are absent, the business case weakens and sustainability becomes symbolic or even absent.

Moreover, the findings suggest that visibility of the sustainability initiative to clients modulates how the business case is perceived. When sustainability is visible and measurable (e.g., reduced emissions, circular packaging), it is easier to justify internally. In contrast, "invisible" initiatives like biobased plastics or green gas often lack clear communication to customers and are more difficult to sustain without strong leadership or regulatory push. This resonates with Schaltegger and Lüdeke-Freund's (2012) Core drivers for the business case for sustainability, because no visibility means no increase in reputation and brand value, therefore weak business case.

5.5 Integration of Findings with Paradox and Dynamic Capabilities Theory

Overall, this research accompanies that the perceived business case strength influences whether sustainability tensions are seen as paradoxes worth managing or as trade-offs to be avoided. In companies where the business case is strong and sustainability is framed as strategic, dynamic

capabilities are enacted more actively. Sensing is more forward-looking, seizing more innovative, and transforming more ambitious.

However, paradoxically, even companies with a strong business case may avoid transformative steps due to systemic barriers such as cost, risk aversion, or short-term pressure. This highlights again the importance of strong leadership and clear regulations.

5.6 Theoretical Implications

This study set out to answer the question: *How does the perceived business case for sustainability influence how companies enacte dynamic capabilities and manage paradoxical tensions?* The findings demonstrate that the perceived strength of the business case acts as a critical interpretive filter that determines whether sustainability tensions are viewed as manageable paradoxes or intractable trade-offs. When the business case is perceived as strong, often due to client demand, reputational opportunity, or strategic framing, companies are more likely to engage with paradoxical tensions constructively (Carmine & De Marchi, 2022) and enact dynamic capabilities (Teece, 2007). These companies demonstrate more deliberate sensing of sustainability trends, seizing through innovation and stakeholder alignment, and transforming their operations to embed sustainability at the core systematically backed by data. Conversely, when the business case is perceived as weak, sustainability is framed narrowly through a short-term economic lens (Hahn et al., 2014), resulting in symbolic or reactive actions that are neither data-driven nor supported by structured measurement tools. Thus, the perceived business case, aligned with Schaltegger and Lüdeke-Freund's (2012) shapes how companies navigate sustainability tensions and enact dynamic capabilities.

The findings across cases can be visualised into a conceptual model that show how paradoxical tensions, business case perception, and dynamic capabilities interact to shape sustainability outcomes. Figure 4 visualizes this relationship.

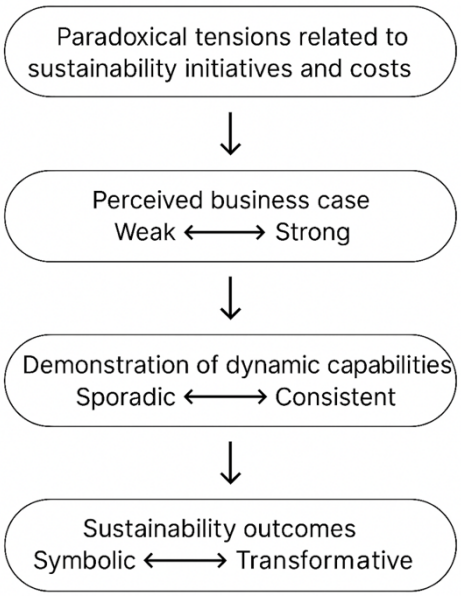

Figure 4: From Paradoxical Tensions to Sustainability Outcomes: The Role of the Business Case and Dynamic Capabilities

5.7 Managerial and Policy Implications

This research highlights several implications for sustainability managers, business leaders and policy makers seeking to drive change.

First, these interviews press for more coherent and future-oriented policy design. As one respondent noted, “It doesn’t help if legislation contradicts itself. One law says: take risks for sustainability. The other law says: keep your capital up to par.” Such regulatory contradictions create hesitation among companies, especially when sustainable investments appear riskier or yield lower short-term returns. A more effective approach would be to create long-term standards that align policy across levels and sectors. As another interviewee argued, “If you set up legislation and regulations in such a way that almost everything has to be sustainable, companies will change automatically.” To guide this transition, policymakers should level the playing field where sustainable products can compete pricewise with traditional products. “It would help if a kind of standard were developed in which we follow the same line of thought at political, business and private level (2)” This would reduce uncertainty, increase comparability, and provide a stronger mandate for sustainable transformation across industries.

Second, in both B2B and B2C contexts, actively initiating conversations around the business case is crucial. In B2B settings, managers should engage clients early on to co-develop sustainability initiatives, making the business case clear, for example, through shared long-term goals, cost-saving logic, or attractiveness as an employer. As the findings show, when clients perceive value and articulate clear expectations, internal momentum for sustainability significantly increases.

Third, in B2C markets, visibility is key. Initiatives that are tangible and communicable, such as packaging, carbon labelling, or clear branding, strengthen the business case by contributing to customer loyalty and reputation. In contrast, “invisible” sustainability efforts with unclear value to consumers are harder to justify internally and often fall behind in implementation. Make customers understand what they are paying the premium price for. Managers should therefore invest in communicating sustainability value effectively to consumers.

Fourth, sustainability professionals must recognize that a strong narrative and a clear business case are requirements for implementation. Even in organizations with dynamic capabilities and committed individuals, initiatives often stall unless they have a good strategic story and therefore a strong business case. Sustainability managers should align proposed actions with broader business objectives and use data, risk framing, or innovation narratives to gain support. Without this framing, even well-intended projects may remain symbolic or be postponed.

5.8 Limitations and Directions for Future Research

While this study provides valuable insights into the interplay between perceived business cases, paradoxical tensions, and dynamic capabilities, several limitations must be acknowledged.

The study is based on a relatively small and sector-diverse sample of seven interviews across five companies. While this supports exploratory depth and variation, it limits the generalizability of the findings. Future research could adopt a comparative case study approach within a single industry to better control for sector-specific dynamics and allow for deeper pattern identification.

This study is reliant on self-reported data from managerial interviews, which introduces the risk of social desirability bias and subjective framing. Interviewees may unintentionally overstate their organization's commitment to sustainability or underreport symbolic actions. Future work could include triangulation through internal documents, observation, or longitudinal tracking to validate responses and observe actual practices over time.

The thesis integrates paradox theory, dynamic capabilities, and business case logic; it does not fully explore organizational culture, power dynamics, or intra-organizational politics that may significantly shape how tensions are framed and acted upon. Further research could examine these softer, often hidden dimensions of organizational decision-making, especially how competing interests across departments affect sustainability trade-offs.

Finally, this study took place in the Netherlands, a relatively sustainability-conscious country with supportive regulation and progressive corporate discourse. The institutional context may have shaped how tensions and capabilities were experienced and framed. Cross-national studies could examine how

differences in regulatory environments, market maturity, and public pressure affect the salience and strength of the business case for sustainability.

Together, these limitations also point toward rich opportunities for future research: to further explore the causal mechanisms that allow companies to move from paradox awareness to sustained strategic transformation, and to investigate the contextual and relational factors that help translate perception into capability.

5.9 Reflection on transdisciplinarity

Throughout this thesis process, I've learned a lot about how theoretical concepts like paradox theory and dynamic capabilities are portrayed in real life settings. These frameworks helped me structure my thinking and understand how companies try to balance sustainability and business goals. But I also noticed something more subtle: while many companies, and even the people I interviewed, genuinely seemed to care about sustainability, the underlying motivation often came down to financial matters. Sustainability is rarely pursued for its own sake. This doesn't make it less meaningful, but it did shift my view on sustainability in the real world and prepares me to always bring a business case to sustainable initiatives in a possible future job. It taught me that theory offers a view that is not always a hundred percent applicable to every case, but understanding real change requires paying close attention to how values, incentives, and strategy intersect in practice.

6. Conclusion

This thesis set out to explore how the perceived business case for sustainability influences to what extent companies demonstrate dynamic capabilities and manage paradoxical tensions. By conducting in-depth interviews with practitioners across diverse industries, including finance, food, consulting, printing, and tech, this study has looked at how organizations interpret, justify, and act upon sustainability challenges.

The findings show that the perception of sustainability as a business case is a central mechanism in determining how companies respond. When sustainability is viewed as a strategic opportunity, for instance due to client pressure, reputational gain, regulatory foresight, or leadership, companies are more likely to engage proactively. They demonstrate stronger dynamic capabilities, such as sensing future ESG requirements, seizing innovation potential, and transforming internal routines or even the way internal staffing is set up.

On the other hand, when sustainability is perceived primarily as a cost or compliance obligation, action tends to be reactive, symbolic, or fragmented. This aligns with paradox theory, which suggests that tensions, such as short-term cost vs. long-term climate goals, are not easily resolved, but must be managed. Whether organizations embrace or avoid these tensions is shaped by how they frame the business case and whether leadership communicates a compelling sustainability narrative.

The Dynamic Capabilities Framework (Teece, 2007) demonstrates when a strong business case appeared more deliberate sensing of sustainability trends, seizing through innovation and stakeholder alignment, and transforming their operations to embed sustainability at the core. Yet, this study adds nuance: capabilities alone do not guarantee action. Without a perceived win-win logic, even well-resourced companies may underinvest in sustainable transformation. As such, the findings reinforce the argument by Schaltegger and Lüdeke-Freund (2012) that the business case is not given, but must be actively constructed through strategy, alignment, and stakeholder dialogue.

This research contributes to sustainability scholarship by integrating three key perspectives, paradox theory, dynamic capabilities, and business case logic and demonstrating their interaction in real organizational settings. It also offers practical guidance for managers, emphasizing the importance of framing, visibility, client dialogue, and leadership in embedding sustainability meaningfully into business.

To conclude, sustainability will only transition from sporadic to consistent dynamic capabilities enactment and symbolic to transformative sustainable outcomes when it is backed by a convincing business case, strong leadership, and supported by dynamic processes that turn paradoxical tensions

into sources of strategic advantage. As environmental and social challenges accelerate, companies that invest in this integration are more likely to remain resilient, relevant, and respected.

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Appendix A

Interview questions

A: Contextual Introduction
Intro questions diving into general standing of the company on sustainability

1. What role does sustainability play in your company's strategy today?

2. How has this changed over the last 5-10 years?

B: Tension Narrative
--> Eliciting a certain initiative to get interviewees into the right context

3. Can you tell me about a specific sustainability initiative or strategic decision where conflicting priorities were involved (e.g., environmental goals vs. profit, long-term vs. short-term)?

4. What was at stake, who was involved and what were the main tensions?

5. How did [the organisation] navigate these tensions? (e.g., balance, prioritise, separate goals, innovate?)

C: Capability Tracing Through the Narrative
--> then you can dive deeper into the particular dynamic capability aspects behind the paradoxic coping

6. How was the opportunity for that initiative sensed or identified?

7. What decision-making processes or routines supported acting on it?

8. Did anything have to change internally to make it work? (structure, roles, processes, culture?)

9. Were there particular tools, methods, or people who played a key role?

D: Organizational Learning and Pattern Recognition
--> After that gauging dynamic capabilities and paradoxic coping accross other examples and time

10. Is this way of managing tensions typical across your organization, or was it a one-time example?

11. Are there other examples where paradoxes were handled differently?

12. Would you say your company has gotten better at managing sustainability tensions over time? And if so what helped enable that?

E: Stakeholders and Framing
--> Then you can dive to the more general organisation-wide framing of paradoxes

13. How do different stakeholders (internal or external) frame sustainability tensions? Are there conflicting perspectives?

14. How is sustainability communicated across the organization - as an opportunity, responsibility, or necessary cost?

F. Organizational Capabilities
--> Diving into dynamic capabilities for sustainability-related changes on a general level

15. What helps your company sense sustainability-related changes or risks early?

16. How do you decide whether or how to act on these signals?

17. What mechanisms exist to adapt structures or strategies when needed?

G. Outcomes and Reflections
--> Lastly, reflecting on the outcomes that relate to paradoxic tentions and dynamic capabilities

18. What kinds of outcomes have resulted from your sustainability strategies? (environmental, social, economic)

19. Has managing tensions well (or not) influenced these outcomes in any way?

20. What would need to change for your organization to better align sustainability and business performance?

Appendix B

Codebook

name	comment	codegroup 1
Cost-Efficiency Tensions in Sustainability	Used when financial cost or ROI concerns limit or delay the adoption of sustainability initiatives.	Paradox & Tensions
Short-term vs Long-term	Used when decisions prioritize short-term profits over long-term sustainable value.	Paradox & Tensions
Profit vs Purpose	Used when companies struggle between maximizing profits and contributing to societal or environmental goals.	Paradox & Tensions
Symbolic vs Substantive Actions	Used when actions are taken for image-building (e.g., green PR) instead of real sustainable outcomes.	Paradox & Tensions
Internal Resistance	Used when internal departments or staff resist sustainable changes due to culture, effort, or habits.	Paradox & Tensions
Shareholder Pressure	Used when shareholder demands for returns limit or challenge sustainability commitments.	Paradox & Tensions
Sensing Opportunity	Used when a company identifies new sustainability possibilities through trends, signals, or stakeholder feedback.	Dynamic Capabilities
Sensing Regulation	Used when companies anticipate or respond to changes in legislation or sustainability reporting standards.	Dynamic Capabilities
Seizing through Leadership	Used when strategic decisions to act on sustainability are driven by committed leadership.	Dynamic Capabilities
Seizing through Customer Demand	Used when sustainability actions are implemented in response to specific customer expectations or demands.	Dynamic Capabilities
Transforming Processes	Used when internal procedures are changed to implement sustainability initiatives.	Dynamic Capabilities

Transforming Culture	Used when a company shifts internal beliefs and behaviors to align with sustainability values.	Dynamic Capabilities
Slow Transformation	Used when companies face slow or delayed internal changes despite recognizing sustainability needs.	Dynamic Capabilities
Strong Business Case	Used when sustainability actions are clearly justified by financial returns, market demand, or risk reduction.	Business Case Strength
Weak Business Case	Used when sustainability efforts are not supported by direct financial benefits or are hard to justify economically.	Business Case Strength
Client as Driver	Used when clients or B2B partners create positive pressure for sustainability by requiring or rewarding action.	Business Case Strength
Intrinsic Motivation	Used when internal values or purpose drive sustainability decisions beyond pure profit.	Business Case Strength
Regulatory Pressure	Used when policy, laws, or institutional standards push companies to act sustainably or risk penalties.	Business Case Strength
Lack of Incentive	Used when companies struggle to act on sustainability because of a lack of financial or policy drivers.	Business Case Strength
Client Pressure	Used when external clients or partners demand sustainable practices, often forcing internal change.	Barriers & Enablers
Leadership Commitment	Used when sustainability progress is enabled by visible, active support from top leadership.	Barriers & Enablers
Internal Expertise	Used when internal skills and knowledge enable sustainable innovation or reporting.	Barriers & Enablers
Framing as Opportunity	Used when sustainability is communicated internally as a business opportunity rather than a burden.	Barriers & Enablers
Framing as Cost	Used when sustainability is seen primarily as a financial burden, slowing down action.	Barriers & Enablers

Data Challenges	Used when organizations struggle with collecting, managing, or interpreting sustainability-related data.	Barriers & Enablers
Organizational Culture	Used when cultural values within the organization either enable or block sustainability efforts.	Barriers & Enablers
Short-term Thinking	Used when short-term financial or strategic focus prevents long-term sustainability investment.	Barriers & Enablers
Implementation Complexity in Sustainability	Used when sustainability efforts are hindered by technical, organizational, or procedural complexity that creates friction between intent and execution.	Paradox & Tensions
Sustainability Investment Dilemma	Used when decision-makers face a trade-off between sustainability investment and financial performance, especially when the returns are uncertain or delayed.	Paradox & Tensions
Sustainable Outcomes	Used when sustainability efforts result in environmental, social, or economic benefits that strengthen the case for continued action.	Business Case Strength
Regulatory burden/Systematic Misalignment	Used when overlapping, unclear, or conflicting regulations hinder sustainability initiatives or create bureaucratic resistance.	Barriers & Enablers
Systematic Sustainability Management	Used when companies develop structured systems, KPIs, or integrated management practices to embed sustainability across operations.	Dynamic Capabilities
Sustainability as Obligation	Used when companies act on sustainability only due to external compliance pressures, not internal motivation or strategy.	Barriers & Enablers
Sustainability Undervalued by Customers	Used when customers show limited interest in sustainable products, making it difficult to justify investment based on market demand.	Barriers & Enablers
Quick wins	Used when companies implement easily achievable or highly visible sustainability actions to show progress without deeper change.	Barriers & Enablers
Strategic Sustainable Investment without Immediate ROI	Used when companies invest in sustainability despite no short-term return, often for long-term brand value, regulation preparedness, or moral commitment.	Paradox & Tensions
Data Insights	Used when sustainability decisions are driven by internal data analytics, monitoring systems, or evidence-based forecasting.	Dynamic Capabilities

Appendix C

TOESTEMMINGSFORMULIER VOOR DEELNAME AAN SCRIPTIEONDERZOEK

Onderzoeker:
Jelle Plomp
Masterstudent Sustainable Entrepreneurship
Rijksuniversiteit Groningen
E-mailadres: plompjelle@gmail.com

Doel van het onderzoek:
Het doel van dit onderzoek is om te begrijpen hoe bedrijven duurzaamheid inzetten als concurrentievoordeel. Uw deelname bestaat uit een interview van ongeveer 30-45 minuten.

Vrijwillige deelname:
Uw deelname is volledig vrijwillig. U mag op elk moment weigeren om vragen te beantwoorden of stoppen met het interview, zonder opgaaf van reden.

Vertrouwelijkheid en privacy:

- Uw antwoorden worden vertrouwelijk behandeld.
- Uw naam en andere persoonlijke gegevens worden niet in de scriptie vermeld.
- Uw bedrijfsnaam niet wordt vermeld
- De gegevens worden geanonimiseerd opgeslagen en alleen gebruikt voor academisch onderzoek.
- De interviews worden opgenomen (indien u hiermee instemt) om nauwkeurige analyse mogelijk te maken. Opnames worden na het uitwerken verwijderd.

Bewaartermijn gegevens:
De verzamelde gegevens worden maximaal 12 maanden bewaard en daarna verwijderd.

Contact bij vragen:
Als u vragen heeft over dit onderzoek, kunt u contact opnemen met de onderzoeker via bovengenoemd e-mailadres of met de begeleidende docent van de Rijksuniversiteit Groningen genaamd Sven Kilian.

TOESTEMMING

Ik bevestig dat ik de informatie hierboven heb gelezen en begrijp.
Ik geef toestemming om deel te nemen aan dit onderzoek.
Ik geef toestemming voor het opnemen van het interview (alleen audio).

Naam deelnemer:

Handtekening deelnemer: _____ Datum:

Naam onderzoeker: Jelle Plomp

Handtekening onderzoeker: Datum: