

A Work Project presented as part of the requirements for the Award of a Master's Degree in  
International Management from the Nova School of Business and Economics.

**Key Factors for Sustainability Consulting –  
Enabling EU Companies to implement a Sustainability Strategy**

JANINE RAMOS DA SILVA

Work project carried out under the supervision of:

Elizabete Cardoso

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## **Abstract**

This research investigates key factors for sustainability consulting. From the analysis of literature and seventeen interviews it became apparent that the economic and environmental crises of recent years evoked additional factors for corporate sustainability transformation (ST). Next to the integration of morality and values, companies need to involve the entire ecosystem of stakeholders. The main challenge provoked by the current economic circumstances is the reluctance to invest time and resources. Thus, consultants need to elucidate the benefits and urgency of ST to managers who were identified as the most critical factor and who should embrace conscious leadership.

**Keywords:** Sustainability Consulting; Sustainability Transformation; Change Management; Strategy Implementation; Crises; Conscious Leadership

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# **1 Introduction**

## **1.1 Relevance**

We are in a time of immense challenges. Our world is facing several crises which must be tackled by sustainable development. In the Brundtland Report, the World Commission on Environment and Development of the United Nations defines sustainable development (henceforth SD) as “meet[ing] the needs of the present without compromising the ability of future generations to meet their own needs” (WCED 1987). The United Nations further specify this understanding by adopting the 2030 Agenda which sets 17 Sustainable Development Goals (henceforth SDGs), aiming to mitigate negative effects on and improve the current and future state of the economy, environment, and society (United Nations 2015). The SDGs engage the public sector and society as well as private companies which are under pressure to keep to these commitments (Schönherr and Martinuzzi 2019). Since no country will be left untouched by the challenges, the European Union (henceforth EU) also pursues the SD of economy and society by adopting the European Green Deal. The main target of this set of policies is to achieve climate neutrality by 2050 (European Commission 2019). Therefore, several regulations like the EU Taxonomy and the Corporate Sustainability Reporting Directive hold businesses accountable for measuring and reporting their environmental and social impact and for embracing sustainability transformation (henceforth ST). As the EU is further strengthening and extending those obligations, the challenge for companies to comply with those requirements is increasing (KPMG 2022a; European Commission 2022a). In addition to that, companies are also facing pressure from consumers who are concerned with the environment and consider companies responsible for making progress towards sustainability (European Commission 2022b; Šajin 2020).

Besides capturing changing consumer demand, there are other benefits when doing business sustainably, such as enhanced brand image, reduced costs, and resilience to risks and

resource scarcity. Thus, implementing sustainability offers companies the opportunity to increase their competitive advantage (Dyllick and Muff 2016; Porter and Kramer 2006).

Although new economic frameworks like the Doughnut (Raworth 2017) and the Circular Economy Model (MacArthur 2013) show how a sustainable business should look like, there are still different interpretations and levels of sustainability implementation (Landrum 2018; Cagnin, Loveridge, and Butler 2005).

## **1.2 Aim of the Thesis**

Building on this, this thesis aims to examine key factors for companies' transformation into sustainable businesses. Since regulatory requirements and consumer behavior may differ across regions, the scope of this thesis refers to companies in the EU.

## **1.3 Structure of the Thesis**

This thesis is divided into five chapters. The following chapter gives an overview of the existing literature. Particularly, after defining the term of ST, the barriers to sustainability implementation are reviewed as well as the need and success factors for change management (henceforth CM). After highlighting the importance of sustainability consulting, the chapter concludes with deriving the research questions of this thesis. In the third chapter, the research design and methodology are described. The research results are presented and discussed in chapter four while chapter five offers a conclusion and implications for theory and practice.

## **2 Literature Review**

A starting point of a transformation is a common understanding of the desired outcome (Mingay et al. 2020). Thus, the following subchapters will provide definitions of the key terms and outline the requirements for successful transformations. Moreover, the barriers to change and the role of sustainability consulting are subjects to discussion.

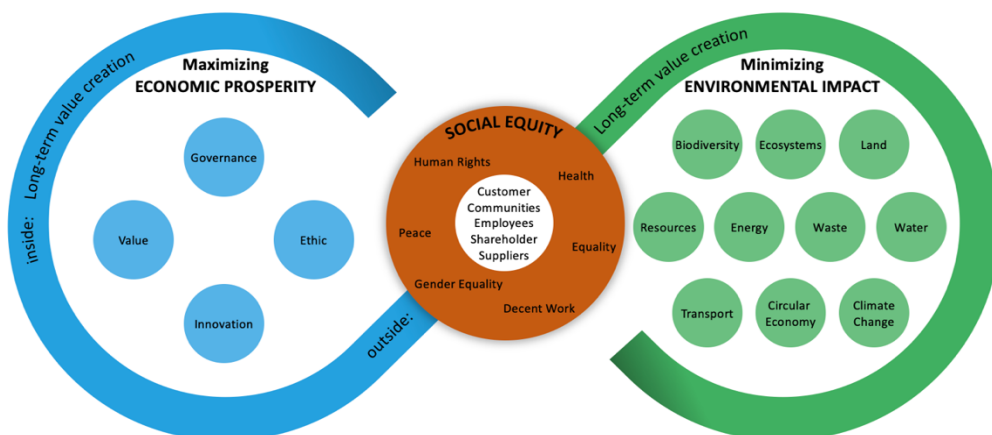
## 2.1 Sustainable Businesses

For analyzing how companies can become sustainable, it is crucial to define the meaning of business sustainability. From an examination of the literature, it becomes evident that there is no single prevalent definition. Based on the SD definition in the Brundtland Report, Meuer, Koelbel, and Hoffmann (2020) define business sustainability as a “bundle of activities [...] that contributes effectively to the welfare of current and future generations.” The Dutch Government extends the Brundtland definition by specifying that “existing environmental problems must be resolved [...] while the creation of new problems must be prevented“ (VROM 1989). This can be summarized in business activities that minimize negative outcomes and maximize positive ones. A large part of the definitions found in the literature is based on the idea that business sustainability implies pursuing environmental quality, economic prosperity, and social equity (Meuer, Koelbel, and Hoffmann 2020; ISO 2018; Bansal 2005). These three dimensions are also reflected in the SDGs (Stockholm Resilience Centre 2016) and find their origin in the triple bottom line concept of Elkington (1998) (see Appendix A, Figure A.1) which has been criticized for providing little specifications on the three dimensions and for not interconnecting them (Taticchi and Demartini 2021). A more detailed and holistic approach is the Adaptive Sustainability Framework by Stewart and Hocking (2019). As depicted in Fig.1, the concept considers socio-economic as well as environmental factors. The five subgroups *foundations*, *relations*, *inputs*, *outputs*, and *impacts* represent different interconnected areas of actions that should be examined and managed by businesses to achieve sustainability. The *foundations* subgroup refers to how a company’s internal conditions and structures enable it to tackle sustainability issues, whereas the *relations* subgroup refers to forms of stakeholder engagement. Regarding the environmental dimension, a company should analyze how its inputs and outputs can be managed to create positive impacts. However, the framework does not state clear interconnections between the different subgroups.



**Figure 1** – Adaptive Sustainability Framework (Adapted from: Stewart and Hocking 2019)

Therefore, for the further course of this thesis, the understanding of business sustainability should be based on the new conceptual model shown in Figure 2. Sustainable businesses should maximize economic prosperity while minimizing environmental impact and vice versa by taking appropriate actions in the different fields that comprise also the relevant areas for meeting the EU Taxonomy objectives (European Commission 2022a; Appendix A, Figure A.2) and SDGs (see United Nations 2015). The respective activities will impact stakeholders which in turn can also influence both the economic and the environmental dimensions. Aiming for long-term shared value creation is crucial (Rezaee 2017, 249–55; Dyllick and Muff 2016; Porter and Kramer 2006) and means that businesses do not only focus on generating profit but also on enhancing social and environmental conditions.



**Figure 2** – Holistic Corporate Sustainability Framework

As emphasized in the ISO 26000 standard, the sustainability goals and value creation approach should be integrated into the company's strategy and embedded throughout the entire organization (ISO 2018; Baya and Gruman 2011). But it is not sufficient to simply extend an existing business strategy by adding sustainability goals. A company must embrace sustainability into its core (Couper, Crawford, and Young 2017). Hence, a business transformation with the formulation of a new business purpose and strategy is required.

## **2.2 Implications of Sustainability Transformation**

Sustainability transformation implies the formulation and implementation of a sustainability strategy (Engert and Baumgartner 2016), which offers guidance and describes the actions to be taken (Rainey 2006, 181). For systematizing the institutionalization of sustainability in a company, Godelnik (2021, 101–14) proposes a new mental model that puts sustainability first, meaning that instead of prioritizing profit maximization, pursuing business sustainability should be the key focus (see Appendix A, Figure A.3). This connotes a major shift in paradigm and management as well as a cultural change throughout the business (Copper 2021; Taylor 2021; Couper, Crawford, and Young 2017). A transformation can be understood as an alteration process towards a fundamentally different state (Nalau and Handmer 2015; IPCC 2012).

## **2.3 Barriers to Sustainability Transformation**

There is a substantial body of literature dealing with the challenges of ST. This emphasizes the difficulties inherent to the process of changing businesses' strategies. It is not the objective of this subchapter to give a full account of the manifold obstacles to transformation processes but to aggregate the common ones.

One barrier to becoming a sustainable business is the failure in pursuing all three sustainability dimensions mentioned in subchapter 2.1 (Taylor 2021; Wühle 2019). Companies often give more importance to the economic dimension by focusing on profit generation and maximization (Dyllick and Muff 2016). This could lead to investment restraints concerning

environmental and social activities. Albeit the allocation of sufficient resources in terms of time, human capital, and funds is considered a beneficial factor for ST (Schaltegger, Burritt, and Petersen 2017, 32; Bertels, Papania, and Papania 2010). Supportive leadership and top-down management are other factors that represent a challenge if deficient as they are important for strategy implementation. The lack of a structured approach, as well as a common vision and sustainability definition, are often mentioned barriers (Statista Research Department 2022; Long, Looijen, and Blok 2018; Skene and Murray 2017, 323–40; Engert and Baumgartner 2016; Visser 2017, 18–19; Simas, Lengler, and António 2013). They contribute to a lack of awareness and knowledge throughout the company, which increases confusion and uncertainty. Employees that do not recognize the company's purpose and do not clearly understand the impact of activities related to sustainability are likely to react with resistance to business transformation (Dragomir 2020, 105; Mingay et al. 2020; Long, Looijen, and Blok 2018; Skene and Murray 2017, 323–40; Engert and Baumgartner 2016; Kotter 1995). Another obstacle is inefficient communication of strategic targets, sustainability vision, created values, and cross-departmental information, among others (Lindsey 2018, 85; Wood, Bobenrieth, and Yoshihara 2004; Kotter 1995). This may also exacerbate other barriers like customer ignorance and limited collaboration across different departments but also with stakeholders (Manninen and Huiskonen 2022; Copper 2021; Dragomir 2020; Vaccaro 2008).

## **2.4 Success Factors for Change Management**

In light of the aforementioned manifold barriers, CM approaches can be applied to support the successful and holistic integration of a sustainability strategy. Although CM is dealt with in detail in the literature, there is no common definition. Lauer (2021, 3–5) and Vora (2013) characterize CM as the assessment of the need for change and the planning, organization, and implementation of change processes. For this, Kotter (2014; 1996) developed an 8-step model (see Appendix A, Figure A.4). However, the model has been criticized for lacking details

(Appelbaum et al. 2012). Therefore, in the following, it will be complemented by Szpekman's communication framework (2008) (see Appendix A, Figure A.5) and others' findings.

According to Kotter (2014, 27–29; 1996), Visser (2017), and Lauer (2021, 122), transformation should start with determining and communicating the need for change in order to create a sense of urgency. This requires committed, skilled, and exemplary leadership (Doppelt 2017, 30–37; Vora 2013; Szpekman 2008; Rainey 2006, 336; Kotter 1996). For ST, it is crucial that leaders act as sustainability experts and activists who are driven by a passion for sustainability topics and develop a vision for sustainable businesses (Visser 2017). The latter is the third step in Kotter's model and aimed to inspire and provide orientation for the personnel and other stakeholders (Lauer 2021, 122; Doppelt 2017, 51; Rainey 2006, 337–40; Kotter 1996). The vision must be communicated in a clear and persuasive manner for reaching consensus about the strategic goals and purpose of the transformation (Lauer 2021; Mingay et al. 2020; Kotter 1996; Edmonstone 1995). This step is fundamental for empowering employees. Their attitude toward change is decisive for the undertaking. Thus, it is necessary that leaders motivate them and address any doubts. Possible ways of doing so are elucidated in Szpekman's framework (2008). For instance, knowledge transfer enables people to acquire the necessary skills and abilities for the realignment of the company (Lauer 2021, 110, 174; Vora 2013; Kotter 1996). In the case of ST, this can also be strengthened by engaging in volunteer work during working hours and collaborating with external sustainability experts (Prado, Ickis, and García-Rada 2014; Bertels, Papania, and Papania 2010). Szpekman (2008) proposes monetary recognition as another motivational factor. Further to employee empowerment, Kotter (1996) suggests formulating quickly reachable milestones for upholding the motivation and urgency level. This should be followed by leveraging so far attained accomplishments (Kotter 1996). More specifically, CM requires the implementation of structure and plans (Szpekman 2008) which can be performed by project management to adapt the company's governance, formulate

activities, and use data for creating transparency, driving innovation, and facilitating the translation of the vision into actions. Finally, successful CM is determined by the holistic integration of the new strategy, meaning that for ST, sustainability must be incorporated in every aspect of the business (Minciullo 2019, 76; Bertels, Papania, and Papania 2010). Furthermore, through measurement and audit, it must be continuously assessed whether all relevant sustainability factors and regulations are being met and whether change is being sustained (Doppelt 2017, 117; Szpekman 2008).

The literature analysis has shown that a shared vision, leadership, communication, employee engagement, and monitoring can be considered key success factors for ST. However, embracing them all may be challenging for businesses.

## **2.5 Sustainability Consulting Market and Challenges**

One way for companies to handle the urgent challenge of transforming towards sustainability is to seek advice from consultancies. They are specialized in solving business problems and offer expertise as well as an external view (Galea 2009, 20; Rasiel 1999, 2). In 2021, the European management consulting market reached a value of 61 billion USD (Mordor Intelligence LLP 2022) and is expected to grow further while the value of the global sustainability consulting market amounted to 8.9 billion USD and is expected to increase by 38.96 percent until 2027 (TheExpressWire 2022). This trend illustrates the demand for external development of sustainability strategies and transformation management and emphasizes the industry's attractiveness. There are thousands of sustainability consultancies in the market (Lindsey 2018) taking different change management approaches concerning ST (see, for instance, Deloitte 2022; EY 2022; KPMG 2022b; PwC 2022). However, considering current economic challenges like resource scarcity, energy crisis, supply chain issues, and skills shortage as well as the transition to remote work (IMF 2022), it is pertinent to examine whether adaptation of existing change management approaches is necessary. As the main objective of

consulting is to meet clients' expectations and needs (Cooper 2009), it must be assessed what companies require and ask for their ST with due regard to today's challenges.

## **2.6 Research Questions**

Informed by the literature review, this document empirically examines how consultancies can help companies to fully integrate sustainability into their strategy. Specifically, the following two research questions (RQ) will be addressed:

RQ1 – What do companies look for when implementing a sustainability strategy, and how has this changed with the economic upheaval of the last few years?

RQ2 – Which barriers to change management and key factors emerged due to the current economic issues that consultants need to consider when supporting their clients during sustainability transformation?

## **3 Methodology**

For the purpose of answering the aforementioned research questions and in light of the aim of this thesis which is the identification of key factors for the sustainability transformation of EU companies under the current economic circumstances, the analysis of recent data is required. Hence, the research approach and methods will be presented in the following paragraphs.

### **3.1 Research Design**

The research design is based on an ontology of relativism since it is assumed that reality is shaped by individual experiences. In terms of epistemological position, knowledge is considered to be created subjectively from interaction with people. Thus, a constructivism research philosophy is followed (Moon and Blackman 2014). Consequential to this philosophical stance, a constructivist methodology is applied. Since the research questions implicate the necessity of understanding personal experiences, behaviors, complex dependencies between internal and external factors as well as subliminal requirements, qualitative research is perceived to be best suited to answer the research questions. As those are

not addressed by the existing literature yet and as it is aimed to provide comprehensive insights into the subject under investigation, the character of this research is exploratory (Adom, Yeboah, and Ankrah 2016; Miles, Huberman, and Saldaña 2014; Dawson 2009, 14).

### **3.2 Data Collection and Analysis Approach**

Following the aim of this thesis, the collection of contemporary data from practice was required. Therefore, interviews were chosen to be an appropriate method since they allow to gain informative and in-depth insights as well as to examine the relationship between ST and non-sustainability-related business transformations (Saunders, Lewis, and Thornhill 2019, 444–45). However, this data collection method does not allow a random sampling approach (Seidman 2006, 55). Instead, purposive sampling was used for the identification of suitable interviewees (Miles, Huberman, and Saldaña 2014). Based on the research questions of this thesis, the perspectives of three groups of people were considered to be relevant – the ones of consultants and employees as well as experts in the area of sustainability, meaning people that have profound practical and/or academic knowledge and experience in that subject (Gläser and Laudel 2006). Seventeen interviews were conducted with participants that were reached either on LinkedIn or through the personal network of the researcher. Appendix B.4 provides an overview of the interview partners and identification codes. Considering the time constraints of this thesis and since all interviews were undertaken in November 2022 this research has a cross-sectional time horizon (Saunders, Lewis, and Thornhill 2019, 212). Due to geographical distances, the interviews took place via videoconference on Microsoft Teams. Some interviews were recorded in German and then translated into English using the online translator DeepL to avoid the influence of the researcher's personal interpretations and understandings in the translation. In order to ensure comparability between answers and that all relevant topics for addressing the research questions were covered without restraining the emergence of other unforeseen areas and factors, a semi-structured interview approach was followed (Dawson

2009, 28–29). The interview guides contained questions derived from the literature analysis and research questions (see Appendices B.1 to B.3).

For deriving meaning and understanding from the responses, content analysis was conducted. According to Mayring (2009), in content analysis, the gathered data is gradually condensed to its core statements by assigning codes to the transcribed text. In this research, the coding process was performed in three steps. Firstly, the data was segmented through structural coding by assigning deductively derived titles from the questionnaires' components (Miles, Huberman, and Saldaña 2014). In a second step, the descriptive coding method was applied using codes that emerged from the data to summarize the content into topics (Saldaña 2016, 292; Miles, Huberman, and Saldaña 2014). Lastly, the codes were grouped and categorized in order to deduce relevant factors for addressing the research questions (Leavy 2017, 152). The analysis grid providing details about this inductive analysis can be found in Appendix B.6.

#### **4 Analysis and Discussion**

The presentation of the results from the content analysis applied to the interviews concerning the ST of companies in times of economic challenges and their discussion with due regard to the previously executed literature review are subjects of this chapter. Summarized answers to the research questions can be found in subchapter 5.1.

##### **4.1 The Influence of Crises and the Urgency of Sustainability Transformation**

As mentioned in subchapter 2.5, the economy, the climate, and the world of work are in a state of upheaval. According to four interviewees, the current crises can be considered as drivers of the need for ST. However, this depends on the companies' industries since they are being differently affected by economic and environmental challenges. Some companies need to focus on surviving and thus, eight participants affirm that ST is being postponed by those companies since they have other priorities and *“might be afraid of [the] costs”* (E.2, expert). However, one consultant illustrated that today's crises show the risks of not integrating sustainability into

the business model and those risks need to be assessed and managed. There may be one sustainability element of Elkington's (1998) triple bottom line concept that is more relevant or more challenging than the others, but just like the impact of current crises, this does also depend on the company and its context (for 8 of the 17 participants).

*"I think that all of them are challenging. And that regionally, one or the other is more challenging because it's just more relevant."* (C.1, consultant)

*"I would say that it really depends on the current situation of the company, it may depend on the situation in the world around, like the war that makes everything harder. So, you cannot say there is one that is more difficult than the other. It really depends on the actual situation, on the actual moment."* (S.3, employee)

In line with Tatichhi and Demartini's (2021) criticism of the triple bottom line concept, employee S.1 and expert E.2 challenged it and felt that a pyramid framework *"where you have the environmental at the bottom because there are no people without the planet and then you have the people and then you have the economic part"* (S.1, employee) is a more appropriate reflection of sustainability. Yet, this does not describe the interactions between the three elements as depicted in the *Holistic Corporate Sustainability Framework* shown in figure 2.

What was apparent in the answers regarding the definition of sustainable business was, that just as in the literature (see subchapter 2.1), there was no common understanding and description in practice. But five of the interviewees agreed on ST being a holistic approach and that sustainability must be integrated into the business core. This has also already been emphasized by the ISO 2600 standard and Couper, Crawford, and Young (2017).

*"What's actually important is that you bring corporate strategy and sustainability strategy together, because they shouldn't be detached from each other."*  
(S.2, employee)

Furthermore, as outlined by expert E.3, a company must also integrate morality into its

sustainability strategy and business core, as *“the war also brings a lot of moral elements to the conversation. [...] In reality, it’s within war moments, that the morality of your actions comes to the table, and the more you believe and you state that you want to have a sustainable positioning, the stronger the market is with you in terms of consistency within those difficult moments.”* Morality is defined as “a personal or social set of standards for good or bad behavior and character, or the quality of being right and honest” (Cambridge University Press 2022).

External factors are driving the importance of ST for companies. Three interviewees considered it crucial for long-term competitive advantage.

*“In the long run, it’s live or die.”* (C.7, consultant)

This coincides with the opportunities seen by Dyllick and Muff (2016) as well as by Porter and Kramer (2006).

For four interviewees it contributed also to a company’s employer attractiveness, as the awareness for sustainability among employees and customers is increasing, especially considering the younger generations.

*“There is a connection between the lack of skilled workers and the successful implementation of sustainability strategies because you need well-trained young professionals. And that means that you as an organization have to be attractive enough to attract them.”* (C.1, consultant)

Employer attractiveness became an important topic in the wake of the skills shortage crisis (Wilkes and Weber 2022; McGrath 2021). Due to the growing lack of skilled workers, companies do not only need to recruit new talents but also retain their present employees.

Moreover, two participants (S.2 and E.2) found it urgent to start embracing sustainability as soon as possible in order to anticipate upcoming changes slowly.

*“We have to deal with it now, otherwise it will come so suddenly and then it will be an even more difficult process instead of slowly rolling it out now and then really*

*implementing it.*” (S.2, employee)

Upcoming changes can, for instance, be expected in terms of regulations. As stated in subchapter 1.1, sustainability regulations in the EU are likely to increase further with the emerging challenges and thus, can be considered a driver for ST (UN Environment Programme 2022). In order to understand the impact of those extending obligations, the interviews included a question concerning whether companies are focusing on compliance or value creation. Seven consultants, one employee, and all experts mentioned that compliance is of great importance to the companies – not excluding that some companies may also be generating sustainable value or trying to do so.

#### **4.2 The Influence of Employees**

Existing literature shows the effects of crises and changes on employee behavior and satisfaction and underlines the importance of empowering employees (see Lauer 2021; Halkos and Bousinakis 2016; Kotter 1996). In line with the findings of the literature review (see subchapter 2.3), interviewees emphasized the importance of ensuring that all employees understand the meaning and urgency of ST. As expert E.2 said, *“it’s fear of the unknown that is often the problem, that is the biggest issue.”*

The qualitative data revealed that participation was considered a key factor to support the identification of employees with the change process. Aware of the previously mentioned need for integrating morality in the business core and following the answers of consultant C.1 and expert E.1, there should be a fit between company values and the values of the individual employee. Especially the younger generations feel more connected to the topics of sustainability and have greater awareness. Consultant C.1 referred to a study by Stepstone which found out that for young applicants *“the decision for values is more important in the decision for an employer than the monetary incentive. That’s quite a shift.”* Consultant C.7 mentioned that *“[...] you already see it in the younger generations more than older*

*generations. And they're more aware and they'll feel more connected.*” However, he believed that the optimal workforce should not only consist of young employees but rather represent a mix of different generations. This is also supported by consultant C.8.

Participants were asked if they expected any challenges for the transformation process from the rise of remote work (KPMG 2022c) and two opposite opinions could be identified: five of the interviewees saw flexible working from home as the future and an opportunity to attract talents as well as to reduce operating expenses (e.g., rental and heating costs); although digital technology facilitates working remotely, three interviewees were concerned about this trend and believed that it could hinder business transformations due to a lack of social interaction and identification with company values.

*“It always depends on how you use the technologies and possibilities so that this collaborative feeling is really there. So remote working is not the problem, it's the way you collaborate.”* (C.9, consultant)

While Lauer (2021) and Kotter (1996) acknowledged the general importance of knowledge transfer for the change process, the interviewees perceived the development of expertise and knowledge throughout the company as necessary for the integration of sustainability into the company's strategy and operations. According to consultant C.1 and expert E.3, the creation of a learning culture and integration of training models represents a success factor for ST. This becomes especially relevant when considering the current shortage of skilled workers.

### **4.3 The Role of the Management**

Not only the employees are critical factors in a transformation process. During the interviews it became clear that ST *“stands or falls with the department heads or with the upper echelon, with the general managers”* (C.5, consultant). Many interviewees agreed that a change process fails if management is not committed and not willing to invest time and money. An observation that confirms Schaltegger, Burritt, and Petersen's (2017) as well as Bertels, Papania, and

Papania's (2010) perception of the investment of resources being a critical factor for ST. However, considering the current crises and challenges which generate uncertainty and may lead to financial difficulties for companies, management could refrain from investments.

*"I have the impression that they are more reluctant to invest."* (C.6, consultant)

*"The economic situation will certainly make even small companies hesitate again."*  
(C.5, consultant)

*"Due to increased costs and shortages there are other important topics for companies."*  
(C.4, consultant)

Moreover, one expert raised the topic of shareholder structure and how it influences ST, since shareholders must bear the change costs.

*"Shareholders have a huge weight in the equation. They will have to assume a significant part of the cost. And if there's no willingness among the shareholders, it's really difficult to do this transition."* (E.3, expert)

The impact of ST on profitability has been discussed in the literature, which asserts that embracing sustainability is likely to enhance financial performance and thus, company value in the long run (Nawrot 2021). Not only the shareholders but also the management must recognize this, as from the interviews it became apparent that ST needs to start at the top level of a company. Although there might also be cases where employees initiate the sustainability discussion, it is the top management who decides if it is going to be a strategic focus topic.

*"I think the initiator can be anyone. In the end, it is the management that gives the final go."* (C.4, consultant)

As examined in subchapter 2.3, also the literature acknowledges top-down management as crucial factor for the implementation of a new strategy. The same holds for supportive leadership. Doppelt (2017, 30–37), Vora (2013), and other authors highlighted commitment, exemplary behavior, and knowhow as required leadership qualities, whereas the interviewees

mentioned the following skills as necessary: empathy, trust, transparency, the ability to communicate, to listen as well as to motivate and to act as a role model. In addition to that, it was perceived that management needs to set a shared vision (*what*) and purpose (*why*) as the basis for employee motivation and the general transformation process which is consistent with the discussed factors in subchapter 2.3. In relation to necessary leadership qualities, the interviewees were asked whether managers need to be sustainability experts themselves. Contrary to Visser (2017), the majority (9 out of 17) denied and clarified that management only needs to have general knowledge about sustainability to understand the topics and for making decisions.

*“Expertise you can hire. And if you want to do everything yourself, it’s hopeless. Stick to the thing you’re best at.”* (C.7, consultant)

Most of the interviewees stated the importance of involving the entire ecosystem of stakeholders. Connecting these leadership skills and duties with the aim of sustainability integration into business during the current challenging times leads to the inference that conscious leadership could be an appropriate leadership concept for ST. This was also proposed by expert E.2. Conscious leadership refers to leaders that “develop and inspire, mentor and motivate, and lead by example” (Mackey and Sisodia 2013, 179). Furthermore, they possess moral consistency which is a key factor for sustainability strategy as stated in subchapter 4.1 (Mackey and Sisodia 2013, 189). Their mindset and values embrace sustainability since they aim to generate a positive impact on the world (Kubatova and Krocil 2022).

#### **4.4 The Value Added of Sustainability Consulting**

In order to identify the particularities of ST, the interviewees were asked whether the process of incorporating a sustainability strategy is different from non-sustainability-related business transformation. Three of them were of the opinion that ST is easier as more people have an internal identification with the topic and intrinsic motivation so that there is less resistance to

change. Nevertheless, consultant C.5 and expert E.3 saw a difference in the topic of sustainability being broader and requiring a profound change in doing business.

*“I think if you want to embrace sustainability you need to go towards the next level and that level is much more challenging.”* (E.3, expert).

To deal with challenges during the transformation companies can hire consultancies. All interviewed consultants affirmed an increasing demand for sustainability consulting services. This is supported by available forecasts (TheExpressWire 2022). Another consensus between the literature presented in subchapter 2.5 and the collected interview data was ascertained regarding the benefits provided by consulting firms. The interviewed consultants mentioned experiences and best practices, insights about competition and market trends, expertise and guidance as well as an external and critical perspective as the added values which they offer their clients. They pointed out that companies neither have the time nor the resources to do ST alone. Those added values coincide with the demand from clients according to the interviewed employees and experts who also emphasized that consultants should only act like sparring partners, catalysts, and coaches but not dictate the process.

*“What cannot happen is that those consultants then take ownership.”* (E.1, expert)

Employees S.1 and S.2 reported the need for an independent, unbiased evaluation and external verification. Consultants saw themselves taking the function of *“announcing unpleasant truths”* (C.8).

Transparency and validity can also be increased through data measurement and evaluation. According to the interviewed employees, companies were focusing on the development of dashboards to create transparency for stakeholders concerning metrics and indicators. Especially in due consideration of the reporting obligations imposed by the EU Taxonomy and the Corporate Sustainability Reporting Directive, the need for an automatized, digital tool to collect and visualize sustainability-related data increases (European Commission

2022a). However, companies have difficulties with data collection, processing, and interpretation. That is why for instance, two employees reported that they were developing and implementing such monitoring tools in cooperation with consulting firms. Alike to Kotter's (1996) change management model and Szpekman's (2008) communication framework the majority of the interviewees (11) considered it crucial to define and measure KPIs in order to track the transformation progress. Consultant C.8 explained: "*[h]aving KPIs is one of the few ways to measure whether my change has been successful.*" Another consultant (C.10) further elaborated: "*With their help, you are able to show whether you are on the right track, whether you have kept to what you set out to do. [...] But without KPIs, it does not work from my point of view.*" Aware of the demand for facilitating compliance and change management, many of the interviewed consultants offered technology-based services like CO<sub>2</sub>-accounting tools and digital tools for communication and employee training purposes. However, some participants raised concerns regarding the sustainability of digital technology as it can have a negative impact on the environment.

*"Technology is something that we need to use, but always aware because it can also create some negative impacts."* (E.4, expert)

*"I would like to add that digitality must also be viewed critically. [...] it simply costs an insane amount of electricity and energy to maintain."* (C.2, consultant)

One other service provided by some consultants was the organization of the exchange of ideas and knowledge with peers and stakeholders. The data analysis showed that it was considered as a key factor for ST.

*"It is always interesting to exchange with others and to learn, to talk with other experts about their experiences, to generate new knowledge through deep conversations."*  
(C.9, consultant)

What is also worth noting is the following statement of employee S.1 who expected

consultancies to be solely focused on sustainability consulting: *“Of course consultancy can bring value to the strategy and to the organizations as long as they are sustainability-minded oriented. [...] sustainability shouldn’t be like a new area of business; it should be holistic to all businesses that they are developing [otherwise] I would be kind of discouraged to work with them.”* However, many big consulting firms are establishing sustainability consulting as an additional business area (see, for instance, Deloitte 2022; EY 2022; KPMG 2022b; PwC 2022).

The interviews provided an overview of how management and employees as well as the current global challenges influence ST. Moreover, it should be noted that the gathered interview data also showed consensus with most of the mentioned barriers and success factors presented in the literature review but due to the scope and aim of this thesis, they have not been discussed further as they were not perceived to be particularly influenced by the current crises.

## **5 Conclusion**

### **5.1 Summary of Research Results**

Based on the analysis of obstacles and key factors for implementing corporate sustainability strategy discussed in the body of literature concerning change management and ST, the declared purpose of this thesis is to identify the influence of the challenges and crises of recent years on those factors. To address the derived research questions, the examination of contemporary data was required. Therefore, in-depth interviews were conducted that also allowed to conceive matches between consultants’ understanding of required elements and companies’ demands.

In regards to RQ1: *What do companies look for when implementing a sustainability strategy, and how has this changed with the economic upheaval of the last few years?*, it could be observed that employees responsible for the topic of sustainability in their companies and consultants described the need for external perspective and evaluation. Moreover, the topic of sustainability is considered to be rapidly growing and sustainability regulations are increasing with environmental crises. Thus, knowledge about legislation for means of compliance as well

as expertise and insights into competition and market trends to gain competitive advantage are required. Since many companies are just starting to take sustainability into consideration, especially driven by today's crises, few experiences are available and companies look for the exchange with peers and experts. Furthermore, for the purpose of compliance, transparency, and stakeholder engagement, data collection and measurement are key themes – taking into account that the energy crisis increased the need for sustainable technology. Managing risks is another necessity which is why accelerating the transition to a sustainable business becomes more and more important. ST is also crucial for enhancing employer attractiveness. The crises are not only causing shortages in staff capacity and time but also in financial means. That is why change costs need to be minimized. From the analysis it became clear that this could be done through a structured approach as well as by anticipating and removing possible change barriers to facilitate and speed up ST. Due to the economic upheaval, companies became more investment averse and tend to focus on the costs of sustainability but what they need is to realize the opportunities of ST.

The examination of literature and interview data revealed two main barriers caused or worsened by economic difficulties that address the first half of RQ2: *Which barriers to change management and key factors emerged due to the current economic issues that consultants need to consider when supporting their clients during sustainability transformation?* First, management may not be willing to invest money and time in sustainability issues. Additionally, crises increase the uncertainty of employees, albeit change stands and falls with their participation. Thus, conscious leadership is crucial. Moreover, in consideration of the skilled labor shortage and lack of financial resources, the development of expertise in sustainability by creating a learning culture can be considered a key factor for ST. The Covid-19 pandemic elicited a rise of remote work which is now perceived as being beneficial to attract talent and an opportunity to save money. However, the appropriate application of digital tools is required

for supporting the establishment of a change-enabling culture. Though, the energy crisis and climate change raised the need for digitalization based on sustainable technology. Another factor that consultants should consider is that, since companies are differently affected by crises, a status-quo analysis and materiality assessment should be conducted to define clear goals. In accordance with the interviewees' statements, defining and living sustainability-conforming company values is also important as especially the younger generations are putting more emphasis on sustainability and demand a fit between individual and company values. Generally, one derived key success factor is that the entire company must realize that there is no economy without people and the planet.

## **5.2 Limitations and Further Research**

The presented findings above are based on the analysis of literature and in-depth interviews. Thus, the limitations inherent to qualitative research should be acknowledged. First, the sample size and structure may have constrained the gathered data. Including a larger number of participants as well as a wider diversity and differentiation in terms of industries and countries of origin could lead to different conclusions and greater robustness. Moreover, it was not possible to include top-level managers in the sample, due to their time and capacity restraints mentioned when invited to this study. One further limitation is related to the content analysis, since coding and categorizing the interview data represents a subjective approach and other researchers could have led to other interpretations. As stated by Miles, Huberman, and Saldaña (2014) biases are unavoidable. Additionally, there was no differentiation between the crises of recent years, due to the scope of this thesis.

Besides testing the factors on a variety of company contexts and with quantitative methods, further research could focus on the development of conscious leadership or on the implementation of sustainability expertise and offerings in consultancies. Moreover, this thesis synonymously used the terms of leadership and management. However, there might be

differences worth identifying. Lastly, further research on the proposed new *Holistic Corporate Sustainability Framework* is required for the purpose of validation.

### **5.3 Contribution to the Body of Knowledge**

This research adds to existing knowledge because it identified that economic and environmental upheaval caused new barriers and key factors for ST or reinforced existing ones. Furthermore, the study shows that Kotter's 8-step model and Szpekman's communication framework need adaptation to today's challenges. In addition to that, a new *Holistic Corporate Sustainability Framework* was introduced in response to the weaknesses of Stewart's and Hocking's (2019) Adaptive Sustainability Framework.

### **5.4 Implications for Consultants**

The results highlight that consultants may use Kotter's (2014; 1996) and Szpekman's (2008) models as orientation but should consider that every client is individual and the company context matters. Thus, it is crucial to start a sustainability strategy project with a problem assessment and goal definition. Moreover, consultants should focus on raising awareness and shift mindsets at the management level, since they need to realize that ST goes beyond compliance and is crucial for anticipating risks and that investments will pay out in the long run. This implies promoting a new mental model that puts sustainability first. Further, consultants are asked to provide the capacity for translating regulations and company-specific risks and problems into a roadmap for implementing sustainability strategy into the business core. A culture of conscious leadership strengthens employee involvement and digital data management contributes to successful change but needs to be based on green technology. Generally, consultants should take the role of a coach or sparring partner and work closely with the management as it is the decisive factor in ST. This research reinforced that sustainability consulting is of increasing importance. An overview of the research project design and key findings is depicted in Appendix B.7.

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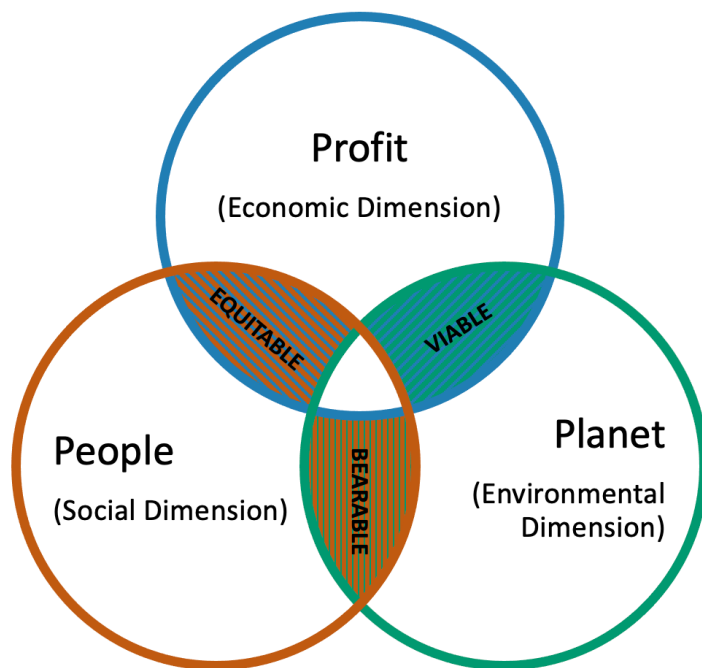
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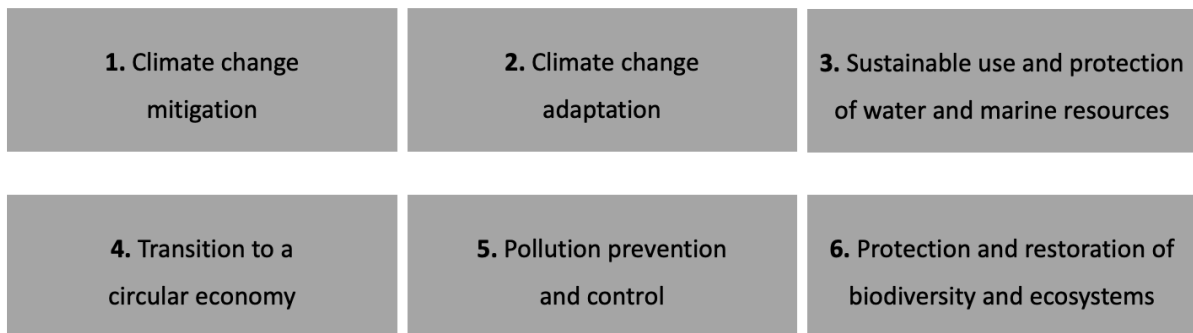
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## A Appendices – Models & Frameworks

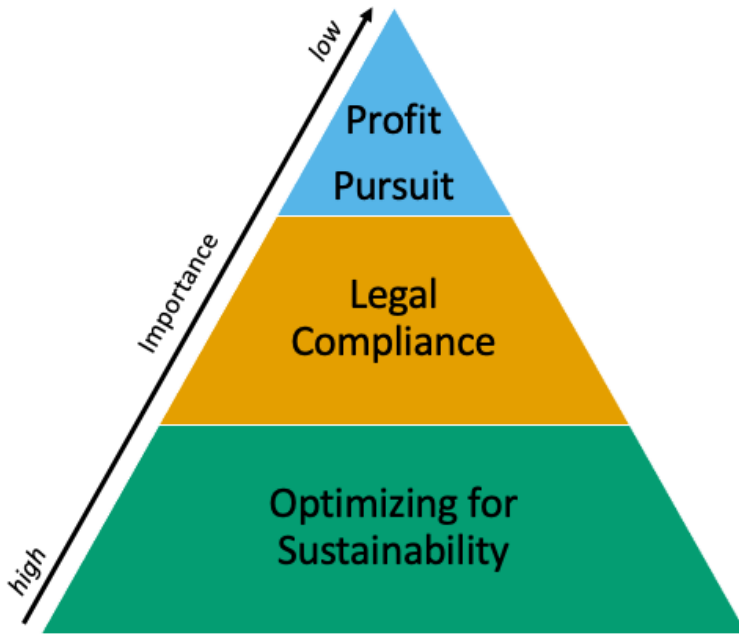


**Figure A.1** – *The Triple Bottom Line Concept (Adapted from: Elkington 1998)*



**Figure A.2** – *The EU Taxonomy Objectives (Adapted from: European Commission 2022a)*

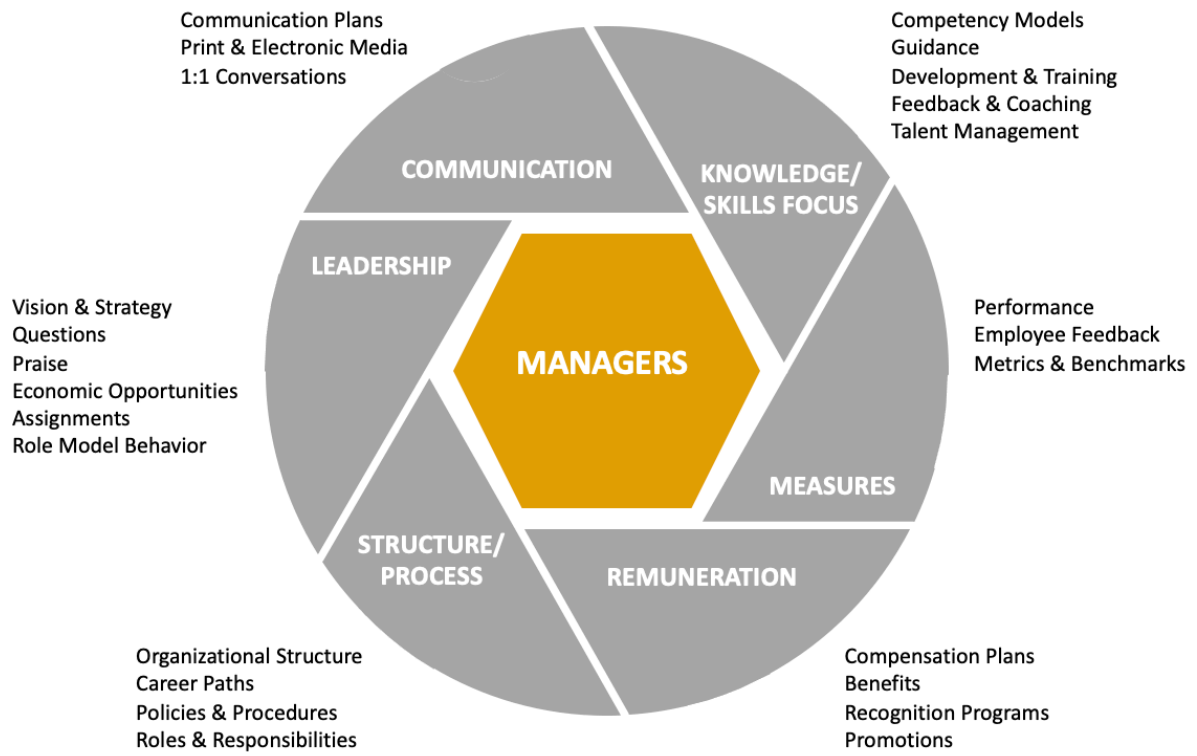
According to the EU Taxonomy Regulation, a company must fulfill at least one of the depicted environmental objectives and must not violate any in order to be classified as sustainable.



**Figure A.3** – *Awakened Sustainability Mental Model (Adapted from: Godelnik 2021)*



**Figure A.4** – *Kotter's 8 Step Model for Change Management (Adapted from: Kotter 1996)*



**Figure A.5** – Szpekman's Communication Framework (Adapted from: Szpekman 2008)

## **B Appendices – Qualitative Data Analysis**

### **B.1 Appendix – Interview Guide – Consultancies**

#### **Preliminary Information**

Hello, my name is Janine da Silva, and I am a Master's in International Management student at Nova SBE. As part of my master's thesis, I am currently researching the critical factors for implementing corporate sustainability strategy in order to provide guidance for sustainability consulting. Thus, I am conducting interviews for gaining insights from practice. The interview will first start with some general questions about your position and working experience in the consulting industry, followed by some questions concerning business sustainability and change management. I would like to ask you to share everything with me that comes to your mind. Any experience and opinion may be helpful. Your answers and data will be anonymized. However, I will record this interview for the subsequent analysis. As stated in the data privacy statement that you received prior to our meeting, this record will be deleted after the submission of this thesis.

Do you agree to these terms?

Thank you. Let us start with the first question!

#### **1 General Information about the Interviewee**

1.1 Please describe your current position.

1.2 Which experience do you have in strategy consulting?

1.3 Which experience do you have in sustainability consulting?

#### **2 Business Sustainability**

2.1 How would you define sustainable businesses?

2.1.2 Only compliance with regulations or real value creation?

2.2 In your opinion, how important is sustainability in business?

2.2.1 Are some parts of sustainability (e.g., social, ecological...) more important or challenging than others?

2.3 Have you noticed an increase in demand from your clients for consulting services regarding business sustainability?

2.3.1 What do they look for when they reach out to you?

2.3.2 Which kind of companies ask for help? Is there a pattern?

### **3 Change Management**

3.1 Change management is considered to be crucial for business transformation. Do you agree with that?

3.2 Business transformation implies the formulation and implementation of a new business strategy. Who are the most relevant stakeholders for the change process and why?

3.3 Which steps need to be followed in change management?

3.4 What internal and external challenges can arise in change management?

3.5 In your opinion, what are the most important success factors for business transformation?

3.6 As a consultant, how do you assist clients with transformation projects?

*3.6.1 Can you recommend any existing framework or approach for change management?*

### **4 Sustainability Transformation**

4.1 Do you think the approach to incorporating a sustainability strategy is different from non-sustainability-related business transformation? Please elaborate on your opinion.

4.2 Who do you think are the main players in initiating sustainability transformation?

4.3 We are currently facing economic challenges like resource scarcity, energy crisis, supply chain issues, and skills shortage. How do you think is this impacting companies with regard to implementing sustainability in business?

4.4 Do you expect any challenges to arise from the fact that many employees work remotely?

4.5 Which characteristics do leaders need to have for supporting a sustainability transformation?

## **5 Importance of Consulting Services**

Our interview is coming to an end. I would like to ask you two last questions:

5.1 How do you think the demand for sustainability consulting will develop in the future?

5.2 What do you feel is the key value add of consultants in business transformation, and how is it different for business transformation projects involving sustainability?

5.2.1 How important is consulting for business transformation?

Thank you very much for your time. Your answers will be of great value to my research. I am happy to share with you the outcome of my research once my thesis is finalized.

## **B.2 Appendix – Interview Guide – Sustainability Experts**

### **Preliminary Information**

Hello, my name is Janine da Silva, and I am a Master's in International Management student at Nova SBE. As part of my master's thesis, I am currently researching the critical factors for implementing corporate sustainability strategy in order to provide guidance for sustainability consulting. Thus, I am conducting interviews for gaining insights from practice. The interview will first start with some general questions about your position and company followed by some questions concerning business sustainability and change management. I would like to ask you to share everything with me that comes to your mind. Any experience and opinion may be helpful. Your answers and data will be anonymized. However, I will record this interview for the subsequent analysis. As stated in the data privacy statement that you received prior to our meeting, this record will be deleted after the submission of this thesis.

Do you agree to these terms?

Thank you. Let us start with the first question!

### **1 General Information about the Interviewee**

1.1 May I ask you to shortly introduce yourself and your current position?

1.2 Which experience do you have in the area of sustainability?

### **2 Business Sustainability**

2.1 How would you define sustainable businesses?

2.1.2 Only compliance with regulations or real value creation?

2.2 Business sustainability implies pursuing environmental quality, economic prosperity, and social equity. Do you consider all three dimensions equally important or challenging?

Please elaborate.

2.3 In your opinion, how important is sustainability in business?

2.4 Which factors would you consider as driving forces for sustainability in business?

*(Regulations, resilience, customer demand...)*

2.5 What challenges could companies encounter when trying to become sustainable?

### **3 Change Management**

3.1 Change management is considered to be crucial for business transformation. Do you agree with that?

3.2 Business transformation implies the formulation and implementation of a new business strategy. Who are the most relevant stakeholders for the change process and why?

3.3 What internal and external challenges can companies face when becoming sustainable?

3.4 In your opinion, what are the most important success factors for business transformation?

3.5 Which steps need to be followed when implementing a new business strategy?

### **4 Sustainability Transformation**

4.1 Do you think the process of incorporating a sustainability strategy is different from non-sustainability-related business transformation in terms of challenges and requirements?  
Please elaborate on your opinion.

4.2 Who do you think are the main players in initiating sustainability transformation?

4.3 Do you think that external sustainability experts must be hired or sustainability expertise can be developed in-house?

4.4 We are currently facing economic challenges like resource scarcity, energy crisis, supply chain issues, and skills shortage. How do you think could this impacting companies with regard to implementing sustainability in business?

4.5 Do you expect any challenges to arise from the fact that many employees work remotely?

4.6 Which characteristics do leaders need to have for supporting a sustainability transformation?

## **5 Consulting Services**

Our interview is coming to an end. I would like to ask you some last questions:

5.1 Do you think it could be beneficial asking for consulting services for the implementation of a sustainability strategy? Which kind of services would you require?

5.2 What do you feel is the key value add of consultants in sustainability business transformations?

5.2.1 How important is consulting for business transformation?

Thank you very much for your time. Your answers will be of great value to my research. I am happy to share with you the outcome of my research once my thesis is finalized.

## **B.3 Appendix – Interview Guide – Sustainability Employees**

### **Preliminary Information**

Hello, my name is Janine da Silva, and I am a Master's in International Management student at Nova SBE. As part of my master's thesis, I am currently researching the critical factors for implementing corporate sustainability strategy in order to provide guidance for sustainability consulting. Thus, I am conducting interviews for gaining insights from practice. The interview will first start with some general questions about your position and company followed by some questions concerning business sustainability and change management. I would like to ask you to share everything with me that comes to your mind. Any experience and opinion may be helpful. Your answers and data will be anonymized. However, I will record this interview for the subsequent analysis. As stated in the data privacy statement that you received prior to our meeting, this record will be deleted after the submission of this thesis.

Do you agree to these terms?

Thank you. Let us start with the first question!

### **1 General Information about the Interviewee & Company**

1.1 Please describe your company and current position.

1.2 What is your company's sustainability strategy? What is the guiding principle/  
benchmark? (*SDGs, EU Taxonomy Objectives...*)

### **2 Business Sustainability**

2.1 How would you define sustainable businesses?

2.1.2 Only compliance with regulations or real value creation?

2.2 Business sustainability implies pursuing environmental quality, economic prosperity, and social equity. Do you consider all three dimensions equally important? Please elaborate.

2.3 Which factors would you consider as driving forces for sustainability in business?

*(Regulations, resilience, customer demand...)*

2.4 What do you consider more important: Being a sustainable company or being perceived to be a sustainable company?

2.5 Does your company encounter any challenges when trying to implement sustainability into daily business? If yes, which ones?

### **3 Change Management**

3.1 How are/were you involved in the transformation process of your company?

3.2 Change management is considered to be crucial for business transformation. Do you agree with that?

3.3 Business transformation implies the formulation and implementation of a new business strategy. Who are the most relevant stakeholders for the change process and why?

3.4 What internal and external challenges did your company face when becoming sustainable?

3.5 In your opinion, what were the most important success factors for the change process?

### **4 Sustainability Transformation**

4.1 Do you think the process of incorporating a sustainability strategy is different from non-sustainability-related business transformation in terms of challenges and requirements?

Please elaborate on your opinion.

4.2 Who were the main players in initiating sustainability transformation in your company?

4.3 Do you think that external sustainability experts must be hired or sustainability expertise can be developed in-house?

4.4 We are currently facing economic challenges like resource scarcity, energy crisis, supply chain issues, and skills shortage. How do you think could this impact your company's

sustainability focus and goals?

4.4.1 Do you have enough employees for sustainability initiatives?

4.4.2 Are financial investments in business sustainability being reduced?

4.4.3 Do you expect any challenges to arise from the fact that many employees work remotely?

4.5 Which characteristics do leaders need to have for supporting a sustainability transformation?

## **5 Consulting Services**

Our interview is coming to an end. I would like to ask you some last questions:

5.1 Has a consulting firm been involved in the sustainability transformation of your company?

*If yes:*

5.1.1 Were you involved in the project?

5.1.2 How was the experience working with the consultancy?

5.1.3 Which kind of services did they provide?

*If no:*

5.1.4 Do you think it would have been or still be beneficial to ask for consulting services for the implementation of sustainability in business? Which kind of services would be required?

Thank you very much for your time. Your answers will be of great value to my research. I am happy to share with you the outcome of my research once my thesis is finalized.

## B.4 Appendix – Profiles of Interview Partners

Code	Role	Country	Specifications
C.1	Consultant	Germany	Managing director and founder of a transformation consultancy
C.2	Consultant	Germany	Sustainability manager and business analyst for public sector clients
C.3	Consultant	Germany	Management consultant and project manager at a strategy consultancy, working on developing the sustainability business unit
C.4	Consultant	Germany	Senior consultant for digital transformation with first experiences in sustainability projects
C.5	Consultant	Germany	Manager and internal sustainability officer at a strategy consultancy and marketing agency with first experiences in sustainability projects
C.6	Consultant	Germany	Managing director and sustainability consultant at a business association and regional CSR competence center on behalf of the State Ministry of Economics
C.7	Consultant	The Netherlands	Leadership coach and entrepreneur
C.8	Consultant	Germany	Director at a consulting firm with focus on the banking sector and member of the ESG community
C.9	Consultant	Germany	Leadership coach in a company
C.10	Consultant	Germany	Consultant in the area of human capital in organizational and sustainability transformations, mainly supporting and designing change management, communication and training activities; previous working experiences in IT, HR and the sustainability area
C.10	Consultant	Germany	Senior manager in consulting with focus on human capital in sustainability, specialized in strategic change management
S.1	Employee	Portugal	Sustainability manager and teaching assistant for sustainability related courses
S.2	Employee	Germany	Junior Manager in the sustainability department of an international logistics company
S.3	Employee	Portugal	Corporate sustainability officer
E.1	Expert	Portugal	Project development manager at a company focused on energy transition, guest speaker, conscious leadership teacher, and founder

E.2	Expert	Spain	Expert and consultant for conscious business strategy and business transformation, certified change agent and public speaker; previous experiences as director and founder
E.3	Expert	Portugal	Professor for entrepreneurship with impact among others; experiences in social entrepreneurship and impact related ventures
E.4	Expert	Portugal	Founder of a business design consultancy, COO of a company focused on promoting sustainable innovations, sustainability mentor; experiences as sustainability manager and marketing officer

Since gender and age are not expected to have a significant influence on the responses to the questions asked related to the subject of this thesis, those demographics were neither considered in the analysis nor included in the overview above.

The data included in the column “*Country*” describes the current country of residence, not excluding that interviewees may have working experience in other countries.

The code *C.10* was assigned to two interview partners because they participated together in one interview and each agreed on the statements of the other so that no further differentiation was made in the analysis.

## B.5 Appendix – Interview Transcript Example

<b>Interview - Consultant</b>	
Interviewer	Could you briefly describe your current professional position?
C. 4	I am a Management Consultant at [name], which means I am a senior consultant advising clients on digital transformation.
Interviewer	What experience do you have in strategy consulting?
C. 4	Diverse. From merger support and organizational design to innovation management, sustainability positioning, health management and project management.
Interviewer	What experience do you have in sustainability consulting?
C. 4	So the first topics, so to think about what are the aspects in sustainability that you can also transfer to a smart city, so especially this combination of sustainability in the smart city and how you can contribute to sustainability with technology.
Interviewer	How would you define sustainable companies?
C. 4	I would define sustainable companies in such a way that they first actively define for themselves what they define as sustainability, i.e. they first deal with the topic of sustainability themselves. And it's not the companies that just say "we want to protect the environment", but the companies that think further into the future and consider "what can we do in the long term to be sustainable and to leave a sustainable world for our customers, for future generations?"
Interviewer	In practice, is the focus more on conformity with the rules or on true value creation?
C. 4	So far, I have the feeling that it is more a matter of conformity with the rules, i.e. that CSR reports now have to be written. But I have the feeling that if the CSR report is already being dealt with, people will then also give it serious thought. In addition, companies also want to use it to strengthen their employer branding, because the topic is of great importance to society. But I also think that the fact that some companies are obliged to do so means that they could look into it more deeply.
Interviewer	How important do you think sustainability is for companies?
C. 4	At the moment, I still have the feeling that it's still a bit of a greenwashing or employer branding issue for many companies. So that many are now jumping on this trend because it is hip, because it is especially important for many young people. If a company doesn't deal with the topic at all, then many companies already have a bad association with many people or many new employees. That's why I don't think it's a very high priority yet. In my opinion, it is still greenwashing for many people.

Interviewer	When we talk about sustainability, we usually talk about the three elements social, ecological and economic. Do you think that some elements are more important than others or more challenging?
C. 4	I think the social is clearly more challenging. I don't think it's the top priority, but it's more challenging. If you look at the issues, educational justice, women's justice, poverty, etc., I think it's much more difficult to deal with these issues than it is to deal with economic issues. Every company has to act economically and I think the choice between "do I act ecologically but not economically at the same time" is made very quickly, because many companies would then no longer act ecologically.
Interviewer	Have you seen an increase in demand for sustainability consulting services?
C. 4	Yes, I did.
Interviewer	What are companies looking for when they approach you?
C. 4	On the one hand, very much the question "What can you position yourself with in sustainability?". So what can you offer customers in order to offer sustainable products. On the other hand, in an internal direction, looking at internal goals - "What can we actually do? What's out there? What are others doing? What are our obligations? Is there something we can align ourselves with? ". It's a very broad field and I feel like companies are very lost there and need guidance.
Interviewer	Change management is considered critical to the success of business transformations. Do you see it that way too?
C. 4	In principle, yes, absolutely. In a transformation, for example, when new people work together, there are new constellations, then change management is very important in that respect, especially to get to know and understand how other people work. But it should not get out of hand.
Interviewer	What steps need to be followed in change management?
C. 4	So I think first of all understanding what causes a transformation or change in people, what emotional issues and challenges have been triggered in people and what fears have arisen. And then talk to the people concerned to think about very concrete measures to overcome these fears and challenges.
Interviewer	Who are the most important stakeholders in the change process?
C. 4	Leaders. From my point of view, the leaders have to act as role models and lead the team. I believe that if a manager doesn't live a change himself and doesn't live according to the new values that have been considered together, then the team won't do it anyway. That's why the first thing you have to do is make it very hierarchical and get it into the heads of the very top so that the others will follow it.
Interviewer	And what about the employees? How important are they?
C. 4	Super important. They have to be completely involved. It is always very important to me that employees are not presented with a fait accompli, but that they are completely involved in the process and given the opportunity to

	contribute their own ideas. For example, a concept for a new department should be designed in a participatory manner and not be predetermined.
Interviewer	What internal and external difficulties can arise in the change process?
C. 4	There you have the people who have absolutely no desire for it. So the people who completely stick out and boycott the whole thing. That's very difficult. Especially when you have 1-2 people on a team who are doing everything badly. Which is also a hindrance if there have already been difficulties in the process, or people have been terminated, or people have been presented with a fait accompli. People tend to have a negative attitude. It is difficult to explain the positive effects to them. That's why it's very important to involve people from the beginning, to integrate them, to communicate with them.
Interviewer	What are the most important success factors for corporate transformations?
C. 4	Exactly what I just said. Communicate a lot, involve people from the start, work out issues in a participatory way, ask for opinions and, in particular, use them.
Interviewer	As a consultant, how do you support your clients in this?
C. 4	By setting an example of such a process. When I develop a concept, I don't do it together with the manager, but we do a joint workshop with the employees so that the whole team can participate. I also try to repeat all the topics over and over again so that they become ingrained. I also tell the managers again and again how important it is to take the people with them, to communicate with them.
Interviewer	Do you also use guidelines/frameworks in such transformation projects? Do you have a specific one that you always use?
C. 4	No. It depends a lot on the topic. I always like to have a vision first, so that the whole team knows what they are working towards and identifies with it. But otherwise the process is very situation and topic dependent.
Interviewer	Do you think the process for implementing a sustainability strategy is different than the process for non-sustainability related business transformation? Why?
C. 4	Not very strongly. I believe that awareness of sustainability must become even stronger, that it is not just an internal perspective as with other transformations. After all, a sustainability transformation is also a social responsibility. Creating the awareness that you have a social responsibility needs to be more in focus. But otherwise it is very similar from my point of view - communication, awareness raising, participative work, collecting ideas.
Interviewer	Who are the key players in initiating a sustainability transformation?
C. 4	I would say it's dependent. I think the initiator can be anyone. In the end, it is the management that gives the final go. But I think that the person who raises the issue for the first time is not the management, but that the pressure also comes very much from the employees, that people want to deal with it. From my point of view, this can come from all positions in the company, be it clerks or managers.
Interviewer	So you think employees can influence management?

C. 4	Yes, I think so. I believe that the social pressure on the management continues to grow.
Interviewer	We are currently facing economic challenges such as resource scarcity, energy crisis, supply chain problems and skills shortages. How do you think this affects the implementation or consideration of sustainability in companies?
C. 4	I think it has two sides. On the one hand, it has the effect that people are even more concerned with sustainability. If you look at the energy crisis, if people had been focusing on renewable energies for much longer, the world would already look very different. I believe that a crisis is always an opportunity to try new things and be brave. We saw that in the Covid pandemic with the new vaccines. The energy crisis and resource scarcity can also help to create good new ideas. On the other hand, I think that due to problems and challenges that companies have right now, their attention is needed for other issues. So also the question of how to save money without having to lay off employees. Due to increased costs and shortages there are other important topics for companies.
Interviewer	Many employees now work remotely. Could this pose a challenge?
C. 4	Yes. All in all, I would say it is a challenge. The better people identify with the company, the better the transformation works. I think if you work at home a lot and are rarely in the office, you identify less with the company. That's a challenge for me, because there's less acceptance. On the other hand, I think that in terms of sustainability, remote working has a positive impact because it creates good ecological effects.
Interviewer	So that you're already pursuing sustainability goals in the company through that?
C. 4	Exactly.
Interviewer	What qualities do leaders need to bring to the table to support a sustainability transformation?
C. 4	You have to understand it first. You first have to know what it means to be sustainable. Is sustainability just buying my way out, for example through CO2 certificates? Sustainability means more than that and leaders need to understand that. What does sustainability mean in the different facets and how can a company, an individual, a society contribute to it? This must be communicated to the employees and exemplified.
Interviewer	Do you think that managers themselves need to be experts in the field of sustainability?
C. 4	I don't think so. You don't have to be an expert, but you already know what it's about.
Interviewer	Do you think sustainability expertise can be built up within the company or do companies need to bring in external sustainability experts?
C. 4	I think that can also be built internally. But it is a question of investment and time. I believe that there are motivated people who also spend a lot of time on it in their spare time, so that they can also develop it internally. But it's faster

	to bring it in from the outside. So from my point of view it depends on how much time and investment should go into it.
Interviewer	How important is it for companies to establish a separate sustainability department or staff unit?
C. 4	I find very good, because it is also a statement. But from my point of view it is not a must from the beginning. The question is where does the company want to go? Is it about establishing sustainability internally or is it also about including products and customers?
Interviewer	In your opinion, what is the most important added value of consultants for strategy implementation and how does it differ in projects concerning sustainability strategies?
C. 4	The external view. Understanding and knowing what it's all about. Generally getting to know what other companies are doing, what the trends are in the market. Bringing more of the external perspective into the company. The added value is especially in dealing with it on a different level.
Interviewer	Do you see that the services you offer in relation to sustainability are different in sustainability strategy projects than those you would offer in other projects?
C. 4	Basically, I don't believe that. I think with sustainability you always have to consider laws and start with that. But the rest is very similar.
Interviewer	How important is consulting for a business transformation?
C. 4	Very important, especially when it comes to major transformations. Often the problems and challenges themselves seem very big and unsolvable, but when an external person looks at it and offers solutions, then it looks very different.
Interviewer	How do you think the demand for sustainability consulting will develop in the future?
C. 4	It's going to increase a lot. I believe that it will become an increasingly important topic for companies. On the one hand, to position themselves as an attractive employer, and on the other hand, to be able to assume social responsibility. We can see from the climate crisis and all the other crises that are coming that we can't go on like this. From my point of view, many companies have a responsibility to make a contribution. But I believe that companies cannot do it completely themselves.

## B.6 Appendix – Content Analysis Grid Excerpt

	Interviewee C.1	Interviewees C.2
# of Interviewees	1	2
INTERVIEWEE TARGET	A - Consultants	A - Consultants
DESCRIPTIVE CODES:		
<b>Crises</b>	<p>"quote"</p> <p>inter-pretation</p>	<p>I would say that it can be different. Especially for energy-intensive companies, it is even a transformation driver to a green transformation, because they are forced to reduce their energy costs. [...] So I would say in that case it's actually a strong driver. In some places sustainability can be cheaper, in some places sustainability can be more expensive.</p> <p>crises as driver for ST, but industry differences</p>
<b>Urgency / Need</b>	<p>"quote"</p> <p>inter-pretation</p>	
<b>Customers</b>	<p>"quote"</p> <p>inter-pretation</p>	<p>Particularly in the case of trading companies or all those that have this direct customer aspect and are not business-to-business.</p> <p>pressure from customers for ST</p>
<b>Regulations</b>	<p>"quote"</p> <p>inter-pretation</p>	<p>With the private customers of my colleague, it is so that ESG is a large topic, thus that is strongly in demand. And in that context, the EU taxonomy and very dynamic regulation, which then keeps changing and then you have to adapt again.</p> <p>And the EU taxonomy now requires large companies of 250 employees or more. There will also be an insane need just from a regulatory point of view, and I think that the regulators can go further and not just 250 employees, but maybe a hundred employees, or maybe even as few as 50 employees. If you really want to achieve the 1.5 degree target, that is, if you are really serious about it and still want to save this planet, then it is essential.</p> <p>But especially with existing companies that have not been founded with a sustainable mission statement, I would say that it is rather conformity with the rules that forces you to do something.</p> <p>We have seen through the EU taxonomy that financing opportunities for companies will also be tied to the level of compliance in terms of sustainability in the future.</p> <p>keeping up with increasing regulations increases need for consulting; more/stronger regulations required to save the planet; compliance as driver for ST</p>
<b>Sustainability</b>	<p>"quote"</p> <p>inter-pretation</p>	<p>Depends on who you ask or what position someone is in, I have the feeling. I would say in Germany, governance aspects are not as important to me as in other countries where there is corruption for example. Social issues are similar. There are certain minimum standards, they should not be violated. I would say that for Germany and Europe as a business location, this ecological component is more important from my personal perspective.</p> <p>There are so many different types of sustainable companies. So I would now take the archetype of it, which is a climate-positive company that I would call sustainable. In other words, a company that does not take away the basis of its livelihood and does not permanently act in such a way that it does not deprive itself of its resources, whether these are employees or material resources, and also does not deprive itself of the resources that it takes, for example from the state. It should act in such a way that it aims to exist in the long term and to exist in a social context in the long term.</p> <p>SB is a climate-positive company that aims to exist in long-term, but there are regional differences concerning understanding and prioritization of sustainability elements; in Europe, environment more important</p>
<b>Employees</b>	<p>"quote"</p> <p>inter-pretation</p>	<p>To take them along on the way, there are also gamification approaches, which is quite exciting.</p> <p>Changeover to, for example, a sustainable company or a changeover to a digital company usually means more work for the employee on site and to relieve the employees or to give them empowerment and not to feel alone.</p> <p>It is already critical to evaluate that employees are always just doing overtime and then also exploited via intrinsic motivation, because not actually jobs or money or budget is dedicated to this actually important issue.</p> <p>One of the difficulties is that this process change is of course met with reluctance on the part of employees.</p> <p>use gamification approaches for employee motivation; transformations imply more work, thus new positions/jobs need to be created that are only dedicated to the transformation process to avoid overwork; employees need to be empowered and accompanied; employees react with reluctance to change</p>

<b>Management &amp; Shareholders</b>	<p><i>quote</i></p> <p>The higher up in the hierarchy these impulses are sent out, the faster the transformation.</p> <p>—</p> <p>Most of the time change is still a board decision.</p> <p>—</p> <p>The main reason for this is still that the organisation is being left behind. That management levels 1 and 2 are very far along and gallop off, completely forgetting that the others have not yet dealt with the topic and are starting from scratch. We need to bring them along well so that there is a really good deep understanding about the meaningfulness of change.</p> <p>—</p> <p>The communication plays a super important role; that you have someone who can communicate it credibly and understandably, preferably the CEO.</p> <p>—</p> <p>You need a sense of how to take people with you, how to communicate.</p> <p>—</p> <p>(Leadership qualities:) A good understanding of psychology. So it's not just about logic in change processes, but about psychology and the question of what moves people. Why are people resistant? How do you create attractive motives for people? What happens in the change curve? Why are there suddenly negative emotions? What can you do as a leader to counteract this? How do you create a good learning culture in transformation? This is people orientation.</p> <p>—</p> <p><i>inter-pretation</i></p> <p>ST needs to start at top management level, leaders need to be people oriented, need to know how to communicate, how to motivate people, how to deal with negative emotions; management needs to implement good learning culture</p>	<p>You also have to take the leadership with you and this is about incentive structures and redefining them.</p> <p>—</p> <p>I would also say to show understanding for the employees, but also not to be dissuaded from taking a new course, but also to get the employees involved.</p> <p>—</p> <p>It is very important for a manager to have the motivation to implement the whole thing.</p> <p>—</p> <p>I think that it is very helpful if managers acquire a certain know-how. I don't think they have to be experts.</p> <p>—</p> <p>Critical to look at the social component of sustainability, that often or some companies rest on doing everything only bottom-up, driven by employees and not spending any money, for example to create an additional job or to get help from outside. So I would say that there needs to be a balance. It's important that employees go along with it, but it can't be that everything is done in overtime or in employees' free time.</p> <p>—</p> <p>I would say, if the leadership doesn't go along, then it's actually a mission that's doomed to fail.</p> <p>—</p> <p>management needs to support ST, they must have certain knowledge about the topic but don't need to be experts; leaders must show understanding for employees and involve them; management must be willing to invest money in ST for creating new positions or bringing in external support</p>
<b>Process</b>	<p><i>quote</i></p> <p>I believe that you need an idea of the future. But I believe that visions need to change, are allowed to change, can change, and that through the other voices which contribute to it, perhaps a different picture of the future emerges. The importance of visions has rather decreased and what has increased is the importance of purpose. That's actually the contribution to society that we want to make in the future.</p> <p>—</p> <p>Yes, so when you think of digital transformation, of new software and artificial intelligence, people don't get anything out of it at first. If you tell people that we only want to emit clean water from the factory, then all you hear from everyone is yes. (Process easier because:) There is an internal drive and that means value has been created for the sustainability goals.</p> <p>—</p> <p>We now have thousands of insights about what makes change potentially successful, but we constantly violate it. So we know how important this is to bring people along, we know how important it is to deal with resistance and take that seriously, we know how important it is to network change and identify different actors who can contribute.</p> <p>—</p> <p>(measurement) Yes, that is important, because people need to know that they are making an effective contribution and that this contribution is recognisable and can be named.</p> <p>—</p> <p><i>inter-pretation</i></p> <p>purpose more important than vision; idea of future needed, but vision can be developed during the ST; ST easier than other transformations because of internal identification with the topic/ internal motivation from employees; involve people, manage resistance; metrics important to quantify/ visualize contributions/ success</p>	<p>If you have this intrinsic motivation, for example "I want to preserve the earth for my grandchildren" then it also pulls along well. That can be an advantage in this particular case of a sustainability transformation compared to other transformations.</p> <p>—</p> <p>Actually, to me, they're very similar processes, but the core of the business is already going to be more challenged if you really want to be sustainable. So it leaves you almost no room for manoeuvre.</p> <p>—</p> <p>From a globalization-critical perspective, you have to measure everything, you have to make the world measurable, but it is already the case that for our customers in particular, this KPI aspect is very important and only when you have measured it, then you can also push this value up or down, depending on which indicator it is. That's exactly why I would list this as a core element.</p> <p>—</p> <p>Dashboards that are also user-friendly, that are easy to integrate. Or, for example, there are also apps that you can program so that employees are motivated to do sustainable deeds at work. That is already the focus, these dashboard analyses that make these KPIs relatively easy to see for leaders.</p> <p>—</p> <p>So, I personally think it always makes sense to start with a vision and to become clear who I am and what I would like to be as a company and to go back to who are my stakeholders and not just my shareholders? Who are we at all? What position do we want to take in society? And experience has shown that this makes the process much easier. If you want to set goals, you also have to have a starting point, and it's first good to see who we are now, who do we want to be.</p> <p>—</p> <p>Maybe digitality is not yet that important to achieve sustainability. But in a world where we are all digital anyway, we can't do without digital to implement sustainability.</p> <p>—</p> <p>ST and other transformations similar but ST easier if intrinsic motivation exists; measurement of KPI important; use of dashboards to track indicators; apps and easy digital tools to motivate employees and facilitate ST; start with vision; consider all stakeholders; status-quo analysis crucial; technology has negative impact on environment</p>
<b>Consulting</b>	<p><i>quote</i></p> <p>We do very concrete things, such as developing a healthy learning culture, leadership development and then of course strategic projects. For example, purpose development in the direction of sustainability.</p> <p>—</p> <p>We're always goal-oriented and then we figure out how to get there. We are not very process-oriented because I don't believe in that.</p> <p>—</p> <p>The external perspective and the experience. [...] We are deliberately diverse in our culture and composition and this diversity of perspectives is always an added value for the customer.</p> <p>—</p> <p>The customer feedback also confirms this. They need the external perspective and also the experience.</p> <p>—</p> <p>Yes, so there are usually systems with indicators in the organizations themselves. In part, we help to develop them.</p> <p>—</p> <p><i>inter-pretation</i></p> <p>services: leadership development, strategy development, establishing learning culture, purpose development, development of indicator systems; added values: external and diverse perspective, experience</p>	<p>When you talk to customers, the topic comes up again and again. So there is definitely a demand for it and also such a great uncertainty or ignorance about the topic and also often "we don't know at all how to approach this, but let's talk about it".</p> <p>—</p> <p>This basic demand is often CO2 balancing. And then mostly, so that is mostly demanded together, first an assessment of what the current state is and from this then mostly additionally a roadmap is demanded. So how can I somehow become climate neutral by then and then?</p> <p>—</p> <p>There is also often demand, so this aspect of technology and sustainability and how you can bring that together.</p> <p>—</p> <p>Brings in a different lens.</p> <p>—</p> <p>Sometimes someone has to come in from the outside and really open peoples' eyes.</p> <p>—</p> <p>I think they will certainly manage it themselves, but not so quickly. [...] If every company starts from scratch, the process is just too slow.</p> <p>—</p> <p>increasing demand for sustainability consulting; companies deal with great uncertainty; demand: CO2 balancing, status-quo analysis; roadmap design, including technology; added value: faster process, eyes-opener</p>
<b>Organizational Structure</b>	<p><i>quote</i></p> <p>I think that can be important, but I don't know if it has to be a separate department. You could also theoretically have sustainability experts in every strategically important product area, who might have a background as an engineer, or with an HR background, or in marketing. I don't think that's a success factor for me.</p> <p>—</p> <p><i>inter-pretation</i></p> <p>no separate sustainability department needed</p>	<p>We see it a lot in companies that there is a department that deals with sustainability and that then carries this into the other departments.</p> <p>—</p> <p>companies use to have separate sustainability department</p>

## B.7 Appendix – Overview of Research Project and Key Findings

