Trade-Offs in Corporate Sustainability: You Can’t Have Your Cake and Eat It

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ABSTRACT
The mainstream of the literature on corporate sustainability follows the win–win paradigm, according to which economic, environmental and social sustainability aspects can be achieved simultaneously; indeed, corporate sustainability has often been defined by the intersection of these three areas. However, given the multi-faceted and complex nature of sustainable development, we argue that trade-offs and conflicts in corporate sustainability are the rule rather than the exception. Turning a blind eye to trade-offs thus results in a limited perspective on corporate contributions to sustainable development. In order to overcome this situation, we propose an initial framework for the analysis of trade-offs in corporate sustainability. By doing so, we pursue two aims. First, the framework serves as a starting point for a more systematic analysis of trade-offs in corporate sustainability, as it identifies different levels and dimensions to characterize such trade-offs. Second, it serves to contextualize the contributions to this special issue on trade-offs in corporate sustainability. Based on the framework, we finally point to some promising avenues for future research on trade-offs in, and a more inclusive notion of, corporate sustainability. Copyright © 2010 John Wiley & Sons, Ltd and ERP Environment.

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Introduction
While the notion of sustainable development has its origins as a societal concept, over the last 15 years it has also received increasing attention in the management and organizational theory literature (Bansal, 2002, 2005; Dyllick and Hockerts, 2002; Gladwin et al., 1995; Jennings and Zandbergen, 1995). Even if there is no consensus on how to define corporate sustainability, it has become rather common to adapt the well known definition of the Brundlandt commission to the corporate level and define

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corporate sustainability ‘as meeting the needs of a firm’s direct and indirect stakeholders [. . .], without compromising its ability to meet the needs of future stakeholders as well’ (Dyllick and Hockerts, 2002, p. 131). After the early paradigmatic debate on the relevance of sustainable development to private sector companies and management theory (Gladwin et al., 1995; Shrivastava, 1995; Shrivastava and Hart, 1995), the majority of research on corporate sustainability followed the win–win paradigm and the business case for sustainability. Only a few scholars have elaborated on the notion of corporate sustainability beyond the business case (e.g. Atkinson, 2000; Dyllick and Hockerts, 2002; Huizing and Dekker, 1992; Young and Tilley, 2006).

This special issue represents an effort to go beyond the notion that economic, environmental and social aspects are mutually reinforcing, and explicitly addresses the question of trade-offs in corporate sustainability. Trade-offs in corporate sustainability describe situations where economic, environmental and social aspects of corporate sustainability cannot be achieved simultaneously. We thus contest the view of the win–win paradigm that ‘corporate sustainable development is achieved only at the intersection of the three principles’ (Bansal, 2005, p. 199). Given the complexity and multi-faceted nature of sustainable development, we argue that trade-offs and conflicts between economic, environmental and social aspects in corporate management and performance represent the rule rather than the exception. Conflicts and trade-offs between economic, environmental and social aspects have received very little attention in the management literature so far (for exceptions see Holt and Watson, 2008; Kaptein and Wempe, 2001; Margolis and Walsh, 2003; Walley and Whitehead, 1994). In this paper, we hence propose an initial analytical framework for trade-offs in corporate sustainability, because an exclusive focus on win–win solutions will mask important potential for positive corporate contributions to sustainable development.

By explicitly addressing trade-offs in corporate sustainability, this special issue heeds the call of Margolis and Walsh (2003) for an analysis of trade-offs that does not attempt to resolve the conflict between economic and non-economic aspects but that tries to ‘clarify the competing considerations, probe what gives them weight, and explore their relationship’ (Margolis and Walsh, 2003, p. 284).

The remainder of this editorial is organized as follows. In the next section, we briefly discuss the mainstream win–win paradigm in corporate sustainability and its limitations with regard to sustainable development. Based on this discussion, we then define trade-offs in corporate sustainability and propose an initial analytical framework for trade-offs in corporate sustainability. We illustrate the applicability of the framework by positioning the papers of this special issue in the framework before concluding with an outlook on some promising avenues for future research into trade-offs in corporate sustainability.

The Mainstream Win–Win Paradigm of Corporate Sustainability and its Limitations

The Win–Win Paradigm of Corporate Sustainability

The majority of extant research on corporate sustainability – both conceptual approaches (Burke and Logsdon, 1996; Dentičev, 2004; Husted and de Jesús Salazar, 2006) and the vast body of empirical research on the link between corporate environmental and social performance and corporate financial performance (Margolis and Walsh, 2003; Orlitzky et al., 2003) – follows a win–win paradigm. According to this paradigm, economic, environmental and social aspects of corporate sustainability are – at least partly – in harmony with each other and management should seek to identify those cases in which economic, environmental and social corporate objectives can be achieved simultaneously. The win–win paradigm constitutes the so-called business case for sustainability according to which environmental stewardship and social responsibility pay off for companies (Dyllick and Hockerts, 2002; Salzmann et al., 2005). Even though more recently some scholars have followed a more contingent approach to the business case for sustainability (Barnett, 2007; Rowley and Berman, 2000), the ultimate focus is still on the identification of situations and strategies in which environmentally friendly and/or socially responsible corporate behaviour pays off financially (Aragón-Correa and Rubio-López, 2007).

According to the win–win paradigm, environmental and social issues are only taken into account to the degree that they contribute to an enhanced corporate economic performance. Consequently, within the win–win paradigm and the business case, the relevance of environmental and social issues for corporate sustainability is derived from a purely economic perspective. Ultimately, according to the win–win paradigm, corporate sustainability boils down
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Limitations of the Win–Win Paradigm With Regard To Sustainable Development

According to the win–win paradigm, corporate contributions to sustainable development are achieved only at the intersection of the three principles of environmental integrity, social equity and economic prosperity (Bansal, 2005). While there is growing evidence that win–win situations may exist under certain conditions, we argue that the underlying assumption that these three principles are mostly in harmony with each other is rather simplistic, given the complex and multi-faceted nature of sustainable development. Consequently, turning a blind eye to trade-offs and conflicts in corporate sustainability leads to a limited perspective on corporate contributions to sustainable development.

In trade-off situations it is impossible to achieve two or more desirable objectives simultaneously; rather decision-makers need to weigh a loss in at least one dimension against a gain in other dimensions. Given the fundamental transformation that it requires, it is most probable that sustainable development entails multiple conflicts. Hence the sustainability planning and policy literature (Boyer, 1999; Innes and Booher, 2000) has stressed that a purely consensus-driven approach will water down sustainable development strategies to the lowest common denominator. We argue that the same problem applies to win–win approaches to corporate sustainability: corporate sustainability based on the win–win logic will be restricted to conflict-free solutions with little ambition to fundamentally change core business practices for the sake of sustainable development.

Moreover, the focus on win–win situations provides no guarantee that the most beneficial corporate contributions to sustainable development are realized. In this context, one should bear in mind that sustainable development ultimately refers to the societal level. From this perspective, a major corporate contribution to sustainable development in one area at the societal level might well justify a minor loss in another area at a lower (e.g. corporate) level. Voinov and Farley (2007) show that it can be detrimental for achieving sustainable development at the societal level if lower level systems are sustained for too long or at too high a price. In the extreme, sustainable development at the societal level may be best served if certain companies or sectors cease to exist. Obviously, the win–win paradigm that focuses simultaneously on achieving positive economic, environmental and social outcomes at the organizational level does not capture any of these corporate contributions to sustainable development that are related to trade-offs. It becomes obvious that an exclusive focus on the win–win paradigm will result in situations where an important potential for positive corporate contributions to sustainable development is foregone.

From a more conceptual point of view, the win–win paradigm has two major limitations with regard to corporate contributions to sustainable development. First and foremost, the win–win paradigm limits the scope of potential corporate responses and approaches to sustainable development. By following the win–win paradigm, scholars and practitioners do not take account of all potentially positive corporate contributions to sustainable development but restrict themselves – even if unconsciously – to win–win solutions. Second, the win–win paradigm leads to a limited analytical perspective on corporate sustainability initiatives and strategies. By following the win–win paradigm sustainability issues are ultimately judged through the lens of profit maximization rather than being treated as ends in themselves. Thus, the mainstream in corporate sustainability research is trapped in tunnel vision, stemming from the exclusive focus on the win–win paradigm: It systematically overlooks considerable potential for corporate contributions to sustainable development because they are outside the win–win optic. In turn, the aspects that are taken into account are solely regarded through the lens of the win–win logic.

To address these fundamental shortcomings of the win–win paradigm, we argue for an explicit and systematic analysis of trade-offs in corporate sustainability, which covers the entire spectrum of potential corporate responses to sustainable development (thus avoiding a limited scope of corporate sustainability initiatives) and identifies
Towards an Analytical Framework of Trade-Offs in Corporate Sustainability

As a response to the shortcomings of the prevailing win–win approach to corporate sustainability, we propose an initial analytical framework of trade-offs in corporate sustainability. The main contribution of this framework is to overcome the conceptual and analytical limitations in research on corporate sustainability that follow from the narrow focus of the win–win paradigm. At the same time, it serves as a starting point for identifying relevant research questions regarding trade-offs in corporate sustainability. Before presenting the framework, we first define trade-offs in corporate sustainability and identify different dimensions and perspectives thereof.

Defining Trade-Offs in Corporate Sustainability

Trade-off situations have been defined as ‘compromise situations when a sacrifice is made in one area to obtain benefits in another’ (Byggeth and Hochschorner, 2006, p. 1420). Trade-off situations are thus in stark contrast to win–win situations, where it is assumed that benefits in two or more areas of corporate sustainability can be achieved simultaneously. Rather, trade-offs in corporate sustainability address those situations in which corporate contributions to sustainable development can only be achieved if one accepts a compromise between at least two sustainability aspects that are in conflict with each other. However, as could be seen above, this does not imply that trade-off situations necessarily result in inferior corporate contributions to sustainable development compared with win–win situations. For instance, accepting a relatively small loss in corporate economic performance to generate a substantial social or environmental benefit might well result in a greater positive corporate contribution to sustainable development compared with a situation of minor gains in economic performance alongside modest improvements in environmental or social performance.

As a consequence of the embeddedness of corporate decision-making in a wider organizational, institutional and systemic context (Granovetter, 1985), trade-offs and conflicts in corporate sustainability can occur at and between several levels. In the following, we identify three different dimensions and four levels that characterize different types of trade-off in corporate sustainability. With regard to the dimensions, we distinguish between trade-offs concerning outcomes, processes and time. Furthermore, the four levels at and between which trade-offs can occur are the individual, organizational, industry and societal levels. These dimensions and levels then constitute the framework for analysing trade-offs in corporate sustainability (see Figure 1 below).

Levels of Trade-Offs in Corporate Sustainability

Trade-offs in corporate sustainability can occur at and between different levels. Starting from the individual level of corporate decision-makers, we move to the organizational, industry and societal levels, respectively.

Individual Level
The individual level of trade-offs in corporate sustainability refers to individual decision-makers within companies. Extant research on corporate sustainability at the individual level mainly addresses perceptions and attitudes of corporate managers towards environmental or social issues, such as ISO 14000 certification or corporate social responsibility (CSR) programmes (Banerjee, 2001; Henriques and Sadorsky, 1999; Sharma, 2000). Moreover, the role of personal values and preferences of corporate managers and owners of businesses in corporate environmental and social conduct has been researched (Bansal, 2003; Burton and Goldsby, 2009; Hemingway and Maclagan, 2004).

Finally, there is a growing body of literature analysing how individuals within organizations make sense of environmental and social issues (Basu and Palazzo, 2008; Starkey and Crane, 2003). However, the question of trade-offs at the individual level has not yet received much explicit attention in research on corporate sustainability. We argue that the level of the individual decision-maker represents a key element in the analysis of trade-offs.
in corporate sustainability as eventually organizational behaviour with regard to sustainable development depends on the perceptions, motives, values and decisions of single actors.

Organizational Level
Trade-offs in corporate sustainability at the organizational level refer to conflicts between different sustainability aspects with regard to the role and impact of companies as single organizations. There is a large body of literature on corporate sustainability at the organizational level. While this body of literature represents a valid starting point for analysing trade-offs in corporate sustainability at the organizational level, the question of trade-offs is again widely disregarded. First, literature at the organizational level refers to corporate environmental and/or CSR strategies (Aragón-Correa and Rubio-López, 2007; Aragón-Correa and Sharma, 2003; Burke and Logsdon, 1996; Husted and Allen, 2007; Orsato, 2006) or governance modes (Husted, 2003). As discussed above, this literature largely remains in the realm of the win–win paradigm and often draws on the resource-based view of the firm. Another large body of literature is dedicated to the empirical question of whether (and to a lesser degree under which conditions) superior environmental and/or social performance pays off financially for firms (Margolis and Walsh, 2003; Orlitzky et al., 2003). Research in this area is largely motivated by a desire for better understanding and empirical evidence of the win–win paradigm and does not further investigate the nature of trade-offs.

Finally, there is considerable research on defining and measuring corporate environmental and/or social performance, which draws on different scholarly traditions. This includes research on corporate environmental and/or social performance within the accounting literature (Gray, 1992; Lamberton, 2005), research on corporate social performance based on stakeholder thinking (Clarkson, 1995; Wood and Jones, 1995) and research into environmental impact assessment (da Silva and Amaral, 2009; Korhonen et al., 2004). Overall, we conclude that, while there is considerable extant research addressing sustainability-related questions at the organizational level, the question of trade-offs and conflicts in corporate sustainability has – apart from a few exceptions (Kaptein and Wempe, 2001) – not received much consideration.

Industry Level
At the industry level, trade-offs in sustainability refer to conflicting sustainability issues within industries as organizational fields. Thus, trade-offs at the industry level refer to sustainability-related aspects that go beyond the individual organization but concern a group of industry peers and other relevant actors at the industry level, such as regulators or NGOs. At the industry level, institutional theory has been widely used to analyse and explain corporate responses to environmental and social issues (Bansal and Clelland, 2004; Campbell, 2007; Hoffman, 2001; Prakash, 2001). Moreover, there is a body of research on the assessment of sustainability performance at the industry level and benchmarking within industries (Labuschagne et al., 2005; Weber, 2005) as well as on the identification of industry champions and best practice in environmental and/or social management (Christmann, 2000; Welford, 2005). However, the focus remains clearly on identifying best performance and best practice within industries rather than on conflicts and trade-offs.

Another prevalent research stream at the industry level refers to (environmental) self-regulation of industries (Christmann, 2004; King and Lenox, 2000). In addition, in the realm of strategy research, the question of networks, alliances and partnerships within and across sectors in the context of corporate sustainability has attained considerable attention (Selsky and Parker, 2005; van Huijstee et al., 2007; Yaziji, 2004). Overall, we argue that the industry level is relevant for the analysis of trade-offs in corporate sustainability, as sustainable development requires collaboration and coordination among companies within sectors and with other sector level actors, such as NGOs and regulators. At the same time, this need for coordination represents an important source for trade-offs and conflicts.

Societal Level
Trade-offs at the societal level refer to conflicts concerning the contribution of companies to a more sustainable society at large. This level reflects the strong micro–macro link that is inherent in the notion of sustainable development, which, in its original conception, was defined as a societal-level concept. In the context of corporate sustainability, the societal level is concerned with a sustainable economy that is nested within and contributes to a sustainable society and healthy eco-systems (Barbier, 1987; Elliott, 2005). At the societal level, the question of
Trade-offs has received considerable attention (Dovers and Handmer, 1993; Toman, 1994). Based on the capital approach to sustainability (Harte, 1995; Stern, 1997), the discussion of weak versus strong sustainability refers to the question of whether and to what degree natural capital can be traded off against human-made capital without violating sustainability (Neumayer, 1999; Victor et al., 1995). Closely related, another important trade-off at the societal level refers to conflicts between intragenerational and intergenerational equity, i.e. the equitable use of resources for the wellbeing of present generations versus the preservation of resources to ensure the wellbeing of future generations (Hartwick, 1977; Solow, 1986). Finally, there is a discussion of trade-offs between the efficiency and the resilience of the economic system (Goerner et al., 2009). While these literatures treat trade-offs from a systemic point of view, trade-offs in the contribution of companies to sustainable development at the societal level have received much less attention. Sporadically, intergenerational aspects in corporate behaviour have been examined (Wade-Benzoni, 2002). In addition, research on corporate externalities (Crouch, 2006) and full cost accounting (Atkinson, 2000; Huizing and Dekker, 1992) addresses the impact of corporate behaviour at the societal level. Nonetheless, trade-offs in corporate sustainability at the societal level deserve more attention, as this level represents the ultimate reference point for sustainable development.

Dimensions of Trade-Offs in Corporate Sustainability

Trade-offs in corporate sustainability can further be classified according to three different dimensions: an outcome, a temporal and a process dimension. In the following, we derive these three dimensions from the notion of sustainable development and discuss their relevance for analysing trade-offs in corporate sustainability.

Outcome Dimension

Trade-offs in the outcome dimension encompass conflicts between different impact areas of corporate sustainability. The outcome dimension refers to the actual effects of corporate activities with regard to sustainable development. First and foremost, the literature on environmental, social and/or sustainability performance at different levels is relevant for the analysis of trade-offs with regard to the outcome dimension. As discussed above, the question of trade-offs in sustainability outcomes has received considerable attention at the societal level of sustainability analysis (Dovers and Handmer, 1993; Toman, 1994). However, as noted already, the literature on sustainability performance at the corporate level mostly remains in the realm of the win–win paradigm or represents a rather unrelated enumeration of countless sustainability aspects. While it is being acknowledged that the many outcome and performance aspects of corporate sustainability contain conflicts and dilemmas (Kaptein and Wempe, 2001; McWilliams and Siegel, 2001), the question of how such trade-offs can be measured and managed has not been addressed widely. At the intersection of individual and organizational levels, Aguilera et al. (2007) touch upon conflicts and trade-offs between the motives of individuals within organizations and organizational preferences for specific outcomes. Overall, a focus on outcomes is an indispensable element of the analysis of trade-offs if companies are to contribute in a substantial way to sustainable development. We thus argue that there is a need for a systematic analysis of the trade-offs between different desirable effects and different undesirable effects as well as between desirable and undesirable corporate sustainability effects.

Temporal Dimension

Given the central role of long-term viability and intergenerational aspects for sustainable development (Held, 2001), the temporal dimension represents a core area of potential trade-offs in corporate sustainability. This dimension thus covers all trade-offs between present and future aspects in sustainability-related corporate behaviour. In the sustainable development literature – more precisely in the context of intergenerational equity and the discussion of discount rates for the use of natural resources – temporal aspects and trade-offs have received considerable attention (Portney and Weyant, 1999; Sumaila and Walters, 2005). By contrast, the temporal aspect in corporate sustainability has received rather limited attention in the management literature (Bansal, 2005; Wade-Benzoni, 2002) as well as the corporate accounting literature (Lenzen et al., 2004). However, if sustainable development as defined at the societal level matters to companies, such temporal aspects represent a key element of corporate sustainability research per definition. Therefore, we argue that conflicts between present and future aspects in
corporate sustainability at all the different levels represent a relevant perspective for the analysis of trade-offs in corporate sustainability.

Process Dimension
One key element of sustainable development is that it requires change and transition from currently unsustainable to more sustainable business practices, consumption modes and economic structures. Adopting a dynamic perspective, the process dimension thus refers to trade-offs in corporate strategies, processes and transformations for sustainable development. Trade-offs in the process dimension can occur at all the levels discussed above. There is existing research in different fields that could inform the analysis of trade-offs in corporate sustainability in the process dimension. For instance, the roles of creative destruction (Hart and Milstein, 1999; Voinov and Farley, 2007) and technological change (Vollebergh and Kemfert, 2005) for sustainable development have been emphasized. Other research concerning the process dimension addresses structural change for sustainable development (Loorbach and Rotmans, 2006; López et al., 2007). Moreover, there is a body of literature on the conditions under which corporate environmental, social and/or sustainability strategies work (Aragón-Correa and Rubio-López, 2007; Aragón-Correa and Sharma, 2003). However, the question of trade-offs regarding the role in and contribution of companies to the transition to sustainable development has not been addressed systematically. We argue that the process dimension is a vital perspective for analysing trade-offs in corporate sustainability, as it represents the driving forces and trajectories towards sustainable development.

<table>
<thead>
<tr>
<th>Level</th>
<th>Outcome dimension</th>
<th>Temporal dimension</th>
<th>Process dimension</th>
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<tbody>
<tr>
<td>Societal level</td>
<td>Trade-offs between different economic, environmental and social outcomes at the societal level</td>
<td>Trade-offs between intra- and intergenerational aspects of sustainable development</td>
<td>Trade-offs between a more resilient and a more efficient economic system</td>
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<tr>
<td>Industry level</td>
<td>Trade-offs between different economic, environmental and social outcomes at the industry level</td>
<td>Trade-offs between present and future industry structures and activity with regard to sustainable development</td>
<td>Trade-offs within structural and technological change processes for sustainable development</td>
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<tr>
<td>Organisational level</td>
<td>Trade-offs between different economic, environmental and social organisational outcomes</td>
<td>Trade-offs between short-term and long-term sustainability orientation and effects of corporate activity</td>
<td>Trade-offs between different strategies and governance modes for corporate sustainability</td>
</tr>
<tr>
<td>Individual level</td>
<td>Trade-offs between individual interests and preferences of different actors regarding economic, environmental and social outcomes</td>
<td>Trade-offs between short-term and long-term preferences and interests of different actors</td>
<td>Trade-offs between in the perceptions of different actors regarding corporate sustainability</td>
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*Figure 1. Analytical framework for trade-offs in corporate sustainability*
An Analytical Framework for Trade-Offs in Corporate Sustainability

Building upon the different levels and dimensions of trade-offs we now present our analytical framework for trade-offs in corporate sustainability. This framework results from relating the different levels to the three dimensions as explained above. Through this framework we identify trade-offs in different dimensions at each analytical level as well as inter-level trade-offs. Figure 1 depicts the analytical framework and the different trade-offs in corporate sustainability that results from it.

Selected Trade-Offs in Corporate Sustainability

In the following we characterize selected trade-offs in corporate sustainability with a specific focus on those trade-offs that are discussed by the papers in this special issue. It should be noted that, although the trade-offs are organized along the four levels, trade-offs can appear within and between levels.

Trade-Offs at the Individual Level

Trade-offs in corporate sustainability in the outcome dimension at the individual level refer to trade-offs and conflicts between different individual interests and preferences with regard to economic, environmental and social outcomes of corporate behaviour and activities. Temporal trade-offs at the individual level can refer to both the outcome dimension and the process dimension and address conflicts that arise between a short-term and a long-term orientation of individuals within organizations with regard to sustainability issues. Trade-offs in the process dimension at the individual level occur if there are conflicting perceptions of sustainability issues between corporate decision-makers concerning the processes through which corporate sustainability policies, strategies and programmes are formulated and executed. In their contribution to this special issue, Angus-Leppan, Benn and Young (2010) discuss process trade-offs at the individual level as they undertake an analysis of the sense-making by employees and external stakeholders of an Australian bank with regard to trade-offs and synergies between human and ecological elements of sustainability. By conducting a semantic analysis, they find that perceptions of the relationship between human and social aspects of corporate sustainability differ between the various groups. While remaining on the individual level, their analysis transcends organizational boundaries by examining the sense-making of human–ecological trade-offs by individuals within the corporation as well as by the company's stakeholders. Moreover, by focussing on trade-offs between human and ecological elements of corporate sustainability, Angus-Leppan et al. (2010) discuss a topic that has been rather neglected in the debate so far. As one of their main conclusions, the authors argue that the management of trade-offs in corporate sustainability should focus less on fostering a shared meaning of corporate sustainability and rather enhance the diversity of stakeholder views in order to promote organizational adaptability and innovation.

Trade-Offs at the Organizational Level

Trade-offs in corporate sustainability at the organizational level address conflicts between different sustainability areas concerning companies' role in and impact on sustainable development. With regard to the outcome dimension, such trade-offs capture conflicts between economic, environmental and social organizational aspects of actual corporate sustainability performance. In their paper, Delmas and Doctori Blass (2010) examine trade-offs around sustainability screening methodologies regarding the assessment of corporate environmental performance in a socially responsible investment (SRI) context. They discuss trade-offs between positive and negative screening, trade-offs between environmental and corporate performance criteria, trade-offs between past, current and future performance and trade-offs between available and desirable environmental performance metrics. Based on an analysis of the evaluation of 15 firms in the chemical sector in a case study, the authors show how the assessment and ranking of these companies is influenced by the way in which the three main SRI indicator categories (impact, compliance and management) are applied. They identify trade-offs in the choice between these three metrics with regard to both the result of SRI ratings and the transparency of the rating results. Delmas and Doctori Blass (2010) thus clearly focus on outcome trade-offs at the organizational level.

Temporal trade-offs at the organizational level are trade-offs between short-term and long-term sustainability effects and orientation of corporate activity. On the one hand, temporal trade-offs can refer to conflicts between
short-term and long-term performance or performance targets. On the other hand, such trade-offs can address conflicts between long-term and short-term orientation in corporate sustainability-related strategies.

Trade-offs in the process dimension at the organizational level address conflicts between and within different strategies and governance modes for corporate sustainability. Such process trade-offs thus relate to the question of through which strategies and governance modes positive corporate contributions to sustainable development can best be achieved. Pinkse and Kolk (2010) explicitly address such process trade-offs at the organizational level in their contribution to this special issue. They discuss three different trade-offs in corporate innovation for climate change, that is, trade-offs regarding technological strategies for climate change (development of new technologies versus deployment of existing technologies), trade-offs regarding commercialization strategies for climate change innovations (niche markets versus mass markets) and trade-offs regarding collaborative strategies for climate change innovations (cooperation versus competition). Overall, Pinkse and Kolk (2010) identify and discuss some core trade-offs in corporate strategies for contributions to a low-carbon economy. As a result, they develop propositions of how companies will deal with these trade-offs under conditions of uncertainty from climate change policy.

Trade-Offs at the Industry Level
Trade-offs in corporate sustainability at the industry level capture conflicts around sustainability-related issues that refer to companies and actors of a particular industry or an industry altogether. Trade-offs in the outcome dimension at the industry level refer to the conflicting economic, environmental and/or social outcomes of industries. Trade-offs between desirable outcomes of certain industries in terms of the provision of goods and services or employment and undesirable effects such as pollution are examples in this context. In the temporal dimension, there are trade-offs at the industry level between present and future industry structures and activities with regard to sustainable development. For instance, in the utility sector, there might be trade-offs between the limited time available to react to sustainability challenges (e.g. for limiting global warming to 2°C) and the time required for industry structures and technologies to change adequately. Finally, regarding the process dimension at the industry level, trade-offs refer to conflicts within structural and technological change processes for sustainable development. For instance, there can be trade-offs between different environmentally beneficial technology alternatives such as an infrastructure for fuel cell vehicles and an infrastructure for electric cars that cannot be deployed successfully in parallel.

Trade-Offs at the Societal Level
Trade-offs at the societal level are situated at the very heart of sustainable development, as it represents a societal concept. Outcome trade-offs in corporate sustainability at the societal level refer to conflicting effects of company and corporate activities regarding different sustainability aspects with respect to the overall results for a more sustainable society. Such effects may occur for instance when corporate products provide valuable services to customers and society at large and at the same time encourage non-sustainable lifestyles and consumption modes. In the temporal dimension, trade-offs at the societal level are related to conflicts around intra- and intergenerational aspects of sustainable development. For instance, this includes trade-offs between the alleged positive short-term effects on greenhouse gas emissions of low-carbon nuclear power and the production of long-term radioactive waste. Finally, regarding the process dimension at the societal level there is a trade-off between the efficiency and the resilience of the economic system. For instance, there may be a trade-off between the concentration of market forces through mergers and acquisitions and the resilience of an economic system in times of crises.

Outlook and Opportunities for Future Research
While the discussion of trade-offs in corporate sustainability is clearly in its infancy, we believe that the three papers of this special issue as well as the analytical framework presented here offer a valid starting point for a more structured analysis of trade-offs in corporate sustainability. In the following, we provide an outlook for some promising opportunities for future research into different trade-offs in corporate sustainability.
First of all, the framework we present in this editorial represents an initial attempt to bring more structure to the analysis of trade-offs in corporate sustainability and to ‘undertake the task of working out the principles and guidelines for managing trade-offs’ (Margolis and Walsh, 2003, p. 284). Obviously, more research is needed to refine, complement and further develop our framework. For instance, trade-offs are most probably not restricted to certain levels but may well occur between different levels or span the different levels identified above. In a related vein, future research should identify adequate theories to analyse trade-offs in corporate sustainability at and between different levels.

Another promising field of future research on trade-offs in corporate sustainability refers to the implications of trade-offs for the notion of corporate sustainability itself. We believe that, once one accepts trade-off situations as an integral feature of corporate contributions to sustainable development, there are far-reaching implications for our understanding of what corporate sustainability is about. Focussing on trade-offs opens up a wide array of corporate contributions to sustainable development that were left aside by the mainstream corporate sustainability literature due to its focus on win–win situations. A systematic examination of the conflicts and trade-offs that companies face as soon as they commit themselves to sustainable development reveals that the business case for sustainability is not an exhaustive perspective on corporate sustainability (Dyllick and Hockerts, 2002; Young and Tilley, 2006). We thus believe that the underlying assumption of the win–win paradigm that the world is full of (unnoticed) win–win situations is overly optimistic (Margolis and Elfenbein, 2008). Rather, we are convinced that, given the complexity and diversity of sustainability issues, it is safe to assume that trade-offs and conflicts in corporate sustainability are the rule rather than the exception.

Ultimately, this analysis points to strategic and managerial implications that arise from trade-offs in corporate sustainability. Future research should thus provide managers with guidance on how to deal with trade-offs in corporate sustainability. Rather than embarking on the eternal quest for win–win solutions, future research should develop tools to assess and evaluate trade-off situations in corporate sustainability in order to identify strategies that yield substantial corporate contributions to sustainable development – even if these include trade-offs. On the one hand, this will provide managers with a more sophisticated and more fine-grained set of strategy and management options for corporate sustainability. On the other hand, we are convinced that truly proactive corporate sustainability strategies are those strategies that do not shy away from taking into account conflicts, but rather accept trade-offs for the sake of substantial sustainability gains at the societal level. The magnitude of change that sustainable development requires at societal, industry, company and individual levels makes it very unlikely that the win–win paradigm and its inherent negation of trade-offs in corporate sustainability will lead us very far.

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