

Decoupling during emergent rationalization

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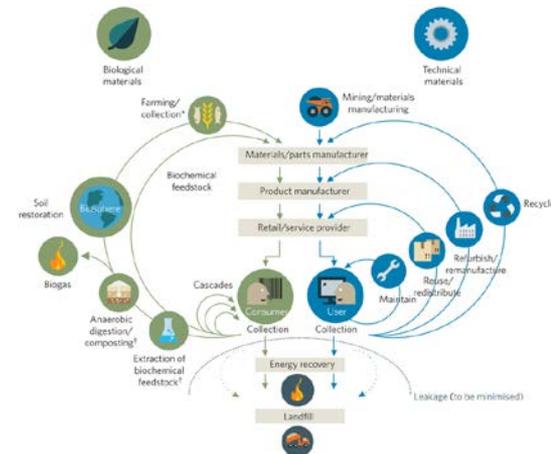


Decoupling

- Due to increasing rationalization, policy-practice decoupling is becoming more of means-ends decoupling (Bromley and Powell, 2012).
- However, rationalization is treated as a static, unequivocal and set condition providing clear prescriptions
- As rationalization occurs in a process prescriptions may be often varied, unclear and ambiguous – *in the making*
- What implications does this have for how firms decouple?

Circular economy as an emergent rationalization

- “evolves as various stakeholders debate means, ends, understandings and supporting institutions in connection with issues seemingly new to an organizational context”
- Circular Economy is a recent framing of (European) sustainability:
 - “An economy that is restorative and regenerative by design”
 - Focus on waste
 - Reuse, recycle and remanufacture



Emergent rationalization within Swedish apparel



H&M

Filippa K



Boomerang®

KappAhl®

JINDSKA

ginatricot

LINDEX

Cont...

- Three rationalizing efforts:
 - Swedish Environmental Agency
 - Nordic Council of Ministries
 - Mistra Future Fashion
- Efforts share understandings & prescribed ends...
- But shows a great variety when it comes prescribed means & suggested institutions...

Apparel firms' decoupling

Company	Turnover ¹ / Scope/employees	Data collection
H&M	19 644 ¹ Present in 61 countries ² 148 000 employees ²	Sustainability report, newspaper interview, videos, in-store observations
KappAhl	483 ¹ Present in 8 countries 4000 employees	Sustainability reports, interview sustainability manager, video, in-store observations
Lindex	373 ¹ Present in 18 countries 4870 employees	Sustainability reports, interview sustainability manager, video, in-store observations
Gina Tricot	226 ³ Present in 5 countries 1821 employees	Interviews sustainability manager, sustainability reports, in-store observations
Indiska	80 ¹ Present in 5 countries 368 employees	Sustainability reports, interview sustainability managers (1-2), in-store observations
FilippaK	56 ⁴ Present in 7 countries 134 employees	Sustainability reports, interview sustainability manager (twice) & store coordinator, in-store observations
Boomerang	23 ⁴ Present in 6 countries 89 employees	Interviews sustainability manager and marketing manager, in-store observations

Apparel firms' decoupling

- Firms' have implemented take-back systems



Apparel firms' decoupling

- Apparel retailers' business model demand tight-coupling between design, sourcing, logistics and retail.
- Decoupling by outsourcing
 - Third-parties handle everything beyond collection
- Decoupling by compartmentalizing
 - Collected clothes are handled in a separate process

Outsourcing I:collect



“Non-invasive actions”

- Actions that can be taken to align oneself with emerging rationalization
 - But does not invade on tight-coupled activities
 - Divert little resources
 - Entails elements that support prevailing business model

Discussion

- *Proposition 1: During emergent rationalization, a variety of means can be aligned with important societal ends, creating a leeway for firms.*
- *Proposition 2: When a leeway exists, firms choose to take action rather than engage in talk alone.*
- *Proposition 3: Non-invasive action enables firms to engage in more excessive talk than no action at all.*

But...

- *Proposition 4: When there is a leeway firms take action to determine what future “best-practices” should be.*
 - Restrict regulation
 - Action is legitimate that it can in fact break the law and no one will protest!
 - Create a standard for the industry
 - Difficult for alternatives
 - To do more or less than take-back systems

Questions?

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