
SUSTAINABLE DEVELOPMENT
AND BUSINESS
Markus Kallifatides and Lin Lerpold (eds.)

Sustainable development and business

Sustainable development and business

MARKUS KALLIFATIDES AND LIN LERPOLD (EDS.)

SSE INSTITUTE FOR RESEARCH

Address:
Stockholm School of Economics Institute for Research (SIR)
Box 6501, SE-113 83 Stockholm, Sweden
Visiting address: Sveavägen 65, Stockholm City
Phone: +46(0)8-736 90 00
www.hhs.se/en/Research/Institutes/institute-for-research/
publications@hhs.se

Keywords: Sustainable Development, Sustainability,
CSR, Social Innovation

Sustainable development and business
ISBN: 978-91-86797-27-0

First edition

Art direction and design: Petra Lundin, Manifesto
Production: Manifesto, www.manifesto.se

Distributed by:
Stockholm School of Economics Institute for Research (SIR)

Printed by: Ineko, Stockholm, 2017

PROJECT SPONSOR

MISUM

The mission of the Mistra Center for Sustainable Markets (Misum) is to strengthen Sweden's competiveness in sustainable markets, in part by supporting Swedish actors in these markets with both research findings and directly applicable solutions. The Mistra Center for Sustainable Markets is a cross-disciplinary and multi-stakeholder research, education and outreach center at the Stockholm School of Economics.

This book is dedicated to Marie Ehrling for her long commitment to enabling studies of management practice conducted by researchers at the Stockholm School of Economics. Her commitment to research has also greatly contributed to our mission of science-based education and, thus, our students' education. Marie has also acted as an important executive within the sustainability field. She is deeply knowledgeable of the dynamic nature between business and society, encompassing both challenges and opportunities, some of which this book addresses.

Contents

Acknowledgements

Every year since 1992, the SSE Institute for Research (SIR) has produced an Annual Book.[1] As a sign of the times, this volume marks the third time the book has been written in English rather than in Swedish, for several reasons. Firstly, the Stockholm School of Economics is the workplace of many academics who do not speak, read or write in Swedish, and the invitation to participate in the Annual Book was extended to all academics at the School. Secondly, this year's theme of sustainability is inherently global (as well as local), and we intend for as many people as possible to be reached by our efforts at approaching, and formulating, these questions. We therefore extend our sincere gratitude to Michelle Vessel for her suggestions on how to write in the English language. We also thank Petra Lundin for her graphic design of the book.

The director of SIR, Johan Söderholm, and the Chair of SIR, Richard Wahlund, have supplied a great deal of support, for which we are deeply grateful. We commend Richard's initiative to make the SIR Annual Book a project for the entire Stockholm School of Economics, opening up opportunities for new collaborations and a plurality of perspectives, to which this year's book gives testament. We also thank The Swedish Foundation for Strategic Environmental Research (Mistra) through the Mistra Center for Sustainable Markets (Misum) for economic support for this book. Finally, thank you to our interviewees who shared your knowledge and time so generously with us, and to our dear fellow authors for your individual and collective efforts, without which there would be no book!

Stockholm, December 2016

Markus Kallifatides and Lin Lerpold

1 Up until 2009, the Annual Book was produced by Ekonomiska forskningsinstitutet (EFI), the predecessor to SIR.

Sustainable business in a stakeholder society

– a relational leadership approach

INGALILL HOLMBERG AND PERNILLA PETRELIUS KARLBERG

Introduction

In the past few years, the quest for responsible and sustainable business has emerged as a major theme in academic and practical management discourse. The increasingly intensive debate on ethical and socially responsible business initiatives and the quest for globally responsible leadership (cf. The Globally Responsible Leadership Initiative and United Nations Global Compact) have put contemporary business models and current leadership praxis under severe public scrutiny.

Increased transparency, political calls for sustainable development, and higher expectations regarding top management's involvement and actions are seemingly changing the business climate (Boli 2006; Power 2009; Einwiller 2010; Freedman and Stagliano 2010). Contemporary business models and current leadership practices are criticized for being obsolete (Uhl-Bienl 2012; 2006; Sinclair 2007) and top management's readiness and willingness to take action has been repeatedly questioned. Simultaneously operating and leading in a global and interconnected world (e.g., in a stakeholder society) has been described as navigating the firm through uneven and sometimes murky waters (Maak and Pless 2006: 99).

In this chapter, we will address the issue of sustainability in a stakeholder society by presenting and discussing an ongoing transformation process in a global telecom company. The company is situated in a Swedish business context, and having been one of the key players in the telecom sector for decades, the symbolic value of the company is high. The focus is on the interplay between leadership and different stakeholders in restoring and positioning the company as responsible and sustainable. The purpose of the study is to develop theoretical concepts in order to better understand the role of leadership in sustainable business.

More specifically, we will draw on two theoretical streams of research, namely, institutional theory prescribing how organizations navigate in a stakeholder society (i.e., strategies for dealing with competing demands) and the responsible leadership discourse addressing trust and trust-building in multifaceted contexts. The main contribution of the chapter falls within the leadership field, but there is also a contribution to institutional research focusing on competing demands and stakeholder pressure.

The outline of the chapter is the following: in the next section, we discuss the studied topic and the theoretical perspectives used in the analysis. We then describe the method of the study and present the case of the global telecom company. The case description depicts an ongoing process and thus follows a chronological order. In the next section, we present the analysis and discuss our findings. The paper ends with some concluding remarks.

CORPORATE RESPONSIBILITY AND SUSTAINABLE BUSINESS

Research on sustainable development and sustainable business is vast and growing. The same is true for corporate responsibility and responsible behaviour (for an overview see Dobers 2010; Egels-Zandén and Kallifatides 2010). Sustainability and corporate responsibility practises are often described as multifaceted and complex phenomena, even paradoxical (e.g., Lewis and Kelemen 2002; Egels-Zandén and Kallifatides 2010). Acknowledging the complexity of the studied phenomena and the multitude of different research strands and perspectives, this study will focus on the relationship between institutional practices, leadership and sustainability. The choice of theoretical perspectives is based on the assumptions that global companies operate in stakeholder societies (i.e., contexts of competing demands) and that responsible leadership is a tentative driver for sustainable business (cf. Oliver 1991 for discussion on strategic responses to institutional pressure and agency). By drawing on institutional theory and the responsible leadership discourse, we will outline two different (but possibly interrelated) practices for dealing with complexity, trust and competing demands. Adhering to the social constructionist view, we treat sustainability as an empirical construct which means that individuals'/organizations' understanding of sustainability is created in interactions with others (i.e., stakeholders).

TRUST BUILDING IN MULTIFACETED CONTEXTS – A RELATIONAL LEADERSHIP APPROACH

Despite different views on what constitutes sustainable business, scholars and practitioners alike seem to agree on the notion that trust and trust-building processes are key concepts in developing sustainable business practices (cf. Morsing and Schultz 2006). Thus, operating in a stakeholder society offers the ability to build and accumulate trust among customers, markets, investors, owners, public opinion and markets (Engwall and Sahlin 2007).

In the responsible leadership discourse, trust-building relations in a global and interconnected world is essentially conceptualized as managing a complex and multifaceted context through a relational leadership approach based on inclusion, collaboration and co-operation with different stakeholder groups (Freeman 1984; Maak and Pless 2006). Consequently, the notion of aligning and alignment is crucial and managers′ prime task is defined as engaging and cultivating sustainable and trusting relationships with different stakeholders within and outside the organization, and to coordinate their actions to achieve common objectives (e.g., triple bottom line), business sustainability and legitimacy, and ultimately to help in realizing an ethically sound and shared business vision (cf. Maak and Pless 2006).

In this rather functional understanding of stakeholder society and stakeholder relationships, leadership is challenged when there is a gap between legitimating structures/symbols and organizational practises (*ibid*.). When internal ideas of ethical behaviour and sustainable business do not align with those of stakeholders, and more specifically with the voice of the media and public opinion, the demand for new leadership is usually strong and persistent (Hayward 2004, Rindova 2006, Gilpin 2010).

In recent years' stakeholder theory has developed a focus on the importance of engaging stakeholders in long-term value-creation processes, implying that stakeholders cannot be managed by companies. A process view of value creation including several stakeholders puts modes of interaction, dialogue and involvement centre-stage (Morsing and Schultz 2006). Based on Grunig and Hunt′s (1984) characteristics of models of public relations and the lenses of sense-making and sense-giving (Gioa and Chittipeddi 1991; Weick

1995), Morsing and Schultz elaborate on three types of communication strategies with regard to corporate social responsibility and sustainability issues: the stakeholder information strategy, the stakeholder response strategy, and the stakeholder involvement strategy. While the stakeholder information strategy and stakeholder response strategy clearly align with mainstream research in leadership and strategy, the stakeholder involvement strategy is proposed as a viable strategy for handling the simultaneous interdependence between sense-giving and sense-making processes and the engagement in more complex relations with stakeholders. How this is done and how interrelated processes acknowledge different logics of action, and to what extent these processes support sustainable business, remain empirical questions.

A tentative answer to the question on how engagement and involvement with different stakeholders play out in organisations is seemingly embedded in the relational leadership approach. Recent studies emphasize collective dimensions of leadership as a way forward, i.e., leadership in the plural (Denis 2012), distributed leadership (Bolden 2011) and shared leadership (Fitzsimons 2011). In this particular chapter, we address the notion of leadership in the plural, and more specifically the pooling of leadership at the top of the organization (Denis et al. 2012). Thus, we argue that the current challenges of sustainability work may call for a renewed conception of leadership, one that is centred less on individual leaders and relies more on the involvement of multiple individuals taking on leadership tasks/roles.

STRATEGIES FOR DEALING WITH COMPETING DEMANDS: DECOUPLING, COUPLING, AND CONTINGENT COUPLING

Following the neo-institutionalists' line of reasoning regarding how organizations navigate in a stakeholder society, the main proposition is that organizations facing competing demands most likely end up with decoupled and loosely coupled systems (Meyer and Rowan 1977; Bromley and Powell 2012). The decoupling of policies (talk) and practices (actions) enables organizations to seek legitimacy and adapt to rationalized myths, while engaging in 'business as usual' (Boxenbaum and Jonsson 2008; Bartley and Egels-Zandén 2015). The argument is that legitimate social action is (by necessity) different from rational action. While social action demands subscription to publicly accepted normative frameworks, rational action can be achieved through a myriad of means (Egels-Zandén and Kallifatides 2010).

Decoupling is common in the field of CSR and sustainability, in large part because the field is replete with competing demands, according to Bartley and Egels-Zandén (2015). It is argued that in many industries, the decoupling of CSR policies and practises are fostered by one or more organizational boundaries, implying that organizations may accept some moral responsibility for intermediaries and suppliers but still fight hard to avoid legal responsibility (Shamir 2004). Consequently, a gap between CSR commitments and operational practises is bound to emerge.

Some scholars argue that such discrepancies have a potential to stimulate improvements (e.g., Christensen 2013). Drawing on the notion that communication is performative, the claim is that aspirational talk could pave the way for social change even when organizations do not fully live up to their aspirations (*ibid.*). Relating their argument to CSR, aspirational talk is defined as 'talk about CSR from a variety of positions and across social norms and expectations – in terms of formulating definitions, articulating ideas, laying down principles, contesting standards, publicizing visions, putting forward plans, etc.'. Acknowledging that aspirational talk may lead to double-dealing and decoupling, Christensen et al. (2013) provide viable support for the claim that aspirational talk has the potential to produce positive developments within the field of CSR and sustainability (see also Boiral 2007).

Scholars questioning whether decoupling is a steady state (Boxenbaum and Jonsson 2008; Sauder and Espeland 2009; Hallet 2010; Bromley and Powell 2012) have called for greater attention to how myths, ideals and aspirational talk become incarnate through a process of recoupling, and the conditions supporting a decoupling between symbols and practise. Bartley and Engels-Zandén (2015) argue that the CSR literature and neo-institutional theory also need tools to make sense of so-called intermediate scenarios in which organizations are pushed to reduce the degree of decoupling but are unlikely to embrace substantive reforms fully and durably. The concept of 'contingent coupling' is presented as a mode of circumstantial shrinking of the gap between legitimating symbols (aspirational talk) and operating practises.

While different processes are proposed to create different results when it comes to the leveraging of CSR and sustainability issues, the role of leadership and the conditions of change, as well as its consequences, are still unclear. The purpose of this chapter is to discuss how a relational leadership approach can enhance our understanding of how issues of sustainable business practices evolve in a stakeholder society, using the analytical framework of 'decoupling', 'recoupling' and 'contingent coupling'.

Case selection, methodology and case background

Following Barley and Engels-Zandén, we will argue that new insights can be gained by studying the link between CSR symbolism (talk), practise (action) and the substantive 'on the ground' conditions using a framework that explicitly focuses on decoupling, recoupling and contingent coupling as possibly intertwined processes. Acknowledging that leadership can be a fruitful perspective to enhance the understanding of the dynamics in ongoing change processes focusing on responsible and sustainable business behaviour, this chapter will outline and analyse the process of taking charge in a global telecom company. The study covers a three-year process of intense struggles to deal with internal and external stakeholders and their call for an innovative, sustainable and profitable company.

METHODOLOGY

The study is based on a qualitative research method and fits into the categorization of an explorative case study design where a real-time change process is covered step by step. Data collection included interviews, written documentation and direct observations.

In total, 18 open-ended interviews were carried out with the CEO, the Chair of the Board of Directors, board members, members of the executive management team, staff specialists and external advisors. The key informants were interviewed a total of two to four times over a period of three years (2014–2016). The focus of the interviews was on the change process initiated by the succession of the Chair and the CEO, and more specifically on challenges identified and acted upon by the key actors. Material collected through written documentation included data from web pages, policy documents, reports and existing media coverage.

Following the data collection, the material was coded and analysed as to construct a chronological representation of the change process encompassing the events that the involved actors perceived as central. The constructed representation was sent to the interviewed key informants to validate the description of the change process, including the quotations. The suggested changes were then incorporated into the final version. As discussed in the introduction, corporate responsibility practises are multifaceted and complex, phenomena that are subject to different understandings and interpretations. The presented case, thus, reflects the conceptions and preconceptions of the key informants, as well as our understanding of the process (Egels-Zandén and Kallifatides 2010). With other key informants, the process may look different.

BACKGROUND INFORMATION ON THE ORGANIZATION AND THE SITUATION

The history of Swedish Digital Network (SDN), originally a state-owned telecom operator, goes back to the late nineteenth century. In 1993, the Swedish telecom market was deregulated and the former monopoly was transformed into the commercial company SDN AB. Six years later, in 1999, SDN initiated a merger with its Norwegian counterpart, but the merging partners failed to create common ground and after endless negotiations and some heated accusations from both sides, the merger process came to an unsuccessful conclusion in late 1999. In June 2000, SDN was privatized and listed on the Stockholm Stock Exchange. A year later, another merger initiative came up, this time with a fellow incumbent in Finland. This merger succeeded and the new company was listed in December 2002.

SDN's initial presence in the Eurasian (former Soviet Union countries) and the Turkish market came with the merger with the Finnish company. During the next five years, investments increased in these markets that at the time were experiencing exceptional growth and generating profit margins of up to 60 per cent. In the late 2000s, the investments included majority holdings in companies operating in Azerbaijan, Kazakhstan, Moldova, Georgia, Uzbekistan, Tajikistan and Nepal. As a major shareholder (with 37 per cent of the equity), the Swedish government strongly supported this new strategy.

In 2012, the economic development in the Eurasian markets started to slow down, mainly due to the Russian economic downfall, declines in oil prices and political instability. At the same time, the criticism of SDN's business practices in Eurasia increased, culminating in accusations made by the Swedish investigative TV show *Uppdrag Granskning* that members of SDN's upper management were engaging in corrupt business behaviour. The main news was that the company had entered the market in Uzbekistan by allegedly paying several hundred million dollars (USD) to individuals close to the President. To address the criticism, the sitting Board of SDN commissioned a Swedish law firm to conduct an independent review of whether SDN's investment in the Uzbek market meant that representatives of the company were guilty of corruption-related crimes or money laundering. Convinced that the accusations were baseless, the company committed to full publication of the report.

In February 2013, the Swedish law firm held a public press conference presenting the outcome of the review. Based on provided evidence, the review was not able to confirm any illegal acts had taken place, but it could not rule out the opposite either. When the report was made public, the sitting CEO resigned. At the Annual General Meeting in April 2013, the owners took immediate action. The majority of the board members were replaced (six out of eight seats) and a new Chair of the Board was appointed.

REPOSITIONING THE COMPANY AS RESPONSIBLE AND SUSTAINABLE: IMMEDIATE ACTIONS OF THE NEW CHAIR

The new Chair immediately announced the priorities of the Board of Directors: to initiate a full review of acquisitions and ownership of the operations in Eurasia, and to recruit a new CEO.

In order to address the increasing pressure of external stakeholders, the new Board hired a British law firm to carry out a full investigation of the Eurasian operations. Since the Swedish law firm had already performed a review on Uzbekistan, the British law firm would focus on Nepal, Kazakhstan, Azerbaijan, Tajikistan and Georgia. To support the investigation and provide access to critical information, a 'war room' was established on the top floor at the headquarters in the city of Stockholm. The law firm reported directly to the Board. The Chair recalls the first six months as an extremely hectic period:

> The previous Board had abandoned their role as strategic decision-makers; several top positions were filled with acting managers, and people in the organization exhibited frustration. There was intense media attention where the Swedish prosecutor gave interviews, and the TV show *Uppdrag Granskning* followed up with two new programs.

The search for the new CEO was initiated before the new Chair of the Board was formally elected, but the process was subsequently guided and controlled by her. The new chair had worked at SDN as Managing Director for the Swedish operations but left the company in 2006, hence she was familiar with the historical legacy, the operations and the culture. While still searching for a new CEO, the Board took on operating responsibilities and the Chair became highly involved in the external review, as well as dealing with the waves of frustration within the organisation connected to the investigation and among external stakeholders.

The Swedish media followed the recruitment of the new CEO closely, and did not hesitate to present and openly discuss their own favourite candidates. Meanwhile, the search continued and candidate after candidate was scrutinized in a step-by-step procedure. Finally, the Board made their choice and the new CEO was ready to take office on September 1, 2013.

Another critical recruitment was taking place in a parallel process. In order to secure competence on the ethical business and anti-corruption work, the company recruited a Chief Ethics and Compliance Officer. The main task of this role was to support a clean-up of the Eurasian business, while simultaneously developing and implementing new procedures for responsible business practices and behaviour. The Ethics and Compliance Officer would formally report to the new CEO.

A NEW LEADER IN PLACE

The new CEO was received with a mixture of curiosity and scepticism. In the media, he was described as a young and unknown talent. He had, however, worked his whole career within the telecom industry, a fact that was important to the Board of Directors in the profiling of the new CEO. The telecom industry has its own terminology and jargon, even its own logic. Considering the highly competitive industry, it was important that the new CEO didn't have to spend time learning the industry. In fact, the new CEO had even started his telecom career as a trainee at the head office of SDN. Thus, the company, its culture, and its legacy were well known to him, an experience that he shared with the new Chair. From the view of the new CEO, SDN not only matched his previous experiences from 'difficult markets' in Africa and Asia, but also his professional ambitions to position SDN as a key player in the telecom industry.

MAPPING THE TERRAIN AND BUILDING THE GENERAL MANAGEMENT TEAM (GMT)

In order to better understand the business, the new CEO spent two months before taking office travelling around and meeting with as many employees, managers, customers, owners and stakeholders as possible. When he formally stepped in as CEO, he had already spoken to more than five hundred people in more than fifteen countries. The frequent meetings with new people continued when he was in office.

The first task on the CEO's agenda was to form a general management team (GMT). Building the management team in SDN was considered a crucial action for the success of turning the company into 'the new generation telco'. The new CEO's first composition of the team included 7 persons already holding managerial positions within the company and four external hires. There were some initial concerns about the old-timers and the possibility of them being 'tainted' by history. Nonetheless, their initial support of the British law firm review played in their favour. The new GMT had twelve members, including the new CEO: General Counsel, Head of Region Europe, Head of Region Eurasia, Head of Region Sweden, Head of Group Communication, Head of Group Corporate Development, Head of Group Humans Resources, Chief Commercial Officer, Chief Technology Officer, Chief Financial Officer and Chief Information Officer.

According to the new CEO, the recruitment process focused primarily on finding people with the right competence and the right values. The next step was to make the management team work as a collaborative entity, where each and every participant of the group would be prepared to take a lead and to bring a holistic view to the discussions. 'Highly reputable managers are often strong-headed and are often used to having it their own way – thus getting these kind of people working as a team can be quite a challenge'.

While still in the process of building the general management team, SDN announced (in November 2013) that four senior managers were released from their executive positions. The British law firm review was still ongoing and this round of terminations was a direct effect of their recurring reports to the Board. Despite the internal turbulence and the intense media coverage, the main message concerning strategy and direction stayed the same. With one voice, the Chair and the CEO unfailingly repeated that 'the company is fully committed to stay in Eurasia and conduct business in a responsible and sustainable manner'.

GROWING A PERFORMANCE-BASED CULTURE

A major challenge for the future success of SDN was the culture, characterized by its history of being a state-owned monopoly. After more than ten years as a publicly listed company, the culture was still characterized by a lack of urgency regarding profitability. This was particularly obvious to the externally recruited group of executive managers. They asserted that people within SDN still lived in the protected world of a state-owned company, one that, if necessary, would be financed by the Swedish state.

In order to shake up the culture and impose a sense of urgency and change, a set of corporate values was derived and implemented. With the new corporate values – Dare, Care, and Simplify – in place, a set of activities involving all key managers and talents in the company (top 200 managers) was launched. The purpose was to define leadership expectations and to educate and implement responsible and sustainable leadership. The program was called 'Leadership Boost'. The initiative was launched as a three-module change program, with each module addressing one of the three stated corporate values. A reward system was also put in place that aimed to encourage and reward a more entrepreneurial approach, in hopes of achieving innovative growth and stronger financial result. Common key performance indicators were developed and rolled out across the group. This program was referred to as 'You First'. The idea was to put the individual at the core and emphasize not only the content of operations (what was done) but also how business was achieved.

The new CEO repeatedly referred to the new corporate values and 'You First' as the main pillar in the engagement dialogue with SDN employees. The change program was an invitation to co-workers to participate and make a difference, but it was also a quest to achieve more broad-based commitment to stay true to the new strategic vision and the corporate values.

In the Eurasia business, where more than 60 per cent of the managers were replaced, the new CEO formed a team of top managers from each country. The region management in Eurasia expressed pride in working for SDN and cherished the emerging culture and the new corporate values. The dual objectives of fighting corruption and implementing sustainable business models were perceived as both challenging and rewarding. Frequent visits combined with hard work on anti-corruption policies and practices, corporate values and leadership seemingly paid off. During a taxi ride from the airport, a local taxi driver turned to the new CEO and expressed a sentiment seemingly shared by the local SDN people – 'Thank you for bringing democracy to my country'.

TAKING STOCK OF THE FIRST 24 MONTHS

During the first six months, the Chair of the Board and the new CEO worked closely with daily contact. In operating the business, the rough task-order was linked to the two main strategic issues, cleaning up corrupt behaviour in Eurasia and repositioning SDN as a new generation telco. While the Chair focused on current investigations and compliance issues, the CEO concentrated on building a new team and creating the foundation for a new leadership practice. In the Chair's words, 'I handled the external relations relating to the investigations and the rebuilding of trust, while the CEO dealt with internal issues and the strategic positioning of the company'. This work order was also roughly reflected in the external communication. The Chair took the lead when the allegations of historical misconduct in Eurasia were on the agenda. She also frequently gave talks on anti-corruption, responsible leadership, and sustainable business. The CEO focused on the future of the industry, SDN's role in the emerging new landscape and the need to identify new, innovative business partners and increase the pace of change.

Until March 2014, when the British law firm review was formally handed over to the operational management, the Chair was heavily involved in the work of supporting the review and restoring the brand. This was also the case when the US Department of Justice, US Securities and Exchange Commission, and the Dutch authorities announced that they had opened up their own investigations of SDN.

From the very start, both the CEO and the Chair expressed a firm belief that it was possible to conduct responsible business in markets such as Eurasia. However, after the first year in charge, their speeches at the Annual General Meeting in April 2014 expressed a more nuanced view. The Chair concluded her speech by saying:

> Much has been done...but we still have a lot to do. We have focused on the big risks, and we build from the ground up. We have been left with a legacy, but the Board and the management are fully aware that it is now our responsibility to deal with the consequences. SDN has established itself in some countries that are among the most challenging countries in the world with regards to doing business

> sustainably, honestly, ethically, and abiding by the law. We must feel assured that we are sufficiently strong to continue to conduct these business operations sustainably and be able to handle the big risks that still exist in the operations. We need to take a stand, and when we have taken a stand, we must dare be transparent and talk about the difficult and complex challenges we are facing.

Conversely, argued the Chair, leaving is not necessarily an easy or even responsible way to handle the business in Eurasia. 'You can't simply leave the keys on the table and go home to Sweden. We have 4800 employees and many millions of customers we don't want to abandon'.

In his speech the CEO alluded to the same theme:

> as a result of resolute action, we now have an SDN that is on the right track. Much time and effort has been spent to restore confidence in the company, and this will continue. But we will now also step up the pressure on the business issues in our new operating model. Much remains to be done. Now we will continue to build a SDN where all parts work together in an effort to create sustainable values in the long term for all shareholders. It will be tough and challenging, but very exciting.

Despite the efforts to be transparent and open at the Annual General Meeting, some major concerns were raised. Was there a price to be paid for the changed business practices in Eurasia? What, and when, was the new generation telco going to deliver? When would there be an end to the investigations by the authorities? How big was the risk of the investigation spilling over to other countries?

A new business model was under implementation, but management had not convinced the market of SDN's prosperous future, and adding to the uncertainty, the company still had not reached a resolution with the authorities relating to the investigations of the Uzbek market entry. As for penalties, it was no longer a question if the company had to pay, but rather how much.

The Annual General Meeting in 2014 did not give the former CEO discharge of liability for 2013 (i.e., January 2013, when he was in charge before resigning).

INTENSIFYING (EXTERNAL) STAKEHOLDER INTERACTIONS

The new CEO spent considerable time broadcasting the vision and mission of SDN. He used all possible channels: formal, informal, virtual and face-to face. He did video blogs, wrote on the intranet and gave interviews to daily newspapers, magazines and radio. He took part in panel debates and discussions within the industry; he participated in the annual Davos meeting for top leaders of the world; and he talked to EU commissionaires. The stated objective was to inform stakeholders about progress in SDN, and to educate and also inspire people to take an active part in the digitalization of the telecom industry. The context varied but the overall message stayed the same. In one of his first interviews with the daily business magazine *Dagens Industri* (June 2013), the new CEO points out the need for SDN to be more innovative.

> We have to dare more. [...] We have to increase the pace and meet our industrial challenges. The industry is in an intense phase of development right now, and unless we are extremely fast and insightful about what is happening, we automatically end up behind. We must dare to take more risk in building the new generation telco, and move into related industries and related fields.

Even though the CEO persistently focused on SDN's future challenges, how management would address the increased competitiveness and the strategies for turning the company into a key player, the alleged corruption in the Eurasian markets continued to be the top story in the media. When SDN was mentioned in reporting, the word 'scandalous' was frequently used to set the scene. The Chair commented on the reporting. 'This morning, for instance, the reporting in the business news started with 'SDN, *burdened by scandals'*. It was so frustrating; we work so hard and people at SDN deserve to be portrayed without always being associated with the historical problems in Eurasia'.

The media turmoil kick-started by the investigative TV show continued. In addition, the Swedish government, the major stakeholder in the company, came forward and demanded explanations. The story would not go away; every day new facts came to light supporting the narrative that the media had chosen as their main storyline: SDN bribing its way to new markets. An external expert explained: 'The fact that the company initially denied the allegations did not help the work of the new board and management'.

Several initiatives were undertaken to invite external stakeholders into a dialogue about responsible and sustainable business in 'difficult markets'. The Head of Communication describes how SDN invited 15 investors and reporters to visit the operations in Eurasia. 'By getting a first-hand impression of how to do business in Eurasia and a better idea of the change and progress taking place, we hoped for more nuanced reporting on our business. It was a successful trip but after a week back in Stockholm facts about the former corruption started to reach the news desks again, and the reporting took on the same negative tone as before'.

Meanwhile, the Chair and the CEO fully acknowledged that the investigation of corrupt behaviour was not about a single transaction, but rather to find out if there was a pattern of illegal transactions which would not meet the ethical standards of the newly installed business practice.

ALL IN – (RE)DEFINING SUSTAINABILITY

Sustainability work within SDN was at the time clearly divided into two separate areas: responsible business, including compliance work and CSR-related issues regulating how to run the operations in a responsible and sustainable manner, and innovation and sustainability based on the new (corporate) value propositions, referred to as 'All In'.

The responsible business work was primarily targeted towards anti-bribery, corruption and the development of an ethical code encompassing freedom of expression and privacy, customer privacy, occupational health and safety, responsible procurement and environmental responsibility. This work was organized and led by the Chief of Ethics and Compliance Officer.

The All-In strategy focused on digital inclusion and was developed in parallel with the new business strategies, and thus as a way of building stronger societies and creating shared value. Four strategic objectives were identified: connecting the unconnected, education for all, a healthy and safe society, and digital entrepreneurship and innovation. As stated on the company's website: 'Connectivity and technology have significant effects on social progress. To leverage our core competencies and business to create shared value – combining social good with business benefits – we have created the All In strategy.'

The All In strategy was organized and led by Head of Corporate Development. She explained: All In is 'our way of doing sustainable and responsible business that is good for us and good for society'. The underlying argument is that providing internet access to people lacking this was a beneficent act in itself.

Acknowledging, however, that doing business in emerging markets and undeveloped countries could be extremely challenging, the CEO added:

> Experience from Eurasia tells us that the governments may well demand access to the net and tap into private telephone conversations. Being there, the only thing you can do is to make these requests as transparent as possible and thereby slowly initiate a change.

EXIT EURASIA

On the morning of September 17, 2015, the Head of Communication at SDN called a press conference. SDN's Chair and CEO approached the podium together. The top news for the day's conference was that SDN was leaving Eurasia.

The duo presented the rationale behind the decision. SDN would focus on the markets closer to home and over time fully leave Eurasia; the Board of Directors had decided to start preparing for a responsible exit. SDN would now concentrate on its other two business regions: Sweden and Europe. In the press release that was put out, they underscored that it was possible to do business in Eurasia, but that it was important to enter in the correct way. In the Annual Report for 2015, an explanation was given under the heading Leaving Region Eurasia Responsibly:

> The Board of Directors' decision to dispose of the operations in the Eurasia region would transform SDN. On the one hand, the margins in the region had been high, and historically the growth had been fast. On the other hand, it had been problematic in many ways to operate in the region. In some of the markets, we have unknown co-owners, and it is difficult to repatriate cash. This and other challenges in the region have required our attention and lots of resources. The decision to leave has been announced and will give us focus, strength, and energy to develop our operations in the Nordic and Baltic countries, where 80 per cent of our net sales come from. We have made progress in finding new owners for our operations in the region: We have, for example, been able to announce the sale of our subsidiary in Nepal. When we leave these markets and say goodbye to our good and competent employees, we must do it as carefully and responsibly as possible. We want to hand over well-managed operations with ambitious sustainability efforts and satisfied customers.

The Chair explained:

> When I first became chairman of SDN and visited some of the countries in the region, I believed everything was getting better. But the outcome has been the

> complete opposite – our operations have improved, but the general environment has gotten worse, the economy, politics, relations, etc. You simply have to do it right from beginning. We were set up to fail in Eurasia.

She continued: The option of leaving the Eurasian market had been discussed among the board on several occasions throughout 2015. There were several reasons for this: the steady stream of bad news regarding previous deals, legacy partnerships with the ruling elite and unethical behaviour that never seemed to end. The more they investigated, the more they found. Many of the intricate and sophisticated legal arrangements were simply too complicated to be solved or too time consuming. If you have entered a market in the wrong way, it becomes complicated to unwind the structures.

Elaborating on the exit decision, the CEO admitted that top management underestimated the allegations of corrupt behaviour. He had experience from other difficult markets in Asia and Africa, and he sincerely thought it would be possible to conduct business responsibly in Eurasia. Even though this turned out to be true, it had not been possible to take the markets to the next level as a consequence of SDN's legacy in the region. As time passed and the historical issues continued to cause problems, he, the executive management team, and the board started to reconsider the initial decision to stay in Eurasia. Several ongoing investigations requiring management focus, never-ending problems that sucked up energy and a growing conviction that Scandinavia and the Baltic-Nordic countries needed more investment, all paved the way for the exit.

The exit announcement triggered changes in the governance structure. The work that had been done to integrate Eurasia into the rest of the group came to an end. A separate structure was set up for the exit process. The work on performance management, responsible business, compliance and reporting continued, but ongoing commitment and involvement such as best-practice sharing, leadership development and long-term projects came to a halt.

The CEO carved out Eurasia and started to sell off stock, country by country, with Nepal being the first divested asset in April 2016 – the deal closed seven months after the announcement of the exit.

> As long as we have ongoing investigations in these countries, and as long as we stay, we will be in the headlines. Focus will be on the old, not on the new. We need to sell in order to refocus the business. Eurasia is now my responsibility, not

> an issue for the executive management group. I handle it as a responsible exit project with a separate board not to disturb the development of the new SDN.

Commenting on management's consistent assertions that SDN would stay in Eurasia, a member of the executive management group revealed that the initial clean-up of corruption took two years. 'Before the clean-up, it was not possible to sell the assets without risking huge criticism for irresponsible behaviour from stakeholders and the public'.

In the Eurasian operations, the reaction to the exit announcement was great disappointment. 'Many of the employees in the region had put their souls into the change process and felt a great excitement about the renewed management practices and the focus on responsible business' says the Chief Ethics and Corporate Compliance Officer. Several NGOs commented on the exit by saying that SDN was the one positive force in those markets, questioning whether the exit was truly a responsible act.

REDEFINING SUSTAINABLE BUSINESS MODELS

In 2015, the CEO repeatedly claimed that it was possible to build a new type of telecom business, and that there was a real need for such a model. He conceded, 'It is understandable that people want to stick to old, established business models, but the traditional way of doing business is threatened and will become obsolete. These models are unsustainable'. The CEO's mission, however, is not only to make SDN a new generation telco, but also to be a transformative force in the industry.

> People start to understand that we are leading the development to change the industry, and we have to change it from scratch. The biggest change is really about how we treat our customers. The customer today has a completely different way of buying services and communicating. On top of that, we have to regain trust from our customers and prove to them that we can handle customer information and customer data. For the last 20 years, we have locked our customers into long-term contracts and conditions, selling them services they weren't interested in in the first place. It is the image of the whole industry.

Moving from an 'ego-system' where the business models and competitors were known to everybody to an 'eco-system' where most of the competitors are unknown and the business models are undergoing disruption is a significant change. The CEO explains:

> We are challenged by internet players, content players, social media players, the Googles of the world, and all of them want to get hold of the communication component that historically was monopolized, but still is our core business. Thus we need to collaborate and compete at the same time with the same companies. We collaborate to learn as much as possible about innovation and end-customer behaviour, but we also have to compete to defend our customer base and our core business.

In June 2015, SDN announced that it had made an investment in a well-known music sharing company that had taken the traditional music industry and the rest of the world by surprise with its pioneering thinking and innovative approach to music distribution.

REBRANDING THE COMPANY AND THE NOMINATION OF A SUSTAINABILITY LEADERSHIP AWARD

In April 2016, the board announced the renaming of the company to 'Nordic Digital Network' (NDN), explaining that it was an important step in the transformation process. The evolving market environment and the transition to the era of the new generation telco called for another story based on an ambition 'to be something more to the customers', but still acknowledging the roots of the company.

Calling for a fresh start, the CEO added, 'The hardest thing in the change journey is the storytelling, internally and externally. To be able to express our history, our vision, our engagements and commitments is crucial'.

A few months later, the Head Office of NDN moved to a new building in a rapidly expanding business area in the north of Stockholm. With an activity-based working environment as the main concept, co-workers were invited to engage in networking and boosting relational capital.

In June 2016, NDN Company's Chair was nominated for a sustainable leadership award hosted by The Swedish Association for Sustainable Business. The Sustainable Leadership Prize is awarded to leaders in the Swedish business sector who through exemplary leadership have contributed towards social, economic and/or ecological sustainability in their organizations and in society. The purpose of the award is to draw attention to the work on sustainable development carried out in Swedish society and to increase interest in these areas. The nomination was for her systematic work, perseverance and innovative thinking, which has helped change a large organization operating in some of the world's most challenging markets.

Discussion

The case illustrates an interesting example of how decoupling, coupling and contingent coupling are used in parallel to enhance the transformation of a company suffering from a historical pattern of misconduct and misbehaviour. The new leadership inherits problems and the lingering effects of misbehaviour caused by previous leadership, and accepts a mandate where cleaning up the misbehaviour must occur simultaneously with the repositioning of the company in an emerging digital landscape. The new leadership includes both a new Chair of the Board and a new CEO. Addressing the dual assignment – cleaning up misconduct and building the new – the Chair and the CEO established a working process based on tight communication and separation of task and attention. Still, the overall responsibilities follow the Swedish practise of governance, where the Chair of the Board recruits the CEO, runs the Board, and chairs the Annual Meetings.

THE TAKING CHARGE PROCESS – AS A PARALLEL AND INTERTWINED PROCESS OF DECOUPLING AND COUPLING

From the very beginning of the taking-charge process, the Chair and the CEO exhibited a working pattern that could be interpreted in terms of decoupling and recoupling of talk and action. Taking an officialist view (see Egel-Zandén and Kallifatides 2010), discrepancies between corporate intentions and practices, or even differences in corporate talk for that matter, are regarded as a problem that needs to be overcome. This perspective takes particular interest in discrepancies and irregularities as manifestations of managerial irrationalities. Following the route of the (pragmatic) institutionalists, decoupling constitutes a strategy for dealing with competing demands, i.e., it is a highly functional technique for survival. The main idea is that social talk *should not* mirror practise, but rather should allow *both* legitimate talk (social actions) and effective action (practise) to be undertaken. This also means that stakeholder pressure can lead to alterations in talk (policies) without exerting any perceptible impact on practise. The extent to which the working pattern displayed by the Chair and the CEO represents an intentional strategy is not the chief issue of this paper. Rather, our focus is on describing how decoupling, recoupling and contingent coupling of talking and action takes the form of a simultaneously parallel and intertwined process, triggered by internal and external circumstances.

EXAMPLES OF DECOUPLING: ADDRESSING STAKEHOLDERS WITH DIFFERENT MESSAGES

Since decoupling is considered almost to be the default state in organizations dealing with competing demands and sustainability, situations in which such behaviour emerges are expected to be rather frequent during processes of transformation. Our case is no exception. The taking-charge process involving two new leaders and a two-pronged assignment – cleaning up misconduct in the region of Eurasia and building a model of the new telecom company – led to a division of the work on sustainability from the very beginning. The new Chair focused her attention on restoring and building trust. She initiated a full review process of operations in the Eurasia region and started involving stakeholders in a dialogue on how to run the process. She also took steps to recruit an Anti-Corruption Compliance Officer and strongly supported the development of a companywide anti-corruption program and strategy of transparency for the company website. Meanwhile, the new CEO focused on the strategic positioning of the company and internal affairs, thus pushing innovation and the positioning of SDN in the new digitalized landscape. He built internal relations, recruited the general management team (the GMT), initiated new internal processes for doing business (e.g., Leadership Boost and You First) and started devising and honing the vision of the new generation telco.

Even though the formal handover of the external review of Eurasia took place a year after the appointment of the Chair, the sustainability work continued with full force. The Chair's prime focus was still on restoring the brand, fielding questions related to how business was being done, seeking to boost transparency and collating proof of the company's moral and ethical behaviour. Meanwhile, the CEO continued pushing the new business model, launching the All In Strategy. The Chair and the CEO worked closely together, but they were facing different stakeholder groups. The Chair focused on owners, government representatives and the media, emphasizing ethical issues, while the CEO worked with employees and the telco industry, as well as interfacing with the media on the strategic positioning of the company.

Another example of decoupling was demonstrated when the exit from Eurasia was announced. The first action taken was to make Eurasia a separate organizational unit with its own management and governance. The integration work (including leadership training) came to an end, and the Eurasian business was no longer a matter of the general management group at SDN.

Yet another interesting manifestation of decoupling was initiated, this time by external actors, with the nomination of the Chair for a leadership sustainability award. Through this process, she was recognised as a role model for her perseverance and innovative thinking in the area of social and economic sustainability in business and the larger society.

EXAMPLES OF COUPLING: ADDRESSING STAKEHOLDERS WITH SAME MESSAGE

Following from the case, situations of decoupling of legitimizing symbols (talk) and operating practises (action) are identified along with situations where the Chair and the CEO demonstrate congruence in talk and actions, as well as situations where past, present and future were blended together (recoupling).

In 2013 and 2014, the Chair and CEO repeatedly declared that it was possible to do business in emerging markets and that SDN had no intention of leaving Eurasia. They admitted that the Eurasian countries were difficult markets to operate in, but contended that SDN planned to stay and conduct business in a responsible way. Together, they demonstrated a conviction that the company had the experience and capacity to do business responsibly in the region: 'We don't believe anyone can do it better'. There was also a mutual understanding between the Chair and the CEO regarding the scope and time frame for turning things around. They both communicated that they would handle the historical misconduct of the former leadership and lay the groundwork for the new generation telco.

Another example of coupling was the training program 'Leadership Boost' directed towards the top 200 executives and talents of the company. The main purpose was to implement and strengthen the new corporate values, thereby addressing the content of business (the what) and the way of doing business (the how) simultaneously. The implementation of 'You First' was, in a similar vein, a coordinated action to assign measures to the new goals.

The rebranding of SDN to NDN in 2015 could be seen as yet another example of coupling, this time as a moulding together of the past and future. The Chair and the CEO acted in concert in a staged performance signalling a new beginning where the new business model, the new corporate culture and the new ethical code were to be fully integrated.

EXAMPLES OF CONTINGENT COUPLING: ADDRESSING STAKEHOLDERS WITHIN A FRAMED SITUATION

The concept of 'contingent coupling' is presented as a mode of circumstantial shrinking of the gap between legitimating symbols (talk) and operating practises (action). Following Bartley and Egels-Zandén (2015), we interpret this as situations where stakeholders are addressed within a clearly framed situation. Components of the strategic communication and the presentation of the vital decisions seemingly created a temporal coupling and can therefore be characterized as a fleeting period of contingent coupling. A recurrent event is the Annual Meeting, when the Chair and the CEO faced the stockholders together and presented a well-rehearsed shared message. In 2013, the main message was the commitment of management and the board of directors to review the former leadership and to make right what had been done wrong.

Forming the general management group (the GMT) is another example where the message is contingent. The new GMT comprises members from within the company as well as externally recruited members. The internally recruited members disassociated themselves, in action, from the former leadership by supporting the British law firm's audit, hereby signalling that they were willing to change.

In the Annual Report of 2014, several statements were made declaring that a new era was beginning. The main focus was still on the clean-up of former leadership misconduct, but the report included a clear message about the future: the vision and mission of the new generation telco. At the Annual Meeting in 2015, the Chair and the CEO stated that the transformation of the company was still ongoing and proceeding apace, but that the clean-up of corrupt behaviour was taking more time than they expected.

The table below summarizes the actions and talks executed in parallel by the new leadership. Following from the discussion, some situations trigger decoupling – i.e., when talk and action diverge; when talk and action are separated in time; or when different instances of talk are addressed to different stakeholders. Other situations trigger coupling – i.e., when congruence in talk and action is called for, or in situations where the past and future come together in a constructed present. There are also examples of temporal coupling, where talk and action overlap, but within a framed situation (contingent coupling).

	DECOUPLING	RECOUPLING	CONTINGENT COUPLING
2013–2014	The new Chair and the new CEO enter the company. They divide the work on sustainability between them: The Chair focuses on negotiations and restoring trust (cleaning up historical misbehaviour and errors), while the CEO focuses on strategic positioning and internal affairs (pushing innovation and the positioning of SDN in the new digitalized landscape).	The Chair and the CEO both declare that it is possible to do business in emerging markets and that SDN will stay in Eurasia. They also express a common view regarding the scope and the timetable for turning the tables.	The reoccurring event is the Annual Meeting when Chair and CEO together face the stockholders and send a coordinated message. In 2013, the message was to review the former leadership and to make right what had been done wrong. The CEO forming a GMT sent a signal about who is in and who is out.1 The Annual Report of 2014 includes a clear mission and vision statement for the future. A new era is initiated.
2014–2015	The separation of sustainability work continues. The Chair´s prime focus is how things are done; transparency; and compliance with newly imposed ethical values. CEO is pushing the what issues, including launching the 'All In' strategy.	Leadership Boost, a training for the top 200 executives and talents, gets underway. The *what* and the *how* are addressed simultaneously. Turnover of management in Eurasia occurs. The implementation of 'You First' is an attempt to assign measurements to goals pertaining to *what* and *how*.	At the 2015 Annual Meeting, the Chair and the CEO declare 'in one voice' that the process of cleaning up in the wake of accusations of corruption is taking more time than they expected.

2015–2016	The exit from Eurasia. Eurasia is made a separate organizational unit with its own management and governance; it is no longer a matter of concern for SDN GEM. Chair is nominated for sustainability award. *What* and *how* still are not integrated in the rhetoric of new business models.	Rebranding of SDN to NDN. The map of stakeholders is changing as focus is moving towards the new generation telco.	Head office is moved to a new activity-based facility outside the city of Stockholm.

Table 1 A: Parallel and intertwined processes of decoupling and coupling

Taken together, the taking-charge process depicts decoupling, recoupling and contingent coupling as an intertwined process that reflected the complexity of the situations that the Chair and CEO had to manage. From a managerial point of view, both talk and action were ways of protecting the organization (from previous mistakes such as decoupling anti-corruption work and development of new business models), protecting themselves (by separation of issues but also by acting in concert), responding to different stakeholders with sometimes-conflicting demands (adapting to demands but simultaneously pushing for a new business model where another type of risk-taking was identified), and at the same time being able to uphold the image of leadership as a rational practise (adopting rationalized myths). Drawing on the notion that communication is performative, this case gives some support to the claim that aspirational talk could pave the way for social change, even if the organizations did not fully live up to their aspirations (Christensen 2013; Boiral 2007). The implementation of the You First program as an attempt to assign measures on goals addressing ethical behaviour, innovation and sustainability could at the same time be interpreted as a response to aspirational talk taking place in different contexts and arenas.

RESPONSIBILITY AND SUSTAINABILITY – EMBEDDED INTERPRETATIONS IN TRANSITION

The Chair and the CEO divided their work and responsibilities between them and addressed sustainability from two different platforms: anti-corruption and ethical behaviour on the one hand, innovation and digitalization on the other. The clean-up of corruption and misbehaviour is primarily a reactive process, but the main objective was to produce preventive policies and guidelines. The embedded context included the past, present and future, and the concept of risk was clearly related to possible misconduct, criminal behaviour and moral wrongdoing.

The innovation platform had a more future-oriented take on sustainability in which the prime focus was on developing new business models, where responsibility and sustainability were related to 'new ways of doing business'. The meaning of sustainability was embedded in an emerging eco-system where SDN's aspiration was to position itself as one of the frontrunners. For instance, the corporate value Dare signalled a conception of risk that was related to 'betting on a future and making investments big enough to be a key player' in that context. Yet another example of sustainability was the concept of transition, where meaning was defined by feasibility. In the beginning of 2014, staying in Eurasia was proposed as a strategy for effectuating sustainability. In late 2015, a strategic shift was announced where leaving Eurasia was considered a necessary step. Due to historical legacy and external pressure, the notion of sustainability was thus transformed to align with what was perceived as actionable at the time.

PLURAL LEADERSHIP AS AN ENHANCER OF SUSTAINABLE BUSINESS

Coupling and decoupling are processes taking place simultaneously, involving several individual actors. This creates gaps or 'slack' that allow the individual actors (in this case, the Chair and the CEO) to adapt and tweak the concepts of sustainability and responsibility in accordance with their perceived audiences or stakeholder groups. Parallel processes created flexibility to address different expectations, as well as to handle the notion that 'responsible behaviour' could have different meanings in different context.

Based on our case, we propose that the notion of leadership in plural and, more specifically, 'shared leadership' is useful for attaining a better understanding of how decoupling and coupling are acted out as both intentional strategies for responsible and sustainable business behaviour and as the results of external pressure and improvised action. Our findings suggest that shared leadership (i.e., pooling leadership resources at the top) may work as a role-modelling device for exploring new leadership practices, at the same time opening up a new understanding of how institutionalized processes can pave the way for a more efficient way of handling competing demands in complex environments (Waldman 2014). Our findings further imply that sharing leadership is not necessarily a choice, but could be interpreted as a practical solution devised to cope with plurality already present in the context. Drawing on the work of Denis, Langley and Sergi (2012), the key concern then is not to collectivize or pluralize leadership, but to channel pre-existing pluralism. This is a situation where 'leadership is taken, not given, and a plurality of leaders is needed because no single individual alone could conceivably bridge the sources of influence, expertise and legitimacy needed to move a complex social system forward constructively' (*ibid*: 66).

Conclusions

As stated in the introduction, this chapter aims for a better understanding of how responsibility and sustainability are being addressed by global actors in a stakeholder society. We clearly position our chapter in the stream of research recognized as pragmatist institutionalism, thereby claiming that rationality and rational behaviour is not primarily concerned with closing the gap between talk and action. Rather, we argue that sustainability in global contexts is far too complex to be addressed by prescriptive leadership models. Based on this case, we conclude that addressing sustainability in a stakeholder society demands an intricate pattern of talk and action, proactive and reactive behaviour, intentional strategies and improvisational and responsive activities. The case clearly shows that decoupling and coupling are not steady states, but rather parallel and intertwined processes, where the actors' understanding and interpretation of responsibility and sustainability are in constant flux. External pressure and internal aspirations come together to form new interpretations of what should be included in the categories of responsible leadership and sustainable business behaviour.

What we have depicted is a continuous and intertwined process of decoupling, recoupling and contingent coupling from the perspective of a relational leadership approach, thereby showing empirically how issues of sustainability