



**European Forum on
Paradox and Pluralism**
Nova SBE Twinning Project

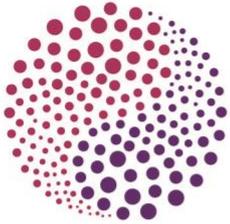
MANAGING PARADOX MINI-CASE SERIES

Addressing challenges of sustainability: The case of Interface Inc.

Ace Volkmann Simpson

Brunel Business School (Brunel University London)

May 2021



European Forum on Paradox and Pluralism

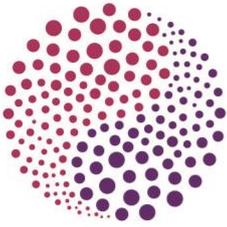
Nova SBE Twinning Project

THE CASE

Imagine you are the CEO for a company that manufactures flooring products that have a significant negative impact on the environment and on people's health due to their being made and installed using unsustainable petroleum based fibres, padding, adhesives, and further dyed and treated using toxic chemicals. Your competitors are ignoring the issues as there are no viable alternatives, recognising that is the nature of the industry. The tension here is between profitability and environmental-social impacts. What is the right thing for you to do in this situation?

This was the problem confronting Ray Anderson, founder and CEO of Interface Inc., one of the world's largest manufacturers of modular carpet for commercial and residential applications and a leading producer of commercial broadloom and commercial fabrics. Ray had made his fortune by recognising early in the 1970s, the potential of free lay carpet tile as a revolution in commercial floorcovering for modern open plan offices, founding Interface in 1973 and bringing the carpet tile concept to America. But just over two decades later, in 1994, Ray was confronted with a dilemma when a customer asked what his company was doing for the environment. Realising that he didn't not have a satisfactory answer to this question, operating in one of the most polluting industries, Ray set out to address Interface's environmental polluting problem, considering various options.

One way of looking at the problem was for Ray to see it in terms of a dualistic tension, explaining the situation in terms of binary categorizations operating as two separate forces: one good, the other bad; one right the other wrong. Such a view would suggest that Ray's choices are to either stay in a polluting industry, or to get out; either by transitioning to a different product or shutting down the businesses (which would also lead to employee redundancies). Another option is for Ray to view the problem as a paradoxical challenge, approaching the tensions in terms of synergy and trade-off. Synergy represents a higher-level articulation of opposites that transforms tension into complementarity.



European Forum on Paradox and Pluralism

Nova SBE Twinning Project

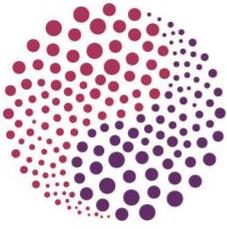
Questions for Discussion 1:

- What are the opposing tensions that Ray must address in this case?
- What are the strengths and limitations, threats and opportunities that become apparent from analysing the case according to dualistic or a paradox lens?
- Which of these approaches offers Ray the greater scope for progressive action?

Ray's Response

Ray challenged the Interface organization to transform the business inside and out, finding every opportunity to adopt more sustainable practices, launching Mission Zero. The company's "Mission Zero" initiative sought to achieve zero carbon emissions and use of virgin materials by 2020 through "seven fronts" (Stubbs and Cocklin, 2008, p. 109): (1) "eliminate waste" by making use of recycling, (2) "produce benign emissions" with no negative environmental impact, (3) use "renewable energy" as a substitute to energy from finite sources, (4) "close the loop" by redesigning products and processes into a cyclical flow of resources, (5) use "resource-efficient transportation" by reviewing plant locations and promoting telecommuting, video-conferencing, email use over travel and the offsetting and freight emissions, (6) practice "sensitizing stakeholders" by building a community of stakeholders who are aware of sustainability issues, and finally (7) "redesign commerce" from a products based to a services based model by buying back used flooring materials to facilitate customers in recycling their flooring products when refurbishing their businesses and homes. Anderson explains the overall vision of the company's long-term strategy:

"If we're successful, we'll spend the rest of our days harvesting yester-year's carpets and other petrochemically derived products, and recycling them into new materials; and converting sunlight into energy; with zero scrap going to the landfill



European Forum on Paradox and Pluralism

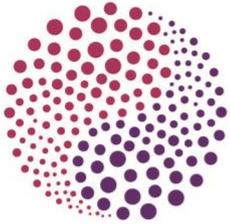
Nova SBE Twinning Project

and zero emissions into the ecosystem. And we'll be doing well... very well... by doing good. That's the vision" (Anderson, 2009, 1).

Interface's environmental initiatives have had a positive impact not only within the organization, but in changing practices across the flooring industry more broadly. In January 2019, ahead of its 2020 target, the company announced "Mission Zero Success" having achieved net zero impact across its operations. Interface has set a new Climate Take Back challenge, aiming to become carbon negative by the year 2040.

Questions for Discussion 2:

- What are the opposing paradoxical tensions that Ray has challenged the Interface team to integrate?
- What are some of the paradoxes embedded in the adopted strategies? (i.e. waste used as a raw material, notions of "benign emissions", "renewable energy", "tele-commuting", etc.).



European Forum on Paradox and Pluralism

Nova SBE Twinning Project

Useful Sources

Anderson, R. C. (2009). Sustainability and the Bottom Line: The Responsible Collusion of Economics, Social Responsibility, and the Environment. *The Journal of Values-Based Leadership*, 2(1), 2, pp. 1-8.

Hahn, T., Pinkse, J., Preuss, L., & Figge, F. (2015). Tensions in corporate sustainability: Towards an integrative framework. *Journal of Business Ethics*, 127(2), 297-316.

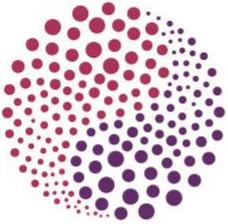
Interface (2019) Interface announces Mission Zero success, commits to Climate Take Back (November 4th) Available at: <https://www.prnewswire.com/news-releases/interface-announces-mission-zero-success-commits-to-climate-take-back-300949740.html>.

Kwun, A. (2019). How a carpet maker became an unlikely hero of the environmental movement. *Fast Company* (January 2nd), online: <https://www.fastcompany.com/90235407/how-a-carpet-maker-became-an-unlikely-hero-of-the-environmental-movement>

Stubbs, W. and Cocklin, C. (2008). Conceptualizing a “sustainability business model”. *Organization & Environment*, 21(2), 103-127.

About the Author:

Ace Simpson is Reader in Human Resource Management and Organizational Behaviour at Brunel Business School London and Research Advisor to the Centre of Positive Organizations, Ross School of Business, University of Michigan. Ace's research is concerned with paradox, Positive Organizational Scholarship, power and leadership. His main research focus is on the cultivation of organizational compassion. Ace's research has been published in top tier peer reviewed journals such as the *Academy of Management Review*, *Journal of Management* and *British Journal of Management*. Ace is also co-author of *Elgar Introduction to Organizational Paradox Theory* (Edward Elgar, 2021).



European Forum on Paradox and Pluralism

Nova SBE Twinning Project

TEACHING NOTE

The case discusses the importance of articulating business and sustainability dimensions as part of the same process. As discussed by Hahn and his co-authors (e.g., Hahn et al., 2015) sustainability is not a linear journey. Rather, it involves many contradictory choices with paradoxical attributes.

The case is especially useful for discussing the reasons why sustainability may be used as source of innovation and differentiation. In this sense, instead of imitating competitors because of the lack of alternatives, the case can be used to discuss paradox as a source of competitive advantage.

Areas: Paradox, sustainability, strategy, manufacturing

Keywords: Paradox, Sustainability paradoxes, strategy paradoxes