Approaching Tensions in Business Model Innovation for Sustainability: An Ordonomic Meta-Framework on Tensions

By Felix Carl Schultz

Abstract

Business model innovation for sustainability (BMIfS) has recently seen a surge in academia and practice. This article introduces an ordonomic BMIfS meta-framework to further stimulate the growing research interest on how available approaches to tensions in BMIfS can be purposefully reconciled to improve the management of BMIfS. The ordonomic BMIfS meta-framework proposes an opportunity to mediate between the normative desiderata of integrative approaches and ‘practical’ instrumental ones to tensions, which feature prominently in the contemporary literature. Within this meta-framework, both approaches play equally important but categorically different roles. This article contributes by proposing to actively shape the ‘boundary conditions’ in BMIfS processes to prevent tensions manifesting in irreconcilable tradeoffs.

Keywords: sustainable business model, sustainable business model innovation, business model innovation for sustainability, tension, governance

1. Introduction

Firms are increasingly challenged to systemically innovate competitive business models for sustainability (BMfS) to facilitate co-evolutionary sustainable development (e.g., Loorbach, van Bakel, Whiteman, & Rotmans, 2010; Loorbach & Wijsman, 2013; Schaltegger, Hansen, & Lüdeke-Freund, 2016). Since the innovation of BMfS needs to provide environmental, social, and economic value, it is highly complex, of systemic nature, and builds on a multi-stakeholder approach (e.g., Freudenreich, Lüdeke-Freund, & Schaltegger, 2019; Geissdoerfer, Paulo, & Evans, 2017; Geissdoerfer, Vladimirova, & Evans, 2018; Juntunen, Halme, Korsunova, & Rajala, 2019; Lüdeke-Freund & Dembek, 2017; Sommer, 2012; Yang, Evans, Vladimirova, & Rana, 2017). These facts demand practitioners to broaden their perspectives by rethinking a firm as part of a value network (e.g., Bocken, Short, Rana, & Evans, 2014; Breuer & Lüdeke-Freund, 2017; Evans et al., 2017; Frankenberger, Weiblen, Cšk, & Gassmann, 2013; Zott, Amit, & Massa, 2011). In fact, business model innovation for sustainability (BMIfS) needs to deal with multiple institutional logics, levels of interactions, and different value dimensions (Schneider & Clauß, 2020). This circumstance makes such a concept to an inherently rich focus for manifold tensions (i) on the organisational level, e.g., performing, organising, belonging, and/or learning tensions (Stubbs, 2019; Van Bommel, 2018) and (ii) on the value network level (DiVito, van Wijk, & Wakkee, 2020; Oskam, Boss-ink, & de Man, 2020; Rey-Garcia,
Mato-Santiso, & Felgueiras, 2020), e.g., mutual value versus individual value, value creation versus value capture, and gaining value versus losing value. Against this background, scholars reveal significant uncertainties related to the understanding of sustainability tensions since researchers have only recently started to investigate this important topic in the BMiFS context (Stubbs, 2019).

Hitherto, available BMiFS literature has identified mainly two approaches to tensions — namely the instrumental (“business case”) and integrative (“paradox”), (Stubbs, 2019; Van Bommel, 2018). Both approaches are derived from corporate sustainability research (e.g., Gao & Bansal, 2013; Hahn, Pinkse, Preuss & Figge, 2015; Sasse-Werhahn, Bachmann, & Habisch, 2020; Van der Byl & Slawinski, 2015). On the one hand, instrumental management strategies conceptualize sustainability tensions either as win-win potentials where tensions are (seemingly) ignored, or they propose to view the tension as a choice between contradictory objectives resulting in a win-lose situation (tradeoff) (Van der Byl & Slawinski, 2015). Recently, some scholars have criticised instrumental approaches for overemphasising the economic dimension at the expense of sustainability aspects (Angus-Leppan, Benn, & Young, 2010; Hahn, Preuss, Pinkse, & Figge, 2010; Hahn et al., 2015; Sasse-Werhahn et al., 2020; Van der Byl & Slawinski, 2015), thus promoting a so-called business case of sustainability (e.g., Carroll & Shabana, 2010; Margolis & Walsh, 2003; Salzmann, Ionescu-Somers, & Steger, 2005; Schaltegger, Lüdeke-Freund, & Hansen, 2012). On the other hand, a second strand of literature has evolved, studying integrative (“paradox”) approaches (e.g., Van Bommel, 2018). These scholars propose an equal weighting and balancing of environmental, social, and economic dimensions by not favouring one dimension over another (Van der Byl & Slawinski, 2015) and seek to accept and embrace tensions (e.g., Hahn et al., 2015; Lüscher & Lewis, 2008; Smith & Lewis, 2011). Since most scholars perceive an insurmountable challenge to mediate between both approaches, academia particularly demands conceptual clarification on how these two (seemingly) antagonistic approaches to tensions can be purposefully reconciled (see e.g., Van Bommel, 2018).

In line with this research aim, a desideratum already identified in recent literature, this article draws on the ordonomic research program to business ethics1 in deriving the following contributions. First, it provides conceptual clarification that draws on both available approaches to tensions in BMiFS, arguing that they are equally important but categorically different. Based on this clarification, this study conceptually develops an ordonomic BMiFS meta-framework to reconcile available approaches to tensions by introducing and explaining ‘boundary conditions’ as mediating elements that determine whether a tension manifests itself as a tradeoff or win-win situation. This article thereby hopes to offer conceptual clarity to researchers and practitioners working at the intersection between BMiFS and tension management.

The next section provides a theoretical lens on available research regarding tensions in BMiFS, it discusses the main approaches to tensions in BMiFS as well as the ordonomic perspective on tensions. Section 3 introduces the research method applied for developing

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1 Ordonomics is a research program that proposes (first) to analyse how the order of thought (semantics) shapes the way issues and their potential resolutions are framed. Second, it offers an approach to governance reforms (social structure) that help to reveal yet unrealised synergies (cf. Beckmann et al., 2014; Pies et al., 2009).
the ordonomic BMIfS meta-framework. This is followed by the conceptualisation of the meta-framework in section 4. Finally, section 5 discusses the meta-framework and draws conclusions.

2. Theoretical Lens on Tensions and Approaches

Section 2.1 reviews studies on tensions in BMIfS. Section 2.2 discusses available management strategies to tensions in BMIfS. Drawing on the ordonomic approach, section 2.3 connects the literature on tensions with the management theory of institutional governance.

2.1 Tensions in business model innovation for sustainability

As characterised by Bocken et al. (2014), business model innovations for sustainability (BMIfS, also referred to as SBMI)2 are “innovations that create significant positive and/or significantly reduced negative impacts for the environment and/or society, through changes in the way the organisation and its value-network create, deliver value and capture value (i.e., create economic value) or change their value propositions” (p. 44). Since BMIfS includes the organisation and its value network, BMIfS needs to be co-developed in the exchange between and with contributions from various stakeholders (e.g., Breuer & Lüdeke-Freund, 2014; Evans et al., 2017; Freudenreich et al., 2019; Matos & Silvestre, 2013) supporting the achievement of the companies’ objectives and vice versa (Freeman, 1984). BMIfS rethinks a firm as part of a value network (Bocken et al., 2014; Breuer & Lüdeke-Freund, 2017; Evans et al., 2017). Actors in this network can be enterprises, individuals, collectives, and communities who work together towards the common goal to create value (Provan & Kenis, 2008), including tangible and intangible value (Allee, 2008), for all participating actors in the network (Den Ouden, 2012). However, diverging interests of network actors can create various tensions regarding economic, social, and environmental value creation (Pedersen, Lüdeke-Freund, Henriques, & Seitanidi, 2020), which may appear at an organisational level (e.g., Battilana, Sengul, Pache, & Model, 2015; Battilana & Lee, 2014; Jay, 2013; Stubbs, 2019; Van Bommel, 2018) and/or beyond organisational boundaries at the value network level (e.g., Oskam, et al., 2020; DiVito et al., 2020; Rey-Garcia et al., 2020). At the organisational level, Van Bommel (2018) and Stubbs (2019) empirically identify four types of tensions in BMIfS arising in focal firms (performing, organising, belonging/identity, and learning/temporal) based on the categorisation of organisational tensions introduced by Smith and Lewis (2011).

At the value network level, Rey-Garcia et al. (2020) acknowledge the previously mentioned tensions and focus on organising tensions to collaborative cross-sector BMIfS. In a similar vein, Oskam et al. (2020) find three general sources of tensions in innovation processes for collaboratively innovating BMIs: (a) mutual value versus individual value: meaning that all actors in a (value) network contribute to mutual value, but also need to ensure that they will benefit individually; (b) value creation versus value capture: in the sense that value creation takes place at the (value) network level whereas value capture mainly takes place

2 BMIfS include various (arche-)types on social, environmental, and/or organisational purposes (e.g., Bocken et al., 2014). This conceptual study is not restricted to a particular type.
at the individual actor level; (c) gaining value versus losing value: concerning the perception of actors whether the division of value is fair or unfair. DiVito et al. (2020) discover three types of tensions in cross-sector collaborative BMfS – (a) knowledge sharing versus protection, (b) competition versus cooperation, (c) alignment of private versus collective interests – and argue that tensions and governance mechanisms co-evolve. To date, available research on tensions in BMIfS provides empirical work from an organisational or value network perspective as summarised in Table 1.

Table 1: Tensions in BMIfS literature

<table>
<thead>
<tr>
<th>Perspective</th>
<th>Types of tensions</th>
<th>Authors</th>
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<tbody>
<tr>
<td>Organisation</td>
<td>Performing tensions, Organising tensions, Belonging/Identity tensions, Learning/temporal tensions</td>
<td>Van Bommel, 2018 Stubbis, 2019</td>
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<td></td>
<td>Performing tensions, Organising tensions, Belonging/Identity tensions, Learning/temporal tensions</td>
<td>Rey-Garcia et al., 2020</td>
</tr>
<tr>
<td>Value network</td>
<td>Value creation versus value capture, Mutual value versus individual value, Gaining value versus losing value</td>
<td>Oskam et al., 2020</td>
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<tr>
<td></td>
<td>Knowledge protection versus sharing, Competitive versus cooperative actions, Alignment of private versus collective interests</td>
<td>DiVito et al., 2020</td>
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2.2 Management approaches to tensions in BMIfS

Based on work regarding (corporate) sustainability tensions by Van der Byl and Slawinski (2015) and Hahn et al. (2015), Van Bommel (2018) revealed two general approaches consisting of six strategies to manage tensions in BMIfS, which are empirically applied in practice: (i) Instrumental approaches: (1) alignment, (2) avoidance; (ii) Integrative approaches: (3) opposition, (4) resolution: (4.1) spatial separation, (4.2) temporal separation, (4.3) synthesis.

(i) The Literature proposes (1) an alignment (also referred to as win-win) as a common strategy in BMIfS to simply reduce or eliminate the complexity of tensions through the balancing of economic, social, and/or environmental objectives (Angus-Leppan et al., 2010; Hahn et al., 2010; Van der Byl & Slawinski, 2015). Therefore, scholars examine how firms can align sustainability aspects to (only) realise financial gains (Hahn et al., 2015; Sasse-Werhahn, 2020; Van der Byl & Slawinski, 2015). This so-called business-case (of sustainability) lens (e.g., Margolis & Walsh, 2003; Salzmann et al., 2005; Schaltegger et al., 2012) has dominated the mainstream of literature to date (Van der Byl & Slawinski, 2015; Sasse-Werhahn et al., 2020). The (2) avoidance strategy (also referred to as tradeoff) presents tensions as a choice meaning to prioritise objectives resulting in a win-lose situation where the gain of sustainability is positive but at the cost of economic performance or vice versa (cf. Van der Byl & Slawinski, 2015). Since both strategies are of instrumental nature and imply a so-called business case logic, critics argue that this view always prioritises economic interest at the expense of sustainability (Angus-Leppan et al., 2010; Hahn et al., 2010; Hahn et al., 2015; Sasse-Werhahn et al., 2020; Van der Byl & Slawinski, 2015).

(ii) Scholars have advocated the need for alternatives and introduced integrative (paradoxical) perspectives to simultaneously address multiple objectives by accepting or
even embracing sustainability tensions (e.g., Battilana et al., 2015; Hahn et al., 2015; Van Bommel, 2018; Van der Byl & Slawinski, 2015). The (3) opposition strategy proposes to accept and live with tensions instead of addressing them directly (Hahn et al., 2015; Lüscher & Lewis, 2008; Van der Byl & Slawinski, 2015). Resolution strategies by (4.1) spatial and/or (4.2) temporal separation propose to separate the tensions on different levels and/or along distinct time dimensions (Hahn et al., 2015). Resolution through (4.3) synthesis emphasises to link or accommodate the paradoxical poles of a tension (Hahn et al., 2015; Smith & Lewis, 2011).

2.3 Ordonomic governance perspective on tensions

Since research recently recognised a missing link between instrumental and integrative approaches to BMIfS (Van Bommel, 2018), it demands for conceptually gaining a deep-er understanding. Against this background, the ordonomic approach is able to systematically analyse interdependencies between governance (i.e., incentivisation structures) and semantics proposing different and divergent categories of thought and mental models that influence its interpretation (Beckmann, Hielscher, & Pies, 2014; Pies, Hielscher, & Beckmann, 2009) and thus institutional (governance) theory can increasingly benefit tension theory (Smith, Gonin, & Besharov, 2013; Smith & Tracey, 2016; Sundaramurthy & Lewis, 2003) and vice versa.

In the context of BMIfS, innovation is an elementary aspect to create new governance (mechanisms and models) around BMfS (Evans et al., 2017) aiming at realising a value network in which “sustainability issues are integrated in a way that ensures value creation for the company and beneficial results for all stakeholder in the long term” (UNEP, 2014, p. 35) with the purpose to achieve common and individual goals (Evans et al., 2017; Vermeulen, 2015). Since governance is recognised as an integral element of business model innovation (BMI) (Amit & Zott, 2012), it needs to be actively developed and managed in relation to a value network (Evans et al., 2017). Governance can be a cause of tensions but also an integral part to manage them in organisations and value networks (Provan & Kenis, 2008).

Following Williamson (2010) who defines that “governance is the means by which to infuse order, thereby to mitigate conflict and realise mutual gain” (p. 674), ordonomics suggests innovative governance reforms of boundary conditions (Pies, Schreck, & Homann, 2019) by innovatively applying e.g., commitments that provide an additional or even alternative mode of governance (to the legal system), which can be established by the focal firm and/or its stakeholders through multilateral effort (Williamson, 1983). These commitments are credible commitments since they involve reciprocal acts between actors designed to initiate and safeguard a relationship by binding involved participants to keep their promises (Williamson, 1983).

Given the predominantly empirical nature of recent BMIfS research on tensions (e.g., Stubbs, 2019) that explicitly demands for a purposeful reconciliation (Van Bommel, 2018), this article provides a conceptual ordonomic BMIfS meta-framework on tensions that can reveal insights on the missing link between instrumental approaches and normative desiderata of integrative ones in BMIfS by gaining a deeper understanding of the nature of tensions, management strategies, and tensions’ conditions.
3. Research Method

Since empirical literature on tensions in BMIfS currently dominates the academic debate (e.g., Stubbs, 2019; Van Bommel, 2018) and emphasises a lack of conceptual frameworks (e.g., Evans et al., 2017; Lüdeke-Freund, 2020; Geissdoerfer et al., 2018; Yang et al., 2017), the meta-framework advocates this scientific endeavour moving the debate further towards explanation (cf. Meredith, 1993) with the aim to promote multi- and interdisciplinary research (e.g., Lüdeke-Freund & Dembek, 2017; Ritter & Lettl, 2018). To develop the conceptual contribution (Callahan, 2010), this article distinguishes between using a do-main theory on tensions and strategies in BMIfS as point of departure to gain insights on the nature of tensions and the relationship between integrative and instrumental approaches. After examining the relationships, I apply a method theory (meta theory) (cf. Jaakkola, 2020; Lukka & Vinnari, 2014) shedding light on the link between both approaches and propose an opportunity to purposefully reconcile these concepts for BMIfS. Since conceptual paper development provides an essential contribution particularly to the field of strategic management (for sustainability), it supports bridging existing theories, fostering interdisciplinary re-search, broadening one’s mind, and providing multi-level insights (Gilson & Goldberg, 2015).

4. Meta-Framework

Approaching the missing link between instrumental and integrative strategies to tensions in BMIfS, this section introduces the ordonomic BMIfS meta-framework to offer an opportunity for purposeful reconciliation.

4.1 Conceptual clarification of tensions, paradoxes, and tradeoffs

Available tension research remains ambiguous on a common understanding of tensions, paradoxes, tradeoffs, (and synergies) as well as their relationships (e.g., Wannags & Gold, 2020). Hence, it seems vital to clarify the terminologies and reconstruct the underlying relations accordingly.

![Figure 1: A conceptualization of tensions](image-url)
Moving away from a dichotomy, I introduce a distinction between three levels as illustrated in Figure 1. Wannags and Gold (2020) define tensions as “the relationship between two poles of a paradox” (p. 3) whereby these two paradoxical poles “seem logical individually but inconsistent and even absurd when juxtaposed” (Smith & Lewis, 2011, p. 382). Tensions and their underlying paradoxes exist and persist on a meta-(meta) level (cf. Wannags & Gold, 2020). They possess a hierarchical relationship to tradeoffs where tensions materialise only under specific circumstances as tradeoffs i.e., in decision situations. Thus, tradeoffs appear in decision situations when to choose either one paradoxical pole or another (e.g., Van der Byl & Slawinski, 2015; Wannags & Gold, 2020). However, Haffar and Searcy (2017) ascertain that “[t]he notions of trade-offs (win-lose) and synergy (win-win) are essentially different outcomes of the same root tension.” (p. 502). Therefore, the crux of whether a tension manifests in a tradeoff or in a synergy is depending on (pre-set) boundary conditions (cf. Epstein, Buhovac, & Yuthas, 2015; Haffar & Searcy, 2017). Against this backdrop, the bad news is that in decision situations (under re-source constraints) tensions can manifest as irreconcilable tradeoffs (cf. Wannags & Gold, 2020) when boundary conditions are unfavourable. But the good news is that tensions can also result in synergetic decisions when the boundary conditions are favourable. These boundary conditions, which display the ordering element determining whether tensions resulting in tradeoffs or synergies (win-wins) are underexplored in the academic debate where Haffar and Searcy (2017) note that a key research gap remains since “more work is needed to examine the conditions under which [tradeoffs] may become synergies” (p. 513).

4.2 Conceptual clarification of approaches to tensions in BMiFS

Building on the relationship between tensions, conditions, and results (tradeoff or win-win), this study conceptually differentiates between three levels as illustrated in Figure 2, namely tension level (meta-meta level), condition level (meta level), and decision level.

Figure 2: The ordonomic BMiFS meta-framework on tensions

(1) Decision level: Since tradeoffs and win-wins are different results of the same root tension (Haffar & Searcy, 2017), they represent decision situations under specific (pre-set)
boundary conditions, in which to act means either to simply choose one pole or another (tradeoff) or to decide for an alignment of the opposing poles and thereby (seemingly) ignoring the tension (win-win) (e.g., Gao & Bansal, 2013; Hahn et al., 2015; Sasse-Werhahn et al., 2020; Van Bommel, 2018; Van der Byl & Slawinski, 2015). These instrumental strategies approach sustainability by an either/or scenario (Van Bommel, 2018) because decision-makers using these strategies act (only) at the decision level and thus focus on choices made within given constraints (reconstructed according to the conceptual distinction introduced by James M. Buchanan; see e.g., Buchanan, 1990).

(2) Condition level: The boundary conditions determine whether a tension results in a tradeoff or in a synergy (Haffar & Searcy, 2017) and thus represent the ordering element lying in between tensions and their results. Hence, this meta level proposes a set of alternatives determining whether decision-makers ending up in a tradeoff or in a synergy and thus represent governance to make choices among constraints (e.g., Buchanan, 1990).

(3) Tension level: Tensions and their underlying paradoxical poles exist over longer spans of time (e.g., Smith & Lewis, 2011; Wannags & Gold, 2020) on a meta-meta level. Integrative strategies directly focus on tensions by approaching the poles of a paradox or/and the tensional relationship and thus address tensions straight at this tension level by proposing to accept and live with the tension (e.g., Hahn et al., 2015; Lüscher & Lewis, 2008; Van der Byl & Slawinski, 2015) or resolve the tension by separating the two poles of a para-doxx spatially and/or temporally (e.g., Hahn et al., 2015; Poole & Van de Ven, 1989). The latter two strategies imply to attend the relationship existing between the poles. Only the integrative strategy of synthesis seeks for “new perspectives or elements that link or accommodate the opposing poles of a paradox” (Hahn et al., 2015, p.301). Since this strategy ad-dresses tensions by proposing a mediating logic, it targets the tension level (meta-meta level) and the condition level (meta level). However, the synthesis strategy misses a clear conceptual distinction because it includes various elements like i.e., introducing new terms to re-solve a paradox (Van Bommel, 2018), which merely affect tensions at its poles. But it also suggests a frame that can accommodate the opposing poles (Van Bommel, 2018), which may address the conditions. Therefore, the conceptual clarification allows to investigate the boundary conditions in isolation under which tension may (or may not) result in tradeoffs or win-win decisions. This novel insight may offer an opportunity for a purposeful reconciliation between integrative and instrumental approaches to tensions in BMIIfS.

5. Discussion and Concluding Remarks

This article aims to strengthen the theoretical foundation of the emerging field of BMIIfS by providing insights into tensions faced by companies innovating a BMfS beyond their organisational boundaries. Therefore, this study conceptualises a meta-framework elaborating on tensions by designing boundary conditions. For this purpose, the article used a conceptual approach and introduced an ordonomic perspective to clarify the relationship between tensions, strategies, and conditions highlighting to actively shape the ‘boundary conditions’ for tensions’ management.

(i) The BMIIfS research field is currently at an edge. It moves from a pure description phase to an explanatory stage, which necessitates conceptual framework development (cf.
Lüdeke-Freund, 2020). Literature on tensions in BMIfS includes mostly empirical work and faces substantial diversity (e.g., Stubbs, 2019; Van Bommel, 2018). Hence, research explicitly demands for conceptual clarification to enable theory-advancing comprehensive studies (e.g., Bocken & Geradts, 2019; Dentchev et al., 2018; Lopez, Bastein, & Tukker, 2019). Against this background, this study develops an ordonomic meta-framework, which provides an extensive picture of BMIfS and tension management, which can contribute to exploring new avenues in this emerging field, thus promoting inter- and multidisciplinary research between tensions in BMIfS and institutional governance theory. This approach can support directing further empirical studies to the next phase of validating and testing according to the research cycle proposed by Meredith (1993). Consequently, a detailed investigation of the proposed three levels: tension level, condition level, and decision level to approach tensions, concerning different phases and objectives of the BMIfS trajectory, needs to be empirically tested and conceptually further detailed. At this point, I would like to highlight three cases of interest regarding the diversity of environments in which BMIfS may take place: First, in a situation with weak labour unions and clear rules of law, tensions may arise within a company in a similar habitat. In this situation, tensions predominantly need to be considered physiologically. Any abuse of power is generally suppressed due to the deterrent effect of the judiciary system. Therefore, a BMIfS strategy is likely to be successful in this case when it is induced by public ordering. Second, in a situation with strong labour unions and clear rules of law, societies are more propense to cultivate controlled artificial tensions. In fact, the functional management of tensions in this case needs to be particularly approached beyond the organizational boundaries. Hence, the development of a BMIfS strategy can be quite difficult since it requires the involvement of many actors with various interests. Third, in a situation where no labour unions exist and actors face opportunistic rules of law, cultural barriers may create abnormal behaviours, making tensions a permanent phenomenon within and beyond the organization. Employers and decision-makers are surrounded by tensions and may even be interested to keep these tensions running and utilize tensions as one source of innovative ideas.

(ii) Although, BMIfS has recently seen a surge in academia and practice, the entire concept remains underexplored (e.g., Evans et al., 2017; Geissdoerfer et al., 2018). Thus, the question of how managers can approach different challenges - particularly tensions in BMIfS - has been insufficiently addressed to date (e.g., Stubbs, 2019; Van Bommel, 2018). The developed meta-framework attempts to propose a first conceptual clarification regarding the nature of tensions, strategies, and conditions by differentiating between three distinct levels - namely tension level, condition level (choices among constraints), and decision level (choices within constraints). Thus, this conceptual perspective admits that tensions (and underlying paradoxical poles) are indeed “contradictory yet interrelated elements that exist simultaneously and persist over time” (Smith & Lewis, 2011, p. 382). However, proposing this tripartite instead of the available dichotomy between tensions (meta level) and tradeoffs (Wannags & Gold, 2020), the ordonomic approach reveals an opportunity to investigate boundary conditions in isolation, which determine whether a tension results in a tradeoff or in a synergetic decision. In fact, available approaches to tensions in BMIfS (instrumental and integrative) are recognised in literature as typical dualism (tertium non datur). However, to reconcile these
two (seemingly) antagonistic approaches to sustainability tensions (e.g., Sasse-Werhahn et al., 2020; Van der Byl & Slawinski, 2015), both found in current BMIfS practices (Stubbs, 2019; Van Bommel, 2018), an ordonomic perspective advocates the introduction of a conditions level lying in between the normative desiderata formulated in integrative approaches and ‘practical’ instrumental ones.

On the one hand, applying only instrumental approaches, targeting the choices within constraints, pursuing a business case of sustainability (Schaltegger et al., 2012) by alignment or avoidance strategies (e.g., Van der Byl and Slawinski, 2015; Van Bommel, 2018). This may result in detrimental effects between profit-seeking and sustainability objectives (e.g., Gao and Bansal, 2013). On the other hand, the normative desiderata of integrative approaches (e.g., Hahn et al., 2015; Poole and Van de Ven, 1989) directly targeting the tension (level) by either proposing to accept and live with them instead of addressing the tension or using spatial and/or temporal separation strategies, however, do not address tensions in a really integrated manner (Stubbs, 2019). While the synthesis strategy directly addresses the tension by seeking “new perspectives or elements that link or accommodate the opposing poles of a paradox” (Hahn et al., 2015, p. 301), the proposed meta-framework draws a clear distinction between tensions (meta-meta level) and conditions (meta-level) to accommodate not the relationship of the opposing poles of a paradox directly (cf. Wannags & Gold, 2020) but the governance, which influences whether the tension manifest as tradeoff or synergy. This conceptual distinction can support investigating the preferred business case for sustainability to create economic value through environmental and/or social problem solutions (e.g., Schaltegger et al., 2012; Schaltegger et al., 2016; Schaltegger & Burrit, 2018; Schaltegger et al., 2019).

The boundary conditions are worth considering more in detail since Loorbach et al. (2010) found that changing the environmental conditions for and by firms creates opportunities for developing new strategies towards sustainable transition. In an organisational context, Epstein et al., 2015 empirically found that managers operating under two systems (boundary conditions), an informal system promoting sustainability and a formal system focusing on financial performance, do not perceive a high level of tensions and utilise tensions as one important source of ideas for innovation. Therefore, decision-makers need to recognise and acknowledge tensions, but they are simultaneously advised to actively innovate governance structures to design boundary conditions that tensions resulting more likely in synergies than in tradeoffs to enable a co-evolutionary process between BMIfS and sustainable transitions. Further research could exemplarily investigate the boundary conditions for circular economy environments (see e.g., Schultz, Everding & Pies, 2021; Schultz, 2021; Schultz & Reinhardt, 2022), sharing platforms (e.g., Pies, Hielscher & Everding, 2020), etc. Concludingly, innovative inter- and multidisciplinary theories, conceptual, and empirical contributions for the fields of BMIfS and tensions are necessary to promote research activities and avoid a narrow perspective for this evolving research area.
References


