



Deparadoxification and value focus in sharing ventures: Concealing paradoxes in strategic decision-making

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ABSTRACT

This study investigates how sharing ventures address the paradox of doing good versus doing harm in their strategic decision-making. The doing good versus doing harm paradox refers to the difficulty of sharing ventures to balance the aim to benefit society and the environment while minimizing potential adverse effects. Understanding and addressing this paradox is crucial for promoting sustainable and responsible decision-making. Our thematic content analysis of 38 in-depth interviews with founders and senior managers of sharing ventures in four European countries finds that these ventures align along three distinct value focus types in their decision-making and use five mechanisms to conceal paradoxes related to balancing social/environmental and economic contradictions. By surfacing the importance of sharing ventures' value focus and resultant mechanisms to deparadoxify, our findings provide insights into organisational paradox and the sharing economy, specifically the purposeful concealment of paradox as a counterintuitive choice for remaining actionable in decision contexts.

1. Introduction

This study examines how sharing ventures handle the salient paradox of doing good versus doing harm in their decision contexts. The doing good versus doing harm paradox represents the challenges of sharing ventures to balance their desire to do good for society and the environment with the potential negative consequences of their actions (Klarin and Suseno, 2021; Belk et al., 2019). We define sharing ventures as technology-driven firms operating on digital platforms to provide temporal access to goods and services, with prominent examples comprising car-sharing companies and peer-to-peer accommodation platforms (Garud et al., 2022). These ventures have gained popularity for their ability to provide convenient and cost-effective services to consumers while promoting environmental sustainability and social responsibility. However, prominent sharing ventures like Uber and Airbnb have faced criticism for exploiting a marginalised workforce and perpetuating racial bias in their business models (Peticca-Harris et al., 2020; Vallas and Schor, 2020). Despite the significant impact of sharing ventures on business and society, their decisions in balancing social/environmental concerns with economic interests have not been thoroughly examined (Klarin and Suseno, 2021; Belk et al., 2019).

Sharing resources has gained recognition as a way to address global

issues such as climate change, environmental pollution, and biodiversity loss. While sharing ventures offer the potential for ecological, economic, socially conscious, and sustainable organisations, they also generate negative externalities that threaten their legitimacy (Garud et al., 2022; Carbone et al., 2020; Acquier et al., 2017; Benoit et al., 2017; Böcker and Meelen, 2017; Heinrichs, 2013). For example, while sharing private assets increases efficiency and creates opportunities for micro-entrepreneurs, it endangers the workforce in established industries (Zervas et al., 2017). Similarly, while providing low-income people access to goods and services improves prosperity, it increases resource consumption and contributes to environmental destruction (Fraiberger and Sundararajan, 2015; Martin & Shaheen, 2011). Consequently, the sharing economy and sharing ventures evoke supportive and critical views in the literature (Klarin and Suseno, 2021; Belk et al., 2019). While proponents argue that the sharing economy offers sustainability options and counteracts hyper-consumption, opponents criticize it for creating unregulated marketplaces and promoting neoliberalism (Etter et al., 2019; Heinrichs, 2013; Martin et al., 2015, 2016). Sharing ventures need to navigate these competing concerns in their strategies, developing positive solutions for society while minimising the negative externalities of their activities (Antolín-López et al., 2015; Mercier-Roy and Mailhot, 2019; Smith and Lewis, 2011).

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Management scholars define paradox as interrelated and persistent contradictions in organizational contexts (Schad et al., 2016; Smith & Lewis, 2011). Extant studies suggest that contradictory elements of paradox in the decision-making context of companies influence their growth and evolution (Cunha and Putnam, 2019; Berti and Simpson, 2020; Smith, 2015; Lado et al., 2006). However, research has not examined how sharing ventures navigate the persistent tensions and contradictions of the sharing economy. Previous studies have primarily focused on specific paradoxes in the sharing economy, such as tensions between openness and distinction (Schor et al., 2016), positive and negative externalities (Acquier et al., 2017; Ricart et al., 2020) and the conflict between different markets and institutional logics (Laurell and Sandström, 2017; Mair and Reischauer, 2017; Martin et al., 2015). As a result, we pursue the research question of *how sharing ventures address the paradox of doing good versus doing harm in their strategic decision-making*. Our inductive study addresses this gap in the current literature by using the paradox lens to examine the strategic decision-making of ventures in the sharing economy, which is inherently characterised by persistent tensions and contradictions (De Vaujany et al., 2020; Belk et al., 2019; Lewis and Smith, 2014). To explore this topic, we conducted in-depth interviews with founders and senior managers of 38 sharing ventures in Germany, France, Switzerland, and the UK and also used archival records from these ventures in our study.

Our comparative thematic analysis of the evidence leads to two main findings. First, our analysis reveals that beyond the fundamental need to become profitable, the sharing ventures in our sample align with three distinct value focuses, shaping their strategic orientations. We refer to these as Earth Keepers (focused on environmental values), Community Builders (focused on social values), and Visionaries (focused on both environmental and social values). Second, our analysis finds that sharing ventures use five different mechanisms to conceal paradoxes in the sharing economy based on their value focus: addressing or ignoring responsibility for environmental destruction, addressing or ignoring responsibility for social damage, and passing responsibility for economic downturn. These results suggest that sharing ventures' value focus helps them "deparadoxify" by making salient paradoxes latent (Luhmann 2018; 2006). This way, sharing ventures remain actionable in their decision-making and adapt to the inherent contradictions and complexity of the sharing economy.

Our study contributes to the existing research on paradoxes by expanding the debate on the salience versus latency of managing paradoxes (Hahn et al., 2014; Smith and Lewis, 2011). By demonstrating the performative nature of an organisation's value focus (Vaccaro and Palazzo, 2015) and identifying the implicit mechanisms that sharing ventures use to "deparadoxify" inherent contradictions and tensions, we add nuance and insights to the defensive approaches to managing paradoxes in sustainability contexts (Pinkse et al. 2019, Iivonen, 2018). Our results suggest that purposely making salient paradoxes latent can help sharing ventures balance contradictory growth and sustainability objectives. This approach of concealing paradoxes challenges the conventional view that recommends proactive paradox management to remain actionable as an organisation (Smith and Lewis, 2011). In conclusion, our study offers a framework that outlines the importance of value focus and the resulting mechanisms for concealing persistent contradictions and tensions in the decision-making of sharing ventures and contributes to the growing research on the sharing economy and organisational paradox theory.

2. Theoretical background

2.1. The doing good versus doing harm paradox in the sharing economy

Although sharing resources is not new, the sharing economy increasingly attracts society and new business ventures. However, the inherent contradictions and tensions in the sharing economy regarding the balance between social and environmental concerns and economic

interests have sparked controversies about its overall impact on society. The sharing economy has the potential to bring about social and cultural changes and raises ethical concerns as well as regulatory responsibilities (Klarin and Suseno, 2021; Ahsan, 2020; Belk et al., 2019; Frenken and Schor, 2017; Irani, 2015; Parguel et al., 2017). While various definitions and terms exist for the sharing economy, such as access-based consumption, collaborative consumption, peer-to-peer economy, mesh or crowd-based capitalism (Belk et al., 2019; Botsman and Rogers, 2010; Sundararajan, 2017), scholars agree on two main characteristics: First, the sharing economy offers temporary access to services and goods without ownership (Acquier et al., 2017; Belk, 2014). Second, the sharing economy is facilitated by digital platforms that connect people across the globe (Acquier et al., 2017; Belk, 2014). Together, these characteristics define the sharing economy as a system that allows people to access and share resources through digital platforms without owning them. (Garud, et al., 2022). The current scholarly debate on the sharing economy reflects positive and negative views of its nature and social and environmental impact (Klarin and Suseno, 2021; Belk et al., 2019). While the sharing economy has the potential to promote sustainability and reduce hyper-consumption, it has also been criticized for driving business practices that exploit regulatory loopholes and exploit a marginalised workforce (Etter et al., 2019; Martin, 2016; Martin et al., 2015; Heinrichs, 2013).

In response to the complexity of modern business, researchers have been using the paradox lens to examine organisational contradictions and tensions (Berti and Simpson, 2020; Jarzabkowski et al., 2019; Greenwood et al., 2011). According to Schad et al. (2016), paradoxes can be defined as "persistent contradictions between interdependent elements." These elements may seem disparate and contradictory, but they also influence each other reciprocally (Hahn and Knight, 2021; Schad and Bansal, 2018) and tend to be nested or knotted within or across different levels of organisations and social contexts (Andriopoulos et al., 2009; Pearce et al., 2019). When paradoxical tensions originate from macro-level factors, such as in the case of the sharing economy, they may create meso-level tensions and organisational responses from ventures operating within that environment (Gilbert et al., 2018).

Sharing ventures need to balance the persistent tensions and competing concerns they face in order to establish corporate legitimacy (Garud et al., 2022). They aim to align their goods and services with social, economic, and ecological objectives in the three pillars of sustainability while minimising the negative consequences of their strategic decisions on society as a whole (Antolín-López et al., 2015; Mercier-Roy and Mailhot, 2019; Smith and Lewis, 2011). The paradox of doing good versus doing harm presents significant challenges for sharing ventures in their strategies (Klarin and Suseno, 2021; Belk et al., 2019). On the one hand, sharing ventures can be seen as sustainable organisations that balance ecological, economic, and social interests (Acquier et al., 2017; Böcker and Meelen, 2017; Heinrichs, 2013). On the other hand, the negative externalities of the market growth strategies of digitally-enhanced sharing ventures threaten established industries and undermine longstanding socio-economic and work structures (Peticca-Harris et al., 2020; Vallas and Schor, 2020; Zervas et al., 2017). Additionally, the increased mobility and international travel enabled by sharing ventures accelerates resource consumption and environmental destruction (Fraiberger and Sundararajan, 2015; Martin & Shaheen, 2011).

2.2. Organisational responses to paradox in strategic Decision-Making of sharing ventures

When facing tensions and contradictions, organisations apply different approaches, such as proactive versus defensive paradox management (Schrage & Rasche, 2022; Jarzabkowski & Lê, 2017), acceptance and working through the contradictions (Lüscher and Lewis, 2008; Rosso, 2014), structural or temporal separation (Bansal et al., 2012; Lavie et al., 2010; Smith and Tushman, 2005), or differentiation and integration (Andriopoulos and Lewis, 2009; Smith, 2015). According to

a seminal literature review by Putnam et al. (2016), organisations are increasingly moving away from addressing paradox through complex trade-offs involving either/or logic and towards more integrative both/and or creative more/than approaches in order to avoid being trapped in vicious cycles of dualisms, opposites, and contradictions. Putnam et al. (2016) also argue that divergent meanings and interpretations of foundational values and beliefs within market and organisational systems result in paradoxical tensions that the involved actors must handle.

Hahn and Knight (2019) argue that paradoxes are socially constructed and inherent in organisational systems. Authors like Seidl et al. (2021) and Knudsen (2006) follow Luhmann (2018, 2006, 1999) in emphasising that paradox is not just inherent in but essentially constitutive of organisations. Luhmann's approach conceptualises organisations as decision-making systems rooted in the inescapable paradox that "only those questions that are in principle undecidable, we can decide" (von Foerster, 1992, 14). To further clarify the central role of paradox in strategic decision-making, Luhmann (2018: 503) introduced the concept of deparadoxification. Essentially, deparadoxification represents organisational efforts to make salient paradoxes latent by hiding or concealing them in places where they no longer need to be addressed (Luhmann 2006: 92) or, more simply, by shifting from one paradox to another, possibly less inconvenient one (Kleve et al. 2020; Roth et al., 2021). Similarly, Knudsen refers to deparadoxification as the purposeful displacement of paradox outside organisational responsibilities (2006: 107). Tuckermann (2019) further distinguishes approaches to handling organisational paradox by situating its salience and latency within the interactions of actors and detailing factual, social, and temporal references that foster the visibility and invisibility of paradox. Finally, while deparadoxification may seem similar to defensive paradox management in the sense of transferring or projecting persistent tensions outside the firm's internal decision context (Pinkse et al., 2019; Ionen, 2018), they differ in nature in that defensive approaches simply suppress the contradictory elements in organisational life, whereas deparadoxification conceals them (Jarzabkowski & Lê, 2017). From a decision theory perspective, deparadoxification is only feasible at the expense of invisibilising paradoxes or shifting from one paradox to another (Neisig, 2021).

The sharing economy has been the subject of scholarly debate due to its impact on the broader society and the environment. On the one hand, proponents argue that shared access can lead to more efficient use of resources and lower market barriers (Parguel et al., 2017; Hamari et al., 2016; Hellwig et al., 2015). On the other hand, sceptics have raised concerns that easy access to shared goods and services may encourage overconsumption and harm the environment (Acquier et al., 2020; Martin & Shaheen, 2011). In addition to these environmental concerns, the sharing economy has been criticised for its profit-oriented business models and potential to avoid paying taxes (Frenken et al., 2020; Laurell and Sandström, 2017; Sundararajan, 2017). Some have even argued that sharing ventures may threaten traditional industries by allowing individuals to sell their resources and create a micro-entrepreneurial market (Netter et al., 2019; Slee, 2017). Given these conflicting perspectives, it is important for sharing ventures to address these issues and contribute to the common good while minimising negative impacts (Pankov et al., 2021; Etter et al., 2019; Martin, 2016). The sharing economy is therefore characterised by a range of paradoxical tensions and contradictions stemming from entrepreneurial actions and the field's inherent logic.

In sum, recent research has explored several paradoxes in the sharing economy, including tensions between openness and distinction (Schor et al., 2016) and the balance between positive and negative externalities (Ricart et al., 2020; Acquier et al., 2017). However, there is limited understanding of the role of paradox in the strategic orientations of sharing ventures. While some researchers have focused on latency, or persistent contradictions that remain dormant or are ignored (Smith & Lewis, 2011), others have emphasised the importance of salience in studying paradoxes (Seidl et al., 2021). In light of this, our study

investigates how the founders and senior managers of sharing ventures address the paradox of doing good versus doing harm in their strategic decision-making. To do so, we will analyse the strategic choices of sharing ventures through a paradox lens, as how they handle these tensions and contradictions significantly influences their further evolution (Seidl et al., 2021; Hahn and Knight, 2019; Schad and Bansel, 2018; Cunha and Putnam, 2016; Smith, 2015; Lewis and Smith, 2014; Lüscher and Lewis, 2008; Lado et al., 2006).

3. Methods

3.1. Research context and design

We selected the sharing economy as the research setting for our study for several reasons. First, the sharing economy is characterised by a range of inherent paradoxical tensions, making it a rich research setting for exploring paradoxes (Belk et al., 2019). There is an ongoing debate about whether the principles underlying the sharing economy promote sustainability (Heinrichs, 2013) or create unregulated marketplaces (Martin, 2016). Second, the term "sharing economy" itself embodies a contradiction, combining the altruistic idea of sharing with the market logic of an economy. Scholars have argued that specific business models in the sharing economy may have positive and negative impacts, leading to contradictory tensions between their goals and their effects (Acquier et al., 2017; Ricart et al., 2020). Third, sharing ventures, which facilitate collaborative transactions through digital platforms and operate at the intersection of hierarchy and market principles, often face significant legitimacy concerns (Garud et al., 2022; Powell et al., 1990). As such, sharing ventures are an ideal source for examining how they address persistent contradictions and tensions in their decisions and business strategies.

We followed in our study a research design that balanced the principles of induction and abduction, as Gioia et al. (2013) advised. This approach involved considering the existing evidence and theory (Alvesson and Kärreman, 2007) to generate theoretical insights about the phenomenon of interest. Our perspective was informed by the symbolic interaction approach, which allows us to examine individuals' subjective theories to explain their experiences in lived reality (Blumer, 1969). Using this approach, we investigated the social distribution of perspectives on the processes involving persistent tensions and contradictions in the strategic reasoning of sharing ventures. We conducted in-depth interviews with the strategic decision-makers of sharing ventures operating in various sharing economy sectors. These interviews provided verbal and textual accounts of the reasoning behind decisions related to balancing social/environmental and economic contradictions and tensions. Our unit of analysis was the strategic decision-making process in the sampled sharing ventures, and we aimed to identify themes and mechanisms for handling paradoxical tensions through a comparative research design (Yin, 2014; Eisenhardt, 1989). We assumed that the sharing economy is inherently paradoxical and that ventures must respond to these paradoxes in their strategic decisions.

3.2. Sampling logic and data collection

To develop theoretical inferences about group-specific mechanisms for handling paradox in the strategic decision-making contexts of sharing ventures, we used a sampling approach that met two conditions: the collected evidence needed to be comparable and should include a variety of experiences representing the perspectives of actors (Flick, 2014). To meet these conditions, we used a cross-sectional sampling procedure that included sharing ventures operating in various sharing economy sectors, including art, books, accommodation, employment, clothing, fashion, toys, mobility, general goods, finance, and transportation markets. Within each subset, we used a theoretical sampling approach to identify key themes and mechanisms for handling paradox in the strategic decision-making contexts of sharing ventures. To do this,

we conducted semi-structured in-depth interviews with founders and representatives of sharing ventures, purposively selecting respondents based on their professional positions and potential to provide relevant insights (Patton, 2009; Eisenhardt and Graebner, 2007). We conducted 38 interviews with respondents from Germany, Austria, France and the UK, primarily with CEOs and founders but also with some executives or senior managers in more established ventures where access to the founder was impossible. All respondents provided informed consent to participate in the study, and we protected their confidentiality by disguising the identities of the sampled ventures (see Table 1).

The face-to-face interviews in this study lasted an average of 60 min, and we conducted them using a semi-structured interview guide. We recorded and transcribed all interviews for subsequent data analysis. The interview guide was based on the three main sustainability subjects that sharing ventures are typically seen as contributing to social, environmental, and economic ones (Böcker and Meelen, 2017; Frenken and Schor, 2017). We asked respondents about the social, environmental, and economic tensions and contradictions they faced, both within and beyond the sharing venture, and asked them to describe the core value their venture aimed to provide to society. As the interviews progressed, we developed a classification of the value focus of the sharing ventures, which influenced how they handled inherent paradoxes in their decision-making contexts. We continued collecting data until we felt we had achieved sufficient depth and insight into the phenomenon under study (Flick, 2014). In addition to primary data collected through interviews, we gathered complementary archival records to provide context and clarify the logic behind possible relationships between value focus and the handling of paradox. These complementary data sources included websites, blogs, magazines, and online articles.

In many cases, the vision of the sharing venture was already stated on the venture's website. Using a combination of a priori cross-sectional sampling of sectors and successive theoretical sampling of cases within groups, we could examine possible variations or replications in the mechanisms identified in different sectors and sharing venture contexts. This approach enhanced the validity of our study findings (Eisenhardt and Graebner, 2007; Patton, 2009).

3.3. Data analysis

Our data analysis used a three-step thematic analysis to identify how sharing ventures address the paradox of doing good versus doing harm in their decision-making. Thematic analysis effectively identifies patterns in verbal and textual accounts of a specific theme and represents higher-level thematic domains (Flick, 2014; Clarke et al., 2015). We identified key concepts in the evidence by conducting a comparative thematic analysis, developed salient themes, and created a resultant framework (Gioia et al., 2013). We conducted the three coding stages as an iterative research process (Locke et al., 2008). We used ATLAS.ti research software to record, code, group, and analyse our data. We applied in vivo codes in the initial coding stage and thematic codes in the further comparative coding stages.

3.4. Stage I: Identifying predominant themes

In the first stage of our research, we identified and analysed predominant themes in the data by individually coding each case and applying in-vivo codes as the primary coding procedure (Clarke et al., 2015). In-vivo coding involves closely analysing the source data and using codes to describe mechanisms and strategies that founders of sharing ventures use to deal with paradoxes. Through this process, we discovered a connection between the value focus of sharing ventures (environmental, social, or a combination of both) and their decisions on handling paradoxes. To verify our findings, we compared the values we identified to archival data and returned to relevant passages in the transcripts throughout the process to ensure the archival data aligned with our interview data. Based on these findings and the congruence of

the value focus, we decided to build our framework on the differentiated consideration of sharing ventures. This differentiation allowed us to develop an appropriate framework from systematic raw data coding (Gioia et al., 2013) and consistent verification of disparate mechanisms (Eisenhardt, 1989).

3.5. Stage II: Conceptualising prominent categories

In the second stage, we used thematic coding (Clarke et al., 2015) to refine the first-order codes we identified in the previous stage into higher-level categories (Eisenhardt, 1989; Yin, 2014). We focused on mechanisms for handling environmental, social, and economic paradoxes, as these three pillars constitute sustainability's "triple bottom line" (Elkington, 1997). Through this process, we identified categories of mechanisms used by sharing ventures with different value focuses (environmental, social, or both) to respond to paradoxes in their business contexts. While we included a profitability perspective in our interviews with respondents, our data did not reveal distinct paradoxes related to this essential requirement for ventures. Instead, founders generally described providing a lower-priced service or product as their economic value-added, which did not seem to influence the mechanisms for handling paradoxes. We identified in this analysis a set of salient categories that informed our second-order themes (Gioia et al., 2013). Furthermore, it became progressively clear in our coding process that the difficulty of sharing ventures to balance the aim to benefit society and the broader environment while minimizing negative effects represented the core puzzle of our study. We conceptualised this persistent contradiction as the doing good versus doing harm paradox of sharing ventures.

An important aspect of the coding process is considering how respondents' statements and perceptions of the phenomenon of interest relate to and represent thematic categories in the resulting framework (Flick, 2014). To illustrate this process, consider the following example:

"A woman said all the poor taxi drivers are losing their job. I did not react to that" (TRANS03)

In this statement, the respondent reports being confronted with a persistent contradiction arising from their sharing activity, causing taxi drivers to lose their jobs. Their response has been to ignore this paradoxical result of their actions. To code this statement, we first identified the first-order concept '*Ignoring arising critics concerning job destruction.*' We then assigned it to the second-order theme '*Distancing from criticism of societal damage*' and later assigned it to the aggregate dimension of '*Neglecting Responsibility for Social Damage.*' Another example of the coding process is as follows:

"Sure, regulation of the sharing economy is missing. It should be forbidden to buy building complexes, like Airbnb does, to make more profits under the name of the sharing economy. However, this is something our government is responsible for." (TRANS06)

In this statement, the respondent emphasises the governmental responsibility for not addressing the negative consequences of sharing venture activities. We coded this statement as the first-order concept '*Appealing to governmental responsibility for regulating the sharing economy.*' We then assigned it to the second-order thematic category of '*Criticising stakeholders for negative market effects,*' and ultimately placed it in the aggregate dimension of '*Neglecting Responsibility for Social Damage.*'

3.6. Stage III: Developing a framework

In the final stage of our research, we aggregated the main categories into a dimension that reflects the specific mechanisms for handling environmental, social, and economic paradoxes. This dimension informed a framework for concealing paradoxes in the sharing economy, and we identified different mechanisms for handling paradoxes based on

Table 1

Summary of firms and respondents in data collection.

Venture* Sector	Brief description	Type	Location	Founded	Position of respondent	#Emple- yees
CroFu 01 Crowdfunding	A crowdfunding platform, which was initiated by regional banks aiming to facilitate clubs, institutions, and private individuals.	C2B	Dresden, Germany	2015	CEO and Founder	1–10
SPA01 Accommodation	Offers a platform to share and rent out a private accommodation.	C2C	Berlin, Germany	2008	Strategic Partnerships Manager	> 1000
SERV02 Services	A private social network and platform for a community of neighbours which offers to share goods, information and organise neighbourhood events.	C2C	Nurnberg, Germany	2016	CEO and Founder	1–10
TRANS01 Transportation	Provides a platform for private people to offer a ride for shared commutes.	C2C	Paris, France	2006	Press officer	> 100
TRANS02 Transportation	Connects private chauffeurs of limousines with businesspeople and offers them a shared ride.	C2C	Berlin, Germany	2011	CEO and Co-Founder	> 100
TRANS03 Transportation	Offers a ride-sharing service with electric vehicles. A driver is provided and picks people with similar routes up.	B2C	Berlin, Germany	2014	CEO and Co-Founder	> 10
TRANS04 Transportation	Allows one-way, point-to-point, short-term rental of e-scooters in selected cities.	B2C	Berlin, Germany	2016	Head of Growth	> 10
TRANS05 Transportation	Provides a platform where car owners can offer other people a ride for shared commutes.	C2C	Darmstadt, Germany	2010	Co-Founder and Manager	> 10
GOOD01 Goods	Saves and distributes food which is no longer used by consumers, supermarkets, restaurants, and other food facilities.	B2C	Berlin, Germany	2012	Board member and Finance manager	> 500
SPA02 Space	Connects start-ups who need help with short-term tasks and skilled travellers who need a place to stay at their favourable destination.	B2C	London, UK	2015	CEO and Founder	> 10
SPA03 Space	Connects individuals who offer their home for exchange for the short or long term.	C2C	Paris, France	2011	Communication Manager	> 100
SERV04 Services	Is a crowdfunding-platform collecting many small amounts of money for projects geographically located in Hannover.	C2C	Hannover, Germany	2016	Project Manager	1–10
SPA04 Space	Is an accelerator for social start-ups, a co-working space, and community for people aiming to transform society.	B2B	Vienna,Austria	2010	COO	> 10
SERV05 Services	A crowdfunding-platform for individuals, which are offering or supporting projects especially for people with a migration background.	C2B	Bochum, Germany	2014	CEO and Founder	1–10
GOOD02 Goods	Forms a community of individuals which commit themselves to take biological food from a regional farm for one year after paying a fixed amount of money.	P2P	Leipzig, Germany	2014	Founder	> 10
GOOD03 Goods	A private social network and platform offering a community of neighbours to share goods and organise neighbourhood events.	C2C	Berlin, Germany	2013	CEO and Co-Founder	> 10
GOOD04 Goods	Offers short-term rental of high-quality kids' toys in boxes which can be individually selected and delivered via a post on a monthly basis.	B2C	Berlin, Germany	2011	CEO and COO	> 10
TRANS06 Transportation	Offers a delivery service of private packages through people who are aiming to drive the route anyway.	C2C	Cologne, Germany	2016	Co-Founder	1–10
SERV06 Services	A private social network and platform for a community of neighbours which offers to share goods, information and organise neighbourhood events.	B2C	Berlin, Germany	2015	CEO and Co-Founder	> 10
TRANS07 Transportation	Enabling and providing standard city as well as e-bikes for shared use that are accessible via smartphone.	B2C	Leipzig, Germany	2010	CEO and Co-Founder	> 10
TRANS08 Transportation	A platform that enables sharing and renting out caravans for a short-term or long-term period.	C2C	Berlin, Germany	2013	CEO and Founder	> 10
SERV07 Services	Engages in reducing waste by connecting individuals with and without skills for repairing goods at free meeting places.	C2C	Berlin, Germany	2016	Director and Founder	1–10
TRANS09 Transportation	Offers a platform that matches taxi requests of individuals with similar directions.	B2C	Munich, Germany	2014	Co-Founder	1–10
GOOD05 Goods	Follows the concept of an autonomous sports equipment rental which addresses flexibility, spontaneity, and variety of sports.	B2C	Potsdam, Germany	2016	CEO and Co-Founder	1–10
TRANS10 Transportation	Offers an e-bike sharing platform geographically located in areas where walking can be demanding.	B2C	Wuppertal, Germany	2017	CEO and Co-Founder	1–10
SERV08 Services	Fosters the independent exchange of diverse talents and abilities of individuals.	C2C	Basel, Switzerland	2014	CEO and Founder	1–10
GOOD06 Goods	Provides a slock through open-source infrastructure on blockchain application modules, which enables renting and controlling private goods.	B2C	Mittweida, Germany	2015	Co-Founder and CTO	1–10
SPA05 Space	A co-working space that offers offices, events and individual support for social start-ups.	B2B	Berlin, Germany	2009	Site Manager	> 10
GOOD07 Goods	Forms a community of individuals which commit themselves to take biological food from a regional farm for one year after paying a fixed amount of money.	B2C	Hannover, Germany	2009	Chairman	> 100
GOOD08 Goods	Is providing a market for used goods where the money of transactions is donated to sustainable projects.	C2C	Munich, Germany	2014	CEO and Founder	1–10
TRANS11 Transportation	Offers a carsharing service with small cars as well as vans, combis, busses or transporters.	B2C	Leipzig, Germany	1992	CEO and Founder	> 10
TRANS12 Transportation	Offers a crowd-based transport solution. Users can order or offer the delivery of goods.	C2C	Leipzig, Germany	2015	CEO and Co-Founder	1–10
GOOD09 Goods	Helps restaurants and bakeries to sell their leftovers instead of throwing them away which are offered to individuals for a small amount of money.	B2C	Berlin, Germany	2015	Marketing and Partnerships	> 10

(continued on next page)

Table 1 (continued)

Venture* Sector	Brief description	Type	Location	Founded	Position of respondent	#Emple- yees
GOOD10 Goods	Provides a platform that matches neighbourhood sharing platforms.	C2C	Berlin, Germany	2017	CEO and Founder	1–10
TRANS13 Transportation	Allows sharing short flights with private pilots needing to fulfil their pilot license requirements.	C2C	Levallois-Perret, France	2015	CTO and Co-Founder	1–10
TRANS14 Transportation	A platform that enables sharing and renting out caravans for a short-term or long-term period.	C2C	Bègles, France	2016	Country Manager	1–10
SERV09 Services	Offers an on-demand dry cleaners and laundry service which delivers clean laundry to individuals.	B2C	Berlin, Germany	2014	CEO and Co-Founder	1–10

the value focus of the sharing venture. To increase the trustworthiness and validity of our findings, we used multiple sources of data and multiple informants to triangulate perspectives (Eisenhardt, 1989). We conducted comprehensive interviews with feedback loops to ensure the quality and validity of our interpretations. Additionally, we sought feedback from several founders of sharing ventures at various points in our analysis process to further increase the trustworthiness and validity of our interpretations (Flick, 2014).

3.7. Findings

3.7.1. Value focus and three types of sharing ventures

Our analysis revealed two complementary findings related to how sharing ventures deal with the paradox of doing good versus doing harm in their decision-making. Firstly, we found that the sharing ventures in our sample can be categorised into three distinct types based on their value focus: environmentally-focused ventures (Earth Keepers), socially-focused ventures (Community Builders), and ventures that align both environmental and social values (Visionaries). These patterns emerged as we coded the transcripts concerning the value provision of sharing ventures for society, the environment, and the economy. Secondly, when dealing with inherent tensions and contradictions in their decision contexts, sharing ventures apply-five different mechanisms for concealing paradoxes in the sharing economy: addressing or neglecting responsibility for environmental destruction, addressing or neglecting responsibility for social damage, and passing responsibility for economic downturn. The specific mechanism applied depends on the value focus of the sharing venture, as shown in Table 2 below.

Therefore, our findings suggest that sharing ventures tend to genuinely address negative aspects of their strategic orientation that align with their value focus. However, they may neglect or pass responsibility for damaging effects beyond their value focus by using mechanisms to conceal paradox. The following section describes the distinct ways sharing ventures deparadoxify inherent tensions and contradictions in the sharing economy.

3.7.2. Mechanisms of concealing paradoxes in Decision-Making

Based on our analysis of the strategic focus of value creation, we have developed a framework for concealing paradoxes in the sharing economy, depicted in Figs. 1, 2, and 3. We have also included selected interview quotes in Tables 3, 4, and 5 to support our interpretation of the comparative thematic analysis and the resulting elements of the framework.

When dealing with inherent tensions and contradictions in their decision-making, sharing ventures use five different mechanisms to conceal paradox: addressing or neglecting responsibility for environmental destruction, addressing or neglecting responsibility for social damage, and passing responsibility for economic downturn. The specific mechanism used and the concealment of paradox depend on the value focus of the venture. Sharing ventures genuinely address negative consequences that align with their value focus, but when contradictions or tensions arise outside of this focus, they may neglect or pass responsibility for the negative effects of their activities. In Fig. 4 below, we synthesise the type of venture, its respective value focus, and the related

mechanisms for concealing paradox in strategic decisions that emerged from our data analysis. We then further detail this empirically grounded framework in the following findings subsections.

3.7.3. Earth Keepers - Environmentally-focused sharing ventures

Sharing ventures with an environmental focus address environmental destruction strategically, neglect their responsibility for social damage, and pass the responsibility for economic downturn. Addressing environmental destruction becomes apparent through (1) increasing societal awareness of the importance of environmental protection and (2) including environmental concerns in the strategic direction.

(1) Increasing societal awareness of the importance of environmental protection occurs, for instance, through neutralising the CO2 emissions of customers. As sharing ventures are criticised for increasing consumption due to more accessible and cheaper access to goods and services, destroying instead of protecting the environment, several sharing ventures compensate for additional CO2 emissions. Furthermore, raising awareness occurs through engaging in global projects for saving the environment and sharing the ideology of an environmentally friendly world at events, schools and businesses:

“We aim to attract attention and open the eyes to food waste. Therefore, we are engaging in political projects, public relations work and cooperating with schools and businesses to raise awareness for our sick system.” (GOOD01).

(2) Including environmental concerns in the strategic direction appears through investing in ecological products, such as electric vehicles, reflecting strategic decisions concerning environmental impacts, preventing price competition to encourage attractiveness of sharing and excluding customers which are exploiting the concept for for-profits purpose:

“If we could choose a city with high pollution and a city with lower pollution, we would strategically focus on the high polluting city and introduce our electronic scooter in this area.” (TRANS04).

By addressing environmental destruction, these sharing ventures aim to meet paradoxical tensions and contradictions and strengthen the significance of their business practices. Critics argue that providing low-income people access to goods and services can increase resource consumption and harm the environment (Martin and Shaheen, 2011; Sundararajan, 2017). These sharing ventures demonstrate their efforts to address this paradox by addressing environmental concerns.

However, *Earth Keepers* tend to neglect their responsibility for the paradoxical consequences of their activities, resulting in social damage. This concealment of paradox of environmentally-focused sharing ventures becomes apparent through (1) inquiring about the credibility of creating social value and (2) distancing from criticism of societal damage.

(1) Inquiring about the credibility of creating social value occurs through arguing that networks, trust and friendship are only for marketing purposes, declaring that sharing transactions are usually not emotionally driven and reflecting that customers are using sharing services mainly for price and comfort reasons and are less interested in social interactions:

“The argument that the sharing economy is facilitating networks, trust and friendships is just for marketing purposes. Most of the

Table 2

Classification of value focus of sharing ventures in study sample.

SharingVenture	Value Focus	Representative Quotes
TRANS03 <i>Transportation</i>	Environmental	“We are the most environmental driving service on the market because we are just using environmental friendly motors, such as electrical or plug-in-hybrid vehicles...the sharing principle reduces traffic, since several people are sharing one vehicle...Why are we so cheap? Due to the sharing principle and our IT system our service is very efficient.”
TRANS04 <i>Transportation</i>	Environmental and Social	“We are just using electrical motors to be environmental friendly.” “COUP costs as much as a bus or train drive. Taxi is more expensive. Walking is cheaper, but definitely slower.”
TRANS01 <i>Transportation</i>	Environmental and Social	“Drivy leads to a better utilisation of vehicles. Renters are able to recoup their costs, which arise through insurances, maintenance and accessories. In the long run we contribute to more liveable cities, as cars which are usually parked become available to other people. Through this, other citizens are able to renounce their own car and we create more living space in cities.”
GOOD01 <i>Goods</i>	Environmental	“Well, “fair sharing “is our communicated word, and an important aspect for sure, but this is not our primary focus. Our aim is to save food, so doing something from an ecological perspective”
GOOD02 <i>Goods</i>	Environmental	“Our aim is to increase awareness for food. To sensitise people for buying seasonal food and therefor safe the environment.”
GOOD03 <i>Goods</i>	Environmental	“Our motivation is environmental and sustainability driven...We provide an easy and cheaper access to products, where customers can trust in the sustainable production of the product”
GOOD04 <i>Goods</i>	Environmental	“We are part of those companies, which engage in a change of consumption and are producing services to support this change.”
TRANS06 <i>Transportation</i>	Environmental	“Our added value is to reduce CO2 by utilising resources in a more efficient way...No, the social value is not our primary focus and will not be in the future.”
TRANS09 <i>Transportation</i>	Environmental and Social	“We are focusing on an ecological aspect. If two or three people are sharing a taxi and decrease two or three taxi drives to one, CO2 will be reduced. On the other hand, we also contribute to an economic aspect, namely reducing prices for taxi drives. Sharing makes it possible for students a low-income people to use the taxi service as well.”
TRANS11 <i>Transportation</i>	Environmental	“teilAuto is oriented towards the guiding principle of sustainability. We are growing organically. We are following an ecological purchasing policy. Our vehicle fleet is oriented towards the blue angel. Our tariff system should encourage environmental relieving behavior. Prices are staggered relating to vehicle classes. The combination of carsharing, public transport systems, bikes and going on foot we have our vision of sustainable mobility. Therefore, we are cooperating with public transport

Table 2 (continued)

SharingVenture	Value Focus	Representative Quotes
SPA01 <i>Accommodation</i>	Social	systems and environmental associations.” “Belonging has always been a fundamental driver of humankind. So to represent that feeling, we’ve created a symbol for us as a community. It’s an iconic mark for our windows, our doors, and our shared values. It’s a symbol that, like us, can belong wherever it happens to be.”
SERV02 <i>Services</i>	Social	“We are a local and social network, aiming to bring neighbours together.”
TRANS02 <i>Transportation</i>	Environmental and Social	“Blacklane is located in Berlin and offers around the clock service for innovative booking options per website or smartphone app for professional drive services and transparent as well as cost-efficient fixed prices. For the global offer blacklane does not provide own vehicles but uses free capacities of established partners and therefore leads to a better utilisation and higher revenues of those.” “We are leading to a better utilisation of vehicles and therefore contribute to environmental sustainability.”
TRANS05 <i>Transportation</i>	Social	“Connecting people in urban areas and strengthen communities was our motivation for founding our venture.”
TRANS08 <i>Transportation</i>	Social	“Since 2013 families, pairs and adventure seeker are able to get a vehicle for their vacation without owning one. This does not only lead to unforgettable experiences of travellers. Owners are taking advantage of sharing platforms as well. Downtimes will be reduced and the household budget increased.”
GOOD06 <i>Goods</i>	Social	“We want to offer a technology that adds value to people and helps to share their property.”
SPA05 <i>Space</i>	Social	“Social Impact Lab is a platform for social entrepreneurs, freelancer and all organisations which are addressing the topic of social entrepreneurship.”
TRANS13 <i>Transportation</i>	Social	“We are aiming to give people access to a service that is usually quite expensive. On the other hand, their money helps pilots to keep their license and share their passion for flying. The social aspect is why we founded our venture.”
TRANS14 <i>Transportation</i>	Social	“We are not positioning ourselves as environmental friendly. This would be greenwashing. You could argue that people are renting out caravans instead of buying one but in fact there are people who are just renting a caravan to figure out if they should buy one and they will buy one in the end... We are 100 % standing behind the idea of creating networks, trust and friendship.”
TRANS01 <i>Transportation</i>	Environmental and Social	“At BlaBlaCar, we’re proud to contribute towards a global effort to reduce greenhouse gas (GHG) emissions and conserve our planet... When you carpool, it’s not just the environment that wins. We’re also creating other advantages, like offering an alternative mode of transportation, connecting people and facilitating more social interactions in real life.”
GOOD03 <i>Goods</i>	Environmental and Social	“We are increasing resource utilisation and social network creation by enabling building a network in people’s neighbourhoods.”

(continued on next page)

Table 2 (continued)

SharingVenture	Value Focus	Representative Quotes
TRANS07 <i>Transportation</i>	Environmental	“Our idea of a bike-rental system is very simple: It does not matter where you are, everywhere will be a nextbike, that you are able to rent fast, simple and inexpensive.” “As an urban mobility service nextbike is a sustainable supplement to public transport systems.”
GOOD05 <i>Goods</i>	Environmental and Social	“We want to give access to active sports...we want to achieve ecological sustainability and reduce waste of resources and achieve a circular economy.”
SERV04 <i>Services</i>	Environmental and Social	“We want to achieve ethical and ecological produced healthy and good tasting food.”
TRANS12 <i>Transportation</i>	Environmental and Social	“We want to create a community, where people can get together even though they are living in growing, dynamic and more anonymous cities... We want to support environmental protection and raising awareness as well as possibilities for a sustainable living.”
SERV09 <i>Services</i>	Environmental and Social	“In comparison to classical textile cleaning businesses we offer better opening hours and make it more convenient for customers to use our service. People are working a lot nowadays and need more time for their friends and family.” “Most of the people are using their car to go to a textile cleaning service. We are bundling requirements and reduce traffic on the street.”

transactions in the sharing economy are not emotionally based. But this is a nice story, for sure” (GOOD03).

(2) Distancing from criticism of societal damage becomes apparent by ignoring arising critics concerning job destruction or poverty since the focus lies on environmental issues, arguing that a service society needs more jobs than a production society and pointing out exploitation of employees by traditional industry:

“A woman said all the poor taxi drivers are losing their job. I did not

react to that” (TRANS03).

“We dissociate ourselves from addressing social problems like poverty and unemployment. You need to separate our political thoughts, namely receiving attention for environmental problems, from other issues”. (GOOD01).

“Our partner network, which is distributing the products, creates new jobs. A service society creates more jobs than a society based on production. Sure, a lot will be automatised. This is just a question of time till our streets will be filled with driverless cars. If technology is this far, we could use drones to distribute our beamers and drills. However, it is not the sharing economy that causes job destruction. I think it is time to talk about the future of work. However, this is not our issue.” (GOOD03).

Although sharing ventures are accused of endangering established industries' jobs by creating a market for micro-entrepreneurs (Botsman and Rogers, 2010; Irani, 2013), environmentally focused sharing ventures tend to neglect their responsibility for social damage by making salient paradoxes latent. In other words, these sharing ventures may overlook or downplay the negative social consequences of their activities. Our evidence shows that environmentally-focused sharing ventures often consider social damage from their activities to be beyond their influence.

Lastly, environmentally-focused sharing ventures tend to pass the responsibility arising from their activities for economic downturn. Two ways to deparadoxify persistent tensions outside the sharing ventures' specific value focus are: (1) Criticising stakeholders for negative market effects and (2) endorsing profitability orientation.

(1) Criticising stakeholders for negative market effects becomes apparent through appealing to political responsibility for regulating the sharing economy, criticising other sharing ventures for compromising the market and stating customer's preferences for cheap instead of sustainable solutions:

“Sure, regulation of the sharing economy is missing. It should be forbidden to buy building complexes, like Airbnb does, to make more profits under the name of the sharing economy. But this is something our government is responsible for.” (TRANS06).

“The government is far behind current developments. If they start supporting sharing ventures, we could all contribute to a better world in a greater dimension, which is currently not happening. They are hampering the process.” (TRANS07).

(2) Endorsing profitability orientation occurs through referring to

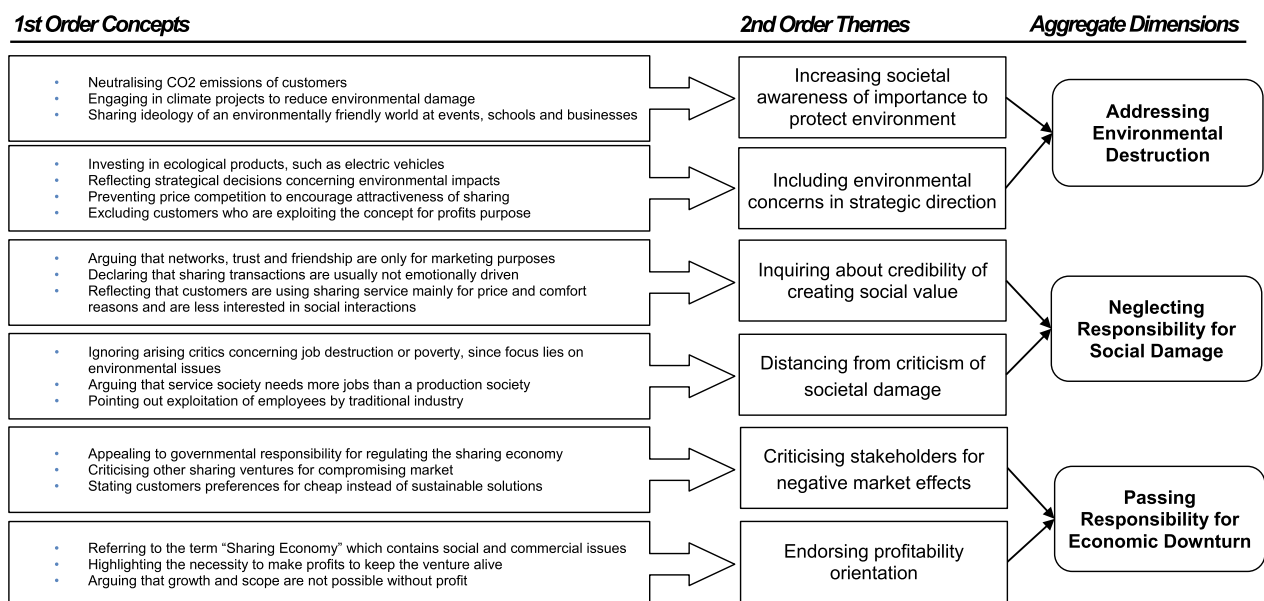


Fig. 1. Earth Keepers - Concealing Paradox by Sharing Ventures with Environmental Focus.

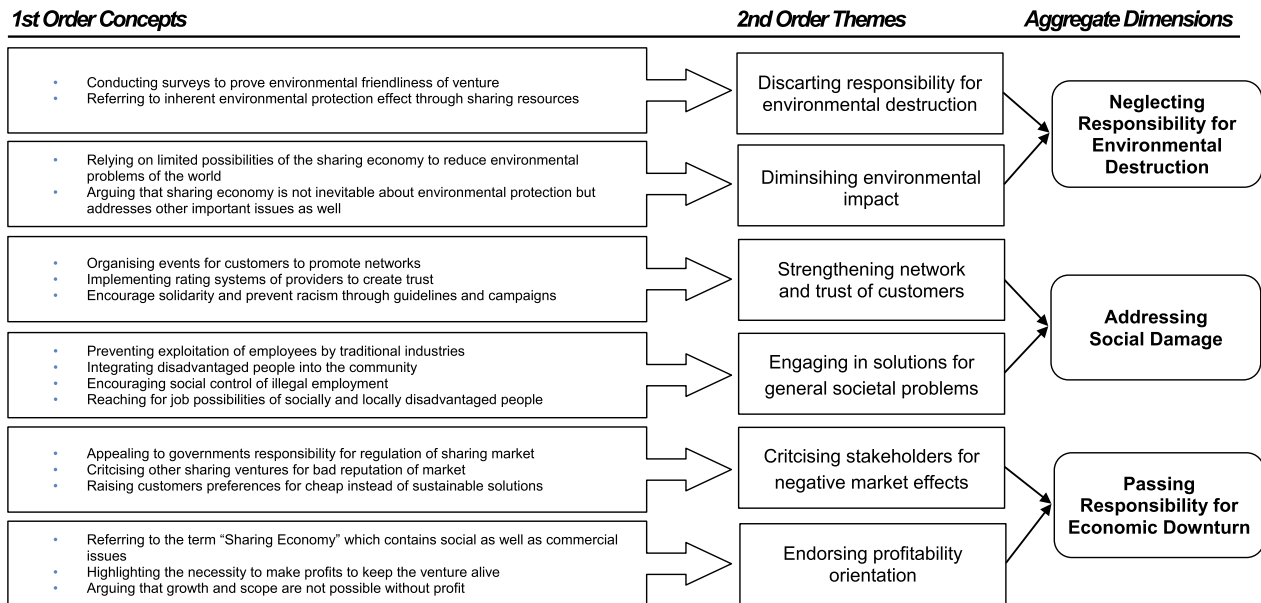


Fig. 2. *Community Builders* - Concealing Paradox by Sharing Ventures with Social Focus.

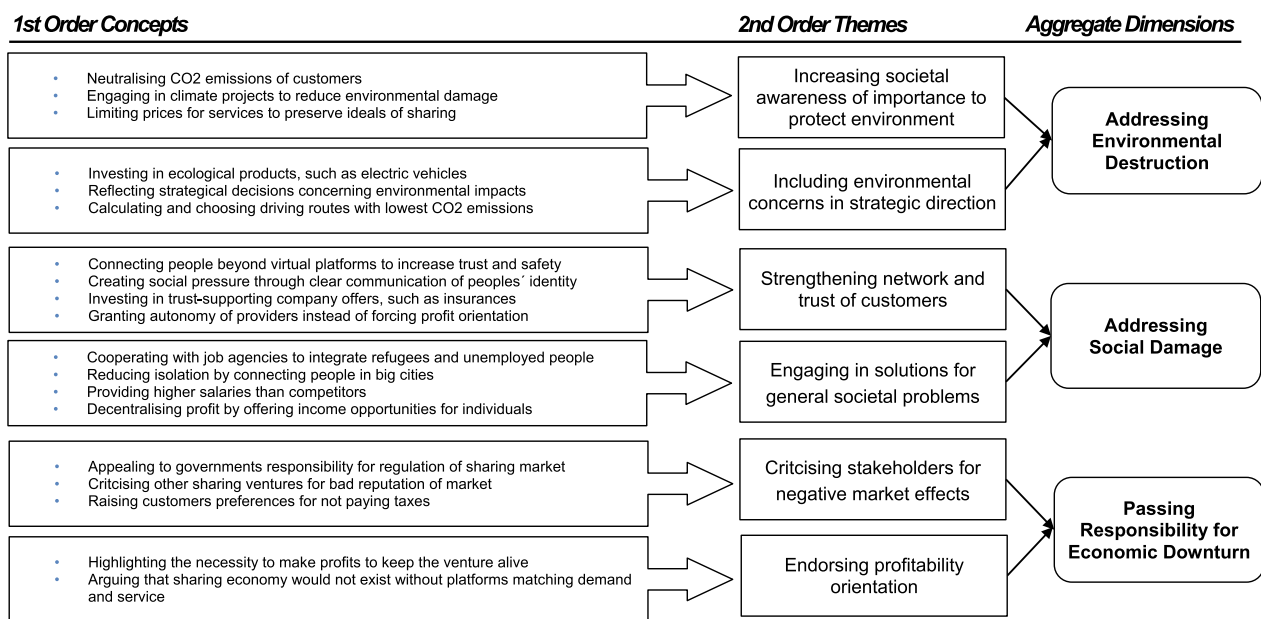


Fig. 3. *Visionaries* - Concealing Paradoxes by Sharing Ventures with Environmental and Social Focus.

the term "Sharing Economy", which contains social as well as commercial issues, highlighting the necessity to make profits to keep the venture alive and arguing that growth and scope are not possible without profit:

"Originally, the sharing economy was more esoteric. The sharing economy has to be economically driven if it wants to achieve a wide range. The development of a product that customers like needs to have a profit-oriented incentive. Otherwise, no one would be motivated to engage in the sharing economy." (TRANS04).

The sharing economy has faced criticism for being profit-oriented and causing economic downturns due to tax losses (Frenken et al., 2020; Sundararajan, 2017). Our findings show that environmentally-focused sharing ventures tend to conceal paradoxes outside of their value focus and pass responsibility for economic issues, indicating a

defensive attitude towards bearing negative consequences on the economic level.

3.7.4. *Community builders - socially-focused sharing ventures*

Sharing ventures with a social focus neglect their responsibility for environmental destruction, address social damage, and pass their responsibility for the economic downturn. *Community Builders* conceal salient paradoxes outside their value focus by neglecting responsibility for economic downturn in two distinct ways: (1) Discarding responsibility for environmental destruction and (2) diminishing environmental impact.

- (1) Discarding responsibility for environmental destruction occurs through conducting surveys to prove environmental friendliness

Table 3

Data supporting interpretations of second order themes – environmental focus.

Dimension	Themes	Representative Quotes
<i>Addressing Environmental destruction</i>	Increasing societal awareness of importance of environmental protection	“Our aim is to attract attention and open the eyes for food waste. Therefore, we are engaging in political projects, public relations work and cooperate with schools and businesses to raise awareness of our sick system.” (GOOD01). “We are engaged in a project called “climate without borders”. The last Kilometres, which are done on top because of delivering the packages, are compensated by our ventures. In fact, these are round about 5 % of the driveway.” (TRANS06). “We are only using environmental friendly motors, such as electrical or plug-in-hybrid vehicles. Additionally, CleverShuttle compensates CO2 through CDM Gold certificated projects of our partner Atmosfair.” (TRANS03)
<i>Addressing Environmental destruction</i>	Integrating environmental issues into business strategy	“We designed a price that makes it unattractive for people to misuse our business model for a profit-seeking purpose. If we notice that someone is taking packages not because he or she has to go from town A to B anyway and has some space left but only for starting a small logistics business without having a specific objective, we would block this person. This behaviour would ultimately compromise our system. We are aiming to reduce CO2; this is what we stand for.” (TRANS06). “If we could choose a city with high pollution and a city with lower pollution, we would strategically focus on the high polluting city and introduce our electronic scooter in this area.” (TRANS04)
<i>Neglecting Responsibility for Social damage</i>	Inquiring about credibility of creating social value	“The argument that the sharing economy is facilitating networks, trust and friendships is just for marketing purpose. Most of the transactions in the sharing economy are not emotional based. But this is an excellent story, for sure.” (GOOD03)
<i>Neglecting Responsibility for Social damage</i>	Distancing from criticism of societal damage	“A woman said all the poor taxi drivers are losing their job. I did not react on that” (TRANS03). “Our partner network which is distributing the products creates new jobs. A service society creates more jobs than a society based on production. Sure, a lot will be automatised. This is just a question of time till our streets will be filled with driverless cars. If technology is this far, we could use drones to distribute our beamers and

Table 3 (continued)

Dimension	Themes	Representative Quotes
<i>Passing Responsibility for Economic Issues</i>	Criticising stakeholders for negative market effects	drills. But it is not the sharing economy which causes job destructions. I think it is time to talk about the future of work. But this is not our issue.” (GOOD03)
<i>Passing Responsibility for Economic Issues</i>	Endorsing profitability orientation	“It is very complicated to tell the people, that sharing food has nothing to do with poverty and getting something for free and is, therefore, a problem of the poor population. Wasting food is a problem of the whole society. We are producing far too much. Our system is sick. It is hard to get people to think about their consumption. Is it necessary to own everything? This implies that production will increase in the long-term. To get this sufficiency thought into the mind of the people. Especially people with a high income think they have the right to buy everything they want since they are working hard for their money. No one of them thinks about the consequences for the environment and our next generations. (GOOD01)
<i>Passing Responsibility for Economic Issues</i>		“Originally the sharing economy was more esoteric. The sharing economy has to be economically driven if it wants to achieve a wide range. The development of a product that customers like needs to have a profit oriented incentive. Otherwise, no one would be motivated to engage in the sharing economy.” (TRANS04). “You can do good things and make a profit. Profit is necessary since employees need to be paid fairly and we have to pay taxes to give something back to our society.” (TRANS06)

of the ventures or referring to the inherent environmental protection effect through sharing resources:

“Environmental sustainability is part of our DNA since we are increasing the utilisation of existing resources and are not creating new infrastructures. That means if you are hosting somebody, you do not need to buy additional things. If you are washing your guests’ bedding, you are using a washing machine that already exists and maybe put your clothes into the washing machine, too. So, in fact, there exists no additional energy wastage or CO2 emission.” (SPA01).

(2) Diminishing environmental impact occurs by relying on the sharing economy’s limited possibilities to reduce the world’s environmental problems and arguing that the sharing economy is not inevitable about environmental protection but addresses other important issues.

“To be honest, environmental sustainability is mainly limited to using special paper. Environmental sustainability is not present in our venture... We are just a small start-up. If we would be a company achieving environmental aims would be easier. We are restricted by limited financial resources, though.” (SERV02).

In contrast, social-oriented sharing ventures address social damage by (1) strengthening the network and trust of customers and (2)

Table 4

Data supporting interpretations of second order themes – social focus.

Dimension	Themes	Representative Quotes
<i>Neglecting Responsibility for Environmental destruction</i>	Discarding responsibility for environmental destruction	“There exists the criticism that people are travelling more since it is getting cheaper and therefore they are instead of once or twice are going three or four times on holiday. This phenomenon is called induced travel. A survey proved that this argument is overcompensated. The environmental savings are higher than the negative effects of additional holidays.” (SPA01). “Environmental sustainability is part of our DNA since we are increasing the utilisation of existing resources and are not creating new infrastructures. That means if you are hosting somebody you do not need to buy additional things. If you are washing the bedding of your guests, you are using a washing machine that already exists and maybe put your clothes into the washing machine, too. So in fact, there exists no additional energy wastage or CO2 emission.” (SPA01)
<i>Neglecting Responsibility for Environmental destruction</i>	Diminishing environmental impact	“There is no perfect solution for environmental issues. This is my main statement. We need to find good and suitable solutions. Simultaneously, we need to be able to act as a venture and ensure success. If we wait till we find the perfect solution, we will probably wait for too long.” (SPA05). “To be honest, environmental sustainability is mainly limited to using special paper. Environmental sustainability is not present in our venture...We are just a small start-up. If we would be a company achieving environmental aims would be easier. We are restricted by limited financial resources, though.” (SERV02)
<i>Addressing Social damage</i>	Strengthening network and trust of customers	“Our aim is to provide the ability to get connected with neighbours. Especially larger cities are facing the problem of isolation since living is more anonymous than in small villages. Often people do not even know who is living in their house. Therefore, we organise events to connect people.” (SERV06). “Platforms have the advantage of being able to offer transparency. Our customers can see who is providing the service and if others are rating this person as being trustful.” (TRANS05)
<i>Addressing Social damage</i>	Engaging in solutions for general societal problems	“We try to find solutions for social problems and are cooperating with the job centre and similar organisations since they often face the problem of finding jobs for refugees, long time unemployed people or

Table 4 (continued)

Dimension	Themes	Representative Quotes
<i>Passing Responsibility for Economic downturn</i>	Criticising stakeholders for negative market effects	those who are not educated.” (TRANS12). “We are familiar with the problem of jobs being destroyed by the disruption. This phenomenon is not only caused by the sharing economy but also especially by digitisation. Therefore, we engage in establishing an unconditional basic income.” (GOOD06). “People from small villages suffer from a poor infrastructure. We focus on these rural areas by providing services for a better transportation system.” (TRANS05) “To be honest, our government is responsible for creating the right environment for the sharing economy. There are a lot of grey spaces right now, which is exploited by some sharing ventures, striving for profits rather than societal value.” (TRANS14). “I want to dissociate myself from this topic since it is not our role to create jobs.” (TRANS14)

engaging in solutions for general societal problems.

(1) Strengthening network and trust of customers become apparent through organising events for customers to promote networks, implementing rating systems of providers to create trust and encourage solidarity, as well as preventing racism through campaigns:

“Our community is our USP, which no other competitor has. We are meeting our community at least three times a year and get together on a campsite. Renters get the opportunity to exchange knowledge and ask questions. Additionally, we connect the community on our platform. I think we have to engage a community to manage soon since the network is proliferating.” (TRANS08).

(2) Engaging in solutions for general societal problems occurs through preventing exploitation of employees by traditional industries, integrating disadvantaged people into the community, encouraging social control of illegal employment and reaching for job possibilities of socially and locally disadvantaged people:

“People from small villages suffer from a poor infrastructure. We focus on these rural areas by providing services for a better transportation system.” (TRANS05).

Lastly, socially-focused sharing ventures conceal salient paradoxes outside their value focus and pass their responsibility concerning economic downturn. Their responses coincide with the environmentally-focused sharing ventures as they are (1) accusing stakeholders of market failures and (2) legitimising their commercial interest.

(1) Accusing stakeholders of market failures becomes apparent through appealing to governments’ responsibility for regulation of sharing market, criticising other sharing ventures for the bad reputation of the market and raising customers’ preferences for inexpensive solutions instead of sustainable ones:

“The market has to be regulated or restricted. But people fear this regulation, and the government is too slow to react.” (SERV02).

(2) Legitimising the commercial interest occurs by referring to the term “Sharing Economy”, which contains social as well as commercial issues, highlighting the necessity to make profits to keep the venture alive and arguing that growth and scope are not possible without profit:

“Our service is not about creating new jobs, but to give new opportunities for additional income. Our hosts usually have full time jobs or several small jobs. They are not hosts because they want to create a new

Table 5

Data supporting interpretations of second order themes – environmental and social focus.

Dimension	Themes	Representative Quotes
Addressing Environmental destruction	Increasing societal awareness of importance of environmental protection	“Since the July 15, 2016, we are compensating CO2 emissions of all our customers, which we will be communicating in public more clearly. Blablacar is the only transportation service that automatically compensates CO2 emissions of customers. Other transportation services offer this as an option.” (TRANS01)
Addressing Environmental destruction	Integrating environmental issues into business strategy	“Through our routeing algorithms, we can achieve a complete utilisation of our drivers. That means to plan routes that avoid waste of CO2. In the end, we act ecological friendly.” (TRANS14)
Addressing Social damage	Strengthening network and trust of customers	“Our network is special if you compare it to Facebook for instance. We are bringing people together, which is living in one area but never knew each other before...people are connected by destiny since they are living in this area. And we recommend meeting the people in the neighbourhood. Personal meetings increase trust. And the good thing about our network is, that I have to go to my neighbours to lend a hammer. Transactions do not only take place virtually.” (SERV06)
Addressing Social damage	Engaging in solutions for general societal problems	“We try to find solutions for social problems and are cooperating with job centres as well as similar organisations since they often face the problem of finding jobs for refugees, long time unemployed people or those who are not educated.” (TRANS12)
Passing Responsibility for Economic downturn	Criticising stakeholders for negative market effects	“I think it is necessary to regulate the market, to set barriers, which is not happening.” (SERV06). “The government is far behind current developments. If they would start supporting sharing ventures, we could all contribute to a better world in a greater dimension, which is currently not happening. They are hampering the process.” (TRANS07)
Passing Responsibility for Economic downturn	Endorsing profitability orientation	“The first people observing our activities could have thought that it is all about sustainability and community...I think we pointed out that this is also about making money, so

Table 5 (continued)

Dimension	Themes	Representative Quotes
		about financial transactions.” (SPA01)
		“We are participating from the transactions taken place through sharing services on our platform. Therefore, we are using the resources of private people. But why do we do this? And why are users willing to pay for our platform and matchings? The reason is that we are offering a service that analyses supply and demand data from millions of people. We are therefore the enabler for this kind of system, which is very complex by the way.” (TRANS01)

job.” (SPA01).

“We were never hiding that we are making profits, and we are proud of providing the ability for individuals to gain additional income.” (SPA01).

To sum up, our findings show that socially-focused sharing ventures choose to conceal paradoxes outside their value focus by neglecting responsibility for environmental destruction and economic downturn.

3.7.5. Visionaries - environmentally and socially-focused sharing ventures

Sharing ventures with an environmental and social focus strategically address environmental and social damage and pass their responsibility for the economic downturn. Addressing environmental destruction becomes apparent through (1) raising awareness for environmental protection in society and (2) integrating environmental issues into business strategy.

(1) Like sharing ventures with an environmental focus, sharing ventures with an environmental and social focus try to raise awareness for environmental protection in society by neutralising CO2 emissions of customers, engaging in climate projects to reduce environmental damage, and limiting prices for services to preserve ideals of sharing:

“Since July 15, 2016, we are compensating CO2 emissions of all our customers, which we will be communicating in public more clearly. Blablacar is the only transportation service that automatically compensates CO2 emissions of customers. Other transportation services offer this as an option.” (TRANS01).

(2) Integrating environmental issues into business strategy becomes apparent through investing in ecological products, such as electric vehicles, reflecting strategical decisions concerning environmental impacts, and choosing driving routes with the lowest CO2 emissions:

“Through our routeing algorithms, we can achieve a perfect utilisation of our drivers. That means to plan routes that avoid waste of CO2. In the end, we act ecological friendly.” (SERV09).

“We don’t have any assets as a company. Just our servers and offices, but we are not producing anything besides of codes. Therefore, our CO2 emission is very low. Sure, we could also compensate for our electricity emission, which we are currently not doing. Some companies have 100 percent environmental sustainable offices. We are not at that point so far.” (TRANS01).

Addressing social damage occurs through (1) strengthening the network and trust of customers and (2) engaging in solutions for general societal problems.

(1) Strengthening network and trust become apparent through

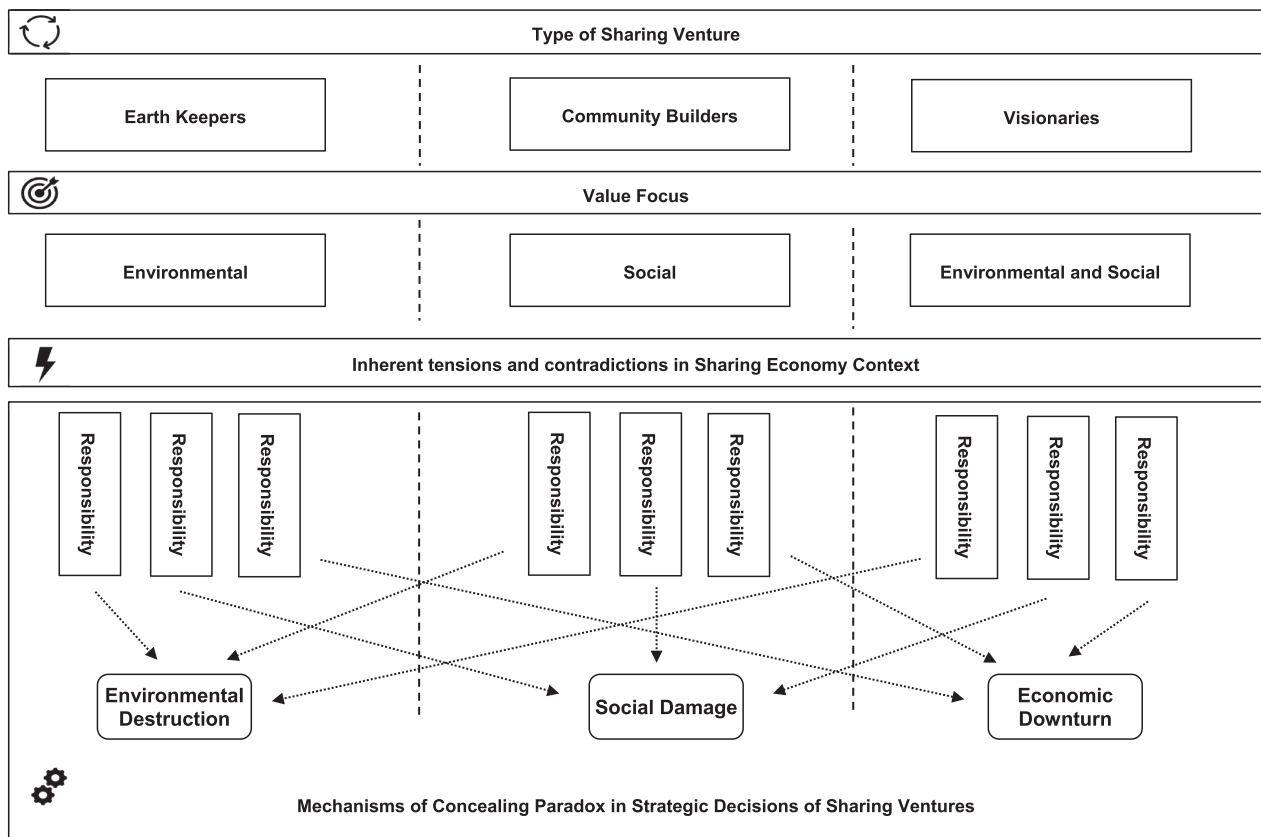


Fig. 4. Mechanisms of Concealing Paradox in Strategic Decision-Making of Sharing Ventures.

connecting people beyond virtual platforms to increase trust and safety, creating social pressure through clear communication of peoples' identity and investing in trust-supporting company offers, such as insurance and granting autonomy of providers instead of forcing profit orientation:

"Our network is special if you compare it to Facebook, for instance. We are bringing people together, living in one area but never knew each other before...people are connected by destiny since they live in this area. Moreover, we recommend meeting the people in the neighbourhood. Personal meetings increase trust. And the good thing about our network is that I have to go to my neighbours to lend a hammer. Transactions do not only take place virtually." (SERV06).

(2) Engaging in solutions for general societal problems occurs through cooperating with job agencies to integrate refugees and long-term unemployed people, reducing isolation by connecting people in big cities, providing higher salaries than competitors and decentralising profit by offering income opportunities for individuals:

"We try to find solutions for social problems and are cooperating with job centres as well as similar organisations since they often face the problem of finding jobs for refugees, long time unemployed people or those who are not educated." (TRANS12).

Lastly, *Visionaries* tend to deparadoxify tensions and contradictions outside their value focus by passing responsibility for the economic downturn. Their deparadoxification approach coincides with the environmentally-focused and socially-focused sharing ventures as they are (1) accusing stakeholders of market failures and (2) legitimising their commercial interest.

(1) Accusing stakeholders of market failures becomes apparent through appealing to governments' responsibility for regulation of sharing market, criticising other sharing ventures for the bad reputation of the market and raising customers' preferences for not paying taxes:

"I think it is necessary to regulate the market, to set barriers, which is

not happening." (SERV06).

"There are many companies which do not belong to the sharing economy. They only use the name because it sounds positive." (TRANS01).

(2) Legitimising their commercial interest becomes apparent by highlighting the necessity to make profits to keep the venture alive even when other social actors are impacted and arguing that sharing economy would not exist without platforms matching demand and service:

"I do not think there will be fewer taxi drivers on the street. Just under other conditions and names." (TRANS01).

"Uber, for instance, just started a business without caring about laws and regulations. This is a behaviour that can't be accepted, as a society is based on laws. Sure they have a bad reputation now and throw a bad light on the sharing economy." (TRANS12).

In sum, our evidence surfaces that sharing ventures combining an environmental and social focus choose to conceal paradoxes outside their value focus by neglecting responsibility for economic downturn.

4. Discussion

As our planet faces resource exhaustion, societies and organisations need to shift towards a more sustainable future. The sharing economy creates new forms of consumption (Benoit et al., 2017; Heinrichs, 2013; Cohen and Kietzmann, 2014), but it also exacerbates negative effects on the environment, economy, and society (Ahsan, 2020; Etter et al., 2019; Martin, 2016; Parguel et al., 2017). As a result, the sharing economy inherently contains persistent contradictions and tensions that must be addressed in strategic decision-making for sharing ventures to gain legitimacy in their respective markets (Garud et al., 2022; Belk et al., 2019). While researchers have begun to examine the paradoxical nature of the sharing economy (Belk et al., 2019; De Vaujany et al., 2020), there has been limited empirical examination of how sharing ventures address

the paradox of doing good versus doing harm in their strategic decision-making. To address this research gap, we conducted interviews with 38 founders and managers of sharing ventures to explore how they deal with persistent tensions and contradictions related to the three pillars of sustainability (Elkington, 1997), including social, economic, and environmental issues.

4.1. Implications for theory

Our study identifies mechanisms for concealing paradox in the sharing economy, related to balancing social/environmental and economic tensions in strategic decision-making. Our evidence reveals that sharing ventures align along three distinct categories: environmentally-focused (Earth Keepers), socially-focused (Community Builders), and those aligning both orientations (Visionaries). While sharing ventures genuinely address negative consequences related to their value focus, they neglect salient paradoxes outside of it. Furthermore, depending on their value focus, sharing ventures use five mechanisms to deparadoxify inherent contradictions and tensions of doing good versus doing harm: addressing or neglecting responsibility for environmental destruction, addressing or neglecting responsibility for social damage, and passing responsibility for economic downturn. These mechanisms provide a framework for concealing paradox in the sharing economy. Our study findings respond to the call for research on addressing the strategic approach of latency in paradox, that is, deliberate organisational efforts to address paradox through its unobserved “absence” by deparadoxification (Seidl et al., 2021). Our findings also align with research on organisations using defensive strategies to handle paradox (Schrage & Rasche, 2019; Jarzabkowski & Lê, 2017) and the process of visibilising and invisibilising (Tuckermann, 2019).

Our study makes three contributions to understanding the sharing economy and organizational paradox. First, we highlight the importance of value focus in shaping sharing ventures’ strategic orientation and decision-making. Second, our identification of sharing ventures’ mechanisms to deparadoxify inherent contradictions and tensions in their decision-making challenges the assumption that saliency is the preferred strategy for managing paradoxes (Seidl et al., 2021, Smith and Lewis, 2011). Instead, our findings suggest that latency is an important and influential strategy for managing paradoxes towards growth or sustainable business conduct. Third, our study suggests an oscillatory approach to paradox management, implying strategically navigating from one paradox to a more manageable or desirable one. Our contributions add to the growing body of literature on the sharing economy and paradox management, highlighting the importance of understanding how organizations deal with paradoxes. (Roth et al., 2021; Seidl et al., 2021; Schrage & Rasche, 2019; Jarzabkowski & Lê, 2017; Tuckermann, 2019). We further detail our contributions in the following subsections.

4.2. Value focus and deparadoxification approaches of sharing ventures

First, we propose a differentiated view that helps to better understand strategic decisions of sharing ventures by categorising them according to their value focus and societal contributions. Existing research has primarily focused on clustering sharing ventures based on industry sectors (Böcker and Meelen, 2017) or motivation for participation in the sharing economy (Hellwig et al., 2015; Milanova and Maas, 2017). However, these perspectives fail to fully consider the value focus and societal contributions of sharing ventures business activities. By providing a framework that categorises sharing ventures based on their values, we can avoid oversimplification and gain a deeper understanding of their decision-making processes and positioning within the sharing economy. Our findings reveal that sharing ventures make strategic decisions that aim to embrace the three pillars of sustainability while addressing legitimacy concerns related to the negative externalities of their digitally driven business models (Garud et al., 2022;

Elkington, 1997). Our study shows that sharing ventures explicitly reference at least one of these three pillars in their strategic orientation to differentiate themselves as actors in the sharing economy.

Second, while recent research has begun to examine ethical considerations in the sharing economy, limited understanding exists on how the espoused values and norms of sharing ventures shape their strategic orientation and evolution (Etter et al., 2019). Our data reveals that sharing ventures use different mechanisms to address paradoxes in their decision-making contexts, depending on their value focus. Sharing ventures primarily address the negative consequences related to their value focus. Previous research has demonstrated that value orientations significantly impact institutional sustainability objectives (Ahsan, 2020; Bansal, 2003). Values help shape organisational cultures, such as shared sustainability beliefs and organisational strategy (Vaccaro and Palazzo, 2015; Gehman et al., 2013; Hart and Milstein, 1999). Specifically, our study aligns with and further supports the idea of Parguel et al. (2017) that individuals prioritize sustainability values based on their perceived relevance. While sharing ventures address negative aspects falling within their specified value focus, they attach less significance to undesirable outcomes of their activities outside their value focus. Thus, our research highlights the central role that values play in deparadoxification, which involves making persistent contradictions and tensions invisible by concealing or hiding them, allowing sharing ventures to remain actionable in their decision-making (Seidl et al., 2021, Neisig, 2021; Hahn & Knight, 2019; Pors and Andersen, 2015). By revealing the close linkage between sharing ventures’ value focus and deparadoxification approach, we contribute to and expand upon existing literature on organisational approaches to defensive strategies (Schrage & Rasche, 2022; Pinkse et al., 2019; Iivonen, 2018; Jarzabkowski & Lê, 2017) and the visibility or invisibility of these strategies in organisational settings (Tuckermann, 2019).

4.3. Oscillatory management of paradox in sharing economy

Third, the paradox theory perspective views sustainability goals, such as environmental protection and social welfare, as distinct objectives that operate at various organisational levels, involve various logics, and require different strategic directions (Valentinov and Pérez-Valls, 2021; Hahn et al., 2014). As the study of paradoxes in sustainability is still in its early stages (Hahn et al., 2018), our research contributes to this emerging field by illustrating how sharing ventures manage the tensions and contradictions of doing good versus doing harm in a complex decision-making context. Our findings shed light on how organisations align different institutional logics, pillars, or dimensions of sustainability and therefore address persistent tensions and contradictions between their business objectives and environmental and social requirements (Hahn et al., 2018; Greenwood et al., 2011). Our findings also expand upon the existing theory on defensive approaches to paradox in sustainability contexts. While Pinkse et al. (2019) and Iivonen (2018) describe the defensive approach as accepting a tension and responding to it by discursively projecting or transferring it outside the organisational boundary, our framework for concealing paradoxes specifically highlights the importance and performative nature of the organisational value focus in determining the implicit mechanisms for deparadoxifying inherent contradictions and tensions of doing good versus doing harm (Vaccaro and Palazzo, 2015; Gehman et al., 2013). The continued oscillation between these dimensions likely creates “nested paradoxes or ‘paradoxes of paradoxes’ which, over time, become increasingly difficult to disentangle, comprehend, or articulate fruitfully” (Cunha and Putnam, 2019, p. 102). Navigating these meta-paradoxes requires further development of theoretical perspectives and methodological tools that can help explore the paradoxes of the sharing economy without confining or resolving them.

A final insight from our study findings contributes to the ongoing debate on the properties of salience and latency of organisational paradox (Hahn and Knight, 2021). Latency is commonly understood as

paradoxes which organisational actors do not recognise, meanwhile, salience represents actors' cognate grasping and experience of contradictory interdependent elements in their organisational decision contexts (Cunha and Putnam, 2019; Schad and Bansal, 2018). The dominant view in current literature states that latent paradoxes become salient, and actors consequently address the tensions and contradictions in their organisational context. Interestingly, our study findings reveal the counterintuitive process of rendering salient paradox latent, as the sharing ventures purposively choose to deparadoxify inherent contradictions and tensions of doing good versus doing harm to remain actionable. The identified mechanisms for concealing paradox in the strategic decisions of sharing ventures provide empirical evidence for the Luhmannian notion of deparadoxification and introduce a complementary perspective for theorising the salience and latency of organisational paradox (Luhmann 2018; 2006).

4.4. Implications for practice

By identifying mechanisms for concealing paradoxes in the sharing economy, our study offers practical recommendations for navigating this emerging business environment. In today's increasingly unstable and complex markets, management scholars emphasize the importance of identifying pragmatic approaches for managing persistent contradictions and tensions (Smith, 2015). Aligning mechanisms for handling paradoxes with the value focus of the firm can simplify managerial decision-making. At the same time, our findings provide a deeper understanding of the sharing economy by demonstrating how sharing ventures are shaped by distinct values that inform their strategic decisions. Organisational paradoxes can be challenging to manage as they represent a burden for organisational members (Lewis, 2000) and may go beyond their causal influence or recognition (Smith et al., 2015). Therefore, our framework is valuable for practitioners as it illustrates how sharing ventures can remain actionable in their decision-making contexts by addressing persistent tensions and contradictions related to their value focus while neglecting or passing on those outside their value focus to external stakeholders or authorities. The sampled sharing ventures make choices by aligning economic, social, and/or environmental orientations according to their value focus, which helps them avoid vicious trade-off cycles and persistent tensions and contradictions (Schad, 2016; Smith and Tushman, 2005; Smith et al., 2012).

4.5. Limitations and future research

Like all research, our study has some limitations that should be acknowledged. First, while our inductive study provides extensive evidence and a detailed description of the methodological procedures to ensure the credibility of our findings and resulting theoretical framework (Flick, 2014), our findings are not statistically generalisable. We sampled sharing ventures from Germany, Austria, France, and the UK, and it is possible that the way these ventures operate in the European market context may not be comparable to market realities in the US or developing countries. Future research could extend our insights to these regions' contexts and consider organisations with diverse backgrounds to validate the framework for different business contexts. Additionally, as the sharing economy is a specific research setting, it remains unclear whether the practices for handling paradoxes identified in our study are applicable to other industries, such as social ventures that face similar challenges in addressing environmental, social, and economic sustainability issues simultaneously. Future research could also explore whether motivation and value orientations differ in the sharing economy and what factors are more likely to influence a venture's strategic decisions. While current research has mainly focused on motivations for sharing ventures, it would be valuable to contrast value and motivation as these cognitive structures may lead to different strategic outcomes (Böcker and Meelen, 2017). Finally, our study restricts paradoxes to environmental, social, and economic issues. As scholars have pointed

out, there may be additional areas of value contribution or concern (Daunorriené et al., 2015). Future research with a broader scope could add valuable insights to the rapidly growing body of sharing economy research.

5. Conclusion

The sharing economy has the potential to induce significant societal-level changes (Carbone et al., 2020; Acquier et al., 2017; Parguel et al., 2017; Gansky, 2014; Albinsson and Perera, 2012), but it is also characterised by persistent tensions and contradictions as it generates both positive and negative externalities for the common good (Klarin and Suseno, 2021; Belk et al., 2019). Our inductive study addresses this managerial puzzle for sharing ventures by conducting 38 in-depth interviews with founders and senior managers of sharing ventures in four European countries to investigate how they handle the paradox of doing good versus doing harm in their decision-making. Our findings highlight the central role of the specific value focus of sharing ventures in their approaches to dealing with decision-making paradoxes. Based on this value orientation, we identify three distinct types of sharing ventures: environmentally-focused Earth Keepers, socially-focused Community Builders, and those that align both orientations, known as Visionaries. Finally, we provide a framework illustrating five mechanisms that sharing ventures use to conceal paradoxes in their strategic decision-making, based on their value focus.

In summary, our study highlights the importance of sharing ventures' value focus and the mechanisms they use to address and conceal paradoxes to remain effective in a complex and contradictory decision-making context. These insights inform future theory development on the sharing economy and organisational paradox.

CRedit authorship contribution statement

Dirk Schneckenberg: Writing – review & editing, Writing – original draft, Visualization, Supervision, Project administration, Methodology, Formal analysis, Data curation, Conceptualization. **Steffen Roth:** Writing – review & editing, Writing – original draft, Conceptualization. **Vivek K. Velamuri:** Writing – review & editing, Writing – original draft, Supervision, Resources, Data curation, Conceptualization.

Declaration of Competing Interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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