

# FIRM RESOURCES AND CAPABILITIES AND THEIR IMPACT ON SUSTAINABILITY: THE CASE OF IKEA

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# 1. INTRODUCTION

In our daily lives we encounter dozens of companies: bakeries, supermarkets, clothing stores, restaurants, gyms, insurance brokers, notaries, law firms, even larger businesses with which we do not necessarily interact on a daily basis. Even so, it is well known that they all need a strategy to function and, above all, to be successful and differentiate themselves from others, something that the theory on which this work is based supports, but the practice in everyday life does nothing more than provide evidence of how much truth there is behind the following sentence: it does not matter how similar or how big the companies we know are, because what will truly distinguish them from others is how they use the resources and capabilities they possess.

It does not matter that the organizations have similar or even identical objectives, or that they are in the same industry sector, or that they are run by the same owners, but rather that the importance lies in what they contain internally. Companies may have the same resources and capabilities, or at least easily comparable dimensions, but they will rarely produce the same results, because the organization of the company will give rise to very different combinations of the use of these resources and capabilities. Thus, those in charge of putting these aspects to work within a company must be aware that they must use them intelligently and, above all, that they are capable of delivering success.

In addition, sustainability is a topic on everyone's mind lately. Whether it is recycling in our homes, proposals to use less plastic, reducing the use of motor vehicles or reducing the use of non-renewable energies, sustainability manifests itself in many of our daily aspects. In this work, as a main objective, it is analyzed which are the main resources and capabilities that have especially contributed to sustainability, both in their implementation and in the putting into practice in the activity. For this purpose, after an exhaustive analysis of the literature on resources and capabilities, the IKEA company has been selected to illustrate how, through an intelligent use of its resources and capabilities, it has been able to structure a furniture empire and, at the same time, thanks to the combination of these aspects, has been able to provide citizens with multiple sustainability proposals.

The first part of the paper focuses on the origins, history and gradual development of the theory of resources and capabilities, focusing mainly on the resource-based view and the authors who helped its expansion. Reference is also made to resources and capabilities as such, explaining which ones can exist in companies, mentioning both internal and external analyses that can highlight these aspects within an organization.

It has been in the second part of the paper that the objective of the work took shape and a specific case, IKEA, was studied in depth, where an analysis was made of its resources and capabilities, its sustainable contribution to society and how it has achieved the latter thanks to the internal forces it possesses. Finally, the main conclusions of the work are presented, as well as recommendations for the company, limitations of the work itself and future lines of research.

#### 2. THEORETICAL FRAMEWORK

# 2.1 Resource-based view. Origins and development

In order to be able to talk about resources and capabilities and understand all the pieces of content that will be explained later throughout the study, it is necessary to first go back to the origins of the first and most important ideas. Authors, economists and thinkers such as Edith Penrose, who determined that the firm in theory was not the same as in reality, and whose research gave rise to "The Theory of the Growth of the Firm" (Penrose, 1959), stand out. Penrose was considered the first person in the world of economics to found the resource-based theory of the firm itself, in a way that can be understood as a precursor of the main idea of the resource-based view. Wernerfelt stood out with his work "A Resource-based View of the Firm" (1984), based on the fact that firms are heterogeneous and explains how current resources and capabilities can help develop future ones. His book "Adaptation, Specialization, and the Theory of the Firm: Foundations of the Resource-Based View" (Wernerfelt, 2016) reaffirms his beliefs from the 1980s. Prahalad and Hamel introduced to the world the theory of a firm's core competencies, arguing that these are the aspects in which an organization excels and knows how to do, and thus become the beginning of competitive advantage, and these core competencies are highly linked to the concept that we will later come to know as VRIO. With their phrase "You cannot use an old map to find new territories", in their book "The Core Competence of the Corporation" (Prahalad and Hamel, 1990), they reinvented the concept of the company, its role and the appropriate vision to achieve future, mature and more developed techniques.

The vision of the Indian and American authors is somewhat similar to the current resource-based view, since they introduced the idea that it would be the executive and administrative leadership who would be responsible for identifying and exploiting competencies and resources to grow as much as possible. They emphasized communication, involvement in the organization and commitment to work as key, in addition to highlighting the four core competencies: resources, capabilities, competitive advantage and strategy, concepts that are developed throughout the work. McGahan and Porter also offer a somewhat different perspective: they question the real effect of the industry in which the company operates on its success in their article "How much does industry matter, really?" (McGahan and Porter, 1997), adding another point in favor of a company's internals.

However, the author par excellence, Jay Barney, emerged in the early 1990s, when the emerging thinking of resource and capability theory took a more definite form in his article "Firm Resources and Sustained Competitive Advantage" (Barney, 1991). In it, the university professor outlines the idea that resources and capabilities must be identified within the firm, and that it is the management of the organization itself that must know how to coordinate and exploit them in order to choose a competitive strategy that will give them the maximum advantage in the market in which they operate. The theory states that no two companies are the same, since although they have similar or sometimes identical resources, the way companies manage them is different, and therefore, despite the similarities, strategies and advantages are also heterogeneous and will vary. In order to talk about resource-based view, the key points are strategies and competitive advantages. It is a strategic model that focuses on a company's internal resources to achieve sustainable competitive advantages over time, so that the two concepts mentioned above are crucial in this theory. In conclusion, the theory is based on three main points: the heterogeneity of companies due to the resources and capabilities that each one possesses; the fact that not all companies have the same resources, known as imperfect mobility; and finally, the industry effect and the company effect, based on the fact that the success of the organization is affected to a lesser extent by its environment, and to a greater extent by what it possesses or uses internally.

Thus, as mentioned above, Barney focused his efforts and interests on studying the internal resources and capabilities of each company. Each company has different sources of resources, whether human, technical, financial or material, and it is the task of management to draw up plans and strategies that take advantage of the resources

and capabilities at its disposal to obtain maximum performance and productivity from its activity. Thus, resources are not created or sought on the basis of the strategy, but rather it is the strategy that is planned on the basis of the resources and capabilities available to the company. The author describes the need for resources to be valuable, rare, with no chance of being imitated and not substitutable, which is known as VRIO, a concept that will be developed later, in order to achieve the objective of having a competitive advantage. As a conclusion of the concept, what is required is that they are unique to each company, specific and concrete, because only through this differentiation no other organization will be able to imitate them and they will be able to have the largest market share, the highest profitability and the highest profits in the industry.

There is a great change in thinking about resources and capabilities, caused by the establishment of this idea. On the other hand, as Barney proposes in his article, there was the positioning movement. Positioning (Ries and Trout, 1972) underwent its greatest development during the 1980s, based on the idea that it consists of the place a company occupies in the mindset of the customer sector and how it differentiates itself from other companies. It seems similar to the resource-based view in this sense, since it also attempts to create an image of the company's power, but while positioning does so by extolling and empowering the brand or product itself, the resource-based view emphasizes the organization's resources.

We can consider that positioning gives more importance to the final product, while Barney's perspective sheds more light on the process and how it is achieved. In this way, the resource-based view gave rise to the idea that the real advantage is achieved by better internal resources and capabilities, and allowed progress from a time in which positioning is more rigid and less changeable, to an era marked by constant change, globalization, multiple business variants and interdiscipline, i.e., the coordination and mixing of different departments. Thus, an era marked by a vision based primarily on economics, practicality and cost savings is being overtaken by a time in which disciplines such as marketing, ethics, business management, leadership and management of the production chain shine.

Decision-making in this process is not joint, but lies with the management of the company or the departments involved, and it is not a simple aspect either, since it is based on knowing how to appreciate when resources are valid and have potential, and when it is better not to contemplate them because they will not provide the expected

success. Thus, it is necessary for management to take the time to study them, understand their purpose and aim, and to enhance them to their fullest extent. In this way, the analysis of the company's resources and capabilities is fundamental for subsequent strategy planning.

This process is clear: establish and measure resources in order to know them well before proceeding to the next step; assess them in terms of their usefulness in determining a strategy; and study how to achieve the maintenance and exploitation of these resources. The second step, the determination of potential and utility, is the most important step in creating and maintaining competitive advantage. For the creation of this advantage, two main characteristics must be taken into account: the scarcity of resources and capabilities and the relevance of these resources and capabilities. For the maintenance of advantages, the authors refer to durability (maintaining their usefulness over time), transferability (referring to the transfer of resources in the industry), imitability (ability to emulate or copy resources), substitutability (acquisition of similar or dissimilar resources) and complementarity (coordination of the various resources with each other for better utilization).

After all, the factors that lead to a company's success are multiple and changing, which is precisely why not all of an organization's resources are equally valid or efficient. It is up to management to decide which resources and capabilities count and which do not, and this, as mentioned above, is based mainly on the characteristics that resources may have, especially their imitability: the less the competitor knows about them, the more unique they are and, therefore, the less substitutable they are.

This gives rise to what we have called VRIO (Barney, 1991): a set of acronyms that describe the value of a resource, its rarity, its imitability or difficulty, and the capacity and ability of the organization itself to exploit the resources at its disposal. The concept appears thanks to Barney, the most important author who brings more clarity to the resource-based view. In his article, Barney refers to the special importance of analyzing the internal resources of an organization, since it is not only affected by the external factors that surround it, but success comes from within. This VRIO analysis is often used as a strategy planner, so that it provides relevant and useful information for the subsequent execution of strategies. The previous steps that are part of this analysis are a key aspect to understand which resources and capabilities will bring success and competitive advantage and, therefore, those that will be worth exploiting. The

fundamental aspect of this analysis is to detail what these resources will be and to establish their permanence.

The qualities that resources should have according to the VRIO point of view may seem basic and logical, but it is important to make a distinction between what they are thought to be and what they actually entail. The question of being valuable implies that the resource in question is capable of exploiting opportunities or dissipating threats. Among the opportunities we can detect the fight against climate change, a topic that is currently on the rise, and among the threats we detect what we call Porter's forces (Porter, 2008): the entry of new competitors and rivals, increased consumer power, and so on. If you offer products or services carried out by resources that do not provide any value to the customer or consumer, it is difficult for you to pass the VRIO analysis.

The rarity of a resource lies in its non-simplicity, i.e., that not everyone can have access to it, and therefore it is perceived as exclusive and advantageous to have it in the hands of a particular company. It is necessary that this rarity, as mentioned above, cannot be accessed by everyone in the market, but that it is also persistent over time: that it is possible to have something unique, rare, but maintained throughout the activity. If it can only be accessed occasionally, then we will not have the competitive advantage provided by rarity.

Value must be combined with rarity in the analysis, because a product that is rare but not valuable, or valuable but not rare, will not be as efficient as a mixture of both. Third, the company has to exploit those of its resources and capabilities that do not have the opportunity to be easily imitated. It may be common for several companies to have a particular resource shared in some way with others, but it is crucial to know how to use it in such a way that others do not get the same results from that resource. Thus, Coca Cola has been considered the most valuable brand worldwide, with almost \$90 billion in 2022. It competes with other brands, such as PepsiCo or substitute private labels, but its secret recipe, difficult to be imitated by others, makes it positioned, for yet another year, as the most consumed soft drink brand. In a hypothetical situation, competing companies could either act to try to imitate the advantage provided by these resources, or follow their traditional method, deciding to ignore the competitor's benefits and continue with their own resources. It is necessary to analyze what cost would be involved in competing directly with the more advantageous company, because if it involves more costs than benefits it is not viable, and therefore the organization with the smaller advantage would be forced to follow its old strategy. From this point of view,

it is emphasized that it is really important for the resource to be unique but also prolonged, so that the advantage can realistically be maintained over time.

Finally, the fourth of the VRIO criteria refers to the ability of the company to be able to adequately and competitively exploit the resources and capabilities it possesses. In a way, it is the most important of the requirements, since the existence of these resources does not guarantee profit if they are not properly directed. Value, rarity and inimitability would not be susceptible to exploitation and success if there were no management to plan, direct them and know how to take advantage of what they offer the organization. This ability of the company must precede the procurement of the advantageous resources and capabilities to ensure that they are properly aligned with the strategy, and, again, it is particularly important that this ability is maintained over time.

To better understand the qualities that VRIO recommends for a successful, sustained and maintained competitive advantage, the following table has been prepared:

Table 1: VRIO qualities in a business.

Valuable?	Rare?	Difficult to copy/imitate?	Exploited in a competitive way?	Competitiveness
No	-	-	-	None. Disadvantage.
Yes	No	-	-	To be improved. Competitive parity.
Yes	Yes	No	-	Temporal competitiveness.
Yes	Yes	Yes	No	Unexploited competitive advantage.
Yes	Yes	Yes	Yes	Successful. Sustained

Based on the publication "Strategic Management: Competitiveness and Globalization" (Hitt, 2008).

#### 2.2 Resources

From a theoretical and analytical perspective, an organization is considered as a mere means of giving customers what they need from it. It is necessary to develop a thorough internal analysis of what constitutes the company in order to be able to subsequently identify what has been the result of the activity: has it successfully fulfilled its purpose? Would the customer be satisfied, willing to repeat the purchase or service? The answers to these and other questions asked within the company are the way to determine whether the activity should be maintained in the way it operates, or if, on the contrary, it should be changed.

In this way, what are known as resources and capabilities come into play. A distinction must be made between these two concepts, as they are often misinterpreted and given the same meaning. Resources are the knowledge, assets and skills that are part of an organization. Their proper implementation is key to ensuring that the company achieves the expected and desired results, since they form the basis for the development of an organization's product or service: they can make the difference and provide the competitive advantage that will guide the company in the marketplace. However, a resource in itself is not capable of providing this success; it is necessary to manage and exploit it correctly, and in this way capabilities will be created.

Resources are defined in many ways by different authors: "the set of factors or assets available to a company to carry out its strategy" (Navas and Guerras, 2007); "the inputs in the production system and the basic unit of analysis at the internal level of the company" (Grant, 1999) or "everything that allows a company to conceive and implement strategies that improve its efficiency and effectiveness" (Barney, 1991).

Thus, there are two types of resources: tangible and intangible (Navas and Ortiz de Urbina, 2001). It is important to classify them from the outset so that the management

of a company knows what it can count on to carry out its activity. The first, tangible assets, are those that can be physically used or handled to perform the assigned functions. Machinery, money or transportation elements, among others, are tangible resources. This type of resource has difficulties, such as establishing its economic value, which can be increased but can also be devalued over time; although the most complicated thing about tangible resources is to determine their potential, since they do not contribute so much in themselves, but it is their use that will make the difference.

Intangible resources, on the other hand, are something abstract, something that cannot be physically manipulated at will, such as information that is absorbed from the environment, the company's workers or the know-how inherent in the company, which is instilled in the organization's work and is often not protected by any kind of patent, but is something implicit within the organization. They are, to a large extent, more determinant of company achievements than tangibles.

Within tangible and intangible resources, four different types are specified: financial, material, technical and human resources. All four are necessary to ensure stability within the organization and, if used correctly and intelligently, are crucial in determining the company's success. However, it is necessary to bear in mind that not all companies are the same, and that not all organizations will have the same resources, even if they are the same, and they will not function in the same way. It is important to point out that it will be necessary to carry out a study of the characteristics of the company, the activity it carries out and the market in which it operates in order to allocate the most appropriate resources. It is not enough to have the best resources, the best financing or the best technology; it is essential to know how to manage them.

#### 2.2.1 Financial resources

Financial resources are, to a large extent and theoretically, the engine that drives business activity. Acquiring a realistic and purely economic tone, the content of these resources, such as cash, bonds, stocks, shares (Cajal, 2021), i.e., any type of capital that brings monetary value to the organization, is the basis on which the rest of the actions, such as the production chain itself and the subsequent service or product, can be produced. These are resources that often form part of the company, since they have come to it in the form of transactions, dividends or capital contributions, although at other times, as in credits or loans, they can cause more confusion, since they come from an external source that will later lead to interest rates.

One way or another, if there is no money, there is no company, and this is reflected in the limitations that entrepreneurs face when creating public limited companies, with an initial share capital of €60,000, or private limited companies, with a capital of less than €3,000. Having a high amount of capital, both in the creation of the company and in its subsequent development, is a factor of great importance, since these financial resources are those that will buy the material resources, such as machinery, computers and office equipment, among others; those that will finance the technical resources, such as computers, telephony, the technological development of the company or patents; and those that will hire the human resources, who will carry out the activity and use the aforementioned resources.

Thus, a large initial economic outlay is as important as knowing how to maintain it over time. An original and creative idea, a diligent way of running the company, an admirable corporate culture and a successful way of working can be cut short if, in the end, the organization does not have enough money.

#### 2.2.2 Material resources

Tangible resources are the living image of what a tangible asset is. Computers, equipment, machinery, transport and logistics elements, storage elements, buildings, premises, real estate, facilities and others, as well as office materials, furniture, buildings and land, whether owned by the company or temporarily rented, and the raw materials themselves that will later make up the final product, are part of the material resources.

These resources will actively participate in the creation of products in the production chain. They are necessary both for production and for subsequent marketing. For the manufacture of automobiles, specific machines are needed for each part, which make up the machinery part; also needed are extensive facilities and possibly several premises for manufacturing, which corresponds to real estate; once the car is manufactured, the transport elements take them to the relevant dealership, or the logistics elements keep them in the warehouse until they are in demand.

Investment in material elements is highly recommended. As with technical and technological resources, the passage of time and the advance of new technologies can make resources obsolete, and both old and new competitors in the sector can gain a

share of the market by having more innovative resources that give them a competitive advantage that other companies lack. In addition to being a resource related to competitive advantage, it is also important to mention that for safety and occupational risk prevention reasons, it is necessary to perform a thorough maintenance of the machinery used or the premises where the activity is carried out in order to avoid shortage of resources due to breakage or loss, or even to avoid accidents.

#### 2.2.3 Technical resources

Just as investment in material elements is recommended, investment in technical resources is also considered a strong point. The existence of sufficiently strong and advanced technology to be able to manage the entire framework of a company is indispensable in the highly technological society in which we live today. Logistics, warehousing, production, delivery, service provision, among other aspects, are highly managed by the technology that makes up the company.

Databases are computer elements that should be given great relevance in the company, as they are able to store large amounts of production data, customers, suppliers or others, which otherwise would take a lot of time, effort and staff for something that only takes a click thanks to the computer.

Systems such as ERP or CRM also improve the quality of work of organizations. The former, called Enterprise Resource Planning, is literally an enterprise resource planning system. They take care of the planning and automation of the company's internal tasks, saving time and effort. The main advantage is that it stores all the information about the organization that is added by the people who work in it, facilitating the search and organization of information. On the other hand, CRM, Customer Relationship Management, is the management of the company's relationships with customers, especially useful when it comes to analyzing interactions with customers. Thanks to the study provided by this tool, the company can anticipate the desires and needs of customers, thus offering them what they are going to ask for, and thus also saving on expenses and adding profitability to its activity. It is a great way to personalize the service as much as possible.

Of course, when contracting IT services or technological tools which, in principle, could help to increase productivity or profitability, it is necessary to be informed about their costs and about the prediction expected from the organization. Human resources are

not always adapted to new developments, or vice versa: technical resources are not always sufficiently adapted to a company. It is very important for management to take into account the needs of the company and its customers, and also the size of the company, since it is natural that the employees of a large multinational will adapt differently to technologies than a small family business in a small town. As in everything, it must be taken into account that the tools do not always work, no matter how much we pretend that they facilitate the tasks, and that sometimes the investment required is not affordable for everyone.

#### 2.2.4 Human resources

Finally, human resources are considered the most important thing within the organization. Their skills, their knowledge, their techniques, their talent, their ambition or other skills they may have are often what makes the difference in the way a company operates. All areas of the organization's work must be taken into account as a human resource, whether it is the company's management, the company itself, or workers classified at lower levels. It is their coordination, performance and collaboration between levels that makes a company work better or worse.

Leadership is also taken into account as a key aspect in human resources. Every activity needs a good leader to guide it, to give the appropriate guidelines and to take the reins of the plan if it does not work as expected. It is appropriate to make a distinction between the leader and the manager, because the two aspects are not always concentrated in the same person. While the manager or boss is the person who plans and manages the activity, the leader is the one who motivates, drives and encourages workers to do a good job, to excel and to feel fulfilled with their activities.

They are the only one of the four resources listed that is not part of the company as such. Workers are not the property of the organization (Cajal, 2021), but simply give up their work in exchange for a salary. They cannot be considered on the same level as financial, material or technical resources, because they can be exchanged, manipulated, used, withdrawn or purchased at the company's convenience.

When dealing with human resources, the mechanism must be very different from the one used with other non-tangible resources. The human being is a living, changing, emotional being who needs certain expectations in order to be able to work in accordance with what is required of him. Therefore, especially relevant to take into

account when working with human resources are aspects such as motivation, achieved through recognition of work or, for example, increased confidence and even promotion to higher positions; incentives, whether economic or not measurable in money; the work environment, based on companionship, ethical and professional behavior, without threats or coercion, blackmail, work overload or attribution of functions that do not belong to their position. In short, it is crucial to understand that the worker has basic needs that cannot be ignored, and that, normally, the more support, training and care given to a member of the company, the better the results they will provide.

# 2.3 Capabilities

As mentioned above, it is not resources by themselves that generate competitive advantage, but rather they need to follow organizational routines (Nelson, 1982), which are defined as the patterns that activities follow to create capabilities, and an appropriate and planned direction to provide value, and they will do so by generating what are known as capabilities. Capabilities are the way in which the resources available to the company are used efficiently and effectively. A difference that marks these concepts is that, frequently, resources can be seen: machinery, workers, financing; while capabilities are intangible and abstract concepts mainly: innovation or marketing, for example. These are obtained through a union between resources and behaviors that result in a skill that makes a difference.

Again, the analysis of capabilities is as important as that of resources. A correct analysis of these capabilities must be carried out to approximate a realistic advantage, since an incorrect assessment of capabilities can lead to an incorrect way of determining strategy. It is interesting to link capabilities to three main characteristics:

- There is a direct relationship between resources and capabilities that is impossible to ignore. Resources give rise to capabilities, so it is inconceivable to consider the concepts individually. For this reason, it is desirable for the company to have abundant and advantageous resources, since the chances of more and better capabilities emerging are high.
- Experience plays an important role in the existence of capabilities. Capabilities
  are generated at a particular point in time, but can be refined over time.
  Experience is an important factor within companies, since they have more years
  of operation in the sector behind them, and therefore gives more mature
  companies an advantage over new entrants.

Capabilities are closely related to human factors and resources. It is human
capital that develops and carries them out, so that these capabilities end up
being based mainly on intangible assets, which often makes it difficult to
differentiate between what is a capability and what is an intangible resource.

To dispel doubts about when a capacity or a resource is considered a capacity or a resource, different criteria, such as stock or collectivity, have been identified. The stock criterion refers to the possession of resources as opposed to the variability or flux of capabilities (Mahoney and Pandian, 1992). While a resource can be owned or possessed, a capability is changeable and arises as a result of behaviors and utilization of the resources themselves. The criterion of collectivity refers to the individuality of people as opposed to the combination of skills and coordination of resources to give rise to capabilities.

There are no official criteria for classifying capabilities, but the ways of dividing these capabilities are interesting, as it is another way of distinguishing between resource and capability. According to many authors, there are functional capabilities and cultural capabilities; the former refer to problem solving, while the latter emphasize the importance of the values and attitudes of the people who make up the company. An example of the former can be the solution of quality problems in the production chain, and of the latter we can refer to internal beliefs of the company to carry out a better activity, such as innovation.

#### 2.4 SWOT Analysis

So that SWOT is both internal and external, it is interesting, in contrast to some extent to Barney's theory of focusing on internal resources and capabilities, to point slightly to Porter's five forces model (1982). This is a model used to evaluate the sector in which the company is active, so that it is limited to analyzing the outside and everything surrounding the organization, while Barney and the resource-based view theory point out the importance of the company's success coming from within with the exploitation of internal resources and capabilities. However, since the success of the company is a mixture of internal and external factors, it should be emphasized that external factors influence the company, its activity and its results, so that Porter's model, which includes the aspects of potential competitors, the existence of substitute products, the

bargaining power of consumers and suppliers, and the competitors already existing in the sector, should not be ignored when acting.

In the same way that Porter's analysis is briefly mentioned, reference should also be made to PESTEL analysis, from the perspective that all three types (Porter, PESTEL, SWOT) are external analyses, although SWOT combines it with the internal. The PESTEL analysis, far from Porter's work, analyzes the company's environment in six aspects, as its name indicates: political, economic, social, technological, legal and environmental. The first two fields are usually analyzed together, and refer to the country's level of development, the unemployment rate, inflation or recession, the policy implemented in the country or its poverty; the social aspect takes into account aspects such as the country's culture, the religions that cohabit, the social levels or beliefs of the country; the technological sphere refers to the country's level of progress, access to more developed resources or people's knowledge of them; the legal factor refers to the country's laws, and from there the company must know within which frameworks it can operate to maintain respect for legality; finally, with regard to the environment, aspects such as climate change, recycling, respect for the environment, pollution, among others, are taken into account, as well as the belief and respect that citizens have for it.

SWOT analysis (Hernández, 2012) is a tool used by companies to assess the components that make up the acronym: strengths, weaknesses, opportunities and threats. It is a widely used and fundamental method to identify external market threats and opportunities, as well as the company's internal strengths and weaknesses, and thus be able to understand its position in the market and act accordingly, making decisions or implementing organizational changes. Although it is a framework that also takes into account the organization's environment and studies the company's competitive position in the market, it should not be overlooked that it is used in the same way to know and determine internal factors, both present and future, and will evaluate factors such as strategy, the level of leadership and management, the human capital components that make up the company or resources, among others.

This type of analysis is necessary to take into account the aforementioned aspects, and it is important to dedicate the necessary time to its study, since an incorrect, deviated or inaccurate analysis can lead to negative results for the company when facing obstacles or taking into account opportunities that have qualified to a greater extent, or vice versa. It is also especially relevant because the SWOT analysis is the

final part of the strategic analysis, culminating with the internal and external study of the company, which may lead to a better or worse development of the chosen strategy.

With respect to the subject matter of this research, the emphasis will be on the internal part of the study. Although threats and opportunities are of great relevance, the company has greater control over strengths and weaknesses.

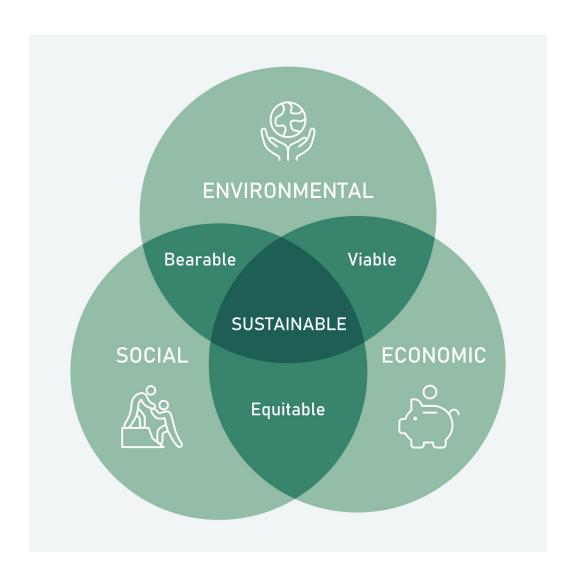
- Strengths: this section is based on the company's strengths compared to others. What makes the company different from others and what makes it strong? These refer to the positive aspects, the things that the company does particularly well compared to other companies and that give it a certain competitive advantage. Identifying strengths is vital, as they can form the basis for determining the company's business strategy. Good financing, innovation or a loyal customer base add strength to the analysis.
- Weaknesses: Weaknesses help to identify, conversely, which processes, resources or capabilities do not work as they should and leave the organization at a disadvantage compared to the competition. These are mainly things that the company is doing wrong or is missing, and if the weaknesses are not corrected, positive results will not come. It depends, of course, on the level of impact that these weaknesses have on the company's activity and results, but it is important to control and correct any negative deviations so that they do not continue over time and have unexpected and negative effects in the future. As mentioned in material resources, it is important to invest in machinery so that it does not become obsolete and actively participates in the company's innovation, or the organization will be left behind in a constantly changing and updating society.
- Opportunities: in contrast to threats, opportunities have been described as
  aspects that positively affect the company's activity and make it increasingly
  attractive to participate in this sector. For example, the disappearance of
  competitors, the reduction or elimination of trade barriers with commercially
  attractive countries and the possibility of lower production costs.
- Threats: Threats include aspects that the company cannot control but will most likely face, such as the entry of new competitors in the industry, economic recessions, increased power of suppliers or consumers, the appearance of substitute products, among others. These are events that are difficult for the company to regulate, since they are out of its hands, but with foresight, studies and analysis, organizations will be able to cope with them. They are mainly factors that have been qualified as negative by the company when they have

been identified and that cause a decrease in the interest in the sector or industry where it operates.

# 2.5 Sustainability

The concept of sustainability has been shaped generation after generation to take on the meaning it has today. It is a movement that seeks to protect the planet from different angles: economic, social and, above all, environmental, and to ensure a balance between the three aspects. Economic sustainability seeks to make environmental and social development profitable; social sustainability seeks stability and balance in the population; and environmental sustainability seeks to conserve the planet's biodiversity without compromising the progress of the other two aspects (Sánchez, year not determined). The aim is to meet current development and needs without endangering the resources of future generations. Figure 1 provides more information.

Figure 1. Three pillars of sustainability.



Source: SNC-Lavalin (WHAT DO THE THREE PILLARS OF SUSTAINABILITY MEAN FOR THE BUILT ENVIRONMENT?)

Sustainability as it is currently known has its origin in the Brundtland Report (Sánchez, year not determined), signed by several UN countries in 1987. It is named after Dr. Gro Harlem Brundtland, who led the commission that first used the term, and which arose from the need to investigate and, in turn, place a limit on human activities due to the impact they cause on the environment. Thus, although the notion of sustainable development has been around for years, it is relatively young. It is really in the 1970s that the term is being introduced, when Malthus (1978) presents his article Essay on the Principle of Population and already refers to a population growth greater than the expansion of resources. This means that there are more people in the world than resources available to them, and while it is relatively easy to increase the birth rate, resources are neither unlimited nor sufficient for everyone if growth continues to

increase exponentially. Rapid regeneration of resources is not possible and this endangers the present and future of the planet.

In 1969, many African countries signed an official document in which the term sustainable development appeared, and in the same year in America the EPA, Environmental Policy Act, was born and contained a definition of sustainable development: "economic development that can bring benefits to present and future generations without harming the resources or biological organisms on the planet". These have acted as precursors to Brundtland, which ultimately has been the one that has given sustainability the most importance and the main responsible for its global diffusion. In spite of the various definitions that have been given to sustainability, the problems to be faced continue to be the same, even more and more serious, and little by little we are reaching the conclusion that these are global problems that must be faced by all of us.

Although the focus of research and problems is on the environment and biodiversity, it is also relevant to mention the social and economic spheres. The social aspect refers to the existence of a certain balance between economic growth, social equality and environmental conservation. It seeks the inclusion of the entire population and the achievement of a certain social cohesion, trying not to compromise the needs of future generations in order to maintain the current ones. In this sense, what are known as Sustainable Development Goals have gained importance, seventeen purposes that emerged from the UN General Assembly in 2015, and that have premises such as "ensuring inclusive education", "achieving gender equality" or "taking urgent action to combat climate change and its effects", among others. The main idea that social sustainability seeks to instill is that these problems must be tackled cohesively and as a whole, and as a result, more and more companies are deciding to adopt a more socially responsible stance. There are many ways to gradually achieve socially sustainable development, such as the implementation of living wages, the elimination of discrimination, the encouragement of circular economies or reuse and recycling.

On the other hand, economic sustainability consists of a set of principles, measures, decision-making and business practices that seek to minimize the historical impact of economic activity on the environment. This can be approached from different angles: either reducing the depletion of the resources provided by nature, or reducing the emissions of companies and other large organizations that, compared to the rest of the

population, contribute more to the growth of the climate crisis. The key idea is to maintain current resources and avoid their consumption.

The economic aspect of sustainability has undergone an expansion in recent years, achieved by a greater social awareness given the effects that are already being experienced in everyday life. Businesses are not lagging behind, and they are adopting policies to favor the stability of sustainability and recognize the importance it acquires for reasons such as the following (Krugman, 2022):

- The survival and longevity of the global economy, summarized in that harmful practices must cease, as the resources available are not infinite. New processes and new ways of operating in the marketplace are needed to ensure sustainability and the survival of future generations.
- The conservation of what is known as human life. The consequences of human actions that have caused climate change have taken their toll on the planet, changing its living conditions in unsuspected ways and, in some ways, almost considered irreversible. There is still an opportunity to inhabit a better planet by adopting more sustainable practices, such as limiting the use of natural resources.

The generation of an environment sufficiently prepared for the change that economic sustainability seeks to bring about will only be possible with the collaboration of companies and the population. Each sector must contribute its grain of sand, applying measures proportional to its activity, both the public and private sectors. On a personal level, consumers can decide to donate their money to organizations with which they share sustainable values, or to collaborate with causes that help to improve the situation. Social awareness is growing, so that policy is even progressively including sustainable measures that would have been unthinkable in the past. In conclusion, this is a social movement that needs global support and collaboration, for only in this way can the consequences that are looming over life as we know it be addressed and environmental sustainability be achieved.

Finally, sustainability as we know it, environmental sustainability, occupies a much more widespread position in people's minds and is understood as everyone's responsibility to care for and maintain nature's resources and protect biodiversity to ensure present and future well-being. It is a long process, since climate change, resource scarcity or the eradication of species are the result of decisions that have been made over many years in a constant and careless manner. The effects are seen

over the long term, so not everyone has started to care until the very negative consequences are becoming apparent.

From a business point of view, companies have an obvious responsibility behind them that they must live up to. They are expected to implement sustainable and socially responsible practices and to align their business objectives with these measures. A balance must be found between the benefits of business, both economic and social, and the benefit of society and the planet environmentally speaking. Companies that care about sustainability are the future, and it is becoming a priority for more and more companies, regardless of their size, as they discover the best ways to combine their profitability with the benefit of all.

Nevertheless, it can sometimes be presumed that companies use the premise of sustainability to improve their bottom line as well, and this is not entirely wrong. Consumers are increasingly looking for companies that provide them with sustainable products, as well as sustainable ways of creating them, and companies, aware of this, can leverage sustainable development as a competitive advantage, something that comes from the ability of organizations to implement customer demand in balance with listening to what the planet demands. Sustainability becomes a distinctive capability especially when it enhances a company's reputation and image. This attracts more investment, more loyal customers, greater employee engagement and reduced costs.

#### 2.6 What resources and capabilities help reach sustainability and how?

A key point for the company's success is the optimal use of the **resources** and capabilities it possesses. It does not matter how similar they are to those of another company, because it will be the way they are combined in a specific organization where the results will lie. In this way, what is intended to be referred to at this point is the mention of how resources and capabilities can help to achieve greater sustainability and, specifically, which ones would be the most appropriate for this purpose.

As has been mentioned in previous sections, the resources that a company possesses are divided into tangible and intangible and, within them, the classification chosen has been financial, material, technical and human; while capabilities arise through the continued use of these resources, and are usually related to abstract concepts that cannot be possessed. Thus, if companies want to implement increasingly sustainable

practices in their activity, they should first look at the resources they possess and whether they are compatible with what they are looking for.

- Financial resources: although at first glance it may seem that financial resources cannot contribute much to sustainable development, it is necessary to highlight how proper management of financing, or simply the presence of significant financial sources, can help. Proper management can mean less loss and waste of resources, and greater savings, as well as the possibility of greater investment to contribute to sustainability. Thus, what seems like a large initial outlay at first may turn into a long-term investment in, for example, the installation of solar panels that will result in lower electricity consumption and greater confidence in the use of renewable energies. Another example could be the investment in electric cars within a company's transport, to reduce pollution and use more sustainable sources.
- Material resources: this aspect is especially relevant in the construction sector, which now has increasingly sustainable materials that advocate a better life that does not affect ecosystems. The resources increasingly used in favor of greater sustainability are wood, cork, wool, bamboo, and even natural paint. To be considered sustainable, the first of these must come from sources where the trees are replanted, but it offers advantages such as insulation, which translates into less electricity use with heating or air conditioning. Another point in favor of using wool as a material is that it comes from totally natural sources and is inexhaustible. Bamboo is used more in the African and Asian continents, although it also has resistant and insulating properties, and its rapid growth helps repopulation. Finally, if the paint comes from natural sources, it helps sustainability to the extent that it contributes to the non-pollution of the air breathed by living beings and its biodegradable characteristics.

In short, it would be the use of materials that involve a reduction of natural and often non-renewable resources, that can be recycled or reused and contribute as little as possible to the pollution of the environment.

 Technical resources: we often refer to technology when we talk about technical resources, and technology is increasingly updated in terms of sustainability, progressively minimizing the impact on the environment. They consume less energy, reduce their use of limited sources and consequently reduce the use of natural resources. Examples of technical resources include virtual reality machines, business intelligence or artificial intelligence. The former contribute more to social sustainability, ensuring greater opportunities, for example, for education. Business intelligence can be an example of economic sustainability, contributing to the optimization of decisions and making them less wasteful and more successful. The last of these tools allows companies to spend fewer resources on obtaining data, so they are also considered sustainable.

• Human resources: we could consider human resources as the most important factor within a company. Many organizations focus on achieving sustainability projected towards their product and citizenship, but forget to take care of what they have inside, since they focus their efforts on the organization's community rather than on the welfare of employees (Baselga, 2021). Companies are increasingly looking for employees who are more harmonious in their thinking about sustainability, and the same is true for workers: sustainability is on the rise among job seekers and job offerers.

The sustainability of the company must start from the inside, and that applies mainly to human resources. The social sustainability section would be the most prominent, focusing on activities such as non-discrimination, gender equality, equal pay, quality and equitable training, the possibility of internal promotion or a suitable working environment, among others. Thus, for their part, workers will pay in kind. They will be more motivated to practice the company's philosophy, with which they will feel identified if it is properly communicated, which will benefit the organization externally, since the human factor is responsible for being the company to others: social networks, conferences, word of mouth in the street, representation in other companies, and so on.

In short, if the human resource is provided with the right tools, it will respond to this treatment in the same way.

On the other hand, the capacities that most help to achieve sustainability may be:

Organizational and managerial capacity: without a good base that is the one
that preaches the example of sustainability that you want to project, the beliefs
of your own employees, suppliers or other collaborators with the cause cannot
happen. Clarity, leadership, motivation and the actual practice of sustainable
activities will depend on this hierarchy.

- The capacity to coordinate through organizational culture: as with the previous capability, without a united and clear culture, all those involved in the organization will not be able to thrive. It takes a cooperative path, harmony and everyone pulling in the same direction for sustainability to thrive in all its facets.
- Marketing capacity: as is the case in most large companies nowadays, marketing is essential to be able to make its activity known to all sectors of the population. TV commercials, radio spots, advertising spots or social networks are different ways of using marketing to reach the maximum possible population, and the use of these tools can give an important boost to such a current issue as sustainability. All consumers of services where business marketing is reproduced receive the message, and marketing can be essential to connect the company with those users who feel identified with the message of sustainability or achieve greater social awareness.
- Innovation capacity: more and more traditional methods are being pushed aside to make use of more modern tools, and innovation is what makes this possible. New ways of producing, new ways of communicating, new ways of thinking and transmitting, are what can lead to greater sustainability. Machines that use less energy, strategies that reduce pollution, communication and practices that lead to social equity and citizen collaboration in certain initiatives or new materials that mean greater care for the environment are proof that innovation rows in favor of sustainability.

#### 3. CASE STUDY: IKEA

#### 3.1 The importance of case studies

Before we dive into the IKEA case, it is important to note that what follows is a case study of the Swedish company. Several authors have given their explanation of what this type of research is: "a research strategy comprising all methods with the logic of incorporating into the design specific approaches to data collection and data analysis" (Yin, 1994); "a comprehensive and intensive examination of a facet, issue or perhaps events taking place in a geographical setting over time" (Denny, 1999) or "a methodological strategy for research design" (Wolcott, 1999). In short, we can draw from these definitions that it is a study that has behind it a research used to understand the different aspects that are exposed in the work.

Historically, the validity of this type of research has been discredited; however, it has been mainly at the hands of the scientific perspective. On the other hand, it has been supported by many authors, such as Blumer or Znaniecki, but the figure who has had the greatest transcendence in supporting the case studies has been Robert Yin. Yin presents the possibility of case studies when the main questions are "how? why?", when the person conducting the research does not have dominant control over the content of the research, and when the study takes place in a real setting or context. It also helps to answer the question "when is it appropriate to conduct a case study?", and there are at least three types of case studies introduced by Yin: exploratory, descriptive or explanatory cases. The case we will discuss below belongs to the last category, since it is the most appropriate for answering the questions mentioned above.

To this end, we divide the research into five steps (Rovira, 2018):

- We select the case, in this case it will be IKEA. We want to study its resources, capabilities and how these can help achieve the sustainability for which the company is known worldwide. In principle there will not be an issue to be addressed, but the conclusions will be presented at the end.
- The main questions to be answered by this research will be what are IKEA's resources and capabilities and, furthermore, what is the combination of these that can result in greater sustainability.
- Location of the sources from which we will extract the relevant information, which are indicated in the final part of this document, among which we contemplate virtual articles, books, magazines or interviews.
- Analysis and interpretation of the research results, which is what will be presented in the following section.
- Finally, the case study, written in the form of this document, is elaborated.

Finally, the information contained in the entire IKEA case is taken from its own website, sustainability-related pages and articles from the company itself.

#### 3.2 History

It is difficult to find someone who has not talked about the famous company IKEA, and hardly we have not bought their products, and is that the brand, far from starting reaching hundreds of countries and millions of homes, began in a small town in

Sweden called Älmhult, where it still retains its headquarters. Ingvar Kamprad, its founder, was only seventeen years old when he started the activity that would lead to what we know today as IKEA. At that time, in 1943, it was dedicated to the sale of products such as wallets, purses or picture frames, because it was a Swedish region with few resources, and its inhabitants had to live with what they could. Precisely because of this, the region has a reputation for tackling everyday problems with practical and simple solutions, which is the legacy that was left to IKEA and is still being put into practice today.

Due to limited resources, the prices Ingvar set were perhaps too low, leading people to doubt the quality of the products he sold. Determined to change this perception, he decided to invest in a place to display his products, so that the neighbors could use and try them before buying them, and therefore be satisfied with their quality before selling them. Ingvar's products start in 1948 as part of a furniture store, where he designs and creates the products himself, studies their assembly and uses catalogs to reach the maximum number of people.

However, the assembly of this studio indirectly brings negative consequences for the business. The low prices won over customers, who saw the value for money as good value for money, and the main competitor at the time began to see IKEA as a new and aggressive competitor. Other manufacturers in the industry exerted strong pressure on the IKEA founder, banning him from trade fairs and acting with coercion and threats, causing many of the manufacturers to give in and stop collaborating with Ingvar. This led to hard times for the Swedish company. The few manufacturers and suppliers who had decided to act loyally towards Ingvar had to continue to operate clandestinely, as if it were illegal.

Even so, Ingvar did not give up, and the continuous attempts to boycott his company only revitalized his desire to continue growing. Thus was born his idea of designing his own furniture, reinventing himself and operating with new ideas that achieved a certain market power. With all the successive improvements over the next few years, IKEA became the brand we know today. As a result of the success, mainly in the 1960s, stores began to open all over Scandinavia, and later in Europe and North America, but it is especially in the 1990s that the Swedish brand's famed commitment to sustainability and environmentalism begins.

#### 3.3 Resources and capabilities

IKEA's vision promises a better everyday life for people. A visit to any of its stores already portends ease of shopping for furniture, entertainment for the whole family, with spaces for children and a fun and practical route to observe the furniture on display and make a full investigation of their needs, both economic and products. IKEA is characterized by optimism, enthusiasm, excitement, innovation and the relentless pursuit of creating new ways to reinvent products to increasingly meet the demands of its customers' needs. It draws attention to the brand's desire to provide a better life for people, without referring exclusively to customers, but also to collaborators and the community in general. Here begins the first of the clues they give about their ongoing mission to incorporate sustainability into their business.

Their business idea is quite simple: to create an extensive mix of furniture, home furnishings and other items that are both practical and well-designed, fit our needs and cost as little as possible in order to make IKEA accessible to more and more people. To reduce costs, IKEA has it clear: it must produce in large quantities, although this is not a problem for them, as in 2021 alone it already had a turnover of more than 1.6 billion euros. They spend less on warehousing, logistics and transport, reducing costs and offering affordable prices for the majority.

The values that underpin IKEA's corporate culture and global workforce are a large part of the resources and capabilities that characterize the Swedish company. They base their culture on inclusiveness, enthusiasm, honesty and other ethical values. In this way, their values become a great competitive advantage, forming a set of resources and capabilities not easily accessible to other large companies:

- The links and union: a key point is the trust in others, collaboration and counting on each other in all dimensions of work.
- Looking after the well-being of society and our planet: IKEA is committed to
  environmental, economic and social sustainability, knowing that it has the power
  in its hands to bring about positive change in today's society. It implements
  sustainable development practices, such as giving old furniture a second
  chance.
- Careful cost perception: IKEA is constantly changing and challenging itself to
  ensure that the products it sells are accessible to the majority, believing that a
  home should be affordable as well as beautiful. They strive to lower costs so

- that everyone can afford to buy their furniture, without compromising the quality of the furniture in the process.
- Simplicity, humility, naturalness: since its origins, the company counts humility among its main characteristics. They maintain the practical and relaxed vision of their early days, and this, combined with their simple and functional designs, gives them great value.
- Transform and progressively improve: as mentioned above, the company struggles with itself to renew itself, both in its design and creation of furniture and in the way it presents itself to the public. IKEA has an admirable brand image, inspired by its commitment to society and its ethical and professional practices.
- They are different from others: IKEA is different, and aims to be different. It
  doesn't settle for the bare minimum, risks getting it wrong, and is resilient if it
  doesn't succeed. The Swedish company has been primarily cost-driven since its
  inception, and it is a legacy it maintains today.
- Trusting responsibility and taking responsibility: it is a crucial point that people
  take power at IKEA. You want them to accept responsibility, to make mistakes if
  they have to, but to accept the growth that comes with it, and to know how to
  fight through adversity. Confidence is a key element for self-improvement and
  better work.
- Be the example: IKEA looks for people's values and attitudes before the experience they have or all the things they know how to do. Motivation, willingness to learn, professionalism and enthusiasm to bring something new to the company are important. They want the best version of themselves, and that this helps others to be able to do the same. Finally, leadership is considered much more important than direction or management.

# 3.3.1 Tangible resources

As mentioned in the initial part of the paper, resources are divided into tangible and intangible resources, and consequently into the following subcategories. Tangible resources are those that are mainly material and financial. Among the tangible resources, the most important is the large number of stores and warehouses it owns around the world.

In Figure 2 we can see that its global presence predominated in Europe, followed by North America, Asia and Australia, respectively. The 2017 data contained a total of 355

stores. However, the resources are growing every year: January 2022 data already count 18 stores in Spain, receiving more than 40 million visitors per year, and 423 stores worldwide.

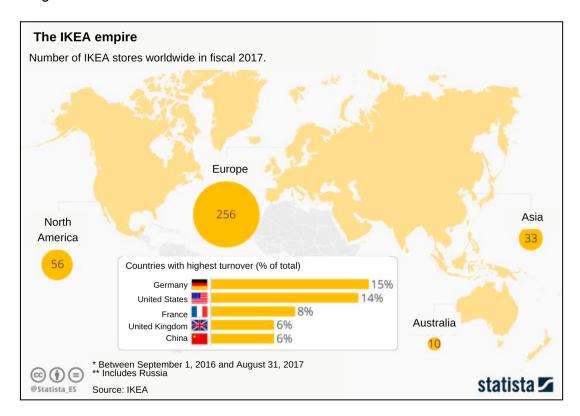


Figure 2. IKEA stores worldwide.

Source: Statista.

In 2021, IKEA reached 41.9 billion euros at the close of its fiscal year, in August, increasing compared to the previous year, the year of the pandemic, and more slightly from the year before it. According to its own website, today in Spain they have a turnover of 1,682 million euros, of which 47.5 million belong to the turnover of IKEA Food, while in the world, the turnover of the last fiscal year (2021) was 37.4 billion euros in the 30 markets where it operates.

# 3.3.2 Intangible resources

On the other hand, we already know that intangible resources are largely human resources, and to a certain extent also some of those mentioned above as technical: any program, skill or business or IT capacity that cannot be touched and that provides the company with extra knowledge, such as know-how. Within the intangible resources

of a company we can also classify the power of the brand, the reputation it has or the perception that consumers have of it.

Within human resources, we highlight that IKEA, at the close of its last fiscal year in 2021, had 9,854 workers in Spain alone, representing an increase of workers by almost 1,000 over the previous year. In 2015, globally it employed 155,000 people, in 2020 217,000, while in 2022 they already employ approximately 231,000.

In an interview with IKEA Ibérica's Director of People and Culture, Enrique Puig, there are illuminating details of what IKEA looks for in its employees and what they expect from them. In it, it is established how one of the main values of the Swedish company in the search for workers is not to see them as what they have to give, but as what they have and what they do well. This gives employees the confidence to develop their skills and abilities, what they are really good at, and brings a further competitive edge to the company. To uncover employees' talents, the role of managers is crucial. They manage work teams, and can detect where and when a person performs better or worse, and where they feel more comfortable working, which implies that the discovery of this talent is a fact that takes place every day, and not only through a job interview. Thus, in these interviews, what they are looking for is the person themselves, not what they have behind them; in other words, they are looking for people who can contribute what the company needs, and share the values they have, and not just their knowledge or experience. In short, they are looking for people who are in tune with IKEA in terms of values.

And, as it turns out, the working environment at IKEA is admirable. They are on the list of companies where people would like to work, with an inclusive and egalitarian environment, the training provided to employees and the real possibilities for career development. Employees highlight the work environment, the camaraderie, the closeness to others and the relationships with both boss and colleagues. IKEA also offers unlimited opportunities for development and provides training for those who want it, as internal promotion is very important for the company. Training is given every year, and more and more employees decide to give it a try: safety, values, codes of conduct, or, on the other hand, training on a specific topic. Individual stores have training programs to meet the needs of that specific store, and later, on a national basis, they also have training available to anyone who requires it.

In short, IKEA's human resources are characterized by trust, commitment, talent, teamwork and tenacity. As Enrique Puig says, the mix of effort and talent is what makes them better.

In terms of technological and branding resources, as we could call it, IKEA has the website as its main resource. This is evidenced by exceeding 4 billion visits to the www.ikea.com website in 2020. And if there were still any doubts about the perception of IKEA in the world, the Swedish company is positioned in the seventh position of global companies in 2019, taking into account values such as the impression it leaves on the public, quality, value, satisfaction, recommendation and reputation. In addition, in 2022, Byte Level Research ranks it eighth in the world in terms of best websites globally; Reputation Institute ranks it 52nd in terms of top 100 global reputation; it is ninth in the top sustainable brands in The Netherlands by Sustainable Brand Index; number 20 in terms of most valuable European brands by Brand Finance; and, finally, it is ranked 8th in Top 50 Global Retailers, rated by NRF.

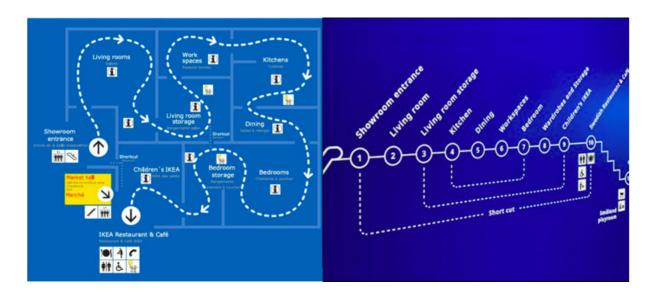
#### 3.3.3 Capabilities

IKEA has a large number of capabilities, among which the following will be emphasized:

- The capacity in distribution and design of its stores: if we have set foot inside a traditional IKEA store, we know that it is organized so that we buy as much as possible and, thus, the company itself maximizes profits. Shelves full of objects that economically do not have much value but seem to help us in our daily lives, such as backpacks, bags to store clothes or children's toys; kitchen scenarios, bedrooms, dining rooms, bathrooms and even terraces that make you think you need something you did not know so far; and even the sale of food for the endless aisles are all psychological artifices to make the customer buy.
- Another psychological trick used by traditional stores has to do with the aforementioned labyrinthine aisles. Arrows pointing the way on the floor and not too conspicuous signs on the ceiling guide the journey, and very subtly indicate the existence of shortcuts that, perhaps, save us a journey we needed. Otherwise, however, we will follow the established path, stopping to look at items we would not have noticed before, walking in a relentless zigzag and seeing hundreds of products that were not a primary need but become one, and so engrossed in the low prices and variety of furniture that we miss the

shortcuts that lead us to the exit sooner. In Figure 3 we see the change from the traditional path to a more novel one, with somewhat clearer signage.

Figure 3. Old and new IKEA map.



Source: IKEA map.

This phenomenon of compulsive shopping and the customer's guide to it is known as the Gruen effect, one of the first architects to design shopping malls in the United States.

Capacity in Organizational Culture, Initiatives and Values: How we do things at IKEA (Dahlvig, 2012) highlights how aspects such as strategy, capabilities and other factors that help the Swedish company grow are developed. As it is directly extracted from his book, "Companies that include a social ambition in their vision statement and fulfill it will improve their profits because they will gain the respect and trust of society as a whole and will be more competitive in the labor market", and IKEA is known worldwide for its commitment to society and the environment. Already its business vision is presented to the world as the desire to improve the daily lives of most people, and no wonder. Its founder, Ingvar Kamprad, explained that nice things are expensive and made for rich people, so he set out to lower prices, thus adopting the competitive strategy he follows today, and also to make it easier for customers so that they themselves are able to assemble the furniture they have bought. Adopting this strategy

provides a motivational boost and a source of encouragement for the company's employees.

It is also important to refer to IKEA's corporate culture. The Swedish company creates its own values, beliefs and benchmarks for action, creating solidarity, camaraderie, trust, confidence and commitment, all of which cooperate to achieve business success. If the culture is easy to join and can be trusted, it gives employees a sense of belonging, creating quality working relationships and providing a better environment in which to operate. If the culture is ethical and free of corruption, this will guide them away from fraud and other ethically reprehensible behavior.

At IKEA, as discussed earlier in the introduction of their resources and capabilities, they know they are different and dare to be different. In addition to adopting a strategy of lowering costs to allow people more affordable access to their products, IKEA is committed to innovation and creativity, providing new solutions to problems and needs that require a different point of view.

The ability in advertising and marketing: IKEA has dozens of commercials and advertising campaigns that, as usual, appeal to feelings while trying to sell their product. The newest of them is entitled "Let play unwind your mind", an advertising spot showing the effects of teleworking on a family, convincing the mother to take a break and, of course, use IKEA materials to play with her husband and daughter, such as a table, crayons to paint or hopscotch. The message is clear and easy to understand, it is short, the special effects are good and the lighting is attractive.

Another of the most outstanding ads originates from IKEA Spain, entitled "The power of order". It shows a calm family, living together in harmony and where IKEA things in the home make everyday life easier. However, it is time to go out, and the mother, upon opening the door, is confronted with the chaos of going outside. IKEA aims to show the calm atmosphere that can be achieved with its products, which helps to cope with everyday life outside. It achieves this through well-organized shots and soft music, which is intensified when the actress leaves the house.

Ads and campaigns about confinement did not lag behind when it came to appeal to our feelings and make us feel part of a whole. Thus, in March 2020 IKEA launches the ad "Your home has something to tell you", with the slogan "I stay at home", conveying a message from our homes addressed to ourselves, making us see them as the place

where we have grown up, where our children will grow up, where we have lived good times and have taken refuge from the bad ones. The scenes are from everyday life but emotional considering the health context of the moment. Once again, IKEA achieves its unifying purpose.

# 3.4 IKEA's SWOT analysis

#### **STRENGTHS**

- The first strength that should appear is the reputation and strength of the IKEA brand. Over time it has been positioning itself in the market, but in recent years it has been rated in the most important rankings as a sustainable company, company with the best website design and usability, company with the best reputation or also placed among the best globally recognized companies. Whether it is for its social and sustainable practices, its innovative designs, its competitive and affordable prices for most people, that IKEA has become a reputable furniture company is an undeniable fact.
- IKEA stores have coffee shops or bistros inside, which, combined with the fact
  that most of the stores are out of town given their infrastructure and size, makes
  customers rest and decide to try the kitchen service. This helps IKEA increase
  profits, and is also a more convenient option for everyone who decides to visit
  the stores.
- They produce quickly and in a standardized way, despite the varied product portfolio. This helps to increase productivity and decrease the costs they may incur.
- It has an incredible global expansion, with a presence mainly in Europe, North America and Asia. The number of global stores is growing year after year, with the promise of opening new stores in Latin American locations. Such is their impact that, as mentioned above, they receive more than 40 million visitors a year, and last year they closed their financial year with almost 42 billion euros in revenue.
- IKEA's advertising is timely, in the sense that it evokes emotions with its ads and spots. They usually present a life at home, which evokes warmth, a sense of belonging and tranquility in the viewer.

#### **WEAKNESSES**

- The fact that the assembly of many of your products involves DIY and physical effort for customers is something that some will detect as a weakness. What was once a way for potential customers to appreciate how the product would change their outlook has now become a disadvantage and an inconvenience, especially if the customer must fork out a fee to have the furniture assembled at home. For older customers it is not the best option, nor for those who prefer not to take the risk of seeing how their furniture will look.
- What is an advantage for some is a weakness for others, and that is the layout of the stores. While many people don't mind wandering through the convoluted aisles, following arrows and amusing themselves with the products they see, others prefer to get straight to the point and try to find the product they were looking for, and if to do so they have to go to an aisle located almost at the end, the situation can become tiresome and annoying. In addition, it is the customer himself who has to know, once he reaches the end, which is the reference of his product and remember the aisle where he was.

#### **OPPORTUNITIES**

- IKEA's biggest opportunity in the social sphere is the gradual increase in public awareness of sustainability. Recycling was the first step, but now IKEA's practices incorporate easier ways to save energy or not produce as much waste in small details of its products, so its customers hardly have to make an effort to follow a more sustainable life. It is becoming increasingly clear that the world and IKEA are on the same page when it comes to the environment and sustainability.
- Even if it is referred to as a negative aspect globally speaking, the demand trends for low-priced products and the highest possible quality are increasing. Recessions, COVID shocks and subsequent inflations mean that consumers are looking for products that don't put too much strain on their pockets, and IKEA is able to deliver.
- Constant globalization is evident in the growth of online commerce. IKEA is able
  to supply the customer online, which makes the process faster than going to the
  store and the customer is happier as he/she wastes less time.

#### THREATS

- Although IKEA is an established company with an enviable reputation, it also has competition. In Spain, for example, Leroy Merlin is a close competitor. In the United States, the Wayfair brand competes almost head-to-head with IKEA, as do Walmart, Tesco and others.
- The housing crisis and real estate bubbles have led to a decline in the sale and purchase of real estate and, consequently, less demand for it.

# 3.5 IKEA's sustainability

IKEA's greatest capability, however, or at least the most distinctive and easily recognized, is sustainability. A few goals are defined, the main one being "People and Planet Positive", an initiative among which are included different objectives that will be outlined below. This practice is based on three fundamental pillars: a sustainable and healthy life, a circular production and economy and care for the environment, and a commitment based on respect and equality, bases that in a way are reminiscent of the three spheres of sustainability explained above.

Environmental

Better Life

Better life for more people

Social Economic

Figure 4. IKEA's sustainability perspective.

Source: IKEA.es

The company intends to create a sustainable business model, based on transforming a traditional way of working into a more innovative, energy efficient and natural way of working, advocating renewable and reusable. IKEA's culture, way of working and values convey everything it wants to achieve to the outside world, and they achieve this in the following ways:

- Retransmitting everything they believe in through their products. They are based on their origins, their respect for nature and the scarcity of resources.
   Caring for the planet and the people who inhabit it is one of their most important values.
- They are not afraid to take risky decisions but believe that they will be better in the medium to long term. They set big and ambitious goals, but in a certain way they will not be able to achieve them on their own, but rely on other companies and the citizens of the world to do their part and move forward with their objectives. The process of making mistakes is natural and suggestions for improvement are always welcome.
- They collaborate in creating a new and better planet, sustainably speaking.
   IKEA's cooperation, as mentioned above, with other users of the planet is open and natural. They accept that sustainability is not just one person's goal, but everyone's as a whole, and they are willing to collaborate with others to achieve it.
- Their work for positive change is not short term, but long term. Investing in resources such as new technologies, infrastructure or other measures to achieve their goals is something they know will take time to bear fruit. They are very clear that problems cannot be solved unless they are tackled at the root.

In terms of the three areas mentioned at the beginning, IKEA has set goals for each and how it wants to achieve them. Firstly, referring to healthy and sustainable living, IKEA already allows its customers to get products in its stores that are energy efficient, come from recycled materials, made from renewable energy sources, at affordable prices and for all budgets and that help to reduce energy consumption and avoid waste and therefore also help the planet and citizens. Secondly, speaking of circularity and the environment, IKEA has as its main objectives the reduction of waste and wastefulness and the conversion to a much more efficient whole, such as the use of increasingly sustainable materials, either by recycling or sourcing, or both, as well as the reduction of the carbon footprint and the reduction of pollution. Finally, in the area of equality and fair treatment, the Swedish company takes the rights of children very much into account, taking strict no-child exploitation policies to its suppliers, investing

also in projects that help their education, demanding from themselves an equal treatment at work, ensuring a fair working environment, with good conditions and promotion possibilities.

In short, IKEA tries to make the world a better, more liveable and much more sustainable place through its own business activities. Many of them need more support than they receive, and even rely on political and governmental objectives such as the Sustainable Development Goals, and set goals as far into the future as 2030. IKEA's work is recognized worldwide, and they are fighting for change every day, with small and big actions.

#### 3.5.1 Social sustainability

IKEA's social practices are very extensive, and initiatives must come from the top of the pyramid so that the rest of the employees are aware of the direction of its strategy and business activity, and thus have a clear idea of what its intentions are. It is important that people who are trained internally and acquire positions through promotion share these kinds of commitments so that the premises of responsibility and sustainability are not lost with time and promotion.

As early as the turn of the century, in 2000, IKEA set minimum requirements for its suppliers, including compliance with national laws, no forced labor or child labor among its ranks, elimination of discrimination on any grounds, a commitment to at least the minimum wage, payment for overtime, a safe and hygienic working environment, and awareness and responsibility for waste use or emissions, among others.

IKEA has become very conscious of children's issues, and cooperates with organizations such as Save the Children and UNICEF. As stated on the UNICEF website, IKEA has been a partner with the NGO for more than fifteen years, providing activities and initiatives mainly related to children, and involving both staff and customers in the process. Together they fight against child exploitation, and also have practices that improve education and ensure playtime for millions of children. With the Cuddly Toys for Education initiative, IKEA helps ensure quality education for children, and they do this by donating one euro from every cuddly toy or children's book sold in IKEA stores worldwide every November and December since 2003.

The Swedish company provides on its website a non-financial annual report, and taking 2021 as a reference, the following aspects are highlighted:

- They try to be an inclusive company, trying to provide the best possible working environment, with constant worker and consumer protection, and strive to be an inspiring environment for those who interact with IKEA.
- As part of their good governance practices, they encourage respect for human rights by providing a hotline where behavior that is not in line with the IKEA way of working can be reported; they also promote the right to collective bargaining and freedom of association for their employees by establishing a constructive dialogue with employee unions; works for the eradication of discrimination and child or forced labor, believing that everyone should have the same opportunities without discrimination of any kind and emphasizing to its suppliers the absence of child labor.
- With its social projects it has a great impact on the community where it operates. Specifically, in Valencia, it has a project called Huertos escolares, aimed at child poverty, which aims to reduce school failure in public schools. In Zaragoza, to mention another, the project is called Sueños de la infancia (Childhood Dreams), and is dedicated to fostering children's empowerment through decision-making, thus giving them a certain level of responsibility and autonomy.

In addition, IKEA also runs two particularly interesting projects in the social sphere. The first of these is called Botanisk, which seeks to encourage the creation of jobs in places where the unemployment rate crosses a worrying line. India, Thailand, Jordan and Romania are thus linked to this IKEA project, which contributes to the introduction of those most in need into the labor market. The second project is known as Ellas Lo Bordan, created to promote the inclusion of women in the labor market. All profits collected by this project go to the project's own organization in order to increase its resources so that it can continue to move forward.

# 3.5.2 Economic sustainability

IKEA's main demonstration of sustainability in this area is the circular economy. Proof of this is the inauguration and presentation of its new service, based on the sale and purchase of second-hand products, displayed in the store itself, although in a more secluded section, where customers can appreciate them as if they were new and will

be rewarded with a price reduction by reusing them, thus also reducing the waste generated each time the manufacture of new furniture occurs.

On their website they provide many facilities so that customers themselves can find out about the circular economy and decide whether they want to participate in the initiative. They give all kinds of possibilities for us to join, explaining recycling, reuse and repair, but understanding that maybe not everyone is informed enough, so IKEA explains it. They propose the elimination of waste and a constant use of the same resources, and help the customer to understand it so that it is easier for them to carry it out. That's where the practices of furniture rental and return and purchase of products come in.

One of their goals is to become a complete circular business by 2030, setting themselves the following objectives:

- Giving their customers the necessary tools to enable them to achieve, afford and transfer products in a circular way.
- The production of fully circular products.
- The use of recycled and renewable materials.
- Leadership and joining forces with other parties to achieve a circular economy through advocacy, cooperation and business partnerships.

Already in 2019, 47 million products were given a second chance, reselling up to 38 million of them and packaging the remaining 9 million to refill their shelves.

A clear example of these circular economy proposals is the sales model implemented in stores in the United Kingdom and Ireland, which has now been applied in the United States. It is called BuyBack and Resell, which will be tested in a complex in Pennsylvania in 2021, and consists of an initiative to give American IKEA Family members the opportunity to sell their furniture with little use in exchange for credit to be redeemed in the store. Only furniture in good condition and with all the accessories and tools necessary to function and be assembled will be accepted, and will be subjected to surveys to ascertain its actual condition. This will give a second chance to unused furniture, avoiding the creation of more waste and the use of greater resources, thus also giving an economic boost to the families who return it.

#### 3.5.3 Environmental sustainability

The development of environmentally sustainable practices is world famous about IKEA, and every year there are new measures that they are willing to implement and that, little by little, are bearing fruit. First, the company settled with the sustainable IKEA program, through which gives advice on how to lead a greener life, including your home, although customers must also belong to the IKEA Family club.

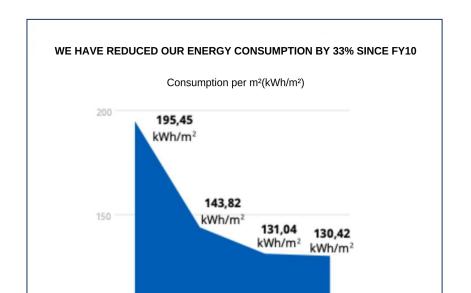
Its section on sustainability is divided, on the one hand, into the materials they use and, on the other, into the planet and people. In terms of materials, wood is the main one. It has useful qualities in terms of sustainability, such as being durable, renewable and recyclable. IKEA has long worked with the FSC, Forest Stewardship Council, to ensure the preservation and existence of forests. The woods from which IKEA manufactures its products are FSC-certified or recycled, and the way they work with them is to use resources as efficiently as possible, eliminating waste while preserving quality and durability. As well as the FSC, they have also been working with WWF since 2002 to eradicate illegal logging and encourage responsible wood marketing. Moreover, within these materials, IKEA also, in addition to furniture, sells pillows, toys or other items containing cotton, a product that since 2015 they ensure that it has its origins in increasingly sustainable sources. They try its natural production, with less harmful chemicals such as pesticides, and at the same time try to provide an increased profit to the direct supplier. This cotton-related practice has its origin in an initiative together with BCI, Better Cotton Initiative, which emerged more than ten years ago and among which IKEA is a partner along with other important organizations.

With regard to plastic, an issue that is becoming more and more the order of the day, IKEA has also taken action. As is the case with cotton, the material most used by the Swedish company is wood, but even so they also market products made of or containing plastic. Thus, IKEA has proposed a measure that reflects in its catalog: in 2030, all products containing plastic should come from sources as sustainable as possible, referring to renewable materials, or derive from already recycled products. Of course, this goal is still years away, but IKEA does not plan not to act until then: it already sells products that may be similar to the "disposable" plates and cutlery we have always known, but these are made for a more prolonged use in time, a use intended as if they were the ones we all have as tableware at home. By the beginning of 2020, they did not have any "disposable" products, and the products offered in

cafeterias will be progressively replaced with the intention of getting closer to the 2030 objectives.

At the level of responsible practices towards the planet and its citizens, IKEA has measures for practically all areas. They embed sustainability in their business and philosophy, and for this they need to lead by example: with such a sensitive issue as electricity, the Ingka Group aims to achieve a 40% reduction in electricity consumption by 2030, which IKEA Ibérica has already achieved by at least 33%. The most up-to-date data, from 2021, already shows that more use has been made of natural gas and other sustainable sources than in previous years. One of the ways in which they manage to reduce this expense is the replacement of traditional lighting with LED technology in their stores (More information in Figure 5). In addition to lighting, the Ingka Group has other goals, such as reducing the carbon footprint emitted or producing as much renewable energy as is used by 2020. In terms of carbon footprint, IKEA is aiming for two types of reductions in its contribution: 80% in its own share, and 50% in that of customers and other users associated with the company when they visit IKEA stores. The Swedish company already has renewable energy sources, such as photovoltaic or thermal, and throughout 2021 they have achieved almost 15% production of the total energy they use. It thus presents SOLSTRALE, a practice with which IKEA ensures that many people can have access to solar energy in a natural and efficient way. The process is simple, involving the installation of solar panels on the roofs of homes, an initiative that they themselves have already started, with more than 90,000 solar panels on buildings and other installations. IKEA sees the installation of solar panels as an investment in both the future and the present, emphasizing the fact of climate change, energy savings but also the economic possibility for all budgets. It is also expected that the air conditioning of its stores and outlets in general by 2030 will be achieved with renewable sources.

Figure 5. How IKEA has reduced its electricity consumption.



Source: IKEA.es

In addition, as mentioned above in terms of materials, IKEA is very aware of the resources available to us and always aims for a sustainable use of them. Especially in Spain, where drought at certain times of the year is perceived progressively over time, IKEA has measures for rainwater harvesting, and all wastewater created by production processes or services goes through appropriate channeling systems and is subjected to controls to detect spills. Further, the company launches water-saving initiatives, such as introducing shower, bath and other accessory products that consume less water or help reduce water use while in use, or encouraging the use of reusable bottles in which water from natural sources can be refilled instead of constantly buying new full bottles. On the other hand, the Swedish company is launching a food alternative, taking into account both the needs of part of its clientele and the consumption of meat and vegetables on the planet. All types of food served, regardless of the time of diets, require certain quality standards that also guarantee animal welfare. Finally, a large percentage of the food served is sourced locally.

# 3.6 What resources and capabilities have helped IKEA achieve sustainability?

Applying to IKEA's case study the section previously referred to in a general way to how a company's **resources** and capabilities can help the development of a sustainable activity, the following aspects will be highlighted:

- Financial resources: thanks to the amounts of money raised in 2021 and previous years, data that have been mentioned in previous sections, IKEA has managed to disburse large sums of money earmarked for social causes, among which we find the work of UNICEF, which corroborates that the amounts between 2000 and 2015 amount to 180 million dollars. The cause it supports in this case is social inequality in children and women in India, wanting to improve the living conditions in which they find themselves.
- Material resources: as mentioned above, IKEA aims to work with materials that
  are as sustainable as possible, whether they come from recycled products or
  renewable sources, and working with suppliers that are in tune with its
  philosophy is key to this. Wood, cotton and plastic are among its most
  commonly used materials.
- Technical resources: among IKEA's technical resources it is important to highlight the procedures they use for the value chain, as well as the know-how of the company and its workers. The former has helped sustainability to some extent by providing sustainable and less polluting materials, hiring staff fairly and without discrimination, dealing with suppliers with similar philosophy in terms of sustainability, operations with machinery that works with renewable energies and the services provided in the same store, counting with charging points for electric cars with 100% green energy. Know-how is also related, in this sense, to the capacity of the existing IKEA organization and management: it is important that the people who run the company are informed, analyze the environment and know the best way to move towards a sustainable activity.
- Human resources: Again, human resources are an important part of the sustainability of the organization. Hiring and training employees who believe in a philosophy comparable to the one preached by IKEA is a first step in bringing sustainability to your business. Moreover, when we talk about sustainability, we are not only referring to the outside world, but also to the inside. In this sense, the Swedish company practices social sustainability with its employees, preaching non-discrimination for any reason, trust in their abilities, values of inclusion and equality, taking as a reference a work environment where everyone can thrive and choose training courses to have a real career possibility.

In terms of **capabilities**, it is necessary to take into account those that have been outlined in the previous section related to this topic, which are the organization and management of the company, organizational culture, marketing and innovation. In this way, it is very important that the company's management is the first to believe in the message it is trying to convey. IKEA restructured the positions at IKEA Spain in 2021 to make way for a more sustainable management. Thus, Monica Chao, the Swedish company's Sustainability Director, has been actively involved for years in sustainability and in the WAS (Women, Action, Sustainability) foundation, which she chairs. People who are committed to the cause make up skills that are difficult to imitate within the top management, which enables progress towards sustainable development to be made in the organization and management and in the corporate culture itself.

On the other hand, the vast majority of IKEA advertisements cover sustainability. We can highlight several of them, the first being "Activists without knowing it", where they describe everyday scenes in which, without making an effort, we take care of the environment, such as the consumption of electricity from household appliances, wasting paper or not recycling. "Change a bit for good" shows that the small, everyday actions of individual people will have a positive impact on the planet, recalling the figure of Disney Wall-E, a robot dedicated to cleaning up garbage that has been abandoned. Finally, on Earth Day IKEA launched a campaign in which a mama bear encouraged her son and husband to stop wasting resources, encouraging them to use the bicycle rather than the car, turn off the tap when consumption is not necessary, use natural light when possible and, when not, use sustainable light bulbs, all with a dash of humor.

When we talk about innovation at IKEA we are not only referring to the ways of producing or designing, but also to the way of managing, the way of communicating, the way of looking at society and the way of applying its furniture idea to the needs of its customers. IKEA took a big step in choosing sustainable materials or materials from recycled sources, reducing the consumption of natural and limited resources and producing quality products that, in turn, boosted the sustainability of the company and the consumers themselves, who get more environmentally friendly products almost without realizing it. Moreover, this is not innovation in the strict sense of the word, but IKEA's initiative to work with a multitude of non-governmental organizations, associations or social or environmental causes makes it be perceived as a different company, one that is not only concerned about profits but also about making the planet a better place to live in.

# 4. CONCLUSION, RECOMMENDATIONS TO IKEA AND LIMITATIONS

The aim of this project was to carry out an investigation into the resources and capabilities available to companies, focusing more specifically on the sustainability perspective. In the second part, where the case of IKEA is presented in depth, the main objective of this research has been achieved: to show how and with what resources and capabilities a successful company can create sustainability propositions.

Different resources and capabilities of the Swedish company have been taken into account, those considered most relevant in its activity and those that may have more relation to the famous sustainability of IKEA. The main conclusion is that IKEA more than fulfills the objectives proposed in the work, since the research behind the case study and the implementation of the sustainable strategy denote the success of IKEA in the implementation of sustainability in its activity, and proof of this are the different causes with which the company collaborates or to which it donates large amounts of money, the agreements with suppliers for the supply of sustainable materials or the internal human resources policy. The organization employs resources, such as high investment power or human resources awareness, and capabilities, such as management commitment or the way it communicates the sustainability message through advertising and marketing. IKEA demonstrates that it has a real interest in implementing practices that involve sustainable development, using its resources and capabilities in a timely manner to achieve this.

In terms of recommendations for the company, from a sustainability point of view I would consider it timely for them to open stores in Latin America, where the first stores were recently opened in Chile, and there are some openings scheduled for Colombia and Peru in 2023. It would be interesting that the recommendations and proposals for savings, sustainability and waste reduction that IKEA provides more extensively in North America and Europe also reach territories that, at the moment, do not have so much presence of the Swedish company. Another point that would be interesting to address would be conferences or talks by IKEA employees or managers in centers such as schools, colleges or universities, so that the proposals reach the new generations more closely and with closer methods.

With respect to the limitations I could have found on this work, I would have liked to have addressed many other points, such as being able to compare the sustainable activity of IKEA with the activity of another smaller company, or even that of IKEA with

another large multinational to be able to differentiate whether they would act in the same way, whether they would have different proposals, or whether the two companies would really be interested in sustainable development or would make use of greenwashing. It would also have been interesting to carry out some kind of study supported by surveys of the population asking whether they were aware of IKEA's proposals and whether, if so, they carried out any of them in their own homes, with the aim of finding out whether the communication and awareness-raising that the company is trying to achieve is bearing fruit. These limitations give rise to future lines of research to be addressed in future work on the Swedish giant.

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