

Structurally Reinforced: How Organizational Design Enables Sustainability-Oriented Intrapreneurship in Established Firms

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Abstract

Corporate sustainability commitments have proliferated, yet the translation of these commitments into durable organizational transformation remains poorly understood. This paper examines how sustainability-oriented intrapreneurs move from initiating green initiatives to institutionalizing them within established firms. Drawing on qualitative multiple-case research across IKEA and Natura & Co, including key informant interviews with a senior supply chain sustainability leader at IKEA and the Chief Advocacy Officer at Natura & Co, the study identifies four structural mechanisms through which institutionalization occurs: organizational culture as foundational enabling condition, governance mandates that formalize direction, performance measurement systems that reconfigure evaluative logics, and resource allocation mechanisms that enable experimentation and scaling. The findings extend agency-centric accounts of sustainability change by demonstrating that individual champions, however skilled, cannot secure durability without structural reinforcement. The paper also engages critically with the concept of the sustainability-oriented intrapreneur itself, incorporating an informant's distinction between intrapreneurship and what she terms “systempreneurship” – a form of change agency oriented toward systems-level transformation rather than firm-level innovation. Taken together, the findings reframe the green transition as an organizational design challenge: sustainability becomes institutionalized not through passion alone, but through the alignment of culture, governance, measurement, and resource allocation.

Keywords: *sustainability-oriented intrapreneurship, institutional embedding, green transition, organizational design, management control systems, systempreneurship*

1. Introduction

1.1 The Green Transition as an Implementation Problem

Across industries, firms publicly committed to ambitious sustainability objectives, including net-zero emissions targets, circular production models, biodiversity protection, and regenerative supply chains. These commitments are increasingly formalized through science-

based targets, integrated reporting frameworks, and stakeholder governance mechanisms. Yet commitment is reversible under shifting political or financial pressures. When political winds shift or financial pressure intensifies, firms that built sustainability on cultural enthusiasm and reputational positioning have proven willing to scale back.

Today, corporate sustainability finds itself under pressure from two directions simultaneously. From one side, greenwashing scandal, regulatory scrutiny under frameworks such as the EU Green Claims Directive, and a wave of litigation have exposed the gap between what firms say and what they do. From the other, a growing political backlash, particularly pronounced in the United States, where major financial institutions and corporations have publicly retreated from ESG commitments under shareholder and political pressure, has made sustainability a contested rather than consensual organizational priority. These developments have created increased uncertainty around the durability of corporate sustainability commitments.

The translation of sustainability commitments into substantive organizational transformation therefore remains the central problem. A substantial body of research documents persistent implementation gaps between rhetoric and practice (Meyer & Rowan, 1977; Bromley & Powell, 2012). Even where initiatives are genuine, many remain confined to pilot projects or innovation labs without achieving systemic integration – leaving firms exposed precisely when external pressure reverses.

The green transition is not only a strategic commitment problem; it is an implementation problem, and increasingly, a resilience problem. Moving from aspiration to embedding requires organizational change deep enough to survive political and financial headwinds. Commitment does not equal institutionalization. What makes the difference between firms that hold and firms that fold is the question this paper addresses.

1.2 Intrapreneurs as Change Agents and Their Limits

One influential stream of research identifies corporate intrapreneurs as key agents of internal change. Intrapreneurship literature emphasizes entrepreneurial action within established firms, highlighting how individuals mobilize resources, challenge routines, and initiate innovation from within organizational hierarchies (Burgelman, 1983; Zahra, 1991). These actors are often described as champions who navigate bureaucratic constraints, leverage

informal networks, and build coalitions to advance new initiatives. More recently, scholars have extended this lens to sustainability, examining how sustainability-oriented intrapreneurs promote environmental innovation, advocate for low-carbon transitions, and develop circular business models (Schaltegger & Wagner, 2011). This literature underscores the importance of agency in catalysing green initiatives within established firms.

However, an important limitation persists. Much of the intrapreneurship literature focuses on emergence: how initiatives are started, how champions mobilize support, and how ideas gain initial traction. Far less attention has been devoted to institutionalization: how initiatives move beyond pilot status, survive leadership turnover, and become embedded in organizational routines. Empirically, many sustainability-oriented initiatives stall. They remain confined to experimental programs, depend on the continued presence of particular individuals, or dissipate when organizational priorities shift. This suggests that individual agency, while necessary, may be insufficient for durable transformation. In summary, we have ample information on how sustainability initiatives commence but we know considerably less about what makes them durable.

1.3 Research Question

Addressing this gap requires shifting analytical focus from individual champions to organizational structures. If sustainability-oriented intrapreneurs initiate change, what enables their initiatives to scale and endure?

This study therefore asks: How do organizational structures enable sustainability-oriented intrapreneurs to implement and scale green initiatives within established firms?

Rather than treating intrapreneurs as isolated agents operating against structural inertia, this study examines how culture, governance systems, performance measurement architectures, and resource allocation mechanisms shape the institutionalization process. The central premise is that durability depends not only on agency but on structural reinforcement.

1.4 Contribution

This study makes three contributions. First, it extends corporate intrapreneurship theory from a focus on initiative emergence to a focus on institutional embedding. By examining how organizational design mechanisms stabilize sustainability initiatives over time, the study

shifts the analytical lens from champion-driven change to structurally enabled durability. Second, it contributes to sustainability implementation research by identifying the organizational mechanisms that translate strategic commitment into operational integration. The findings demonstrate that culture, governance mandates, measurement integration, and resource allocation interact to reduce discretion, reshape performance logics, and institutionalize sustainability within routines. Third, the study reframes the green transition as an organizational design challenge. Rather than viewing sustainability primarily as a moral imperative or strategic differentiation opportunity, the analysis highlights how structural alignment determines whether sustainability becomes symbolic or embedded. The study also engages with a conceptual provocation that emerged from the empirical material: the distinction, articulated by a key informant, between sustainability-oriented intrapreneurship and what she terms “systempreneurship”. This distinction, examined in the discussion section, has implications for how the field conceptualizes the relationship between firm-level change agency and systems-level transformation.

2. Literature Review

2.1 Sustainability as Organizational Transformation

Corporate sustainability has increasingly been framed as a strategic imperative. However, research consistently demonstrates that formal commitment does not automatically translate into substantive organizational change. Institutional theory provides one of the dominant explanations for this gap. Meyer and Rowan's (1977) seminal work on decoupling highlights how organizations adopt formal structures to gain legitimacy while maintaining underlying practices unchanged. Subsequent research has extended this insight to corporate sustainability, demonstrating how environmental policies and reporting practices may function symbolically, producing external legitimacy without internal transformation (Bromley & Powell, 2012).

Related scholarship distinguishes between symbolic and substantive sustainability. Symbolic adoption involves rhetorical commitment, disclosure practices, and selective compliance, whereas substantive adoption requires changes to core operational processes, resource allocation, and performance systems. A central challenge is the coexistence of competing institutional logics: firms operate within a dominant financial logic that prioritizes

shareholder value, while environmental sustainability introduces an alternative logic oriented toward long-term ecological stewardship (Hahn et al., 2015). Organizational actors must navigate trade-offs between environmental and financial objectives, often under conditions of uncertainty.

Recent scholarship on sustainability transitions emphasizes that transformation requires internal alignment rather than episodic innovation. Embedding sustainability entails integrating environmental objectives into governance structures, measurement systems, and everyday decision-making processes. What remains less understood is how this embedding occurs within established firms.

2.2 Corporate Intrapreneurship: From Emergence to Embedding

Corporate intrapreneurship research provides a complementary lens on internal change processes. Early work by Burgelman (1983) conceptualizes internal corporate venturing as an autonomous strategic behaviour emerging within established firms. Subsequent scholarship emphasizes the role of organizational context in fostering entrepreneurial action within corporate structures, identifying enabling conditions including managerial support, access to resources, tolerance for failure, and autonomy (Kuratko et al, 2001; Hornsby, Kuratko & Zahra, 2002).

More recent extensions have examined sustainability-oriented intrapreneurs — actors who promote environmental innovation, advocate for circular business models, and attempt to align corporate strategy with ecological imperatives. However, much of this literature remains focused on initiative emergence. The dominant question has been: under what conditions do entrepreneurial initiatives arise within established firms? Far less attention has been devoted to what happens after emergence: how intrapreneurial initiatives move from pilot status to organizational routine, how they survive beyond the tenure of individual champions, and under what conditions they become embedded in governance systems and performance architectures.

This limitation is particularly salient in the sustainability domain. Empirical evidence suggests that many sustainability initiatives remain localized, experimental, or dependent on individual advocates. The persistence of decoupling in corporate sustainability raises the

possibility that intrapreneurial agency alone is insufficient to secure institutionalization. Emergence does not guarantee embedding; a theoretical shift is therefore required.

2.3 Organizational Culture as Enabling Condition

Before examining the formal structural mechanisms that stabilize sustainability initiatives, it is necessary to consider culture as a foundational precondition. Schein (2010) distinguishes between artifacts, espoused values, and underlying assumptions as layers of organizational culture. Shared values and identity narratives create what might be called a permission structure, normative legitimacy for particular kinds of action. In organizations where sustainability is culturally embedded, actors can initiate cross-functional conversations, surface unconventional ideas, and build coalitions with less friction than in organizations where sustainability sits outside the cultural mainstream.

This framing positions culture not as a supplement to structural mechanisms, but as the condition that makes structural mechanisms meaningful. Governance mandates are interpreted through cultural frames; measurement systems gain or lose salience depending on what the organization's culture valorises; resource allocation choices reflect implicit normative assumptions about what matters. Without cultural alignment, structural mechanisms risk being experienced as external impositions rather than expressions of organizational purpose.

At the same time, culture alone is insufficient to institutionalize sustainability. Informal norms and shared values can generate enthusiasm and initiate action, but they do not, in isolation, bind behaviour, redirect resources, or survive leadership transitions. The relationship between culture and structure is therefore bidirectional: culture enables structural mechanisms to take hold, while structural mechanisms reinforce and reproduce culture over time.

2.4 Governance, Measurement, and Resource Allocation as Structural Reinforcers

Beyond culture, organizational theory identifies three structural mechanisms particularly relevant to the institutionalization of sustainability initiatives. Governance structures define decision rights, authority distribution, and strategic mandates. Formal targets, board-level

oversight, and codified policies reduce interpretive flexibility and signal priority. In the sustainability domain, governance may include climate targets, stakeholder commitments, and supplier mandates embedded in contractual relationships. Governance mechanisms can transform discretionary initiatives into non-negotiable expectations (Simons, 1995).

Management control systems shape what organizations measure, reward, and prioritize. Performance measurement systems, including KPIs, budgeting processes, and reporting frameworks, constitute the evaluative infrastructure of the firm. When sustainability metrics are incorporated into performance systems, they alter accountability structures and, crucially, render individual belief or conviction less relevant: behavioural adaptation follows structural evaluation. Research on integrated reporting and multi-capital accounting suggests that expanding performance measurement beyond financial indicators can reshape decision-making logics (Eccles & Krzus, 2010).

Resource allocation processes determine whether initiatives can move beyond experimentation. Innovation requires funding, personnel, and time. Formalized innovation platforms, internal venture funds, and structured experimentation channels provide material support for scaling. Without dedicated resources, sustainability initiatives risk remaining symbolic or pilot-level regardless of the sincerity of commitment.

While the framework resonates with the levers-of-control literature (Simons, 1995), this study departs from that tradition in two important respects. First, culture is not conceptualized here as a managerial lever deployed instrumentally, but as a foundational precondition that shapes the interpretability and legitimacy of formal controls. Second, rather than focusing on control systems as tools of strategic implementation, this study examines how multiple organizational design domains interact to reduce discretion and stabilize sustainability within routines. The emphasis is therefore not on control as managerial technique, but on structural reinforcement as a condition of institutional durability.

2.5 Toward an Integrated Structural Perspective

Existing scholarship presents two partial explanations: sustainability research establishes that embedding environmental objectives within established firms is difficult and frequently decoupled; intrapreneurship research establishes that individual actors can initiate change under supportive conditions. Neither tradition, on its own, explains how initiatives move

from emergence to institutionalization. The gap is not empirical but theoretical: the field lacks a framework that connects the agency of sustainability champions to the structural conditions that determine whether their initiatives endure.

This study fills that gap by advancing what we term the structural reinforcement model of sustainability institutionalization. The model advances an argument that intrapreneurial agency is necessary but structurally insufficient. Passion, persuasion, and coalition-building can initiate sustainability change, but they cannot secure it. Durability requires the alignment of four organizational mechanisms: culture as enabling precondition, governance as directional mandate, measurement as performance logic reconfiguration, and resource allocation as material enablement – that together reduce discretion, embed accountability, and stabilize sustainability within routines. Where this alignment is absent, initiatives remain fragile regardless of the quality of the champions behind them. Where it is present, sustainability becomes institutionalized rather than episodic.

3. Methodology

3.1 Research Design

This study employs an exploratory qualitative multiple-case study design (Yin, 2018; Eisenhardt, 1989) to examine how organizational structures enable sustainability-oriented intrapreneurs to implement and scale green initiatives within established firms. Case study research is appropriate when investigating contemporary phenomena within their real-life context, particularly where boundaries between phenomenon and context are blurred — as is the case here, where governance systems, performance architectures, resource allocation processes, and cultural norms are deeply embedded in organizational structures and cannot be meaningfully isolated through variable-based methods.

The study follows the logic of analytical generalization rather than statistical generalization (Yin, 2018): the objective is to refine theoretical understanding of the structural mechanisms that support sustainability embedding. Multiple-case designs enhance robustness through replication logic (Eisenhardt, 1989), and convergent findings across distinct organizational contexts strengthen theoretical inference.

3.2 Case Selection

Cases were selected using theoretical sampling (Eisenhardt, 1989; Yin, 2018). IKEA and Natura & Co were chosen because both firms have publicly articulated long-term sustainability strategies and are widely recognized for integrating environmental objectives into corporate governance structures. IKEA's Agenda 2030 framework and related sustainability strategies have earned the company recognition in the Dow Jones Sustainability Index and CDP climate leadership assessments. Natura & Co holds B Corp certification and has been consistently included in sustainability indices and global rankings including the Corporate Knights Global 100.

These recognitions are not used to claim normative superiority, but to justify the cases as theoretically revelatory (Yin, 2018) settings in which sustainability is strategically central rather than peripheral. Studying firms that have formalized sustainability commitments enables examination of structural embedding mechanisms in contexts where sustainability-oriented intrapreneurship is expected to operate under supportive conditions.

The cases also offer meaningful variation across industry and organizational architecture. IKEA operates as a global home-furnishing retailer with a procurement-driven sustainability model emphasizing supply-chain decarbonization and supplier standards. Natura & Co operates in the cosmetics and personal care sector and has embedded sustainability into governance structures through multi-capital accounting and B Corp commitments. This cross-sector variation allows identification of convergent structural mechanisms across distinct institutional contexts.

3.3 Data Collection

Data collection combined semi-structured key informant interviews and documentary analysis to enhance construct validity through triangulation (Yin, 2018). Primary data consist of in-depth semi-structured interviews with two senior practitioners: a supply chain sustainability leader at IKEA responsible for integrating sustainability objectives within supplier networks, and the Chief Advocacy Officer at Natura & Co, directly involved in sustainability governance and strategic positioning. Both informants hold positions of significant strategic authority in their respective organizations, providing visibility into organizational decision-making processes that would not be accessible through middle-management interviews alone.

The selection of senior-level informants was deliberate. Elite interviewing is particularly appropriate when examining governance systems, performance architectures, and resource allocation processes that are not fully visible at lower hierarchical levels. Senior practitioners possess cross-functional visibility and decision-making authority, enabling insight into structural alignment that would be inaccessible through middle-management interviews alone. The objective of this study is not representativeness but structural inference; accordingly, elite informants were selected for their capacity to articulate organizational design dynamics rather than for demographic breadth. Documentary triangulation further reduces the risk of anecdotal interpretation by grounding interview accounts in formal governance texts and reporting structures.

Interview protocols were informed by literature on corporate entrepreneurship (Burgelman, 1983; Zahra, 1991) and sustainability implementation (Hahn et al., 2015). Questions addressed governance structures, performance measurement and control systems, resource allocation mechanisms, and cultural norms. Interviews were conducted virtually, recorded with consent, and transcribed verbatim.

To strengthen construct validity, interview data were supplemented with corporate documents including IKEA's Agenda 2030 climate commitments, IKEA's foundational cultural text *The Testament of a Furniture Dealer*, Natura & Co's Vision 2025–2050 roadmap, public sustainability and governance reports, and corporate disclosures and integrated reporting materials. Triangulation reduces reliance on single informant perspectives and strengthens internal validity (Yin, 2018).

3.4 Data Analysis

Data analysis followed an iterative, theory-informed thematic coding process (Gioia, Corley & Hamilton, 2013; Yin, 2018). Initial coding drew on sensitizing concepts from prior research on corporate intrapreneurship and sustainability implementation. Through within-case analysis followed by cross-case comparison (Eisenhardt, 1989), four recurring mechanisms emerged: organizational culture, governance mandates, performance measurement integration, and resource allocation. The ordering of these mechanisms in the findings section reflects the sequence in which they were theorized by informants rather than an assumed causal priority: culture was positioned by both informants as foundational, with governance, measurement, and resource allocation functioning as structural reinforcers.

Cross-case comparison was used to identify convergent patterns and refine the conceptual model.

4. Findings

This study examines how sustainability-oriented intrapreneurial initiatives become institutionalized within established firms. Across both cases, the data reveal that institutional durability emerges through the alignment of four mechanisms: culture as enabling precondition, governance as directional mandate, measurement as performance logic reconfiguration, and resource allocation as material enablement. These mechanisms do not operate independently; they interact to enable action, reduce discretion, and stabilize sustainability within organizational routines.

4.1 Culture: The Foundational Enabling Condition

Both informants positioned culture as the precondition for everything else, a finding that inverts the conventional treatment of culture in sustainability implementation research, where it is typically listed last or treated as supplementary to formal systems.

The Natura informant was explicit about this sequencing:

"I start with culture because I think sometimes culture is not given enough credit for how critical it is. It's what enables people to go and have a conversation with someone else who can then unlock other insights or resources across the business. There needs to be almost a base condition that enables people to understand why this is important to do."

She offered a striking operational definition: culture is what people do when nobody is looking. This framing captures something important, culture operates precisely in the spaces governance and measurement cannot reach. It governs discretionary behaviour: the informal conversations that surface new ideas, the willingness to push back on financial logic, the instinct to frame a procurement decision through an environmental lens even when no one is requiring it.

At IKEA, the cultural substrate is codified in The Testament of a Furniture Dealer, the foundational text written by Ingvar Kamprad that continues to be actively deployed in

leadership programs, partner forums, and organizational onboarding. The IKEA informant described sustainability as part of the “company's DNA”, not an external mandate but a reflection of core organizational values around responsibility-taking, cost-consciousness, and community stewardship.

"As an organisation, we shouldn't see that sustainability is like an add on, it should be an integral part of everything we're doing when we're doing business with companies. And that business includes how we produce the products, what material choices we have, how we transport the product, everything."

She observed that within IKEA, co-workers are entrepreneurial because it is part of the spirit of the organization, a disposition embedded in the cultural foundations rather than produced by formal incentives.

However, both informants were equally clear that culture alone is insufficient. The Natura informant cautioned explicitly against over-reliance on cultural commitment, arguing that governance and reporting structures are necessary to operationalize ambition. Culture provides permission; structure provides obligation. The findings suggest that culture should be understood as a precondition that makes structural mechanisms interpretable and legitimate, not as a substitute for them.

4.2 Governance: Institutionalizing Direction

In both firms, sustainability is formalized through governance structures that transform strategic aspiration into binding organizational direction.

At IKEA, the introduction of a near-term reduction target marked a critical shift. The IKEA informant described the effect precisely:

"Round about 2021, coming into 2022, we said okay, but now you need to deliver half of it by 2025. And that suddenly got everybody moving. It took out this discussion point, because it's not a discussion. And if you have KPIs set on the right targets, then people will make a move, whether they believe it or they don't believe it – it becomes a bit irrelevant."

This observation highlights a critical mechanism of institutionalization. When sustainability metrics are embedded within performance evaluation systems, behavioural compliance no

longer depends on individual conviction. Accountability structures substitute for belief alignment. In this sense, measurement architecture functions as a structural equalizer, standardizing sustainability performance across heterogeneous managerial orientations.

The shift from long-horizon aspiration to near-term obligation restructured the conditions under which sustainability action occurred. Sustainability ceased to function as a voluntary commitment dependent on managerial conviction and became an operational requirement embedded in planning cycles and accountability systems. This shift illustrates how compressing long-term ambitions into near-term milestones can function as a mobilization mechanism. Long-horizon sustainability commitments can remain abstract and psychologically distant, permitting deferral and discretionary interpretation. By introducing binding near-term milestones, governance structures convert aspiration into immediacy. The compression of time horizons reduces interpretive flexibility and increases perceived accountability, accelerating implementation across organizational layers.

Importantly, governance extends beyond internal strategic alignment. Supplier relationships are governed by explicit sustainability conditions, renewable energy transition requirements, water-reduction roadmaps, and compliance with IKEA's IWAY code of conduct. The IWAY framework sets minimum expectations covering child labour, forced labour, chemicals handling, and safe working environments. These expectations are embedded within contractual and procurement structures rather than framed as voluntary guidelines. As the informant emphasized, compliance is not negotiable. Sustainability becomes structurally linked to supplier eligibility and procurement authority.

Natura exhibits a parallel, though distinct, governance configuration. Vision 2050 articulates a long-term regenerative trajectory structured around climate stability, biodiversity protection, and social equity. B Corp certification embeds stakeholder accountability within corporate bylaws and expands fiduciary responsibility beyond shareholder primacy. The Chief Advocacy Officer described governance as clarifying how decisions are made and who makes them, extending to micro-level processes in which advocacy initiatives undergo formal review across legal, finance, and public affairs functions before proceeding.

Across both cases, governance functions as directional lock-in. It reduces managerial discretion, stabilizes expectations, and signals temporal durability. Sustainability-oriented

intrapreneurs operate within systems that have already codified direction. Institutionalization thus begins not with persuasion, but with structured mandate.

4.3 Measurement: Reconfiguring the Performance Logic of the Firm

If governance establishes direction, measurement reshapes what the organization values and, crucially, what behaviour it produces regardless of internal conviction.

At IKEA, sustainability metrics are embedded within performance evaluation systems. The integration of renewable energy adoption, footprint reduction, and material efficiency targets into KPIs reorients accountability structures. The informant described the transformation this produced:

"Since the KPIs started really integrating these sustainability metrics, that conversation just kind of went away. Because it's directly affecting people personally now. It became a bigger group that was like, okay, yeah, this is directly affecting me. Whether you do it for IKEA or you do it for yourself – you're going to do it."

This is a critical empirical observation: integrating sustainability metrics into individual performance evaluation rendered personal belief structurally irrelevant. Behavioural compliance followed from measurement architecture, not moral conviction, precisely the mechanism through which formal commitments avoid decoupling.

Natura extends this reconfiguration through its Integrated Profit & Loss (iP&L) framework, which monetizes environmental and social externalities across four capitals: financial, human, social, and natural. By assigning economic value to positive and negative impacts, the organization integrates sustainability into core decision-making architecture rather than reporting it as supplementary disclosure.

What is particularly significant, and theoretically distinctive, is the non-offsetting logic that governs the iP&L. The Natura informant was emphatic on this point:

"We know we will only be regenerative when we are creating positive externalities across all four of those capitals. And the really important thing is they don't offset each other. It's not that we're doing really well in the social and really poorly on natural capital and that we can

call that regenerative. To be regenerative, we need to be positive across all four: human, social, natural and financial capital."

This non-offsetting requirement represents a harder and more demanding evaluative logic than conventional multi-capital accounting frameworks, which typically allow trade-offs between capital types. By ruling out offsetting, Natura's iP&L forecloses a common organizational workaround whereby environmental harm in one domain is neutralized by social or financial performance in another. Sustainability initiatives gain structural legitimacy not merely because their impacts are measured, but because the measurement framework prohibits compensatory rationalization.

4.4 Resource Allocation: Enabling Experimentation and Scaling

Governance and measurement create direction and accountability. However, institutionalization requires material support. Without dedicated resource allocation mechanisms, sustainability initiatives risk remaining symbolic or confined to pilot programs regardless of the sincerity of the surrounding governance and measurement infrastructure.

At IKEA, formal innovation infrastructures, including Design and Innovation Network (DIN) forums organized around energy, materials, and product development, enable employees to propose and secure funding for sustainability-related initiatives. The IKEA informant described the process: anybody can go to these forums with an idea, show what they have seen or tried, and pitch for funding. This mechanism institutionalizes experimentation within a structured target environment, creating a legitimate pathway from observation to resource-backed project.

Beyond internal channels, IKEA co-invests with suppliers in circular material solutions. The informant described one example in which a supplier company pioneered chemical recycling of foam waste, liquefying production scrap for reprocessing into new product, and then, in partnership with IKEA's retail arm, extended the process to end-of-life consumer products. This co-investment model distributes both the cost and the learning from sustainability innovation across the supply network, facilitating diffusion beyond any single firm.

Supplier roundtables and Partner Days forums create additional learning and inspiration mechanisms. The informant recounted a moment at the 2019 Partner Days when a major

supplier publicly committed to exceeding IKEA's renewable energy timeline — and the effect this had on the room:

"He actually stood up in this forum and said, we're going to do it, but we're going to do it faster than you want us to. And that really kind of — all the rest of them, it was like, oh. You couldn't ask for that. You couldn't pay for that."

Beyond formal mandates, such public commitments function as peer signalling mechanisms within the supplier ecosystem. Visible overperformance by leading partners generates normative pressure and accelerates diffusion among others. Structural reinforcement thus operates not only through internal governance but also through field-level signalling effects.

At Natura, investment decisions are filtered through governance commitments and iP&L criteria. The socio-bioeconomy model – exemplified by the Ucuuba tree ingredient sourcing initiative, in which Natura partners with Amazon community cooperatives to regeneratively harvest seeds that would otherwise be felled for low-value products – illustrates how resource allocation simultaneously reinforces governance commitments and generates multi-capital returns. The initiative generates community income, protects biodiversity, preserves carbon sequestration, and creates financial value, without any single capital offsetting harm in another. Initiatives like Natura's Ucuuba sourcing model resonate with broader bioeconomy dynamics observed in the Brazilian Amazon, where Indigenous and locally rooted economic activities demonstrate how forest-based value chains can generate income while protecting ecosystems and strengthening community governance.

4.5 Cross-Case Synthesis: Structural Reinforcement and Institutional Durability

Taken together, the findings indicate that sustainability-oriented intrapreneurship becomes institutionalized when culture and structural mechanisms align. The four mechanisms interact sequentially and mutually: culture creates the normative permission structure that allows sustainability initiatives to be initiated and cross-functional conversations to occur.

Governance translates aspiration into obligation, reducing the discretion through which sustainability might otherwise be deprioritized. Measurement reshapes what the organization evaluates and rewards, rendering personal conviction structurally less consequential than

formal accountability. Resource allocation provides the material infrastructure that allows initiatives to move from pilot to organizational routine. As the Natura & Co informant details, *"Governance alone isn't enough. Rules and structures are not enough. You need to have the culture and you also on the other side need to have the reporting models in order to make sure you've got the right information to fuel those decisions."*

Misalignment between these mechanisms produces fragility. Culture without governance yields symbolic enthusiasm, shared values that produce conversation but not constraint. Governance without measurement produces inconsistent accountability, commitments that are formally stated but not operationally embedded. Measurement without resources stalls implementation, accountability structures that identify what must change without providing the means to change it. Resources without cultural alignment risk compliance without conviction, spending that meets formal requirements without generating the organizational learning and identity investment that sustain initiatives through leadership transitions.

The findings from these two cases suggest that green transformation in established firms may not be sustained through individual champions alone. It is structurally reinforced through the alignment of organizational design mechanisms that enable action, reduce discretion, embed accountability, and ensure material support.

5. Discussion

The findings should not be interpreted as structurally deterministic. Intrapreneurial agency remains necessary for initiating sustainability change, mobilizing coalitions, and navigating organizational complexity. Structural mechanisms do not replace agency; rather, they shape the conditions under which agency translates into durable institutionalization. The analysis therefore highlights interaction between agency and structure rather than privileging one over the other.

5.1 Theoretical Contributions

From Emergence to Institutionalization

First, this study extends corporate intrapreneurship research by shifting attention from initiative emergence to institutional embedding. Prior work emphasizes how autonomous behaviour arises within established firms (Burgelman, 1983; Zahra, 1991) and how managerial support and organizational context foster intrapreneurial action (Kuratko et al., 2001; Hornsby et al., 2002), with more recent extensions applying these insights to sustainability-oriented intrapreneurs (Schaltegger & Wagner, 2011). Yet this literature consistently stops at emergence, treating the initiation of change as the explanatory endpoint rather than the starting point.

The findings of this study suggest that emergence does not guarantee embedding. Sustainability initiatives may gain initial traction through intrapreneurial agency, yet remain vulnerable to leadership turnover, financial pressure, or shifting priorities if they are not structurally reinforced. By demonstrating how culture, governance, measurement, and resource allocation mechanisms stabilize sustainability initiatives over time, this study extends intrapreneurship theory toward institutional durability, connecting corporate entrepreneurship research with institutionalization theory (Tolbert & Zucker, 1996).

Unlike institutionalization theory, which emphasizes the gradual sedimentation of practices over time, this study identifies specific organizational design domains through which sustainability becomes stabilized. And unlike CSR control system literature, which typically treats culture as one control among others, this framework positions culture as a foundational enabling condition that precedes and legitimizes formal reinforcement mechanisms.

Structural Reinforcement and the Reduction of Decoupling

Second, the study contributes to sustainability implementation research by identifying mechanisms that reduce decoupling. The cases examined here suggest that decoupling becomes less likely when sustainability is integrated into organizational culture as a shared value, formalized through governance mandates, embedded in performance architectures, and supported through dedicated resource allocation. Rather than assuming that sustainability commitments inherently produce transformation, this study specifies the organizational conditions under which coupling becomes durable.

Systempreneurship and the Limits of Firm-Level Change Agency

Third, and in partial tension with the paper's framing, a significant conceptual provocation emerged from the empirical material. While the empirical focus of this study remains firm-

level embedding, this conceptual provocation highlights the limits of a purely organizational lens. The Chief Advocacy Officer at Natura explicitly rejected the intrapreneur label when applied to herself:

"I would never define myself as an intrapreneur. I used to. But where I've gotten clearer is I like to call it a systempreneur. It doesn't matter where I'm working — I can be an entrepreneur, an intrapreneur — but what I'm interested in is the systems change. A systempreneur is someone who can make sense of really complex situations and find a path through what would otherwise be quite paralytic complexity. They can host unusual conversations amongst people that wouldn't necessarily connect. It's not about their ideas. I see my role as really building a groundswell around other people's ideas."

This distinction is not merely terminological. The intrapreneur, as theorized in the management literature, operates primarily within the firm — initiating change within existing organizational boundaries, mobilizing resources, and advancing innovations through corporate structures. The systempreneur, as articulated by this informant, operates across boundaries: between firms, between sectors, between institutional actors, and between the formal structures of governance and the informal dynamics of social movements.

The sustainability domain may have affinity for systempreneurship rather than conventional intrapreneurship. As the informant observed, individual firms can achieve remarkable internal sustainability performance while the broader systems within which they operate remain fundamentally unchanged. Net-zero businesses do not automatically create a net-zero world. The advocacy function she performs, engaging with global disclosure standards, supporting grassroots movements, connecting institutional actors, operates at a level of analysis that firm-level intrapreneurship theory is not designed to address.

"The planet is still burning, and we are still seeing mass levels of extinction. So, it's not good enough just to be focusing on what your own business is doing. You need to be advocating at a systems level to drive the changes of the system."

This finding suggests a productive extension of the framework developed in this paper. If organizational structures enable sustainability-oriented intrapreneurs within firms, what structural conditions enable systempreneurs to operate across firms and systems? The answer likely involves inter-organizational governance mechanisms, cross-sector measurement

frameworks, and collaborative resource pooling – extensions of the four mechanisms identified here, operating at the systems rather than the firm level.

The study retains the intrapreneur framing for analytical purposes, as the organizational embedding process it examines remains fundamentally firm level in character. However, the systempreneur concept points toward a necessary extension of the research agenda: understanding how sustainability practitioners who bridge organizational and systems levels produce and sustain change that individual firms, however well-designed, cannot achieve alone.

Sustainability as an Organizational Design Challenge

Fourth, the study reframes green transition as an organizational design problem. Sustainability is often treated either as a normative imperative or as a strategic positioning tool. Both perspectives underemphasize the structural architecture through which sustainability becomes institutionalized. By examining how culture, governance systems, management control mechanisms, and resource allocation processes interact to enable or constrain institutionalization, this study connects sustainability implementation with broader debates in organizational design and control systems (Simons, 1995; Arjaliès & Mundy, 2013). Organizational design determines whether sustainability remains discretionary or becomes embedded.

5.2 Managerial Implications

First, build cultural foundations before structural mechanisms — but do not stop there. Culture creates the normative permission structure that makes governance mandates interpretable and measurement systems legitimate. Investing in cultural alignment through shared narratives, identity work, and leadership modelling creates the conditions under which structural mechanisms can take hold. Culture alone does not institutionalize sustainability; it enables the structural reinforcement that does.

Second, translate long-horizon targets into near-term binding obligations. The shift from distant aspiration to near-term accountability was identified in both cases as a critical turning point. Making sustainability non-negotiable within planning cycles and performance evaluation reduces the discretion through which sustainability might otherwise be deprioritized. As the IKEA data demonstrate, when sustainability metrics enter individual

performance evaluation, compliance follows from structural incentives rather than personal conviction.

Third, extend performance measurement beyond financial metrics — and resist offsetting logic. Integrating environmental and social criteria into evaluation systems transforms sustainability from aspirational rhetoric into operational accountability. Multi-capital frameworks that prohibit offsetting, as exemplified by Natura's iP&L, produce a harder evaluative discipline than frameworks that allow compensation across capital types. This is also a more honest reflection of ecological reality: genuine regeneration requires improvement across all dimensions of impact, not the appearance of net-positive performance through creative accounting.

Fourth, establish formal funding channels for sustainability experimentation and scale. Innovation platforms, supplier co-investment arrangements, and structured experimentation processes provide the material support necessary for initiatives to move beyond pilot status. Without dedicated resource allocation mechanisms, governance and measurement structures will identify what must change without providing the means to change it.

Fifth, take systems-level change seriously alongside firm-level transformation. As the systempreneurship insight suggests, firms that optimize their own internal sustainability performance while operating within fundamentally unchanged systems may be entrenching rather than transforming those systems. Advocacy, coalition-building, and engagement with cross-sector governance structures are not peripheral activities – they are complements to internal organizational design.

5.3 Limitations and Future Research

This study has several limitations. First, the analysis is based on two qualitative case studies with two key informants. While the multiple-case design and senior-level informant selection enhance analytical inference, the findings cannot be statistically generalized. Future research could examine a broader sample of firms across industries and institutional contexts.

Second, both cases represent sustainability-leading firms. Studying organizations that have already formalized sustainability commitments enables examination of embedding mechanisms under relatively supportive conditions but may underrepresent contexts

characterized by resistance or structural misalignment. Future research could examine firms where sustainability-oriented intrapreneurship has stalled or failed, refining understanding of which mechanisms are most critical and most fragile.

Third, the study relies primarily on senior-level interviews and corporate documents. Additional perspectives from middle managers and frontline employees could provide insight into how structural mechanisms are experienced at different organizational levels, and where gaps between formal architecture and everyday practice persist.

Finally, the analysis is cross-sectional. Institutionalization is inherently temporal. Longitudinal research could examine how culture, governance mandates, measurement systems, and resource allocation mechanisms evolve over time, and how external institutional pressures interact with internal structural alignment.

The systempreneurship concept identified in this study warrants dedicated theoretical and empirical attention. Research might examine the organizational and inter-organizational conditions that enable systems-level sustainability change agents, the structural mechanisms that support cross-boundary change, and the relationship between firm-level intrapreneurship and systems-level transformation.

6. Conclusion

This study examined how sustainability-oriented intrapreneurs move from initiating green initiatives to institutionalizing them within established firms. While prior research has emphasized the catalytic role of internal champions, the findings suggest that agency alone is insufficient to secure durable transformation. The green transition does not appear to be sustained through passion, persuasion, or episodic innovation alone. It becomes durable when organizational structures embed sustainability within culture, governance mandates, performance systems, and resource allocation processes.

Across both cases, sustainability commitments were translated into institutionalized practices through structural reinforcement. Culture established the normative permission that made structural mechanisms interpretable. Governance reduced discretion by formalizing direction. Measurement redefined organizational value by integrating environmental and social criteria

into accountability structures. Resource allocation enabled experimentation and scaling, preventing initiatives from remaining confined to pilots.

The findings shift the analytical focus from emergence to embedding. Sustainability-oriented intrapreneurs play a critical role in initiating change, mobilizing coalitions, and framing environmental innovation. However, the long-term impact of their efforts depends on the structural context within which they operate. Organizational design determines whether sustainability remains discretionary or becomes institutionalized.

The empirical material also surfaced a conceptual challenge to the intrapreneur framing itself: the distinction between sustainability-oriented intrapreneurship and systempreneurship. This observation raises questions about the boundary conditions of firm-level intrapreneurship theory and suggests opportunities for extending the framework beyond organizational boundaries. Extending the organizational design perspective to account for systems-level change agents represents a productive direction for future research.

More broadly, the findings suggest that green transition within established firms should be understood as a problem of structural alignment. The challenge is not merely to generate innovative ideas or secure public commitments, but to embed sustainability within the architecture of decision-making and accountability. Organizational structures shape what is prioritized, funded, measured, and rewarded. Where these structures remain misaligned, sustainability initiatives risk fragility. Where they are aligned, transformation becomes more likely to endure.

Sustainability-oriented intrapreneurship becomes durable not when champions succeed in persuading others, but when organizational systems are reconfigured to reinforce environmental objectives. And it becomes transformative, in the deepest sense, when those champions also direct their energy outward – toward the systems within which all organizations operate.

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