The Freezing Effect of Sustainability Paradoxes and Conflicting Identities in Hybrid Organisations

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Abstract

Hybrid organisations face competing demands, such as the need for financial viability versus the solving of environmental or social problems. Paradox theory is increasingly used to explore how organisations striving for sustainability manage these tensions. Via action research and an abductive approach in the setting of a Dutch housing association, we analyse how managers take decisions when faced with sustainability paradoxes in the process of strategy change. With this paper, we offer two main contributions. Firstly, we identify the types of paradoxes emerging while designing and implementing a new sustainable strategy. Secondly, we propose a theory on the freezing effects of sustainability paradoxes on the decision making process. We conclude that, although the understanding of sustainability paradoxes can activate strategic change, they can also feed inertia while freezing decision making due to the conflicting identities characterising hybrid organisations.

Keywords: Hybrid organisations, paradox theory, sustainability paradoxes