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Tension-Management in Sustainable Entrepreneurship

An embedded multiple-case study of tension-
management in young sustainable ventures
committed to the triple bottom line

Master's thesis in technology
Supervisor: Lise Aaboen
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Abstract

Sustainable entrepreneurship is increasingly considered as part of the solution to create a more sustainable future. However, due to tensions in the triple bottom line, it is not always easy for sustainable entrepreneurs to balance sustainable value creation whilst maintaining economic efficiency. While sustainability management literature has offered insights into tension-management by decision-makers in established firms, it has not been clear whether these insights also hold true for entrepreneurs in new entrants.

The purpose of this study has been to investigate how entrepreneurs in young sustainable ventures manage tensions arising from a commitment to the triple bottom line. The investigation is undertaken by applying a conceptual framework based on a combination of paradox theory and effectuation theory. To fulfil the purpose, we have conducted an embedded multiple-case study of tensions and tension-management in five young sustainable ventures. Empirical data has been gathered through semi-structured interviews of top decision-makers in the young sustainable ventures, and the data has been analysed using abductive methods of alternating between data and theory.

Our findings suggest that entrepreneurs in young sustainable ventures face many tensions related to financial vs. environmental and/or social goals. We further find that the entrepreneurs are always proactive in acknowledging tensions, and that they manage perceived tensions step-by-step. The entrepreneurs alternate between different strategies, but in general, they prefer resolution strategies as a mean to manage tensions. However, we have also found that, occasionally, the entrepreneurs must accept and live with tensions because they lack the resources or the knowledge to resolve them.

The thesis expands on sustainability management literature by studying tensions and tension-management from the perspective of sustainable entrepreneurship in new entrants. Moreover, the thesis has practical implications for entrepreneurs and policymakers by highlighting how tension-management, and especially resolution strategies, can help entrepreneurs create value along the triple bottom line.

Sammendrag

Bærekraftig entreprenørskap blir i økende grad ansett som en del av løsningen til å skape en bærekraftig framtid. På grunn av spenninger i den tredelte bunnlinjen, er det likevel vanskelig for bærekraftige entreprenører å balansere bærekraftig verdiskapning og samtidig opprettholde økonomisk effektivitet. Mens tidligere forskning på bærekraftig ledelse har gitt innsikt i hvordan beslutningstakere i etablerte bedrifter håndterer spenninger, har det vært usikkert om denne innsikten også gjelder for entreprenører i nyetablerte bedrifter.

Formålet med denne studien har vært å undersøke hvordan entreprenører i bærekraftige oppstartsbedrifter håndterer spenninger som oppstår når man forplikter seg til den tredelte bunnlinje. Studien har blitt gjennomført ved å benytte et konseptuelt rammeverk basert på paradoks- og effektueringsteori. For å oppfylle studiens formål har vi gjennomført en kvalitativ studie av spenninger, og håndteringen av disse spenningene, i fem bærekraftige oppstartsbedrifter. Empiriske data har blitt samlet inn ved hjelp av semistrukturerte intervjuer med de øverste beslutningstakerene i casebedriftene. Den innsamlede dataen er analysert ved bruk av en abduktiv analysemetode, hvor det veksles mellom bruk av data og teori.

Studien viser at entreprenører i bærekraftige oppstartsbedrifter opplever flere spenninger relatert til finansielle målsetninger vs. miljømessige og/eller samfunnmessige målsetninger. Videre viser studien at entreprenører aktivt anerkjenner spenninger, og at de håndterer hver spenning steg-for steg så snart de er blitt oppfattet. Entreprenører varierer ofte mellom ulike strategier for å håndtere spenninger, men de foretrekker å benytte seg av oppløsningsstrategier. I noen tilfeller må de derimot akseptere å leve med spenninger, noe som skyldes at de mangler ressursene eller kunnskapen til å løse de opp.

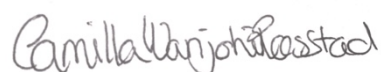
Studien bygger på forskning rundt bærekraftig ledelse ved å undersøke spenninger og håndtering av spenninger fra perspektivet til bærekraftige entreprenører i nyetablerte bedrifter. Videre har studien implikasjoner for entreprenører og politikere ved å framheve hvordan håndtering av spenninger, og særlig bruken av oppløsningsstrategier, kan hjelpe entreprenører å skape verdi langs den tredelte bunnlinjen.

Preface

This master thesis was written by three masters students from the NTNU School of Entrepreneurship, part of the Norwegian University of Science and Technology. We wish to extend a special thanks to Lise Aaboen who has been our supervisor during the fall of 2019 and spring of 2020. We have greatly appreciated her guidance, feedback and support.

Additionally, we would like to extend our gratitude to all the case companies and their participants, who took time out of their busy schedules to contribute with valuable insights into tension-management in young sustainable ventures.

Trondheim, June 10th, 2020



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1 Introduction

1.1 Importance of tension-management in sustainable entrepreneurship

There is an increasing awareness that society's current economic growth is unsustainable (Schaltegger and Wagner, 2011), and that entrepreneurship is part of the solution to create a more sustainable future (van Bommel, 2018). Today, stakeholders expect firms to aim beyond profits and meet the *triple bottom line* of financial, environmental and social value creation (Elkington, 1997). These expectations have inspired many businesses all over the world to include sustainability in their business operations and engage in what has become known as *sustainable entrepreneurship* (Schaltegger and Wagner, 2011). Sustainable entrepreneurship refers to "a venture's core motivation of contributing to solve societal and environmental problems through the realization of a successful business" (Schaltegger and Wagner, 2011, p. 224). The concept refers to a mission-driven process aiming for a sustainability transformation of markets (Schaltegger, Lüdeke-Freund, and Hansen, 2016).

In some cases, the dimensions of the triple bottom line are mutually reinforcing, creating business opportunities for sustainable entrepreneurs to exploit sustainability issues in the markets (Van der Byl and Slawinski, 2015). However, balancing sustainable value creation with the desire to maintain economic efficiency is not always easy. Given that the dimensions of the triple bottom line "encompass a number of contradictory yet interrelated elements" (Van der Byl and Slawinski, 2015, p. 55), sustainable entrepreneurship is also the source of *tension*. Tension is defined as "a phenomenon in a dynamic relationship that involve both competition and complementarity" (Epstein, Buhovac, and Yuthas, 2015, p. 37). As a result of such tensions, many sustainable entrepreneurs struggle to balance their sustainability concern with an equally strong business focus (Hahn, Pinkse, Preuss, and Figge, 2015). In order to create value along the triple bottom line and meet the demands of its stakeholders, sustainable entrepreneurs must manage tensions between the financial, environmental and social dimensions.

1.2 Current gap in the literature

Several scholars have called for more empirical knowledge on how decision-makers can balance the dimensions of the triple bottom line through tension-management (Hahn et al., 2015; Hahn, Pinkse, and Preuss, 2018; Vallaster, Kraus, Lindahl, and Nielsen, 2019; Van der Byl and Slawinski, 2015). As a response to these calls there has recently emerged research within the sustainability management literature that explores tension-management in established firms committed to the triple bottom line. For instance, Epstein et al. (2015) and Joseph, Borland, Orlitzky, and Lindgreen (2018) explored tension-management in firms engaging in corporate sustainability and found that decision-makers typically ignore or decide not to act upon tensions. Moreover, scholars have studied firms engaging in sustainable business model innovation (van Bommel, 2018) and circular economy (Daddi, Ceglia, Bianchi, and de Barcellos, 2019), and found evidence that some decision-makers ignore tensions while others act proactive and responsive in embracing tensions. While previous literature has offered empirical insights into tension-management in established firms, it is not clear whether these insights also hold true for new entrants. In this thesis, we therefore aim to explore tension-management in new entrants with a commitment to the triple bottom line.

1.3 Purpose and research questions

From the identified gap in literature revolving tension-management in new entrants with commitment to the triple bottom line, we have outlined the following purpose for the study:

To investigate how entrepreneurs in young sustainable ventures manage tensions arising from commitment to the triple bottom line

By *entrepreneurs*, we refer to team members with leading roles and responsibilities in decision-making processes, and who is part of developing company strategy. They can have fundamental roles such as CEO, founder or business developer. Further, by *young sustainable ventures*, we refer to new entrants that have a relatively small market share, and that has a core motivation in line with the definition of sustainable entrepreneurship. Lastly, by *manage* we refer to the process of choosing and implementing strategies to handle the tensions, with strategies referring to plans for achieving desired goals by using available resources.

To fulfil the purpose, we conduct an embedded multiple-case study of tension-management in five young sustainable ventures. In order to investigate how entrepreneurs in these ventures manage tensions, it is fundamental to know what types of tensions they are facing. This leads to formulation of the first research question:

RQ1: What tensions are entrepreneurs in young sustainable ventures confronted with when attending to the triple bottom line?

Once the tensions in young sustainable ventures have been presented, we aim to get to know how the entrepreneurs manage these tensions. This leads to the formulation of the second research question:

RQ2: How do entrepreneurs in young sustainable ventures manage tensions arising from the triple bottom line?

By answering the two research questions, we will gain insight on tensions arising from commitment to the triple bottom line in young sustainable ventures and how they are managed by entrepreneurs, thus fulfilling the purpose of the study.

In order to answer the research questions and fulfil the purpose, we will apply a conceptual framework based on *paradox* and *effectuation theory*. Paradox theory has in recent years been recognised as providing the most robust method for analysing tensions in sustainability management (Van der Byl and Slawinski, 2015). The theory has been developed to understand the interplay of different dimensions and can be used to explore how organizations can attend to competing demands simultaneously (Smith and Lewis, 2011). Specifically, it provides a framework for categorising tensions and coherent management strategies, which will be useful in answering both our research questions.

Furthermore, to gain in-depth knowledge on tension-management, we also see it useful to investigate the reasoning behind the choice of strategy, what we choose to call the *management reasoning* of the entrepreneurs. Effectuation theory is therefore added to the conceptual framework as it describes a management approach to making decisions and

performing actions in entrepreneurial environments characterised by high levels of uncertainty (Sarasvathy, 2001). The application of effectuation theory will guide us in the analysis of how entrepreneurs decide on given strategies in tension-management, thus helping us answer the second research question and fulfil the purpose.

1.4 Contribution

By fulfilling the purpose, our research will, first of all, contribute to filling the gap in literature revolving tension-management in new entrants with a triple bottom line mission. Our findings will further shed light on how entrepreneurs in these young sustainable ventures experience and manage tensions related to the dimensions of the triple bottom line. Fulfilling the purpose will thus provide entrepreneurs in young sustainable ventures with a greater understanding of how tensions can be managed when creating financial, environmental and social value simultaneously. By assessing tension-management from the viewpoint of young sustainable ventures, the study offers a different perspective on the topic of tension-management to the emerging sustainability management literature.

1.5 Structure of the thesis

The thesis is divided into nine chapters. Chapter 2 presents the theoretical underpinning of the thesis by giving the definition of sustainable entrepreneurship and an overview of tensions in sustainability management. Chapter 3 outlines paradox theory and effectuation theory, and presents the conceptual framework used in the thesis. Chapter 4 presents the methodology of the thesis including research design, data collection, data analysis and reflection on the method. Chapter 5 provides a within-case analysis based on our findings. Chapter 6 provides a cross-case analysis building on the findings from the within-case analysis. Chapter 7 discusses findings from both the within-case and the cross-case analyses in relation to literature in the field. Chapter 8 presents the conclusion of the study with reflections of our contribution to literature. Finally, Chapter 9 presents implications and limitations of the study, as well as avenues for future research.

2 Literature on sustainable entrepreneurship and tensions in sustainability management

This chapter will present the theoretical underpinning of the thesis. First, we will provide a definition of sustainable entrepreneurship and distinguish it from related types of sustainability-driven entrepreneurship. Next, we will present an overview of different perspectives on tensions in sustainability management. The latter part will introduce the paradox perspective, which lays the foundation for our conceptual framework that will be presented in Chapter 3.

2.1 Sustainable entrepreneurship

The notion of sustainable entrepreneurship is rather recent, and its definition is still emerging. Moreover, the term sustainable entrepreneurship can often be understood as both *social entrepreneurship* and *environmental entrepreneurship* as they all are entrepreneurial processes undergone to contribute to positive outcomes in society (Davies and Chambers, 2017; Dyllick and Hockerts, 2002; Thompson, Kiefer, and York, 2011). Dean and McMullen (2007) argue that environmental entrepreneurship is a matter of “exploiting economic opportunities that are present in environmentally relevant market failures” (p. 58). In this thesis, we distinguish environmental entrepreneurship from sustainable entrepreneurship in line with Thompson et. al. (2011), in that the main objective of environmental entrepreneurship is to leverage on environmental economic opportunities while sustainable entrepreneurship addresses all aspects of sustainability including social, as well as, financial, and environmental dimensions.

Dean and McMullen (2007) suggest that sustainable entrepreneurship diverges from social entrepreneurship in that it is profit-driven instead of mission-driven. This, however, does not mean that sustainable entrepreneurship cannot be mission-driven (Schaltegger and Wagner, 2011), but rather that sustainable entrepreneurship derives from a focus on a triple bottom line of people, planet and profit (Thompson et. al, 2011). The European Commission (2017) acknowledges that social entrepreneurs usually have profit as their secondary focus, which they reinvest rather than distribute as profit. In this thesis, we fully distinguish social entrepreneurship from sustainable entrepreneurship in that sustainable entrepreneurship is reliant on earned income, rather than grant funding and donations (Dean and McMullen, 2017; Schaltegger and Wagner, 2011).

As the definition of sustainable entrepreneurship is still emerging, different scholars have proposed various definitions to describe the term. Dean and McMullen (2007) focus on market failure and define sustainable entrepreneurship as “the process of discovering, evaluating, and exploiting economic opportunities that are present in market failures which detract from sustainability, including those that are environmentally relevant” (p. 58). Cohen and Winn (2007) focus on opportunity recognition and suggest that sustainable entrepreneurship research examines “how opportunities to bring into existence future goods and services are discovered, created, and exploited, by whom, and with what economic, psychological, social and environmental consequences” (p. 35).

Because the focus of this thesis is on young sustainable ventures with commitment to the triple bottom line, we choose to use a definition that accepts sustainable entrepreneurship as mission-driven. In line with the definition posed by Schaltegger and Wagner (2011),

we define sustainable entrepreneurship as “a venture’s core motivation of contributing to solving societal and environmental problems through the realization of a successful business” (p. 224). According to this definition, sustainable entrepreneurs can be described as entrepreneurs that focus on the identification of new business opportunities, which results in more sustainable products or processes than what is currently available on the market. Schaltegger and Wagner (2011), identify these entrepreneurs as making a voluntary commitment to creating environmental and social value beyond that of conventional business ventures, whilst simultaneously creating financial value. The commitment of sustainable entrepreneurs to create value along financial, environmental and social dimensions is illustrated in Figure 2.1.

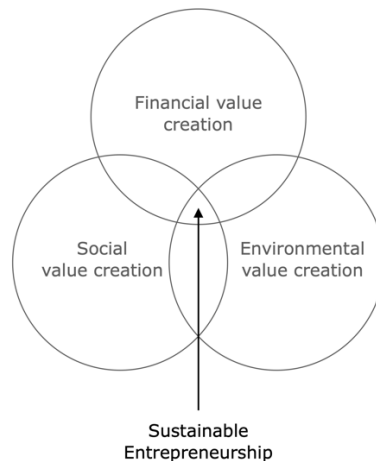


Figure 2.1: Value Creation.
Illustration of the value creation along three dimensions by entrepreneurs engaging in sustainable entrepreneurship.

2.2 Tensions in sustainability management

The commitment of sustainable entrepreneurs to target multiple forms of value creation creates the potential of tension between the different dimensions of the triple bottom line. While scholars discussing tensions in sustainability management agree that there are tensions between financial, environmental and social dimensions, there is disagreement about the nature of the relationship between these dimensions (Van der Byl and Slawinski, 2015).

2.2.1 Win-win and trade-off perspectives

A vast majority of the early management research on tensions in sustainability management adopted a *win-win perspective*, suggesting that financial, environmental and social dimensions are harmonious and can be achieved simultaneously (Hahn, Figge, Pinkse and Preuss, 2010; Panta, 2019). By utilizing the win-win perspective, scholars have argued that an introduction of environmental and social aspects to the venture’s values will result in better financial performance (Van der Byl and Slawinski, 2015). They find this to be the result of the creation of a good reputation and consumer preference (McWilliams and Siegel, 2011), as well as the ability to profit from regulatory uncertainty (Fremeth and Richter, 2011). According to this perspective, engaging in sustainability will create win-win situations in which value for the society and the environment, as well as for the venture, is achieved simultaneously, as illustrated in Figure 2.2.

As a reaction to the optimistic win-win perspective, a *trade-off perspective* was introduced to understand tensions in sustainability management (DiVito and Bohnsack, 2017; Haffar and Seacy, 2014; Hahn et al., 2010; Slawinski and Bansal, 2015). The trade-off perspective argues that financial, environmental and social dimensions are in conflict, and that sustainability can be achieved only by trading off one of the dimensions in favour of another (Ozanne et al., 2016). Following the trade-off perspective, the financial vs. the environmental and social relationship builds on the premise that the financial objectives must be balanced with social and environmental considerations (Epstein et al., 2015) as illustrated in Figure 2.2. According to trade-off perspective, trade-offs are sometimes “win-lose” and sometimes “win-win”. This means that the trade-offs are not necessarily opposed to each other and “win-win” situations can exist (Orlitzky, Schmidt, and Rynes, 2003).

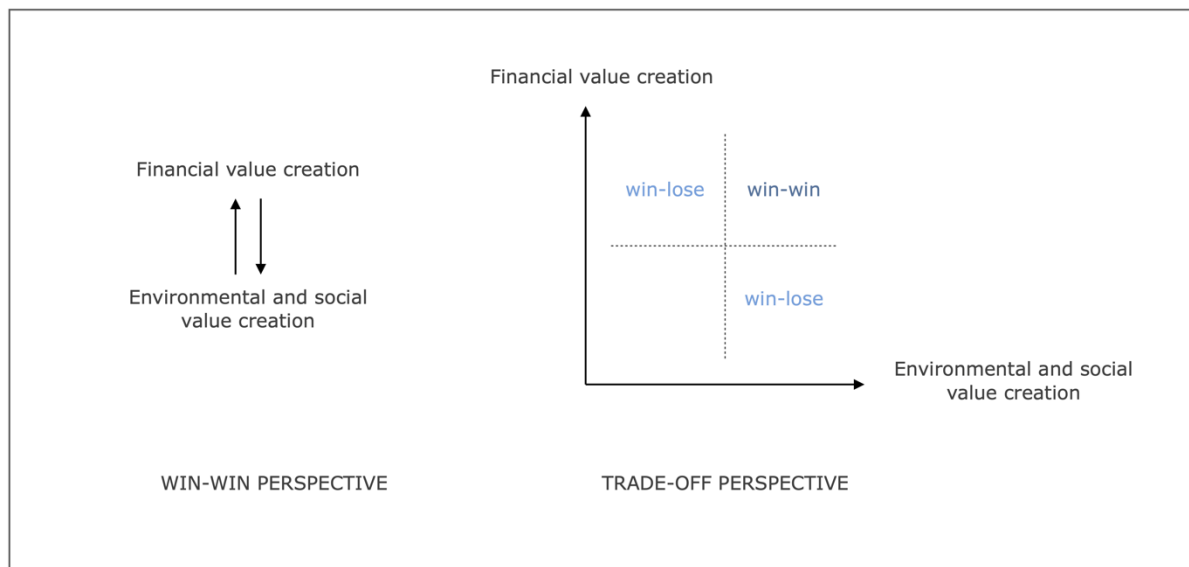


Figure 2.2: Win-win and trade-off perspectives.

Illustration of the win-win and trade-off perspectives adopted by early research on tensions in sustainability management literature. Illustration of the trade-off perspective is adapted from Epstein et al. (2015).

2.2.2 Paradox perspective

More recently, the win-win and trade-off perspectives have been criticised for their instrumentalism, in which the financial dimension is prioritised, and tensions are largely ignored (Ozanne et al., 2016; van Bommel, 2018). Consequently, a new perspective, the *paradox perspective*, has emerged in literature discussing tension in sustainability management. The paradox perspective has been used to explore the inherent tensions in a more in-depth manner (Hahn, Preuss, Pinkse, and Figge, 2014).

Paradoxes are defined as “contradictory yet interrelated elements that exist simultaneously and persist over time” (Smith and Lewis, 2011, p. 386). The paradox perspective moves beyond the perception of the triple bottom line dimensions as simply ‘interrelated’, as in the win-win perspective, or ‘contradictory’, as in the trade-off perspective (Smith and Lewis, 2011). It rather looks at the complexity when contradictory dimensions are considered simultaneously (Ozanne et al., 2016; Van der Byl and Slawinski, 2015). The aim of the paradox perspective is to understand the interplay of different dimensions and it can be used to explore how organizations can attend to competing demands simultaneously (Smith and Lewis, 2011).

Paradox theory proposes that the tensions arising from balancing financial, environmental and social goals cannot easily be resolved but should be accepted as persisting paradoxes (Ozanne et al., 2016). That is, instead of thinking of tensions as either/or, as in the case of the instrumental win-win and trade-off perspectives, it pursues a both/and approach in trying to embrace the competing demands simultaneously (Lewis et al., 2014; Lüscher and Lewis, 2008; van Bommel, 2018).

Figure 2.3 presents the paradox perspective on tensions in sustainability management. It illustrates that for some actions, which have poor environmental and social value creation, decision-makers involved in sustainability management do not even consider it an available option (Epstein et al., 2015), because it would not embrace the triple bottom line.

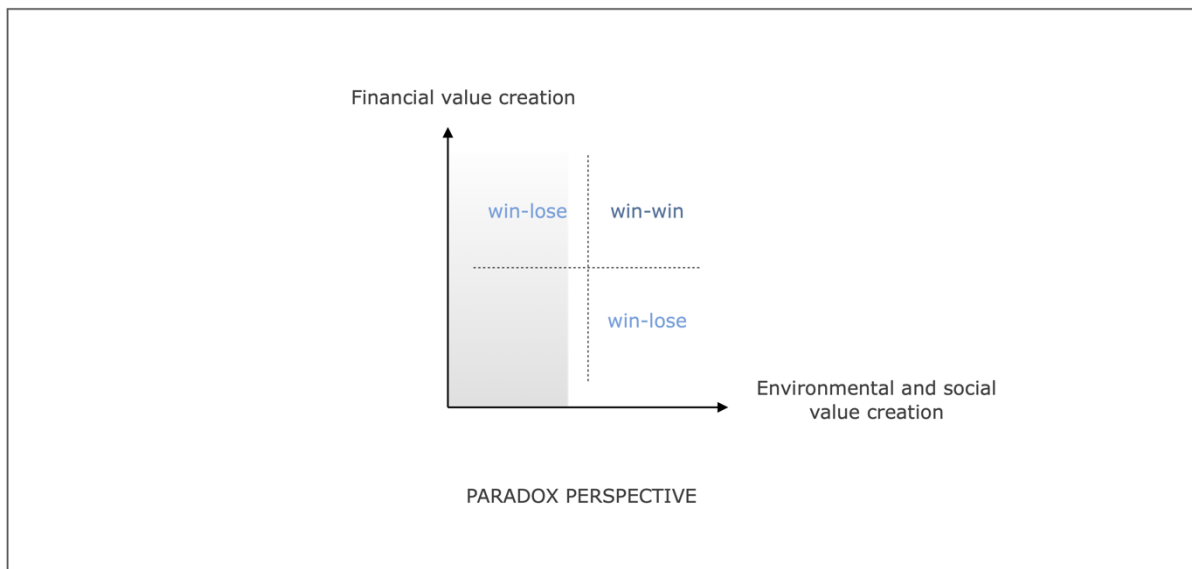


Figure 2.3: Paradox perspective.

Illustration of the paradox perspective adapted from Epstein et al. (2015), illustrating a grey area of potential outcomes that are not considered available to decision-makers in sustainability management due to low environmental and social value creation.

2.2.2.1 Categorisation of tensions through the paradox perspective

Smith and Lewis build on the work of Lewis (2000) and Lüscher and Lewis (2008) and use paradox theory to suggest that there are four tensions emerging when balancing the triple bottom line. The four tensions are *performing*, *belonging*, *organizing* and *learning tensions*, representing core elements and activities of an organization. Performing tensions are tied to stakeholders' demand, belonging tensions to identity and interpersonal relationships, organizing tensions to processes, and learning tensions to diverging time horizons (Smith and Lewis, 2011). Some previous empirical research has categorised tensions in sustainability management by using the paradox perspective as proposed by Smith and Lewis (2011). In a study on the tensions experienced by firms that aims to manage the dimensions of the triple bottom line, Ozanne et al. (2016) categorise tensions into belonging, performing, organizing and learning, and found all tensions in the case companies. In another study on business model innovation for sustainability, van Bommel (2018) also found that firms experienced all four tensions but found learning tensions to be the least frequently experienced. Both Ozanne et al. (2016) and van Bommel (2018)

found that all tensions were related to financial goals on one side, and social and/or environmental goals on the other side, and that the types of tensions experienced generally were the same across different firms (Smith and Lewis, 2011).

2.2.2.2 Tension-management through the paradox perspective

Even though research on the paradox perspective is still nascent (Van der Byl and Slawinski, 2015), the paradox perspective on sustainability management has been argued to provide a robust method for understanding tension-management in regard to the triple bottom line (Hahn et al., 2015; Van der Byl and Slawinski, 2015). In recent years, some empirical studies on tension-management in firms committed to the triple bottom line have therefore emerged from the paradox perspective. These studies attempt to identify the strategies applied by decision-makers to manage tensions.

Some scholars have found that decision-makers either ignore tensions or are less engaged in managing them. For instance, Epstein et al. (2015) conducted a field research of large international corporations engaging in corporate sustainability, and found that managers ignored tensions between financial, environmental and social goals. Likewise, Joseph et al. (2018) interviewed forestry companies engaging in corporate sustainability and found that most decision-makers acknowledged tensions but failed to act upon them.

Other scholars have found more nuanced results. Daddi et al. (2019) conducted a study to investigate the tensions and strategies adopted by firms engaging in the circular economy and found that the strategies used to deal with tensions ranged from proactive and defensive, to total avoidance. Van Bommel (2018) found similar results when studying tensions in firms engaging in sustainable business model innovation. The results showed that some of the case companies were shy in embracing tensions, while others worked through the tension aiming for a both/and scenario.

Previous studies on tension-management have tended to separate strategies into acceptance and resolution strategies (Daddi et al., 2019; Hahn et al., 2015; van Bommel, 2018), in which acceptance strategies aim to accept the tensions whereas resolution strategies aim to resolve the tensions (Hahn et al., 2015). Both Hahn et al. (2015) as well as Daddi et al. (2019) and van Bommel (2018) championed resolving tensions as the most successful approach as it appeared to facilitate more manageable situations for decision-makers. However, they also found that decision-makers sometimes find it satisfactory to just accept tensions, and that it is common to alternate between strategies. Nonetheless, neither Daddi et al. (2019) nor van Bommel (2018) has attempted to reveal the reason why decision-makers alternate between different strategies.

3 Conceptual framework based on paradox and effectuation theory

In this chapter, we will present the theory and conceptual framework applied in the thesis. The chapter begins with a presentation of paradox theory on tensions in sustainability management, and of effectuation theory. The two theories are then combined into one conceptual framework, which will be applied to analyse the data and fulfil the purpose of the study.

3.1 Paradox theory

Paradox theory has commonly been used by organizational researchers to describe conflicting demands, opposing perspectives, or seemingly illogical findings (Lewis, 2000). In recent time, paradox theory has been extended to sustainability management as a method of interpreting business strategies in cases of conflicting demands and pressures, and in considering multiple competing sustainability goals simultaneously (Daddi et al., 2019). The theory provides a categorisation of tensions that arises when at least two of the three dimensions of the triple bottom line are conflicting (Smith and Lewis, 2011), and a framework for how these tensions can be managed (Hahn et al., 2015). The categories of tensions and the management framework will lay the foundation of our conceptual framework, as it will guide us to understand the tensions faced by entrepreneurs in young sustainable ventures and the strategies applied to manage them.

3.1.1 Categorisation of tensions

The tensions emerging when aiming to balance the dimensions of the triple bottom line are categorised into performing, belonging, organizing and learning tension (Smith and Lewis, 2011), as presented in Figure 3.1.

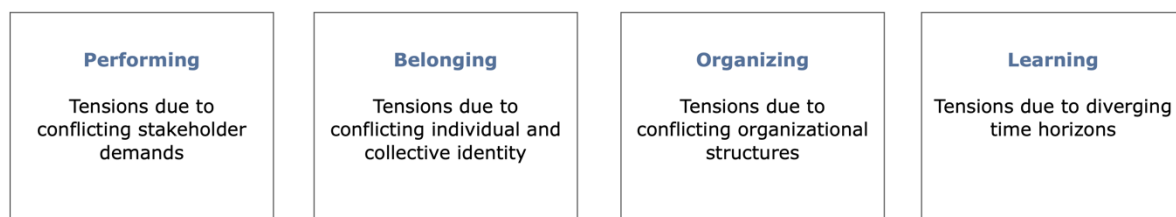


Figure 3.1: Categories of tensions.
Categories of tensions in the paradox perspective, adapted from Smith and Lewis (2011).

Performing tensions arise because different stakeholders have different demands, which in turn results in competing strategies and goals (Smith and Lewis, 2011). Because of different and oftentimes conflicting demands, tension exists between the different internal and external stakeholders of a firm (Donaldson and Preston, 1995; Smith and Lewis, 2011). For instance, performing tensions can arise when deciding between acting locally or globally, when choosing to focus on solely a financial bottom line or a triple bottom line, or when deciding between setting a broad array of sustainability objectives or only profitable sustainability objectives (van Bommel, 2018).

Belonging tensions revolve around individual and collective identity issues and are referred to as 'tensions of identity' (Smith and Lewis, 2011). This means that within the venture, there are competing but coexisting values and roles that create conflicts between team members. Tensions arise because team members of a venture aim for both a strong connection to the group, but also for self-expression (Lewis, 2000), which in turn drives belonging tensions (Smith and Lewis, 2011).

Organizing tensions emerge through commitments to contradictory organizational structures, cultures, practices, and processes (Smith and Lewis, 2011). The tensions appear when organizational systems create competing structures or systems to achieve a desired outcome and are often apparent in times of change or restructuring (Ozanne et al., 2016; Smith and Lewis, 2011). For instance, organizing tensions become visible is when a venture has to consider the choice between collaboration and competition, routine and change, control and flexibility (Smith and Lewis, 2011), globalization and localization, or planning and improvising (Ozanne et al., 2016).

Learning tensions emerge as decision-makers' beliefs and assumptions fail to keep pace with contextual change (Ozanne et al., 2016; Smith and Lewis, 2011). This can include tensions between factors such as radical or incremental innovation, and episodic or continuous change (Smith and Lewis, 2011). Learning tensions ultimately occur when decision-makers attempt to attend to multiple time horizons simultaneously, to secure growth in the future while maintaining stability in the present (Ozanne et al., 2016; Smith and Lewis, 2011).

3.1.2 Management of tensions

The tension-management process is comprised of two steps (Hahn et al., 2015), as illustrated in Figure 3.2. The first step is the acknowledgement of tension (Poole and Van de Ven, 1989; Smith and Lewis, 2011) and the second step is the implementation of strategy to manage the tension. Some scholars argue that the acknowledgement of tension is the most critical step in the tension-management process (Hahn et al., 2018; Joseph et al., 2018). Tensions can either be *latent*; unperceived by the organizational actors, or *salient*; experienced by the organizational actors (Smith and Lewis, 2011). The acknowledgement process involves decisions-makers recognising a tension due to the dimensions of the triple bottom line being in conflict (Joseph et al., 2018).

The environmental factors of *plurality*, *change* and *scarcity* contribute to making a latent tension salient (Smith and Lewis, 2011). Plurality refers to uncertainty in organizational goals, strategies and inconsistent processes (Smith and Lewis, 2011). Change relates to shifts in the contextual conditions which involves the firm being forced to adapt, and scarcity involves limitations of resources available to the organization, such as time, labour and capital (Ozanne et al., 2016; Smith and Lewis, 2011). The three environmental factors can be analysed to explore how ventures come to acknowledge the tension arising from the triple bottom line.

A tension can only be managed once it is identified and understood (Hahn et al., 2015). In order to manage tensions, managers can draw on various strategies. The premise of the strategies applied to manage tensions in sustainability management is that the financial, environmental and social dimensions of the triple bottom line is part of a system whose elements are interconnected and interdependent (Hahn et al., 2015; van Bommel, 2018). Drawing on paradox theory, Hahn et al. (2015) present a framework for different

strategic options that can be utilised in order to address contradictory sustainability dimensions simultaneously, where the contradictory sustainability dimensions are presented as opposing poles of a paradox. Their framework comprises two different approaches to manage tensions; *acceptance strategies* and *resolution strategies*.

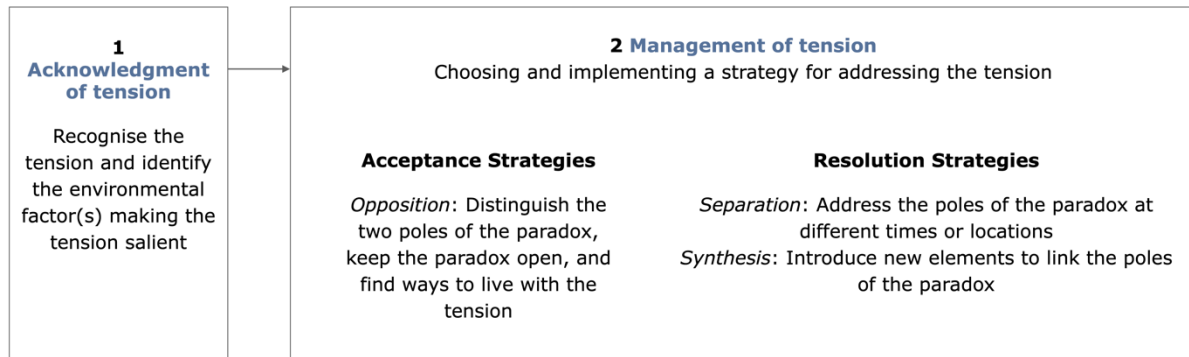


Figure 3.2: Tension-management process.

Management of tensions in the paradox perspective. The illustration is inspired by Hahn et al. (2015).

3.1.2.1 Acceptance Strategies

The acceptance strategy of *opposition* occurs when decision-makers distinguish the two poles of a paradox and accept the resulting tensions by seeking ways to live with the situation, thus keeping the paradox open (Hahn et al., 2015; Smith and Lewis, 2011). In other words, decision-makers seek to consider contradictory dimensions and activities simultaneously, without prioritising either pole of the paradox or seeking a synthesis to merge the two poles. The opposition strategy is characterised by improvisation (Beech, Burns, de Caestecker, and MacLean, 2004; Clegg, da Cunha, and Cunha, 2002; Hahn et al., 2015). The paradox is kept open so that each pole can be addressed thoroughly with individual methods, rather than seeking one single solution (Joseph et al., 2018). Living with the paradox can result in synergies for the company despite the underlying tension (Clegg et al., 2002; Hahn et al., 2015), as the two poles of the paradox are related and can inform each other (Hahn et al., 2015; Poole and Van de Ven; 1989).

3.1.2.2 Resolution Strategies

There are two resolution strategies: *separation* and *synthesis*. Both strategies occur when decision-makers aim to resolve the tension by attending to both poles of the paradox simultaneously (Hahn et al., 2015). By employing resolution strategies, the paradox is transformed into a more manageable situation (Hahn et al., 2015). The use of these strategies involve “finding a means of meeting competing demands or considering divergent ideas simultaneously” (Smith and Lewis, 2011, p. 386).

The first resolution strategy, *separation*, occurs when opposing parts of the paradox are separated, either by different points in time, *temporal separation*, or at different locations or analytical levels, *spatial separation* (Hahn et al., 2015; Poole and Van de Ven, 1989). Both separation strategies involve keeping the opposing poles apart, identifying and defining targets for each pole, and developing skills for each while avoiding inference from the oppositional pole (Hahn et al., 2015; Smith and Tushman, 2005). With temporal separation, the poles of the tension are separated in time and attention is first given to one before attending to the second pole (Poole and Van de Ven, 1989; van Bommel, 2018).

In the case of spatial separation, the poles are separated by location or analytical level so that one part of the organization attends to one pole, while a separate part of the organization attends to the other pole (van Bommel, 2018).

The second resolution strategy, synthesis, manages paradoxes by creating new perspectives and thus linking or accommodating the opposing poles of the paradox (Hahn et al., 2015). New perspectives can be created by implementing formal procedures, policies or a distinctive organization culture (van Bommel, 2018). With the synthesis strategy, the multiple demands of the paradox are met simultaneously (Joseph et al., 2018) by making sense of the opposing poles through a 'resolving logic' (Hahn et al., 2015).

3.2 Effectuation theory

Sarasvathy (2001) recognised that entrepreneurial environments often are characterised by high levels of uncertainty. As a response, she developed a theory of effectuation to describe how entrepreneurs can make decisions in unpredictable environments (Sarasvathy, 2001, 2008). The theory explains an approach to making decisions and performing actions in entrepreneurship processes where the 'next best step' is identified by assessing the resources available in order to achieve a set of goals, while continuously balancing these goals with the available resources (Sarasvathy, 2001).

The application of effectuation theory extends beyond entrepreneurship literature and has been used to describe decision-making processes within innovation, marketing, operations and project management, and internationalization (Grégoire and Cherchem, 2020). However, the theory has received some criticism for being an underdeveloped theory with non-specific terms (Arend, Sarooghi, and Burkemper, 2015). The most prominent criticism of the theory is that it encapsulates "anything that involves some form of co-creation/co-construction dynamics" (Grégoire and Cherchem, 2020, p. 630). Nonetheless, the theory offers a fresh take on entrepreneurial reasoning and decision-making (Dias, Iizuka, and Boas, 2019), and will therefore be useful to add to our conceptual framework to analyse the logic behind tension-management.

Effectual reasoning differs from the traditional *casual reasoning*, which assumes predictable environments where extensive analysis and planning is used to achieve a predetermined goal. Sarasvathy (2001) argues that causal reasoning is best suited for well-developed markets, typically in corporate settings, where incremental innovations often are employed. However, in unpredictable entrepreneurial processes where the outcomes are uncertain and the need for a quick response is high, effectual reasoning can be a powerful alternative to the time-consuming planning processes. As opposed to a causal logic of predictive and adaptive design, effectuation follows a transformational design (Sarasvathy, 2008) that "inverts causal reasoning to indicate a new connection among means, imagination, and action that helps generate intentions and meaning in an endogenous fashion" (Sarasvathy, 2001, p. 256).

Sarasvathy's study on effectuation showed that entrepreneurs spontaneously and systematically approach the early stages of their entrepreneurial actions by utilizing five main principles (Grégoire and Cherchem, 2020; Sarasvathy, 2001, 2008). The principles are *the pilot-in-the-plane principle*, *the bird-in-hand principle*, *the affordable-loss principle*, *the crazy-quilt principle*, and *the lemonade principle* (Sarasvathy, 2008).

The principles guide the organization in decision-making, which in turn will shape the progress of the venture. Grimm (2013) describes it as a process that “utilises existing means, proceeds in small steps, limits financial risk, leverages contingencies, and forges strategic partnership” (p. 57). Altogether, the five principles make up the effectual logic and can be used to analyse the actions of entrepreneurs (Grimm, 2013). By adding the five principles of effectual reasoning to our conceptual framework, we can better understand the entrepreneur’s reasoning behind tension-management and thus fulfil the purpose of our study.

3.2.1 Principles of effectual logic

The pilot-in-the-plane principle describes how entrepreneurs should focus on today and not the future (Sarasvathy, 2008). The principle is based on the belief that effectual reasoning provides entrepreneurs with an element of control over their environment and eliminates the need to predict outcomes that are largely unpredictable. It is the core underlying logic of effectuation, as it is based on the belief that to the extent we can control the future, we do not need to predict it (Read, Sarasvathy, Dew, Wiltbank, and Ohlsson, 2010).

The bird-in-hand principle describes how entrepreneurs start with a set of means that they already hold and allow goals to emerge continuously over time from the imagination and aspirations of the founders and the people they interact with (Sarasvathy, 2008). It involves maximising the use of what the entrepreneurs know and who they know, and align options based on who they are. The goals of the venture are likely to change over time, as the founders’ personal aspirations evolve and new stakeholders show commitment (Read et al., 2010).

The affordable-loss principle describes how entrepreneurs do not obsess about profits, but rather try to minimise potential losses (Sarasvathy, 2008). The affordable loss determines an upper bound on the amount of funds the entrepreneur is willing to place at risk. Advocating a ‘risk little, fail cheap’ attitude, entrepreneurs do not seek to make future speculations and predictions to identify the upside potential of an opportunity. Instead, they calculate an opportunity’s downside potential, and risk no more than they can afford to lose (Read et al., 2010).

The crazy-quilts principle describes how entrepreneurs seek and form strategic partnerships. It can involve partnership with multiple stakeholders such as employees, suppliers, customers and even competitors (Sarasvathy, 2008). Unlike causal networks where partners are chosen based on their alignment with a predetermined goal, partners of effectual entrepreneurs are self-selected based on their willingness to commit to the venture (Read et al., 2010). These self-selected partnerships will shape the pathway of the venture, and may translate into new goals, products and/or markets (Sarasvathy, 2008).

The lemonade principle describes how entrepreneurs leverage on contingencies. The principle is based on the idea that every situation, even worse case scenarios, can become opportunities (Sarasvathy, 2008). Effectuate entrepreneurs do not perceive contingencies as a sign of loss over the situation, but rather think of it as building blocks or valuable resources that enable the venture to take new directions (Read et al., 2010).

3.3 Conceptual framework

The purpose of the thesis is *to investigate how entrepreneurs in young sustainable ventures manage tensions arising from a commitment to the triple bottom line*. In order to fulfil the purpose, we will apply a conceptual framework based on a combination of paradox theory and effectuation theory, as presented in Figure 3.3.

We will apply Smith and Lewis's (2011) framework to categorise tensions into performing, belonging, organizing and learning tensions and to examine the types of tensions inherent in the young sustainable ventures. Once the tensions are categorised, we will investigate tension-management through a three-step approach, by looking at the decision-makers' acknowledgement of tensions, management reasoning and implementation of strategy.

First, the works of Hahn et al. (2015) and Smith and Lewis (2011) will be applied to investigate the acknowledgement of tension. Their frameworks will be used to identify what environmental factors of plurality, change and scarcity that makes the acknowledged tensions salient to the ventures. The five principles from effectuation theory will then be applied to make sense of how the entrepreneurs in the young sustainable ventures make decisions on what strategy to implement, in other words, their management reasoning. Lastly, when addressing the implementation of strategies, the framework of Hahn et al.'s (2015) will be used to examine what strategies the young sustainable ventures implements when managing tensions. This will be done by categorising the implemented strategies into opposition (the acceptance strategy) and into separation or synthesis (the resolution strategies).

The categorisation of tensions, together with the three-step approach that will be used to analyse the tension-management process, constitute the conceptual framework which will be used in the analysis.

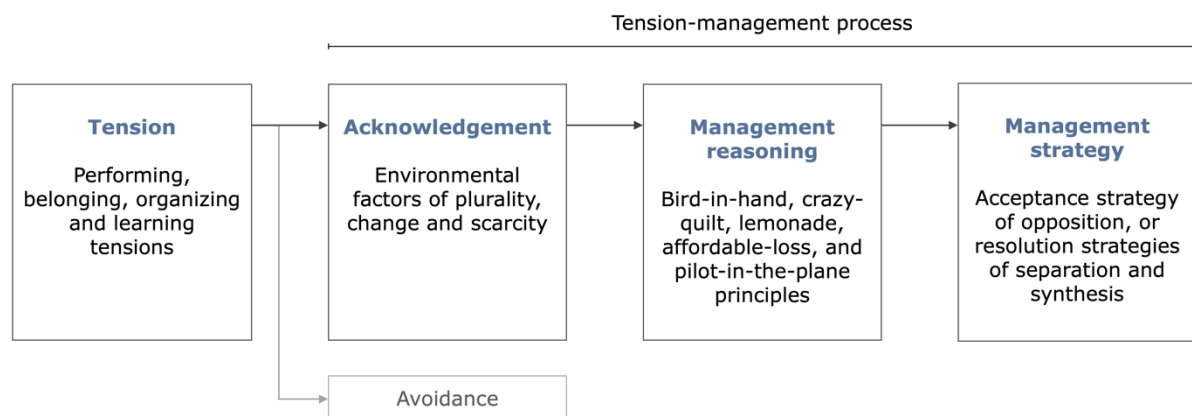


Figure 3.3: Conceptual framework.

Illustration of the conceptual framework that will be used to investigate tension-management in young sustainable ventures in this thesis.

4 Methodology

In this chapter, the qualitative research method will be presented. The reasoning for the chosen approach, as well as its suitability to address the research questions, will be explained in further detail. The chapter is introduced by a description of the research design, followed by the data collection process, data analysis, and finally, reflections on the research method in terms of its limitation.

4.1 Research Design

The purpose of this thesis is *to investigate how entrepreneurs in young sustainable ventures manage tensions arising from a commitment to the triple bottom line*. The findings from our investigation will build on the current theory in the field. Because sustainability includes “a number of contradictory yet interrelated elements” (Van der Byl and Slawinski, 2015, p. 55), a detailed approach in line with the qualitative research methodology is appropriate when investigating the reasoning and strategies implemented by young sustainable ventures when facing tensions. Moreover, tensions are likely to be experienced by the individuals in a firm, and a qualitative research design helps us understand the topic from the perspective of those who are being studied (Pratt, 2009). The analysis has been conducted using an abductive method of alternating between theory and empirical observations (Dubois and Gadde, 2002). The aim of the study is to elaborate on current theory, and the abductive approach is conducive when the researcher intends to discover new things (Dubois and Gadde, 2002).

The study has been conducted using an embedded multiple-case design. The case study is a useful method to understand the dynamics in a specific setting (Eisenhardt, 1989), and is therefore an appropriate approach to answer our research questions. In order to thoroughly understand the underlying reasons for the tensions and the management strategies, it is necessary to utilise a method that grasps the dynamics present in alignment with case studies. Entrepreneurs in young sustainable ventures could potentially experience several tensions. The embedded multiple-case design permits us to detect patterns and observe similarities and differences in tension-management, thereby allowing us to answer the research questions and fulfil the purpose of our study.

4.1.1 Case selection

The case we are interested in investigating is the decision-making processes in regard to tension acknowledgement and management in young sustainable ventures. We are interested in looking at the timeline from when a tension arises, to when a strategy has been formulated and implemented. The case is limited to only look at reasoning and actions taken by the young sustainable ventures. Each case (the decision-making process regarding tensions management in one venture) will be made up of embedded cases (each tension management process).

In order to find cases, we first had to find young sustainable ventures where we believed tensions as a result of a commitment to the triple bottom line would occur. The selection criteria for the ventures were therefore set to only include ventures with a clear commitment to all three sustainability categories in their mission statement, in order to increase the likelihood of them experiencing tensions. Further, to make sure we were investigating young ventures, one criterion was for the ventures to be founded in the last

10 years, but no later than 2016 to make sure that the ventures had surviving business models. To find suitable ventures, we utilised our network through the NTNU School of Entrepreneurship and the NTNU School of Entrepreneurship Alumni Association (ESAF). We also contacted different sustainability-focused accelerator programs in Norway. From this, we drew up a tentative list of 20 candidate ventures. As it was preferable to conduct the interviews face to face to obtain secondary data, all ventures based outside Norway were excluded and the candidate pool was narrowed down to 10.

Sustainable ventures can be very diverse and operate in a number of industries (Muñoz and Dimov, 2015). To promote greater comparability in the analysis, we therefore chose dissimilar ventures that could reflect the real-world variance. As a result, the ventures included in the study differ in size, revenue, sustainable vision, and industry, as presented in Table 4.1.

Table 4.1: Overview of ventures in the case study

Venture*	Industry	Type of business	Sustainable vision	Revenue 2018**	Year founded	Number of employees
Urban Puffin	Gaming	Software	Educate, engage and empower individuals to take sustainable actions	2,44 M	2014	16
Re:Green	Fashion/ Marketing/ Advertisement	Software & Service	Make second-hand clothing cool and fun	4,51 M	2014	21
SolarAid	Electricity	Hardware	Deliver durable solar-powered products to those without electricity, sustainability throughout the value-chain	120,35 M	2011	11
EcoBlock	Waste management	Software & Hardware	Incentivise recycling, make recycling fun and rewarding for all stakeholders	394 K	2016	2
Human-equal	Cleaning Services	Service	Transform the cleaning industry from its current state of black-market labour; bring social justice to the cleaning industry	5,9 M	2015	30

*All venture names have been altered to ensure the anonymity of the ventures**In NOK

The names of the ventures have been changed to ensure anonymity and are referred to as Urban Puffin, Re:Green, SolarAid, EcoBlock and Humanequal. We already knew Urban Puffin, while contact with the following four was facilitated through the ESAF-network. Urban Puffin and Re:Green were included due to their uniqueness in industries. SolarAid was valuable for our research as it provided insight into how a high-grossing hardware venture, with relatively few employees experience and manage tensions. EcoBlock was valuable as it gave important insight into the experience and management of tensions in a very small venture. Humanequal was important to include in the study as it provided

insights into a service venture with a very clear commitment to social sustainability, and with a relatively large workforce. A more in-depth introduction to each venture is found in Chapter 5.

The cases and embedded cases could only be discovered through analysis of the transcript after interviewing a venture. Therefore, we did not have a predetermined conception on the number of ventures to include in the study. After the fifth venture was included, we noticed saturation of the data, and it was not deemed conducive to include more. We found, on average, 3-4 embedded cases within each case. The process of discovering the embedded cases is described in detail in Chapter 5.

4.2 Data Collection

Tensions, and their subsequent management strategies, are experienced by individuals in an organization (van Bommel, 2018). Empirical data from semi-structured interviews have therefore been the primary source of data in the thesis. The primary data has been complemented with secondary data sourced from direct observations during visits at the ventures' locations, as well as with documentation. The main purpose of the secondary data has been to validate and strengthen the data collected through the interviews, and to increase the construct validity of the study (Yin, 2009).

4.2.1 Selection of participants

The unit of analysis in this thesis is *decision-making processes in regard to tension acknowledgement and management in young sustainable ventures*. Therefore, it has been important to interview individuals in the selected ventures that are involved in decision-making processes. Relevant people included leaders and decision-makers that have been part of the process of building the venture, or others that have had a significant impact on the venture in terms of relevant business operations or strategising. Participants selected for the study have therefore been CEOs, co-founders and business developers. The participants included in the study were all the top decision-makers in their respective ventures, and therefore the individuals in the organization best suited to give insight to what tensions the venture faces and how they manage these tensions. By interviewing two participants from each venture, we were able to see if the decision-makers highlighted the same situations where they found tension to be present, and if they had similar perceptions of how the tensions were experienced and managed. An overview of the interview objects, their role in the venture, and relevance to our study, are presented in Table 4.2.

Table 4.2: Overview of participants interviewed in the study

Venture	Participant*	Role in venture	Relevance for case	Employed since
Urban Puffin	Jon	Co-Founder & Business Developer	Responsible for setting and executing strategy since the venture's inception	2014
	Lillian	Project Manager	Responsible for the management of projects and partners, Responsible for setting and executing strategy	2015

Re:Green	Frank	Co-Founder and CEO	One of the main decision-makers in the venture; Responsible for setting and executing strategy	2014
	Kristine	Head of Business Development	Responsible for development and implementation of revenue models; Responsible for business development	2015
SolarAid	Elisabeth	CEO	Responsible for setting and executing strategies; In charge of balancing the triple bottom line in the firm; Mentor of venture since 2012	2019
	Daniel	Sales Director/ Partnership Manager	Extensive responsibility of managing the firm's partnerships in alignment with the triple bottom line	2016
EcoBlock	Robert	CEO & Co-Founder	The first half of the management team; Responsible for financial performance and Norwegian customers	2016
	Mona	COO & Co-Founder	The second half of the management team; Responsible for technology development and foreign partnerships	2016
Humanequal	Thomas	Founder	An important member of the management team; Responsible for setting and executing strategy	2015
	Eva	CEO	Lengthened experience with the venture as a regular worker since 2015, CTO since 2018 and CEO since 2019; Responsible for setting and executing strategy	2015

*Names of all participants have been altered to ensure anonymity

4.2.2 Interview data

Data was collected through the total number of ten semi-structured interviews. We considered it preferable to conduct the interviews face to face, but due to geographical challenges and conflicting time-schedules, three interviews were conducted by online conference calls, whereas the remaining seven were conducted in person. All interviews were conducted between January and March 2020. The duration of the interviews ranged between 30 to 80 minutes, with the average interview lasting around 55 minutes. The interviews were digitally recorded and later transcribed to enable us to pay full attention during the interviews, and not having to take excessive notes at the same time. At least two of the researchers were present during each interview to allow for divergent perspectives and strengthen grounding (Eisenhardt, 1989), and to gather secondary data by taking observational notes.

An interview guide was made prior to conducting the interviews (see Appendix A) and served as a guide for the conversations. The interview guide was developed by utilising the conceptual framework presented in the theory section, and by using the interview protocol presented in van Bommel (2018) as inspiration. Although the conceptual framework was used to shape the interview guide, considerations were made to not rely too heavily on the terminology in the framework in order to avoid imposing our preconceived ideas of tensions in the triple bottom line on the interview participants (Gioia,

Corley, and Hamilton, 2013). The guide largely remained the same throughout the interview process. However, it was reviewed after the initial interviews to gain a better understanding of unsuccessful questions or confusing terminology. Prior to interviewing the second participant of each venture, the data collected in the first interview was revisited to make sure that enough time was spent during the second interview on exploring interesting themes discovered in the first interview. Gioia et al. (2013) argue that this approach is important to allow for flexibility and qualitative rigour. This is echoed in Eisenhardt (1989), who argues that additional adjustments to the interview protocol can help the researchers to follow up on special and emergent themes.

4.2.3 Secondary data

Furthermore, data was also sourced from documentation and direct observations to allow for triangulation of the data. In order to gather relevant information about the ventures, systematic searches were conducted both before and after the interviews. The documentation provided information about the founding year, number of employees, and the interview object's role and time of involvement in the venture and was used as a reference for the information provided in the interviews.

Moreover, data derived from the venture's websites and social media pages were used to gain a better understanding of who the ventures were, by seeing how they describe themselves and their core mission. Financial data and corporate announcements were also included in order to fact check and add to the information gathered in the interviews. An overview of the secondary data sources is found in Table 4.3.

Table 4.3 Summary of secondary data gathered in the data collection process

Category	Source
Financial data	PROFF company database
Corporate announcements	Brønnøysund Register centre
Company Statements	Company web pages and/or social media pages

Observations were made both during the interviews and while listening to the audio recordings. Notes were made during the interviews on information that would not be evident through audio recordings, such as body language. Pauses, pace, response time to questions, and hesitation were noted during both the interviews and the transcription. Observations served as a means to look for signs of uncertainty in the participants responses, and to evaluate the credibility of the answers.

4.3 Data Analysis

The aim of the analysis was to become familiar with the data and find patterns in what tensions the ventures have experienced and how they have managed them. We first conducted a within-case analysis, as proposed by Eisenhardt (1989), to become familiar with each case before comparing results in a cross-case analysis. Concluding the analysis with a cross-case comparison is useful to observe the evidence through multiple lenses (Eisenhardt, 1989). The conceptual framework presented in Section 3.3 served as a guide to what information was relevant to include or exclude and laid the foundation for the analysis.

4.3.1 Within-case analysis

The within-case analysis relied on both empirical data from the interviews, as well as secondary data. The data was analysed using the conceptual framework presented in Section 3.3. All cases were analysed using the same six-step process, as illustrated in Figure 4.1. The first and second step included identifying tensions and management strategies. It was in the first step we identified the embedded cases in each venture. A four-step process in accordance with the conceptual framework was then initiated to first categorise the tensions and then analyse the management of tensions in the ventures. The process included an analysis of the acknowledgement of tension, management reasoning, and implementation of strategies. The first case was analysed by all three researchers to make sure there was a mutual understanding of how to code and analyse the data. The remaining four cases were analysed consecutively by two of the researchers. By always including at least two researchers in the analysis we aimed to reduce interpretation bias.

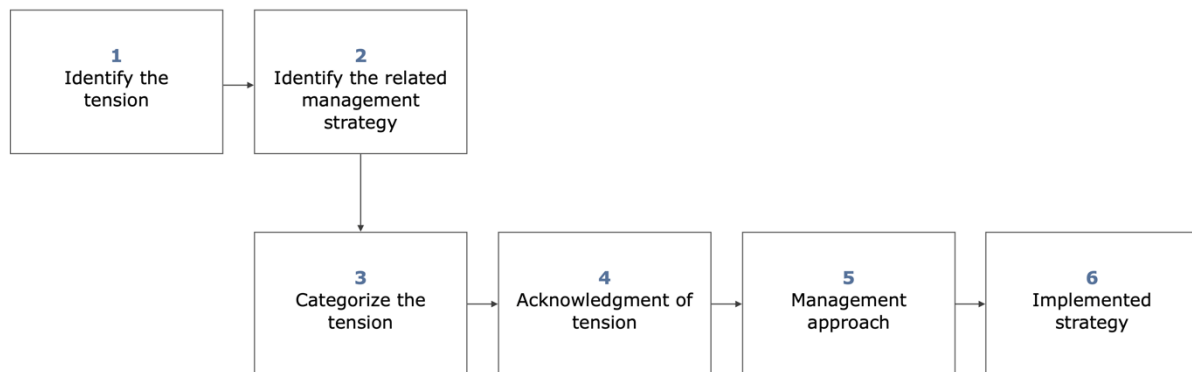


Figure 4.1: Six-step process of within-case analysis.

In the first step of the within-case analysis, the transcripts were read and reread several times to identify important statements where the participants discussed past and present tensions, and strategies to manage these tensions. These tensions and strategies had to be related to the firm trying to achieve its triple bottom line mission. Participants often described tensions using terms such as “disagreement”, “problem”, “differences”, “confusion”, “not always easy”, “difficulties”, “we want to, but...”, “issue”, or simply “tension”. The management strategies were identified by looking at what the respondents had replied when asked how they dealt with the tension. Observations were also used in these initial steps of the analysis, to evaluate the credibility of the answers by looking for signs of uncertainty in the participants. Financial data and corporate announcements were also revisited at this point to verify information from the participants statements of tensions.

Once the tensions and the following management strategies were identified, the process of categorising the tensions according to the categories of Smith and Lewis (2011), began. The statements where the respondents expressed tensions were revisited in order to identify the *source of tension*, so that it could be categorised as performing, belonging, organizing or learning tensions. For example, statements such as: “It was confusing to our customers as to whether we were a business or a charity organization”, and “Many people, including some of our customers, consider it dirty to make money in the humanitarian

industry", were identified as having the source "organizing as for-profit venture vs. meeting stakeholders expectations of charity" and, following, as an organizing tension. The definitions of Smith and Lewis's (2011) categories were used to identify what category a tension belonged in.

After the initial steps of the analysis were complete, the process of analysing the strategies to manage the tensions commenced. The first step was to determine whether a tension was acknowledged or avoided. Avoided tensions were not analysed further as this meant an inherent lack of strategy. Once we had confirmed that a tension was acknowledged and found what environmental factors that made it salient, the conceptual framework was revisited to shed light on the entrepreneurial aspect of the decision-making process through classifying the management reasoning that was used. The management reasoning was described as adhering to one or more of five principles of effectuation theory; the pilot-in-the-plane principle, the bird-in-hand, the affordable-loss principle, the crazy-quilt principle and the lemonade principle (Sarasvathy, 2008).

The last step of the analysis was to revisit the statements of management strategies from the first step, and categorise the implemented strategies into the categories of opposition (the acceptance strategy) and separation and synthesis (the resolution strategies).

Each case was, as emphasised, analysed by two researchers individually prior to a collective comparison of the results. We found to often be of similar opinions as to the identified tensions and management strategies. However, instances of disagreement did occur, in particular with regards to what category the tensions belonged in. In cases of disagreement, both the transcripts, observational data, and original literature from the framework was revisited, and the authors engaged in discussions to ascertain a consistent interpretation. Once the within-case analysis was complete, a summary of the findings was produced to accelerate the cross-case analysis. The summary is found in Table 5.6 in Section 5.6. A thorough and detailed within-case analysis gave us a comprehensive understanding of each case, which helped the cross-case comparison (Eisenhardt, 1989).

4.3.2 Cross-case analysis

The cross-case analysis relied on data collected in the interviews and the within-case analysis. The analysis relied on choosing categories and dimensions to look for similarities and differences, which is a common approach to a cross-case analysis (Eisenhardt, 1989). The analysis was conducted in three steps. First, we compared the types of tensions experienced by the various ventures and the environmental factors that contributed to making them salient. Second, we compared the venture's management reasonings and the strategies implemented. At last, by looking at the strategies implemented by each venture, we compared the mix of strategies across the different ventures.

The tensions were first sorted based on the tension category they belonged to. All performing, belonging, organizing and learning tensions from all the different ventures were therefore grouped together. Once this grouping was complete, the tensions within each group were compared based on their source and sorted into *types of tensions*. For instance, when looking at the tensions categorised as performing tensions, the sources of tensions such as "partner's financial interests vs. venture's sustainability mission", "investor's financial interests vs. venture's sustainability mission", and "customer's interests vs. venture's sustainability mission" were labelled with the type of tension: *performing tensions revolving around external stakeholders' financial interests (investors,*

partners and customers) and *venture's sustainability mission*. All tensions identified in the within-case analysis were labelled into types of tensions according to their tension category and source. This labelling made it clear what tensions were more typical for the young sustainable ventures to face.

In the second step of the cross-case analysis, the management reasoning and strategies implemented were compared. First, we used the five principles of effectuation to describe and compare the management reasoning that was employed by the ventures to solve the tensions. Then, based on the types of tensions found in the first step of the cross-case analysis, we compared the implemented strategies used to manage the different types of tensions. This enabled us to compare management strategies used by different ventures to manage the same type of tensions.

The cross-case analysis was concluded by the third step, where the mix of strategies employed by each of the different ventures was compared and seen in the light of their different characteristics as ventures.

4.4 Reflection on method

Reflections have been made on the methodology used in the thesis in regard to its *quality* and *limitations*. To assess the quality of our research, we have applied Lincoln and Guba's (1985) criteria of *credibility*, *dependability*, *transferability* and *confirmability*.

4.4.1 Reflections on quality

To increase the credibility of the study we conducted an embedded multiple-case study. The multiple-case design increases the likelihood of the research results being believable, as the results are replicated and confirmed in several instances (Yin, 2009). However, it is important to bear in mind that although we interviewed the most relevant people from each sustainable venture, there is a possibility that other employees were involved in some decision-making processes and could have shed light on specific instances of tensions. To rectify this, we could have been more diligent in the interviews, to ask of the specific people involved in each instance of tension and interviewed these as well.

Further efforts to increase the credibility, and achieve investigator triangulation of the analysis, was done by employing more than one researcher when analysing the data. Investigator triangulation can reduce the interpretation bias of the individual researcher and highlight potential blind spots in the analysis (Denzin, 1978; Honorene, 2017). This helped us to crosscheck the interpretations and reduce the interpretation bias of the individual researcher. Moreover, we were very diligent in documenting our procedures in the analysis so that the study could be replicated. This step was made to increase the transferability of the study. By recording and transcribing all interviews we aimed to establish dependability.

An important aspect of increasing the conformability of the study was to design the interview guide to avoid leading or biased questions. This was somewhat challenging as the semi-structured interview technique should allow for flexibility (Yin, 2009). Although the interview guide was reviewed several times, the questions were constructed in a way so that the answers would fit into the framework. In retrospect, we acknowledge that this might have led us missing out on important information from the participants, and certain tensions might have been overlooked. This might have affected the conformability of the

study as poorly articulated questions from the researcher can lead to bias in the collected data (Yin, 2009). However, the interview guide was also reviewed after the first couple of interviews to change wording that we experience was either too biased, or difficult, for the interviewees to understand.

Moreover, the interviews varied somewhat in quality. It was clear that some of the participants had put more thought into the tensions they experienced and how they managed them than others. Since we attempted to refrain from asking leading questions, this affected how much time was spent exploring interesting themes in the interviews.

4.4.2 Limitations

A limitation of the study is the fact that we have relied on self-reported data, in the form of two retrospective interviews per case, to identify tensions and tension-management. Tensions could potentially occur every day, and participants of the study may have struggled to remember all tensions. There is therefore a possibility that ventures may have experienced several tensions related to their triple bottom line mission, which we were unable to capture. Although requested, this limitation could have been overcome by collecting real-time data by participating in meetings or by obtaining meeting minutes. Obtaining this source of evidence could have reduced the recollection bias from the responses of the participants, as actually implemented strategies could have been reference checked. Moreover, it could have been preferable to follow the ventures over time to see if the tensions they experienced were dependent on other factors.

5 Within-case analyses

This chapter contains the analyses of tensions and tension-management in the young sustainable ventures. The chapter is divided into subsections with individual within-case analyses for each venture. Each subsection is introduced with general information on the venture before the presentation of the within-case analysis. The within-case analyses are based on the conceptual framework presented in Section 3.3 and includes analyses of tensions experienced by the entrepreneurs and the three-step management process. The chapter concludes with a summary of the findings from the within-case analyses.

5.1 Urban Puffin

Urban Puffin is a Norwegian venture that makes a gamified climate-challenge web app, and a carbon footprint calculator. The venture was founded in 2014 by three co-founders who felt frustration around the lack of leadership by government and corporations regarding environmental challenges. The co-founders actively sought information about how individuals could contribute to fighting climate change, and the findings led to the creation of Urban Puffin. The mission of the venture is to contribute to a sustainable world by engaging, educating and empowering individuals to take sustainable actions. All co-founders are still actively involved in the venture, which now consist of 19 employees.

Urban Puffin was initially founded as a non-profit organization. In 2018, the venture was reorganized into a 'profit-for-good' venture. With the new structure of the venture, investors own part of the venture while the remainder of the venture is owned by the employees through the 'Urban Puffin Impact Fund'. The aim of the impact fund is to invest in other startups who share Urban Puffins vision of a sustainable future. Urban Puffin does not currently have any set financial goals but aims to expand their market share in the long run to please their shareholders and grow the impact fund.

Urban Puffin's business activities revolve around users and customers. Their target customers are usually public organizations and private companies that want their employees to engage in sustainability. Currently, their customer base is made up of municipalities and counties in Norway as well as some big international corporations with corporate social responsibility activities. Among their customers is a Norwegian industrial company, an international home and living company, and a large Asian bank.

5.1.1 Findings Urban Puffin

5.1.1.1 Tensions

Table 5.1 provides an overview of the tensions found in Urban Puffin. In the first column, each tension is categorised as either performing, belonging, organizing or learning, in line with Smith and Lewis' (2011) framework. In the second column, the source of tension is presented as a paradox in which the related tension is present in the venture. The third column is composed of quotes used to identify and illustrate situations in which the tension is present.

When attending to their triple bottom line, the entrepreneurs in Urban Puffin experience both performing, belonging and organizing tensions. The sources of all tensions are related to financial vs. social and environmental goals.

Table 5.1: The category and source of tensions in Urban Puffin together with illustrative quotes

Category of tension	Source of tension	Illustrative quotes
Performing	Partner's financial interests vs. Venture's sustainability mission	<p>"There were a lot of people that did not want to help the big international home and living company market themselves, because we kind of suspected greenwashing and was afraid that this would be in opposition with our values"</p> <p>"The employees were very suspicious and questioned whether we could trust this potential partner and whether they were only profit driven"</p>
Performing	Investor's financial interests vs. Venture's sustainability mission	<p>"It is difficult to find the right impact investors that share our values"</p> <p>"It would actually be a better option to get a loan than more investors because then we will not have to worry about always having to generate profit to the investors"</p>
Belonging	Team members placing different importance on financial mission vs. Sustainability mission	<p>"There is a big difference between the employees when it comes to what is important to them. Some are more concerned with the economic aspect while others value the sustainable aspect the most"</p> <p>"My personal opinion is that we should be more open to investments in order to accelerate the business, but not everyone agrees with this..."</p>
Organizing	Organizing as for-profit venture vs. Holding onto non-profit values	<p>"...many of the team members did not want to go from being non-profit to for-profit, because they did not want the company to be all about money"</p>

5.1.1.2 Management of tensions

Acknowledgement/avoidance

Both participants from Urban Puffin acknowledged that Urban Puffin has faced many tensions and explain that they are proactive in acknowledging tensions. The tensions have become salient due to plurality in goals and strategies, because the entrepreneurs have found it difficult to balance their sustainability mission with a business focus when making decisions. As exemplified through Jon's statement: *"I am a very idealistic person, and therefore it is not easy for me to think like a typical businessman (...) I often come up with very cool ideas for Urban Puffin, but I know many of them are not business ideas"*.

Moreover, scarcity in the capital has acted as an important factor for releasing tensions. This is also explained by Jon who states that: *"Generally the team is not too concerned with money, however, in rough times when we have had money issues, everyone agrees that we must focus more on financial performance"*.

Management reasoning

After acknowledging tensions, the entrepreneurs in Urban Puffin typically decide on their next actions based on an assessment of their financial resources and idealistic values. Urban Puffin has in many situations struggled with low financial liquidity, which has made them rely on strategies that can boost their short-term financial performance. Moreover, it has made them rely on self-selected partners because they have not had resources to look for partners themselves. Therefore, the approach can be considered to be in line with the pilot-in-the-plane principle, in which the near future is prioritised, as well as the crazy-quilt principle, in which self-selected partners are dominant.

However, Urban Puffin has also utilised the bird-in-hand principle when dealing with tensions, by making sure that they always hold onto their idealistic means when choosing strategy. This was explained by Lillian who said that: *"We would never make a decision based only on money because then we would not really be who we are"*.

Implemented strategies

Urban Puffin has resolved most of their tensions by applying a synthesis strategy in which the two poles of a paradox are accommodated. For instance, Urban Puffin has resolved tensions between themselves and the investor landscape by finding impact investors that share their values. This has allowed them to focus on their triple bottom line mission as explained by Lillian: *"We have been very honest with our investor of who we are, and therefore our investors know that we will always focus on 'doing good' (...) We also interviewed investors to make sure that they find the same things important"*.

Urban Puffin has moreover resolved tensions between team members through a synthesis strategy, by structuring as a flat organization where everyone is part of the decision-making. Jon explained that this resolved tensions because: *"Both the business-minded and more idealistic people get to bring their ideas to the table"*. Lastly, Urban Puffin has resolved tensions regarding the structure of the venture through a synthesis strategy, by organizing as a profit-for-good venture, in which their profit is given back to society. Jon also explained how this resolved tensions: *"When someone explained to us the profit-for-good option, it became clear that this was something that would fulfil our idealistic mission with a business focus"*.

In regard to partnerships, Urban Puffin has accepted tensions by implementing an opposition strategy to deal with partners that do not share their values. Jon explained that: *"We have had a couple of incidents where we have had little money, and they have been solved by acquiring money through partners that have contacted us (...) We sometimes have a bad gut feeling that these partners do not align with our values, but in the long run it is worth it because they are what helped us survive"*.

5.2 Re:Green

Re:Green was established in 2016 by two students who wanted to make reuse more fun and inspiring for young people. Based on this wish, they developed an app where people can sell and buy used products from each other. The business has developed further over the years and today Re:Green also offer an online store with leftover products from clothing brands, a sustainable mobile subscription, as well as a service for the purchase of quality-assured used mobile phones. The venture's vision is to help their users to 'become a bit better' through sustainably transforming well-known services.

At an early stage of the venture creation process, Re:Green was focused on generating users and did not worry about financial concerns. However, in order to attract investors, they had to shift their focus to become more profit-oriented. As a result, Re:Green is now working actively with generating profits, which they mainly do by selling advertising space to private corporations through a partnership model, and by taking a fee for adds on the app and the online store.

Today, the venture has 23 full-time employees, and additionally three part-time employees. The company is Norwegian with the majority of users and customers in Norway, but they are also operating in Sweden. In the long run, Re:Green aim to expand their business globally.

5.2.1 Findings Re:Green

5.2.1.1 Tensions

Interestingly, as presented in Table 5.2, Re:Green has only experienced performing tensions related to the financial interests of external stakeholders and their own sustainability mission. Neither, belonging, organizing nor learning tensions were experienced by the venture. The source of tension was related to the financial vs. the environmental and/or social goals.

Table 5.2: The category and source of tensions in Re:Green together with illustrative quotes

Category of tension	Source of tension	Illustrative quotes
Performing	Investor's financial interests vs. Venture's sustainability mission	<p>"I would say that in general, the main reason for us to consider generation of revenue, was because of the investor landscape in Norway. Investors are actually very focused startups generating income as soon as possible"</p> <p>"We more or less lost a year of generating users by trying to restructure the company into making quick money"</p>
Performing	Customer's financial interests vs. Venture's sustainability mission	<p>"There have been cases where we have made content that has not been accepted by the opposite part, for example because they wanted more logo which might be conflicting with what we want from the content (...) We don't want too much logo because it motivates consumption, and that's exactly what we want to prevent"</p>
Performing	Partner's financial interests vs. Venture's sustainability mission	<p>"Our revenue models are negatively influenced by our sustainability focus. Mainly because there are some profitable actors that want to work with us, but it is difficult for us to partner up with them because it is important to maintain our sustainability focus."</p>

5.2.1.2 Management of tensions

Acknowledgement/avoidance

Frank, the CEO of Re:Green, acknowledged that the venture has faced tensions. He explained that an increasing amount of tensions have become salient as new stakeholders have entered, because they bring with them new goals that must be incorporated in the decision criteria. Frank explained that as the CEO, he did not worry about their financial goals until investors pressured him to do so: *"I would say that in general, the main reason for us to consider the generation of revenue, is because of the investor landscape in Norway"*. This suggests that plurality in goals have been the main reason for acknowledging tensions in Re:Green.

Management reasoning

The choice of strategy to deal with tensions in Re:Green has been based on an assessment of goals and means in dialogue with stakeholders. Frank and his co-founder started the venture with the main mission of making reuse fun, but as the venture has grown, new goals, such as more ambitious financial goals, have emerged. However, decision-makers in Re:Green have always stayed true to their means when managing tensions, suggesting that the bird-in-hand principle has been utilised. As exemplified by Frank's statement: *"Our mission of making our users 'become a bit better' is always what should guide us the most"*. Furthermore, Kristine emphasised: *"Since we're very focused on revenue, there will always be cases where we have to really evaluate the collaborations we do, but it's important not to forget why we are here and who we are"*. However, our analysis suggests that Re:Green sometimes base their decisions on what can generate financial growth in the near future, suggesting that the pilot-in-the-plane principle has been utilised.

Implemented strategies

The entrepreneurs in Re:Green have been very focused on aligning financial and sustainable value creation, which is in line with synthesis strategies. An important way of resolving tensions in Re:Green has been to seek partners and customers that share similar values as themselves. As explained by Kristine: *"We have rejected many potential partners that have contacted us because we do not want to be associated with brands that are unethical or harmful to the planet"*.

When managing tensions related to investors, Re:Green implements an opposition strategy. The strategy has involved accepting investments from investors that do not share their values, thus keeping the tension alive. However, in order to resolve some of this tension, they have implemented a synthesis strategy to handle the same tension. This has been done by adding activities that accommodate the financial- and environmental dimensions, thus pleasing both the investor's interest and their own mission. Frank explained that: *"We added more activities to Re:Green, and that was to a large degree what made it possible for investors to invest in us"*.

5.3 SolarAid

SolarAid is a Norwegian venture that develops solar products for use in areas without access to power line infrastructure. They offer a number of products, including a series of portable solar lamps and a chargeable solar home system. The venture was founded in 2011, after one of two co-founders had won a design competition for environmental lighting. The venture's vision is to transform the global energy industry by providing all people with access to off-grid sustainable energy.

SolarAid has formally defined itself as a 'Triple P' venture, meaning that they aim to create value in the dimensions of *people*, *planet* and *profit*. They work continuously with improving sustainability throughout their entire value chain and has a goal of being 'future fit' in line with the sustainability label offered by the Future-Fit Business Benchmark.

SolarAid currently has 12 employees located in Norway and Kenya. Their main customers are the UN, humanitarian organizations, and wholesalers in a series of African countries. All customer relations are structured through a partnership model.

5.3.1 Findings SolarAid

5.3.1.1 Tensions

The entrepreneurs in SolarAid experienced both performing and organizing tensions, as seen in Table 5.3. However, they did not experience any belonging or learning tensions. All tensions revolve around issues with balancing their financial mission with their environmental and social missions.

Table 5.3: The category and source of tensions in SolarAid together with illustrative quotes

Category of tension	Source of tension	Illustrative quotes
Performing	Competitive pricing vs. High costs of sustainable inputs	"We have a competitive situation around us that we have to deal with so it doesn't help if we make the most environmentally sound and fabulous product if no one wants to pay for it" "Most NGO's operate on an annual budget, so although the day-to-day cost of our product is super low it's not always that easy for the NGOs to purchase our premium products"
Performing	Partner's financial interests vs. Venture's sustainability mission	"There are tensions involved with choosing partners because there are some partners that are keen on a partnership but that are very unethical (...) We always have to consider how much resources we should use on evaluating the partner and how much it could mean for us financially. There is a lot of risks associated with getting involved with the wrong partners"
Organizing	Organizing as a for-profit venture vs. Meeting stakeholders' expectations of charity	"It was confusing to our customers as to whether we were a business or a charity organization" "Many people, including some of our customers, consider it dirty to make money in the humanitarian industry"

5.3.1.2 Management of tensions

Acknowledgement/avoidance

SolarAid systematically audit their impact on the triple bottom line in an open-access management tool, which has made tensions salient to all stakeholders. The tensions have become salient because of plurality in the goals, because they include their goals in the evaluation of all decision that they make. Daniel explained that: "We audit the impact our decisions have on both people, planet and profit, which can be very stressful sometimes".

Moreover, tensions have become salient due to scarcity in resources, which is highlighted by Elisabeth who told that: *"Last year, I had to cut several activities because we are a small venture and cannot do everything we want (...) it is really difficult to do such cuts and I experienced many tensions during this time"*.

Management reasoning

SolarAid's choice of strategies to manage tensions has been based on evaluations of their current resources and values. Elisabeth explained that: *"Because we are a small venture with few resources, we have to prioritise what activities are most valuable for us here and now"*, suggesting that the pilot-in-the-plane principle has been utilised by focusing on today rather than the future. Moreover, Daniel explained that: *"All our goals and strategies are based on our main mission of running a sustainable business"*, suggesting that SolarAid is very conscious about staying true to their means in line with the bird-in-hand-principle.

Implemented strategies

As a 'Triple P' venture it is important for SolarAid to resolve tensions to sustain their goals for the people, the planet and profit. For instance, the venture utilised a synthesis strategy to resolve tension related to competitive pricing and costs. Elisabeth explained this by saying that: *"To make our products more environmentally friendly, we changed the way the products were packaged and physically reduced the size of the boxes of 30-40%, which also brought our shipping cost down by 30-40%"*. Moreover, SolarAid has also accepted that by including sustainability in all steps of production their costs are inevitably higher than competitors, and as a result charges a premium price for its products. This suggests that they do not resolve all tensions, but that some tensions are accepted in line with opposition strategies.

Moreover, SolarAid has resolved tensions related to partnerships by seeking partners that share their values. Daniel told that *"We decline large offers from regional and governmental actors because we are afraid that they are involved in dirty business"*. He also said that: *"We always visit different businesses before choosing who to work with, in order to make sure that they live up to our standards in terms of recycling, social justice, etc."* This suggests that SolarAid has utilised an opposition strategy, in which cooperation with similar partners have accommodated the poles of the tension.

Only one of the perceived tensions have not been attempted resolved by SolarAid. SolarAid are certain that they want to be a 'Triple P' venture and they have therefore decided to structure as for-profit and accept that some people will not like that they are aiming for profit. Elisabeth explained that *"Some people in the humanitarian industry just don't understand our need to make a profit (...) but profit is an important necessity if we are going to grow our company and transform the global energy industry"*, suggesting the use of an opposition strategy.

5.4 EcoBlock

EcoBlock is a Norwegian company that delivers waste collection technologies with the intention of making recycling fun and rewarding for the actors involved in the process. EcoBlock's long-term goal and vision is to disrupt recycling schemes and make waste recognised as a resource. Their solution is composed of two parts. The first part is an app created to incentivise recycling by letting the user track its recycling activities. The app is aimed at both the individuals recycling as well as collectors of recyclables. The second part is a public smart bin that tracks the quantity and quality of the recyclables that is placed

in it. Tokens are then collected for the recycled material which can be spent in local stores or on activities in the app.

The venture started out as a social entrepreneurship project in Nigeria in 2015 but was transformed into a for-profit venture in 2016. The transformation was motivated by the co-founders' desire to create a financially sustainable venture, instead of sustaining a project dependent on goodwill and financial aid. Today, EcoBlock has received funding from a number of angel investors and has constructed specific goals for the two upcoming years.

EcoBlock has two employees dedicated to the venture full time, and seven additional advisors committed to the venture. They are involved in ongoing pilot projects in Norway, The United States, The United Arab Emirates and Nigeria.

5.4.1 Findings EcoBlock

5.4.1.1 Tensions

EcoBlock experienced performing, belonging and organizing tensions, as presented in Table 5.4. All tensions are related to sustainability vs. financial goals, except one of the performing tensions that are related to social vs. environmental goals. Tensions often arise in EcoBlock as a result of the co-founders' different opinions on short-term goals. While one identifies as more emotionally driven, the other is more logical, a difference that brings conflicts to the decision-making process.

Table 5.4: The category and source of tensions in EcoBlock together with illustrative quotes

Category of tension	Source of tension	Illustrative quotes
Performing	Social vs. environmental performance of the product	<i>"We saw that by making (financial) incentives to bring in recyclables we were actually promoting waste generation. By incentivising people to bring their waste to you, we are encouraging them to just go and get waste."</i>
Performing	Partner's financial interests vs. Venture's sustainability mission	<i>"I believe some actors only care about their image and don't really care about recycling (...) It would be disappointing to us if we found out our partners only worked with us to make themselves look good"</i>
Belonging	Team members placing different importance on sustainability vs. Financial mission	<i>"My co-founder, he is very emotional, so obviously, he is more empathetic about going more socially even if we're not going to make money, and I am like; okay maybe we should go the other way..."</i>
Organizing	Organizing as for-profit vs. Fostering social entrepreneurship through a non-profit structure	<i>"Coming into this we were very focused on social sustainability, trying to help the landfill workers, but we were quick to realise that if we kept getting money and pumping it into that, at some point we would run out of money and would have to start making money"</i>

5.4.1.2 Management of Tensions

Acknowledgement/avoidance

EcoBlock has been very proactive in acknowledging tensions by continuously evaluating the financial, environmental and social impact of their decisions. The majority of the tensions have become salient due to plurality in goals, in the sense that they experience uncertainties in the strategies for creating value along the triple bottom line simultaneously. Scarcity of capital has also been an environmental factor contributing to salient tensions, because EcoBlock has had to rethink the financial value of their business. For instance, Robert explained that: *"We are struggling to developing a good business model that can generate enough revenue"*.

Management reasoning

The choice of strategies to manage tensions in EcoBlock has been based on an evaluation of their means and current resources. Since its naissance, EcoBlock's sustainability mission has been a guiding star in their decision-making process. However, their financial goals have become increasingly important, especially after the venture reorganized from a social entrepreneurship project to a for-profit venture, supporting use of the bird-in-hand principle. Moreover, some of EcoBlock's strategies are in line with the pilot-in-the-plane principle as the choice of strategy is based on financial performance in the near future, as explained by Mona: *"We have to make decisions that are financially smart now in order to be able to accomplish our sustainability mission in the long term"*.

Implemented strategies

In most situations, EcoBlock implements synthesis strategies to manage their tensions. For instance, the synthesis strategy was used to resolve tensions between the environmental and social dimensions in relation to their current business model, as explained by Mona: *"We saw that our business model incentivised the waste-collectors to increase the quantity of waste (...) So even though we were doing something good for the people, we saw it necessary to rethink our business model"*. Moreover, synthesis strategies were applied on several occasions to resolve tensions among team members. Robert explained that: *"We almost always have disagreements about what is the best decision, and in the end, we make compromises so that everyone ends up happy"*. Lastly, the synthesis strategy has been applied to resolve tensions related to partnerships, by seeking partners that care about both financial and environmental value creation, and therefore accommodating both poles of the tension simultaneously.

In regard to company structure, EcoBlock has implemented a spatial separation strategy. Use of the strategy has been played out by focusing on for-profit activities in the developed market, and on non-profit activities in Nigeria, as explained by Mona who says that: *"We moved the focus away from the landfill workers in Nigeria because we realised we would keep on scaling losses if we continued, and would have to shut it off in a few years because we would run out of money"*. She further explains that: *"To manage the situation we started focusing on making money in the developed world, in order to fuel the project in Nigeria. The idea is that the profit from activities in the developed world will be invested back to fuel our goal of having more social impact"*.

5.5 Humanequal

Humanequal delivers cleaning services to both private individuals and business. The venture was established in 2015 by two co-founders who shared a common belief in social responsibility, and social wealth creation, as the driving force behind a successful business. The vision of the venture is to eliminate the issue of uncertain working conditions and social dumping in the cleaning industry.

Humanequal aims to be environmentally and socially sustainable through the use of environmentally friendly cleaning products in their activities, and by securing social justice for its employees. Humanequal also seek to create financial value by offering a more efficient service than their competitors. The aim is to do so by offering a digital platform in which customers and cleaners can connect directly, and consequently streamline their service to lower administrative costs. Humanequal currently has 30 employees, three of whom are part of the management team. Their target customers are ethical minded individuals and businesses who want cleaning services where the welfare of the cleaners is not compromised. Humanequal is a Norwegian venture that currently only operates in the Oslo area, but they plan to expand nationally and internationally in the coming years.

5.5.1 Findings Humanequal

5.5.1.1 Tensions

The most dominating tension in Humanequal, which was mentioned several times during the interviews, is the performing tension between the financial and the environmental and social dimensions. As seen in Table 5.5, belonging and organizing tensions has also been found within the case. All tensions are related to financial goals on one side and social and/or environmental goals on the other side.

Table 5.5: The category and source of tensions in Humanequal together with illustrative quotes

Category of tension	Source of tension	Illustrative quotes
Performing	Competitive pricing vs. High costs of sustainable inputs	<p><i>"The environmentally friendly cleaning materials are much more expensive than the regular ones"</i></p> <p><i>"The cleaning industry has very small margins, and it is especially difficult when you want to think about social justice and the environment"</i></p> <p><i>"For now, we are more expensive than all our competitors which makes the competition tough"</i></p>
Belonging	Team members different perceptions of the company as a profit-driven venture vs. As a social enterprise	<p><i>"I perceive this more as a social enterprise, while Thomas is very focused on being a business"</i></p> <p><i>"In 2019 we had some issues in the management team, where some people did not think this could be a profitable business"</i></p>
Organizing	Offering contract-based employment to cleaners vs. flexibility	<p><i>"Offering contract-based employment to the cleaners provides social justice to those that usually works in the black market (...) We have considered creating a digital marketplace that matches cleaner and households directly because this would provide much more flexibility (...) I think the marketplace will be bad for social justice"</i></p>

5.5.1.2 Management of tensions

Acknowledgement/avoidance

The two participants from Humanequal differed in how they acknowledged tensions. Thomas, the founder, did not acknowledge any tensions and explained that sustainability and profit always go hand in hand: *"From the beginning, we have been very focused on creating a sustainable business, and in the end, that's what is going to bring us profit"*. Eva, the CEO and previous CFO, did however acknowledge many tensions. She explained that the tensions became salient when assessing the financial, environmental and social impact of their decisions. Furthermore, that tensions usually were recognised due to scarcity in financial resources because: *"It is difficult to consider social justice and the planet when we are struggling to survive financially"*.

Management reasoning

The choice of strategy to manage tensions in Humanequal has been based on an evaluation of financial resources and the impact the decision will have on people and the environment. Thomas explained that: *"We always have to make sure we do what is best for the business, but this would never include making a decision that is harmful to people or the environment because that is who we are"*. This suggests that Humanequal has utilised the bird-in-hand principle, in which they have been dedicated to staying true to their means. However, because Humanequal's financial margins have been very tight, they have also had to consider short-term financial performance when making decisions. This suggests that their choice of strategies have also been in line with the pilot-in-the-plane principle.

Implemented strategies

Humanequal implement different strategies to manage tensions. A synthesis strategy was used to resolve tensions between team members, by letting all team members take part in decisions, as explained by Eva who says that: *"Because we have a flat organizational structure where everyone can participate in decision-making, the employees feel that they can influence important company decisions and development"*.

A synthesis strategy has also been utilised to resolve the tension related to competitive pricing and the costs of sustainable inputs, by proactively targeting sustainability-minded customers that are willing to pay a premium for sustainable services. However, in regard to this latter tension, Humanequal have also had to accept that their service will be more expensive than competitors who do not focus on sustainability, which suggest that they have accepted the tension in line with opposition strategies. Eva explained that: *"We had many discussions within the team if we should buy the sustainable cleaning products because they are very expensive (...) in the end we chose to go for the sustainable products because we have to make sure we do what is right for the planet"*.

An opposition strategy has also been utilised to deal with the tension related to the organization of the employees. Because social justice acts as a key guideline, they have decided to offer contract-based employment to cleaners instead of creating a marketplace with flexibility, as emphasised by Eva: *"In the end, we really did not have a choice but to offer our cleaners permanent jobs, because it would be very stressful to them otherwise (...) However, I am sure a marketplace would be better for business"*.

5.6 Summary of findings from the within-case analyses

As seen throughout the chapter, the findings present a great variation regarding the experienced tensions and the way in which they are managed. However, a unifying characteristic is that almost all tensions are related to financial goals on one side, and environmental and/or social goals on the other. Only one tension revolving environmental vs. social goals were found.

A summary of the findings from the within-case analysis is presented in Table 5.6. The table provides information on the tensions found in each venture and the associated process undertaken to manage the tensions. As for the tension-management process, the table provides information of the environmental factors contributing to the acknowledgement of the tensions, the management reasonings in the form of effectuation principles guiding the choice of strategies, and the management strategies applied to manage the tensions.

Table 5.6: Summary of findings from the within-case analyses of the young sustainable ventures

Venture	Tension	Management of tension		
		Acknowledgement	Management reasoning	Strategy
Urban Puffin	<i>Performing</i> : Partner's financial interests vs. Venture's sustainability mission	Plurality Scarcity	Pilot in plane Bird in hand Crazy quilt	<i>Opposition</i> : Acceptance of tensions through cooperation with self-selected partners
	<i>Performing</i> : Investor's financial interests vs. Venture's sustainability mission	Plurality Scarcity	Pilot in plane Bird in hand	<i>Synthesis</i> : Seeking investors that share similar values
	<i>Belonging</i> : Importance placed on Sustainability vs. Financial mission	Plurality Scarcity	Pilot in plane Bird in hand	<i>Synthesis</i> : Resolving tensions through a flat organizational structure where everyone influences decisions
	<i>Organizing</i> : For-profit structure vs. expectations of non-profit	Plurality Scarcity	Pilot in plane Bird in hand	<i>Synthesis</i> : Restructuring to profit-for-good organization
Re:Green	<i>Performing</i> : Partner's financial interests vs. Venture's sustainability mission	Plurality	Pilot in plane Bird in hand	<i>Synthesis</i> : Seeking partners that share similar values
	<i>Performing</i> : Investor's financial interests vs. Venture's sustainability mission	Plurality	Pilot in plane Bird in hand	<i>Opposition</i> : Acceptance of tension by receiving investments from self-selected investors <i>Synthesis</i> : Adding activities that accommodate financial and sustainability performance simultaneously

	<i>Performing:</i> Customer's interests vs. Venture's sustainability mission	Plurality	Pilot in plane Bird in hand	<i>Synthesis:</i> Seeking customers that share similar values
SolarAid	<i>Performing:</i> Partner's financial interests vs. Venture's sustainability mission	Plurality Scarcity	Pilot in plane Bird in hand	<i>Synthesis:</i> Seeking partners that share similar values
	<i>Performing:</i> Competitive pricing vs. Costs of sustainable inputs	Plurality Scarcity	Pilot in plane Bird in hand	<i>Synthesis:</i> Changes to product that are both environmentally and financially beneficial <i>Opposition:</i> Acceptance of tension by charging premium price
	<i>Organizing:</i> For-profit structure vs. expectations of non-profit	Plurality Scarcity	Pilot in plane Bird in hand	<i>Opposition:</i> Acceptance of tension by organizing as for-profit
EcoBlock	<i>Performing:</i> Partner's financial interests vs. Venture's sustainability mission	Plurality Scarcity	Pilot in plane Bird in hand	<i>Synthesis:</i> Seeking partners that share similar values
	<i>Performing:</i> Social vs. environmental performance of product	Plurality Scarcity	Pilot in plane Bird in hand	<i>Synthesis:</i> Redesign system to accommodate social and environmental performance simultaneously
	<i>Belonging:</i> Importance placed on sustainability vs. Financial mission	Plurality Scarcity	Pilot in plane Bird in hand	<i>Synthesis:</i> Making compromises between team members
	<i>Organizing:</i> For-profit structure vs. expectations of non-profit	Plurality Scarcity	Pilot in plane Bird in hand	<i>Separation:</i> Focus on for profit generating activities in developed countries and non-profit activities in Nigeria
Human-equal	<i>Performing:</i> Competitive pricing vs. costs of sustainable inputs	Scarcity	Pilot in plane Bird in hand	<i>Synthesis:</i> Proactive targeting of sustainability minded customers <i>Opposition:</i> Acceptance of tension by charging premium price
	<i>Belonging:</i> Importance placed on Sustainability vs. Financial mission	Scarcity	Pilot in plane Bird in hand	<i>Synthesis:</i> Flat organizational structure where everyone can influence decisions
	<i>Organizing:</i> Contract based employment vs. Flexibility	Scarcity	Pilot in plane Bird in hand	<i>Opposition:</i> Acceptance of tensions by offering contract-based employment to cleaners

6 Cross-case analysis

In this chapter, the main tensions experienced by the ventures and the various ways to manage these tensions are compared in a cross-case analysis. First, we compare the types of tensions that are acknowledged by the ventures, together with the environmental factors that have contributed to making them salient. Thereafter, we compare the management reasoning and strategies that have been utilised to manage these types of tensions. Lastly, we compare ventures based on the mix of management strategies implemented by each venture.

6.1 Acknowledged tensions

We have found that young sustainable ventures face multiple tensions arising from their commitment to the triple bottom line, and that these tensions are almost exclusively related to financial vs. environmental and/or social goals. We found that the most common category of tensions experienced by the ventures are performing tensions, related to conflicting demands between stakeholders (Smith and Lewis, 2011). However, belonging tensions, related to identity issues, and organizing tensions, related to the structure of the ventures (Smith and Lewis, 2011) are also experienced by many of the ventures. Learning tensions, related to diverging time horizons (Smith and Lewis, 2011) were not experienced by any of the young sustainable ventures in our study. The main acknowledged tensions in the young sustainable ventures manifest themselves in four similar ways, presented as four types of tensions, as listed in Table 6.1.

Table 6.1: Main types of tensions found in the cross-case analysis of the young sustainable ventures

Type of tension	Tension experienced by
Performing tensions revolving around external stakeholders' financial interests (investors, partners and customers) and venture's sustainability mission	Urban Puffin, Re:Green, SolarAid, EcoBlock and Humanequal
Performing tensions revolving around competitive pricing and costs of sustainable inputs	SolarAid and Humanequal
Belonging tensions revolving around team members placing different importance on sustainability and financial missions	Urban Puffin, EcoBlock and Humanequal
Organizing tensions revolving around structuring as for-profit when there are expectations of non-profit structure	Urban Puffin, SolarAid and EcoBlock

The first type of tension, *performing tensions revolving around external stakeholders' financial interests and venture's sustainability mission*, was experienced by all ventures. This indicates that this is a common tension in many young sustainable ventures. The second type of tension, *performing tensions revolving around competitive pricing and costs of sustainable inputs*, was experienced by SolarAid and Humanequal. SolarAid and Humanequal, as opposed to the other ventures of the study, are dependent on hardware supplies. The third type of tension, *belonging tensions revolving around team members placing different importance on sustainability and financial missions*, was experienced by Urban Puffin, EcoBlock and Humanequal. A unifying characteristic of these ventures is that they describe some of their team members as idealistically driven with no or little interest in the financial ambitions of the venture. The last tension, *organizing tensions revolving*

around structuring as for-profit when there are expectations of non-profit structure, was experienced by Urban Puffin, SolarAid and EcoBlock. These three ventures all experience expectations from stakeholders to operate as a non-profit. In SolarAid, the expectations came from customers in the humanitarian industry, while in Urban Puffin and EcoBlock, the expectations came from internal idealistic team members.

The cross-case analysis shows that all above-mentioned tensions were acknowledged due to two of the environmental factors, plurality of goals and scarcity in resources, as suggested by Smith and Lewis (2011). Firstly, plurality of goals contributed to making tensions salient to the ventures because the entrepreneurs struggled to find strategies that support the triple bottom line mission. Secondly, scarcity in resources contributed to making tensions salient to the ventures because financial constraints made the entrepreneurs worry about their financial mission. Moreover, the analysis shows that the ventures are always proactive in acknowledging tensions by continuously assessing how their decisions impact their triple bottom line goals. The ventures are proactive either by informally assessing their decisions, or formally through the use of auditing tools.

6.2 Management reasoning and implemented strategies

The entrepreneurs utilised similar management reasoning when deciding how to manage the tensions they experienced, as shown in the summary of the within-case analysis in Table 5.6. However, the analysis further shows that a variety of different strategies ended up being implemented, including both acceptance strategies and resolution strategies.

6.2.1 Management reasoning guiding the choice of strategies

Our analysis shows that all ventures utilised effectual reasoning for dealing with the perceived tensions. This implies that the entrepreneurs identified the 'next best step' by accessing the resources available in order to achieve a set of goals, while continuously balancing these goals with the available resources and actions (Sarasvathy, 2001). In general, this meant that each acknowledged tension was dealt with on an ad hoc basis, in which tensions were managed individually by evaluating the venture's means and current resources at the time the tensions became salient.

Overall, the bird-in-hand and pilot-in-the-plane principles were the dominant principles guiding the choices of strategy to deal with tensions. The bird-in-hand principle describes how entrepreneurs start with a set of means that they already hold and allow goals to emerge continuously over time from the imagination and aspirations of the founders and the people they interact with (Sarasvathy, 2008). For the ventures in this study, their commitment to sustainability acted as an important part of their means, and a common attitude among the ventures was that they would never make decisions that do not align with their social and/or environmental missions. However, we found that financial goals also guided decisions along the way, because the entrepreneurs realised the need to fulfil financial growth in order to meet their sustainability goals.

The pilot-in-the-plane principle describes how entrepreneurs should focus on today and not the future (Sarasvathy, 2008). Our findings show that the entrepreneurs in the young sustainable ventures actively analysed the short-term financial situation when deciding on strategies, and that they did not reflect much on the long-term consequences of the decision. As explained by a participant from Humanequal: *"We will never be able to make much social justice if we are bankrupt in a couple of months"*.

6.2.2 Implemented strategies

Entrepreneurs choose strategies to deal with the perceived tensions based on their management reasoning. In line with the conceptual framework based on Hahn et al. (2015), these strategies fall under the categories of opposition (the acceptance strategy) and synthesis and separation (the resolution strategies). As can be seen in the within-case analyses summary in Table 5.6, the ventures have implemented several different strategies to deal with the different types of tensions. The remainder of this chapter will focus on analysing the different strategies applied to manage each of these types of tensions found in Table 6.1.

Tension 1: Performing tensions revolving around external stakeholders' financial interests (investors, partners and customers) and venture's sustainability mission

The ventures used both resolution and acceptance strategies to manage this tension. Of these two strategies, synthesis, in which the ventures sought partners, investors and/or customers that shared similar values as themselves, was the most common strategy to deal with this tension. However, at some occasions, the opposition strategy was utilised, in which the ventures restored to work with self-selected stakeholders that did not share their values. An interesting finding is that one of the ventures, Re:Green, utilised a combination of opposition and synthesis strategies to deal with tension between investor's interests and their own sustainability mission. They did so by first accepting investments from investors with different values as themselves, and afterwards adding business activities that fulfilled the investor's interest as well as their own mission.

Tension 2: Performing tensions revolving around competitive pricing and costs of sustainable inputs

The second tension was managed by a combination of resolution and acceptance strategies. The opposition strategy involved accepting the tension by charging a higher price than the ventures' more 'unsustainable' competitors. However, in order to resolve some of the tension, the ventures utilised the synthesis strategy in two different ways. One venture, Humanequal, resolved tension by proactively targeting sustainability-minded customers with a higher willingness to pay. The other venture, SolarAid, resolved tension by using innovation to accommodate the financial, environmental, and social dimensions. The use of innovation by SolarAid was a particularly successful strategy because it allowed them to reduce their environmental emissions and price simultaneously.

Tension 3: Belonging tensions revolving around team members placing different importance on sustainability and financial missions

The third tension was managed by synthesis strategies by all ventures that experienced this type of tension. The synthesis strategy was applied either by facilitating a flat organization in which everyone has to agree on decisions, or by making compromises between the team members. That is, the ventures resolved tension by making sure all team members are allowed to influence the way in which the venture balances their financial, environmental and social goals.

Tension 4: Organizing tensions revolving around structuring as for-profit when there are expectations of non-profit structure

Lastly, this tension was managed by both acceptance and resolution strategies by the ventures. One venture utilised an opposition strategy through organizing as a for-profit organization and accepting that this would allow the tensions to live on. In contrast, the other ventures that experienced this type of tension attempted to resolve it. One of the ventures, EcoBlock, resolved the tension by spatial separation in which they organized as a for-profit venture but allowed for non-profit activities in the developing world. The other venture, Urban Puffin, resolved the tension by a synthesis strategy, in which they structured the venture as a profit-for-good organization, where some of the profit is invested back to society and not kept by the owners.

6.3 Ventures and strategies

Our findings show that all the ventures alternated between different strategies to manage tensions arising from their triple bottom line commitment. Only one of the ventures, EcoBlock, was consistent in implementing resolution strategies, however they relied on both synthesis and separation strategies. The other four companies relied on both opposition (the acceptance strategy) and separation and synthesis (the resolution strategies) to manage their tensions.

The great variety of strategies utilised by each firm suggests that the entrepreneurs manage tensions on an ad hoc basis instead of depending on long-term strategy planning. This is supported by our findings that all the ventures utilised the pilot-in-the-plane and bird-in-hand principles of effectual logic when deciding on strategies. The pilot-in-the-plane principle explains the finding that the entrepreneurs focused on managing tensions that had become salient to them, instead of focusing on future tensions. The bird-in-hand principle explains that the entrepreneurs coped with tension by evaluating their means and the current resources available at the time the tension was acknowledged. As shown by our analysis, the means of all entrepreneurs were closely linked to sustainability commitment, meaning that they would never make decisions that would be harmful to sustainable growth. According to Sarasvathy (2001), these means are consistent over time, but their associated goals are likely to change. Given that the goals and resources have changed over time, the available strategies for each venture must have differed in time, making it inevitable that a variety of strategies have been implemented.

More importantly though, given their means and current resources, our findings show that the young sustainable ventures preferred resolution strategies when possible. In general, the acceptance strategy of opposition was only applied in situations when the ventures were lacking financial resources, or when they did not have the knowledge on how to find resolution strategies that were consistent with their means. Financial restraints, for instance, explains why Urban Puffin and Re:Green have chosen to work with partners and investors that do not share their values but that can boost their finances. On the other hand, SolarAid's commitment to be a 'Triple-P' venture explains why they have organized as a for-profit company regardless of other expectations from stakeholders.

7 Discussion

The purpose of this thesis has been *to investigate how entrepreneurs in young sustainable ventures manage tensions arising from commitment to the triple bottom line*. We have investigated the tensions faced by entrepreneurs in young sustainable ventures, and how they have managed these tensions. The main findings from our analysis are that young sustainable ventures experience multiple types of tensions, that they are proactive in acknowledging tensions, that they manage tensions step-by-step, and that they prefer to resolve tensions as a way of balancing the triple bottom line. This chapter will discuss the empirical findings in light of the literature.

7.1 Young sustainable ventures experience multiple types of tensions

In order to investigate how entrepreneurs in young sustainable ventures manage tension, we first had to identify what tensions they were facing. The paradox perspective on sustainability management suggest that four tensions emerge when balancing the triple bottom line; performing, belonging, organizing, and learning, representing core elements and activities of an organization (Smith and Lewis, 2011). Performing tensions are tied to stakeholders' demands, belonging tensions to identity and interpersonal relationships, organizing tensions to processes, and learning tensions to diverging time horizons (Smith and Lewis, 2011). All categories of tensions have previously been identified in empirical studies of established firms committed to the triple bottom line (Ozanne et al., 2016; van Bommel, 2018). Van Bommel (2018) found learning tensions to be the least frequently experienced type of tension. Our findings are somewhat in line with those of van Bommel (2018), as we do not find any evidence that entrepreneurs in young sustainable ventures experience learning tensions. We do, however, find that they experience performing, belonging and organizing tensions. The lack of learning tensions in young sustainable ventures seem to be because entrepreneurs in young sustainable ventures place a lot of focus on the foreseeable future, and do not worry much about the distant future, which makes learning tensions less relevant.

Previous literature has suggested that decision-makers in established firms committed to the triple bottom line experience tensions related to financial vs. environmental and/or social goals (Ozanne et al., 2016; van Bommel, 2018). Furthermore, they have found that the types of tensions experienced by decision-makers are generally the same across different firms (Ozanne et al., 2016; Smith and Lewis, 2011; van Bommel, 2018). In this study, we find that entrepreneurs in young sustainable ventures mostly experience tensions related to financial vs. environmental and/or social goals. However, in contrast to previous literature, we find a great variation regarding the types of tensions that are experienced by entrepreneurs in different young sustainable ventures. Only one type of tension, a performing tension revolving around the financial interest of external stakeholders and the venture's sustainability mission, were experienced by all ventures. The other identified types of tension were only experienced by one or some of the ventures. We find that the reason for why entrepreneurs in different ventures generally experience different types of tensions, is because many tensions are dependent on specific characteristics of the ventures, such as industry, product or service, and the people involved, etc. For instance, a performing tension revolving around competitive pricing and costs of sustainable inputs, were only experienced by entrepreneurs in those ventures

dependent on hardware supply. When we look at the fact that the young sustainable ventures included in the study have few common determinators, it may not be surprising that the entrepreneurs in these ventures experience different tensions.

7.2 Entrepreneurs are proactive in acknowledging tensions

Our findings suggest that entrepreneurs in young sustainable ventures are proactive in acknowledging tensions. The entrepreneurs are proactive by continuously assessing how their decisions influences their financial, environmental and social goals. While most of the ventures complete the assessment informally as part of their decision criteria, one of the ventures, SolarAid, complete the assessment with a formal auditing tool. Both informal and formal assessments contribute to the acknowledgement of tensions because it reveals if decisions are in conflict with any of their multiple goals. However, formal assessments seem to be especially efficient as it makes tensions visible to all stakeholders. SolarAid, for instance, used a strategic management tool to measure the triple bottom line impact of all decisions, which they shared with all stakeholders.

The fact that entrepreneurs in young sustainable ventures are proactive in acknowledging tensions, suggests that they place a great importance on tension-management as a mean to achieve their triple bottom line mission. While our findings suggests that entrepreneurs in young sustainable ventures are always proactive in acknowledging tensions, the previous literature on sustainability management suggests it is common for decision-makers in established firms to ignore or decide not to act upon tensions (Epstein et al., 2015; Daddi et al., 2019; Joseph et al., 2018; van Bommel, 2018). For instance, Epstein et al. (2015) and Joseph et al. (2018) find that most decision-makers always ignore tensions, which is in contrast to our findings. Moreover, Daddi et al. (2019) and van Bommel (2018) find that decision-makers in some firms ignore tensions, while those in others are proactive and embrace tensions. Our findings suggest that decision-makers in young sustainable ventures are more proactive in acknowledging tensions than previous literature has found that decision-makers in established firms tend to be. However, there are some similarities between our findings and those of Daddi et al. (2019) and van Bommel (2018), in that some are proactive in embracing tensions. Therefore, although our findings suggest that young sustainable ventures are more proactive in tension-management than decision-makers in established firms, we cannot claim this to be the general case as previous literature has found some similar results to our findings.

7.3 Entrepreneurs manage tensions step-by-step

Our findings show that entrepreneurs in young sustainable ventures manage each acknowledged tension on an ad hoc basis. This implies that they do not rely on long-term planning of tension-management, but instead manage each tension step-by-step. Because the ventures manage each tension individually, they end up alternating between different strategies based on the situation they find themselves in at the time each tension is acknowledged. This is in line with findings of van Bommel (2018) and Daddi et al. (2019), who find that it is typical to alternate between strategies by those decision-makers that are responsive in tension-management. However, neither van Bommel (2018) nor Daddi et al. (2019) has attempted to reveal the reason for why decision-makers alternate between different strategies. A focus of this study has therefore been to build an understanding of the reasoning behind the management strategies of the entrepreneurs in young sustainable ventures.

By employing effectuation theory by Sarasvathy (2001) to investigate the management reasoning, we have found evidence that the entrepreneurs in young sustainable ventures select strategies for tension-management based on their means and current resources. Our findings suggest that the means of young sustainable ventures are closely linked to their sustainability commitment, and that the entrepreneurs do not consider strategies that compromises this commitment. Their sustainability mission can therefore be considered the constant guiding factor when deciding on strategies to manage tensions. However, the entrepreneurs are also committed to grow their business, and must therefore control their financial accounts. In general, the entrepreneurs seem to place an extra emphasis on their financial mission when they are experiencing financial constraints, while the sustainability mission is prioritised in more financially stable times. The alternation of different strategies can therefore partly be explained by changes in the resources of each venture.

Although the entrepreneurs seem to change the emphasis placed on each dimension of the triple bottom line, we also find that they always strive to find strategies that support both their sustainability commitment and financial performance simultaneously. This finding supports the paradox perspective on sustainability management which suggests that decision-makers must embrace competing demands simultaneously, instead of trading them off (Lewis et al., 2014; Lücher and Lewis, 2008; van Bommel, 2018).

7.4 The importance of resolving tensions

Our findings suggest that entrepreneurs in young sustainable ventures prefer to resolve tensions as a way of balancing the triple bottom line. Resolution strategies, strategies accommodating both poles of a tensions (Hahn et al., 2015), seem to be favourable because they allow the ventures to create value in multiple dimensions of the triple bottom line in one action. This finding is in line with the findings of Daddi et al. (2019) and van Bommel (2018) who suggest that resolving tensions facilitates manageable situations for decision-makers. However, while Daddi et al. (2019) and van Bommel (2018) find that accepting tensions through the use of opposition strategies can be considered satisfactory for decision-makers, we do not find this to be true for entrepreneurs in young sustainable ventures. Our analysis show that opposition strategies, in which tensions are accepted (Hahn et al., 2015), are only considered by entrepreneurs when they are suffering from financial constraints or when they lack the knowledge to find suitable resolution strategies. Moreover, we find that entrepreneurs in young sustainable ventures with financial constraints typically find it necessary to implement opposition strategies that can boost short-term financial performance, even though this will lead the tension to remain. Furthermore, we find that there are times when the entrepreneurs struggle to find strategies that accommodate their multiple missions, and therefore end up accepting tensions. In neither of these situations is the opposition strategy considered satisfactory to the entrepreneurs, but rather 'the only available option'.

Our findings suggest that the reason why opposition strategies are considered unsatisfactory to the entrepreneurs, is because the use of these strategies can be harmful for the competitive advantage of the venture. For instance, we saw in our study that some ventures had to accept selling their products at a premium price as sustainable inputs are more costly, making it harder to compete with other actors in the industry. Another venture resorted to working with partners that could potentially be associated with greenwashing, and therefore be damaging to the venture's reputation, because of the

financial benefits that the partnership presented. Our findings therefore confirm the findings of previous literature that has promoted resolution as the most successful strategy to tension-management in sustainability management (Daddi et al., 2019; Hahn et al., 2015; van Bommel, 2018). With this in mind, we suggest that resolution should be considered 'best practice' for tension-management in all ventures with a triple bottom line mission.

The findings of this thesis suggest that young sustainable ventures can resolve tensions and create value along the triple bottom line simultaneously. If these ventures carry on to become large successful businesses, they could potentially contribute to a sustainability transformation of markets (Schaltegger et al., 2016). This is in line with the suggestions of van Bommel (2018), who implies that entrepreneurship can be considered a solution to create a more sustainable future.

8 Conclusion and contributions

This thesis has explored how entrepreneurs in young sustainable ventures manage tensions arising from a commitment to the triple bottom line. By conducting an embedded multiple-case study of tension-management in five young sustainable ventures, we have identified the tensions experienced by entrepreneurs in these ventures and how they manage the tensions.

The aim of our first research question was to discover what tensions entrepreneurs in young sustainable ventures are confronted with when attending to the triple bottom line. Through our analysis we found that entrepreneurs in young sustainable ventures face multiple tensions related to financial vs. environmental and/or social goals. We identified that the ventures experienced performing, belonging and organizing tensions, but that learning tensions are absent. We further found that many types of tensions were dependent on specific characteristics of the ventures, which means that entrepreneurs in different ventures are likely to experience different types of tensions. This finding opposes previous findings in the sustainability management literature, which has found that decision-makers in established firms generally experience the same types of tensions (Ozanne et al., 2016; Smith and Lewis, 2011; van Bommel, 2018).

The aim of our second research question was to discover how entrepreneurs in young sustainable ventures manage tensions arising from the triple bottom line. From our analysis, we found that entrepreneurs in young sustainable ventures are always proactive in acknowledging tensions and that they manage the tensions on an ad hoc basis. This differs somewhat from previous literature that has studied decision-makers in established firms, who find that managers often ignore or decide not to act upon tensions (Epstein et al., 2015; Daddi et al., 2019; Joseph et al., 2018; van Bommel, 2018). This suggests that entrepreneurs in young sustainable ventures place a bigger importance on tension-management than what decision-makers in established firms tend to do. We further find that entrepreneurs in young sustainable ventures prefer resolution strategies as a mean to manage tensions and achieve a triple bottom line. However, we have also found that, occasionally, the entrepreneurs must accept and live with tensions because they lack resources or the knowledge to resolve them. Further, we found that opposition strategies have the potential pitfall of being harmful for the competitive advantage of the venture, and we argue that resolution strategies should be considered best practice for entrepreneurs in young sustainable ventures. We therefore confirm previous literature (Hahn et al., 2015; Daddi et al. 2019; van Bommel, 2018), which promotes resolution strategies as the most successful to manage tensions in sustainability management.

This study contributes to and expands on sustainability management literature by studying tension-management in new entrants with commitment to the triple bottom line. First of all, we build and expand on previous studies of tension-management by providing insights into how tensions are managed by entrepreneurs in young sustainable ventures. Secondly, this study brings more nuance to the existing literature by seeing tension-management in the triple bottom line through the lens of sustainable entrepreneurship, and thus contribute to the emerging research field of sustainable entrepreneurship. By applying an effectual approach to the analysis, in addition to the more common paradoxical approach, our analysis demonstrates that effectual reasoning plays a major role for tension-management in sustainable entrepreneurship.

9 Implications, limitations and future research

9.1 Implications

This study has several practical and managerial implications for entrepreneurs and policymakers. First, our study highlights the importance for entrepreneurs to keep striving to find strategies that accommodate their financial, environmental and social missions simultaneously. Second, we provide empirical evidence of resolution strategy as 'best practice' for entrepreneurs in young sustainable ventures. This implies that entrepreneurs should remain innovative and seek to find activities or business models that strengthens all three dimensions of the triple bottom line simultaneously. As seen in this study, a way to achieve this triple bottom line commitment can be to partner up with suppliers and customers that share a similar commitment to sustainability. We recommend that entrepreneurs integrate strategic management tools that measure the impact of decisions along all dimensions of the triple bottom line, such as the Future-Fit-Business-Benchmark, which was successfully applied in one of the ventures in this study.

Building on that, we have empirical evidence that a lack of resources and/or lack of knowledge is what drives young sustainable ventures to choose opposition strategies over resolution strategies. This latter finding has implications for policymakers. It suggests that policymakers should facilitate funding and strategic support to young sustainable ventures, so that this lack of resources and knowledge do not stand in the way of tensions being resolved. We suggest that this can be done by facilitating public-private partnerships between government organizations and young sustainable ventures.

9.2 Limitations and future research

Despite its contributions, this study has some limitations which must be highlighted. First, we have only investigated tensions and tension-management from the perspective of the lead decision-makers in the young sustainable ventures. The perspective of other internal and external stakeholders that are involved with tensions, have not been included. This can potentially mean that some aspects of tension-management in the ventures are not captured in this study. Furthermore, our analysis is based on data from retrospective interviews with respondents having to recall past events, creating the possibility that aspects of the situations were forgotten, omitted or wrongly reiterated.

Based on our findings, we have some suggestions for future research on the topic of tension-management in young sustainable ventures. The purpose of the thesis has been to investigate how entrepreneurs in young sustainable ventures manage tensions arising from commitment to the triple bottom line, thus, to build on sustainability management literature. Our unit of analysis has been *decision-making processes in regard to tension acknowledgement and management in young sustainable ventures*, and we have looked at the timeline from when a tension arises until a strategy has been formed and implemented. It could be interesting for future research to extend the timeline to look at pre-recognition of tension and post-implementation of strategy. Extending the timeline to pre-recognition could yield more insights into the build-up of tensions, while extending the timeline to post-implementation could grant an insight into the long-term success or failure of the strategies implemented. Both approaches could contribute to a more holistic understanding of tension-management, and yield insights into tension-management in young sustainable ventures that our thesis was unable to capture. It could, therefore, be

beneficial for future research to conduct longitudinal studies, for example through adding participant observations to the data collection, to gain insight into the long-term perspective of tension management.

Furthermore, our case was bounded by looking at the 'reasoning' and 'actions' taken by young sustainable ventures in tension management. Building on these findings, it could be interesting for future research to adjust the boundaries of the case, and also look at other factors, such as 'capabilities', to add to the literature on tension-management. Because one of our central findings is that resolutions strategies are the most successful strategies young sustainable ventures can employ to manage tensions, it would be particularly interesting for future research to look at what capabilities enable the implementation of resolution strategies.

Finally, through looking at ventures with dissimilarities, such as business concept, industry and number of employees, we have found there to be similarities in the categories of tension experienced, but that the type of some tensions was dependent on the specific characteristics of the ventures such as industry, product or service, and the people involved, etc. Based on these findings, more research should be done on tension-management in sustainable ventures with similar characteristics, to see if this could provide more unifying results. For instance, it could be interesting for future research to gain insight into whether ventures within the same industry are more susceptible to experiencing similar types of tension.

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Appendix A

Interview guide

Introduction:

- Do you have any questions to the interview info sheet?
- Short summary of the information given in the sheet:
 - Master project at NTNU, Entrepreneurship
 - Want information about situations where the company has had to consider economic, social and environmental goals simultaneously
 - The interview will be recorded
 - Interview will last for 1 hour

Who are you?

- How does your "typical day at work" look like?
 - a. Main tasks/responsibilities
- How are you involved in the decision-making processes?
- How long have you been involved with the company?
- Can you mention briefly why/how you got engaged in the venture in the first place?

Goals:

- Can you explain the goals of the company?
 - a. Company values and vision?
 - b. Financial, social and environmental goals?
 - c. Short- and long-term goals?
- Have the goals have changed over time?
- In what situations do you typically have to consider the environmental-, social- and economic goals simultaneously?
 - a. (Regardless of whether it is a conflict or not), how do you manage these situations?

Team and goals:

- In your opinion, do you believe the different team members give an equal or unequal importance to the economic, environmental and social values of the company? Please elaborate on potential similarities and differences between the importance given by the team members.
- Have there been situations where the team members' different wishes for the company's direction have been conflicting?
(For example: company goal formulation, short- vs. long term goals/strategy, decisions involving customers, investors, suppliers, partners, collaborators, etc.)
- Can you please elaborate on how you manage these situations?

Main milestones in the venture's lifetime

- Can you please provide an overview of the important milestones and company decisions in the company lifetime?

Examples:

- a. *Team recruitment and development*
- b. *Short- and long-term goal/vision formulation*
- c. *Structuring of company*
- d. *Involvement of important stakeholders (investors, customers, partners, suppliers, media, society, regulations etc.)*

Company structure:

- Can you briefly describe the company structure?
 - a. Division of responsibility
 - b. Who are the key decision makers/management team?
 - c. How are decisions made?
 - d. How many employees are there in the company?
 - e. How has the company structure and management team evolved over time?

Based on the brief information you just provided about the structure of the company...

- Has the company gone through any major (structural) changes since the beginning?
 - a. What was the reason for the changes?
 - b. Were there internal team members or external stakeholders driving these changes?
 - c. Were there any challenges associated with the structuring of the company?
 - d. How were these challenges managed?

Stakeholders:

- Can you please tell me/us more about your most important internal and external stakeholders? (*Examples: board of directors, investors, partners, suppliers, customers, community, the society, media, collaborators, etc.*)
 - a. How are these different stakeholders related to the economic, social and environmental dimensions of your company?
- Can you tell us about situations where the interest of stakeholders has been important?
- Can you think of a situation where there have been conflicting interests from stakeholders? If so, how did you manage it?

Wrap up

- Can you tell me/us about situations where the company's financial goals, together with the social and/or environmental goals, has created tensions in the company?
- How did the company manage these situations?

(Provide summary of what has been told during the interview)

Closing questions and remarks:

1. Is there anything you would like to add?
2. Do you want to read the transcribed interview prior to our analysis?
3. We will potentially contact you for additional information if necessary, in line with the interview info sheet.

