

Sustainable Innovation Challenges: Study of a Swedish MNC

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Introduction & aim of the study

Sustainable innovations (SI) are the innovations which connect new or upgraded processes, products, services, organizational and marketing methods that diminish the negativity or elevate the positivity of triple bottom line; environmental, social and economic (Aka, 2019). In developed countries' societies are solicitude about resource depletion, social discrimination, and natural impacts hence SI is a direction for continuation with optimistic way (Weidner et al., 2021). Therefore, companies are implementing SI practices as a response to the stakeholders and also as a competitive advantage (Afeltra et al., 2023).

In accordance with Fu et al. (2021), it is impossible for a firm to be operate in a Vacuum because firms' external environment has remarkable influence on their decision making, strategy conceptualization and implementation. To cope with the challenges of sustainable innovation which emerged in external environment such as technological and market turbulence, firms should have precise consideration and preparations with strategic approach (Nasiri et al., 2021). Cillo et al. (2019) illustrated strong dependency of the proper management of external environment on reaching SI goals of an organization. Keränen et al. (2021) and Hargadon (2015) also recognized that external environment may have direct and indirect impact on the SI capacity of a firm. Therefore, it is important to identify the external environmental challenges a firm faces to achieve its SI goals.

This study aims to explore the external environment challenges that a multinational corporation (MNC) faces to adopt SI. To address this aim the following research question is formulated:

What are the challenges for MNCs in their external environment while achieving their sustainable innovation goals?

Methods

The study employed a qualitative method based on an inductive approach. Semi-structured interviews were conducted to receive responses from key personals of a MNC that indulges in SI, to which a content analysis was later applied.

Results & findings

The objective of the study was to explore the external environment challenges that a multinational MNC faces to adopt SI. After critically analyzing the findings, it is discovered that declining resources is the main external resources challenge that the case MNC faces to adopt SI.

Conclusions & significance

This study identified declining resources as the main external resources challenge for MNCs willing to adopt SI. This identification enhanced the theoretical knowledge related to challenges faced by MNCs while adopting SI. This exploration will also help future researchers to set goal for further research on this area. The learning from this study will help the managers in MNCs that are willing to adopt SI to focus on the declining resources external challenge while taking managerial decisions related to SI.

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