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# THREE ESSAYS ON THE FUTURE OF SMALLHOLDER FARMING: RADICAL CHANGE AS A CONDITION TO MAINTAIN AGRICULTURAL PRODUCTION

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FACULTÉ DES HAUTES ÉTUDES COMMERCIALES

DÉPARTEMENT STRATÉGIE, GLOBALISATION ET SOCIÉTÉ

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THÈSE DE DOCTORAT

présentée à la

Faculté des Hautes Études Commerciales
de l'Université de Lausanne

pour l'obtention du grade de
Docteure ès Sciences Économiques, mention « Management »

par

Inès BURRUS

Directeur de thèse
Prof. Guido PALAZZO

Jury

Prof. Felicitas Morhart, Présidente
Prof. Patrick Haack, expert interne
Prof. Dorothee Baumann-Pauly, experte externe
Prof. Andreas Rasche, expert externe

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# I M P R I M A T U R

Sans se prononcer sur les opinions de l'autrice, la Faculté des Hautes Études Commerciales de l'Université de Lausanne autorise l'impression de la thèse de Madame Inès BURRUS, licenciée en biologie de l'Université de Genève, titulaire d'un master en gestion des ressources naturelles de l'Université technique de Munich et d'un master en ingénierie de l'immobilier et du patrimoine à l'international de l'INSEEC, en vue de l'obtention du grade de docteure ès Sciences économiques, mention management.

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If wealth was the inevitable result of hard work and enterprise,
every woman in Africa would be a millionaire.

- George Monbiot

# THREE ESSAYS ON THE FUTURE OF SMALLHOLDER FARMING: RADICAL CHANGE AS A CONDITION TO MAINTAIN AGRICULTURAL PRODUCTION

## INTRODUCTION TO THE THESIS

### Research Context

This cumulative Ph.D. thesis was conducted in partnership with three multinational corporations (MNCs) in the food industry: Nestlé S.A., Nestlé Nespresso S.A., and ECOM Agroindustrial Corp. Limited. These enterprises are facing the challenge of meeting future food demand, which would require increasing food production by 25% to 70% above current levels (Hunter et al., 2017). This forecast leads to the question of "how to meet expected demand" and more importantly, "who will take on that challenge" (Jöhr, 2012). Knowing that most of the world's estimated 570 million farms are small (less than 2 hectares) and family farms, representing 12% and 75% of the world's agricultural land respectively (Lowder et al., 2016) and engaging 75% of the economically active rural population (FAO, 2017), the future of smallholder and family farming is at the heart of these concerns. This is reflected in the following quote: "the farmers' success and health are crucial to our future supply chain. If the next generation all leave, we end up with nothing. (…) We are reliant on a robust farming sector for our continued longevity. (…) If the farming sector is in poor health, that doesn't help us at all" (Interview, Manager).

While the world population continues to grow, the percentage of the rural population decreased from 63.6% of the total population in 1969 to 44.3% in 2019 (World Bank, 2021) (see Appendix **1**). Consequently, the world's urban population has grown rapidly over time, which is explained by two factors: global population growth and the increasing shift in the percentage of people living in urban areas (United Nations et al., 2019). In this context the FAO (2018) indicates that the global number of internal migrants, reaching over one billion people, is higher than international migrants. Given that global data on youth migration is not available (Belmonte et al., 2020), this thesis builds on the assumption that young people, who account for a large percentage of the rural population and are often unemployed (FAO et al., 2014), are the group most likely to migrate from rural to urban areas (FAO, 2018; FAO et al., 2014; van der Geest,

2010). This phenomenon, prevalent across the world, is known as rural youth exodus and is defined as the movement of young people from rural areas to urban areas in pursuit of employment opportunities and improved living standards (FAO, 2020). Indeed, rural livelihoods often suffer from many challenges, including poverty, inequality, food insecurity, undernourishment, climate change and land grabbing, among other issues (Chigbu, 2015). Because employment options in rural areas are rarely viable and rural youth discrimination represents an extended issue (Lee, 2013), migration is often the only livelihood choice to improve youth employment and life prospects (Deotti & Estruch, 2016). White (2019, p. 5) explains that "working youth are also more likely than working adults to be employed in the informal economy; available jobs are increasingly casual and precarious". This phenomenon might lead to "the depopulation and decline of the rural areas of the world" (Araghi, 1995, p. 338).

Consequently, supply chains are impacted by the challenge of an ageing population of farmers and an ever-increasing agricultural labour shortage. The risk of losing access to resources has become a key challenge for numerous multinational companies that are sourcing raw materials from smallholder farmers around the globe. To respond to the increasing global food demand and ensure access to sufficient raw materials the three partnering companies were interested in how to make farming attractive to youth. Indeed, practitioners agree that *"*how to incentivise the next generation to stay in agriculture is a massive challenge" (Interview, Manager). This is how the perimeter of my research has been delineated.

**Theoretical Concepts**

Because migration is considered as a way in which people can be incorporated into institutional studies (Dacin & Dacin, 2007; Young, 2010), I have adopted an institutional lens, combined with a sensemaking perspective in three essays to explore the future of smallholder farming. Here I briefly outline the theoretical concepts that are central to this thesis.

***Institutional Theory*** is one of the most important theoretical perspectives in management and organisational research. Institutions are defined as follows: "institutions comprise regulative, normative and cultural-cognitive elements that, together with associated activities and resources, provide stability and meaning to social life. (...) Institutions are multifaceted, durable social structures, made up of symbolic elements, social activities, and material resources. (...) Institutions also undergo change over time" (Scott, 2013, p. 54). ***Institutional change***

represents a central process, which can be depicted as a cycle, where institutions "emerge, diffuse, change, die and are replaced by new institutions" (Haunschild & Chandler, 2008, p. 630). It is assumed that rural youth exodus is not only a symptom but also a cause of institutional change. In fact, young people's rural-to-urban migration is driven by institutional forces and in turn, this movement might strongly influence institutional settings.

On the one hand, as the mechanisms leading to livelihood choices are not only driven by external forces but also by people's aspirations, I primarily focus on the concept of ***identity*** (see Essay n°**1**), defined as "people's subjectively construed understandings of who they were, are and desire to become" (Brown, 2015, p. 20). The way that people influence institutionalisation processes is well captured by the ***institutional work*** concept defined as a "broad category of purposive action aimed at creating, maintaining, and disrupting institutions" (Lawrence & Suddaby, 2006, p. 216). I therefore subsequently focus on ***identity work***, a type of institutional work and an antecedent of institutional change in order to examine rural youth livelihood dynamics (Creed et al., 2010; Leung et al., 2014). On the other hand, corporations aim to maintain their sourcing operations by tackling rural poverty, one of the most important drivers of rural exodus. That is why, as a response to changes in their societal environment MNCs also carry out institutional work aimed at preventing institutional change from happening to secure their sourcing operations (Lawrence, 1999) (see Essay n°**2**). This type of institutional work named ***maintenance work*** involves considerable effort (Dacin & Dacin, 2007; Lawrence & Suddaby, 2006).

Throughout this journey, it became evident that analysing organisational responses to farmers' poverty requires a systemic approach (see Essay n°**3**). To this end I examine ***institutional logics***, defined as "the socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which [not only] individuals [but also organizations (Andersson & Liff, 2018; Kristiansen et al., 2015)] produce and reproduce their material subsistence, organise time and space, and provide meaning to their social reality (Friedland & Alford, 1991, p. 243; Jackall, 1988, p. 112)" (as quoted in Thornton & Ocasio, 1999, p. 804). The difference between institutions and institutional logics has been examined by Blindheim (2015, p. 59) who provides the following explanation: "while institutions specify what in some way is taken for granted and/or is important for the members of a culture (and the structural arrangements supporting the cognitive and normative dimensions of institutions), institutional logics indicate what sort of behaviour to expect from one another, given a specific institutional order. For example,

'capitalism' can be understood as something that is taken for granted and/or is highly valued in western societies. It is also supported by some formal structural arrangements - it is an institution. The institution of 'capitalism' embeds a specific logic about what is and what is not appropriate behaviour given the institution of capitalism". More specifically, I focus on the ***profitability logic***, considered as dominant, and the ***sustainability logic*** (Battilana & Dorado, 2010; Greenwood et al., 2008; Pache & Santos, 2013). These logics generate conflicting expectations and demands from the external environment on organisations to which the latter must respond (Aksom, 2018; Battilana & Dorado, 2010; Blomgren & Waks, 2015; Jay, 2013; Kostova et al., 2008; Luo et al., 2017).

Finally, to explore how MNCs understand and respond to the tensions between these incompatible logics, I combine the institutional logics lens with an ***organisational sensemaking*** approach. Sensemaking is indeed considered to be a complementary theory to the institutional logic perspective because it connects institutional logics with organisational action and change processes (Jennings & Greenwood, 2003; Thornton et al., 2012; Thornton & Ocasio, 2008; Weick et al., 2005). Because sensemaking is the process through which people work to understand ambiguous issues (Maitlis & Christianson, 2014) this approach helped me investigate how organisations attach meaning and respond to rural youth exodus and farmers' poverty.

**Three Essays on the Future of Smallholder Farming**
**Radical Change as a Condition to Maintain Agricultural Production**

This thesis is important for organisation and management studies (OMS) because it focuses on rural work environments in the agri-food sector, which is all-too-often ignored or forgotten in this field. It is an attempt to bring to the fore smallholder farming issues, linking them to the institutional realities of our time. The three qualitative studies of my PhD thesis are similar in terms of methods, data and context. They provide a coherent story about rural youth, smallholder farming and the alleviation of rural poverty by multinational corporations. In the first essay I listen to the voices of rural youth and their motivation for staying or leaving rural areas and smallholder farming. In the second essay the unit of analysis shifts from farmers to managers. I look at how MNCs respond to rural youth exodus and rural poverty. Finally, I examine in the third essay why firms fail in that endeavour and what solutions could be envisioned. In the following paragraphs, I briefly summarise the three essays.

### *Essay 1: Deconstructing Rural Youth Livelihood Dynamics: Positive Identity Work Towards Resilience*

In order to address the root causes of rural youth exodus and ensure prosperous futures for rural communities, it was first necessary to understand how rural youth survival strategies develop. Hence, my first essay examines the mechanisms which determine rural youth livelihood choices through an institutional lens. From a theoretical standpoint, scholars have identified *positive identity work* as a driver of life choices. This type of institutional work is defined as the continuous identity work processes toward a more resilient identity (Leung et al., 2014). Scholars call to elucidate the interconnections between micro-processes, such as positive identity work, and institutional change (Creed et al., 2010; Leung et al., 2014). By looking at the role of identities in the adoption of livelihood strategies by rural youth, this paper was motivated by the following research question: *how can rural youth livelihood dynamics ensue from identity work?*

I conducted two qualitative case studies in Brazil and Paraguay, interviewing rural young people, combined with a literature review and the outcomes of a workshop with experts. By examining the antecedents of rural youth exodus this paper decorticates the positive identity work processes that trigger livelihood decision-making. I identify six processes and demonstrate the significance of positive identity work towards resilience, as a trigger for decision-making processes. Results show that the story of rural youth livelihood decision-making is rooted in the development of aspirations. The latter are at the origin of the identity tension or "the stresses and strains" experienced by young people in relation to the discrepancy between who they are and who they want to become (Kreiner et al., 2006, p. 1034). These positive identity work processes drive a decision-making mechanism, where a young person evaluates first whether a change of livelihood is both desirable and possible. Based on those two elements, a choice - if it exists - is made, to improve resilience and reduce tension. In other words, driven by their aspirations, young people understand the identity tension that they face, evaluate their potential for agency and decide which livelihood strategy to adopt. Whichever livelihood choice is made, data shows that there is no easy choice… if any at all.

This study makes three important contributions to the discussion on the antecedent micro-processes of institutional change by explaining how livelihood changes result from processes rooted in identities. First, this study examines the central role that identity tension plays in the

dynamics of positive identity work. Second, I explain how identity tension triggers livelihood decision-making processes. Third, I link positive identity work towards resilience to micro-level institutional change, via livelihood decision-making. This study represents an important initial step towards *understanding*, which is a prerequisite for *intervening*. I believe that by firstly listening to the voices of rural youth and uncovering the identity work that accompanies their livelihood choices it will be possible to drive impactful interventions aimed at making rural livelihoods attractive to them.

***Essay 2: Rural Youth Reality laid bare: Maintenance Work Towards Identity Reconciliation***

The second essay is a natural sequel to the first one. The unit of analysis shifts from the farmers to the managers of multinational corporations (MNCs). The institution at work is the supply basis of these MNCs. In order to relax identity tension and improve rural youth well-being, it is important to unlock institutional complexity and identify how multi-level interventions can reduce the pressures existing in prevailing institutions. Rural poverty is one of the most important drivers of rural exodus (George et al., 2016; UN Global Compact, 2017). It follows that working towards "no poverty" is in the interest of MNCs, whose long-term sourcing of raw materials is impacted by agricultural labour shortages. To that end MNC's engage with Corporate Social Responsibility (CSR) and sustainable sourcing activities (Proctor & Lucchesi, 2012), which is a form of maintenance work. That said, evidence about the impact of CSR practices on poverty alleviation in rural areas is lacking (Schölmerich, 2013), which nurtures some scepticism about the effect of CSR, as currently practiced (Jenkins, 2005). In this vein, too little attention has been paid to the different forms of maintenance work used to relax identity tensions (Alvesson et al., 2008; Brown, 2019; Dutton et al., 2010; Lai et al., 2019). Hence, this essay connects rural young people's identity work with MNCs' maintenance work and is motivated by the following research question: *how can maintenance work by MNCs lead rural youth to re-evaluate the decision to leave farming?*

I triangulate data from CSR reports, in-depth semi-structured interviews, focus groups with practitioners and observational data. My findings connect rural youth identity dynamics to organisational maintenance processes. I identify one framework consisting of six steps deployed by MNCs. Data analysis suggests that maintenance work fails to reconcile rural youth identities because of a clear mismatch between organisations' CSR strategies and interventions.

Although ensuring financial well-being is considered to be a key lever to reconcile rural youth identity dynamics, CSR interventions are not yet designed to achieve this goal. Indeed, interventions should provide opportunities in agriculture and agri-food to secure the financial wellbeing of rural young people to improve the fit between their needs and aspirations. It is the only pathway forwards. One question remains: who is actually following it?

This study offers two theoretical contributions. First, I stress the importance of ensuring farmers' financial wellbeing to achieve identity reconciliation and build the next generation of farmers. This study provides an example of maintenance work failure: most MNCs implement CSR interventions that do not (or only partially or indirectly) ensure rural youth's financial wellbeing. Second, I shed light on the interconnections between financial resources and identity work and demonstrate that in contexts of poverty, financial resources are at the centre of a processual understanding of identity construction. Practical implications for poverty alleviation and CSR interventions are discussed.

***Essay 3: Making Sense of Farmers' Poverty: Towards a New Economic Order***

Essay 3 focuses on the reasons why organisations' interventions fail to secure farmers' financial well-being as well as on the context in which this failure takes place. The debate is therefore shifting from CSR to global price-setting mechanisms, unequal market power and farmers' margins (FAO, 2017; Lindo, 2014). This also suggests that tackling the Grand Challenge of farmers' poverty (Berrone et al., 2016) implies solving tensions between profit maximisation and sustainability pressures. Grand Challenges are defined by George and colleagues (2016, p. 1880) as "societal problems that individuals, organizations, communities, and nations face around the world". In order to investigate companies' approaches to conflicting tensions related to social issues that jeopardise their bottom-line, I adopt an institutional logic lens combined with a sensemaking perspective. Exploring how organizations fail to handle tensions is a pristine research area (Pache & Santos, 2010). My research is motivated by the following question: *how do managers make sense of the increasingly significant sustainability pressure pushing for farmers' financial well-being?*

The same research approach and data sources were used as in the second essay. A conceptual model composed of six well-connected steps shows how managers make sense of the perceived tensions between sustainability and profitability logic and fail to address the Grand Challenge

of farmers' poverty. Findings show that managers feel powerless in terms of being able to deal with the challenges they face. The failure to mitigate rural poverty is thus due to factors over which managers have no influence. My analysis shows that ensuring a sustainable future for smallholder farming and for business, where inequality does not persist, requires embracing a new economic order. This study provides concrete solutions to repair the weaknesses of the current system and reinvent a new economic order.

I make two contributions to the discussions on institutional logics and sensemaking. First, I offer a better understanding of the role of conflicting logics in triggering sensemaking. I deconstruct managerial interpretations of the emergence of pressure pushing towards a more significant sustainability logic, that is incompatible with the dominant profitability logic. I also explain the underlying mechanisms leading to the failure of multinational enterprises to handle tensions related to ensuring farmers' financial well-being. I explain why sustainable change is not taking place. Consequently, this study extends existing research on sensemaking processes, by suggesting that such processes can lead to organisational paralysis and institutional stability (Hahn et al., 2014; Le Menestrel et al., 2002). This study sheds light on the root causes of rural poverty and on the mechanisms that maintain inequality across social groups over time (Amis et al., 2018). Second, this study explains how to solve tensions related to farmers' poverty, by revealing which system changes are envisioned by managers to solve this Grand Challenge. Data analysis generates insights for the study of social issues where a status quo is prevalent, as well as for the emerging debate on approaches to Grand Challenges (Thornton & Ocasio, 2008; Wright & Nyberg, 2017) by showing that tackling inequality in organisations requires exceptional practices and radical organizational change (Amis et al., 2018; Olsen & Solstad, 2017; Sharma & Good, 2013). This study argues that a sustainable business future where inequality does not persist can only be envisioned by embracing a new economic order and provides solutions to make this possible.

**Limitations and Considerations on Methodological Approach**

Despite important results, this thesis has numerous limitations, which I hope may become someone else's inspiration. First, the generalisability of the results of the qualitative research to other contexts and populations needs to be discussed. It is important to differentiate analytic from statistical generalisation and to highlight that the ambition of this thesis is the former and not the latter. Second, one could argue that the first and second essay entail a theory-method

misfit given that collected data captures communication, stories and narratives, and not practices, as is commonly the case when using an institutional work lens. That said, narratives characterise the concept of identity work as defined by Thornborrow and Brown (2009), Beech (2008) and Ibarra and Barbulescu (2010).

The third limitation concerns the third essay in particular. The theoretical blending of the institutional logics with sensemaking raises conceptual issues (Okhuysen & Bonardi, 2011). Okhuysen and Bonardi (2011) posit that two factors should be present when combining theoretical lenses: their proximity in terms of the phenomena under study and the congruence of their underlying assumptions. In this particular essay, the theoretical assumptions of both lenses are compatible. In fact, because sensemaking connects institutional logics with organisational action and change processes, it is considered to be a complementary theory to the institutional logic perspective (Jennings & Greenwood, 2003; Thornton et al., 2012; Weick et al., 2005). In terms of proximity, both lenses are used to explain the same phenomenon, but from different perspectives. Indeed, institutional logics represent a macro concept whereas sensemaking is studied at the micro level. A clarification of the levels of analysis would be needed to circumvent this issue. One avenue to consider would be to code data according to the different levels (micro, meso, macro). This would enable the development of a multilevel analysis of institutional dynamics taking into account the interconnections between micro-level factors and higher-level processes as encouraged by Scott (2013) as well as Powell and Colyvas (2008). Weber and Glynn (2006), for example, have developed a multi-level model of institutional change linked to sensemaking.

This thesis contains other methodological flaws. One limitation concerns data collection and the limited number of cases in each essay, which might affect the rigour of my analyses. The data collected in the first essay is too population specific as it only focuses on rural youth in two South American countries, which may bias results. That said, although all interviewees are agriculture students, some have left agriculture and rural areas in their past and have worked in the city. Their views, combined with an extensive literature review of studies focusing principally on the factors of rural exodus, are therefore representative in understanding rural youth livelihood dynamics in a specific context. The second and third essays comprise only 15 organisations. Additional data collection is needed to assess farmers' perspectives (in the second essay), and to reach saturation among each MNC studied (in the second and third essay).

In terms of research analysis, the presentation of homogenous evidence in such a complex institutional setting seems simplistic. It would have been of interest to tease out where and why results would diverge. The use of comparative analysis, which is a central feature of grounded theory, within and across not only rural youth clusters but also MNCs, would contribute to deepening an understanding of the results. Surely findings must vary across different MNCs, based on variables such as size, type of farms they are sourcing from, commodities etc. A typology of the interviewees could also help to study the interactions between different job functions, gender and age. Indeed, these variables may lead to different sensemaking processes and outcomes. It would have also been of interest to shift from an "emic" to an "etic" understanding of the phenomenon. The former corresponds to a perspective that emerges from the group under study in this case rural youth using their words, whereas the latter perspective emerges from the observers of the phenomenon, that is the managers. Finally, drawing conclusions about dynamic processes over time, based on interview data that is not longitudinal but was collected at one point in time questions the validity of my analyses. To observe the unfolding of processes over time and cover temporality, it would be recommended to triangulate interview data with other data sources.

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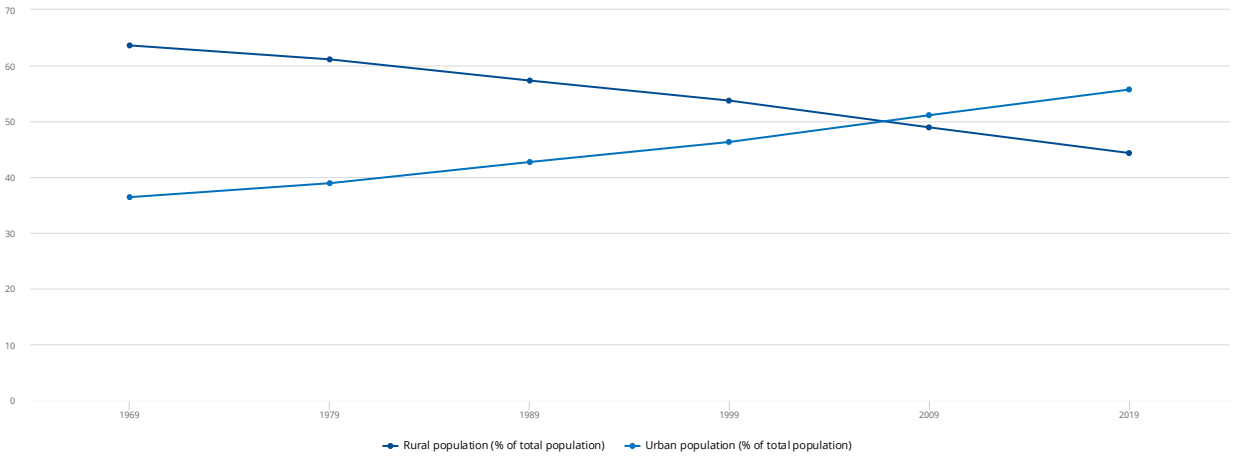
## Appendix

### Appendix 1

### Percentage of rural and urban population




**Source:** Word Development Indicators (2021).

# DECONSTRUCTING RURAL YOUTH LIVELIHOOD DYNAMICS:

# POSITIVE IDENTITY WORK TOWARDS RESILIENCE


## ABSTRACT

**Migration is not only a symptom but also a cause of institutional change. Rural youth exodus is a prevalent phenomenon across the world. It is driven by institutional forces and in turn might influence institutional settings. I present the results of two qualitative case studies conducted in Brazil and Paraguay, combined with a literature review and the outcomes of a workshop with experts. I deconstruct livelihood dynamics and demonstrate the significance of positive identity work towards resilience as a trigger of decision-making processes. This research contributes to the efforts to connect micro-processes to institutional change and represents a stepping-stone to design impactful field interventions.**



*Keywords: institutional change, youth, rural livelihood, positive identity work, aspirations, resilience.*


*"You are capable of anything you want.*

*Where there is a will, there is a way."*

*(Mr. H.P., smallholder farmer, 18 years old, Pernambuco, Brazil)*

# INTRODUCTION

"No farmer no food. No food, no life" (AFA, 2015, p. 1). The world's population growth is expected to reach 8.6 billion people in 2030, 10.1 billion in 2050 and 12.7 billion in 2100 (United Nations, 2019). While growth will be concentrated in Africa, Asia and in the world's urban areas, poverty, inequality and hunger will remain localized in rural areas (FAO, 2017). This demographic forecast implies an increasing demand for food, which in turn has significant implications for agricultural productivity (Lem et al., 2014). If today food were to be distributed equally around the earth, current food availability would be insufficient to feed the global population in 2050. Even in a world where food loss and food waste would be non-existent, we would still lack 200 [kcal] per person per day to reach the estimated 2.300 [kcal] that are recommended by the FAO as the necessary daily energy intake (Searchinger et al., 2013). That is why meeting future food demand requires increasing food production by 25% to 70% above current levels (Hunter et al., 2017). These forecasts raise two urgent questions: "how to meet expected demand" and most importantly "who will take on that challenge" (Jöhr, 2012). Knowing that most of the world's estimated 570 million farms are small and family farms, representing 12% and 75% of the world's agricultural land respectively (Lowder et al., 2016), and engaging 75% of the economically active rural population (FAO, 2017), the future of smallholder and family farming is at the heart of these concerns.

Tomorrow's agriculture is jeopardized by ageing rural populations. For instance, the average age of farmers in the Philippines, Thailand and Japan, stands at 57, 54 and 66 years, respectively (AFA, 2015). One of the causes of rural ageing is rural exodus and urbanisation. In 1969, 36.4% of the total world population lived in urban areas, today 55.7% of the global population is urban (World Bank, 2021). This number is expected to reach 67% by 2050 (FAO, 2017). The majority of those who take part in rural exodus and more specifically in distress migration, which "refers to all migratory movements made in conditions where the individual and/or the household perceive that the only viable livelihood option for moving out of poverty is to migrate" are young women and men (Deotti & Estruch, 2016, p. 1). This prevalent movement across the globe is mostly due to the fact that in developing countries, low-productivity agriculture, which is the dominant sector in terms of livelihoods, is often not perceived as attractive to rural youth. Because farmers' children often lack decent work opportunities in rural areas (Bjarnason & Thorlindsson, 2006; FAO, 2017), they look for more attractive opportunities in cities and pursue alternative livelihoods (Bezu & Holden, 2014). Hence, distress migration often

represents the only livelihood choice to improve youth employment and life prospects and to meet young people's needs and aspirations (Deotti & Estruch, 2016).

Looping back to agricultural productivity, youth embodies a vital ingredient to meet the food needs of tomorrow's world population (White, 2015). Indeed, "smallholder productivity growth, and agricultural transformation more broadly, [depend] in part on the extent to which capable, skilled young people can be […] attracted to farming" (Leavy & Hossain, 2014, p. 3). One of today's most significant and urgent agricultural challenges is therefore how to reverse the vicious circle of farming by fostering a generation of productive and prosperous young farmers implementing innovative and sustainable farming practices (Deotti & Estruch, 2016). In order to solve this challenge, this study examines through an institutional lens the mechanisms which determine rural youth livelihood choices. By looking at the role of identities in the adoption of livelihood strategies by rural young people, this paper is motivated by the following research question: *how can rural youth livelihood dynamics ensue from identity work?*

I respond to the recent call to elucidate the interconnections between identity work processes and institutional change (Creed et al., 2010; Leung et al., 2014). Examining the antecedents of rural youth exodus, I identify six processes, including five processes at the individual level or micro-processes, defined as "repeated micro-level activities that form particular recognizable patterns" (Vaccaro & Palazzo, 2015, p. 1076), and find *identity* as an overarching concept. Identities are defined as "people's subjectively construed understandings of who they were, are and desire to become" (Brown, 2015, p. 20). Because institutions can be influenced by the constructions of identities, the concept of identity has been commonly used in the literature as an antecedent of institutional change, and therefore represents a key construct of Institutional Theory (Creed et al., 2010; Leung et al., 2014). However, vivid debates continue, "on how identities should be theorized and researched" (Brown, 2015, p. 25).

In this context, researchers have long considered *identity work* as a type of institutional work (Creed et al., 2010; Leung et al., 2014) and have defined it as "the range of activities individuals engage in to create, present, and sustain personal identities that are congruent with and supportive of the self-concept" (Snow & Anderson, 1987, p. 1348). They have "assum[ed] that people's identity work is motivated by a desire for positive meaning" (Gecas 1982, as cited in Brown, 2015, p. 28) and have characterised the continuous identity work processes toward a more resilient identity as *positive identity work* (Leung et al., 2014). Although identity work

processes have been explored in the past to clarify, for example, role transitions (Brown, 2015), "the process by which identity evolves remains under explained" (Ibarra, 1999, p. 765). This study addresses this gap by deconstructing livelihood dynamics. It decorticates the positive identity work processes that trigger livelihood decision-making. This study makes three important contributions to the discussion on the antecedent micro-processes of institutional change by explaining how livelihood changes result from processes rooted in identities. First, this study examines the central role that identity tension or "the stresses and strains" experienced by an individual, plays in the dynamics of positive identity work (Kreiner et al., 2006, p. 1034). Second, I explain how identity tension triggers livelihood decision-making processes. Third, I link positive identity work towards resilience to micro-level institutional change, via livelihood decision-making. Driven by their aspirations, young people understand the identity tensions that they face, evaluate their potential for agency and decide which livelihood strategy to adopt.

The paper is organized as follows. First, I outline the theoretical and the research context of the study: rural youth livelihood dynamics in Brazil and Paraguay. This is followed by a discussion of the research methodology; in particular the selection of two case studies and data collection and analysis. Subsequently, I present the findings, from which I draw theoretical conclusions on the use of positive identity work in decision-making mechanisms resulting in life choices. Finally, I conclude by discussing contributions to the institutional literature and practice, and by opening perspectives for further research.

## THE PHENOMENON

### The impacts of rural youth migration

The examination of rural youth exodus is important because of its numerous effects, such as global deruralisation, defined as "the depopulation and decline of the rural areas of the world" (Araghi, 1995, p. 338). Evidence shows that the migration of young people and the consequent labour scarcity threaten the stability not only of our economic, but also of our social system (Vargas-Lundius & Lanly, 2007). Whether the future food demand has to be met primarily by smallholder farmers or by corporate industrial food estates, agricultural labour scarcity will heavily impact food supply. In fact, even if the consolidation and industrialisation of farming will make farms less numerous and those farms will employ only a fraction of the number of active farmers in agriculture today, farms still need to be transferred to new hands. Labour

scarcity combined with rural ageing can also destabilise traditional farming systems, as farmers might be pushed to implement unsustainable land intensification practices to offset productivity and income losses (Vargas-Lundius & Lanly, 2007). Rural youth exodus also has critical social implications. It is estimated that globally 55% of youth live in rural areas but this figure reaches 70% in Africa and Asia: two regions where population growth will be concentrated (Bennell, 2007; FAO, 2017). The World Bank (2013) estimates that 600 million jobs will need to be created globally between 2013 and 2030 in order to absorb the new entrants into the labour force. In sub-Saharan Africa and Asia, it will be more difficult for a young person to enter the job market in rural than in urban areas. The deficit of decent work for youth in rural areas might result in an increasing rate of rural to urban or even international migration (FAO, 2017). That said urban areas alone will not be able to absorb such flows. That is why making rural life and farming attractive to young people lies at the heart of concerns, both in high- and low-income countries and will remain in all cases a priority (White, 2015).

**The drivers of rural youth migration**

The analysis of the impacts of rural youth migration to cities naturally leads to the identification of its drivers. Our ambition in this section is not to provide a comprehensive list (as there are a myriad of them, see for example (Bednaříková et al., 2016)), but rather to review important factors identified in the literature that directly influence the life of rural youth and explain the search for more efficient alternatives. Rural livelihoods often suffer from poverty, inequality, food insecurity, undernourishment, climate change and land grabbing to name a few (Chigbu, 2015). External factors can influence the personal attributes of young people such as motivation, education and skills. In Asia, for example, the absence of role models affects the motivation of youth to become farmers (AFA, 2015). The lack of agricultural education in school curricula undermines the development of farming knowledge and skills. Often school curricula do not respond to the needs of rural communities and students are not encouraged to pursue agriculture as a professional path. This leads to a "'process of de-skilling' of rural youth in which farming skills are neglected and farming itself downgraded as an occupation" (White, 2012, p. 7). Furthermore, employment options in rural areas are rarely viable and rural youth discrimination represents an extended issue (Lee, 2013). Farming is not considered to be an attractive occupation. Working conditions are described as physically demanding (Leavy & Hossain, 2014) and smallholder farming is associated with poverty (AFA, 2015). Many young people aim to receive a wage that will enable them to afford consumer goods and services, cover their living expenses and support their family financially (Leavy & Hossain, 2014).

Finally, to maximise their quality of life, young people often consider the urban lifestyle as a first choice (Leavy & Hossain, 2014). Referring to Herrera and Sahn (2013) and Katz (2000), Deotti and Estruch (2016, p. 13) mention that "rural-urban differentials in the availability of social infrastructure (in particular roads, schools and hospitals) influence migration from rural to urban areas".

### The mechanisms of rural youth livelihood strategies

To address the root causes of rural youth exodus and ensure prosperous futures for rural communities, it is necessary first of all to understand the mechanisms of rural youth survival strategies, leading to their migration from rural to urban areas. Indeed, although small-scale agriculture "has the potential to remain the developing world's single biggest source of employment (…) [there is] mounting evidence [that] suggests that young men and women are increasingly uninterested in farming or in rural futures (White, 2012, p. 9). Leavy and Hossain (2014, p. 7) claim that "the need for enhanced smallholder productivity and agricultural intensification to achieve poverty reduction and food security goals may be at odds with the aspirations and opportunities of contemporary developing country youth, most notably signalled by mass withdrawal from the land in favour of urban opportunities and lifestyles". White (2012, p. 2) realises that "it is therefore quite important to ask what lies behind rural young men and women's apparent rejection of farming futures, in other words to de-construct this aspect of the world of today's rural youth." My goal is to pursue this endeavour and open up new horizons for research.

## THEORETICAL CONTEXT

Minimising the impacts of rural youth migration requires deconstructing rural youth livelihood dynamics. As discussed, the mechanisms of livelihood strategies are not only driven by external factors, but also by people's aspirations. That is why I focus on the concept of *identity* from an institutional theory perspective, as it enables an in-depth exploration of decision-making mechanisms.

### Positive Identity Work as the Driver of Institutional Change

A fundamental principle emerging from institutional theory is that institutions experience changes over time. Institutional change is characterised by the "weakening and disappearance of one set of beliefs and practices (…) associated with the arrival of new beliefs and practices" (Scott, 2001, p. 184). Hence, institutional change is a multi-level process, which can occur at

the micro-level between individuals (Zucker, 1977), and which can be triggered not only by institutional pressures (Oliver, 1992), but also by actors. In that respect, the concept of agency has been introduced to explain how actors decide on a strategy and "can partially transcend the taken-for-grantedness of their social life" (Beckert, 1999, p. 794). Dacin, Goostein and Scott (2002, p. 47) specify that "actors are not passive. They make choices in the interpretations of the meaning put forth. Actors perceive the meaning of institutions and infuse their actions with meaning based upon these perceptions." There is an open debate over the preponderance of structure or agency in determining human behaviour. More than the latter, what is of interest are the dynamics between those two types of forces as well as their influences on individuals' actions. Thereby, the concept of *institutional work* provides us with "a more refined understanding of agency as interest-driven, planned and strategic (Beckert, 1999)" (Chaudhry & Rubery, 2017, p. 2). Institutional work is well-suited to this study, given that it investigates "the efforts of individuals and collective actors to cope with, keep up with, shore up, tear down, tinker with, transform, or create anew the institutional structures within which they live, work, and play, and which give them their roles, relationships, resources, and routines" (Lawrence et al., 2011, p. 53). Furthermore, because institutions can be influenced by the constructions of identities, the concept of identity has been commonly identified in the literature as an antecedent of institutional change, and *identity work* as a type of institutional work (Creed et al., 2010; Leung et al., 2014).

Identity is a complex concept at the heart of endless debates as both social psychologists and sociologists have defined identities. Embodying a management perspective, I adopt Brown's (2015, p. 20) definition of identities: "people's subjectively construed understandings of who they were, are and desire to become". Referencing Baumeister (1986), Brown "use[s] the term 'identity' to refer to the meanings that individuals attach reflexively to their selves as they seek to answer questions such as: 'How shall I relate to others?' 'What shall I strive to become?' and 'How will I make the basic decisions required to guide my life?'". By "self", Brown (2015, p. 21) means one's "capacity for reflexive thinking". Different types of identities have been identified in the literature, including social, personal and role identities. These can be assigned or self-attributed (Brown, 2015). Here, I focus exclusively on *ascribed*, *aspirational* and *chosen* identities. *Ascribed* means that identities are attributed to individuals (Brown, 2015). An *aspirational* identity is understood as "a story-type or template in which an individual construes him- or herself as one who is earnestly desirous of being a particular kind of person and selfconsciously and consistently in pursuit of this objective" (Thornborrow & Brown, 2009, p.

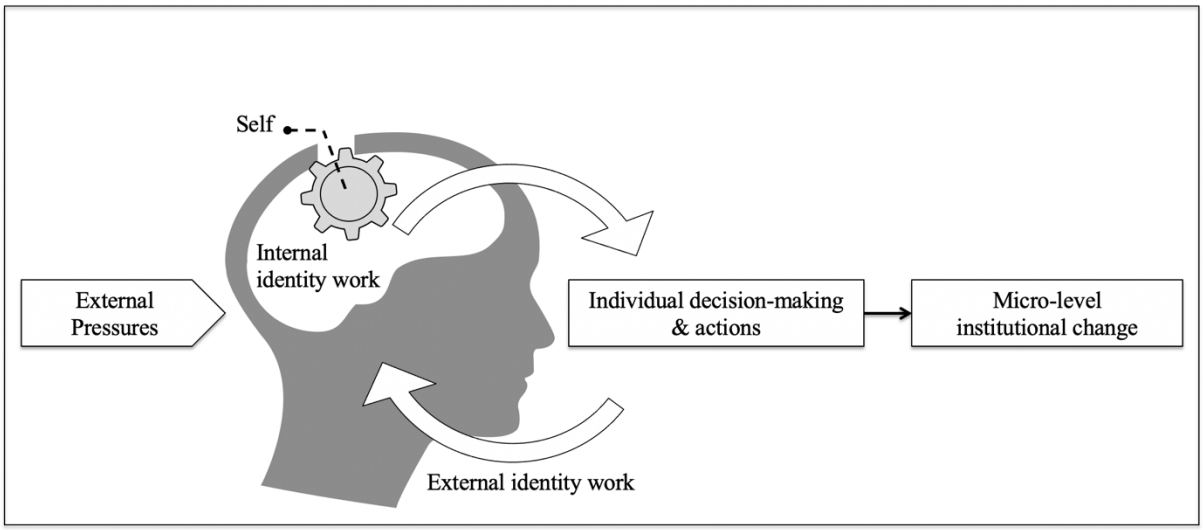
355). Finally *chosen* implies that individuals can make their own choices autonomously (Brown, 2015).

Coming back to the concept of identity work, Snow and Anderson (1987, p. 1348) define it as 'the range of activities individuals engage in to create, present, and sustain personal identities that are congruent with and supportive of the self-concept'. It is also assumed that people's identity work is driven by the aspiration for positive meaning (Gecas, 1982). In this study, I embrace Kreiner and Sheep's (2009) understanding of positive identity, as one that is "resilient". The continuous identity work processes toward a more resilient identity have been characterised as *positive identity construction* (Leung et al., 2014) or *identity growth,* the objective of which is to enable "the individual to function effectively in the world as an integrated, whole, coherent, competent individual— thereby experiencing greater life satisfaction and happiness" (Kreiner & Sheep, 2009, p. 162).

To solve an "identity pain (problem)" and aim for "an identity gain (growth)" (Kreiner & Sheep, 2009), changes that are needed must be framed (Leung et al., 2014). It has been proposed that "the self operates in choosing behaviours and the behaviours reinforce and support the self" (Burke & Reitzes, 1981, p. 84). In other words, "external identity work can stimulate internal identity work, which can in turn stimulate further external identity work in an iterative cycle" (Leung et al., 2014, p. 443). That is why scholars suggest that identity work leads to decision-making processes (Ibarra & Barbulescu, 2010), which successively drive action at the individual and organisational levels, leading to institutional change (Thornton, Ocasio, and Lounsbury 2012 as cited in Gray et al., 2015). Figure **1** synthesizes the findings about identity work processes from the literature. Hence, individuals experience multi-level external pressures, which drive identity work processes. Confronted with the self, identity work, in an iterative manner, leads to individual decision-making and actions. These, in turn, can result in micro-level institutional change.

**FIGURE 1**

**A Graphical Representation by the Author of Identity Work Processes**




Migration is considered to be a way in which people can be incorporated into institutional studies (Dacin & Dacin, 2007; Young, 2010). That is why I opt for the study of rural to urban youth exodus. Further investigation to clarify how identity work processes influence institutional change is needed and a plethora of questions remain unanswered (Creed et al., 2010; Leung et al., 2014). In this regard, it is recommended to embrace an analysis of institutional dynamics, taking into account the interconnections between multi-level factors and institutionalisation processes (Scott, 2013). Although identity work processes clarifying role transitions have been explored in the past (Brown, 2015), "the process by which identity evolves remains under explained" (Ibarra, 1999, p. 765). Moreover, little is known about how aspirations shape decision-making (Favara, 2017), except that they "serve as excellent predictors of life choices, such as their postsecondary educational attainment, occupational attainment, and place of residence" (Kildow Estes, 2015, p. 1). By investigating the influence of both external pressures and the self on the development of the identities of rural youth, as well as by exploring the mechanisms of identity work on their decision-making processes, I aim to understand rural youth livelihood dynamics, which can be associated with a type of institutional change rooted in identities. Hence, identity work is a promising path not only for understanding rural youth migration but more comprehensively to capture rural youth livelihood dynamics. This has been neglected so far in research predominantly focused on the influence of external factors on livelihood strategies. This leads to the following research question: *how can rural youth livelihood dynamics ensue from identity work?*

## RESEARCH CONTEXT

In order to explore rural youth livelihood decision-making processes, this study started with a literature review on the impacts and drivers of rural youth migration. The scope of the literature reviewed included global smallholder farming, with a particular focus on developing countries. Because secondary data, in a recurring pattern, highlighted the factors that motivate young farmers to leave rural areas and explain their disinterest in farming, it seemed to me that the sample of secondary data was biased in the sense that it is built on the assumption that young people always want to leave. As only a fraction of possible outcomes and antecedents were available in the literature, with some exceptions, I wondered: "where in the world are people eager to farm?" To answer my research question comprehensively, I had to ensure that my approach would not make inferences about a restricted population but would rather take the whole universe of livelihood options into account. This led me to pursue the following case studies.

### Case Studies

To ensure balanced views, it was necessary to listen to the voices of young men and women for whom agriculture had a particular appeal. That is why I selected two educational institutions providing agricultural training, one in the northeast region of Brazil and one in Paraguay. These two organisations concentrate on teaching sustainable agricultural practices, such as agroecology and permaculture, as well as entrepreneurship. Actual primary data gathering in the field started in January 2016 and finished in February 2016. Based on past working relationships with the founders of these two organisations during different periods of my career, I have maintained a relationship of trust over the long-term and have had the opportunity to experience a short immersion in the two environments, spending time with the students, which allowed me privileged access to data.

Thus, the negative perceptions of young people towards rural livelihoods reported in numerous studies were complemented with interview data from young adult students in Brazil and Paraguay who voluntarily decided to study in these agricultural schools. This enables me to explore thoroughly the interactions between rural young people's needs and aspirations as well as their livelihood strategies (Leavy & Smith, 2010). Within the context of multiple constraints these strategies are defined as the livelihood-related decisions that people undertake to achieve their desired livelihood goals.

A potential area of bias is that the primary data collected in this study only relates to young people in educational establishments. I recognize that a possible shortcoming might be the absence of data about young people who are not enrolled in education. However, I believe that this study's results are independent of whether interviewees are enrolled or not. I trust that the findings can be applicable to any young person in rural areas, as they capture all the livelihood options that are possible to adopt. Hence, what makes this study unique, in my opinion, is that the literature's explanations (derived from primary or secondary data often collected from interviews or surveys carried out with young people) focusing primarily on rural youth exodus were complemented with young agricultural students' more comprehensive perspectives on their livelihood strategies. The richness of this research material hopefully contributes to the analytical generalisability of the findings.

## RESEARCH METHODLOGY

### Research Approach

To study individual decision-making and livelihood dynamics, I adopted an institutional theory approach, combined with perspectives from both agrarian and youth studies. As this research project covers an unchartered area, it is exploratory in nature. That is why it enters naturally into the category of inductive research and follows Denny Gioia's qualitative method (Gehman et al., 2018). The research design corresponds to a mixed methods approach, with the ultimate objective of theory building. More specifically, I adopted two research methods, each comprising different data gathering and analysis phases. First, I conducted qualitative video interviews with young farmers. Then I organized a workshop with practitioners. Data was triangulated from both sources. Based on Denny Gioia's research methodology, I adopted a grounded theory approach (Gehman et al., 2018), which enables codes to be derived from data, rather than using predefined codes for data extraction. Finally, reiteration of data collection and analysis ended once the state of "crystallization" was reached, as described in Vacarro and Palazzo (2015). Concretely, the data gathering ended when the six micro-processes (i.e., influencing, being ascribed, aspiring, understanding, evaluating, deciding) were comprehensively characterised.

### Data Collection

The overall data-gathering phase started in January 2016 and finished in April 2018. It was

guided by a recursive theoretical sampling strategy (Glaser & Strauss, 1967). First, I identified the phenomenon of interest in this study, which is a practical issue, together with three MNCs. These MNCs are active in the food and beverage industry and are wondering how to create opportunities for the next generations of farmers. Indeed, the particular angle of interest is a better understanding of what makes young people stay in agriculture, which is important for multinational corporations depending on rural supply chains. A partnership with these three enterprises was established in order to provide new insights into this question. Neither the research process nor the results have been influenced by this partnership in any way.

First of all, a systematic literature review was conducted, including a hundred articles and reports on the impacts and drivers of rural youth migration, in order to complement the primary data collection explained below and to have greater variance and multiplicity in terms of perspectives. To include young people in the discussion and because identities are "enacted in the 'now' through language and action" (Brown, 2015, p. 23) the following research method consisted of a direct consultation with young men and women. The findings were triangulated with video-recorded interview data, participatory data, as well as data derived from direct observation. These data were collected in two agricultural educational organisations, the SERTA in Brazil and Fundación Paraguaya in Paraguay. The SERTA comprises two schools, whereas Fundación Paraguaya includes four schools. Data was collected in different classes in each school. In total, data gathering included 48 interviews with students of both genders and approximately 30 days of direct observation (see Table **1** and Appendix **1**).

The questions used for the interviews allowed for considerable flexibility. They can be categorised in three dimensions. The first cluster of questions focused on the background and past experiences of the interviewees. I asked about their family, life history and educational background. The second cluster of questions concentrated on the present time, on students' motivation to study in the schools as well as on their perceptions of farming. Lastly, I was interested in their future perspectives and asked questions about their aspirations, objectives, livelihood preferences and about the incentives or challenges.

Finally, consultations with experts represented the second research method and provided an additional data gathering opportunity. This last endorsement stage comprised several meetings with the three corporate partners, as well as one workshop where fifteen key stakeholders from the private, public and NGO sector were invited. Workshop participants expressed an interest in solving the complex issue of rural exodus. They felt the need to define what a "good life is", and "reinvent farming". They were also willing to implement practical findings in the field and

bring investment as a lever. A group exercise was carried out at a workshop, where the following questions were asked: “do those results match with your experience?” “If not, why?” and “in which context?” Interactions and insights from the practice served as an opportunity to refine the scope of the study and the research question, to challenge and extend the findings as well as to discuss management implications. All details regarding the data sources, the type of information collected, and the amount of data acquired from each source are summarised in Table **1** (see Appendix **1** for more details on participants).

**TABLE 1**

**Sources and Type of Information and Amount of Data obtained**

| Types of data | Amount of data | How data were used in the study |
|---|---|---|
| Systematic review of articles and reports | Approx. 100 | Integration of youth perspectives, focus on the impacts and drivers of rural youth migration. |
| Semi-structured interviews in Brazil (SERTA in Glória do Goitá and in Ibimirim) | 20 | Integration of youth perspectives: characterisation of youth life histories and perceptions of rural livelihoods. Identification of aspirations, barriers and facilitators. Analysis of livelihood strategies. |
| Semi-structured interviews in Paraguay (Fundación Paraguaya) | 28 | |
| Direct observation (Paraguay and Brazil) | Approx. 30 days | Interaction with youth and impregnation of their worldviews, life histories, and identification of barriers and facilitators. |
| Meetings with 3 corporate partners | 2 | Identification of the phenomenon of interest in this study. |
| Workshop with 15 experts from the private, public and NGO sector | 1 | Peer review and analysis of my explanations concerning rural youth livelihood dynamics. Challenging results and enhancing practical relevance. |

**Data Analysis**

Data entry involved extracting information from each data source and sorting information according to key issues and themes (Arksey & O’Malley, 2005). The extracted data were entered into an Excel file, which served as the core of the thematic construction. To enable joint qualitative synthesis, findings from all collected evidence were organised into concepts, themes and aggregate dimensions. Data analysis focused on the development processes of rural youth livelihood strategies. During the first data analysis phases, the “life narratives” of rural youth were identified as first-order concepts in my codes. Interview data demonstrated how young

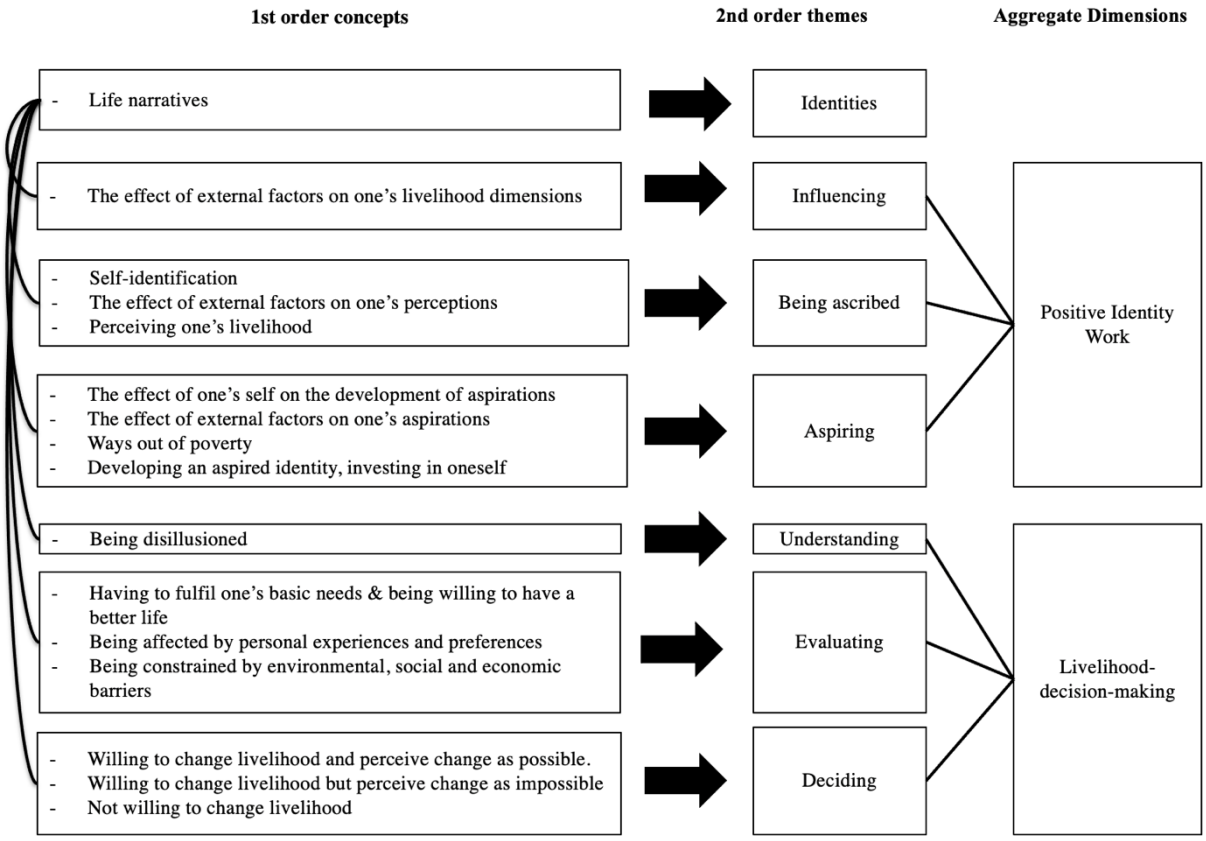
individuals explain who they are and who they want to become. Indeed, individuals use narratives to form and maintain their sense of personal unity and purpose in life (McAdams, 2001). By analysing people's stories, I understood the centrality of their past, present and expected future in the construction of "identities", which emerged as a key second-order theme situated at the core of the identification strategy. I discovered that young men and women constructed different types of identities, which were positively or negatively connoted and attached to the past, the present and the future. These identities developed continuously across their lifespan and were affected by endogenous as well as exogenous factors. This is how I recognised that identities were dynamic and why I started exploring the concept of identity work.

> *"I didn't want to stay in the countryside when I was a child (...) I didn't think that I would be willing to stay. I didn't think I would" (Mr. O, 22 years old, Pernambuco, Brazil).*

Once I measured the importance of ascribed and aspired identities (see definitions in the Theoretical Context section) in activating or inhibiting rural youth life expectations, I concentrated on the link between *objectives* and *actions*, in other words between identity work and livelihood changes. A deeper look at the data allowed me to deconstruct this connection and identify common patterns among respondents. Change is the result of a long process, which is rooted in an individual's initial situation. In this paper, it is the rural livelihood of young men and women, which is affected by many factors, either positively or negatively. The resulting unstable conditions lead to the identification of a first multi-level process labelled "influencing". The first-order concepts, second-order themes and aggregate dimensions are indicated in Figure **2**. In addition to "influencing", I identified five micro-processes, labelled as "being ascribed", "aspiring", "understanding", "evaluating" and "deciding". I discovered that "being ascribed" and "aspiring" triggered "understanding", which in turn sparked the last two micro-processes. Data analysis shows that each step is a key element of a decision chain incorporating a palpable tension. At the end of this data analysis stage, seven second-order themes were identified, as well as six processes. These six processes were aggregated in two dimensions, based on the sequence of events leading to livelihood choices. In fact, the data showed that the first dimension "positive identity work" is an antecedent to the second dimension labelled "livelihood decision-making". Finally, the results were challenged during the consultation with field experts, until endorsement was achieved. Additional extracts from the coding are disclosed in Appendix **2.**

## FIGURE 2

### Analytical Coding Process




To guarantee the methodological rigour of this research and enhance the validity of the concepts, themes and aggregate dimensions, I used triangulation between multiple sources of evidence. In other words, I analysed simultaneously independent sources of data: case study data, data from the systematic review and observational data. I verified whether they converged towards the same findings. For example, being able to visit young people's homes in Brazil and Paraguay helped me understand how precarious their living conditions were. This helped me contextualise interview data. Triangulation contributed to reaching data saturation and enhanced the consistency, trustworthiness and plausibility of this study's analysis. In addition, the results were challenged by senior managers repeatedly throughout the entire duration of the research. This served as a "reality check". The findings can be generalised because they reflect a cross-case analysis of two case studies and have been verified by practitioners with long international careers in the field. All the data has been carefully documented in a database and is available upon request.

## ANALYSIS AND FINDINGS

In this section I characterise the six processes associated with youth identities as they surfaced from the data. These serve to deconstruct the decision-making mechanisms of rural youth with regard to their livelihood choices. I start with a summary of the findings.

### Livelihood Decision-Making Driven by Positive Identity Work Processes

The first three processes are regrouped into the aggregate dimension "positive identity work", which assumes that people's identity work is driven by the aspiration for positive meaning (Gecas, 1982). I define aspirations as multidimensional future outcomes that are perceived as accessible. Crivello (2015, p. 1) argues that "'aspirations' are about much more than abstract 'futures'; they orient actions in the present and say a great deal about young people's current realities and relationships". Aspirations are not formulated in isolation from young people's life experiences (Ray, 2006). Marshall (2016, p. 426) argues that "children's motivations and courses of action [need to be understood] in the context of their capability and vulnerability as human beings, with respect to their interpersonal and intergenerational relations with others, and in the light of the social, economic and political structures shaping their lives". Because pressures are known to stimulate institutional change (Oliver, 1992), the first multi-level process is called "influencing current livelihood" and embodies the various external pressures imposed by the environment on rural livelihoods. The second micro-process is entitled "being ascribed". As emphasised by Antaki and Widdicombe (1998, p. 191) "the important analytic question is not therefore whether someone can be described in a particular way, but to show that and how this identity is made relevant or ascribed to self." The third micro-process, "aspiring" illustrates the development of individual needs and aspirations, which leads to the conception of an aspirational identity: an identity toward which one strives.

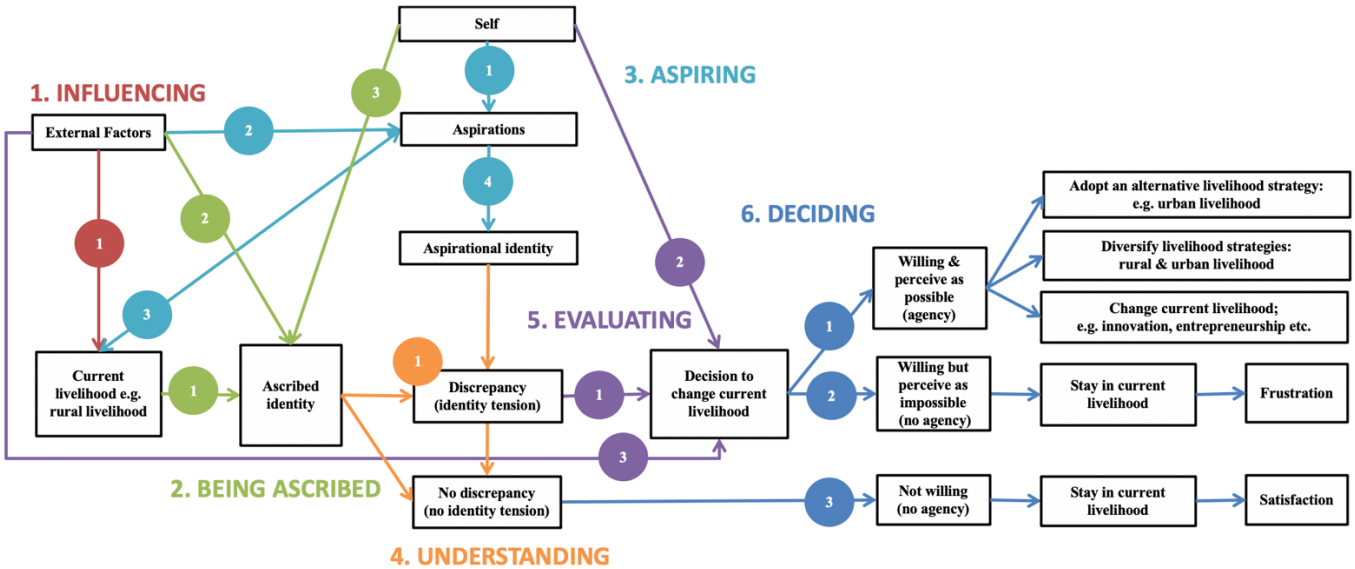
Triggered by positive identity work, the last three micro-processes are regrouped into the aggregate dimension "livelihood decision-making". Livelihood strategies are defined, within the context of multiple constraints, as the livelihood activities and livelihood-related decisions that people undertake to achieve their desired livelihood goals. Therefore, the fourth micro-process, "understanding" reveals the consciousness of tensions emerging from the discrepancy between one's ascribed and aspired identity and frames the need for change. Indeed, identity tension is defined as "the stresses and strains" experienced by an individual in relation to the discrepancy between who one is and who one wants to become (Kreiner et al., 2006, p. 1034). As discussed in Vaccaro and Palazzo (2015, p. 1086) who reference Battilana and colleagues

(2009) "institutional scholars consider highlighting tensions to be an important starting point for successful change processes". I labelled the fifth micro-process, "evaluating". To assess the possibility to minimise the discrepancy between ascribed and aspired identity, and identify which identity is achievable, rural youth need to reflect on their personal experiences and life environment, in relation to their ability and will (Jackson & Hogg, 2010). Finally, the sixth micro-process, "deciding", stems from the evaluation of one's livelihood strategy. In accordance with the prevalence of each determinant taken into account during the evaluation phase, young people might be willing, or not, to change their current livelihood. They might also perceive change as possible or as impossible. Depending on these two aspects, the resulting decision might generate either satisfaction or frustration.

My analysis shows that rural youth livelihood choices result from a combination of these six processes. In order to draw propositions to guide further research related to livelihood strategy adoption, I have developed an empirical livelihood strategy framework for rural youth (see Figure **3**) that has emerged from the data. Each of the six processes is represented by a different colour. Each first-order concept (listed in Figure **2**) associated with each process is numbered on each arrow of Figure **3**. The analysis of the findings will cover each process as well as each first-order concept in an ascending order.

**FIGURE 3**

**Rural Youth Livelihood Strategy Framework**



In a nutshell, the change process is initiated by factors influencing rural livelihoods and is divided into three positive identity-work processes, followed by three livelihood decision-making processes, which are discussed further in this section, using illustrative quotations as they emerged from the data. I start by exploring the process labelled "influencing".

***Multi-level-process 1: Influencing current livelihood.*** This multi-level process relates to the effect of external factors on rural livelihood dimensions, from the perspective of youth. External factors can have positive or negative impacts on rural youth life environment at different levels of analysis. To express this duality the negative impacts have been characterised as "push" and "pull" (Bezu & Holden, 2014) or also as "because-of" motives or "in-order–to" factors (Schutz, 1967). That is why they can remove or generate tensions. Engendered instability is assumed to be a prerequisite for institutional change (Chaudhry & Rubery, 2017; Oliver, 1992). In fact, dissatisfaction might incentivise youth to favour employment options other than agriculture and migrate to urban centres (Bezu & Holden, 2014). In this study, interviews and direct observation show, for example, that the lack of resources, infrastructure, services and products impact rural youth livelihoods negatively. The following quotes illustrate how young farmers are specifically affected by the lack of access to credit and access to land.

> *"One of the difficulties that we face in the countryside is the lack of access to credit for investments. This is quite important. How am I going to stay in the countryside without a decent livelihood, without an income? Young people want to have fun, go out and buy some stuff" (Mr. O., 22 years old, Pernambuco, Brazil).*

> *"Many young people want to produce but don't have land. (...) I want to buy my own land because the land [I will inherit] won't be sufficient for my children. Buying land is my biggest challenge" (Mr. O., 22 years old, Pernambuco, Brazil).*

The lack of access to credit and access to land jeopardises the possibility of considering farming as a sustainable activity. In addition, the difficulty in covering basic needs and entertainment desires generates frustrations.

***Micro-process 2: Being ascribed.*** The concept of ascribed identity was proposed by Ralph Linton in 1936 who believed that it was determined at birth (Jackson & Hogg, 2010). Antaki and Widdicombe (1998, p. 192) report that ascribed identities "are not just externally attributed, they are internally 'owned'". Building on the identity theory, I assumed that youth derive their ascribed identity from their current rural livelihood, a broad term encompassing lifestyle and vocation. Indeed farming is considered to be a "way of life", a "lifestyle" as well as an "identity"

rather than merely a profession (Cassidy & McGrath, 2015; Leavy & Hossain, 2014). Data shows that the identity work process "being ascribed" reflects the influence exercised by three elements on young people's ascribed rural identity: rural livelihood, external factors and one's self. First, some interviewees identified themselves as proud of their current livelihood. This is depicted in an activity labelled "self-identification".

> *"To tell the truth, it is none of these [negative comments about the countryside]. In the countryside, you can have a quality of life that is everything but "underdeveloped", it is very productive and provides much pride" (Mrs. L., 22 years old, Paraíba, Brazil).*

> *"I am the son of farmers; I was born in the countryside; I have spent all my life in the countryside. I have already lived in the city, but I didn't like it. The experience in the city was not good for me because the smell of the city is not the same as the smell of the countryside where the air is pure. That is why I identify myself more with the countryside" (Mr. M. 29 years old, Paraiba, Brazil).*

This view is consistent with the identity literature, as reported by Brown (2015, p. 28), which assumes that "people's identity work is motivated by a desire for positive meaning". Referring to other studies (Goffman, 1986; Hughes, 1951), Brown (2015, p. 28) reports that this is "true even of those who engage in 'dirty work', work that is perceived as degrading, disgusting or demeaning to those performing it, and who recognize that they are holders of stigmatized (spoiled, blemished or flawed) identities." External factors represent a second determinant of rural youth perceptions of their ascribed identities. For instance, societal and parental perceptions influence and can reinforce youth perceptions of farming.

> *"On top of all this, that we see difficulties to stay in the countryside and that we think a lot about being independent from our parents, many people saying that young people from the countryside are hicks and 'retarded'" (Mrs. L., 22 years old, Paraíba, Brazil).*

Third, one's self also intervenes in defining individual perceptions of ascribed identities, which can be either positive or negative. In Brazil, extracts of coding show that culture and individual life-history, two components of the self, play a key role.

> *"From the training programs provided (...), I began to value my own history, a story of subsistence, a very sad story of fighting. There was a loss of one of our companions, who was murdered. Actually, he disappeared, and his body has never been found (...). He was a person who wanted to defend everybody. He used to say that he was not afraid*

*of the henchmen hired to persecute the families fighting for their lands (...). From this story and from the training program, I realized that I needed to embrace my history, and value my culture of which I am proud" (Mrs. L., 22 years old, Paraíba, Brazil).*

***Micro-process 3: Aspiring***. Thornborrow and Brown (2009, p. 355) "suggest that people are often best characterized as 'aspirants'". They say that "an aspirational identity is a story-type or template in which an individual construes him- or herself as one who is (i) earnestly desirous of being a particular kind of person and (ii) self-consciously and consistently in pursuit of this objective". The third micro-process "aspiring" includes three mechanisms affecting the development of an aspirational identity. First, the self has an effect on the emergence of aspirations. In Paraguay, traditions and one's life history play a key role in determining one's projections.

*"Motivation is what young people lack. (...) The habit of accompanying your grandfather to the farm since childhood has really been lost. Everyone prefers to be in the house watching television with a phone in their hand" (Mrs. P., 21 years old, Mbaracayú, Paraguay).*

Second, external factors also have an effect on the development of one's aspirations. These can be influenced by peers' and parental aspirations. The effect can be positive or negative as shown in the following quotes:

*"My parents motivated me to continue in the area of family farming" (Mr. E. 18, years old, Pernambuco, Brazil).*

*"I thought of leaving the countryside because I thought there was no space for me. I wanted a monthly income and couldn't see perspectives because: young people – city, everybody leaving the countryside. I was thinking in the same way" (Mrs. L., 22 years old, Paraíba, Brazil).*

The educational system also contributes to shaping rural youth aspirations. In relation to farming this influence is often negative.

*"It's what the system puts in our heads: I didn't think I would have wanted to stay in the countryside (...) because the scholastic curriculum teaches us that young people leave the countryside. None of my teachers encouraged me to study to become a farmer" (Mr. O., 22 years old, Pernambuco, Brazil).*

Third, the formation of one's aspirations depends also on one's living conditions. In fact, rural youth is looking for *ways out of poverty*.

> *"It is necessary to show teenagers examples of young people involved in agriculture who are successful and are making a living. (…) we sometimes think like this when we are young: that we want a profession to quickly earn money so we can buy things" (Mrs. P. 21 years old, Mbaracayú, Paraguay).*

Fourth, the formation of aspirations fosters the development of an aspired identity. Seeking to become professionals in agroecology prompts students to *invest in themselves*.

> *"I want to try to stay in the countryside. I'm going to try, and I will fight for that, but if I do not succeed, my life perspective is to look for other trainings and better qualifications in other areas in order to try to have a dignified life as well" (Mr. A, 29 years old, Pernambuco, Brazil).*

***Micro-process 4: Understanding the need for change.*** The present and following two micro-processes are associated with livelihood decision-making, which starts when the ideal is confronted with reality. Because of the incongruence resulting from the comparison between one's ascribed and aspired identity, an individual feels tension (Clemente & Roulet, 2015). Data show that the opposite is also true and that the lack of incongruence results in the absence of tension. This disillusionment is clearly exemplified by the rural youth in Brazil. I had the opportunity to visit the home of Mr. O. in a remote location. His family's precarious living conditions made me understand the weight of the identity tension that this person was experiencing:

> *"When I was a child, I didn't want to stay in the countryside because when I was younger, I had many illusions" (Mr. O., 22 years old, Pernambuco, Brazil).*

Even if identity tension represents a symptom of disenchantment, it might also trigger an incentive for change. Rao and colleagues (2003, p. 835) claim that "identity-discrepant cues are important mechanisms that trigger institutional change within professions". This wake-up call is what many students experience at the Serta, in Brazil.

> *"The first week when I arrived, I opened my eyes, really to the reality of agrochemicals. This realization has been [the source of] my motivation. From the moment that I arrived at the Serta, I understood that what I wanted to do, what I wanted for my life (…) was*

*to do everything possible to become a technician in agroecology" (Mr. M., 29 years old, Paraíba, Brazil).*

***Micro-process 5: Evaluating one's opportunities.*** This relates to assessing the discrepancy level between one's ascribed and aspired identity, in relation to contextual and personal circumstances, to search for and evaluate the best possible livelihood strategy. In fact, a young person faces a set of more or less viable options – or 'opportunity space' – as they attempt to establish an independent life. Data shows that three considerations are taken into account in evaluating livelihood strategies. The first is to fulfil one's basic needs and have a better life.

*"[I want] to be able to carry my country forward, my family and my community as well. To be able to help the needy ones, my mum, the children and the elderly. This is my dream (...) I would not like (...) that my family to go through the many struggles I went through" (Mr. A., 27 years old, Belén, Paraguay).*

Aspirations drive agency and life achievements, and young people aim to overcome the obstacles that they face in order to realise their aspirations. For example, non-agricultural career aspirations may create the willingness to migrate away from farming (Noorani, 2015).

*"Based on one's own needs, it is always necessary to try to seek improvements. I believe that people themselves have to look for improvements wherever they are, whether in the city or in the countryside. This is essential" (Mr. H.F., 18 years old, Pernambuco, Brazil).*

The second consideration that matters is the socio-economic status of individuals, personal experiences and preferences. Some young people are tied to their roots.

*"I never thoughts: I'm going to study agronomy because I'm going to have a lot of money. I mean no. It's because I really liked it, I felt connected to nature and the production part" (Mrs. P. 21 years old, Mbaracayú, Paraguay).*

The third consideration is to examine to what extent the life environment represents a constraint. Barriers can be environmental, social and economic. As data has previously shown, the lack of access to land is a prevalent problem and land availability plays a key role in the rural youth evaluation of farming as a livelihood option. As a result, agriculture has become an increasingly difficult option. Young people are driven out of farming and have no other choice than to look for alternative livelihood options (Anyidoho et al., 2012; Bezu & Holden, 2014; Leavy & Hossain, 2014). To evaluate one's options, it is also necessary to consider social and economic

barriers. The lack of interest in farming and the lack of employment opportunities and access to services in rural areas encourage rural youth to migrate into urban areas. That said, life in urban areas might not be better.

> "*If you leave the countryside to have a life in the city, you will face many difficulties. I say this because I lived in [Rio de Janeiro] for one year and five months and I faced many difficulties. The major challenge that you face in the first place is to get a job, because the son of a farmer has no qualification when he arrives in the big city, he can't get a good or steady job. He will only get a few tips to earn money. That will not be sufficient to cover his needs, unlike in the countryside, where you work on your own property, where you have a better and more dignified life as well as a good social life, because you will be working for yourself, not for someone else. You will be producing and eating the products of your own production. You will eat better and have a healthy life, much better than if you would have to go to the city to buy without knowing what you are buying to eat, without knowing if you will get a job to support yourself and a house to stay in. Sincerely, I do not wish to go through these [difficulties] ever again" (Mr. A, 29 years old, Pernambuco, Brazil).*

***Micro-process 6: deciding to change one's current livelihood.*** The final stage of the decision-making process leads to the decision to change or not to change one's current livelihood. This choice is motivated by the inclination to match aspirations with perceived existing opportunities (Mengel, 2016). In fact, Baez and Abolafia (2000, p. 5) claim that "the change strategies chosen reflect the institutional actors' cognitive inclinations. These inclinations are contingent on context and the identity work process that responds to that context." Rural youth face several choices. The first scenario is that young people are willing to change their current livelihood and perceive change as possible. In this case, they might adopt an alternative livelihood strategy (urban), which is often motivated by a lack of employment opportunities in the countryside. Several variations are possible. Some migrate to urban areas and abandon rural areas. As all of my interviewees are agricultural students, this option is not explicitly shown in the data. However, the prior quote shows that some have tried to leave the countryside. Others prefer to diversify their livelihood strategy, by combining the best of both rural and urban livelihoods, which is often motivated by the fact that "rural households have increasingly diversified their ways of earning a living" (Borras, 2009, p. 8). The data indicates that some young people in Brazil live in the city but work in the field.

> "*Today we live in the city but every day we are in the field working because the city provides better access to things. I want to continue living in the city and working in the fields. (...) This is the perfect life, to enjoy technology in the city and have a quiet life in the countryside, surrounded by nature. It would be difficult to live in the countryside because of the accessibility, transport and commercialization" (Mr. E., 18 years old, Pernambuco, Brazil).*

Others favour living in the countryside, working as farmers and diversifying their income by having a second job in their village or in the city, which contributes to a better quality of life (Markantoni & van Hoven, 2012).

> *"My second income allows me to have security when it is not raining" (Mr. O., 22 years old, Pernambuco, Brazil).*

The quest for diversifying one's income can also come from people living in urban areas.

> *"There is a tendency for rural youth to move to cities. Today there is another tendency: people with different professions from urban areas tend to move to rural areas" (Mr. A., founder of the Serta school in Brazil).*

Some young people also decide to stay in rural areas and are hopeful that they will make a living. They are willing to transform rural areas through innovation or entrepreneurship initiatives.

> *"I really like agriculture and nature. What motivates me is to make sure that nature does not die, to show the farmer that he can live with nature producing alongside it, without having to destroy it in order to produce, without killing the soil until it doesn't produce anything anymore" (Mr. A., 27 years old, Pernambuco, Brazil).*

The second scenario is that young people are also willing to change their current livelihood but perceive change as impossible. In this case they have no other choice than to remain where they live. Their agency is hindered, which might lead to frustration and in extreme cases, to suicide. Nobody expressed such a view in the interviews that I conducted (as education can be considered an instrument for agency), but this is a global phenomenon prevalent in the literature and not only in developing countries (Behere & Bhise, 2009). High suicide rates in the farming population have been observed for example in India, Brazil and Australia (Arnautovska et al., 2014; Krawczyk et al., 2014; Vaidyanathan, 2006). The third and last scenario is that young

people are not willing to change. They are satisfied or resigned with their current situation, as difficult as it might be, and there is no need for decision-making or agency.

> *"I do not want to leave the countryside; I do not want to forget my roots. Everyone always goes back to his or her origins, to his or her roots" (Mr. J.J., 29 years old, Pernambuco, Brazil).*

> *"Living in the countryside especially here in the semiarid is extremely difficult. People have to accept this, because life is not easy. (...) I also faced numerous difficulties in the city. In every location, I felt something was missing. I think that it is thanks to the difficulties that one is able to become stronger" (Mr. H.F., 18 years old, Pernambuco, Brazil).*

In conclusion, the story of rural youth livelihood decision-making is rooted in the development of aspirations, which are at the origin of the tension generated by the discrepancy between who individuals are and who they want to become. This positive identity work process drives a decision-making mechanism, although this process is not experienced by all. This mechanism contributes to evaluating whether a young person is willing to change his or her livelihood and then whether change is possible. Based on these two elements, a choice (if there is one) is made, aiming at improving resilience and reducing tension (if there is any). Whichever livelihood choice is made, "transforming an identity pain (problem) into an identity gain (growth) requires a good deal of cognitive and emotional energy and no small amount of risk" (Kreiner & Sheep, 2009, p. 168). In fact, "[Lipton believed that] achieved identities were the result of accomplishments across the life span and were often the result of will and perseverance" (Jackson & Hogg, 2010, p. 44). The data shows that there is no easy choice… If any at all.

## THEORISING THE DYNAMICS OF IDENTITY WORK

Little is known about the antecedent micro-processes of institutional change and how institutional pressures affect actors' agency (Creed et al., 2010; Vaccaro & Palazzo, 2015). Kyrastis and colleagues (2017) add that further research is needed to explore "how and why individuals adopt new professional logics or the mechanisms that underlie this process". In this context, this paper was motivated by the following question: *how can rural youth livelihood dynamics ensue from identity work?* Identity work being key to the current debates on "how identities should be theorized and researched" (Brown, 2015, p. 25), I contribute to "the

substantial portion of the identity literature [which] is predicated on an assumption that people's identity work is motivated by a desire for positive meaning (Gecas, 1982)" (Brown, 2015, p. 28). This study builds on previous research, aimed at clarifying the relationship between insider and outsider-driven institutional change (Clemente & Roulet, 2015) by considering the complex interrelations between institutional pressures, positive identity work and individual livelihood-decision making. Hence, this study investigates how positive identity work influences the adoption of livelihood strategies by rural youth via decision-making, providing three important answers, which mark this paper's contributions. First, I explain the central role that identity tension plays in the dynamics of positive identity work. Second, I connect identity tension and livelihood decision-making processes. Third and because the data is restricted to the individual level, this study proposes to link positive identity work towards resilience to micro-level institutional change, via livelihood decision-making. In a nutshell I suggest that positive identity work processes are characterized by the emergence of a discrepancy between aspired and ascribed identities, both shaped by multi-level external factors and the self. This mismatch results in identity tension that triggers livelihood decision-making processes, at the origin of life changes towards resilience. My three contributions are explained below in more detail.

**The role of identity tension in the dynamics of identity work**

There exists an open debate on whether identity is considered as a process or as a characteristic (Schultz et al., 2012). I build on Burke and Reitzes (1981, p. 847) who argue that "identities are not just states or traits of an individual that are relatively fixed" and on Kreiner and colleagues (2015), who find that it is both. Whereas Burke (1991) conceptualises identity as a "feedback process", Kreiner and colleagues (2015, p. 981) develop the construct of "identity elasticity", which they define as "the tensions that simultaneously stretch, while holding together, social constructions of identity." Their findings show "that the expanding and contracting of identity constructions reflects identity's dynamic nature and should be considered more carefully in identity research" (Kreiner et al., 2015, p. 982). As they studied how identity elasticity applied to organisational identity, they encouraged scholars to explore this process at the individual level, as well as to investigate the limits of elasticity.

These findings contribute to both aspects by showing how identity tensions are involved in rural youth identity construction and how identity elasticity determines the potential for positive growth. The data shows that both aspired identity and external factors exert forces on ascribed identity, often in opposite directions. This leads to identity tension, which triggers a livelihood decision-making process. Once enacted, one's livelihood choice can diminish, stabilise or

enhance identity tension. On the one hand, if external pressures exert a force that is weaker than that exerted by aspired identity, identity tension will diminish, and individuals will experience greater life satisfaction. On the other hand, if those factors exert a stronger force, identity tension will increase. That said, identity elasticity is finite and depends on individuals' ability to adapt to adversity and face on-going tensions. Reaching one's elastic limit might result in a fracture and, in the extreme cases, suicide.

**Livelihood decision-making as a way to relax identity tension**

Recent studies have concentrated on how organisations respond to institutional complexity by focusing on the role of identity (Kodeih & Greenwood, 2014). Others adopt the perspective of individuals and explored the antecedents of "being retained" or "turning over" (e.g. Rothausen et al., (2017)). These reactions are induced by the "quest for positive, congruent identity and psychological well-being across life domains" (Rothausen et al., 2017, p. 2357). Consistent with the literature, my findings show that livelihood decision-making is also driven by positive identity work. Furthermore, the findings of Kodeih and Greenwood (2014, p. 34) show that "in contrast to existing theory, organizational responses are shaped not by current identity but by identity aspirations." This paper suggests that agency is not triggered by either ascribed or aspired identity, but by the interaction of both of these factors. Indeed, even if I have demonstrated that having aspirations is a prerequisite to the development of an identity discrepancy, it is the resulting tensions and internal struggles that induce action and change.

Hence, this study contributes to deepening our knowledge of the micro-processes at the origin of the progression from ascribed towards a more desired identity, by studying the extent to which rural youth experience identity tension associated with their rural identity being incongruent with their aspired identity. In line with Zhang and his collaborators (2011) I identified that identity tension is produced not only as a result of the discrepancy between reality and aspirations, but first and foremost because of relative deprivation. Relative deprivation is illustrated as follows: "in the situation in which an extremely economically poor individual realizes some other people of the same or similar background are leading a much better life, the person experiences deprivation strain"; whereas aspiration tension is defined as "a discrepancy between an individual's aspiration or highest goal and the reality with which the person has to live" (Zhang et al., 2011, p. 2005). The data shows that not only do these two types of identity tension exist, but that they are hierarchised in a similar fashion to Abraham Maslow's hierarchy of needs. Fulfilling human needs is the first priority of rural youth. Aspirations that individuals progressively strive to satisfy is their second priority.

My findings also suggest that the tensions generated by positive identity work, whether because of relative deprivation or discrepancy between reality and aspirations, result in either satisfaction or frustration. What is of interest is that positive identity work can generate positive or negative emotions. This complements prior managerial findings regarding retention and turnover. Ashforth and colleagues (2016, p. 50) report that "the literature depicts identification in organizations as a primarily positive process, both in terms of affect and functions, whereas [they] describe threat focused PI [Personal Identification] as associated with negative affect (i.e., anxiety) and some dysfunctional outcomes." Others also adopt this perspective and argue that perceived threat to identity and to well-being leads to psychological tension, which in turn produces anxiety and distress (Burke, 1991; Rothausen et al., 2017). In this context, the findings open the door to a more comprehensive and non-exclusive view of the diversity of sources and effects of identity tension, including positive and negative elements.

At one point, the continuous increase in incongruence and associated internal tensions triggers "both an alarm system and motivation to remediate the problem discrepancy" (Burke, 1991, p. 840). The evaluation of how to minimise incongruities in order to relieve these internal tensions precipitates decision-making. Depending on the livelihood choice made, discrepancy either decreases, thus releasing tensions and maximizing well-being, stabilises, or increases, potentially leading to severe consequences such as depression or suicide (Breakwell, 1986; Rothausen et al., 2017).

Finally, a vivid on-going debate focuses "on whether identities are chosen by resourceful and autonomous beings or ascribed to individuals by historical forces and institutional structures" (Brown, 2015, p. 26). Some studies in management literature argue that structure prevails over agency, whereas others (Kreiner & Sheep, 2009) suggest the opposite, that individuals can choose their identities to develop a more meaningful life, independently from their environment. Nevertheless, the majority of scholars recognize that neither proposition is true and acknowledge that identity work takes place in the interstices between environment and the self (Brown, 2015). Despite the fact that agency is an intrinsic part of the positive identity work of rural youth, the data analysis supports the view that there is no free agency (as claimed in Barbour & Lammers (2015)) and that the adoption of a livelihood strategy is influenced by positive-identity work, which is framed by internal as well as external processes, initiated by the economic, social and environment context as well as by the self. In other words, I recognise that individuals, characterised by their interest-driven behaviour, occupy a central role in institutional reality and that "their 'choices' are made within frameworks of disciplinary power

which both enable and restrict their scope for discursive manoeuvre" (Thornborrow & Brown, 2009, p. 355). Therefore, I believe that the issue is not structure versus agency, but rather how agency arises, as a result of structure negotiating with the self.

### Micro-Level Institutional Change Towards Resilience

Responding to the need to connect the endogenous process of self-constructions and the external process of institutional change to be able to consider identity work as a type of institutional work (Creed et al., 2010; Leung et al., 2014), I analysed the paths from positive identity work to the adoption of livelihood strategies. The findings demonstrate that positive identity work, motivated by the quest for resilience, leads to an agentic behaviour at the individual level, namely the decision regarding which livelihood strategy to adopt. Vaccaro and Palazzo (2015) claim that the aggregation of agency by many young people in rural areas results in institutional change. In recognition of the fact that the percentage of the world's rural population is decreasing over time (World Bank, 2021) and that young people are the group most likely to migrate from rural to urban areas (FAO, 2018; van der Geest, 2010) this study proposes to link positive identity work towards resilience to micro-level institutional change, via livelihood decision-making. It seems reasonable and plausible to assume that if an increasing number of young people choose to adopt an alternative livelihood strategy and move to urban centres, or vice-versa, structural change might occur and increase in intensity and magnitude over time. This proposition might hopefully guide further research.

## LIMITATIONS

Because the systematic literature review of secondary data, in a recurring pattern, highlighted the factors that motivate young farmers to leave rural areas and explain their disinterest in farming, it seemed to me that the sample of secondary data was biased in the sense that it is building on the assumption that young people always want to leave. As only a fraction of possible outcomes and antecedents were available in the literature, with some exceptions, I conducted the two case studies, in Brazil and Paraguay. That said, although the objective to combine a systematic literature review with case study data was to avoid making inferences to a restricted population by taking the whole universe of livelihood options into account it would have been necessary to include people who are not enrolled in these agricultural schools. Indeed, an important limitation of this study is the sample size and the selection on the dependent variable, that is, restricting primary data to cases in which young people are studying

agriculture and excluding cases in which young people are leaving agriculture.

The participants' bias might be perceived as another limitation. Nevertheless, the probability of this is low as no desired or socially acceptable outcome can be identified in this study. Participants' experiences could not have been shaped before the interviews simply because I was unaware of their life stories. That said, to avoid potential bias, it would have been preferable for several researchers to reiterate the data coding, and to ensure that participants reviewed the study's findings. In addition, I am not aware of potential researcher's bias as no preexisting assumptions or hypotheses were made.

Finally, although the conceptual model resulting from this study provides a contextualised understanding of rural youth livelihood dynamics in Paraguay and Brazil, I believe that conclusions might be applicable to other countries and extended to other domains, such as human resources management, talent retainment and eco-anxiety management. Indeed, what is of importance, adopting Gioia's approach to theorising, is transferability (Gehman et al., 2018). According to Gioia and colleagues (2012, p. 24) "the choice of a great teaching case is first predicated on finding the specific case that exemplifies a general principle that can be taught as a transferable generality—namely, 'principles that are portable' from one setting to another". That said, broader inferences from the findings to other contexts should be drawn with caution as insights might not be applicable to extreme situations where, for example, the level of poverty is lower or higher or where conflict, insecurity or climate change occurs.

## PERSPECTIVES FOR FURTHER RESEARCH

I encourage scholars to shed more light onto the following two avenues for further research. First, this paper uncovers the dynamics of positive identity work processes. A promising avenue to build on would be to explore whether positive identity work engenders a feedback process at the individual level. It would be of interest to investigate how individuals work their identities, once the first decision-making cycle is achieved and the new livelihood strategy is adopted. Is identity tension relaxed for those who settle in urban areas? What about those who remain in rural areas against their will, how do they cope with their living environment? How do aspirations change in the light of new choices and experiences? When do people reach the limit of their identity elasticity? White (2019, p. 9) stresses the "importance of a life-course perspective in the study of young people's aspirations and their move out of, and perhaps later back into, farming". He (2019, p. 4) adds that "rural youth outmigration does not necessarily

reflect a permanent, lifetime abandonment of rural life, agriculture or the possibility of a return to farming". A longitudinal study would allow for an exploration of whether and how identity work enables rural young people to reach life satisfaction and resilience and clarify the critical occurrence of the global issue of farmers' suicides.

Second, the emphasis on the role of identity in livelihood decision-making processes has important managerial implications. On the one hand, more research is needed to understand the speed, magnitude and consequences of such processes on institutional change, to quantify the risk with regards to the long-term sourcing of raw materials for the private sector and to identify adequate adaptation strategies. On the other hand, this study represents an important initial step toward *understanding*, which is a prerequisite for *intervening*. I believe that it is first by listening to the voices of rural youth and uncovering the identity work processes that accompany their livelihood dynamics that it will be possible, in a second step, to drive impactful interventions, aimed at making rural livelihoods more attractive to youth. This has become a key priority for numerous multinational companies that are sourcing their raw materials from smallholder farmers around the globe and who risk losing access to resources if the shortage of rural labour impacts their supply chain. Therefore, it is important to define multi-level interventions that can directly reduce the existing pressures in prevailing institutions, in order to relax identity tension and indirectly improve rural youth well-being. Faced with the myriad of factors that influence livelihoods, research is needed to unlock institutional complexity and identify key levers on which stakeholders can have an impact. In other words, it may be useful to identify factors that can be used as levers to minimise rural youth identity discrepancy.

I have deconstructed rural livelihood dynamics to describe how rural youth livelihood dynamics ensue from identity work. Considering work as a "way of life" and positive identity work towards resilience as a trigger for livelihood strategy adoption might provide a helpful explanation for the existing rural-to-urban exodus occurring across the globe, specifically for young people. I conclude that substantial effort is required to make rural livelihoods resilient and farming a desirable, accessible and profitable occupation for youth.

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## APPENDIX
## APPENDIX 1

### Participants

| Type of data | Function | Female | Male | Total interviews | Organisation/ Business | Location |
|---|---|---|---|---|---|---|
| Interviews | Founder | | 1 | 1 | Serta | Glória do Goitá |
| | Students | 2 | 10 | 12 | | Glória do Goitá |
| | Founder | | 1 | 1 | | Ibimirim |
| | Students | 1 | 5 | 6 | | Ibimirim |
| | Students | 1 | | 1 | Fundación Paraguaya | Maracaju |
| | Students | 2 | 2 | 4 | | San Francisco |
| | Students | 1 | 6 | 7 | | Belén |
| | Students | 4 | 12 | 16 | | San Pedro |
| Meetings with corporate partners | Private sector | | 4 | | 3 MNCs | |
| Workshop participants | Private sector | 2 | 6 | 8 | Agribusiness, fragrance, flavour, coffee, cocoa, cotton etc. | Vevey |
| | Public sector | 1 | 3 | 4 | Agriculture, education | Vevey |
| | NGO | 3 | | 3 | Agripreneurship, commodity trading | Vevey |

## APPENDIX 2

### Extracts from the First-Order Codes Associated with the Six micro-processes

| **Influencing** |
|---|
| *1. The effect of external factors on one's livelihood dimensions:* "There is a shortage of financial services in rural areas and existing products do not usually account for the needs and capacities of rural youth (FAO et al. 2014) nor for the higher risk factors inherent in agriculture. Youth have limited land ownership to offer as collateral. They rarely know how to design bankable business plans and have low levels of financial literacy in general" (FAO, 2016, p. 12). |
| **Being Ascribed** |
| *1. Self-identification:* "I am the son of farmers I was born in the countryside; I spent all my life in the countryside. I have already lived in the city, but I didn't like it. The experience in the city was not good for me because the smell of the city is not the same as the smell of the countryside where the air is pure. That is why I identify myself more with the countryside" (Mr. M. 29 years old, Paraiba, Brazil).<br>*2. The effect of external factors on one's perceptions:* Ethiopia: "Negative attitudes of family and society reinforce young people's preference for informal work in urban areas, even if it is low- |

paying and as back-breaking as agriculture. Going back to farming after failing national school-leaving exams is seen as defeat" (Wellard Dyer, 2013, p. 2).
*3. Perceiving one's livelihood:* Morocco: "it was found that youth's perception of rural life and farming is not per se negative. Many youth envisioned viable rural/agricultural livelihoods" (Mengel, 2016, p. 13).

**Aspiring**

*1. The effect of one's self on the development of aspirations:* Ghana: "Significantly, the different categories of aspiration roughly correspond with particular profiles of young people. Young people's prior experience and current engagement with farming, and their current and expected educational attainment, were most implicated in the content of their aspirations" (Anyidoho et al., 2012, p. 24).
*2. The effect of external factors on one's aspirations:* Ethiopia: "Parental aspirations together with their social-economic status and the child's cognitive skills are still among the strongest predictors for children's aspirations at the age of 19" (Favara, 2017, p. 580).
*3. Ways out of poverty:* Ethiopia, India, Peru, and Vietnam: "Schooling has acquired symbolic value as the prime means of escaping household poverty and realising ambitions for social mobility" (Boyden, 2013, p. 580).
*4. Developing an aspired identity, investing in oneself*: Ethiopia: "The paper finds that children hold high educational aspirations and make much effort to achieve their ambitions. Children in higher grades at school maintained their high aspirations. Children have demonstrated their agency in their capacity to aspire high and work hard to attain their ambitions" (Tafere, 2014, p. ii).

**Understanding**

*1. Being disillusioned:* India: "All four of them started out with high expectations for the future, but the economic contexts of their families, as well as the opportunities for work in their localities, are not changing rapidly enough to match these expectations" (Morrow, 2013, p. 267).

**Evaluating**

*1. Having to fulfil one's basic needs and being willing to have a better life:* Zambia: "These young people, for the most part, made sense of their lives in ways that protected their hopes for the future and their motivation to work for it in the face of highly constrained circumstances (…) The life histories revealed astonishing perseverance in the face of adversity" (Locke & Lintelo, 2012, p. 792).
*2. Being affected by personal experiences and preferences:* India: "What we see in these children's accounts are their aspirations slowly diminishing in the light of lived experiences and difficulties their families face. These operate along gender lines, as well as social positioning of caste and economic status" (Morrow, 2013, p. 267).
*3. Being constrained by environmental, social and economic barriers:* Sub-Saharan Africa: "Implicit barriers to rural–urban migration: There are several implicit barriers to rural–urban migration (...) affecting either the individual or household decision to migrate. Largely, these barriers involve information and risk, network channels, and anticipated changes in wellbeing" (de Brauw et al., 2014, p. 39).

**Deciding**

*1. Willing to change livelihood and perceive change as possible:* Cambodia: "Despite the structural constraints and the harsh realities of urban work and life they confront on a daily basis, this [rural-urban labour migration] passage allows them to accumulate economic, occupational, and psychosocial resources in order not only to significantly contribute to their household economy and/or become financially independent but also, for many, to expect a better life in the future" (Peou, 2016, p. 284).
*2. Willing to change livelihood but perceive change as impossible:* "Despite the willingness to sacrifice present day wellbeing and even ancestral agricultural lands for education and the

promise of future jobs, many people were aware that office jobs, particularly the security of public sector employment, were not guaranteed"(Sharma & Bhaduri, 2009, p. 94).
India: "Being skilled and educated become important preconditions. (…) Our fieldwork shows that the unskilled category youth could only get low-paying jobs such as the loading-unloading of goods which does not fetch enough to sustain them in cities. In villages located far away from urban areas, we find many cases of reverse migration where a number of youth come back to farm after some time because they are not able to sustain themselves in towns on the meagre salaries they earn" (Sharma & Bhaduri, 2009, p. 94).
*3. Not willing to change livelihood: "*I do not want to leave the countryside; I do not want to forget my roots. Any person always goes back to his or her origins, to his or her roots" (Mr. J.J, 29 years old, Pernambuco, Brazil).
*"*I want to study forestry and in parallel produce in my field. I would like to work, save and then invest to have my own land" (Mr. A, 27 years old, Belėn, Paraguay).

**RURAL YOUTH REALITY LAID BARE:**

**MAINTENANCE WORK TOWARDS IDENTITY RECONCILIATION**


## ABSTRACT

**Rural poverty is one of the drivers of rural youth exodus. This, in turn, leads to agricultural labour shortages, which impact multinational corporations (MNCs), as this threatens their long-term supply of raw materials. In response, MNCs carry out institutional work aimed at maintaining their sourcing activities. That said, evidence about the impact of Corporate Social Responsibility (CSR) practices on poverty alleviation in rural areas is lacking, which nurtures some scepticism about the effect of CSR, as currently practiced, in contributing to solving the rural youth exodus. This study was motivated by the following research question: *how can maintenance work by MNCs lead rural youth to re-evaluate the decision to leave farming?* This qualitative article triangulates data from CSR reports, in-depth interviews, focus groups and observational data. Results highlight the role that rural youth exodus plays in organisational maintenance processes. This study stresses the importance of ensuring rural youth financial wellbeing in order to build the next generation of farmers. Nevertheless, my analysis shows that most MNCs implement CSR interventions that do not (or only partially or indirectly) serve that purpose and in this regard provides an example of maintenance work failure. Implications for research on poverty alleviation, CSR and institutional theory are discussed.**



*Keywords: maintenance work, rural youth, identity work, financial wellbeing.*


*"We don't have to grow more food and we don't have to destroy more forests.*

*What we do need to do, is figure out how to improve livelihoods"*

*(Interview, Manager)*

## INTRODUCTION

More than an engrained social problem, poverty is a structural barrier that hinders the enjoyment of fundamental human rights (George et al., 2016; UN Global Compact, 2017). This Grand Challenge is known to be responsible for many of the world's woes, including distress migration, which "refers to all migratory movements made in conditions where the individual and/or the household perceive that the only viable livelihood option for moving out of poverty is to migrate" (Deotti & Estruch, 2016, p. 1). Rural poverty, in particular, is one of the drivers of rural exodus. Despite an increase in absolute terms, the percentage of the world's rural population dropped from 63.6% in 1969 to 44.3% in 2019 (World Bank, 2021). Such migratory movements are often driven by the multidimensional deprivation that people face in rural areas, due to food insecurity, limited decent work and income opportunities, inequality and environmental degradation, to name but a few (Deotti & Estruch, 2016). Smallholder farming, which is a low-income sector, represents the dominant activity in terms of rural livelihoods. Because most farmers struggle to make a living (FAO, 2017), farming and rural futures are unattractive to their children (Chigbu, 2015; White, 2012b). Young people often perceive migrating to cities and pursuing alternative livelihoods as the only viable choice to improve their employment and life prospects, and to fulfil their needs and aspirations (Awumbila et al., 2015; Belmonte et al., 2020; Bezu & Holden, 2014; Deotti & Estruch, 2016; Ginsburg et al., 2014). White (2019, p. 5) explains that "all research on young people's aspirations (…) shows that they aspire, above all, to secure, salaried jobs". Rural youth exodus has significant implications for rural economies, such as rural ageing and de-agrarianization. This results in "the long term […] decline of agrarian-based activities and a shrinking self-sufficiency" (Vanhaute, 2012, p. 318). Moreover, the scarcity of young people in rural areas results in agricultural labour shortages, which puts food production under pressure due to losses in agricultural productivity (FAO, 2017; Vargas-Lundius & Lanly, 2007).

Multinational corporations (MNCs) are also directly impacted by agricultural labour shortages resulting from an increasing number of young people becoming disinterested in farming. Because this phenomenon can lead to supply chain disruptions, it represents a threat to the long-term supply of raw materials to these corporations, impacting not only the sustainability but also the long-term profitability of their operations (EY, 2017). Indeed "social issues can impose significant operational risks on the supply chain (…) translat[ing] into higher costs or reduced revenues" (Klassen & Vereecke, 2012, p. 105). It is therefore indispensable that business takes action to deal with supply chain disruptions and uncertainty as well as to secure sufficient food

supply to respond to growing demand. This action is also likely to contribute to commercial success in the long term (EY, 2017; George et al., 2015; Mhlanga et al., 2018). In this regard, companies, whose supply chains are connected to poverty, have a vested interest (in addition to other extrinsic motivations) in working towards "no poverty". Thus, agribusinesses increasingly engage with Corporate Social Responsibility (CSR) and sustainable sourcing activities because they recognise the interdependencies between supply chains, farmers and communities (Proctor & Lucchesi, 2012). That said, the concerns raised by researchers have shifted from whether firms should engage in CSR interventions that tackle poverty to whether and how communities actually benefit from these interventions (Wang et al., 2016). Despite the potential of CSR to act as a tool to fight poverty, evidence about the impact of CSR on poverty alleviation is lacking (Schölmerich, 2013). This silence nurtures some scepticism about the effect of CSR, as currently practiced, in contributing to solving rural poverty and rural youth exodus (Jenkins, 2005). In this vein, Mhlanga and colleagues (2018) argue that a mismatch exists between Grand Challenges and the current business responses and approaches employed to address them. Scholars add that tools and perspectives are required other than those currently applied and taught (Cabantous et al., 2010; Jarzabkowski & Kaplan, 2015). Others call for more person-centred CSR discussions that address the relationship between organisations and the younger generations (Renouard & Ezvan, 2018; Ruostesaari & Troberg, 2016).

In this context, studying the CSR strategies and activities that the agrifood sector employs to reverse the vicious circle of the decline in farming and to foster a generation of productive and prosperous young farmers is a timely endeavour (Deotti & Estruch, 2016; Ferraro et al., 2015). In the pursuit of this objective, a key element to consider from an Institutional Theory perspective - because identity is a central construct of institutional theorising (Glynn, 2008, p. 2) - is the understanding of rural youth identity dynamics (Burrus, 2021). Identities are defined as "people's subjectively construed understandings of who they were, are and desire to become" (Brown, 2015, p. 20). Similarly to many studies focusing on work-related identities, it is assumed that individuals wish to construct positive identities in their work domain (Dutton et al., 2010) and also that identities are not stable over time (Pratt et al., 2000). Hence, the gap between rural young people's reality and aspirations leads to identity tension, which drives their livelihood choices (Burrus, 2021; Proctor & Lucchesi, 2012; Tafere, 2014). As most young people are unsatisfied with their lives, they might decide to opt out of farming for more enticing opportunities in the city (Leavy & Hossain, 2014). The aggregation of such a movement towards urban areas might be considered as an example of micro-processes having macro-

consequences such as changes in societies (Giorgi & Palmisano, 2017; Leung et al., 2014; Wright et al., 2012).

Since the 1990s, neo-institutional scholars have become increasingly concerned with the co-evolution of organisations and the societal environments in which they are embedded (Lawrence & Suddaby, 2006). The present study was motivated by the very same concern, looking at the direct implications of rural youth livelihood decision-making processes in the agricultural sector and the resulting organizational responses (Anyidoho et al., 2012). Because societal change resulting from rural youth exodus represents a real threat to organisational survival and competitiveness, MNCs take action in order to maintain their sourcing activities. This type of organisational intervention is called maintenance work. That said, the mechanisms at work between positive identity work, identity-based institutional change and maintenance work are all under-studied phenomena, which require further theory building (Alvesson & Willmott, 2002; Kira & Balkin, 2014; Scott, 2013). Hence, this study examines how MNCs respond to the risk of losing access to raw materials and explores the intertwinement between rural youth identity dynamics and organisational maintenance processes. It was motivated by the following research question: *how can maintenance work by MNCs lead rural youth to re-evaluate the decision to leave farming?*

In this study, I identify one maintenance process consisting of six steps deployed by MNCs and offer two theoretical contributions "with the aspiration of creating positive impact well beyond the published page itself" (George, 2016, p. 1869). By conceptualising the path that MNCs need to take to reconcile rural youth identity tensions, I first contribute to the discussion on the interplay between identity dynamics and institutional maintenance. On the one hand, recent studies have examined identity changes and tensions in the workplace (Conroy & O'Leary-Kelly, 2014; Koerner, 2014; Kraimer et al., 2012; Kreiner et al., 2006). On the other hand, researchers have investigated managerial interventions to employees' identity processes (Dutton et al., 2010; Kreiner & Sheep, 2009; Shepherd & Williams, 2018). To the extent of my knowledge, this study is the first attempt to investigate identity dynamics of actors outside of the workplace. It includes "a reflection of actor needs and aspirations" and connects young people's identity dynamics to corporate interventions (George et al., 2016, p. 1888). Moreover, this paper explains why organisations' maintenance work does not have the expected effect on rural youth exodus by identifying the missing link between maintenance work and positive identity work processes. Thus, this study aims to expand the body of knowledge by providing insights on rare unsuccessful cases of maintenance work in the literature. Second, this study

contributes to the emerging debate on the antecedents of positive identity construction (Alvesson & Robertson, 2016; Collinson, 2003; Dutton et al., 2010; Howard-Grenville et al., 2012). Few management scholars have shed light on the interconnections between financial resources and identity work, responding to "the neglect of issues of remuneration in organisation studies and, in particular, identity research (McCabe, 2011)" (Alvesson & Robertson, 2016, p. 28). I demonstrate that in contexts of poverty, financial resources are at the centre of a processual understanding of identity construction. Indeed, securing rural youth financial wellbeing so that young people can cover their living expenses is a fundamental aspect of building the next generations of farmers. Finally, practical implications for CSR practices are provided with regards to how organisations can close the loop and turn identity challenges into positive identity growth. I suggest developing strategies that have as a primary objective the improvement of net profit derived from farming and designing interventions in a way that directly secure farmers' financial wellbeing. The paper is organised as follows: I present my theoretical orientation and introduce the research context of this study, looking at multinational corporations, their supply chains and smallholder farmers from whom they source raw materials. This is followed by a discussion on the research methodology, in particular the research approach, data collection, and data analysis. The subsequent section presents my findings. Finally, I conclude by discussing contributions to the literature and practice, and by drafting perspectives for further research.

## THEORETICAL CONTEXT

In this section, I focus on two actors: young farmers and MNCs. Adopting an institutional theory perspective, I present theoretical elements that refer firstly to the abandonment of farming activities by young farmers, and secondly to the attempts by MNCs to influence rural young people's livelihood choices. The institution at work here is the supply basis of these MNCs. The examination of the interface between identity dynamics and institutional maintenance leads to the development of a framework derived from the literature as well as to the identification of research gaps in that discussion.

### Institutional change and identity

Lawrence and Suddaby (2006, p. 216) define institutions as "enduring elements in social life (…) that have a profound effect on the thoughts, feelings and behaviour of individual and collective actors". Scott (2013, p. 56) specifies that "institutions comprise regulative,

normative, and cultural-cognitive elements that, together with associated activities and resources, provide stability and meaning to social life". He (2001) also underlines that institutions undergo change over time. Institutional change has been considered as rooted in people's identities (Burrus, 2021), because it can arise at the individual (or micro-) level (Zucker, 1977). Individuals' identities are defined as "people's subjectively construed understandings of who they were, are and desire to become" (Brown, 2015, p. 20). The construction process of individuals' identity is called *identity work* (Brown, 2015). This is considered to be a type of institutional work (Creed et al., 2010; Leung et al., 2014), defined as a "broad category of purposive action aimed at creating, maintaining, and disrupting institutions" (Lawrence & Suddaby, 2006, p. 216). A major stream of research has examined the role that identity work plays in understanding institutional change (Brown, 2019). Brown (2019) reports that studies have explored how identity work can lead to micro-processes, which may have macro-consequences such as changes in organisations and societies (Giorgi & Palmisano, 2017; Leung et al., 2014; Wright et al., 2012).

It is assumed in the literature that "people's identity work is motivated by a desire for positive meaning (Gecas, 1982)" (Alvesson & Robertson, 2016; Brown, 2015, p. 28; Ibarra & Barbulescu, 2010). That is why, the construct *positive identity work* has been used to characterize continuous identity work processes leading to a more resilient identity (Leung et al., 2014). Achieving a resilient identity allows a person to "function effectively in the world as an integrated, whole, coherent, competent individual— thereby experiencing greater life satisfaction and happiness" (Kreiner & Sheep, 2009, p. 162).

Furthermore, Thornborrow and Brown (2009) suggest that individuals are often best characterized as 'aspirants'. That is why the gap between people's reality and aspirations, that is, between who individuals are and who they want to become, often generates internal tensions and triggers agency (Brown, 2015), resulting in new institutional settings (Battilana et al., 2009; Brown, 2019). In the context of the examined phenomenon, that is how rural youth identity dynamics induce identity tensions, leading to livelihood choices and potentially rural migration (Burrus, 2021; Proctor & Lucchesi, 2012; Tafere, 2014).

**Interface of institutional maintenance and identity**

Institutional change leads to instabilities and uncertainties, which can represent organisational risks that firms need to manage in order to protect their interests (Oliver, 1991). For example, it is essential that firms analyse and manage the risk of resource scarcity (Carter & Rogers,

2008; Scott, 2013). Preventing risks from occurring therefore requires the implementation of organisational action. This process is called *institutional maintenance* (Dacin & Dacin, 2007; Giddens, 1984; Oliver, 1992; Scott, 2013). Lawrence and Suddaby (2006, p. 234) explain that "the maintaining of institutions must be distinguished from simple stability or the absence of change: rather, institutional work that maintains institutions involves considerable effort, and often occurs as a consequence of change in the organization or its environment." In this study, institutional maintenance refers to MNCs preventing institutional change from happening to secure their sourcing operations. Institutional work intended to maintain institutions is labelled *maintenance work* (Dacin & Dacin, 2007; Lawrence & Suddaby, 2006). Firms usually use maintenance work to respond to changes in their societal environment and to manage the institutional structures within which they compete for resources (Lawrence, 1999).

As societal changes rooted in identities can affect organisational outcomes (Wright et al., 2012), recent studies have concentrated on the interconnections between people's identity work and organisational context (Brown, 2019; Suddaby et al., 2010). On the one hand, a growing body of research has examined identity changes and tensions in the workplace, for example, resulting from occupational transitions or demanding occupations (Conroy & O'Leary-Kelly, 2014; Koerner, 2014; Kraimer et al., 2012; Kreiner et al., 2006). On the other hand, scholars have also explored organisational responses to such identity processes. Certain types of organisational practices have been perceived as contested forms of managerial control, such as the allocation of occupational identity incentives (Anteby, 2008) or employees' identity regulation (Alvesson & Willmott, 2002). This regulation aims "to understand how organizations work to shape the identities of their employees to achieve managerial goals" (Boussebaa and Brown 2017, as cited in Lai et al., 2019, p. 2).

That said, according to Alvesson and Robertson (2016, p. 28) "identity studies have assumed, and largely demonstrated, that sustaining a positive, coherent and distinctive sense of self is a key concern of individuals at work. This demands attention, construction and maintenance work". Researchers have investigated managerial interventions that enable recovery from work identity loss, reconcile work-related identity tensions and foster positive identity construction, for example, by transforming identity challenges into opportunities for positive identity growth (Dutton et al., 2010; Kreiner & Sheep, 2009; Shepherd & Williams, 2018). Pathways to positivity include positive and ethical organisational processes that encourage individuals to construct themselves in positive ways, influencing both, employees' well-being and organisational performance (Dutton et al., 2010; Kira & Balkin, 2014; Verbos et al., 2007). In

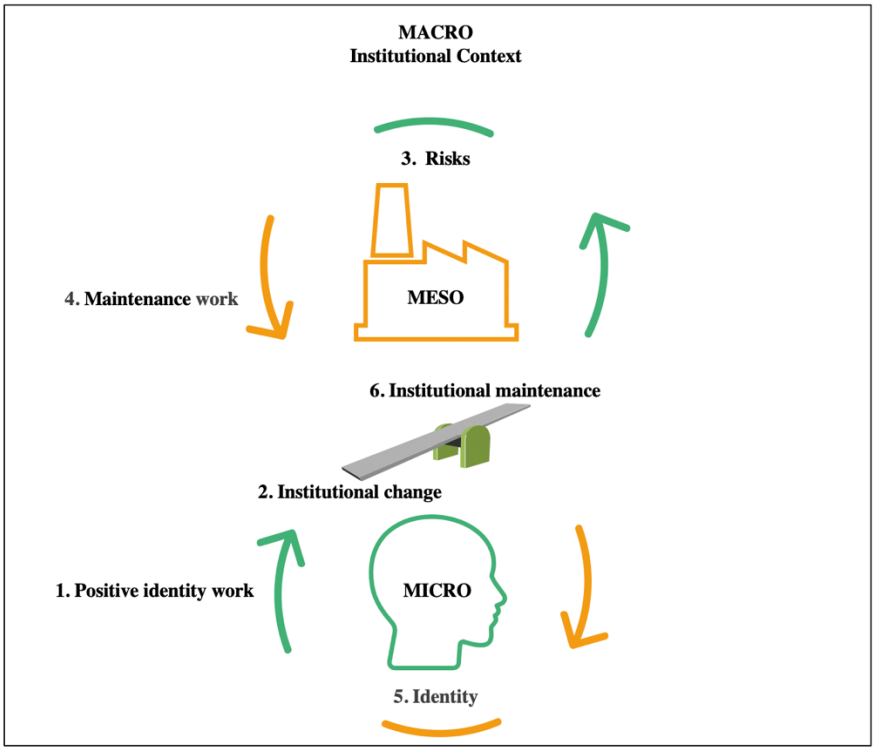
the context of this study. CSR engagement is considered to be an organisational process towards positivity. It might also be the scene of means-ends decoupling that is, the discrepancy between CSR practices (means) and enterprises' objectives (ends) (Haack & Schoeneborn, 2015). Graafland and Smid (2019, p. 232) explain that "complete decoupling is a condition of full divergence among policies, programs, and impacts amounting to purely ceremonial CSR".

Moreover, a debate on the antecedents to identity construction has emerged. Dutton and colleagues (2010, p. 282) argued that "a focus on positive identity construction invites consideration of different kinds of catalysts for positive identity construction", for example, individual resources such as financial resources (Dutton et al., 2010, p. 283). Indeed, few management scholars have shed light on the interconnections between financial resources and identity work, responding to "the neglect of issues of remuneration in organization studies and, in particular, identity research (McCabe, 2011)" (Alvesson & Robertson, 2016, p. 28).

Figure (1) presents a summary of the insights from the literature on how micro-level institutional change intertwines with institutional maintenance, via identity. This figure provides the reader with a simplified representation of the current knowledge, which might help anchor theoretical considerations that will later be discussed. Three levels of analysis can be distinguished: "the micro level (focusing on psychological and social psychological bases), the meso level (involving relational and network issues), and the macro level (involving political, economic, institutional and societal dynamics)" (Bies et al., 2007, p. 789). The colour green is associated with positive identity work rooted at the micro level whereas the colour orange is linked with maintenance work deployed at the meso level. Both colours intertwine. The literature suggests that positive identity work (step **1**) is at the origin of institutional change (step **2**). Consequently, institutional change generates organisational risks (step **3**), which in turn drive the need to take action to protect the organisation's interests. Hence, maintenance work (step **4**) responding to people's identity work (step **5**), is executed to achieve institutional maintenance (step **6**), with the objective of acting as a barrier against institutional change.

**FIGURE 1**

**The intertwinement between identity-based institutional change and institutional maintenance**




The research gaps that this study intends to fill are manifold. Indeed, the mechanisms at work depicted in Figure **1** relative to positive identity work, identity-based institutional change, maintenance work and institutional maintenance, as well as their interactions, are all under-studied phenomena and require further theory building (Alvesson & Willmott, 2002; Kira & Balkin, 2014; Scott, 2013). On the one hand, organisational research reveals an incomplete understanding of the weakening of identity tensions and of positive identity work processes (Dutton et al., 2010). On the other hand, too little attention has been paid to the connections between organisational performance and positive identity work as well as to the different forms of maintenance work and strategies used to respond to the latter (Alvesson et al., 2008; Brown, 2019; Lai et al., 2019). More specifically, I respond in this research to Powell and Colyvas' call (2008), supported by Creed and colleagues (2010, p. 1360) "for greater attention to everyday identity transformation processes of the existing members of a field, and to their role in institutional change and maintenance processes". In fact, Lai et al. (2019, p. 12) claim that "studies have been conspicuously lacking in efforts to link internal processes to external wider contexts". This research gap is important because paying greater attention to identity processes

and their contextual product contribute to empowering those who are affected by identity tensions (Alvesson & Willmott, 2002; Kira & Balkin, 2014; Scott, 2013).

In order to examine institutional maintenance processes in the context of change, I have connected positive identity work processes with organisational responses. To my knowledge, this is the first attempt to explore interactions between identity work and maintenance processes "outside of", in contrast to "within" organisations: investigating organizational responses to the identity work of suppliers, rather than of employees. This relevant attempt is expected to offer strong theoretical contributions not only to the discussion on the interplay between institutional maintenance and identity dynamics but also to the debate on the antecedents to positive identity construction. In particular, this study contributes to understanding the role that rural youth identity dynamics play in organisations' maintenance processes and highlights the path to identity reconciliation in order to build the next generation of farmers, which provides important practical implications for MNCs, CSR and poverty alleviation. This study aims to uncover how MNCs respond to the risk of operational instabilities in supply chains, resulting from the increasing lack of interest in agriculture among rural young people. This research aims to provide an answer to the following question: *how can maintenance work by MNCs lead rural youth to re-evaluate the decision to leave farming?*

## RESEARCH CONTEXT

I identify and examine the phenomenon of interest in this study together with three multinational corporate organisations. The particular angle of interest is to gain a better understanding of how young people can be encouraged to remain in agriculture, which is important for these enterprises that depend on rural supply chains.

To explore organisational CSR interventions aimed at making farming attractive to young people, I started this study with the selection of CSR- or supply chain- senior managers in organisations dependent on agri-systems. In fact, following the analysis of CSR reports, it was necessary to go beyond the factual descriptions of field activities and benefit from a more comprehensive and balanced picture of the sector's perspectives on the phenomenon under study. All interviewees work directly with agricultural raw materials and/or farmers globally. Raw materials of interest include coffee, cocoa, cotton as well as other natural ingredients for fragrance and flavours. Interviewees stressed that rural youth exodus represents a challenge for the sustainability of their operations, even if some are more impacted than others. To maintain

farming activities, they need to tackle rural poverty and agreed on the urgency of improving rural livelihoods.

The companies where these practitioners work are implementing CSR strategies to improve rural livelihoods, which are integrated within the core business or/and externalised in independent foundations. The extent of these interventions varies from one company to the other. Some deploy direct interventions in the field, while others finance and mandate external non-profit organisations to intervene. Further companies implement both. Due to the different organisational structures, I had the opportunity to interview managers active in foundations, enterprises as well as board members. Although the type of organisation, the gender and position of interviewees within the organisation was not taken into account in the data analysis, there was a priori no noticeable difference in their responses. Some focus mainly on agricultural practices, productivity and certification schemes, while others include broader topics such as child labour, education, health, sanitation, access to credit, etc. None of those interviewed implements sustainable sourcing activities along the entirety of their sourcing operations.

The perception shared by the majority of managers is that not enough is being done to make farming attractive to young people. This explains the enthusiasm that they share for this research project. They were all willing to participate in this project because they believe that they can learn from each other and understand how to improve their CSR strategy in order to have a positive impact on the life of rural young people. By sharing knowledge among actors from different industries including food and beverage, flavours, fragrances and cosmetics, all were looking for better ways of tackling the Grand Challenge of rural youth exodus.

Furthermore, because it was repeatedly mentioned that financial resources are lacking to scale up pilot projects, they showed great interest in impact investing. For this reason, I interviewed three impact investing fund managers, who also work with smallholder farmers and finance certain projects together with multinational companies. Finally, it was expected that this research would have clear implications for management practice by explaining what types of interventions are most effective in helping firms tackle this Grand Challenge.

# RESEARCH METHODOLOGY

## Research Approach

In order to study organisational maintenance, I adopted an Institutional Theory approach. The present study draws on this approach because institutionalism proposes "a process model of transformational mechanisms", which bridges macro-level influences with identities (Glynn, 2008, p. 2). This study relies on the tradition of inductive theory building and on Denny Gioia's qualitative method (Gehman et al., 2018). For the purpose of this qualitative study, which is to explore how organisational strategies are formulated, I also adopted a mixed methods research approach. I triangulated data from four sources: documents, semi-structured interviews, focus groups and direct observation. Participants are listed in Appendix **1**. Firstly, I identified interviewees, who are practitioners working for MNCs. I collected these corporations' CSR reports and then data from in-depth audio-recorded interviews with these managers. Thirdly, I organised several focus groups to corroborate interview-based evidence and observational data (George, 2016) (see Table **1**).

Regarding the empirical section of this paper, while I am well aware that levels of analysis (micro, meso and macro) are crossed in the development of the framing of the study, I did not carry out multi-level analysis of the data. I conducted a narrative analysis of primary data, which are represented by quotes and explored managers' accounts or narratives related to the problem under study. A narrative is defined as a "meaning structure that organises events and human actions into a whole, thereby attributing significance to individual actions and events according to their effect on the whole (Polkinghorne, 1988: 18)" (as cited in Hardy & Maguire, 2010, p. 1368). Lawrence and Suddaby (2006, p. 240) claim that "actors interested in creating, maintaining and disrupting institutions often rely on narrative devices to do so".

## Data Collection

The overall data-gathering phase started in January 2017 and finished in September 2019. First, I identified the Grand Challenge of interest in this study together with the three multinational corporate organisations that support this research project, in six meetings. They challenged my results throughout the entire duration of the research. Second, I selected professionals to conduct the interviews, with relevant and diverse experience and perspectives on the issue to ensure a broad coverage of commodities.

***Documents:*** In order to understand the scope of work of these professionals, design a questionnaire and formulate relevant questions, I collected and reviewed the CSR reports of the MNCs (when available) where managers were active.

***Semi-structured interviews:*** I engaged with 16 experts working in 15 organisations via networking and conducted 15 in-depth semi-structured interviews with them (see Appendix **1** for further detail). The interviews lasted between 60 and 180 minutes (11 interviews in person, 4 via phone calls due to geographic constraints). With the participants' permission, interviews were tape-recorded, later transcribed and translated into English when necessary. I conducted follow-up interviews with some interviewees to clarify certain details or capture additional information. The interviews were based on an interview guide available from the author upon request. The questions used for the interviews can be categorised into three dimensions. The first category of questions concentrated on the organisation and the role of the interviewee within the organisation. I asked about the structure of the supply chain, the organisation's relationship with farmers and its CSR strategy. The second category focused on the implementation of CSR interventions in the field, barriers and enablers, key learnings, as well as the interviewees' perceptions of the impact of these interventions on rural livelihoods. The third cluster of questions concentrated on how interviewees envision the future of making smallholder farming attractive to young people and driving change in rural livelihoods.

***Focus groups:*** Thirdly, I organised focus groups with a sample of participants from the private and public sector to present, discuss and determine whether the interview-based findings resonated with them. The group was composed of 15 key stakeholders with long international careers in the field (see Appendix **1** for further details). They expressed interest in solving the complex issue of rural exodus and in "reinventing farming". They were also willing to implement practical findings in the field and bring investment as a lever. These interactions and insights from professional practice served as an opportunity to adjust the interpretation of the data, assess whether or not relationships between themes were fully developed, and discuss managerial implications.

***Observation:*** Finally, the six meetings with the three corporate partners as well as the two workshops with the fifteen experts enabled a direct observation of the participants over eight days, and thus to characterise the perceptions of managers about rural youth exodus as well as the CSR strategies that they adopt (or would like to adopt) to reverse rural youth exodus.

All details about data sources, the type of information collected, and the amount of data acquired from each source are summarised in Table **1**. Finally, the data collection and analysis ceased when a state of "crystallization", which is akin to theoretical saturation, was reached, as described in Vaccaro and Palazzo (2015). Concretely, data gathering stopped when the six steps of the maintenance process (i.e., associating, understanding, redefining, acting, securing and failing) were comprehensively characterised.

**TABLE 1**

**Sources and Types of Information and Amount of Data Obtained**

| Types of data | Amount of data | How data was used in the study |
|---|---|---|
| Documents | 15 reports | Review of MNC's CSR reports/ websites. |
| Semi-structured interviews with 16 experts | 15 interviews | Identification and characterisation of CSR strategies and CSR interventions adopted to reverse rural youth exodus.<br>Characterisation and analysis of the organisational maintenance process and of the interviewees' perceptions. |
| Focus groups with the 3 corporate partners of this research | 6 meetings | Contextualising the phenomenon.<br>Definition of the research question.<br>Feedback on results. |
| Focus group with 15 experts | 2 workshops | Practical "reality check" of results. |
| Direct observation approx. | 8 days | Characterisation of the perceptions of managers about rural youth exodus. |

## Data Analysis

Data analysis aims to "unpack causal processes and explain the phenomenon to a granular extent such that actionable insight becomes possible" (George, 2016, p. 1870). As described by Denny Gioia, I adopted a grounded theory approach, which "allows for a systematic presentation of both first-order analysis, derived from informant-centric terms or codes, and second-order analysis, derived from researcher-centric concepts, themes and dimensions (…)" (Gehman et al., 2018, p. 286). The data analysis focused on two central considerations. The first was the identification, characterisation and analysis of organisations' CSR strategies and interventions to counter rural youth exodus. The second concerned the analysis of the narratives embedded within the organisational maintenance process.

Data entry involved extracting information from each data source and sorting information according to key issues and themes. I analysed the extracted data and coded the data sources.

To enable joint qualitative synthesis, the findings from all collected evidence were organized into concepts, themes and aggregate dimensions.

I conducted data analysis in three stages. The first stage involved "line-by-line" open-coding of the interviews. I identified key concepts, which were grouped into abstract codes (Strauss & Corbin, 1990). The coding scheme emerging from the first interviews was then used to code the remaining data. During that process, some revisions were made to the codes. While I assigned descriptive codes to all transcripts, I realised that three distinct types of concepts were emerging from my codes. Interview data demonstrated how managers explained who they are, what they do to respond to rural youth exodus and how they perceive their work. This is how I identified "work narratives", "narratives on CSR practices" and "narratives for preventing societal change" as categories of first-order concepts in my codes and started exploring the different steps involved in institutional maintenance.

The second stage of data analysis concerns second-order concepts. Work narratives led to the identification of the first three steps of the maintenance process. The first step is labelled *associating* supply chain risks with rural youth exodus, as described below:

> *"People are leaving the countryside and you need to be active to get the right quality of raw material" (Interview, Manager).*

Then, the two other recurrent steps that organizations adopt to decide how to interact with farmers were identified and characterised as *understanding* the root causes of rural youth exodus and *redefining* better CSR strategies.

I then concentrated on the link between "work narratives" and "narratives on CSR practices", in other words, between objectives and actions. By analysing CSR practices, I discovered common patterns among respondents for engagement in CSR work. I also understood the centrality of *acting* to improve rural livelihoods, which emerged as a key second-order theme and the fourth step in the maintenance process:

> *"Our status clearly guides us towards supporting livelihood concepts in smallholder environments (...)" (Interview, Manager).*

Finally, I focused on the perceived impacts of these activities and whether the objectives stated in "work narratives" were achieved. Hence, a closer look at the category "narratives for preventing societal change" enabled a deconstruction of the connection between actions and impact, which was identical across the various organisations. This is how I measured the

importance of *securing* financial wellbeing to improve young people's perception of rural livelihood, which was identified as the fifth step.

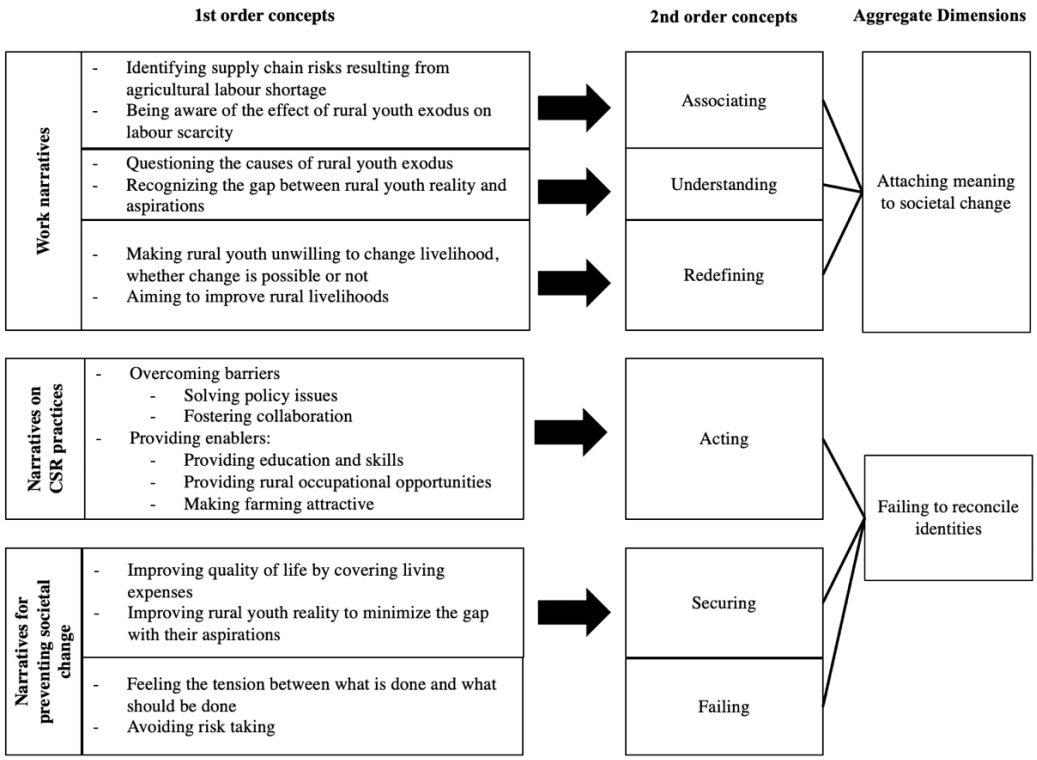
> *"Our assumption is that if it made good business sense to be there, then they would stay" (Interview, Manager).*

The last step of the overall process, *failing* highlights the mismatch between what is done and what should be done to secure farmers' financial wellbeing. The data analysis showed that these six steps are systematically connected and are key elements of a single maintenance process. I discovered that "associating", "understanding" and "redefining" triggered "acting", which in turn sparked "securing financial wellbeing" and "failing". I used these six second-order themes to code the primary data a second time.

Thirdly, these six identified steps were aggregated into two dimensions, based on the sequence of events. In fact, the data showed that the dimension "attaching meaning to societal change" is an antecedent to the second dimension, namely "failing to reconcile identities". The first-order concepts, second-order themes and aggregate dimensions are indicated in Figure **2**. Additional extracts from the coding are disclosed in Appendix **2**. Finally, I developed a conceptual model that shows how organisations respond to rural youth exodus (see Figure **3**).

**FIGURE 2**

**Analytical Coding Process**



## ANALYSIS AND FINDINGS

In this section, I describe organisational responses to the abandonment of farming activities by rural young people, as it emerged from the data, starting with a summary of the findings. The resulting organisational maintenance process is a multi-step circular process, which is composed of six well-connected steps summarized below.

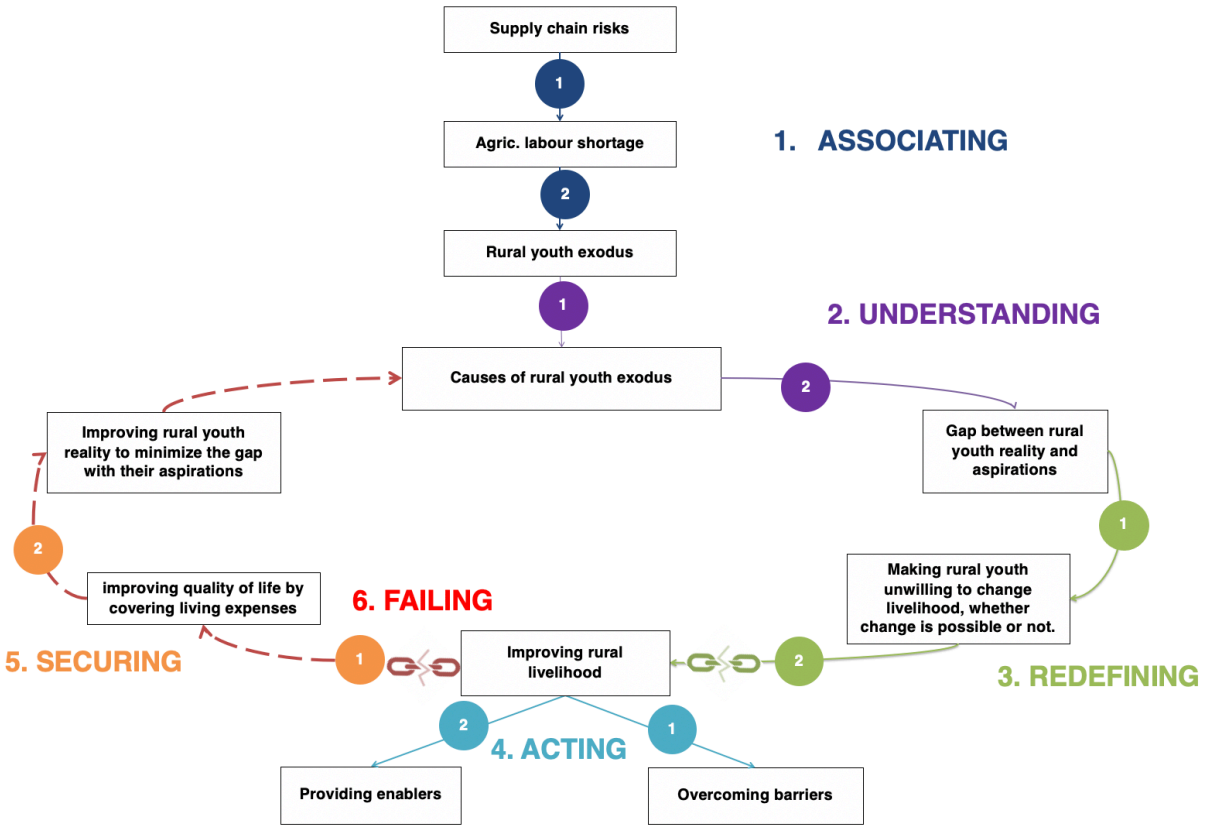
The first step labelled "associating" reflects the importance of organisations' identification and awareness of organisational risks (losing access to resources) linked with changes in their societal environment (agricultural labour shortage due to rural youth exodus). This is when organisations place external stakeholders (rural youth) at the centre of their concerns. The second step named "understanding", uncovers the root causes of rural youth exodus. Organisations deconstruct the identity dynamics of rural youth, emphasising the identity tensions that they experience due to the gap between their reality and aspirations. Being aware of and knowledgeable about why rural young people abandon farming triggers organisational responses. The third step "redefining" occurs when organisations realize that their current CSR strategies need to be redefined in order to reconcile rural young people's identity tensions. Achieving this objective implies engaging in maintenance work that facilitates positive identity construction. In this context, influencing rural young people's livelihood choices, so that farming becomes an attractive option, involves improving rural livelihoods. The fourth step, "acting", encompasses two types of interventions (overcoming barriers and providing enablers) that organisations implement to transform identity challenges into opportunities for positive growth. They implement interventions to create favourable conditions for making rural livelihoods as well as farming attractive to young people. Finally, organisations are aware of the unique path to ultimately solving rural young people's identity tensions: this is described in the fifth step "*securing"* financial wellbeing. This step represents a prerequisite to improving rural young people's perceptions of their reality and triggering a re-evaluation of their livelihood options. The final step, "failing" depicts the gaps between "redefining", "acting" and "securing": the decoupling between means and ends. The enactment of these six steps results in an unsuccessful organisational maintenance process.

To draw propositions to guide further research related to organisational maintenance using identities, I propose an empirical framework illustrated below, derived from the data (see Figure **3**). Each of the six steps is represented by a different colour. Each first-order concept (listed in

Figure **2**) associated with each step is numbered on each arrow of Figure **3**. Maintenance failure is represented by an unclosed loop (see the dashed arrows in Figure **3**). The analysis of the findings covers each step in more detail, as well as each first-order concept in an ascending order and with illustrative quotations as they emerge from the data.

**FIGURE 3**

**Unsuccessful Multi-step Maintenance Process**




**Multi-step institutional maintenance process, as a response to rural youth exodus**

The institutional maintenance process initiated by organisations to respond to societal change can be deconstructed into six different steps discussed further in this section.

***Step 1: Associating***

"Associating" is understood as organisations' identification and awareness of their dependence on their societal environment (on farmers) and of the operational risks that they face (losing access to raw materials). This step is linked to two first-order concepts (see Figure **2**). First of

all, supply chain managers explained that their objective is to ensure, now and in the future, the product that they need in sufficient volume and with the right quality:

> *"I would like to set up a supply chain that minimizes the risks of an out-of-stock situation that cannot be remedied" (Interview, Manager).*

> *"We work with coffee at the upstream end of the supply chain so that it can arrive in Switzerland in good quality and be sustainable" (Interview, Manager).*

Organisations identify supply chain risks, including potential supply chain disruptions resulting from agricultural labour shortages. Indeed, data shows that managers are aware of the risk of losing access to raw material because of agricultural labour shortage.

> *"Once the ICO agreements came to an end in 1989, governments in many countries withdrew assistance from the coffee sector without any substitution. And from 2000 we said to ourselves: 'shit, there is less and less coffee, why?' We realized that farmers did not have any assistance, that good agricultural practices… That people were leaving the land (...)" (Interview, Manager).*

Secondly, some notice that farmers are ageing and that it is young people who are largely migrating to urban centres. The realisation that labour scarcity results mainly from young people's abandonment of farming activities and their rural exodus is reflected in the following quote:

> *"I mean the age of the farmers, it's quite high, I can't remember the average but it's getting up there. And young people are not so attracted to farming" (Interview, Manager).*

Managers recognise that their supply chains are dependent on farmers and consciously associate the future of their supply chains with the future of the next generation of farmers. This is when organisations place suppliers (young farmers) at the centre of their concerns.

> *"Farmers' success and health is crucial to our future supply chains. If the next generation all leave, we end up with nothing. (…) If the farming sector is in poor health, that doesn't help us at all" (Interview, Manager).*

***Step 2: Understanding***

"Understanding" is understood as organizations' deconstruction of rural youth identity dynamics, emphasizing the identity tensions that young people experience. In fact, MNCs recognize that young people living in rural areas often suffer from rural poverty and strive for

resilience and a brighter future. This step is associated with two first order concepts. Data shows that interviewees are aware that being a farmer, or a farm worker, is currently not an attractive life-choice, rather more of an obligation.

> *"There is more turnover [among young people]. (...) For me it is a vocation for anyone here. There is nobody who says: 'I want to make my living as an agricultural worker in cocoa'" (Interview, manager).*

This leads to a questioning of the root causes of rural youth exodus, that is what motivates rural young people to leave the countryside. Due to a plethora of factors, including low incomes derived from farming and poor living conditions, the interviewees began to recognise that the reality faced by farmers is not appealing, in contrast to city life. In other words, they identify the gap between the reality and aspirations of these young people.

> *"A number of hurdles seem off-putting for young people who may inherit a smallholder farming activity: labour hardship, uncertain results due to poor farming practices and weather events, and low margins because of brokers and the need to sell the harvest when everyone else does. Other rural activities may seem more rewarding from a labour/cash perspective (becoming a micro-entrepreneur in mobile phone charging, solar panel distribution, transport of goods on a moped, etc.) and city life has an appeal of its own. Most smallholder farmers have no financial, entrepreneurial or yield efficiency training, and limited access to financial services, agricultural production inputs, and end-market information" (Email exchange, Manager).*

Managers feared that the frustration that young people experience due to relative deprivation is at the origin of rural exodus and wondered what the outcome of the livelihood decision-making process of the children of farmers from whom they are sourcing will be.

> *"We talk to Franklin's son who says: '(...) my grandfather produced, my father produces, but, hey, we are not very well paid. It's a really hard life. It's hard, but I'm still happy to do it.' That's it, so the guy is swinging completely, and we do not know what will win: is it loyalty to his village, to his community, to the memory of his father, of his uncle who climbed the trees, so that we are sure that he will also climb in the trees? Or is Franklin's son going to give up and say: 'you all piss me off!'?" (Interview, Manager).*

However, data shows that even though interviewees observe that a high proportion of rural young people are abandoning rural livelihoods, they recognize that changing their livelihood is not possible for all of them, which probably results in even more frustration. Being aware of and knowledgeable about the reasons why rural young people abandon farming triggers

organisational responses.

> *"I mean you still get a lot of young people who leave for cities, but you'll also get young people who are trapped because they have no money or are just following their parents for subs[idies] in a future that is currently not very bright" (Interview, Manager).*

***Step 3: Redefining***

"Redefining" CSR strategies is understood as the evaluation of how to relieve rural youth identity tensions and reconcile the gap between their reality and aspirations. This step is associated with two first-order concepts. Data shows that it is in the interest of managers to encourage rural young people not to change livelihood, whether change is possible or not. Although organisations do not want to retain rural young people, they realize the importance of actively influencing rural young people's livelihood choices to make them less likely to change livelihood.

> *"How to incentivise the next generation to stay in agriculture is a massive challenge" (Interview, Manager).*

To attract young people and because change is not always perceived as possible, managers understand that it is necessary to provide better opportunities in rural areas and improve rural livelihoods, for example, by providing opportunities for growth or by making farming a sustainable activity via the promotion, for instance, of organic farming.

> *"We came across many NGOs that were trying to keep people in rural areas and prevent the young people from going. I mean if they're gonna go, they're gonna go. We shouldn't try to prevent that. But I do think that for our commitment to organic farming and the families that depend on it, this [organic farming] is probably a better proposition for them under the current political regime" (Interview, Manager).*
>
> *"Nobody wants to be a farmer. (…) But in the end, they will be, most probably. Let's say 80% [of young people] will be farmers. So, we want to concentrate on the sustainability of their farms" (Interview, Manager).*

However, managers recognise not only the lack of impact of sustainability work as currently practiced, but also the lack of an appropriate CSR strategy as well as the low volumes of raw materials sourced that are covered by these CSR activities.

> *"The consumers and even partners might think everything is going in a good direction. Bullshit! We are doing very poor work in the coffee sector when it comes to sustainability.*

*I'm exaggerating a bit, but who today can prove that the work that is being done is impactful and efficient?" (Interview, Manager).*

*"From a sector perspective (...) are we addressing the bottom of the pyramid where we need to bring people into programming that can generate better livelihood perspectives for them in order to make them (...) attracted to coffee and other crops? We're missing out" (Interview, Manager).*

"Redefining" occurs when organisations realize that their currents CSR strategies need to be redefined in order to reconcile rural young people's identity tensions, via the improvement of rural livelihoods. Hence, organizations call for better CSR strategies aimed at improving the resilience of rural livelihoods. These objectives are embedded in more holistic CSR strategies than in the past, taking into account the interests of farmers, and more specifically, of young people. Achieving this objective implies engaging in maintenance work that facilitates positive identity construction. In this context, influencing rural young people's livelihood choices so that farming becomes an attractive option involves improving rural livelihoods.

*"In former times, as we started with this work (...) it was very much focused on productivity, on farm-based interventions around coffee. This was the starting point of it all and then, over time, we added many, many more elements to our programming to become more relevant for the producers and to cater to the interest of the producers' families" (Interview, Manager).*

***Step 4: Acting***

"Acting" is understood as the implementation of multi-level interventions by organisations to transform challenges into opportunities for positive growth. This fourth step is associated with two main types of multi-level interventions that organisations implement to create favourable conditions, so as to make rural livelihoods, as well as farming, attractive to youth. These include overcoming barriers and providing enablers. This step includes only interventions that are unrelated to the commercial relationship between MNCs and smallholder farmers, that is, with no link to prices. Firstly, the data shows that managers are aware of the numerous environmental, societal and economic barriers to the improvement of rural livelihoods and farming. For example, one salient issue is the subdivision of agricultural land, leading to small economically unviable units.

*"How can it still be profitable for a huge family to live on a small piece of land? So maybe some farmers, their sons and daughters, will have to move out" (Interview, Manager).*

Such issues cannot be solved without the involvement of other stakeholders, such as governments, which is why institutional barriers also need to be overcome. To provide a supportive and enabling environment, it is necessary to mobilise collaboration between the private sector, governments and other stakeholders. This is reflected in the following quote.

> *"The other thing that we have learned, kind of lately, is that you need an enabling environment that can actually support the approaches that we're taking. (...) I mean the government has to play a role. If you don't have government in your strategy, then it's just gonna be small scale. For me, the government is our scaling mechanism, in a way" (Interview, Manager).*

Secondly, companies also concentrate on providing enablers to improve and foster rural livelihoods, such as education and skills, as well as the promotion of a positive rural identity. Most activities take place in schools.

> *"To value the family, the way you've grown up, the land where you've grown up… This is also positive. It's not backward, villages, poor. We don't want to support this negative identity (...) We can have a good attitude and value local traditions and have them practice the cultural rituals that they are used to in the village" (Interview, Manager).*

The interviews also showed that targeted interventions are necessary to provide decent non-farm rural occupational opportunities, in addition to farming, which also contributes to poverty-alleviation and rural livelihood improvement. The value chains of agribusiness and service industries are fertile areas for employment creation:

> *"We have to respect the village identity and culture and we have to find professions which are close to their culture, which are accepted, where they can have maybe some small business in their village. If we train young people in those professions, that would be good, maybe they could be carpenters in the village, or motorcycle mechanics or have a sewing machine and become tailors. Small professions like that" (Interview, Manager).*

Another enabler to develop a dynamic agricultural sector, is to make farming attractive to the future generations of farmers. Examples of interventions are numerous. They include crucial access to resources such as credit and land to make farming possible. This also involves the promotion and diffusion of farming knowledge and skills, such as good agricultural practices. Finally, to make farming desirable and trigger the interest of young people, who presumably think that cities are "cooler", interventions are implemented in a participatory way in order to hear their voices, assess their interests and support their ambitions:

*"One important thing is to do it in a participatory way, to feel what they could imagine doing, not to tell them 'let's do this' but to hear their voice on whether they are interested" (Interview, Manager).*

***Step 5: Securing***

"Securing" financial wellbeing is understood as organisations' awareness of the unique path to ultimately solving rural young people's identity tensions. In fact, this fifth step represents a crucial pathway to loop back to young people's identity work processes: it is a prerequisite to improving rural young people's perceptions of their reality, relax identity tensions and trigger a re-evaluation of their livelihood options. It is associated with two first-order concepts. The data shows that the solution to making farming an attractive choice for the next generation is to make farming an attractive source of income:

*"As long as it pays, there will be manpower. I do not worry, it's the same everywhere in the world. We will pay more to have labour. Rather than going to work at the factory they will come here if I pay more" (Interview, Manager).*

*"We do a lot for the existing farmers, and that is the driver for the new ones. (…) If you come in as a reliable partner and you pay premium and you give purchase guarantees and you give advice on agronomic practices, that is what I think has contributed to farmers joining [our programme]" (Interview, Manager).*

This step includes measures related to the commercial link between MNCs and smallholder farmers. The (minimum) price as well as premiums paid to farmers are recurring issues in making farming profitable. However, these prices paid to farmers rarely ensure a living income. To earn a decent income, it is necessary to cover one's living expenses, therefore it is necessary to secure the financial wellbeing of rural young people to improve their quality of life.

*"So, we told our supplier: ok first thing move to organic and secondly we need to secure this for the future because if we invest now in organic and in 10 years there are no farmers, it doesn't make sense. So, we agreed on the minimum price negotiable by the supplier with the farmers" (Interview, Manager).*

*"I think quite frankly living income is a tool or a concept which is a means to an end and the end is better livelihoods" (Interview, Manager).*

Improving the quality of life of young people would lead them to change their perception of rural livelihoods, which in turn would reduce identity tensions and lead to the re-evaluation of

their livelihood options. In summary, the following quote presents the situation in Brazil, one of the rare countries in the world where coffee production is profitable:

> *"If production is profitable, young people will manage it. I'm sure of that. I see the children of my farmers in Brazil. They are great kids, great farmers, great prodigies. In addition to all the management skills they have, because they are studying in Europe or the United States etc. because they make a lot of money with the coffee. It is clear that they are happy. They have power from birth. We have to be able to do that in a corresponding scale for the little ones" (Interview, Manager).*

***Step 6. Failing***

I identified missing links between "Redefining" (step 3), "Acting" (step 4) and "Securing" (step 5), highlighting the perceived tensions between strategies, interventions and expected impact, in other words between managers' objectives, that is, securing farmers financial well-being, what they actually do and the result of what they do. This is the cause of "Failing", a sixth step understood as managers' recognition of the inefficiency of their maintenance work due to the unawareness, unwillingness or inability to solve the mismatch between the original purpose and ultimate outcome of their actions. It is associated with two first-order concepts. Indeed, not only managers understand the relevance of identity, the limited impact of their CSR strategies and the relevance of paying farmers at least a living income, but they also feel a tension between what is being done and what should be done to solve rural youth identity tensions and make farming attractive to them. The issue of maintenance failure was mostly discussed during the last phase of the research, where, for example, one participant of the final focus group raised the following question:

> *"Do you want to work hard to remain poor?" (Workshop participant).*

This crucial question reflects managers' awareness of the mismatch between the actions that they deploy and concrete solutions to mitigate farmers' poverty. This provocative point, addressed to the group, highlights the hypocrisy of a system where working hard leads to poverty. Cynically, managers understand the lack of a way out of poverty. By challenging the participants, this question pinpoints the gap between farmers' and managers' realities, which are on a diametrically opposite course.

> *"In France, are we currently recommending the development of small producers of 3-4 ha? Is this system viable? [In Ecuador] 4-8 ha at the current price of cocoa is not profitable.*

*Should we continue to push development programs for small producers of 4 -5 ha, do we do that in France?" (Interview, Manager).*

In response, managers converge in setting the following objectives: *"more place for farmers in the value chain", "fairness in the value chain", "resilience element" (Workshop participants).* That said, one problem emerged: *"who is taking the risk?"* and *"who is prefinancing?" (Workshop participant).* The implementation of interventions requires pre-financing. It is extremely rare that corporations would be willing to take that risk:

*"We are taking the risk of investing upfront. Nobody does this. (...) We started from a rather simple thought, that the poor have no money, it is in fact what characterizes them. And so, if no one wants to take a risk ... which is the case. Everyone is talking about it, but when you look at who is putting money on the table to get started… We said that if we really want to have big projects with impact, we have to take part of the risk, and invest a lot of money" (Interview, Manager).*

In other words, risk aversion and lack of courage might explain the failure of organisations' maintenance processes. Following a thorough debate on how the above targets could be achieved, one participant broke the ice and made the following bold statement, acknowledging organisational failure to make farming attractive to youth.

*"In the long term we need to kill the system" (Workshop participant).*

What is meant by "killing the system" has not been further developed. In my understanding the "system" might relate to the market system but can also refer more generally to the capitalist system. Either way, "killing the system" seems to be a key ingredient for reversing the situation to ensure farmers' financial well-being. In conclusion, to manage the risks of supply chain disruptions, the next generation of farmers must be developed. Organisations aiming to maintain sustainable supply chains need to understand the reality of rural young people, their needs and aspirations in order to design interventions. Making farming attractive to rural youth is embedded in a holistic approach, which is to make rural life attractive to them. Organisations implement interventions to overcome barriers and develop facilitators to improve rural livelihood conditions. Securing farmers' financial wellbeing represents the most salient means to gain access to a decent quality of life. It is a prerequisite to generating sustainable livelihood options, building self-sustaining rural identities and consequently reorienting youth livelihood decision-making. In other words, interventions should provide opportunities in agriculture and agri-food to secure the financial wellbeing of rural young people, to improve the fit between

their needs and aspirations. This is the only path. One question remains: who is actually following this path? Data analysis suggests that maintenance work fails to reconcile rural youth identities because of a clear mismatch between organisations' CSR strategies, interventions and expected impact.

## THEORISING THE MISSING LINKS BETWEEN MAINTENANCE WORK AND IDENTITY RECONCILIATION

This paper provides two answers to the research question *how can maintenance work by MNCs lead rural youth to re-evaluate the decision to leave farming?* First, I contribute to the discussion on the interplay between identity dynamics and institutional maintenance by conceptualising the pathway that organizations need to take to reconcile rural youth identity tensions. I also explain why organisations fail in this endeavour by identifying the missing links between maintenance work and identity reconciliation. This pathway is a six-step process. Second, this study contributes to the emerging debate on the antecedents to positive identity construction. In particular, I show the importance of financial resources to develop positive identity in the context of poverty. These two contributions are discussed below in further detail. In conclusion, practical suggestions are provided on how organisations can close the loop and turn identity challenges into positive identity growth.

### The missing links between maintenance work and identity reconciliation

This study extends our understanding of the interconnections between institutional change, identity dynamics and institutional maintenance. The six-step framework that derives from data analysis is unique as it investigates the identity dynamics of actors beyond the workplace. Not only does the study include "a reflection of actor needs and aspirations", but it also connects young people's identity dynamics to corporate interventions (George et al., 2016a, p. 1888). More specifically, the six-step framework explains why organisations' maintenance work fails to have the expected effect on rural youth exodus by identifying the missing links between maintenance work and rural youth positive identity work processes (see Figure **3**). By deconstructing this pathway, I explain why a mismatch exists between organisations' ambitions and their achievements. This study aims to expand the body of knowledge by providing insights on rare unsuccessful cases of maintenance work in the literature. Two aggregate dimensions emerge from the chain of the six consecutive steps undertaken by organisations: "*attaching meaning to societal change*" and "*failing to reconcile identities*" (see Figure **2**). The former

describes how organisations perceive societal change and is composed of three steps: *associating*, *understanding* and *redefining.* The latter describes the second phase of the maintenance process and is associated with *acting*, *securing* and *failing.*

***Attaching meaning to societal change* via *Associating*, *Understanding* and *Redefining***

*Attaching meaning to societal change* represents an antecedent dimension to the implementation of maintenance work. Within management research Conroy and O'Leary-Kelly (2014) stressed that managers with the ability to recognise employees' identity loss are better able to take remedial actions. This study goes beyond the scope of the workplace. It describes how managers' understanding of societal change is key in enabling them to maintain their operations, in line with Lawrence and Suddaby (2006, p. 234) who claim that "in order to maintain institutions, actors must cope with the entrance [here exit] of new members into the organization or the field (…) and changes in pan-institutional factors such as (…) demographics". For firms to develop the ability to influence their environment, institutional maintenance requires "actors to actively monitor ongoing social activities and continuously attend to maintaining the linkages with the wider sociocultural environment" (Scott, 2013, p. 151). This aggregate dimension includes three concepts. Firstly, "associating" characterizes organisations' awareness of their dependence on their societal environment (on farmers) and of the operational risks that they face (losing access to raw materials). Secondly, "understanding" covers the questioning of the root causes of rural youth exodus. Thirdly, the evaluation of how to relieve rural youth identity tensions leads to "redefining" CSR strategies, via the improvement of rural livelihoods.

***Failing to reconcile identities* via *Acting*, *Securing* and *Failing***

I provide an explanation as to why identity reconciliation cannot be achieved and highlight the implications of this, not only for rural youth themselves, but also for the organisations. Data analysis shows that maintenance work fails to reconcile rural youth identities because of a clear mismatch between organisations' CSR strategies, the interventions that they implement and their expected impact. Although organisations understand that rural poverty is the root cause of rural youth exodus and are aware of the need to secure farmers' financial wellbeing to resolve identity tensions, most organizations implement CSR interventions that do not (or only partially or indirectly) serve that purpose. The paradox is obvious: how can one hope that farmers will stay in rural areas if they cannot earn a living and sustain themselves financially? According to Lawrence and Suddaby (2006, p. 234) "actors need to develop specialised techniques by which

new members are engaged and socialised, and new norms, demographic patterns and changes in the external environment incorporated into pre-existing routines and patterns". This study provides an example of a failure of maintenance work, as current global demographic trends do not point to the development of the next generation of farmers. According to Wijen (2014) organizations fail to achieve envisaged goals for various reasons. He (2014, p. 302) explains that "'means-ends decoupling' [which means complying with formal policies but not achieving their intended goals] prevails especially in highly opaque fields, where practices, causality and performance are hard to understand and chart". One reason is that "the narrow focus on rules [such as sustainability standards] easily distracts attention from the wider context in which focal (socioenvironmental) issues are embedded (…)" (2014, p. 310). He adds that "the effectiveness of practices is context contingent" (2014, p. 311). Finally, another reason that he raises is the inappropriateness of adopted policies. This study reflects a combination of the above-mentioned reasons. The focal issue of rural youth persists, notably because MNCs develop CSR strategies and implement practices that are often irrelevant to ensure the financial well-being of rural youth.

**Financial resources as an antecedent to positive identity work**

By making the mechanism necessary to relax rural youth identity tensions explicit this study contributes to the debate on the antecedents to identity construction. Dutton and colleagues (2010, p. 282) argued that "a focus on positive identity construction invites consideration of different kinds of catalysts for positive identity construction". More specifically, this study builds on previous research investigating "how identity construction might be related to the building (or destroying) of other forms of individual resources (e.g., financial (…) resources)" (Dutton et al., 2010, p. 283). Few management scholars have shed light on the interconnections between financial resources and identity work, responding to "the neglect of issues of remuneration in organization studies and, in particular, identity research (McCabe, 2011)" (Alvesson & Robertson, 2016, p. 28). Howard-Grenville and colleagues (2012) for instance investigated the role of money in fuelling the generation of experiences, which were considered a key factor in driving the revival of a community identity, following years of decline. In contrast, the results of the study by Alvesson and Robertson (2016) into the UK investment banking industry did not show a causal role of financial resources in constructing identity understandings. The authors demonstrated that money played a fundamental role in the workers' lives, unlike identities. These well-paid professionals did not struggle with "precarious, insecure and uncertain subjectivities (Collinson, 2003)" (Alvesson & Robertson,

2016, p. 30).

This study contributes to the literature by exploring the relationship between financial resources and positive identity work in the context of poverty. The discussion on positivity has been criticised for neglecting issues such as poverty and strengthening the position of powerful actors (Ehrenreich, 2009, as cited in Learmonth & Humphreys, 2011). As cited by Alvesson and Robertson (2016) the following questions raised by Gabriel (1999, p. 188) are crucial:

> *"Why is it that one never reads in accounts of control-resistance-identity how much money individuals earn? Is it reasonable to treat a hospital ancillary worker on subsistence wages as forming the same dependence on his/her employer as professionals or managers earning dizzying salaries and enjoying massive fringe benefits? What kind of theoretical perspective does it take to view money as something that plays no part in the way individuals construct their identity?"*

In that respect, Collinson (2003) argues that economic remunerations of employees can be a source of significant economic insecurity and anxiety. McCabe (2011, p. 432) adds that "our survival is bound up with economics (…) and this generates fears of economic deprivation". In this vein, I demonstrate that in contexts of poverty, financial resources are at the centre of a processual understanding of identity construction. Securing rural youth's financial wellbeing so that they can cover their living expenses is a fundamental aspect of building the next generations of farmers. As long as farming does not fulfil this condition, young people will continue to look for alternative livelihood opportunities to secure a decent income. Ensuring that farming provides a decent income would actually help build positive identities as farmers and reconstitute farming as a life-choice profession, thus reducing rural exodus. Implications for research on institutional theory as well as on poverty alleviation and CSR can be drawn from these findings.

Finally, a related counter-intuitive insight that is worth drawing attention to is that this study's interpretive research approach shows that people respond to financial incentives in the context of poverty. Such incentives might induce behavioural changes by choice, that is, leading rural youth to re-evaluate the decision to leave farming. While it is by no means the only lever, this study suggests that economics, nevertheless, matters.

**Practical implications for CSR practices**

Employment in agriculture is only possible if young people can earn at least a decent, and hopefully attractive living. If they cannot even cover their living expenses, rural poverty will continue to be one of the drivers of rural youth exodus. This study leads me to suggest the following proposition: the higher and the more stable the net profit of smallholder farmers, the more likely that young people will re-evaluate the decision to leave farming and migrate to urban areas.

That is why I recommend developing CSR strategies that, first and foremost, seek to improve the net profit derived from farming, or from other rural activities, and designing field interventions in a way that directly secures farmers' financial wellbeing. As one interviewee argues: *"It has to be profitable for them, it's the only thing to do."* It is important to reflect on "how organizations can be sites of positive identity construction in ways that add value to the individual and beyond" (Dutton et al., 2010, p. 285).

Furthermore, this paper questions the rationale behind CSR. Indeed, as this study shows that CSR practices should endeavour to improve farmers' financial well-being and thus revenues derived from farming, the boundaries between operations (raw material procurement strategy and practices) and CSR become blurred. It is legitimate to ask whether CSR practices have been developed to distract external stakeholders and draw attention away from discussions on pricing. That said, such reasoning may not advance the debate. To engage in a more constructive dialogue, it is also legitimate to ask whether CSR practices are still relevant today or whether MNCs should instead focus on their core competencies, that is, on improving their business relationships with suppliers by ensuring a decent income to farmers and delegate responsibility for matters related to education, infrastructure, health etc. to organisations that have this mission, such as governments and international organisations. Instead of dispersing efforts, a reflection on what responsible business means is essential to reverse the vicious circle of the decline in farming and foster a generation of productive and prosperous young farmers. It is time for business introspection.

## LIMITATIONS

Several limitations exist in this study. It would have been necessary to complement this study's results with the perspective of a broader range of participants, and notably of farmers and rural youth. Because all interviewees defend the same cause, I draw attention to a potential selection bias, which might have affected the results. A more troublesome limitation is, at first sight, the

limited number of cases, comprising only 15 organisations. A common criticism addressed to qualitative researchers is that their findings, due to the small sample size, are not generalisable to a larger population; in short, there is a lack of external validity. Although I concur with the view that multiple case studies do not allow for statistical generalisation, that does not mean that qualitative research is devoid of generalisation (Gibbert et al., 2008).

On the contrary, it is important to recall the major difference between statistical and analytic generalisation. The former is based on a statistical view of generalisability and aims to enumerate frequencies, as per the positivist tradition (Reinecke et al., 2016), whereas the latter aims to develop theories (Gehman et al., 2018). In other words, the generalisability of multiple case studies applies to theoretical propositions and not to populations. In accordance with Schramm (1971, p. 6) this study adopts the view that "the essence of a case study (…) is that it tries to illuminate a decision or a set of decisions: why they were taken, how they were implemented, and with what result". I believe that the approach that has been adopted here is appropriate, that is, that the "cases [were] selected because they [were] particularly suitable for illuminating and extending relationships and logic among constructs" (Eisenhardt & Graebner, 2007, p. 27).

In addition to contributing to theory building, this study's results aim to be transferable to other concrete contexts and situations (Reinecke et al., 2016). "Qualitative researchers should be evaluated in terms of the significance and the impact their publications have on the field. (…) Qualitative research often advances the field by providing unique, memorable, socially important and theoretically meaningful contributions to scholarly discourse and organizational life" (Rynes, Sara & Gephart, Robert P., 2004, p. 461). Hence, the rich findings of this qualitative study are suitable for extrapolation. The explicit means-ends decoupling situation depicted here might provide interesting insights for the investigation of any topic related to sustainability and Grand Challenges. Tackling climate change with the aim of reaching carbon neutrality by entering the carbon credits markets is an example. Tackling the decline of bee populations by using robotic bees for crop pollination is another.

## PERSPECTIVES FOR FUTURE RESEARCH

By contributing to the understanding of the interlink between complex business and social phenomena and to the revelation of important insights for the Grand Challenge of rural poverty, I believe that this paper's results can inform processes in similar situations to those theorised here. As one of the rare examples of a failure of maintenance work in the literature, this study's

findings can open fruitful new avenues for further research, in a broad range of settings. Here, I propose the three that seem the most promising. Firstly, I encourage institutional scholars to explore this study's results in different contexts, for example, the identity work processes of community groups, NGOs, labour unions, suppliers, customers or shareholders, which can play a key role in building relationships or managing social issues. Future research could identify, using different methodological approaches, which tactics are used by organisations to influence the identity work of other types of external stakeholders when that identity work is incongruent with managerial objectives. I believe that both successful and unsuccessful cases are worth examining, so as to highlight contrasting patterns in the data (Eisenhardt & Graebner, 2007).

Secondly, engaging in tackling Grand Challenges requires the alignment of business ambitions, strategies and interventions working towards systemic change. Results show that the maintenance work used to respond to rural youth exodus has a low degree of comprehensibility in the sense that actors are unaware, unwilling or unable to solve the mismatch between the original purpose and ultimate outcome of their actions, which is an instance of means-ends decoupling. A useful line of inquiry is to examine the processes by which companies understand their actions in a more comprehensive way, rethink their approaches and change inefficient or inappropriate interventions in a way that has substantive impact. Longitudinal research can be employed to monitor change in the type of practices deployed and, in the attitudes and behaviours of those who are targeted.

Thirdly, as maintenance work is not (or only partially or indirectly) targeting the improvement of the financial wellbeing of rural young people, this raises the question of how to achieve this goal and attain identity reconciliation. From a theoretical perspective, it amounts to questioning which type of maintenance work should be employed to ensure institutional maintenance. This study's findings support the idea that we need to "create a world in which everyone has the right to participate meaningfully in life-sustaining work" (Schultz, 2001, p. 1881) and in which everyone has the right to earn a livelihood. Results show that a crucial condition to tackling rural youth exodus has not been met, which is securing financial wellbeing. This last avenue for research involves determining which interventions can support the development of a dynamic agricultural sector progressing towards poverty alleviation and attracting future generations of farmers.

The discussion needs to focus on farmers' net profit and prospering income, and needs to go beyond certification schemes, premiums, living income and living wages. More specifically, Carr and colleagues (2018, p. 902) explain the limits of the living wage, as commonly practiced:

> *"this commodification of the living wage ignores that the broader concept of a living wage goes much further. The ILO definition of decent work (ILO, 2013) implies that not just cost-of-living but also (3) human quality-of-living will follow from meeting everyday material needs (Stuart et al., 2017; Townsend, 1979). Included in this concept of a wage that allows for quality of life, for instance, are people's aspirations for reciprocity and fairness (Alkire, 2007; Di Fabio & Maree, 2016). In theory then, living wages conceivably may link rising wage levels to rising equity and justice in the workplace, and in wider society (Glickman, 1997; Morelli & Seaman, 2016)".*

Furthermore, M. Orduz (personal communication, 2021), an important stakeholder in the coffee industry, clarifies the challenges raised by the living income concept.

> *"The Living Income concept is well intentioned and serves a purpose in contributing to ensure that farmers, under the poverty line and those in a poverty situation, even if not under the line, will survive. But it is more a survival concept that aims to make a basic decent living, without going further. However, putting living income as a goal - if achieved - will guarantee that farmers will be able to cover their basic needs with up to 10% for extras. Having the Living Income as a goal for farmers will not ensure the continuity of coffee production in the medium and long term.*

As a response M. Orduz (personal communication, 2021) advocates the concept of a prospering income. He also stresses the importance of structural changes:

> *In order to achieve the continuity of coffee production, we need to create the structural conditions for farmers to prosper. It is not just about the monthly income, but the general conditions under which prosperity will be achieved for this generation and the next ones. In order to achieve prosperity, all the stakeholders will have to deal with the structural issues affecting farmers in a serious and comprehensive manner. (For example, but not limited to productivity, good farming practices, domestic legislation, issued such as land titles, financial inclusion, retirement and pension...)".*

In conclusion, ensuring a decent life for farmers and shared prosperity requires reinventing the system, rethinking the global price-setting mechanisms and figuring out how to balance power dynamics in supply chains.

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## APPENDIX

## APPENDIX 1

### Participants

| Type of data | Total | Organisations | Female | Male |
|---|---|---|---|---|
| Interviewees | 16 | Multinational agribusinesses: 5<br>Foundations of multinational agribusinesses: 3<br>International merchandisers: 3<br>Impact investing fund: 4<br>Academia: 1 | 3 | 13 |
| Focus groups with the 3 corporate partners of this research | 5 | Multinational agribusinesses: 3<br>Academia: 2 | | 5 |
| Focus group | 15 | Multinational agribusinesses: 4<br>International merchandisers: 4<br>Impact investing fund: 2<br>Academia: 3<br>Consultant: 1<br>NGO: 1 | 4 | 11 |

## APPENDIX 2

### Extracts from the First-Order Codes Associated with the Five Steps

| Associating |
|---|
| **Identifying supply chain risks resulting from agricultural labour shortage:** *"We actually also realised that the supply chain is a little endangered. It's the fact that people move to the cities (…)" (Interview, Manager).*<br>**Being aware of the effect of rural youth exodus on labour scarcity:** *"I understood that there is, especially in Africa, this issue that young people don't want to stay in the countryside. For me that was a new fact some ten years ago. I was not aware of it. Many people in the resource sector are still not aware of these issues even now" (Interview, Manager).* |
| **Understanding** |

**Questioning the causes of rural youth exodus:** *"They want to send money; they want that their children have a better life. Their idea is that they can send their children to schools to study, [so that] they can get out of agriculture" (Interview, Manager).*

**Recognizing the gap between rural youth reality and aspirations:** *"Today kids here all have TV. What do they watch? They grow up with American TV. They really have this contrast. They see what we see on TV: Americans and American series, and on the other side their father who earns less than the minimum wage, who has a cabin without a floor, no windows, no mosquito nets. And of course, it's not that image that makes them dream the most. (...) All my workers want to have their smartphone, to go to town as soon as possible" (Interview, Manager).*

**Redefining**

**Making rural youth unwilling to change livelihood, whether change is possible or not:** *"We also support youth in developing perspectives for life" (Interview, Manager).*

**Aiming to improve rural livelihoods:** *"The idea is to make these communities more resilient (...)" (Interview, Manager).*

**Acting**

**Overcoming barriers:**

- **Solving policy issues:** *"In places like Ghana (...) the plots are so small because they get passed out and they just get divided, divided, divided until they're totally unusable. So, you have to fix that. So, it's actually a policy issue with governments and the chiefs because they get involved in this stuff too" (Interview, Manager).*
- **Fostering collaboration:** *"We need to work on global solutions with all stakeholders" (Workshop participant).*

**Providing enablers:**

- **Providing education and skills:** *"With children we do the exposure and small practices. We plant trees. They have this practical approach. Of course, we have different demonstration farms. (...) If you see it, then you believe it. If I just tell you, you may not believe me. So, their own practice I think is important and their own experience of successfully growing some crops" (Interview, Manager).*
- **Providing rural occupational opportunities:** *"If you look into coffee regions, there are more people than coffee farmers and there are more services that are more important in that region. This is also [why we] look into other income generating opportunities for young people. It's looking beyond coffee, it's looking into services, and also building on the possibilities of incremental income to be spent on new kinds of services. Other skills, other job opportunities, life skills development and advocacy" (Interview, Manager).*
- **Making farming attractive:** *"I think that if farmers see the examples in their neighbour's fields they will say: "look at what he is doing and he's earning more money", and then they would do it as well" (Interview, Manager).*

**Securing**

**Improving quality of life by covering living expenses:** *"If you have a different business, let's say you're a goldsmith: if your father has a low performance year after year, the son will not be attracted by goldsmithing. But if the farming itself is producing and giving enough income to the family… If it's a livelihood option, why wouldn´t they be attracted then?" (Interview, Manager).*

**Improving rural youth reality to minimize the gap with their aspirations:** *"It has to be profitable for them, it's the only thing to do" (Interview, Manager).*

**Failing**

**Feeling the tension between what is done and what should be done:** *"One needs to let [farmers]capture more value in the value chain" (Interview, Manager).*

**Avoiding risk taking:** *"Development banks or impact funds (...) only finance from [a certain amount] so small [farmers] do not enter into their business plan (...) The others only finance when there is a certification but who contributes to bridge the gap until certification?" (Interview, Manager).*

**MAKING SENSE OF FARMERS' POVERTY:**
**TOWARDS A NEW ECONOMIC ORDER**


## ABSTRACT

**Working hard and remaining poor is the reality for most smallholder farmers around the world, and inequalities among supply chain actors are the rules of the game. This study combines an institutional logic perspective with sensemaking to demonstrate how companies make sense of sustainability pressures pushing for financial well-being for farmers, which result from conflicting institutional logics. The results of a qualitative study are presented, triangulating data from in-depth interviews and focus groups. A conceptual model composed of six well-connected steps shows why firms fail to ensure farmers' financial well-being. This paper extends existing research on sensemaking processes, by demonstrating that conflicting pressures can lead to organisational paralysis and institutional stability. It contributes to shedding light on the mechanisms that maintain inequality across social groups over time. This study argues that a sustainable business future where inequality does not persist can only be envisioned by embracing a new economic order. It also provides solutions to make this possible.**



*Keywords: farmers, poverty, institutional logics, sensemaking, power*


*"The costs and uncertainty of unsustainable development could swell until there is no viable world in which to do business."*
*(Business and Sustainable Development Commission, 2017, p. 14)*

# INTRODUCTION

Crises in food supply chains are recurrent. One example of this is the coffee price crisis that hit coffee producers in September 2018 with full force, when the market price reached its lowest level in twelve years. These tensions were reported in the press. Reuters, for instance, published an article entitled "Coffee producers seek urgent talks with industry on low prices" (Hunt, 2018) and in the Financial Times "Producers urge coffee companies to cover farmers' costs" (Terazono, 2018). The information relayed by the media usually creates a lively debate in both civil society and political circles over fair prices for farmers. Working hard and remaining poor constitutes the reality for most smallholder farmers around the world. They are caught in a trap of low and variable incomes, low savings and often do not earn a living income (Beg et al., 2017; Cohen & Garrett, 2010; Dorward, 2013; FAO, 2017; Tröster & Staritz, 2015). Thus, they might turn to other sources of income, switching to more profitable crops, or abandoning farming to pursue off-farm activities (Beg et al., 2017; McMichael, 2008; Murphy, 2002).

Farmers' vulnerability directly impacts the whole value chain, by threatening the quality, diversity and quantity of raw materials. Although organisations are aware of operational risks, potential labour shortage and brand damage (Beg et al., 2017) and have made corporate sustainability mainstream, especially in response to increasing sustainability pressure from external stakeholders (Lem et al., 2014; Rahman, 2016), Grand Challenges such as farmers' poverty continue to worsen (Haigh & Hoffman, 2014). Grand Challenges are defined by George and colleagues (2016, p. 1880) as "societal problems that individuals, organizations, communities, and nations face around the world". Some claim publicly that existing efforts are not sufficient: "Unbelievable! Sustainability is not only environmental and social. It needs to be economical. Coffee farming needs to be profitable for farmers. The work of the whole value chain. Poverty is the biggest predator of the environment and of the social fabric" (Orduz, 2019). The debate is therefore shifting from CSR to global price-setting mechanisms, market power and farmers' margins (FAO, 2017; Lindo, 2014). This suggests that addressing inequalities in the upstream portion of the agricultural supply chain implies solving tensions between sustainability and profit maximisation as well as balancing power dynamics in supply chains.

In this context, investigating the role of corporations in understanding and addressing Grand Challenges, such as farmers' poverty, is one of today's hot topics in management research

(Berrone et al., 2016). Because solving Grand Challenges, such as rural poverty, requires coordinated action (George et al., 2016) this article draws on the sensemaking process, defined as the mechanism through which people work to understand ambiguous issues (Maitlis & Christianson, 2014) enabling the existing complexity to be turned "into a situation that is comprehended explicitly in words and that serves as a springboard into action" (Weick et al., 2005, p. 409). However, action does not necessarily result from sensemaking (Hahn et al., 2014; Le Menestrel et al., 2002) and that is why the latter can thus be considered as a driver for both institutional change as well as institutional stability. My research is therefore motivated by the following question: *how do managers make sense of the increasingly significant sustainability pressure pushing for farmers' financial well-being?* I follow a call to explore organizational responses to conflicting institutional tensions (Pache & Santos, 2010) and more specifically the role of firms in achieving social equality, fairness and poverty alleviation (Bapuji et al., 2018; Cobb, 2016; Utting, 2007; Werner & Lim, 2016). To investigate company approaches to tensions due to such social issues jeopardising their bottom-line, I adopt an institutional logic perspective combined with a sensemaking lens. Institutional scholars have emphasised that modern capitalist societies have incompatible institutional logics, such as the profitability logic and the sustainability logic (Greenwood et al., 2008). Because sensemaking connects institutional logics with organisational action and change processes, it is considered to be a complementary theory to the institutional logic perspective (Jennings & Greenwood, 2003; Thornton et al., 2012; Weick et al., 2005). Hence, I examine how corporations make sense of the emergence of pressure pushing towards a more significant sustainability logic, conflicting with the dominant profitability logic. I explore both concepts from a perspective of change and integrate issues of power in the discussion. The theoretical puzzle of how organisations deal with contradicting logics has been widely investigated using cognitive frames (Jakob-Sadeh & Zilber, 2018). That said, the failure of handling tensions remains a pristine research area (Pache & Santos, 2010). This study goes beyond an instrumental logic, in other words beyond explaining how firms can take advantage of addressing sustainability challenges (Gao & Bansal, 2013), by showing why and most importantly "how the sustainable logic can become the dominant logic", responding in this respect to the call of Glover and colleagues (2014, p. 109).

I make two contributions to the discussions on institutional logics and sensemaking. First, I offer a better understanding of the role of conflicting logics in triggering sensemaking. I deconstruct the managerial interpretation of the emergence of pressure pushing towards a more

significant sustainability logic, incompatible with the dominant profitability logic. I also explain the underlying mechanisms leading to the failure of multinational enterprises to handle tensions related to ensuring farmers' financial well-being. I make four propositions to explain why sustainable change is not taking place. Consequently, this study extends existing research on sensemaking processes, by suggesting that such processes can lead to organisational paralysis and institutional stability (Hahn et al., 2014; Le Menestrel et al., 2002). This study contributes to shedding light on the root causes of rural poverty and on the mechanisms that maintain inequality across social groups over time (Amis et al., 2018). Second, this study explains how to solve tensions related to farmers' poverty, by revealing which system changes are envisioned by managers to solve this Grand Challenge. Data analysis generates insights for the study of social issues where a status quo is prevalent, as well as for the emerging debate on approaches to Grand Challenges (Thornton & Ocasio, 2008; Wright & Nyberg, 2017) by showing that tackling inequality in organisations requires exceptional practices and radical organisational change (Amis et al., 2018; Olsen & Solstad, 2017; G. Sharma & Good, 2013). This study argues that a sustainable business future where inequality does not persist can only be envisioned by embracing a new economic order. It also provides solutions to make this possible.

This paper is organised as follows. First, I present the theoretical orientation of this study, and then introduce the study's research context: MNCs' managers reflecting on their sourcing operations. This is followed by a discussion of the research methodology, including data collection and analysis. The subsequent section presents the paper's findings. Finally, I conclude by discussing my contributions to the literature, and draft perspectives for further research.

## THEORETICAL CONTEXT

Institutions and sensemaking are interconnected (Thornton & Ocasio, 2008). Because sensemaking connects institutional logics with organisational action and change processes (Jennings & Greenwood, 2003; Thornton et al., 2012; Weick et al., 2005), I combine both perspectives to explore organisational responses to the Grand Challenge of rural poverty: a topic that only a few studies have explored (Gray et al., 2015; Kristiansen et al., 2015; Maitlis & Christianson, 2014; Margolis & Walsh, 2003; Thornton et al., 2012; Weber & Glynn, 2006; Weick, 1995; Weick et al., 2005; Wright & Nyberg, 2017). I present in this section theoretical

elements that refer firstly to the dynamics of conflicting institutional logics and secondly to the sensemaking of tensions arising from these conflicting logics. I explore both concepts from a perspective of change and integrated issues of power in the discussion. This leads me to develop a framework (see Figure **1**), which summarises the literature and identifies gaps in the discussion.

**The dynamics of conflicting institutional logics and the role of power**

Society is considered to be an inter-institutional system (Weber & Glynn, 2006). As revealed by Haveman and Gualtieri (2017), Roger Friedland and Robert Alford (1991) were the first to introduce institutional logics in Institutional Theory. The difference between institutions and institutional logics has been examined by Blindheim (2015, p. 59): "while institutions specify what in some way is taken for granted and/or is important for the members of a culture (and the structural arrangements supporting the cognitive and normative dimensions of institutions), institutional logics indicate what sort of behaviour to expect from one another, given a specific institutional order. For example, 'capitalism' can be understood as something that is taken for granted and/or is highly valued in western societies. It is also supported by some formal structural arrangements—it is an institution. The institution of 'capitalism' embeds a specific logic about what is and what is not appropriate behaviour given the institution of capitalism". Thornton and Ocasio (2008, p. 104) add that "the institutional logics approach views any context as potentially influenced by contending logics of different societal sectors". Furthermore, institutional logics are defined as "the socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which [not only] individuals [but also organizations (Andersson & Liff, 2018; Kristiansen et al., 2015)] produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality (Friedland & Alford, 1991, p. 243; Jackall, 1988, p. 112)" (as quoted in Thornton & Ocasio, 1999, p. 804). Greenwood and colleagues (2008, p. 21) explain that Friedland and Alford (1991) "proposed that modern capitalist societies have central institutions that have 'potentially incompatible' institutional logics. It is the incompatibility of logics that provides the dynamic for potential change". The institutional logics lens implies that diverse institutional logics generate conflicting expectations and demands from the external environment on organisations, who must respond to these demands (Aksom, 2018; Battilana & Dorado, 2010; Blomgren & Waks, 2015; Jay, 2013; Kostova et al., 2008; Luo et al., 2017).

In this study I examine two conflicting institutional logics, the profitability logic and the sustainability logic (Battilana & Dorado, 2010; Pache & Santos, 2013). The former is defined as a logic where actors pursue goals of short-term profit maximisation, capital accumulation and competitive advantage (Herold, 2018; Karpik, 1978; Lawrence & Suddaby, 2006; Scott, 2013). This advantage "integrates economic, ecological, and social considerations with regard to present and future generations" (Schneider, 2015, p. 525) and suggests that "business firms are expected to improve the general welfare of society" (Schwartz & Carroll, 2008, p. 168). Various articles report a trade-off between sustainability practices and profit maximisation, specifically in price sensitive and highly competitive industries (Glover et al., 2014; Hahn et al., 2014; Hahn, Kolk, et al., 2010; Herold, 2018; Jensen, 2001; Oberhofer & Dieplinger, 2014; Oliver, 1997; Schaltegger & Hörisch, 2017). Within any business organisation the profitability logic is considered as dominant (Ansari et al., 2013; Herold, 2018). In fact, firms normally favour their financial goals over societal targets, among others, because they need to respond to financially-based assessments of performance (Scott, 2013; Van der Byl & Slawinski, 2015). As for the positioning of the sustainability logic, it depends on the extent to which it is incorporated or relevant to the firm's operations (Herold, 2018).

Furthermore, recent studies highlight that the relative dominance of conflicting institutional logics is impacted by power relations (Herold, 2018; Kostova et al., 2008; Luo et al., 2017; Olsen & Solstad, 2017; Thornton & Ocasio, 2008; Wooten & Hoffman, 2008). The concept of power is understood in this study as domination 'over' organisations by the economic environment in which they operate (Fleming & Spicer, 2014). Fleming and Spicer (2014) explain that short-term shareholder value may become the dominant ideological purpose of the firm, at the expense of sustainability. On the other hand power is also understood here as domination 'against' organisations when stakeholder groups or social movements, which are driven by moral engagements, undermine firms' legitimacy and value systems (Fleming & Spicer, 2014). In fact, imbalances of power lead to power struggles among actors committed to contrasting logics, and changes in the distribution of power among them leads to changes in the dominance of institutional logics (Fligstein, 1996; Hasse & Krücken, 2008; Thornton & Ocasio, 2008). Lately, more powerful external stakeholders with environmental or social concerns (e.g., carbon emissions, plastic use, gender equality, child labour etc.) are shifting the sustainability logic to a more significant position in organisations, challenging the dominant profitability logic (Herold, 2018) **(step 1 in Figure 1).** As a result, such "processes produce a complex array of interrelated but often mutually incompatible institutional arrangements (…) [that] provide a

continuous source of tensions and conflicts within and across institutions" (Seo & Creed, 2002, pp. 223–225) **(step 2 in Figure 1).**

**Making sense of tensions arising from conflicting institutional logics**

The need for sustainability confronts corporations with situations in which they need to solve tensions by simultaneously addressing the conflicting demands of the sustainability logic, along with those of the profitability logic at both corporate and societal levels (Baumann-Pauly et al., 2016; Clemente & Roulet, 2015; Hahn et al., 2014; Palazzo & Scherer, 2006). This process is called sensemaking (Hahn et al., 2014; Miron-Spektor et al., 2018) and is defined as "the process through which people work to understand issues or events that are novel, ambiguous, confusing, or in some other way violate expectations" (Maitlis & Christianson, 2014, p. 57) **(step 3 in Figure 1)**. Because sensemaking connects institutional logics with organisational action and change processes, it is considered as a complementary theory to the institutional logic perspective (Jennings & Greenwood, 2003; Thornton et al., 2012; Weick et al., 2005).

Sensemaking is characterised by three phases: first exploring the social world, second interpreting the new situation and third developing new ways of acting or responding (Ancona, 2012; Helms Mills, 2003; Hill & Levenhagen, 1995; Maitlis & Christianson, 2014; Scott, 2013). Resisting or, on the contrary, becoming an agent of change of the institutional arrangements depends on many factors. For example, George et al. (2016) report that environmental actions depend on whether decision-makers view such involvement as potential opportunities or threats to gain social acceptance and Durand and colleagues (2019) examined issue salience and the cost-benefit analysis of resource mobilisation.

Here again, "power provides a context for sensemaking" (Patriotta et al., 2016). Power struggles between internal and external stakeholders play a key role in collective sensemaking processes (Aguinis & Glavas, 2019; Andersson & Liff, 2018, 2018; Basu & Palazzo, 2008; Brickson, 2007; Maitlis, 2005; Maitlis & Christianson, 2014) **(step 4 and 5 in Figure 1)**. Maitlis and Christianson (2014, p. 98) explain that the literature "vividly convey[s] the tussles and tensions of organisational sensemaking, as different parties campaign and compete to shape meanings of and in the organization, gain acceptance for a preferred account, or subvert the status quo". As a result, organizations are more likely to respond to pressures exerted by internal and external stakeholders perceived as the most powerful and resist the demands of those perceived as less so (Murillo-Luna et al., 2008; Pache & Santos, 2010, 2013; S. Sharma & Henriques,

2005). In short, power influences not only the content but also the form of sensemaking processes (Schildt et al., 2019).

**Using cognitive frames for handling conflicting logics**

Having examined the reasons why some firms act, and others do not, it is necessary to explore how the latter make sense of competing pressures coming from different stakeholders, the tensions that are generated and the strategies that they use to handle them. Although Greenwood and colleagues (2011, p. 357) have explored how organisations respond to the institutional complexity that arises from the plurality of logics, they state that "given the lack of research on the topic, some aspects of the framework [that they developed] are naturally speculative, and will need to be refined and elaborated by empirical research on the topic". Moreover, existing modes of operating often fail to offer satisfying responses (Weick et al., 2005) **(step 6 in Figure 1)**.

Organisations handle conflicting institutional demands differently through sensemaking (Andersson & Liff, 2018). Scholars have argued that specific cognitive frames are critical to understand and manage contradicting tensions related to sustainability (G. Sharma & Jaiswal, 2018). Cognitive frames are defined as "'cognitive filters that admit certain bits of information into the strategizing process while excluding others' (Porac & Thomas, 2002, p. 178), managers imbue ambiguous cues with meaning, which leads them to consider specific strategic responses (Weick, 1995)" (as quoted in Hahn et al., 2014, p. 463).

Sharma and Jaiswal (2018, p. 293) claim that "individual cognitive frames enable interpretation and sensemaking, and hence the organization's stance toward sustainability issues (Basu & Palazzo, 2008; Hahn et al., 2014)". Academics have primarily focused on understanding strategic responses to conflicting demands related to sustainability issues from two main perspectives, that is, the business case frame and more recently the paradoxical frame (Carroll & Shabana, 2010; Hahn et al., 2014; Van der Byl & Slawinski, 2015) although other types of frames have been proposed (see for example Hahn et al., 2015; Van der Byl & Slawinski, 2015).

On the one hand, scholars have explained that some decision-makers aim to eliminate tensions by building business cases for corporate sustainability (Carroll & Shabana, 2010; Salzmann et al., 2005). This implies aligning social and environmental dimensions with the economic dimension; in other words, ensuring that CSR produces positive financial returns (Carroll &

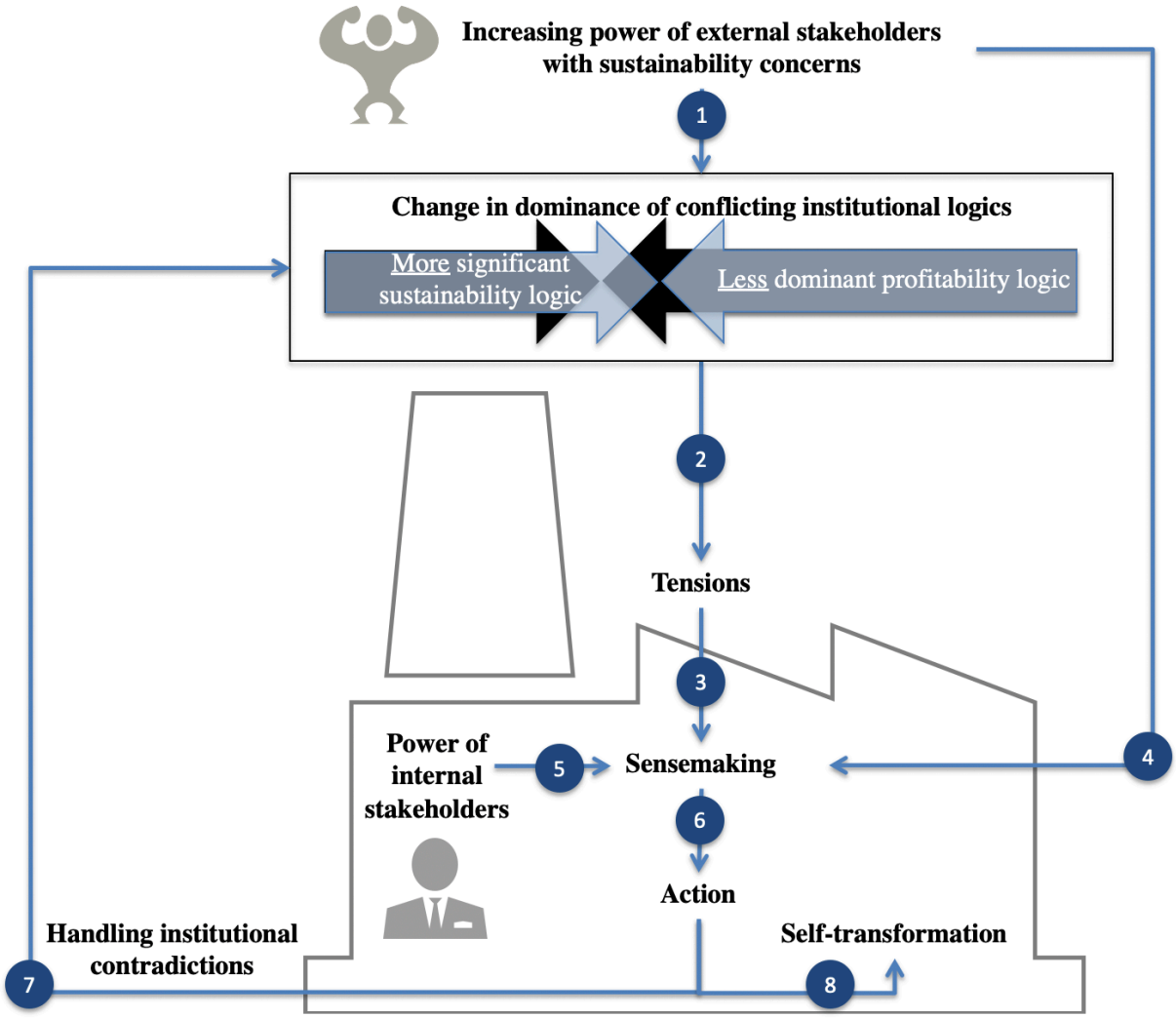
Shabana, 2010; Hahn, 2015; Hahn et al., 2014). On the other hand, scholars have revealed that other managers adopt a paradoxical approach, which assumes that tensions and contradictory demands between the economic, environmental and social dimensions are multiple, cannot be eliminated and do co-exist (Hahn et al., 2014). Tensions are perceived as ‘‘contradictory yet interrelated elements that exist simultaneously and persist over time’’ (Smith & Lewis, 2011, p. 382). This research stream argues that managers acknowledge and accommodate conflicting yet interrelated concerns (Gao & Bansal, 2013; Hahn et al., 2018; Lewis, 2000; Lüscher & Lewis, 2008; Smith & Lewis, 2011; Smith & Tushman, 2005; Van der Byl & Slawinski, 2015)

**Strategic responses to tensions**

Three types of strategic responses to tensions are possible **(step 7 in Figure 1)**. First, organisations can choose among competing demands (Smith & Lewis, 2011). Second, firms can counterbalance the economic focus by placing greater emphasis on social or environmental aspects (Hahn, Figge, et al., 2010; Whiteman et al., 2013). Third, they can juxtapose or combine economic, social and environmental concerns by developing practices at multiple levels that support conflicting logics (Purdy & Gray, 2009; Wright & Nyberg, 2017). Handling incompatible logics in any way might also require organisations to self-transform **(step 8 in Figure 1)** and can imply the creation of new organizational forms, functions, structures, strategies, frames, practices and purposes (Aksom, 2018; Kitchener, 2002; Kraatz & Block, 2008; Maitlis & Christianson, 2014). Such processes can lead, for example, to the emergence of new types of hybrid organisations (Battilana & Dorado, 2010; Durand & Thornton, 2018; York et al., 2016) “that draw from and try to integrate sometimes competing logics” (Pache & Santos, 2010, p. 471). Finally, it is important to highlight that few studies have investigated extreme organisational outcomes, such as “situations in which conflicting institutional demands may lead to organizational paralysis or breakup” (Pache & Santos, 2010, p. 455).

**FIGURE 1**

**Institutional logics and sensemaking processes**




Pache and Santos (2010, p. 455) state that "while institutional scholars acknowledge that organizations are often exposed to multiple and sometimes conflicting institutional demands (Djelic & Quack, 2004; Friedland & Alford, 1991; Kraatz & Block, 2008; Meyer & Rowan, 1977), existing research makes no systematic predictions about the way organisations respond to such conflict in institutional prescriptions". To understand how organisations evaluate and manage competing tensions, further examination of the intertwinement between institutional logics and sensemaking is required. Research also needs to go beyond an instrumental logic, that is, how firms can take advantage of addressing sustainability challenges (Gao & Bansal, 2013).

Moreover, because explanations provided in past studies are often based on the underlying assumption that societal-level institutional logics are not changing, scholars call for an examination into the sensemaking of tensions arising from conflicting logics from a perspective of change (Andersson & Liff, 2018; Maitlis, 2005; Thornton & Ocasio, 2008). Researchers are also encouraged to integrate issues of power in the discussion (Hasse & Krücken, 2008; Helms Mills et al., 2010; Lawrence, 2008). In this vein, Scott (2013, p. 90) affirms that "many of the most important tensions and change dynamics observed in contemporary organizations (…) can be fruitfully examined by considering the competition and struggle among various categories of actors committed to contrasting institutional logics".

The combined effects of the power of institutional actors and of the changes in prevalence of institutional logics on the strategic responses of organisations, often remains unspecified (Thornton & Ocasio, 2008). Finally, Wright and Nyberb (2017, p. 1134) argue that "understanding the process of translating Grand Challenges into practice is critical, as this may guide the establishment of new forms of organization and governance arrangements that help address social and environmental concerns". Corporations' responses - or absence thereof - to environmental issues has been the focus of several studies (see for example Hahn et al., 2014; Van der Byl & Slawinski, 2015; Wright & Nyberg, 2017). Building on the preceding theoretical discussions this study explores how firms address farmers' poverty. Accordingly, the guiding research question for this paper is: *how do managers make sense of the increasingly significant sustainability pressure pushing for financial well-being for farmers?*

## RESEARCH CONTEXT

Three multinational corporate organisations contributed to the definition of the research question in this study. Recognising the importance of young farmers for future food production, and hence the sustainability of their own supply chains, these organisations showed interest in investigating how to motivate young farmers to remain in farming. Preliminary research has made clear that a key factor to making farming an attractive life-choice profession is to secure farmers' financial well-being, which translates into increasing farmers' net profit (Beg et al., 2017; Burrus, 2021a, 2021b; Cohen & Garrett, 2010; Dorward, 2013; FAO, 2016; Tröster & Staritz, 2015). That is why, in order to conduct interviews and collect data, I selected CSR and senior supply chain managers in organisations dependent on agri-systems. These organisations source raw materials such as coffee, cocoa, cotton as well as other natural ingredients used in

the manufacture of fragrances and flavours. They have experience rolling out rural development strategies aimed at improving farmers' livelihood globally. The interviewees acknowledged and were all morally concerned about farmers' poverty and the lack of profitability and attractiveness of agricultural activities, which pose a threat to the long-term sustainability of their operations. This led to a recognition of the urgency to tackle the Grand Challenge of rural poverty and enhance farmers' financial well-being. CSR and sustainable supply chain interventions are implemented by all the companies where these practitioners work. Although the way to ensure that farmers have access to a living income remains obscure, this represents a major concern for all, notably due to NGOs and consumers' pressure. The implementation of these interventions is usually managed either by internal CSR and/or sustainable sourcing operations departments, and/or external independent foundations, which mandate stakeholders to take action.

Increasing farmers' net profit can be broken down into three elements: increasing revenues, decreasing costs and decreasing risks. Decreasing risks is embedded in the two former approaches. To increase farmers' revenues, some companies focus mainly on agricultural practices, productivity and certification or verification schemes. To decrease farmers' costs, other interventions encourage, for example, organic farming systems to reduce the dependency on agrochemicals. Still others focus on product differentiation and fostering the development and strengthening of organisations such as cooperatives. Decreasing risks includes, for instance, assisting farmers with climate adaptation practices. That said, sustainable sourcing programmes are usually implemented in only a small portion of most companies' overall sourcing operations.

Moreover, all interviewees were well aware of their limited room to manoeuvre and mitigate farmers' poverty. They emphasised a gap between the implementation of sustainability activities and the achievement of the envisaged goals, such as ensuring that farmers can earn a living income. The majority of managers interviewed expressed frustration because not enough is being done to improve farmers' financial well-being and stressed major structural barriers. This sense of disempowerment, given the magnitude and complexity of the challenge, explains their enthusiasm for participating in this research project. Practitioners expected to learn how to better tackle the Grand Challenge of farmers' poverty.

# RESEARCH METHODOLOGY

## Research Approach

To study the sensemaking of conflicting institutional logics, I combined an institutional theory approach with a sensemaking perspective, as did Weber and Glynn (2006). This study relies on the tradition of inductive theory building, where theory derives from data as per Denny Gioia's qualitative method (Gehman et al., 2018). A mixed research approach was applied for this qualitative study (Grégoire et al., 2010; Lüscher & Lewis, 2008). Because sensemaking can take place through discourse, I firstly collected data from audio-recorded interviews with practitioners, and secondly, I organised a focus group to corroborate interview-based evidence (George, 2016).

## Data Collection

Data collection took place between January 2017 and September 2019. Data gathering was guided by theoretical sampling, the ultimate goal of which was theory building (Eisenhardt & Graebner, 2007). In other words, I relied on information revealed during the data collection process to tactically select who to interview next, with the aim of developing novel theoretical ideas (Banks et al., 2016; Glaser & Strauss, 1967). The Grand Challenge at the centre of this study, namely farmers' poverty, was identified together with three multinational corporate organizations. This topic of interest was discussed and refined, and results were challenged by corporate representatives during six meetings, which were spread over the entire duration of the study.

***Semi-structured interviews:*** Sixteen experts active in fifteen organisations, with broad international experience and working with diverse commodities, were identified in order to conduct interviews (see Appendix **1** for further detail). The duration of the interviews ranged from 60 to 180 minutes (11 interviews in person, 4 via phone calls due to geographic constraints). Once permission had been granted, interviews were tape-recorded, later transcribed and translated into English where necessary. I conducted follow-up interviews with some interviewees to clarify certain details or capture additional information. The interviews were based on a semi-structured interview guide available from the author upon request. Although the questions used for the interviews varied over time and according to the background of the interviewee, they can be classified into three categories. The first dimension of questions concentrated on contextual aspects, such as the role of the interviewee within the

organisation, the structure of the supply chains, the organization's perception of stakeholder pressure, its relationship with farmers and sustainability strategy. *"Do you think that farmers' net profit is a priority issue? Why?"* The second category of questions focused on the interviewees' perceptions of the impact (or lack of impact) of CSR interventions on farmers' financial well-being: *"How do CSR interventions or sustainable sourcing activities mitigate farmers' poverty?"* The third set of questions served to investigate how interviewees envision a sustainable business future: *"How can interventions generate the most impact? What changes are needed to mitigate farmers' poverty?"* Material collected was analysed after each data-gathering activity.

***Focus groups:*** Second, a focus group was held with a sample of participants from various sectors who were interested in the research question. The objective was to present the results and discuss their practical contributions. Fifteen stakeholders with international professional experience in the field of commodity sourcing participated in the focus group (see Appendix **1** for details). Discussions and lessons learned from this practice made it possible to fine-tune the interpretation of the data and well as the links between themes and refine managerial implications. Additional insights were also generated by sharing experience among participants and comparing different types of supply chains. Information about the sources, types and quantity of data is disclosed in Table **1**. Interview data was also used in another working paper to examine how maintenance work by MNCs influences rural youth to re-evaluate the decision to leave farming (see Burrus (2021b)). Lastly, the state of "crystallization" marked the completion of the data collection and analysis phases (Vaccaro & Palazzo, 2015). This implies that the data gathering stage ended when the six steps of the sensemaking process (i.e., acknowledging, bearing, experiencing, realizing, responding, and reinventing) as well as the four activities associated with this last step (changing purchasing practices, redistributing power and value, revisiting pricing models and transforming business models) were comprehensively characterised.

**TABLE 1**

**Sources and Types of Information and Amount of Data Obtained**

| Types of data | Amount of data | How data was used in the study |
|---|---|---|
| Semi-structured interviews with 16 experts | 15 interviews | Characterisation and analysis of the process where managers make sense of the increasingly significant sustainability pressure pushing for farmers' financial well-being.<br>Identification, characterisation and analysis of the interviewees' perceptions of a sustainable business future. |
| Focus groups with the 3 corporate partners of this research | 6 meetings | Contextualising the phenomenon<br>Definition of the research question<br>Feedback on results |
| Focus group with 15 experts | 2 workshops | Practical "reality check" of results |

**Data Analysis**

The objective of data analysis is to "unpack causal processes and explain the phenomenon to a granular extent such that actionable insight becomes possible" (George, 2016, p. 1870). In line with Denny Gioia, I adopted a grounded theory approach (Gehman et al., 2018). Data analysis concentrated on two aspects. The first was the contextualisation, identification, characterisation and analysis of the discourses embedded within the process where managers make sense of the increasingly significant sustainability pressure pushing for farmers' financial well-being. The second concerned the analysis of managerial perceptions of a sustainable business future.

Three phases characterise data analysis. "Line-by-line" open-coding of interview data was conducted in the first stage. Identified key concepts were grouped into abstract codes (Strauss & Corbin, 1990). The analysis of the first interviews resulted in the development of a coding scheme, which was then used and revised to code the remaining data. Interview data demonstrated how decision-makers explained the context in which organisations operate. This enabled internal and external stakeholders to be listed. The former included supply chain managers, CSR managers, brand managers and shareholders whereas the latter comprised farmers and consumers. Then, interviewees described the actions that they take to respond to farmers' poverty and how they envision a more sustainable business future. Subsequently, descriptive codes were assigned to all transcripts. This led to the identification of three different types of concepts, which surfaced from the code, namely "sustainability discourses", "market discourses" and "system changes discourses". The latter were considered as categories of first-

order concepts in my code, and this led to the exploration of the different steps involved in organisational sensemaking.

The identification of second-order concepts was the objective of the second stage of data analysis. Sustainability discourses led to the identification of the first four steps of the sensemaking process. The first step is labelled *acknowledging* (1) and characterises managers' recognition that farmers live in poverty and that price-setting systems have an impact on poverty, as described below:

> *"Anyway, today [farmers] are dying of coffee. The price of coffee is so low that they're losing money anyway" (Interview, Manager).*

This led me to identify that by associating farmers' poverty with operational risks, managers emphasised tensions that are exerted on organisations, as in the following example:

> *"This is the example of vanilla in India. There were years when vanilla cost $20. $20 was so little that there was only one country in the world able to produce it at that price and that was Madagascar. And there was a crisis 15 years ago when it went up to $400, so it gave a lot of ideas to people. And then from $400 it went down to $40. At $40 the Indians said: "We didn't make vanilla until now but as we are Indians and we are really smart, if we put it under our areca nut plantations, at $40 it's good, we make money". They've taken off and have become quite significant vanilla producers. And then it only lasted 4 years and after "poof", it went down to 20$. At that time, the Indians said: "ah it's 20$, then we stop". That's how vanilla disappeared from India. It's incredibly simple" (Interview, Manager).*

On the other hand, tensions emerged externally from consumers. This is how organisations are *experiencing sustainability pressure* (3):

> *"Globally, the world in which we have started to live does not want us to live by extorting raw materials in poor conditions from the people who produce them. This is the feeling now, it is known, and it is shared" (Interview, Manager).*

Fourth, managers *realised* (4) that CSR field-based or market-based interventions are often ineffective in reducing farmers' poverty. Fairtrade is one example:

> *"If you talk to consumers and when I talked about this to my friends, they have the impression that Fairtrade is exactly what the label says, that trade has been fair. But*

*that's not the reality as we know. So, the label says it all, but the reality doesn't" (Interview, Manager).*

The link between "sustainability discourses" and "market discourses" was then investigated. By asking why CSR activities failed to produce the expected outcomes, I soon discovered a pattern for engagement in CSR work, which was identical across the various respondents for engagement in CSR work: their obligation to *respond to market pressure* (5) coming from brands, consumers and shareholders:

*"It's a business model, certain large groups have a way of thinking, which is only cost-oriented (...) It's not a logic of long-term partnerships to develop long-term quality projects, etc." (Interview, Manager).*

I therefore understood that the current system generates tensions and frustrations. The connection between the market discourses and the system changes discourses emerged when it became clear that it was not possible to ensure farmers' financial well-being under the current system, dominated by market discourses.

*"[Farming] has to be profitable for them, it's the only thing to do" (Interview, Manager).*

Finally, by focusing on how decision-makers envisioned a sustainable business future, I understood the centrality of *reinventing the system* (6): this led me to conceptualise four solutions (6.1-6.4) reflecting the system changes discourses, to envision a sustainable business future and achieve farmers' financial well-being.

Data analysis showed that these six steps are systematically connected and are key elements of a single sensemaking process. I realised that "acknowledging", "bearing", "experiencing", "realising" and "responding" triggered "reinventing the system", which in turn was composed of four activities. These ten second-order themes enabled me to code the primary data once more.

Afterwards, these six identified steps were aggregated into two dimensions, based on the chronology of occurrences. Data showed that the dimension "diagnosing the causes of the paralysis" precedes the second dimension "envisioning system changes". The first-order

concepts, second-order themes and aggregate dimensions are disclosed in Figure **2**, along with additional extracts from the coding in Appendix **2.**

Finally, in line with Langley and colleagues' claim (2013, p. 4), i.e., "process conceptualizations offer ways to understand emergence and change as well as stability, and they incorporate understandings of causality as constituted through chains of events rather than through abstract correlations", I developed a conceptual model that shows how organisations currently deal with farmers' poverty (see Figure **2A** & **2B**).

**FIGURE 2**

**Analytical Coding Process**

| 1st-ORDER CONCEPTS | 2nd-ORDER THEMES | AGGREGATE DIMENSIONS |
|---|---|---|
| - Farmers' poverty<br>- Low and volatile market prices | **1. Acknowledging** | **DIAGNOSING THE CAUSES OF THE PARALYSIS** |
| - Risks of insecure supply, losing tradition and knowledge<br>- Impact of smallholder farmers' poverty on business | **2. Bearing** | |
| - Social movement<br>- Consumers' requirements<br>- Responsibility towards poverty | **3. Experiencing** | |
| - Limited impact of interventions<br>- Decoupling of sustainability and business activities | **4. Realising** | |
| - Selling the business case for corporate sustainability<br>- Driving financial performance | **5. Responding** | |
| - Need for change<br>- Creating a new model | **6. Reinventing the system** | **ENVISIONING SYSTEM CHANGES** |
| - Securing farmers' revenues<br>- Increasing farmers' net profit | **6.1. Changing purchasing practices** | |
| - Sharing power<br>- Sharing value | **6.2. Redistributing power and value** | |
| - The real value of products<br>- Consumers' awareness | **6.3. Revisiting pricing models** | |
| - Role of business in society | **6.4. Transforming business models** | |

## ANALYSIS AND FINDINGS

This section starts with a summary of the findings. I analyse the phases of the managers' sensemaking process, as characterised in the literature (Ancona, 2012; Helms Mills, 2003; Hill & Levenhagen, 1995; Maitlis & Christianson, 2014; Scott, 2013). My findings show that managers explore smallholder farmers' poverty, which is tied to their supply chain operations, that they interpret this social issue, but that they fail to handle tensions related to this issue. Contrarily to the definition of sensemaking new ways of acting are not developed. Despite this, managers share their vision of potential business responses to this Grand Challenge and alternatives to the current system. The findings can be described as a (partial) sensemaking process, composed of six-well-connected steps, which firms use to identify the problem, evaluate its implications, assess tensions and envision solutions to ensure a sustainable business future.

The first step, which I call *acknowledging*, seeks to highlight the awareness of farmers' poverty among managers, opening a discussion about the impact of prices paid to the farmers on their poverty level. I label the second step *bearing risks,* when managers evaluate the implications of farmers' poverty on their operations. I called the third step *experiencing sustainability pressure:* managers stress the increasing importance of the sustainability logic and how external stakeholders exert pressure for the improvement of farmers' financial well-being. These three preliminary steps illustrate the way in which managers engage in sensemaking, by working to understand social issues related to their organizational environment. The fourth step, *realising,* underlines the decoupling between the objective of CSR interventions, namely increasing farmers' net profit, and the achievement of this objective. It determines the moment when sensemaking is triggered as a consequence of the irreconcilability of both logics. The reasons for the limited impact of CSR are explained in the fifth step, *responding to market pressure,* where managers emphasise the dominance of the market logic and how this logic constrains their agency. This fifth step corresponds to the interpretation phase of sensemaking. The irreconcilability of both logics in the sense of a business case results in organisational paralysis.

Hence the sixth step, *reinventing the system,* aims to develop alternatives to the current system. It is composed of four activities: *changing purchasing practices*, *redistributing power and value*, *revisiting pricing models*, and *transforming business models*. Analysis shows that the way firms make sense of farmers' poverty and envision a sustainable business future results

from the enacting of these six steps, which are illustrated in a framework below (see Figure **2A** and **2B**). Each second-order theme (listed in Figure **2**) is associated with one or several arrows. The analysis of the findings covers each step in more detail, as well as each first-order concept, with illustrative quotations as they emerge from the data. The term "Manager" used in the following quotes does not refer to the same person. It is used as a generic term for both genders and for different managerial roles within organisations.

**FIGURE 2A**

**Acknowledging, Bearing risks, Experiencing sustainability pressure, Realising and Responding to market pressure**

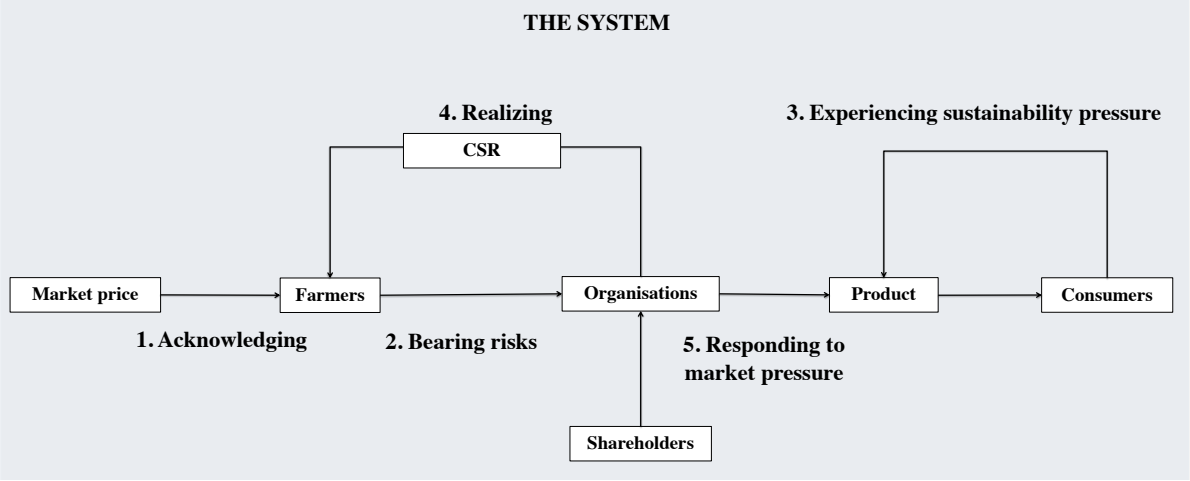
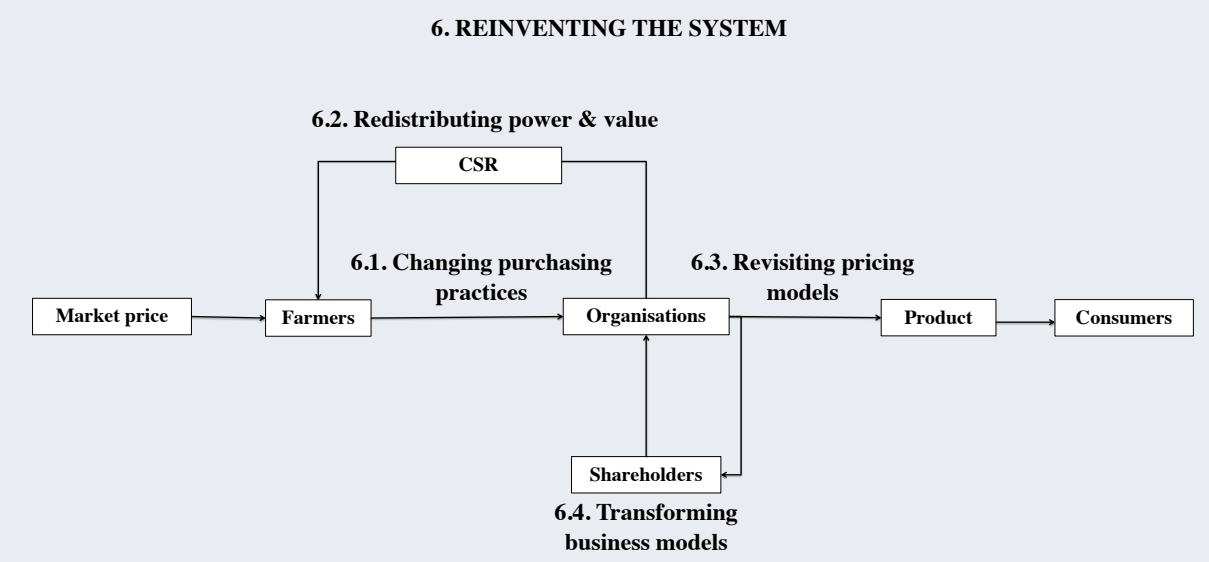



**FIGURE 2B**

**Reinventing the system by Changing purchasing practices, Redistributing power and value, Revisiting pricing models and Transforming business models**



**Making sense of farmers' poverty and envisioning a sustainable business future**

The sensemaking process experienced by managers as a consequence of the increasingly significant sustainability pressure pushing for farmers' financial well-being is composed of the six steps discussed further in this section.

***Step 1: Acknowledging***

Acknowledging is understood as the process of recognising and admitting the existence of farmers' poverty. Managers explored the environment of the firm and identified farmers' poverty as an important supply chain issue, summed up in the adage "farmers buy everything at retail and sell everything at wholesale (Dacey, 2001, p. 1)" (as quoted in Murphy, 2002, p. 9). Organisations acknowledged the poverty in which smallholder farmers live and the causal link between poverty, farmers' revenues and price-setting mechanisms. By way of example, the following extract describes the situation in coffee and cotton, where prices drop because of oversupply:

> *"Ultimately, coffee producers are subject to "Brazilian law". If there is a big harvest, prices will be low, if there is a small harvest or a frost, prices will be insane" (Interview, Manager).*

Interviewees recognised that farmers are left to the mercy of market prices, which are often low and constantly volatile. They stressed that volatility is *"out of control" (Workshop participant).*

> *"The price of cotton is very volatile. Apparently, in the last five days it has dropped by 5% so it really depends on the market: what is China doing, what is India doing, what is the United States doing? So really sometimes you cannot explain why prices are going up or down" (Interview, Manager).*

Consequently, farming is described as a risky activity, which does not provide a living income and impedes farmers from anticipating the future. Diversification of revenue streams appears to be a prerequisite to survival.

> *"When you have a raw material that is subject to the stock market price, it is still advisable to produce something else. Last year, during the high season, I sold my cocoa at 142 [$/cwt]. This year prices have fallen to less than 80 [$/cwt]. It's a bit complicated to plan for the long term, to make an investment" (Interview, Manager).*

***Step 2: Bearing***

Bearing is understood as risk-taking and comprises the assumption of operational risks and costs being incurred as a consequence of farmers' poverty. In fact, managers weighted the implications of farmers' poverty for their businesses in terms of operational risks, that is, insecure supply, as well as loss of knowledge and traditions. Interviewees mentioned that for some raw materials, smallholder farming could not be replaced by mechanised, large-scale farming, which highlights the importance of alleviating farmers' poverty:

> *"It's the whole question of the smallholder farming model versus industrial agriculture that's behind it. If we can replace all these [smallholder farmers] with industrial agriculture, we'll say: but (...) we have to stop the stupidities, we have to buy 1,000 ha to produce vanilla, 2,000 ha to produce patchouli, and we don't care about the smallholder farmers. Except that it doesn't work! Obviously, it works on wheat, cotton and palm, it works in terms of production output, but (...) industrial vanilla doesn't work" (Interview, Manager).*

In this context, data shows that the unviable economic situation imposed on farmers does not come without consequences for the sustainability of business operations. Indeed, managers identified farmers' poverty as a driver to key supply chain risks, such as the risk of insecure supply, explained by the fact that if prices drop, farmers may be forced to switch crops, or even to stop farming activities:

> *"I think that if market prices continue [to drop] like this, many people will stop planting coffee. In countries like Costa Rica, people have preferred to go into real estate. In my opinion, with their system, they will gradually blow up coffee producers, even whole countries that produce coffee will no longer make coffee, and in the end, it will backfire, and they will need to pay for the coffee" (Interview, Manager).*

Data shows that the impact goes beyond ensuring supply. Firms face the risk of losing traditions and knowledge. Traditions are anchored in cultures and histories and cannot be easily displaced:

> *"The dimension of knowledge transmission is very important because we often feel that it wouldn't take much to stop. We have a relatively unique combination of a terroir associated with a climate and a tradition. This tradition is generally either a tradition of small farming or artisanal farming. There's a craft that comes on top of that. These combinations are not very easy to relocate" (Interview, Manager).*

***Step 3: Experiencing***

Experiencing is understood as managers' perception of the sustainability pressure exerted by external stakeholders to ensure farmers have access to a decent livelihood. Data shows that youth is the driver of change and that values are changing towards sustainability. Managers also expressed that consumers are becoming increasingly informed, and hence powerful, in throwing more weight behind the sustainability logic. This is reflected by a higher demand for sustainable products. This trend was interpreted as a social movement, and even more as a revolution. The following quote illustrates the emergence of a social movement for fairer trade:

> *"There is simply an awareness of the supply of raw materials in the broadest sense, which has arrived abruptly, quickly and strongly. I think that there is a movement that is launched, how fast it will grow and when it will bring us into situations of absolute virtue, no one knows" (Interview, Manager).*

Consumers put pressure on firms to demonstrate and strengthen supply chain sustainability. In addition to safety, quality and traceability, they are concerned about social aspects such as poverty. As an outcome, consumers' preference for more sustainable products puts farmers in the spotlight:

> *"If I was a bit provocative: it means that the peasant is becoming the star of all this after being the chained proletarian, so he still has chains, but he's the media star. It's around him that everything is going to play out" (Interview, Manager).*

More specifically, these demands for greater sustainability include ensuring farmers have access to a decent livelihood. This means that firms can no longer deny their responsibility towards farmers' financial well-being:

> *"I can't close my eyes and say I have a patchouli supplier, what I want is to discuss my contracts every year with him and what the patchouli farmers who sell their essence earn is not my problem. Well, it is entirely my problem. (...) It's a revolution" (Interview, Manager).*

Hence, these three preliminary steps illustrate the engagement of managers in sensemaking by working to understand social issues tied to their supply chain operations. Data analysis shows that this first phase was initiated essentially because of changes in power relations among stakeholders: namely the public becoming increasingly aware of sustainability issues. Shifts in power lead to changes in the weight that corporations attach to the sustainability logic. Because

corporate organisations have evaluated the implications of this logic for their business in terms of social acceptance, they have started extracting cues from their environment to "make retrospective sense of what occurs" (Weick, 1993, p. 635). Hence in this study, power not only "provides a context for sensemaking" (Patriotta et al., 2016), it also serves as a trigger of sensemaking.

***Step 4: Realising***

The fourth step named "realising" reflects managers' understanding of the limited impact of CSR programmes on farmers' poverty alleviation. It determines the moment when sensemaking is triggered as a consequence of the irreconcilability of the profitability and sustainability logics. Data shows that existing CSR interventions aimed at improving the economic sustainability of farmers take various forms, including market interventions such as certification schemes and premiums as well as field interventions aimed at increasing yield and quality and/or minimising costs. However, data demonstrates that managers realise the limited impact of these interventions:

> "We're a bit sceptical about the good that certified or verified volumes bring to the farmer" (Interview, Manager).

Several explanations have been given. Premiums sometimes fail to reach farmers. Certification does not tackle the problem of price volatility and is more about ticking boxes than reducing poverty. One interviewee indicated that a certified cocoa smallholder farmer earns less than the minimum wage in Ecuador. Finally, workshop participants agreed that *"nobody can certify people out of poverty" (Interview, Manager):*

> *"Certification is good because it gives a good conscience to those who certify. Yet they have used it and abused it (...). So, if you are in the place of this farmer, we explain that if you certify, it's great because you will be paid a bit more for your cocoa, or your tea. So of course, you don't hesitate, because you already don't earn much. Of course, you certify your production, especially if it's the manufacturer who collects the cocoa who asks you to do so. So, what do you do: you tick the boxes. (...) What do you fundamentally change in that sense? In other words, are we helping the farmer to produce better, to produce more, to reduce his costs, and thus finally to generate a higher gross margin? (...) This is what I call the vicious circle of misery" (Interview, Manager).*

Moreover, data indicates that the organisational means (resources and structure) deployed for the implementation of CSR run counter to its own ends. Resources allocated to CSR activities are often scarce, and moreover in structural terms, the decoupling of sustainability and commercial activities hinders the possibility of tackling the root cause of farmers' poverty. How can CSR interventions ensure financial well-being for farmers if sustainability managers are not entitled to talk about price?

> *"For me there are these 5 elements: price, premiums, quality, productivity and there are costs. It's easy for companies to talk about 4 of those. We can talk about productivity and costs and quality and about premiums paid for achieving a certain level" (Interview, Manager).*
>
> *"No, I don't have a role [in discussions about prices]. That what's allowed us to have conversation [about CSR] with peers [i.e., competitors] because that sort of things you know, we could never talk about price or market related activity. I'm not involved in that, I mean that is the commercial function really" (Interview, Manager).*

***Step 5: Responding***

Responding is understood as organisational reactions to market pressure. This fifth step corresponds to the interpretation phase of sensemaking. Data shows that both external and internal stakeholders express opposing demands, pulling corporate organisations concurrently in opposite directions. In fact, despite the simultaneous recognition of the increasing sustainability demands from external (e.g., consumers) as well as internal (e.g., sustainability and operations) stakeholders, multinational companies face higher market tensions, which leads to selling the business case for corporate sustainability. According to Briscoe and Safford (2008) selling the business case is a common instrumental approach to convince corporate actors to act.

> *"There is always a challenge to what we're trying to do, which is fine. We need to try and sell the business case: whose gonna pay for this? Why do we have to? Is it gonna cost us more?" (Interview, Manager).*

Internally, on the one hand, sustainability managers push for more responsibility and sustainable business practices and operations managers for less operational risks, but on the other, brand managers and finance departments push for cost reduction, profit maximisation and shareholder value. These conflicting pressures, dominated by business case arguments, contribute to the realisation of the ineffectiveness of CSR initiatives, acting more as a palliative

measure than as a cure. Firms also blame consumers' reluctance to pay more for sustainable products despite the pressure that they simultaneously exert for better livelihoods for farmers.

> *"This is a very difficult thing because brands do not want to [pay]. They do not want [to pay,] but the noose of their contradiction is tightening more and more around them. That is to say, they want the story, they want to make their own video [of the farmer] to show how good it is and how happy he is to live, but they do not want to pay more for the juice. But at the same time [we] make big margins on what [we] sell. So, we understand this is a business thing" (Interview, Manager).*

Interviews show that the principal objective of firms is to drive financial performance and keep at least the same margins. This has an impact on sourcing operations, as illustrated by the following extract:

> *"I think that Western companies have a lot of trouble taking responsibility for having settled for situations that were potentially unbalanced, but which suited them because we are simply in a logic of annual budgeting where the CEO systematically says: "but wait, we haven't announced that we are going to make more than 5% on the raw materials budget. It is not possible. Do something about it!"" (Interview, Manager).*

As a root cause of cutting costs, managers mentioned shareholder pressure, quarterly financial reports, as well as activist investors. As obvious as it sounds, dividend payment has been identified in the literature as one contemporary organisational practice that increases inequality (Bapuji et al., 2018).

> *"Now in a world where there are shareholders who are greedy and who make a profit in the short term every 3 months, which is more and more important…" (Interview, Manager).*
>
> *"They've had to increase their margins. It has meant that they have slowed down on a lot of the sustainability stuff, they're cutting corners, this, that and the other. It has changed the company" (Interview, Manager).*

Supporting Wright and Nyberg's (2017, p. 1654) findings, the analysis of the fifth step demonstrates that "engaging in corporate sustainability can thus be critiqued as a distraction from core business or harming shareholder returns". Although managers adopt a priori a paradoxical cognitive frame, they end up selling the business case, as a response to conflicting demands related to sustainability issues such as farmers' poverty. It can be expected that

investments in CSR initiatives produce positive financial returns (S. B. Banerjee, 2003; Dauvergne & Lister, 2013). In other words, although the sustainability logic has gained ground, businesses are still ruled by the market logic. It follows that firms "do not resolve competing demands, because they cannot integrate costly social and environmental challenges within the organizational goal of short-term profit maximization" (Wright & Nyberg, 2017, p. 1655). Consequently, the irreconcilability of both profitability and sustainability logics in the sense of a business case results in organisational paralysis. It is the frustration and tensions generated by CSR's limited impact and the failure to handle tensions related to smallholder farmers' poverty that provide the grounds for envisioning organisational change towards a sustainable business future.

***Step 6: Reinventing***

Although data shows that new ways of acting have not been developed, as per the definition of sensemaking, some managers envision business responses to this Grand Challenge and alternatives to the current system. Some managers do not see any solution to the current situation.

> *"In many supply chains agriculture is not an attractive proposition with people in many rural locations moving to cities. Increasingly food production is seen as hard work for poor return. I don't think that there is anything that we can really do about that, you know we can't subsidize the farmer and we wouldn't advocate that individual countries subsidize the farmers" (Interview, Manager).*

Others suggested reinventing the system in order to ensure farmers' well-being. Indeed, interviewees called for a new model. Reinventing should therefore be comprehended as a managerial independent solution-oriented thought process. Creating a new model appears to be a prerequisite to mitigate rural poverty. The situation of vanilla production in Madagascar is one example, where the price bubble might explode in the near future due to the excessive supply driving prices down and resulting in increasing poverty.

> *"Can a model emerge that will ensure that the vanilla situation in Madagascar is avoided?" (Interview, Manager).*

Finally, a more critical viewpoint was expressed by a workshop participant who expressed the need to "*kill the system!"* By engaging in sensemaking, managers envisioned four less extreme solutions going beyond usual CSR activities to ensure farmers' financial well-being and craft a

sustainable business future: “changing purchasing practices” (step 6.1), “redistributing power and value” (step 6.2), “revisiting pricing models” (step 6.3) and “transforming business models” (step 6.4). These imply changing the rules of the system and adopting new behaviours.

***Solution 6.1: Changing purchasing practices***

First, reviewing the global price-setting mechanisms and changing purchasing practices involves maintaining co-operative ties with farmers. A prerequisite for *changing purchasing practices* is *“a relationship of trust and understanding” (Interview, Manager)* between suppliers and buyers. The following quotes show how firms can have a real impact on farmers’ financial well-being, first by securing their revenues and second by increasing their net profit. The first objective, securing farmers’ revenues, can be achieved by implementing long-term purchase agreements with farmers:

> *“We would like to have long-term relationships and not say today I buy from these fair-trade groups because they offer one cent cheaper than the other” (Interview, Manager).*

The second objective, increasing farmers’ net profit, is essential because “*a farmer cannot survive on a price but only on a margin” (Workshop participant).* This can be achieved either by reducing production costs, or by increasing farming revenues. To achieve both objectives, the adoption of organic production methods for example can be encouraged. In fact, farmers turning to certified organic farming lower input costs, decrease reliance on non-renewable resources and receive a premium. That is why a higher net income is expected:

> *“We wanted to be better [than conventional farming] and we are seeing improvements on net income, but with organic it takes a long time. There is a 3-year cycle before you get certified. Once you’re certified you get a small premium (…). In a 3-year cycle, you basically get lower yields, but the margins are better. (…). I think In India, we’re getting our highest numbers, which I think are about a 20% increase in net income” (Interview, Manager).*

Two main solutions exist to increase revenues: increasing prices and adding value at the farmer or cooperative level. That said, offering higher prices requires cooperation along the supply chain:

> *“The only way to avoid it is (…) to say no do not buy vanilla at $40, buy vanilla at $80 because the whole experience of the crisis has shown that for a family that lives around vanilla to live well, the pod must be sold at $ 80. (…). It will be a new revolution because*

*deciding between a customer and their supplier that we will operate above the market price, we need strong links. Nevertheless, I think that only this kind of progress will really make things happen. (…) I have long been calling for such a model. I hope it becomes reality. We often talk about it" (Interview, Manager).*

Many of the value-adding activities take place at the farmers' organisational level. Four value-adding activities have been identified from the data: removing intermediaries, differentiating products, transforming products and buying at export gate rather than at farm gate:

*"Then you also look into added value-generation: how can they enter a different segment of the market and then you naturally ease into organization-enabling processes. So, you start working with the farmers by building an association or building a cooperative. (…) There are a lot of elements of adding value actually inside the farmers' cooperative system" (Interview, Manager).*

***Solution 6.2: Redistributing power and value***

Second, redistributing market power implies empowering farmers to establish their position in commodity markets. Redistributing value should be understood as allowing the producer to capture an equitable share of the final product's added value. Data shows that current markets are characterised by unequal market-power dynamics:

*"There is a problem of bargaining power. That is to say, the industrial groups that roast or grind coffee have become so big that they have bargaining power where everyone bends over backwards to get market share. We don't have bargaining power. The producers are numerous, it's fragmented. They don't have the power, except maybe in Brazil. Then, I think it's too fragmented, there will always be someone ready to sell at any price. People are not grouped together, they can't negotiate" (Interview, Manager).*

In order to balance power relationships, firms can encourage farmers to organise via collectives, associations or cooperatives and thus strengthen their position as sellers and increase their collective bargaining power for better prices and terms:

*"We support the farmers to not accept the market price as it stands, we're supporting them to be able to bargain, to know what kind of product they have. To be in the market, not with a bag of coffee but with a truck loaded with coffee. To have a different product in their hands and enter the market level up there, close to the export level. Those are*

*elements where you definitely have a strong impact on the price for the producer" (Interview, Manager).*

Concerning the distribution of value, workshop participants agreed that there needs *"more space for farmers in the value chain".* Supply chain actors have a key role to play in distributing value and defining equitable margins for each actor:

*"And if we can provide some changes in our economic thinking that actually the most vulnerable person is the farmer, so profits are shifted from the final product back to the farmer" (Interview, Manager).*

***Solution 6.3: Revisiting pricing models***

Third, revisiting pricing models implies disclosing and associating the real value of products with a just price. In other words, "markets should value the true social and environmental costs of a product and then educate consumers with the purpose of creating an entire new market where consumers would value fair trade" (Aguinis & Glavas, 2019, p. 1071). Revisiting pricing models embeds two complementary actions. First, managers recommended attributing a real value to the end products:

*"There is a revolution underway to give the true value to every product. I am always very optimistic. I would like to think that if we manage to give each product its true value, there is no problem, people will be very happy to live in forests or deserts and continue the tradition" (Interview, Manager).*

Moreover, the data shows that it is necessary to increase consumers' awareness not just around the notions of sustainability or origin, but about the real value of products:

*"Should a US consumer, for example, be able to buy a cotton t-shirt for 5$, knowing that the cotton was grown in America, shipped to Bangladesh to be spun into a garment and shipped all the way back again? Two [t-shirts] for 10 $ or something, it's crazy. So where is the fair value for anybody in that proposition?" (Interview, Manager).*

*"I think we will change. I actually think that consumers will wake up a little bit" (Interview, Manager).*

The following extract shows that the assumption that consumers are not willing to pay more for sustainable products might be wrong:

*"The consumer is never prepared to pay anything. That's what we're saying [in major supermarkets]. And yet we can see that the system is exploding everywhere. That is to say that in theory the consumer is not prepared to pay a penny more, but as soon as you put in a corner of organic products, it's successful" (Interview, Manager).*

***Solution. 6.4: Transforming business models***

Fourth, *transforming business models* comes down not only to the following question: *"what do we want from companies?" (Interview, Manager)* but also to *"what kind of society do we want?" (Interview, Manager).* Transforming business models implies reframing organisational identities. Furthermore, as to the question "*are we able to genuinely deliver sustainability within the economic model that we have at the moment?" (Interview, Manager)* the response is unequivocally negative. This is *"where social businesses come in" (Interview, Manager)*:

*"To be able to make some progress you've got to change the circumstances. We will never change the circumstances by using ESG to respond to activist investors. We have to use the other extreme, which is to promote social business. A completely different business model. So, you know we have to find a way to do that" (Interview, Manager).*

This study's analysis demonstrates that the predominant focus of corporate strategy and decision-making on profitability and shareholders' wealth creation is difficult to reconcile with solving sustainability issues such as farmers' poverty (Figge & Hahn, 2008; Hahn, Figge, et al., 2010; Held, 2001; Laverty, 1996; Mosakowski & Earley, 2000). Data shows that current organisational practices not only embody but also aggravate unequal power relations and inequalities prevalent in supply chains (Amis et al. 2018). Moreover, evidence indicates that making the business case for corporate sustainability constrains bold action and hinders farmers' poverty alleviation (Hahn et al., 2014; Kaplan, 2020). Nevertheless, once the first five steps of the sensemaking process are enacted alternative approaches emerge from the data, which imply reconfiguring the economic and moral boundaries of business. Through the reconceptualization of organisational activities, practices and structures (Bansal, 2003; Crane, 2000; Delmas & Toffel, 2008; Hoffman, 2001; Howard-Grenville, 2006; S. Sharma, 2000; Wright & Nyberg, 2017), this study suggests concrete solutions to repair the weaknesses of the current system and reinvent a new economic order.

## SENSEMAKING TOWARDS A NEW ECONOMIC ORDER

I started this paper by highlighting the research question that motivated this project: *how do managers make sense of the increasingly significant sustainability pressure pushing for financial well-being for farmers?* Important answers to this question were provided. The analysis of these answers represents this paper's contributions to the discussions on institutional logics and sensemaking.

This work contributes to the discussions on the intertwinement between institutional logics and sensemaking processes by studying how corporate organisations make sense of the perceived tensions between the sustainability and the profitability logic. I found that the sensemaking process that firms embrace consists of six steps, which have been aggregated into two sequential categories: *diagnosing the causes of the paralysis* and *envisioning system changes.* The first dimension, *diagnosing the causes of the paralysis,* offers a better understanding of the role of conflicting logics in triggering sensemaking and of how managers interpret the emergence of pressures pushing towards a more significant sustainability logic, incompatible with the dominant profitability logic. It also sheds light on the underlying mechanisms leading to the failure of organisations to handle tensions related to ensuring farmers' financial well-being (Jakob-Sadeh & Zilber, 2018). Due to business imperatives, tensions derived from competing logics fail to be managed. This study is an example of a situation stricken by organisational paralysis around social issues. The second dimension, *envisioning system changes,* characterizes a situation where actors are unable to act, but foresee a sustainable business future by explaining how to solve tensions resulting from farmers' poverty. This paper extends existing research on sensemaking processes, by demonstrating that sensemaking does not only serve as "a springboard into action" (Weick et al., 2005, p. 409). It falls within the research stream investigating extreme organisational outcomes, such as situations where logics fail to be managed (Jakob-Sadeh & Zilber, 2018) or "in which conflicting institutional demands may lead to organizational paralysis or breakup" (Pache & Santos, 2010, p. 455), and resistance to sustainable change. I make several propositions to explain why sustainable change (i.e., ensuring farmers' financial well-being) is not taking place. Finally, the described sensemaking process is of key importance as it contributes to explaining why inequality is maintained across social groups over time. This study argues that a sustainable business future, where inequality does not persist, can only be envisioned by embracing a new economic order. It also provides solutions to make this possible. Thus, the analysis generates important insights not only for the

study of social issues where a status quo is prevalent, but also for the emerging debate on approaches to Grand Challenges.

**From organisational paralysis to envisioning system changes**

This study contributes to a better understanding of the sensemaking processes of the perceived tensions emerging from the interplay between the sustainability and profitability logics. It clarifies the process leading to corporations' failure to handle conflicting tensions and provides possible solutions to resolve the situation and ensure a sustainable business future.

First, this study offers a better understanding of the role of conflicting logics in triggering sensemaking by revealing the power dynamics between stakeholders, who exert sustainable pressure "against" organisations and other actors who put economic pressure "over" organisations (Fleming & Spicer, 2014). As a result, managers start perceiving how the Grand Challenge of poverty impacts their organisation. Then they interpret the irreconcilability between the sustainability and profitability logics and fail to handle conflicting tensions. The second phase of the sensemaking process, *envisioning,* mirrors managers' accounts of their "own way of what constitutes appropriate relationships with their stakeholders and of the world in which they exist" (Basu & Palazzo, 2008, p. 124). This dimension describes how managers undermine the assumptions of business as usual, challenge the taken-for-granted organisational structures, subvert the status quo and develop visions of change in order to reinvent the system (Hambrick & Mason, 1984; Wright & Nyberg, 2017). Actively engaged managers envision four innovative ways to improve farmers' financial situations going beyond usual CSR activities: (1) reconfiguring the economic and moral boundaries in business; (2) reviewing business practices; (3) distributing power and value among supply chain actors, and (4) reinventing organisational forms. These four pathways towards a sustainable business future show that failure in managing tensions is not due to a lack of ability, but a lack of enabling conditions, summarised in the following interpretation of the managerial sensemaking process:

> *"Although I know why nothing changes and what to do, I can't act.*
> *It's out of my power, out of my system of action" (author's translation).*

**Resistance to sustainable change**

Management scholars argue that tensions are the drivers of successful change processes (Battilana et al., 2009). Furthermore, investigating sustainability challenges using cognitive frames often leads, in the literature, to organisational responses integrating sustainability into

organizational processes, routines, and practices (Hahn et al., 2014, 2016; as cited in Hengst et al., 2020). In fact, studies have shown that when actors adopt a paradoxical frame, they are often able to achieve desirable outcomes such as innovation (Jay, 2013), creativity (Miron-Spektor et al., 2011) and social impact (G. Sharma & Bansal, 2017). Nevertheless, this study shows that although managers adopt a priori a paradoxical frame they handle pressures by making the business case, which leads to corporations' failure to handle conflicting tensions.

Analysis demonstrates that the demands of the Grand Challenge of poverty are also "converted into the mundane and comfortable concerns of 'business as usual'" (Wright & Nyberg, 2017, p. 1633). Despite increasing sustainability pressure from external and internal stakeholders, results show a predominant pursuit of profit maximisation and shareholder value creation (Hahn, Figge, et al., 2010; Wright & Nyberg, 2017), a short-term focus of corporate strategy and decision-making (Hahn, Figge, et al., 2010; Laverty, 1996; Mosakowski & Earley, 2000). Consequently, building on the findings of Hahn and colleagues (2014), implementing CSR initiatives as a result of making the business case does not provide any convincing organisational response to sustainability pressures and even constrains bold action. In this vein, Haigh and Hoffman (2014, p. 223) claim that "corporate sustainability has been enacted as a concept that supports the dominant beliefs of strategic management rather than challenging them to shift business beyond the unsustainable status quo". Kaplan (2020, p. 3) explains that "there are often-times real trade-offs that simply can't be resolved through a win-win business case, and using a 'business case' framework keeps us from addressing those trade-offs". In other words, CSR "steers managers away from radical change in the face of these complex challenges (Hahn et al., 2014)" (Kaplan, 2020, p. 3). In this context, this research demonstrates that the use of cognitive frames and the acceptance of tensions does not necessarily trigger constructive organisational responses. Hence, this study contributes to the research stream investigating extreme organisational outcomes, such as situations where logics fail to be managed (Jakob-Sadeh & Zilber, 2018) or "in which conflicting institutional demands may lead to organizational paralysis or breakup" (Pache & Santos, 2010, p. 455), resulting in resistance to sustainable change.

**The reasons for inaction**

Most interviewees realise what needs to be done but are not able to act in their industry or company. I provide four propositions to explain why sustainable change (i.e., ensuring farmers' financial well-being) is not taking place. The first proposition is to blame the taken-for-granted

structural arrangements of the institution of capitalism, its embedded profitability logic (Blindheim, 2015) and to argue that the failure of organisational strategic responses in managing tensions is not due to a lack of ability, but a lack of enabling conditions. The second proposition is to consider that managers' beliefs (that the system cannot be changed with no attempts to change it) are reinforced because these beliefs are ingrained into their belief system and nurtured by their previous experiences. According to Weick, sensemaking can be driven by beliefs and lead to a self-fulfilling prophecy (Czarniawska, 2005). In this case it is resignation that hinders agency. The third proposition builds on system justification theory. Jost (2019, p. 263) explains that "people are motivated (…) to defend, bolster, and justify aspects of existing social, economic, and political systems. Engaging in system justification serves the palliative function of increasing satisfaction with the status quo and addresses underlying epistemic, existential, and relational needs to reduce uncertainty, threat, and social discord". I therefore propose interpreting "envisioning system changes" as prospective (or future-oriented) sensemaking (Stigliani & Ravasi, 2012). People justify the unpleasant status quo because projecting a better future helps them cope with the unpleasant status quo. This process drives rationalisation, which in turn stabilises the status quo and explains that social change does not materialize, even though measures to enable this change are imagined. The fourth and final proposition suggests that there are people who are determined to legitimise the status quo, but also challengers who perceive the status quo as unjust and unfair and seek radical change to overcome social injustice. Hence, I suggest interpreting prospective sensemaking as the first sign of future radical change. In this case inaction is only momentaneous. Jost and colleagues (2019, p. 389) claim that it is possible to reduce system justification motivation by "comparing the actual state of society to an ideal standard, as in utopian forms of thinking". Thus, imagining alternatives to the status quo can be considered as a precondition to improve upon it and enhance collective action toward social change (Badaan et al., 2020; Jost et al., 2019).

**Embracing a new economic order towards a sustainable business future**

The sensemaking process described above contributes to shedding light on the mechanisms that maintain inequality across social groups over time and more importantly on how to address inequalities. Scholars have claimed that "organizations designed to enable economic development and progress often tend to exacerbate the effects of social inequalities that are embedded in underlying human systems" (Amis et al., 2018, pp. 1133–1134). As quoted in Amis et al. 2018 (2018, p. 1135), Stainback, Tomaskovic-Devey and Skaggs (2010, p. 226) have argued that organisations "are the primary site of the production and allocation of

inequality in modern societies" in which processes resulting in economic inequality have become institutionalised or, in other words, normalized.

This phenomenon illustrates why sensemaking can be considered as the "feedstock for institutionalization" (Weber & Glynn, 2006; Weick, 1995, p. 35). In fact, organisational forms and practices reinforce the unequal distribution of power and privilege in society: for example, the generation of profits at the expense of the poor as well as short-term shareholder value maximisation (Granovetter, 1985; Greenwood & Hinings, 2006; Hahn et al., 2018; Pache & Santos, 2010; Priem et al., 2019). Not only are these practices "morally wrong" (Pache & Santos, 2010, p. 455), but this pursuit of short-term profit leads to long-term value destruction for shareholders, damaging the viability of business operations and inevitably repeating crisis situations (Priem et al., 2019). "[A]ny business that pursues its ends at the expense of the society in which it operates will find its success to be illusory and ultimately temporary" (Kent, 2016, p. 515).

In this context, challenging the fundamentals of business thinking seems to be an inevitable pathway to solving inequalities and ensuring the long-term survival of business organisations. This implies reformulating the roles, responsibilities, and operations of business, with no detrimental impact on the wider environment and social equity (Hahn et al., 2018; Hahn, Figge, et al., 2010; Hart, 1997; Hart & Milstein, 1999). In other words, a sustainable business future involves corporate forms and practices that benefit all, providing return for investors, preserving ecosystems, and promoting social equity (S. Sharma & Henriques, 2005). Nevertheless, this study contributes to the research stream highlighting the limited impact of business leadership, business and market responses to Grand Challenges, such as poverty and climate crisis, as these often regress to business-as-usual approaches (Wright & Nyberg, 2017). Wright and Nyberg (2017, p. 1657) argue that "we need to imagine a future that goes beyond the comfortable assumptions of business as usual. It is this much-needed societal response that represents perhaps our greatest challenge". Contrary to what the literature suggests, that adopting new types of hybrid organisations, which "create a common organizational identity that strikes a balance between the logics they combine" is a solution to conciliate tensions (Battilana & Dorado, 2010, p. 1419), this study shows that tackling inequality in organisations requires exceptional practices and radical organisational change (Amis et al., 2018; Olsen & Solstad, 2017; G. Sharma & Good, 2013).

That said, Amis and colleagues (2018, p. 1135) claim that the reason "why organizations have tended to sustain rather than overcome inequality in recent decades is a question beyond economics and efficiency-driven decision-making. As with all matters social and organizational, institutions play a key role in creating and sustaining conditions of inequality". In fact, organisations are embedded within an institutional context and institutions, such as free market capitalism and neoliberalism, have made global inequality almost unavoidable (Amis et al., 2018; Granovetter, 1985; Greenwood & Hinings, 2006). The capitalist market is not only considered to be an economic structure but also an institution because it functions according to a set of normative expectations and is shaped by culture and society's structures, norms and beliefs (Amis et al., 2018; Friedland & Alford, 1991; Granovetter, 1985; Thornton & Ocasio, 2008). Free market capitalism includes networks of social relationships as well as structures of power, status, and domination, reflected in exclusionary practices, sustained channelling of profits to shareholders and the erosion of human rights and labour laws (Amis et al., 2018; Burgin, 2012; Chang, 2011; Granovetter, 1985; Thornton & Ocasio, 2008). Such societal structures have resulted in an economic system in which inequality has become prominent (Amis et al., 2018).

This article generates insights for the emerging debate on approaches to Grand Challenges. It demonstrates that these normative expectations about markets have changed and that radical changes in our society and economy are prerequisites to tackling Grand Challenges such as poverty (Thornton & Ocasio, 2008). Results show that one of the core institutions of society, the capitalist market, constrains action (Friedland & Alford, 1991). This study supports previous findings, which state that institutional logics can suppress the pursuit of social aims (Battilana & Dorado, 2010; Campbell, 2007; Cobb et al., 2016; Giddens, 1984; Pache & Santos, 2013; Sewell, 1992; Thornton & Ocasio, 2008; Wry & York, 2017; York et al., 2016; Zhao & Wry, 2016). More specifically, inequality appears to be tightly tied to institutional logics (Friedland & Alford, 1991; Thornton et al., 2012) and particularly the market or profitability logic, which glorifies self-interest and the accumulation of wealth by the wealthiest (Amis et al., 2018; Dorling, 2011, 2014; Piketty, 2014). Consequently, improving farmers' financial situations requires going beyond the business case, as well as reinventing the system. In that respect, this study builds on the emerging literature claiming that a new economic order needs to be negotiated (Olsen & Solstad, 2017). It is only by reinventing the market system that a sustainable business future can be envisioned, where inequality is delegitimised (Haack & Sieweke, 2018). This means that reinventing the system amounts to reinventing the market

logic in a sustainable way ensuring the dignity and well-being of all stakeholders, not just shareholders (Collins, 2017).

These results resonate beyond the study of social and economic inequality. On the one hand, processes at work are expected to be transferable to social and political sciences and provide insights, for example, to investigate "problems that apologists for the status quo would prefer to ignore, [including] racism, colourism, sexism, classism, self-objectification, tolerance of corruption, (…) hostility towards immigrants, scepticism about climate change, and acceptance of environmentally harmful industrial practices, among many other things" (Jost, 2019, p. 286). On the other hand, solutions to embrace a new economic order might contribute to approaching any Grand Challenge (Thornton & Ocasio, 2008; Wright & Nyberg, 2017).

## LIMITATIONS

The limitations to this study are manifold. I will now describe the three major limitations I have identified. First, it is important to mention that the theoretical blending of institutional logics with sensemaking raises conceptual issues (Okhuysen & Bonardi, 2011). According to Okhuysen and Bonardi (2011) two dimensions are considered as relevant when combining theoretical lenses: their proximity in terms of the phenomena under study and the congruence of their underlying assumptions. In this particular essay, the theoretical assumptions of both lenses are compatible. In fact, because sensemaking connects institutional logics with organizational action and change processes, it is considered as a complementary theory to the institutional logic perspective (Jennings & Greenwood, 2003; Thornton et al., 2012; Weick et al., 2005). Concerning the proximity dimension, both lenses are used to explain the same phenomenon, but from different perspectives. Institutional logics represent a macro concept whereas sensemaking is studied at the micro level. A clarification of the levels of analysis is needed in order to circumvent this issue. One avenue to consider is to code data according to the different levels (micro, meso, macro). This would enable the development of a multilevel analysis of institutional dynamics taking into account the interconnections between micro-level factors and higher-level processes, as encouraged by Scott (2013) as well as Powell and Colyvas (2008). Weber and Glynn (2006), for example, have developed a multi-level model of institutional change linked to sensemaking. Second, interview data was collected at one point in time, which is not appropriate to draw conclusions about dynamic sensemaking processes. To reduce the threats to the validity of interview data, it is recommended to triangulate interview

data with other data sources to cover temporality. Third, interview data was analysed regardless of the typology of the interviewees. It would have been of interest to study the interactions between different job functions, gender and age. These variables may lead to different sensemaking processes and outcomes. Furthermore, to draw stronger conclusions on how sensemaking leads to institutional stability, additional data is needed.

## PERSPECTIVES FOR FURTHER RESEARCH

Ensuring farmers' financial well-being is not a short-lived debate, rather a simple economic and societal necessity, which requires long-term, multi-dimensional and fundamental transformation of our modes of production and consumption (Markard et al., 2012). This paper's findings open several new avenues for further research. Here, I will briefly highlight three that seem the most promising. First, a critical research question would be to investigate under which conditions prospective sensemaking forms part of a mechanism to legitimise the status quo or, on the contrary, leads to collective action toward social change and human progress. Second, while scholars have stressed the limitations of corporate engagement with Grand Challenges, such as climate change, and their regression to a business-as-usual approach (Wright & Nyberg, 2017), this study has opened avenues for taking the plunge. Four ways toward a more sustainable business future are detailed. These fairly reward each link of a product value chain so as to create financial well-being for farmers. One question that follows is how to translate the conceptual model emerging from this study into reality within major businesses (Wright & Nyberg, 2017). This present analysis, which focuses mainly on the food and beverage industry and includes perspectives from the textile industry, might help in the understanding and implementation of sustainable change processes in other industries, such as the mining and gemstone industry, where working hard and remaining poor is also the rule of the game. It would be of interest to study the extent to which these practices can become operational, by looking at corporations' risk management systems, strategies, governance models, organisational structures and management capabilities, and measuring their impact on people, profit and the planet (Elkington, 1999; Kleindorfer et al., 2005). We need to "create a world in which everyone has the right to participate meaningfully in life-sustaining work" (Schultz, 2000, p. 1881) in which everyone has the right to earn a livelihood (White, 2015).

Third, this study has shown that novel management perspectives are needed. Grand Challenges such as poverty alleviation, "fairness, equity, and ethics, however, still require a fundamental

revisiting of the theoretical foundations of business" (Hahn, Kolk, et al., 2010, p. 394); that is, new approaches that rethink the role, purpose and impact of business and management on society and our ecosystem (Subhabrata Bobby Banerjee 2011). Quoting Gladwin, Kennelly, and Krause (1995, p. 896), Hahn and colleagues (2010, p. 388) claim that "it is possible that our theories have tacitly encouraged organizations to behave in ways that ultimately destroy their natural and social life-support systems". The reasons for this are manifold. For example, leading management journals have failed to provide satisfactory responses to Grand Challenges such as climate change, notably because scholars are incentivized to develop incremental additions to existing approaches and established knowledge (Goodall, 2008; Hahn, Kolk, et al., 2010). Another explanation provided by Ghoshal (2005, p. 81) is ideology: "the hegemonic consolidation of the power blocs of the neoliberal school of economics ha[s] penetrated the management disciplines". Subhabrata Bobby Banerjee (2011, p. 729) adds that "as long as sustainability is framed using the lenses of only profits, resources, markets and consumption, we will continue to evade critical social, environmental and economic questions". Management research also has much to contribute to sustainable solutions to solving inequality (Amis et al., 2018). This study is a call for researchers to elaborate on how to achieve radical organisational change, to explore how to meet the demands for a sustainable business future, without being a "hostage to [organisations'] own history" (Selznick, 1992, p. 232). This implies "expanding the debate to understanding how particular profits are created, identifying the social and environmental costs associated with generating profits, and examining if certain segments of society become disenfranchised as a result (S. Banerjee & Tedmanson, 2010)" (S. B. Banerjee, 2011, p. 728).

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## APPENDIX

## APPENDIX 1

### Participants

| Type of data | Total | Organisations | Female | Male |
|---|---|---|---|---|
| Interviewees | 16 | Multinational agribusinesses: 5<br>Foundations of multinational agribusinesses: 3<br>International merchandisers: 3<br>Impact investing fund: 4<br>Academia: 1 | 3 | 13 |
| Focus groups with the 3 corporate partners of this research | 5 | Multinational agribusinesses: 3<br>Academia: 2 | | 5 |
| Focus group | 15 | Multinational agribusinesses: 4<br>International merchandisers: 4<br>Impact investing fund: 2<br>Academia: 3<br>Consultant: 1<br>NGO: 1 | 4 | 11 |

## APPENDIX 2

### Extracts of the First-Order Codes Associated with the Five Steps

| |
|---|
| **1. Acknowledging** |
| **Farmers' poverty:** *"The elasticity of poverty is infinite" (Workshop participant).*<br>**Low and volatile market prices:** *"Prices that we currently see in the international market, the volatility is a killer, for many, many producers" (Interview, Manager).* |
| **2. Bearing** |
| **Risks of insecure supply, losing tradition and knowledge:** *"If the farming sector is in poor health, that doesn't help us at all" (Interview, Manager).*<br>**Impact of smallholder farmers' poverty on business:** *"There are more and more situations around the world where the smallholder farmer says, 'if it's $5, I'll do the product that's still at $20 and I'll stop doing the $5 product" (Interview, Manager).* |
| **3. Experiencing** |
| **Social movement:** *"We can no longer bear the same things; we no longer have the same values. (...) I tend to call them silent revolutions. (...) For me it's a collective maturation of society and business. (...) I think that (...) the public is really responsible" (Interview, Manager).* |

**Consumers' requirements:** *"Consumers want a story about their coffee. He wants to know where his coffee or cocoa comes from, to have traceability" (Interview, Manager).*
**Responsibility towards poverty:** *"Safety is one of those non-negotiable things and quality again comes down to what the consumer directly tastes, but very closely behind that is then the way it has been produced. (…) All the social aspects and the range of environmental requirements as well" (Interview, Manager).*

**4. Realising**

**Limited impact of interventions:** *"Without support they will not get out of that trap, with low prices as there are now, it is a huge challenge. Because they can have all the yield they want but with coffee at $1.20 it is quite a challenge" (Interview, Manager).*
**Decoupling of sustainability & business activities:** *"I was also wondering why nobody speaks about price. (…) It's like this huge white elephant in the room (…). The price is the main factor" (Interview, Manager).*

**5. Responding**

**Selling the business case for corporate sustainability:** *"You don't bring finance people with you with a sustainability theme. It doesn't work. With them it's yes or no, ROI or no ROI" (Interview, Manager).*
**Driving financial performance:** *"We, on the other hand, we keep our usual margins of 2-3% whether it's a sustainable project or not" (Interview, Manager).*

**6. Reinventing the system**

**Need for change:** *"It is not a good life prospect (…) We have to improve the life of the farmers, whether it is an old or a young farmer. I don't see a difference in that" (Interview, Manager).*
**- Creating a new model:** *"I think there is a hard decision that we have to take and that's to recognize that not all current farmers can have a good livelihood from farming and how do we make that transition?" (Interview, Manager).*

**6. 1 Changing purchasing practices**

**Securing farmers' revenues:** *"I usually do at least one-year contracts (…) with them on the volume and certain price range as well. This is a commitment from both ends at the end" (Interview, Manager).*
**Increasing farmers' net profit:** *"There is the price but there is also all those who erode the margins" (Interview, Manager).*

**6. 2 Redistributing power and value**

**Sharing power:** *"Too often we see many supply chain operations creating a new level of dependency between the farmer and the commercial partner" (Interview, Manager).*
**Sharing value:** *"Are they willing to concede a little of their margin to pay more?" (Interview, Manager).*

**6.3 Revisiting pricing models**

**The real value of products:** *"Unfortunately, price currently doesn't reflect the real value of production. We have so many factors, externalities, that do not form part of the price equation but need to be there. This is why our current systems are exploiting natural resources, are exploiting people and this is why prices are where they are currently. They are low, they are artificially depressed" (Interview, Manager).*
**Consumers' awareness:** *"In some sectors, the consumer is completely ignored. Because in the end it's the consumer who pays. One thing I don't find normal is the 5.00.- t-shirts that we change every month. Nobody makes a living from that. If we don't create a certain awareness in the cotton industry (...) nothing will ever happen" (Interview, Manager).*

**6.4 Transforming business models**

**Role of business in society:** *"Some companies are exploring social business models. I think probably that's the next step for them. You can't have that discussion with a lot of existing businesses at the moment though. It's true that social business is a niche, it's one extreme. (…) But there must be more of this solution, that's for sure" (Interview, Manager).*

# CONCLUSION TO THE THESIS

Inequality has become prominent in our economic system (Amis et al., 2018). Over the past three decades, the moral legitimacy of the neo-liberal capitalist system has been contested (Ould Ahmed, 2015). An increasing number of theories, movements and alternative practices have emerged globally and are encouraging large-scale institutional change to achieve greater solidarity and social justice in market relationships: a socially just economy (Alvarado, 2009; Ould Ahmed, 2015). This journey towards a new economic order contributes to this effort and I hope it will inspire researchers to follow the path.

Ensuring farmers' financial well-being is not a short-lived debate, but rather a simple economic and societal necessity. Action should go beyond CSR initiatives and involve *just* institutions that promote fair prices and fair revenue distribution among food supply chain actors. For that purpose, our economic system needs to be reinvented in a sustainable way, ensuring the dignity and well-being of all stakeholders, not just shareholders. This implies a long-term, multi-dimensional and radical transformation of our system, including structural changes in market practices.

Corporations have a critical and central role to play in this process of change and in achieving social equality, fairness and poverty alleviation (Bapuji et al., 2018; Cobb, 2016; Utting, 2007; Werner & Lim, 2016). Reflection on what responsible business means is essential, as well as on how to convince agribusinesses to fundamentally alter a system they benefit from. It is time for business introspection. It is also time for companies to find a remedy to economic inequality, to define strategies for dealing with ethical issues, and to test, implement and scale up models for a more equitable distribution of value within their supply chains. The search for social innovation that promotes fair prices and fair revenue distribution among food supply chain actors is an essential process in evolving towards a more cohesive and equitable society and to contribute to the collective well-being. Because 'you are never as well served as when you serve yourself', I have developed as a result of my thesis a disruptive certification model named Equal Profit that goes beyond existing fair-trade schemes. By distributing profits proportionally to the costs of each supply chain actor, Equal Profit[1] breaks power dynamics among actors. I have also developed a personal finance mobile application called Fynka to help farmers manage their

[1] A short case study on Equal Profit has been provided as an Addendum.

finances and plan for their future. That is how I aim to create "positive impact well beyond the published page itself" (George, 2016, p. 1869).

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**Addendum**

## THE STORY OF EQUAL PROFIT

The introduction to Equal Profit starts with the description of my own sensemaking process. Equal Profit Sàrl was founded in January 2019 in Geneva, my hometown and has five core team members: Rahel, Laetita, Abderrahmen, Romain and myself. This company is the result of my PhD and more specifically of the observation, from data collection, that power dynamics need to be broken within supply chains and value distributed equitably among supply chain actors to ensure the financial well-being not only of smallholder farmers but also of other actors.

Following work experience in the field – including working for a multinational corporation on improving the livelihoods of smallholder coffee and cocoa farmers in Ivory Coast and Vietnam- I observed (prior to my PhD) that existing fair-trade schemes do not offer satisfactory solutions to the Grand Challenge of farmers' poverty because they act on the symptoms of economic inequality and do not tackle its root causes. In the literature, the subjectivity of what "fair" means (fair for whom?), but also the impact of fair minimum prices and premiums on farmers' poverty alleviation have been the subject of much debate for a long time. The debate is centred on "fair", but what about "trade"?

I realised that the "fair trade" label might convey misleading information to consumers. A reasonable assumption is that consumers pay a premium to purchase certified fair-trade products to ensure that farmers receive a decent income. What about the whole supply chain? The burden of the problem of farmers' poverty is shifted on to consumers' shoulders, without involving other supply chain actors. Is that fair? Has the overall trade been fair?

From there I perceived the necessity to move away from focusing on farmers' poverty to examine more generally how business is done. This thought occupied my mind until my boyfriend at the time found, in a small grocery store in Yverdon-les-Bains, a label indicating the price breakdown of a bottle of locally-produced milk (see Figure **1**). Although this finding was a revelation to me, my initial burst of enthusiasm did not last long.


**Figure 1**: Equitable milk sold in La Ferme in Yverdon-les-Bains, Switzerland.

I posted the above picture on my Facebook account to capture friends' opinions and asked the following question (see Figure **2**).


**Figure 2**: Facebook post

A Chinese friend Jingjing (April) took part in the discussion. Her nationality is specified because I believe that the richness of the reflection that she triggered might be the result of an unconscious cross-fertilisation of different social, cultural, political and economic systems. Her answers are disclosed below (Figure **3**).

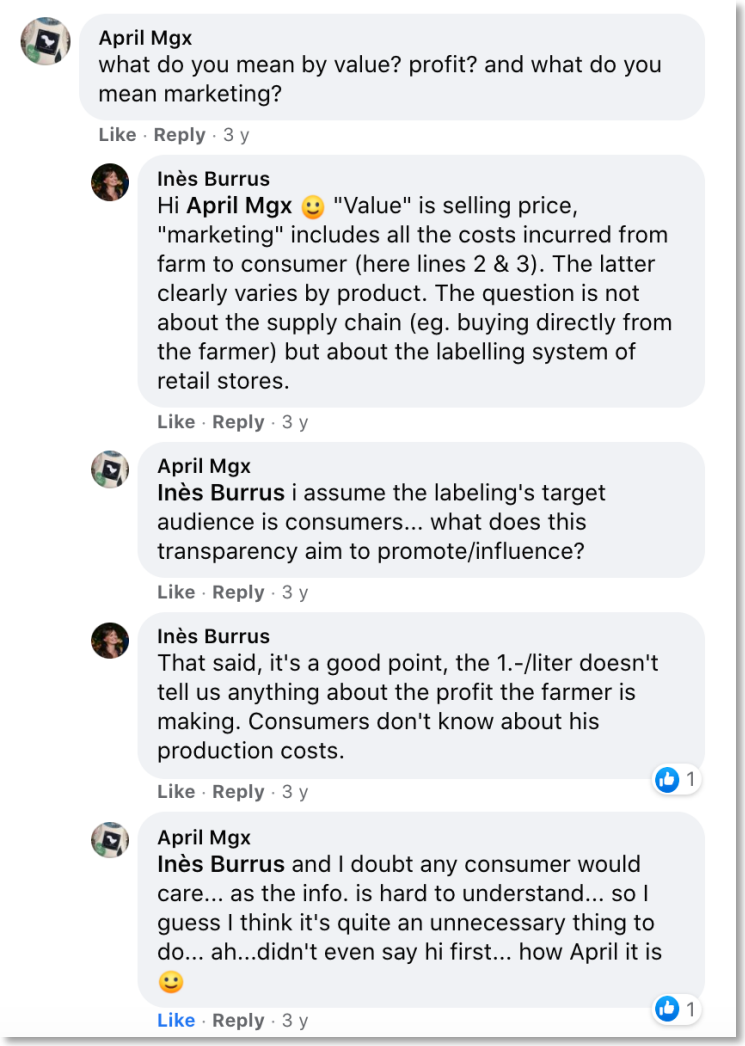


**Figure 3**: Jingjing's responses to Facebook post.

Jingjing triggered the following reflection: what does the price breakdown tell the consumers? Do I know if dairy farmers can earn a decent living with that amount, and therefore whether I am paying a just price? Transparency and traceability are not sufficient. This is when the insights of practitioners collected during my PhD research contributed to sharpening my thoughts and to the creation of Equal Profit.

**From Fairness to Equity**

Moving beyond a subjective debate about what is fair and what is not, Equal Profit is about equitable value distribution. It is important to highlight the difference between distribution and redistribution of value. Distribution represents a financial flow taking place concurrently with the material transaction, whereas redistribution follows the transaction, which raises similar

questions to those discussed above in relation to fairness, that is, who decides what is redistributed and how much is redistributed? Equal Profit ensures that farmers earn a decent income and that profits are equitably distributed among all supply chain actors. Concretely, profits are distributed proportionally to the effort that each actor puts into the supply chain, which is measured by the costs borne by each actor. An important aspect of costs calculation is that farmers are considered to be the same as any other supply chain company where wages are integrated into their costs. Evidently, the business model of Equal Profit Sàrl is based on the Equal Profit model itself, that is, the company earns a profit that is proportional to its costs. As certification costs might principally be driven by the use of an IT platform, economies of scale will be an important value-added element for supply chain actors. As the quantity of certified supply chains increases, the average cost of each certified supply chain decreases. Our aspiration is to strive toward a certification cost approximating zero.

**The first case study of Equal Profit: Ixpaluca Specialty Coffee**

The first Equal Profit-certified product is a specialty coffee from Mexico. The Mexican actors involved are: indigenous smallholder coffee farmers, a cooperative named Citlatl Cafen as well as Ensambles Cafés Mexicanos, a company whose core values are quality, sustainability and equity. This company aims to transform the paradigm of the coffee value chain and is responsible for coffee sourcing, producer relations, quality control, bean processing and sorting, logistics and exporting. The last actor is Xalala Sàrl, a Swiss specialty coffee roasting company aiming to have a positive impact on people as well as on the environment. Following a crowdfunding campaign, it was possible to source 720kg of green coffee. The Equal Profit analysis is accessible via a QR code on the coffee bags (see Figure 4 and Figure 5).

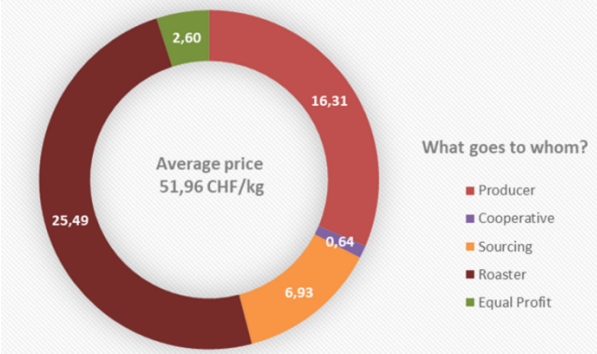


**Figure 4:** Price breakdown

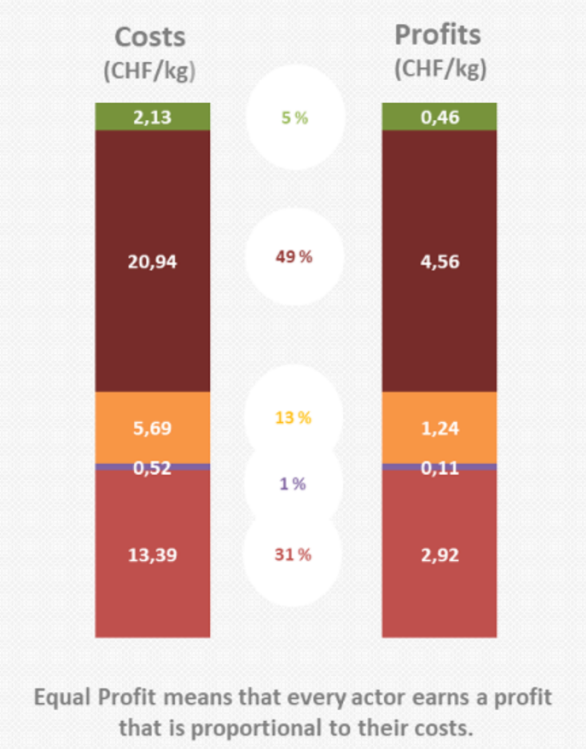


**Figure 5**: Equitable value distribution

This model achieves positive results for all actors. It breaks power dynamics and creates solidarity within the chain, it also ensures that each supply chain actor earns a revenue that is above its costs of production and makes a profit. The amount of this profit depends on consumers' willingness to pay. Although we are convinced about the impact of this new disruptive way of doing business and its potential to mitigate inequalities globally, there are many challenges along the way. The scaling up of Equal Profit will notably depend on the automatization of data collection, verification and analysis, on the number of certified supply chains, on the quantities certified, and on consumers' trust and appetite for Equal Profit certified products. We are confident, optimistic and hopeful for the future!