LUISS

Department of Business and Management

Master's Degree in Strategic Management

Chair of Organization Design

TOWARDS A NEW WAY OF DOING BUSINESS: ADDRESSING THE ORGANISATIONS' GREEN GROWTH THROUGH AN ORGANIZATION DESIGN PERSPECTIVE

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TABLE OF CONTENTS

Introduction

In recent years, the issue of sustainability has become increasingly pervasive in every sector around the world. In parallel, an innovative way of doing business is emerging, generating a new framework for companies called "Sustainable Business Model". An increasing number of companies are indeed innovating their business models by implementing modern types of organization designs. The aim of this study is understanding how different companies in sustainability sector will face this "Green Growth" and what strategies they will adopt to integrate sustainable practices into their operations. This topic will become even more prevalent in the future due to the global emergency of climate change. In fact, the modern term "Impact investing" is becoming more common to everyone. It is a new generation of companies that, in addition to making profits, are oriented to have a sustainable impact. Recently, worldwide and European directives are shifting the concept of organization, which now is not just an entity that pursues only financial results, but also the social interests of the community. This enormous change in the way of doing business is leading to the creation of new companies and unexplored market opportunities.

For this qualitative research, interviews will be conducted to collect the necessary data. Afterwards, the data will be analysed based on the "Grounded Theory" approach. Specifically, three new types of companies in the sustainability sector will be interviewed. Firstly, four well-known, large companies, which can be considered as an incumbent, where sustainability is not the main business of the overall strategy. On the other hand, five start-ups that are totally dedicated to sustainability topics. The third type are five companies that are implementing modern organization designs to overcome environmental issues. This last typology of firm is able to combine the strengths of both the above-mentioned companies. The participants were carefully selected because they represent innovative examples of business models that are adopting sustainable practices in their structures. I believe that the obtained results could be useful to prevent the upcoming sustainability's future that will affect each type of company. In fact, companies in this sector are experiencing a transition in which methodologies are studied, but there are no safe and tested practical models. There are more entities, those who are forced by regulations or those who believe in their own sustainable mission, that are adopting new pathways more inclined to hybrid models to implement this sustainable business model innovation. Through this research it is therefore possible to trace the cornerstones on which companies are based, regardless of their type, in changing their structures to adopt sustainable practices.

CHAPTER 1 - Literature Review

1.1 Actual state of sustainability

1.1.1 Main regulations from Global and European perspectives

In recent years, the issue of sustainability and the obligations placed on companies to report on their environmental, social, and governance (ESG) performances have grown in their importance. First, it is necessary to take a step back and retrace the history of the directives that have been applied in this field. The Kyoto Protocol first, and the Paris Agreement then, are two significant international agreements aimed at decreasing greenhouse gas emissions and combating climate change from slightly different angles. The Kyoto Protocol was adopted in 1997 in Kyoto, Japan, and came into force in 2005. The agreement was intended to limit and reduce only the excessive emissions of developed countries, as they have contributed more to the current accumulation of greenhouse gases. The Paris Agreement was adopted by 196 Parties at the UN Climate Change Conference (COP21) of the United Nations Framework Convention on Climate Change (UNFCCC) in Paris, France, on 12 December 2015. The agreement is a legally binding international treaty on climate change, and, differently from the Kyoto Protocol, it concerns all countries. More recently, there were two crucial directives which will be fully implemented in the future: the Sustainable Development Goals of United Nations (2015) and the European Green Deal (2020), respectively from a global and European perspective. We will see how these laws, with their macro effects, will have micro consequences on the structures of each company. The Sustainable Development Goals, also known as the Global Goals, are a set of interconnected missions designed to serve as a "shared blueprint for peace and prosperity for people and the planet, now and into the future". They were formally adopted in the United Nations General Assembly resolution (UNGA), called the 2030 Agenda. More in detail, The United Nations has implemented 17 Sustainable Development Goals (SDGs) which all UN Members endorsed in 2015. The aims are general and multiple: from combating poverty, to improving health and education, to achieving gender equality, and many others. It is important to highlight that this research aims to study only environmental and climate change topics, thus the term "sustainability" will be referred only to these themes. In fact, this study will focus on the following SDGs:

- Goal 6: Ensure availability and sustainable management of water
- Goal 7: Ensure access to reliable and sustainable energy
- Goal 9: Promote sustainable industrialization and foster innovation
- Goal 11: Make cities and human settlements sustainable
- Goal 12: Ensure sustainable consumption and production
- Goal 13: Combat climate change

- Goal 14: Conserve the oceans, seas and marine resources

- Goal 15: Protect, restore, and promote sustainable use of terrestrial ecosystems

On the other hand, the second regulative pillar was adopted by the European Commission which has formulated a set of proposals to make the EU's climate, energy, transport, and taxation policies fit for reducing net greenhouse gas emissions by at least 55% by 2030. In the long period, the plan aims to make Europe climate neutral by 2050 thanks to an efficient use of resources by moving to a circular economy, restoring biodiversity, and cutting pollution. It is also possible to track common points between the two directives. Considering the environmental goals mentioned above, the Green Deal, in relation with the SDGs.

- Promotes the development of renewable energy and achieving energy efficiency. This aligns directly with SDG 7

- Seeks a sustainable transition with a focus on innovation in industries and infrastructures, aligning with SDG 9

- Has an impact on cities becoming greener by using resources efficiently, such as for SDG 11

- Develops an efficient circular economy. Aligned with SDG 12

- Aims to make Europe climate-neutral by 2050, similar to SDG 13

- Aims to protect ecosystems and biodiversity. This incorporates both: SDG 14 and SDG 15

Considering the interconnection of these directives, it is evident how the most important organs worldwide are working in parallel, and can positively affect each other for a common purpose.

1.1.2 From NFRD to CSRD

On 21 April 2021, after the Non-Financial Reporting Directive (NFRD) review process, the European Commission (EC) presented its proposal for a Corporate Sustainability Reporting Directive (CSRD). EC expects that these proposals together will play an essential role in transforming the ecosystem of corporate reporting to improve the quality and consistency of sustainability information. In 2014 the Non-Financial Reporting Directive (NFRD) 2014/95/EU was adopted in Europe. Large companies with more than 500 employees, which are considered public-interest entities, were obligated to report non-financial information about their development, position, impact, and performance. The purpose of the directive was to improve corporate transparency and accountability in relation to ESG issues by analysing their environmental impact. Moreover, the EC approved a proposal for a Directive on Corporate Sustainability Due Diligence (CSDD) on February 23, 2022. By incorporating environmental concerns into business operations and corporate governance, this Directive aims to

promote ethical and sustainable corporate behaviour. In addition to introducing obligations for the directors of the EU enterprises covered, this Directive provides a corporate due diligence obligation. The aim of this Directive is to foster sustainable and responsible corporate behaviours and to anchor environmental considerations in companies' operations and corporate governance through obligations for the directors of the EU companies covered. These duties include organizing and supervising the implementation of the business strategy's due diligence procedures and integrating due diligence into the corporate strategy. Finally, the Corporate Sustainability Reporting Directive, also known as CSRD, was designed to replace both the NFRD and the CSDD. CSRD came into force on 5 January 2023, and it refers to a broader set of large companies. In fact, all large and all listed companies, not just public-interest entities, must disclose detailed information on their sustainability performances. The reported information must satisfy the European Sustainability Reporting Standards (ESRS). In addition, this law makes it mandatory for these companies to implement an internal audit department dedicated only for sustainability.

These directives reflect the growing recognition to promote sustainable business practices and increase corporate responsibility. The value of nowadays companies is increasingly represented by intangible assets such as skilled employees, reputation, brand, intellectual capital, licenses to operate, and customer relationships. All of them are directly influenced by sustainability factors. Companies that do not manage and measure them, risk having lower performance or eroding their value. In fact, these laws aim to provide more information to stakeholders about company's ESG performances, and to integrate sustainability operations into strategies, activities, and reporting practices. According to the proposal of CSRD, companies will have to provide a description of their business models and strategies in relation to sustainability factors. Moreover, to ensure that they are compatible with the transition to a sustainable economy, they must set sustainability targets and report on the policies and business practices implemented to achieve them.

1.1.3 Implementation of Sustainable Initiatives in Italy: The NRRP
The National Recovery and Resilience Plan also known as NRRP (or *Piano Nazionale di Ripresa e Resilienza*, *PNRR*) is part of the Next Generation EU (NGEU). The plan is a funding instrument proposed by the European Commission in 2020 to help EU Member States recover from the economic crisis caused by the COVID-19 pandemic. This funding program represents one of the possible main ways to support and promote a sustainable growth in Italy. NRRP involves a large-scale investment and reform plan. It will allocate 191.5 billion euro via the Recovery and Resilience Facility, as well as fund 30.6 billion euro through the Complementary Fund, which was set up under the Italian Decree-Law No. 59 on May 6, 2021. The Italian NRRP has a strong focus on ecological and

sustainable transition of the country. In fact, two of the six missions proposed by the plan aim to have a sustainable impact on the climate change of the country.

The magnitude of the Plan is evident by the huge amount of invested found granted by the European Commission. More precisely: 59.5 billion euro invested for Mission 2 "Green Revolution and Ecological Transition", and 25.4 billion euro invested for Mission 3 "Infrastructures for Sustainable Mobility". In line with international goals, Mission 2 consists of 4 Components:

- C1. Sustainable Agriculture and Circular Economy
- C2. Renewable energy, hydrogen, network, and sustainable mobility
- C3. Energy efficiency and renovation of buildings
- C4 Protection of land and water resources

In conclusion, the NRRP represents a significant opportunity for Italy to make progress towards a greener and more sustainable economy. Its implementation will have a deep impact not only on the long-term sustainability of the entire country, but also on companies at every level of their life cycle: from new start-ups to international and well-known firms.

1.2 The Role of Organizational Design for the New Era of Sustainable Business

1.2.1 Sustainable Business Model Innovation

Once the scale of investments by major international institutions for sustainable impact is understood, this discussion will elucidate how these investments are facilitating the integration of sustainability activities within businesses. Furthermore, it will explore how this innovation is creating a new way of doing business, leading to a "Green Growth" (Ki-Moon & Gore, 2009) of companies and industries. Recently, the term Sustainable Business Model Innovation (SBMI) has become increasingly more important. An effective sustainable business model doesn't solely focus on economic returns. Instead, it leads to a shift in the way a firm operates, promoting beneficial impacts or reducing negative consequences for the environment, leading to a "triple bottom line" of economic, environmental, and social value creation (Elkington & Rowlands, 1999). It is possible to track the main actors of a SBMI: the acquisition of the Value Proposition of sustainable principles, the shift of value creation approach from economic value to shared value (Porter & Kramer, 2011), the attention of nonfinancial interests during the decision-making phase, and the creation of a new sustainable culture which afflicts the entire organization (Stubbs & Cocklin, 2008). Thanks to recent studies, a new framework has been developed to foster a SBMI process (*please see Figure 1*). It is possible to underline three main areas: Value Proposition, Value Creation Delivery, and Value Capture. The goal is to create value inside and outside

of the organization, leading to environmental benefits, through the motivation of internal and external stakeholders.

Figure 1: Framework for SBMI
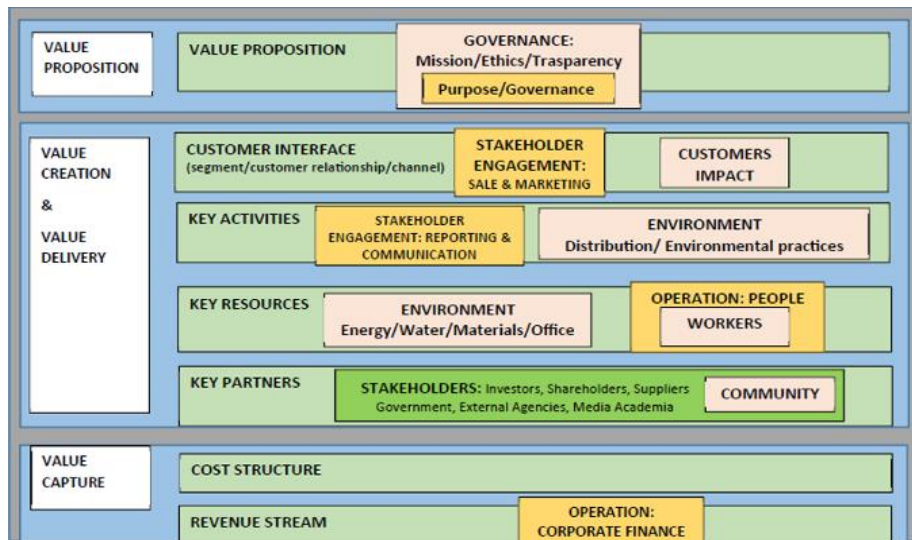
Source: Business model innovation for sustainability: a new framework (Ferlito & Faraci, 2022)

Firstly, it is essential to align the firm's goals with sustainable principles by updating the mission, statements, and core values of the company. The organizational culture should be the source of a true drive and passion for the redefined purpose. In a second moment, the company's ethics must be updated to ensure transparency, which is the amount of information that a firm is willing to disclose, through the implementation of a sustainable ethical code and an ethical audit (Depken & Zeman, 2018). The last factor to improve is the governance that has become a crucial factor within this dimension: the Board of directors must constantly discuss how to lead the transition to a more sustainable model and how to implement general policies that will affect the entire organization. These sustainable developments of Value Proposition will unlock the motivation of all employees and collaborators, who will be motivated to be loyal employees, granting a solid, unique culture. More precisely, as documented by recent scientific literature, employees are increasingly seeking purpose and alignment of their personal values with their professional lives. The researcher Chandrakant Varma has identified a positive correlation between the assumption of a strategy based on a social cause such as climate change, employee motivation and work satisfaction (Varma, 2018). The main message to highlight is that employees who believe their efforts contribute to a larger social cause increase their motivation in a creative workplace. Moreover, this emphasis on sustainability and social responsibility could facilitate employee engagement, improve job satisfaction, and ultimately increase job performance. This makes motivation one of the most important invisible assets to foster creativity and innovation. Value Creation and

Delivery represents how a company creates and delivers its products or services. This section will focus more on customer area. In last years, clients have been increasingly interested in businesses' sustainable impact and tend to choose solutions with an environmental footprint (Townsend, 2018). To meet costumers' needs, the company should review all marketing initiatives aimed at communicating and promoting its new values, highlighting the firm's effort on environmental topics. Human resources also play an essential role, in fact it is important to examine some elements concerning workers, such as their benefits or wages, training, work environment, job flexibility, and others. Granting a productive environment will increase not only employees' performances, but also the amount of shared knowledge inside the organization. The last element regarding this section is the Stakeholder Engagement: more businesses are recognizing the importance of engaging with all stakeholders, creating a community of subjects in their business models. This community is composed by government, suppliers, external agencies, and even competitors. The interconnection of a social mission makes these actors feel a sense of belonging to each other, even when they are competitors. It is then possible to develop partnerships that can be useful to reach sustainable goals by growing the core business and extending companies' social licenses to operate. This locked Value Creation's activities must be supported by the organization design planned. The final section regards Value Capture: businesses are developing new ways to capture value that supports sustainability. It depends on measurement of results the company is implementing. Listed companies, for instance, utilize the "Global Reporting Initiative for Sustainability Reporting Standards" indicators defined by the Global Reporting Initiative (GRI) to measure the results of their activities. In conclusion, the SBMI represents an innovative method that creates new value for all the company's stakeholders by changing its core elements and adopting a sustainable orientation. This innovative changing process, that will be examined in paragraph 1.3, is easier for new entrants such as start-ups, and riskier for existing companies that have been operating their business for a long time and now must adopt to this sustainable change.

1.2.2 The Influence of "Impact Investing" in Sustainable Business Practices
According to Bugg-Levine and Emerson's article, "Impact Investing" may change the way we perceive economic and environmental problems, transforming how businesses operate. This revolutionary shift implies that investments can serve both financial returns and positive, quantifiable, and environmental impacts. They predict a future where the profit-making goals are intrinsically aligned with generating sustainable and beneficial changes for the environment. Nowadays, we can see the truthfulness of these predictions, considering for instance the current transformation that businesses are undergoing to reach a sustainable impact. This concept of Impact Investing has been studied and approved by the London

School of Economics and Political Science (Reeder & Colantonio, 2013) arguing that it is possible to break the traditional dichotomy between monetary benefit and societal and environmental impact. A well-functioning measurement system is one that builds upon past insights and accumulated data, while making reasoned compromises with its stakeholders to help them achieve their goals. Thanks to this measurement system it is possible to achieve both goals, proving that they are not mutually exclusive. It also important to highlight that, as mentioned in the previous paragraph, employees in companies engaged with Impact Investing demonstrate higher job satisfaction and engagement. In fact, a study conducted by Tschelisnig and Westerlaken in 2022 reveals that the alignment of purpose with business operations fuels motivation and increases productivity. This increased motivation and engagement directly effects the organizational culture. Modern businesses are indeed dedicated to both their environmental impacts as well as their profit margins and, as a result, Impact Investing is a powerful strategy for promoting economic growth. In addition, this trend has a significant impact on employee motivation and develops a unique and strong culture inside the firm. Regarding this topic, it is necessary to explore the crucial role played by Non-Profit Organizations (NPOs). These organizations are able to shape a more sustainable future for businesses promoting sustainability in business operations. Initially, considering a study conducted by DiMaggio and Anheier in 1990, titled "The Sociology of Non-profit Organizations and Sectors", there was a clear difference between profit and non-profit organizations. It was noted that only non-profit organizations used to promote sustainability by advocating for environmental considerations thanks to specific factors inherent in their nature. Modern studies emphasize that modern NPOs can influence corporate behaviour and business models of profitable companies towards sustainability. Unlike for profit companies, NPOs cannot rely on profit or taxing authority. For this reason, they employ a unique operational model and get funds by multiple stakeholders relying on earned income, governmental support, and private donations. Recently, NPOs have faced external challenges concerning the adoption of business models, innovative practices, and market orientation that may conflict with the core ideals of NPOs. But, considering the shift of profit organizations and the birth of new hybrid organizations that pursue both financial and environmental results, it is evident that also the concept of NPOs is becoming blurred (Porter & Kramer, 2011). There is an ongoing debate about the purpose and mission of NPOs facing environmental challenges. Some argue for a broader mission statement, while others advocate for marketization and the adoption of business practices. Studies suggest that NPOs must adopt a focus on organizational sustainability, both in terms of strategic and operational management using a well-defined business model. In fact, the question of whether NPOs, in a more mature phase of their lives, should remain strictly non-profit and whether current climate change will drive new sustainable business models is also raised. The literature highlighted the importance of value co-creation between NPOs and businesses (Díaz-Perdomo et al.,

2021). There are two main advantages with these partnerships: a Mutual Benefit of Co-Creation, profitable businesses can leverage the experience and knowledge of NPOs to improve their organizational performances, enhance their sustainable development parameters in alignment with the SDGs, and deliver social value to their customers raising their reputation. NPOs, in turn, can leverage these collaborations to increase their visibility, and contributing more effectively to their mission. Secondly, the research underscores the role of Corporate Social Responsibility (CSR) in achieving SDGs. Value Co-Creation proves to be a valuable approach in promoting CSR inside private organizations: non-profits can foster CSR in profit-companies creating opportunities and leading to businesses embracing a broader view of their responsibilities, extending beyond shareholders, by including the environment. In conclusion, this new phenomenon of Impact Investing will lead to a new generation of businesses, and consequently it will create new market opportunities (Bugg-Levine & Emerson, 2011). Researchers predicted that new laws, new systems for measuring value, new capital market innovators, new approaches to cultivating leadership will be the drivers of the future sustainable growth. Moreover, we have seen that the boundaries of profit company and NPC are becoming blurred and how the formers are integrating the latter into their organizational structures to achieve SDGs. All these drivers, as we have seen in the previous paragraphs, have found their application in the last ten years. For these reasons, those visionary researchers suggest that the companies, as will be explained in the next chapter, must be organized to capture these new opportunities.

1.2.3 Rethinking Business through Organizational Design for Sustainability

Up to this point it, should be clear that sustainability is no longer a choice but a necessity. In fact, nowadays businesses are rethinking and innovating their organizational structures in line with sustainable practices. Duties to report and legal requirements to respect affect how all companies do business. As analysed by Peters and Simaens, when companies want to change their organizations in a sustainable way, they often face institutional and organizational obstacles. Institutional barriers refer to external elements such as rules, economy, or culture that might limit companies' operations (Peters & Simaens, 2020). An important institutional hurdle might be the cost of implementing sustainable practices. This covers the costs of handling sustainability issues and the price premium for sustainable materials over conventional ones. These costs are frequently non-transferable to consumers, thereby impacting the company's profitability. Porter and Kramer stated that the right kind of government's regulations can be one of the main sources to stimulate an innovative greener growth of companies. Through more focused directives on measuring environmental performances, adapting codified environmental standards and support of technological innovations, it would be possible to overcome the

institutional barrier (Porter & Kramer, 2011). As analysed in the first paragraph, we can see that all those investments and regulations that will find their full implementation soon, were devised to encourage, and in some extent to force, a "Green Growth" of all companies. On the other hand, organizational barriers are internal challenges such as resource limitations, resistance to change, or lack of necessary skills. Implementing sustainability initiatives can be costly and require significant effort, representing a limit. The McKinsey's study "Organizing for sustainability success: Where, and how, leaders can start" (Smet et al., 2021) and other scientific papers will be helpful for this research by advising companies to overcome this barrier while also meeting stakeholders' expectations, managing sustainability-related risks, and capturing business opportunities. The paper proposes four ways to redesign the organizational structures integrating sustainable practices. Starting from the first point, the research suggests that, since there are many areas under the umbrella of sustainability, it is important that a company addresses only a few and precise sustainable topics. Consequently, the firm must design its organization to be focused on each topic. The initial step is prioritizing the list of sustainability topics that matter for the firm. They suggest developing a materiality assessment, which considers the potential impact of addressing those topics. For the process, the engagement is required of both internal and external stakeholders. Subsequently, a company, considering the obtained materiality, can create a brief list of priority topics that the organization must address to have a sustainable impact. The main goal is to give support to companies in better organizing and allocating resources to the business' important issues. The researchers suggest that a modular organization design often works best to assist this process at the topic level, rather than holistically. This model allows companies to address emerging topics in a more agile way, being characterized by high autonomy, self-managed teams, and independent business units. In fact, each module is not only focused on a specific sustainable topic, but also it is responsible for its own resources and can autonomously respond to changes in its specific area. In addition, considering the specificity of the knowledge required for a sustainable topic, it is important to have different autonomous teams specialized in precise arguments. Additionally, thanks to its characteristic modularity, it is easy to add, remove, or replace modules without disrupting the entire system. This model is contrasted by the holistic one, where all the parts are interconnected. One of the main disadvantages of adopting the modular approach, is a lack in terms of strategic alignment inside the entire system, leading to a decrease of coordination and communication between different modules. Porter and Kramer, in their shared value framework, emphasized the importance to align sustainable topics with their own business, arguing that, implementing this requirement, companies can achieve economic success while addressing social issues (Porter & Kramer, 2011). Regarding this, the Holistic Design considers the entire organization, being focused on the overall health and well-being of the organization, rather than just the performance of individual parts. The holistic design promotes indeed a strong organizational culture and a sense of unity

inside the company. In this chapter, we have already seen the importance of having a solid and unique purpose shared by employees. This design emphasizes the importance of the alignment of all parts towards the same goals, which, following the advice proposed by McKinsey, must regard specific sustainable topics. Secondly, the research suggests giving a central sustainability team the decision right to coordinate work for selected topics. This design can be beneficial for implementing sustainability initiatives as it allows for a unified and consistent approach. In general, Central Organizational Design is characterized by a strong central authority that makes key decisions and sets the direction for the organization. The study suggests a lean central team, rather than a large one, in charge of implementing the firm's sustainability agenda successfully by using dedicated resources and integrating sustainability initiatives across the company. Centralization allows for a precise control over operations, which is useful considering this highly regulated industry. This team has the decision-making authority to execute change not on all decisions, but specifically when they regard priority sustainability topics that affect multiple functions or that have a material impact on the entire system. In fact, a central design may guarantee that all areas of the organization are in line with the overall strategy and can result in clear and consistent decision-making. To obtain a clear guidance on which priorities to take on, the central team must have a clear mandate: it will encourage to let the sustainability agenda "cascade" through the organization. For this reason, the decision-making authority has many levels: the board of directors must be engaged by the central group to take the ultimate decision rights on critical sustainability topics and the strategic direction of the firm. Then, the central team must monitor their different businesses' development while retaining an overall corporate perspective on the company's performances on the addressed topic. This team might also appoint company's leaders to elaborate and mark out a corporate-level sustainability agenda. However, the role of sustainability should not be confined to a single department or individual. For instance, a centralized design could limit the involvement and engagement of employees at lower levels of the organization, which can make it more difficult to execute and support sustainability initiatives. Gutterman's work proposes an innovative model for sustainability known as an "embedded structure". This configuration is essentially a matrix format in which the directors of sustainability are relocated from the sustainability department to each individual business unit (BU) and function (JD, 2020). Broadly speaking, a matrix setup can foster this integration by promoting a multi-disciplinary approach to sustainability. The director of sustainability must report to both the BUs' leaders, and the Chief Sustainability Officer (CSO). Benefits of the embedded structure comprise the capability to select and apply sustainability schemes that promote business value and become integral to company's main operations, and the possibility to elicit considerable support from all employees. An embedded structure is regarded as the most sophisticated of the fundamental structures for sustainability and it is generally suitable for developed organizations that already have incorporated sustainability into

their BUs. The third advice proposed by the McKinsey's research is finding the structure that best fits your sustainability agenda and your organization as a whole. The paper lists three models where sustainability is not embedded in a support function nor fully decartelized within BUs, but it is linked to an overall strategy making sustainability a strategic priority (*please see Figure 2*).

Figure 2: Five commonly used models for sustainability organizations
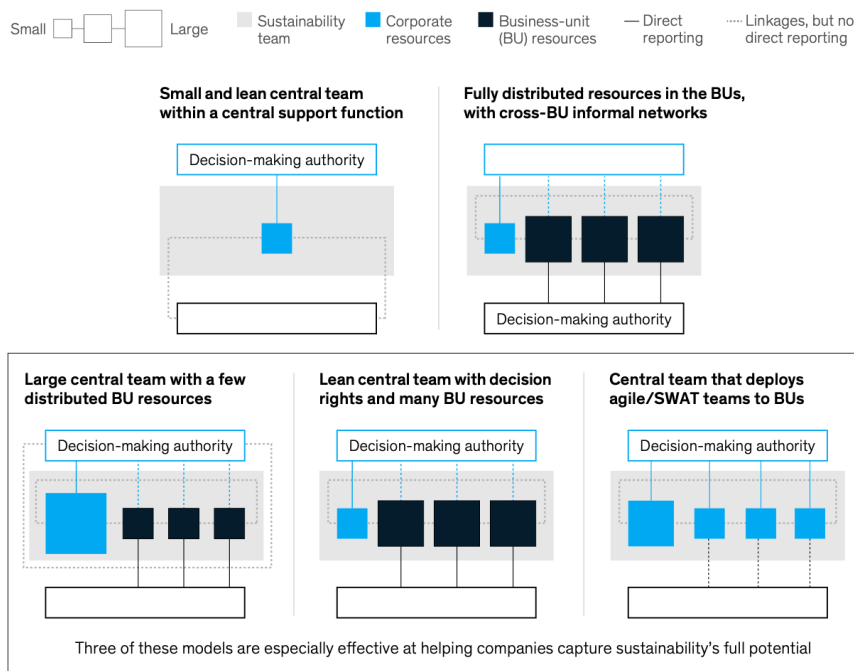
Source: Organizing for sustainability success: Where, and how, leaders can start (Smet et al., 2021)

- Large central team with few BU resources: a central team has the power over many BUs that cannot act autonomously. In this setup there is a high level of power centralization on one main actor that manages the resources and sets, plans, and tracks the sustainability activities. These activities, considering the specific topic, will be executed by the BUs under the control of the central team. This structure is suggested for companies that are new players in sustainability industry.

- Lean central team with decision rights and many BU resources: this model differs from the previous one because BUs are tasked with developing specific initiatives using their resources. They also have the autonomy to establish and work on their sustainability initiatives through day-to-day operations. Still, BUs must always follow the directives of the central team which sets the company-wide goal in order to reach common company-wide agenda and targets. This structure is recommended for businesses that have already successfully integrated sustainability into their organizational culture, thereby enhancing the probability that sustainability becomes a true cross-functional effort.

-       Central team that deploys agile or SWAT teams to BUs, which can be also referred to as a helix organization. In this final structure the role of a central team remains intact, which is in charge of assigning sustainability-focused Task Forces (TFs) to each Bus. The TFs, after being integrated in a BU, assist the initial implementation of the unit's key sustainability initiatives. Once a BU has the capabilities to manage its own initiatives, the assigned TF moves to another BU. This approach is able not only to foster a shared knowledge inside the organization, but also to rapidly answer to changes in the sustainable market, deploying resources in a more agile way to meet emerging priorities. This helix organization, thanks to a distinct separation of leaders, allows for the cultivation of sustainability talent in two directions: Capabilities Managers, leaders who facilitate capability development in the long-term; and Value Creation Managers, those who supervise employees' daily activities. The fourth and last suggestion is redesigning the structure considering the complexity and dynamicity of sustainability. They suggest that each company involved, should develop sustainability as a Strategy which necessitates unique decision-making methodologies. It is indeed paramount to consider the reconfiguration of sustainability-related processes and governance early on. Additionally, it is essential to move beyond the traditional "organizational chart" composed of lines and boxes. This idea of implementing radical changes in the functional system and governance of companies to promote a Sustainable development inside organizations, also called "Transition Management" (Moldavska & Welo, 2019), is promoted by many studies to better understand and support the organizational adaptation to sustainability. Another research conducted by McKinsey demonstrates that redesigning is almost three times more successful when participants target multiple organizational aspects, such as performance management, business processes, and corporate culture, instead of solely adjusting reporting lines (Smet & McGinty, 2014). The main research of McKinsey recommends implementing some practices. First, companies need to adopt procedures which should clearly state which subject should answer for a specific issue. The central team should hold the authority to decide on issues that individual business units can't tackle independently. If the central team encounters high-priority matters that exceed its competences, these can be escalated to the executive team or a sustainability council within the C-suite. Another key theme concerns capital allocation in relation to sustainability. Sustainability investments typically present different risk-return dynamics and they are more uncertainty than other conventional investment types. Many companies, based on Risk Management's work, are earmarking distinct funds for sustainability activities, setting different benchmarks for sustainability investments, and applying integrated financial and sustainability criteria to guide capital allocation and M&A decisions. Lastly, they suggest setting measurable sustainability-specific performance Metrics, both financial and nonfinancial, depending on the addressed topic and, parallelly, apply general principles of "good performance management"

considering the target's achievement such as establishing incentives linked to sustainability performances.

In conclusion sustainability is recognized by companies, and their investors, as a strategic priority that involves significant business opportunities. It became essential for every company to incorporate sustainability activities in their organizational design and management. It is important to note that there is no single "right answer" for the design of a sustainability organization or a company that wants to embed sustainability. In fact, to effectively address sustainability, organizations may need to adopt different structures, considering many specific elements such as institutional barriers, the type of their business, their size, their age, their function, and many other factors.

1.3 Sustainable businesses' life cycle

1.3.1 David vs Goliath

In a world where business ecosystems face constant evolution and dynamism, companies face many challenges, some of which, as stated in the previous paragraph, are related to a multitude of elements. In order to classify the subjects that will be analysed in Chapter 2, it is important to explain the typologies of companies that will be studied. The literature proposes a model that discusses the relative contributions of small and large firms to the transformation of industries towards sustainable development (Hockerts & Wüstenhagen, 2010). The research highlights three main categories of subjects that interact between with each other during their lives. The perspective of sustainable entrepreneurship that refers to businesses aligned with Elkington's "triple bottom line", includes two main sorts of organizations: "Davids", the start-ups, and "Goliaths", the incumbents. Every category that adopts sustainable guidelines can encounter different opportunities and challenges during its "Green Growth". Table 1 gives a brief view of these two actors, highlighting their principal characteristics based on three criteria: the age, the size, and the objective function. The same classification will be taken up in this research (*please see Table 1*).

Table 1: Characteristics of Davids and Goliaths

Criteria	Davids	Goliaths
Age	Rather new	Old, incumbent
Size	Small	Large
Objective function	Social and/or environmental objectives at least as important as economic objectives	Economic objectives dominating, social/environmental objectives complementary

Source: Greening Goliaths versus Emerging Davids (Hockerts & Wüstenhagen, 2010)

Before going to a deeper explanation of the differences between the two, it is helpful to follow the timeline of the sustainable transformation that will create a third important actor. The journey towards sustainable entrepreneurship often begins with the introduction to the market of an innovative solution by sustainability start-ups, or "Emerging Davids". These actors are also called "bioneers" linking the terms "bio" and "pioneer" (Schaltegger, 2002). After the launch of the innovation, usually the market incumbents quickly follow, seeking to capitalize on the emerging trend offering their product extensions. In fact, while old companies are typically behind start-ups in terms of sustainability innovation, they excel in process innovation thanks to their superior market power. At this stage, these large entities pass from "Goliaths" to "Greening Goliaths". As the sustainability transformation of a market passes to a third stage, while some new entrants start exiting, a new type of sustainability start-up company begins to emerge. They masterfully combine the new entrants' product innovation with the incumbents' process innovation. During the final fourth phase, the mass-market businesses start noticing both a growing competitive threat and a possible market opportunity for themselves. This leads to a trade-off: from one side, this is beneficial to the "Green Growth" of an industry by drastically changing its environmental standards that now also incumbents must respect; on the other hand, the entry of conscious incumbents raises the pressures of the industry, leading to a decrease of sustainability requirements and losing the values held by the first generation of "bioneers". In some ways, sacrificing depth in sustainability quality, may be the cost of facing a more intense competition. But, at the end of this maturity phase of the market, the researchers predict a re-emergence of "New Davids" opening new high-end market niches and, eventually, re-starting the transformation cycle. Once that the timeline of an industry's sustainable transformation is clear, it is possible to proceed with analysing the differences among the involved actors that, as anticipated before, will be considered to classify companies interviewed for the study's analysis.

Emerging Davids

This type of companies refers to recent start-ups with small market shares that are focused on reach, not only economic value creation, but firstly social and environmental goals. Their value-based approach and their intention to have an environmental impact are what distinguishes them from normal start-ups. They are David aiming to fight the giant, represented by a large and old company. Thanks to their size, these organizations can circumvent the organizational inertia which is frequently a problem for larger firms. They are pioneers in the true sense, often hailing from the voluntary sector, with an innate aversion to rampant consumerism and growth. This could be a challenge in the long term. In fact, by maintaining their focus on a singular mission with a "small is beautiful" (Schumacher, 1974) attitude, they invest most of their resources only on one specific environmental issue. In addition, due to their limited resources, sustainability start-ups are less adept at tackling a wide variety of sustainability concerns. On

the other side, being conscious that large companies might easily overcome them in terms of R&D and distribution, "bioneers" tend to keep their niches small and exclusive to avoid sparking interest from incumbent competitors.

Greening Goliaths

These actors are large firms who tend to be older than their counterpart and have a relatively high market share. The term "Greening" is associated with when these large market incumbents start adjusting their strategies in light of the increasing competition from Emerging Davids. Market incumbents, thanks to their market power, financial resources, and process innovation capabilities, can rapidly catch-up Emerging Davids. A typical strategy to incorporate sustainability innovation in large companies is launching a corporate venture capital (CVC). One of the main disadvantages, especially during initial moments of industry's sustainability transformation, is that Goliaths are often under pressure from stakeholders, customers, investors, and regulators to adopt sustainable structures. Additionally, incumbents are constrained by their current assets, which are the results of prior investments, and it could represent an additional organizational barrier to change. In fact, it may be challenging to modify or replace historical systems and procedures used by incumbents in favour of new sustainable technologies or procedures. As we have already seen in the last paragraph, this transition to sustainability is more difficult for large companies, since they have already developed cultures that are resistant to change. On the other hand, thanks to their advantage of scale and resources, these companies are also able to address different environmental issues, while Emerging Davids are focused on a single topic. It is important to note that, as opposed to their counterparts, these firms are more interested in codifying sustainability standards requirements to increase their reputation.

A new actor: High-Growth Davids

During the third phase of the sustainable industry's evolution, a new player has emerged. This company can combine the complementary characteristics of both Emerging Davids and Greening Goliaths. Their unique position allows them to benefit from the innovation of the early Davids, while leveraging the process innovation of the Goliaths. These High-Growth Davids differ from the initial bioneers as they are backed by investors and are more business-oriented. In fact, they reject the concept of "small is beautiful" and prefer to be focused on profitable growth and expansion of market share, while simultaneously defending it against incumbents. Parallelly, they are drastically different from old incumbents because they are conscious of the importance of their market niche, and they aim to expand this through professional management adopting more sustainable topics.

In conclusion, the transformation of an industry towards sustainability requires a co-evolution of actors that plays a vital role in driving this shift: the dynamic innovation of Emerging Davids that inspires change and innovation, the process innovation of the Goliaths which brings sustainability to the mainstream, and the emerging High-Growth Davids that merge the best of both worlds, demonstrating that growth and sustainability are not mutually exclusive but can be balanced.

1.3.2 Exploring Organizational Designs for Sustainability Integration

This concluding paragraph aims to list possible organization designs that can be considered by drawing upon the literature used throughout the chapter and applying the theoretical knowledge. The sequence of organization structures is placed in a continuum, from a strict hierarchy with high level of standardization, generally used by incumbent firms, or Greening Goliath, to flat structures characterized by the absence of hierarchy, typical for small young companies, or Emerging Davids.

Traditional Hierarchical Organization Design: this model is characterized by a strict top-down control that outlines clearly defined roles and responsibilities. The hierarchical framework enhances efficiency and predictability, which are crucial elements for large companies. In fact, this model is more used by Greening Goliaths that want to meet needs of mass markets. Regarding sustainability, such hierarchical organization can be advantageous in achieving environmental standards thanks to its stringent control mechanisms, leading to a high level of standardization, which can be beneficial in many ways. First of all, considering the numerous regulations that, as seen in paragraph 1.1, affect large companies in this industry, Goliaths are more interested in codifying sustainability standard requirements in order to increase their reputation. Secondly, applying a strict control by setting measurable sustainability-specific performance metrics, it is possible to apply motivational principles considering the achievement of the target, as McKinsey suggests. Thanks to this strict measurement of results, Goliaths would be able to capture value, as analysed in paragraph 1.2.1. However, this type of organization usually has a strong culture that makes firms slow to change and lack agility and creativity, which are key components for long-term sustainability success. This model is suggested for different large entities: ones that implement sustainability internally as a support function, and ones where it is linked to an overall strategy to achieve exploitation and maximize efficiency. However, this model might suffocate creativity.

Matrix Organization Design: this structure is a more complex design where it is possible to combine departmentalization by division and function. As seen in paragraph 1.2.3, Gutterman's work proposes a matrix that facilitates a multi-disciplinary approach to sustainability in which the directors are relocated from the sustainability department to each individual business unit and function. This design could be

used as a temporary model to facilitate the shift from Emerging to High-Growth Davids, considering especially the complexity of some sustainable start-ups. As highlighted in paragraph 1.3.1, High-Growth Davids can combine the strengths of both incumbents and start-ups. Similarly, this design realizes both the efficiency and effectiveness needed when the environment becomes complex. In addition, the profit/gain sharing incentive approach in a sustainable matrix is effective: employees are committed to working together with colleagues, since they believe that their contributions to group efforts matter to a "triple bottom line" goal. However, the complexity of this design can pose challenges and may cause internal conflicts if not managed properly, since what happens in a single unit will automatically transfer in the entire organization. Despite these potential problems, the matrix organization is suitable for companies that address sustainability as an overall strategy, where everything is connected, granting a positive "jello effect". In conclusion, this model is recommended for firms seeking to transition from a small, intricate reality to a larger one that can cater to the demands of mass markets.

Modular Organization Design: as discussed in paragraph 1.2.3, researchers suggest this model to better organize and allocate resources to issues that are important for the firm. This model enables companies to address emerging topics in a more agile way, since it is characterized by self-managed teams. At the same time, this structure enables the attainment of ambidexterity, which encompasses both the "exploration" of Davids (creativity and innovation) and the "exploitation" of Goliaths (process innovation). Because of this combination, the modular approach is not fit for activities that need strong alignment. In fact, it is fundamental to codify sustainable standards to replace the need for coordination between actors. In addition, this design, by distributing activities into smaller units, finds a way to "feel small" when "small is beautiful" is no longer pertinent. Due to a high task uncertainty, typical of sustainable industry, it is crucial to have several independent teams specialized in a specific sustainable topic. But, at the same time, these teams must maintain their total autonomy without interacting with each other, because this structure is not suitable for activities that require frequent exchanges of complex knowledge. One of the main disadvantages is a lack in terms of strategic alignment inside the entire system, leading to a decrease of coordination in the organization and the presence of different cultures and control mechanisms in different units.

Network Organization Design: a new mindset of organization structure is changing the way of doing business from profit to purpose, from hierarchies to networks, from privacy to transparency. The network organization refers to a collection of autonomous units or firms that behave as a single larger entity to reach the same goals, also known as equifinality. As discussed in paragraph 1.2.1, the importance of Stakeholder Engagement in sustainability is evident, as it fosters a community centred around a shared social mission. Generally, Goliaths are under pressure from stakeholders to adopt

sustainable structures. This model can facilitate the "Greening" process of large companies by dissolving firms' boundaries. In fact, a network approach is appropriate for organizations that require collaboration with external entities to achieve sustainable goals, by expanding the core business and extending companies' social licenses to operate. As anticipated in paragraph 1.3.1, a big company can incorporate sustainability innovation through an interorganizational relationships, such as a corporate venture capital. The venture teams are commonly used as structures that do not belong to the core part of the organization, in fact they have separated workspaces, different cultures, different rules from the rest of the organization. Another operation could involve forming partnerships with NPOs to foster social innovation, as highlighted in paragraph 1.2.2. Broadly speaking, this design offers agility and flexibility in handling rapid changes, which are vital in this sector. The key is understanding relationships between actors. A common method is by identifying and implementing the roles of "brokers", who connect different subgroups in the network. However, this model necessitates a high degree of trust and coordination among network members to achieve equifinality, which may be difficult to maintain. In addition, through this model may be challenging to create a solid culture and employee engagement that are crucial for sustainability.

Holacracy: it is a modern organizational design that represents a self-management practice where decision-making authority is distributed throughout self-organizing teams rather than a management hierarchy. It is important to note that hierarchy remains in its invisible part. In fact, roles and titles are clear and defined inside this organization. In general, this design encourages responsibility, transparency, and innovation, which are crucial to decrease the level of bureaucracy. This model is recommended for "Davids" that have grown into large companies and could implement it within certain sections of their organization. In fact, during the third phase of the timeline, the company should maintain its autonomous part of "bioneers" focused on environmental topics. By doing so, the firm would be able to preserve its creative and innovative side and to maintain its exclusive niches, thus avoiding attracting interest from incumbent competitors. However, in companies that are not used to such autonomy, this unusual nature may bring discomfort and confusion. There are two types of organizations that adopt holacracy for sustainability to pursue equifinality. As mentioned in paragraph 1.2.3, the Helix organization can prevent bureaucracy by disaggregating the traditional hierarchy into two lines of accountability with same authority and power: Capabilities management and Value Creation management. This strategy can not only promote knowledge sharing, but also quickly respond to changes in the sustainable industry by more swiftly allocating resources in an agile way. Secondly, the Flat Organizational Design which is opposed to the hierarchical model. This approach is often applied by smaller organizations or start-ups that are focused on flexibility and

innovation. There are minimal or no layers of middle management between employees and executives. This model encourages a high degree of employee autonomy and decision-making authority, fostering innovation and creativity, which drive sustainability initiatives. However, this structure can face issues in terms of coordination. Since there is not a well-structured organizational chart for this type of structure, it is highly connected to the last advice given by McKinsey. In fact, it is necessary to go beyond the organizational chart composed by lines and boxes by developing sustainability as a strategy which necessitates unique decision-making methodologies.

Hybrid Model: this design is a blend of two or more internal architectures that implement the advantages of different structures while minimizing their limitations. Through this approach, it is possible to achieve ambidexterity. The hybrid design can balance the benefits of different organizational designs: a less hierarchical and more flexible part that allows for exploration, and a more hierarchical and standardized part for exploitation. This high level of adaptability can facilitate the adoption of sustainable principles into the company's Value Proposition. As studied in paragraph 1.2.1, these sustainable developments will motivate all employees, granting a strong culture based in sustainability.

This chapter starts by highlighting the magnitude of environmental obligations that have been applied in past years. It is evident that, in the short-term, most companies of different industries will be affected by environmental regulations. Some of them, even if not focused on environmental practices, are developing sustainability departments, changing their internal structures. Others are developing innovative ways to organize their organizations, moving closer to holacracy, rather than a hierarchical structures. In paragraph 1.2, we have seen the main sustainable principles that a company should adopt to grant a strong culture inside and outside the organization. Secondly, this new trend of doing business was analysed, where an increasing number of entities are in line with the "triple bottom line" of Elkington, making boundaries with NPOs more blurred. Subsequently, the paragraph explains the two main limits in embedding sustainability in businesses. Through scientific papers, it lists many organizational structures that can overcome these limitations. The paragraph 1.3 starts by outlining the three main actors present in this industry and their interactions. The chapter ends by listing possible organization designs that a company can adopt to embrace sustainability activities while applying the theoretical knowledge. In conclusion, this first chapter, considering a multitude of factors, aims to list many different models that a company with a sustainable scope could address, and lays the theoretical and legislative foundations for the next chapter.

CHAPTER 2 – Empirical Research

The following stage of the study aims to collect data to explain, investigate and, in some instances, challenge the theoretical statements of the first chapter. After an initial explanation of the nature of this empirical research, the chapter will continue with a description of the respondents' target and an analysis of the chosen methodology. The following chapter will end by giving an overview of the approach applied to analyse the previously collected data.

2.1 Qualitative research: definition and methodologies

In general, research methods are essential when gathering and analysing in the field of scientific investigation. There are two main techniques used and, for the sake of clarity, it is important to explain the differences between them. Quantitative research is focused on collecting numerical data to explain specific phenomena that are normally product and result oriented. Usually, this research is conducted on large scales, and it is generally supported by surveys (Kandel, 2020). On the other hand, qualitative research is more discovery oriented, and it aims to understand the deeper meaning or nature of experiences rather than measure them. The goal of this naturalistic and interpretative approach is to understand the meanings that individuals give to events within their social contexts. Qualitative research often relies on unstructured or semi-structured data collection methods such as interviews, document analysis and focus groups. The two approaches differ in the purpose of the study, in measuring variables and in analysing the information, but not in theory. In fact, both have a multitude of common points: patterns, structures, steps, procedures, principles and methods. Once that this general overview is clear, it is important to maintain the focus on qualitative research, which is the approach utilized for this study. This technique, rather than testing abstract theories, is effective in accumulating knowledge (Leavy, 2014). Broadly speaking, the most common tools for qualitative research are interviews. It is possible to define three different typologies inside a continuum from unstructured interviews to structured ones.

Starting from one extreme of the continuum, unstructured interviews represent interviews without a clear prepared framework. Usually, this approach is implemented when the information of the interviewer can be shared by him/her only during the interview itself. For this reason, it is not possible to set a questionnaire in advance. Obviously, in this type of interview, interviewers must use their skills to stimulate the dialogue, thus making the sharing of information as fluent as possible. In any case, fully unstructured interviews don't exist because interviewers typically have an idea of how the discussion should proceed. On the other extreme, there are interviews which are fully structured. This type is normally proposed in surveys and is composed by standardized questions (Conrad & Schober,

2008). Obviously, the crucial role of the interviewers is in the wording of the questions in order to obtain comparable responses from participants. As opposed to its counterpart, structured interviews do not have a moment of direct dialogue between the two subjects. For this reason, these more standardized questions are not effective in going deeper in some points that could emerge during a conversation. Similarly to fully unstructured interviews, completely structured interviews do not exist. Interviewees will always convey ideas outside of the predefined framework. The third way to collect data in qualitative research can be defined as a mix of the two approaches. In general, semi-structured interview is often proposed for qualitative research because it can combine the benefits of both techniques. The interviewer is not only able to direct the conversation towards topics that he/she had previously defined, but also, to actively participate to the conversation, granting a greater flexibility to the interview process (Leavy, 2014). In this type of interview, it is crucial to define three main areas: purpose, interpretation and description. Interviews are consciously conducted to further certain study objectives that are their purpose. The conversation's aim is what distinguishes qualitative interviews from informal talks. Secondly, interviewers must provide accurate interpretations of collected data to extract crucial insights, thereby developing valid qualitative research understanding people's experiences and behaviours. Another important aspect is that interviewers want to analyse how interviewees interpret and experience different situations. For this reason, descriptions play a crucial because the more detailed the shared information, the more comprehensive the research will be.

In conclusion, the semi-structured approach has been adopted in the qualitative research of the current study. The selected method should grant flexibility in the data collection, stimulating the conversation effectively, while avoiding the limitations of the more extreme approaches. It is important to highlight that, as anticipated in the previous chapter and as will be explained later, the interviewees are different subjects belonging to three distinct categories: Greening Goliaths, High-Growth Davids and Emerging Davids. Due to their structural differences, it would not have been possible to use a standardized questionnaire for all these subjects, nor to conduct an unstructured interview, considering the specificity of the analysed topics.

2.2 Data Collection

After defining qualitative research and semi-structured interviews, in the following paragraph there will be an analysis of the selected method to collect data during the interviews. Initially, the questionnaire proposed to the participants will be explained. The interview protocol will explore the most important aspects studied in Chapter 1.

Subsequently, the interviewees' target will be described. It is important to note that the companies interviewed were carefully selected. In fact, as explained in detail later, all of them represent valid examples of the three main actors in this sector, as anticipated by the paragraph 1.3.1.

2.2.1 Interview Protocol

The following questionnaire was formulated to confront different organization designs' approaches considering the theory used in Chapter 1. The six questions are focused on how the structures applied by participants can integrate sustainable activities in their business models. The companies that will be interviewed, will be classified as: Greening Goliaths, Emerging Davids, or High-Growth Davids. It is important to state that these questions, even if carefully prepared in advance, must be adapted to the type of participant considering its characteristic structure. For this reason, the format that grants this flexibility during the conversation is the semi-structured interview, as anticipated before. In fact, this approach gives the interviewer complete discretion on how to manage the dialogue and change the sequence of the questions. In addition, to prevent the conversation from going off topic, probe questions were formulated to offer the interviewer the opportunity to maintain dialogue towards the main issues. Moreover, scientific literature which supports and justifies each question is listed in the section titled *Source*. After this clarification, it is possible to move on with the analysis of the interview protocol. The questioner developed consists of six questions.

First of all, to formulate the questions, three main areas studied in paragraph 1.2.1, were considered: Value Proposition (Q1-Q3-Q5), Value Creation (Q2-Q4) and Value Capture (Q6). reported in Table 2.

Below the Interview Protocol proposed for the current research (*please see Table 2*).

Table 2: Interview Protocol

1. Strategy	Question	**For how long has your company embraced sustainability?** **What strategies does your organization plan to implement in light of upcoming directives?**
	Probe	What were the main factors that led your company to adopt sustainable practices? Considering the legal changes related to sustainability, how does your company plan to address them? Do you have future plans to expand your initiatives?
	Source	*Porter & Kramer (2018). Creating shared value: How to reinvent capitalism—And unleash a wave of innovation and growth.*

2. Structure	Question	**How does your organization's structure support the achievement of its sustainability goals?**
	Probe	To what extent is the hierarchy utilized to promote and support sustainability initiatives within your organization? How does your company position itself between an approach of direct supervision of business units and one more oriented towards greater employee autonomy? Do you think that there could be specific changes or interventions in the organizational design that could make your company more sustainable?
	Source	*Hummels, Van Rensch, Heinen, Herrebout & Swart (2022). Holacracy driving Sustainable Future Winners. Deloitte & Maastricht University*

3. Employee - engagement	Question	**How does your organization foster employee engagement?**
	Probe	During the selection process, does your company hire individuals who demonstrate a high level of interest in sustainability? Additionally, does your company offer training sessions to increase interest and knowledge about its environmental impact practices?
	Source	*Tschelisnig & Westerlaken (2022). The impact of sustainability at the workplace on the employee's motivation and satisfaction*

4. Creativity and innovation	Question	**How does the company encourage creativity and innovation for sustainability?**
	Probe	Are there procedures or strategies in place to encourage the development of new sustainability initiatives?
	Source	*Saleh & Brem (2023). Creativity for sustainability. Journal of Cleaner Production*

5. Culture	Question	**How is sustainability integrated into the culture of your organization?**
	Probe	Is there a department dedicated to sustainability activities? Does your firm have policies, official statements, or ethical codes related to environmental activities?
	Source	*Elkington & Rowlands (1999). The triple bottom line of 21st century business*

6. Indicators	Question	**How does your company measure its environmental impact?**
	Probe	Does your company employ specific indicators or metrics to measure the achievement of its short-term and/or long-term goals? Has it developed a dedicated audit department to measure its impact?
	Source	*Board (2017). Task force on climate-related financial disclosures. Final Report*

Source: Personal Elaboration

The first question can be considered by interviewees as an introduction of their companies. Considering the differences in the typologies of participants, the question must be adapted during the conversation. In fact, some companies interviewed are born with the aim of being sustainable, others have invested only in recent years in developing sustainability departments due to the recent regulations analysed in paragraph 1.1.1. In addition, this question can give a hint about the future of sustainability in different entities. It is evident how, for all these companies, the development of

environmental practices inside their business models will be an opportunity for growth. Moving on, the second question describes the organizational structure implemented by the interviewee. This question, considering the importance of the topic, can be considered as a pivotal question, which leads to the third, fourth and fifth question with a "waterfall effect". As evident in the probe questions, the interviewee will describe which type of hierarchy is applied. In some cases, as stated in paragraph 1.3.2, innovative examples more oriented towards a holacracy approach will be discussed. In these structures, the hierarchy applied is able to grant a high level of autonomy and flexibility for employees. In other examples, all operations will be implemented under a vertical and strict approach. This will happen especially when the origin of sustainable activities doesn't come from an internal mission of the company, but from pressure of external stakeholders.

Shifting the attention on internal dynamics, the third question is focused on employees' satisfaction in the workplace. As largely discussed in the first chapter, employee engagement is crucial for sustainability activities, thus making motivation one of the most important invisible assets. The question is aimed at collecting data on how companies interviewed can foster motivation through their organizational designs. Furthermore, in this case, the appearance of a new generation of businesses adopting innovative ways, increasingly focused on this theme, is evident.

Moving forward to the fourth question, many companies are developing internal and external departments and new structural methods to stimulate creativity inside and outside the organization. As analysed in the previous chapter, there are many sources to encourage creativity for sustainability. This study will provide new techniques that will be studied. For instance, an increasing number of companies, especially modern ones, are adopting innovative business models focused on internally developing and stimulating a creative flow. Some companies, instead, adopting models that might suffocate creativity, are implementing partnerships or CVCs with NPOs to obtain an innovative external source. Additionally, more businesses are recognizing the importance of engaging with all stakeholders and are developing communities of external subjects in their business models. Others open to the crowd to foster the innovation in certain operations, acquiring freshness from outside.

The fifth question describes the sustainable culture inside organizations interviewed. As analysed in the first chapter, developing a unique and strong culture inside the firm is crucial for long-term sustainability success. In general, equifinality is fundamental in this sector, but it may be difficult to maintain. In some cases, a holistic design with a culture that is too strong may slow down the responsiveness to change, consequently losing agility and creativity. We will see that nowadays businesses are rethinking their organizational structures to be aligned with their sustainable culture.

Finally, the last question concerns the type of indicators utilized to measure the environmental impact of the participants. Businesses are developing new ways to capture value that support sustainability.

In many cases, especially companies that are obligated by laws, they have internally dedicated departments. In addition, based on the type of metrics adopted, it is possible to track which future direction the company is interested in.

In conclusion, through a careful analysis of these questions, it will be possible to answer the main inquiry of this research: "understanding how three different companies of sustainability sector will face this Green Growth within their business model and what strategies they will adopt to integrate sustainable practices into their operations".

2.2.2 Respondents' Description

A crucial phase in the report of the conducted empirical study is the explanation of the channels utilized to gather the interviews and the sample's analysis. The fourteen companies that will be interviewed were carefully selected because they represent examples of business model innovations that are facing the "Green Growth". Each of them will be classified, following the definitions in paragraph 1.3.1 (*please see Table 1: Characteristics of Davids and Goliaths*), as Greening Goliaths, Emerging Davids, and High-Growth Davids. This first classification will be conducted autonomously using three parameters: Age, Size and Objective function as reported in Table 3. For the category of Greening Goliaths, companies that are considered old with more than 200 employees were included. In this case, the economic objective is dominating and the environmental objective is complementary. As we will see, all these companies are well-known firms that have recently developed sustainable departments to adjust their strategies in light of increasing competition from Emerging Davids and due to the multitude of recent directives referred to these firms. Following is a brief description of the Greening Goliaths that will be interviewed:

- Deloitte & Touche Italy S.p.A. Società Benefit: the department of Milan will be interviewed. The interviewee is Beatrice Biagioli - Sustainability Manager. Since 2021, Deloitte Network in Italy is committed to incorporating sustainability issues into its business activities.
- KPMG Italy S.p.A.: the department of Milan will be interviewed. The interviewee is Sabrina Marsiglia - Corporate Responsibility Coordinator. This company has developed sustainable practices and adequate adjustments since post-Covid era.
- Eni Plenitude S.p.A. Società Benefit: it is born when Eni Gas e Luce, a company controlled by Eni, has become a Benefit Corporation in 2021. This huge reality has a unique business model that integrates the production of renewable energy, the sale of gas and light, and the distribution of energy services. The interviewees will be Serena Contu - Head of Data Protection, Corporate Liability Compliance and Ethic Code Values, and Paola Osto - Head of Sustainability and ESG.

- EY Italy S.p.A.: the department of Rome will be interviewed. The interviewee is Serena Romeo - Rank Senior. This company has adopted sustainable practices since 2021 with the development of a sustainability committee.

Unlike Goliaths, five companies will be interviewed for each type of the two Davids: Emerging and High-Growth. Given the size and complexity of the Goliaths, they provided an abundance of information during interviews. As a result, it seemed appropriate to interview more companies for Emerging and High-Growth Davids. In general, both Davids are new companies that have been focused since their foundation on environmental objectives that are at least as important as economic objectives. For this reason, sustainability is an essential intrinsic part of their businesses. As studied in paragraph 1.3.1, the real differences between the two are that Emerging Davids are still at the start-up level (between 5 and 50 employees) and are focused only on their niches. Below is a brief description of the Emerging Davids that will be interviewed:

- Circularity S.r.l. Società Benefit: it is the first digital platform of industrial symbiosis dedicated to circular economy in Italy. They support companies to value their production waste through a network that promotes the recovery and transformation of the waste itself into second raw materials. The interviewee will be Camilla Colucci - Co Founder and CEO.
- PlanBee S.r.l.: this is the first platform in Italy entirely dedicated to Corporate Social Responsibility projects interacting with Third Sector entities and citizens. The interviewee will be Armando Matteo - Co Founder.
- GM Ambiente & Energia S.r.l.: this reality is focused on waste disposal, environmental consulting, energy efficiency and green marketing. The interviewee will be Elena Chiti - Sales and Marketing director.
- STEP S.r.l. Società Benefit: this start-up promotes disruptive innovation. They support companies in the development of projects aimed at reducing environmental impact through sustainable process innovation. The interviewee will be Loredana Reniero - Business Developer.
- RECUP: currently, it is an active NPO in Milan and Rome. Its mission is fighting food waste and promoting active citizenship. As stated by its founder Alberto Piccardo, they plan to become a profit reality given their success. RECUP, as explained in paragraph 1.2.2., is a representative example of how the boundaries between profit and non-profit companies are gradually blurred in this industry.

To conclude, a description of the High-Growth Davids. Unlike for Emerging Davids, these entities are more business-oriented, rejecting the concept of "small is beautiful" and, for this reason, they have already grown beyond the size typically associated with start-ups (between 51 and 200

employees). The following companies perfectly represent real examples of modern firms that adopt innovative organizational structures to support their environmental missions:

- SunCity S.r.l.: an engineering company specializing in energy efficiency solutions and renewable energy. The company's vision is to generate clean energy, make it available to everyone and share it with respect for the people and the environment. The interviewee will be its chairman, Attilio Piattelli.

- Nativa S.r.l Società Benefit: the company is a Benefit Corporation since 2016. Their corporate mission is to ensure a radical evolution towards regenerative models. In 2022, they launched CO2alizione, an initiative to support companies' transition to climate neutrality. The interviewee will be its Regenerative Designer, Alice Zannini.

- Treedom S.r.l. Società Benefit: this Benefit Corporation is the first platform in the world that allows to plant a tree from a distance and follow the story of the project online. Since its foundation in 2010 in Florence, more than 3.000.000 trees have been planted in Africa, South America and Italy. A dedicated team of Treedom will be interviewed.

- 3Bee S.r.l.: a company that bridges nature with technology. They are specialized in the development of sensors, analysis tools, and regenerative activities that help preserve and promote biodiversity. Their mission is to create a world where technology and nature work in harmony, and they strive to achieve this by providing innovative solutions that protect and restore ecosystems. A dedicated team of 3Bee will be interviewed.

- Up2You S.r.l. Società Benefit: this certified Benefit Corporation allows companies to reduce their environmental impact by neutralizing CO_2 emissions, certifying their commitment to blockchain. They encourage sustainable actions and study low-impact business models. Although founded recently, the company was able to achieve success and grow quickly in the initial stage of its life. Beatrice Carra, a new member of the company, will be interviewed.

Below a brief figurative summary of the abovementioned companies (*please see Table 3*).

Table 3: Companies' Classification

Greening Goliaths
Name
Deloitte & Touche Italy S.p.A. SB
KPMG Italy S.p.A.
Eni Plenitude S.p.A. SB
EY Italy S.p.A.

Emerging Davids		
Name	Number Employees	Foundation
Circularity S.r.l. SB	< 50	2018
PlanBee S.r.l.	< 50	2015
GM Ambiente & Energia S.r.l.	< 50	2018
STEP S.r.l. SB	< 50	2019
RECUP	< 50	2016

High-Growth Davids		
Name	Number Employees	Foundation
SunCity S.r.l.	51 - 200	2012
Nativa S.r.l. SB	51 - 200	2012
Treedom S.r.l. SB	51 - 200	2010
3Bee S.r.l.	51 - 200	2017
Up2You S.r.l. SB	51 - 200	2020

Source: Personal Elaboration

For the Goliaths, I have not been indicated neither the number of employees, nor the year of foundation, as they are obviously huge and historical entities thar are not completely and solely focused on sustainability. Moreover, it is important to note that most of the referents of the companies interviewed play a key role inside their firms, and all of them accepted to be mentioned in this study.

2.3 Data Analysis

Before going any deeper with the results that emerged from the interviews, it is important to show how the data were analysed. In general, an effective interpretative case study should produce a reasonable and convincing explanation of a phenomenon of interest. The "Grounded Theory" model is the methodology applied in this study. This approach illustrates the relationships among the emergent concepts that describe or explain the phenomenon considered (Gioia, 2021). In the field of qualitative research, the Grounded Theory method is a valid and systematic approach for developing theories based on previously collected data. Through this model, it is possible to directly report the shared information through the interviewee's own words and explain data-to-theory connections to

readers. This technique allows to overcome the static nature of data structure, building a vibrant model based on the information and showing the dynamic relationships between emerging concepts by capturing the experience of informants in theoretical terms (Gioia et al., 2013). Considering a visual scheme, the model is composed by a constellation of boxes of essential concepts, themes, and dimensions contained in the data structure. There is a special focus on arrows that "set everything in motion" making the relations between these concepts "dynamic" (Nag et al., 2007). Central to building a data structure for Grounded Theory are "First-Order Concepts", "Second-Order Themes", and "Aggregate Dimensions". After that all data are collected, the analysis starts by performing initial data coding, maintaining the integrity of first order (informant-centric) terms. These First-Order Concepts are referred to the data itself, often derived from the words or expressions of the interviewees. During this phase, the interviewer must carefully review every conducted interview and produce a comprehensive list of the key concepts that have emerged. Successively, the 1st-order codes are organized into 2nd-order (theory-centric) themes. This dimension represents more abstract and theoretical concepts. In this moment, the first-order dimensions are aggregated to explain topics that have previously been analysed in existing literature. This process of data aggregation enables the development of a more complex and comprehensive theoretical framework. Finally, it is possible to distil Second-Order Themes into overarching theoretical dimensions, also known as Aggregate Dimensions. The 2nd-order concepts are combined and synthesized in this last stage of research to provide wider dimensions that include the overall conclusions of the study.

In conclusion, the adoption of a semi-structured approach allows for a higher flexibility in the data collection of this study. Afterwards, during data analysis and through the Grounded Theory, it is possible to create a "data structure" that clarifies the connections between direct quotations, First-Order Concepts, Second-Order Themes and Third Dimensions. This data analysis allows to identify key topics directly from the statements of the interviewees, which will then be aggregated into a larger thematic. Thanks to this model, it is possible to better explain dynamics between concepts by providing a theoretical framework. The next chapter is fully dedicated to the practical application of this approach, which will make the data analysis process more transparent by showing how data has been converted into emerging theories.

CHAPTER 3 – Discussion

3.1 Results

The following chapter aims to analyse data collected during interviews and discuss the emerged results in comparison with existing literature. Once that the Grounded Theory is clear as method for data analysis (Gioia et al., 2013), the next section will be focused on explaining the information shared by interviewees that will be grouped in sixteen First-Order Concepts, six Second-Order Themes and three Aggregate Dimensions. To have a more linear reading, a framework was developed containing the analysis (*please see Figure 3*).

Figure 3: Data Analysis classification for Grounded Theory
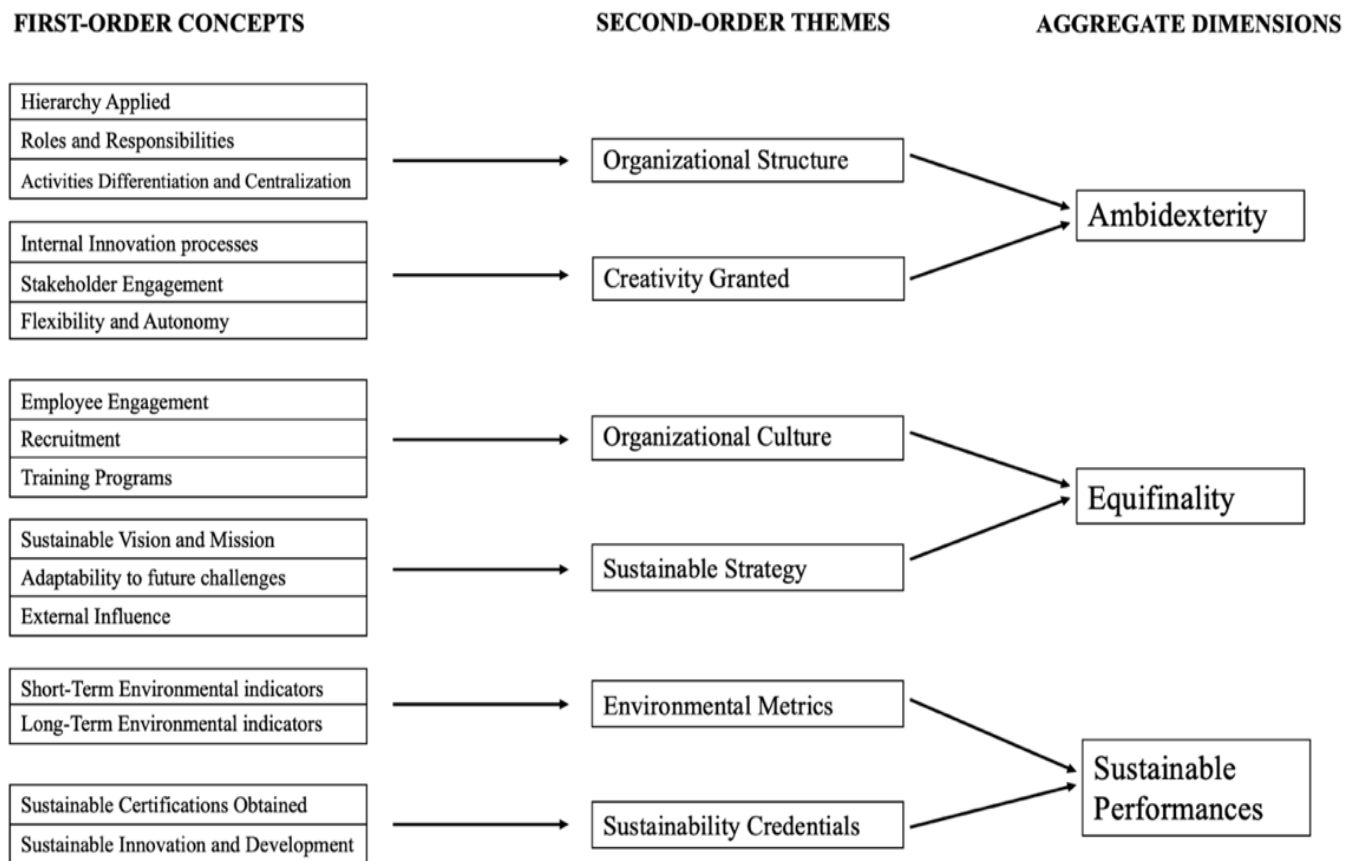
Source: Personal Elaboration

3.1 First-Order Concepts

As mentioned above, First-Order Concepts are words or expressions of the interviewees. They can be considered as a list of the key topics that have emerged from the analysis during the initial review. Obviously, considering the multitude of these concepts and the interviewee's differences, respondents may agree or disagree on a particular topic.

- Hierarchy Applied

The analysis starts with the type of hierarchy applied by different companies and how this affects decisions and the implementation of sustainable practices. As expected, the Goliaths interviewed are adopting well-defined hierarchical structures for sustainable activities, with clear lines of authority and responsibility. As stated by the referent of KPMG Italy "*on top there is a CEO who relates with the Head of Sustainability for internal and external activities. This last actor interfaces with a dedicated CSR team that can operate autonomously*". Unsurprisingly, Emerging Davids always use flat models, given their sizes. For example, in STEP they adopt *"an inclusive, open, transparent organisational model based on trust and accountability*". Instead, all the High-Growth Davids are using models oriented to holacracy by adopting flexible hierarchy to facilitate collaboration. For instance, in SunCity "*there isn't a high hierarchical structure, but greater autonomy is left to employees. We adopt a bottom-up organizational asset. Although there is a department of management that outlines the guidelines, the activities are self-organized by employees*".

- Roles and Responsibilities

This point is focused on how, and to what extent, roles and responsibilities within companies are defined. As reported by EY Italy, "*all roles and responsibilities are clearly defined. There is a Sustainability Leader who coordinates service lines of EY Italy. Each service line is composed by Partner, Manager, Senior, and Operational functions*". On the other hand, the High-Growth Davids, even if they have already surpassed the dimensions of a small company, are testing new types of management systems. For instance, in Up2You "*although roles and responsibilities are defined, we do not use micromanagement within service lines to promote greater employee flexibility*", or in Nativa "*all employees have the same role as 'Nativer'. There aren't project leaders and, even in front of the customer, a hierarchy is not explained*".

- Activities Differentiation and Centralization

It refers when the company carries out sustainability activities to one, a few or many business units. In general, Greening Goliaths centralise all sustainability activities within two or less entities that are fully dedicated to handling all sustainability tasks. In Deloitte Network in Italy "*internal sustainability services are provided by a corporate function called Corporate Sustainability, which covers ESG topics. For clients' services, Climate and Sustainability business offers the best market solutions*".

Instead, in Emerging Davids, due to the low number of employees, "*all workers are forced to do all activities*". High-Growth Davids prefer that their employees constantly change business units. Also, considering the number of sustainable activities addressed, there are usually several business units dedicated to these areas in such organizations. In Nativa "*the company is divided into many boxes or open labs that represent the six business units with environmental topics. Each employee chooses the box to which they wish to be affiliated, according to their preferences. Once the turn is over, the box closes. By doing this, all people circulate among boxes, increasing the shared knowledge*".

- Internal Innovation processes

One of the main topics of the questioner concerns how the creativity necessary to foster innovation is supported within the company. As reported by literature, large companies generally don't have specific departments dedicated to this theme. They prefer to obtain their creative flow externally. Contrary to literature, during interviews has emerged that also large companies are investing internally: "*in 2022, Plenitude launched multiple initiatives to increase the integration among Plenitude people worldwide and the awareness of Plenitude's identity, with a particular focus on sustainability. For example, in the 'Together for the Future' competition, more than 300 employees proposed projects in the sustainability field that have been evaluated within the company to develop the most valuable ones*". For start-up realties, creativity is a pillar on which the business is based. As reported by STEP: "w*e encourage our employees to share their ideas to provide additional solutions to our mission. With the project 'Design Thinking' we organize periodic sessions to measure and stimulate the creativity of our employees through recreational activities*". For High-Growth Davids, creativity and innovation are so fundamental to their business that they have dedicated departments to monitor innovation within the company. In fact, in 3Bee "*the Regeneration division is dedicated to creating strategies. Through a data-driven approach to sustainable innovation, we use technology to collect and analyse data about our sustainability initiatives. This allows us to effectively monitor our creative flow, identify areas where changes or improvements are needed, and make data-driven decisions*".

- Stakeholder Engagement

On the other side, all large companies interviewed invest heavily in NPOs. This allows them to get a source of creativity outside the company, as stated by the Corporate Responsibility Coordinator of KPMG: "*KPMG Italy actively supports Enactus Italy in training students and developing projects all along the way. At the same time, solutions proposed by university students on sustainability issues become interesting insights to be developed inside the organization*".

On the other hand, concerning the two Davids interviewed, in more than one case citizens played a key role in developing their services: "*at PlanBee, we collaborate with citizens because, with their contribution, we can reach our goal. In fact, there is a section dedicated only to citizens, where they can propose their projects with an environmental purpose*". In addition, "*with the project 'Urban Model', Nativa organizes public meetings open to everyone to share citizens' ideas to obtain, and eventually develop, sustainable projects from an external point of view*".

- Flexibility and Autonomy

It is important to highlight that in all the companies interviewed a certain level of autonomy is granted to employees. This shouldn't be surprising, since, as anticipated in previous chapters, all companies were carefully selected because they represent innovative entities. Even though these companies differ in terms of mission, size, and age, they are all innovating their business strategies to address the challenges and opportunities presented by "Green Growth" and all its associated aspects. For example, in EY Italy, even if everything is meticulously planned and usually a vertical hierarchical structure is adopted, "*each team is autonomous in performing its tasks*", granting a certain level of employees' autonomy. On the other side, High-Growth Davids are adopting structures more focused on autonomy and flexibly. That is why this theme is a pivotal point in the missions of these companies "*in Up2You the worker is free to choose how and when to work. This is aimed at encouraging employee empowerment*".

- Employee Engagement

All the companies interviewed support in different ways their employee-engagement, that is the level of enthusiasm, passion and commitment that an employee shows towards his/her work and his/her company. KPMG Italy, for instance: "*to increase our employee engagement, we favour the creation of synergies between new junior resources and senior employees. We also offer many activities for this purpose. For example, in 2015 employees had chosen which sustainable goal our company should develop through an internal survey*". Smaller realties generally favour an approach based on employees' empowerment where "*the individual employee is entrepreneur of himself*", as reported by the star-up GM Ambiente & Energia. In High-Growth Davids, employee engagement is a central topic. In fact, they are investing in innovate activities for this purpose: "*in Up2You ensuring and verifying employee's interest is a priority. By adopting 'PlaNet', a digital platform based on gamification strategy, we can stimulate our employees in corporate engagement and team building activities through reward and awards*".

- Recruitment

It appears that, in the recruitment process, all three types of companies are focused in hard and soft skills. This interest is manifested differently. As reported by Deloitte "*we are looking for employees with a compliant academic and professional background. We also consider soft skills of the potential new employee, such as extracurricular activities, as important*". On several occasions the Davids place a primary focus on soft skills and a residual interest for hard ones: "*in STEP we make a deep and articulated selection based more on soft skills such as ethics, behaviour and motivation. We believe that hard skills can be developed in a second moment*".

- Training Programs

In general, it can be observed that start-ups are focused on "*specific training programs based on our projects*", as reported by PlanBee, by developing a niche knowledge of their business. Goliaths offer more general programs that touch many sustainable topics: "*in recent years, EY is investing in training on sustainability issues. The 'EY Badges' platform is our training offer that consists of six badges dedicated to sustainability*". Unlike the first two, High-Growth Davids, due to their business, which sometimes could require complex environmental knowledge, usually offer double programs: "*we offer both general training courses on many materials of sustainability, and more specific programs based on the engineering knowledge in the field of renewable energy*", as reported by SunCity. In another innovative reality like Treedom there is "*an approach inspired by non-formal education and lifelong learning methodologies. We organize both formal and non-formal training courses to improve transversal and material skills of our resources*".

- Sustainable Vision and Mission

All companies surveyed rely on 17 Sustainable Development Goals of Unites States (SDGs), in tracing their short- and long-term goals. In general, the common thought was "*we want a company where our employees not only follow profit, but also their ambitions that they see reflected in our vison and mission*" It is interesting to see how all the big companies surveyed have the same long-term goal "*to become net zero*", i.e. the reduction of greenhouse gas emissions as close as possible to zero. It is possible to note that some start-ups are changing their short-term goals as evolving and incorporating more activities while at the same time they remain focused in their long-term goal.

- Adaptability to Future Challenges

This is the ability of companies to respond quickly to future legal changes in sustainability issues. I In most cases, these changes represent opportunities for growth for the surveyed companies, which will lead to drastic changes in their business models. In fact, as reported by Deloitte "*sustainability will play even more of a key role in our future, as we'll be implementing more activities in this field. Recently our company had an internal reorganization to respond efficiently to the importance of sustainability within our business*". In other cases, especially small Davids, businesses will remain focused on their niche market, as they are "*not being affected by regulations given our size, in the near future we will remain focused on our activities*".

- External Influence

Within large companies, stakeholders play a key role in influencing the company's sustainable direction: "*once per year stakeholders are involved in the materiality analysis process to assess the significance of potential material topics which drive our sustainability strategy*", as reported by the referents of Plenitude. Even in smaller businesses, external actors play an important role in business strategy: "*at PlanBee, we work with citizens, associations, public administrations and companies to create our bee-inspired community. In the hive everyone has a role to play in achieving a greater and shared goal*".

- Short-Term Environmental indicators

All three types of companies adopt specific indicators to measure their impact in the short-term. Due to the specificity of their business, both Davids adopt very complex short-term indicators: "*in 3Bee we use a unique proprietary monitoring protocol called 'Element-E' that allows us to constantly calculate and monitor the progress we are making in our work to promote biodiversity. We are also able to calculate the amount of CO2 that is absorbed thanks to our tree planting initiatives periodically. Using advanced technologies and working with dedicated partners, we can track the growth of the trees we plant in Italy and calculate the amount of CO2 that they are able to absorb*". Specifically, Emerging Davids often use short-term metrics that are highly specific to their market niche. For these companies, it is often true that "*such indicators are defined as sub-indicators. In fact, there are not indicators that we always adopt in the short term, but they change continuously because our reality is constantly evolving*", as reported by STEP.

- Long-Term Environmental indicators

Unlike Emerging Davids, Greening Goliaths and High-Growth Davids, in addition to adopting short-term indicators, use specific long-term indicators. In general, they have developed a specific internal business unit to measure it: "*KPMG has a dedicated department to measure its impact in the short and long term*".

- Sustainable Certifications Obtained

Based on the certifications obtained, companies can meet standards and sustainability criteria. Some entities interviewed need departments specialized or roles to supervise and renew the acquisition of these certifications, especially when they are Benefit Corporations (*Società Benefit* or SB). Seven out of the fourteen companies obtained this certification. The law, in fact, mandates that these companies appoint an impact manager within their management. This actor has the responsibility to report, through an annual report, activities carried out and future plans to achieve the environmental objectives outlined in the statutes (Treedom, Report d'Impatto 2021).

- Sustainable Innovation and Development

This concept must not be confused with the previous one: "Internal Innovation processes" which concerns how innovation is supported within the company. This theme refers to the main innovations for sustainability that have led to a structure's innovations in recent years. For example, in Plenitude "*the idea of becoming a Benefit Corporation followed a bottom-up approach as it started from the teams. This has led to many changes required by the Italian law such the update of the Company Bylaws. In accordance with its Bylaws, the Company identified four common-benefit purposes through which it intends to act to generate a positive impact on society and the environment and deliberated the appointment of the Chief Executive Officer as the Impact Manager*". Also, SunCity, which is among the High-Growth Davids, "*when we were a start-up, we were focused on a single business. Since the last three years we have started to develop also sustainable activities of another nature, changing our internal structure*". Very interesting is the no-profit organization RECUP that "*from this year, we are adopting more business-oriented practices. The workers from who were volunteers or part-time, are becoming full-time employees. Since we did not have a defined structure, from this year we developed a horizontal structure with defined roles*".

3.1.2 Second-Order Themes

Once that a list of key topics has emerged from interviews, it is possible to move on with the Grounded Theory's path through the Second-Order Themes. As explained in the previous paragraph, the 1st-order codes are now organized into six theoretical groups. In fact, the aim of the section is emphasizing the connections of these themes with the focal points of existing literature analysed in Chapter 1. It is useful to have a visual representation to understand in which phase of the analysis we are (*please see Figure 3*).

- Organizational Structure

As studied in the first chapter, one of the two main barriers when companies want to change their organization in a sustainable way is the organizational one. It is important to repeat that the interviewees are examples of entities that reflect "new ways of doing business". Obviously, this Second-Order Theme is central for the research, and it is intrinsic in all the concepts that will be listed. The companies interviewed have been able to overcome this "Green Growth", by implementing organizational structures aligned with sustainable practices in different ways. Firstly, all large corporations are adopting centralized structures with defined authority lines between actors. In fact, McKinsey's researchers suggest a structure where there is a strong central authority that makes key decisions and sets the direction for the organization (Smet et al., 2021). As reported by KPMG Italy "*in a moment of the year all Ks of the world must report their impacts to the headquarter*". Through centralization, Greening Goliaths can have a precise control over operations, which is useful considering this highly regulated industry. It is important to note that all these huge entities, by 2021, even though they should be slow in terms of organizational structures' changes, had already developed fully dedicated departments for sustainable activities. As stated in the McKinsey paper, the decision-making authority has many levels. For instance, in Plenitude "*the Sustainability Committee is chaired by the Chief Executive Officer that monitors projects and implements strategies*". In contrast to McKinsey's suggestions, Davids are more incline to a differentiation approach without micromanagement. In fact, following this logic, the role of sustainability should not be confined to a single department or a few business units. Nativa, like other High-Growth Davids, is adopting a modern framework that is based on this logic: "*we adopt the 'XYZ framework'. It is a structure without hierarchy and defined roles. XYZ are the coordinates of the point that we want to reach, that is the full implementation of our purpose. This model is structured in Boxes. All employees have the same role as 'Nativer'. Each Nativer autonomously finds its match to a specific Box. There are no project leaders but 'box coordinators'. Every two weeks the board, composed by two people, meets to deliberate. Every week all employees come together to have a constant update on what*

happened". As in the following themes, High-Growth Davids are adopting innovative business models more focused on holacracy rather than strict hierarchy to achieve their environmental goals.

- Creativity Granted

This dimension is essential for companies to create value and for long-term sustainability success. In general, all the companies, even large and centralized companies, are recognising the importance of giving greater autonomy to business units. Ensuring this autonomy is crucial in developing efficient creativity. To grant and develop a creative flow, participants invest in external and internal sources. In the previous paragraph, there were many testimonies regarding the importance of developing a valid stakeholder engagement by creating a community with them. In fact, the importance of developing partnerships was analysed in Chapter 1. These partnerships can be useful to reach sustainable goals by growing the core business and by obtaining an external source of creativity (Ferlito & Faraci, 2022). For instance, Deloitte obtains an external source through the CEOforLIFE program. The company shares and elaborates projects in line with the 2030 Agenda on NRRP (or *PNRR*) through the involvement of students of Luiss "Guido Carli". Another way to incorporate sustainability innovation in large companies is through partnerships with NPOs. This will lead to a value co-creation between NPOs and businesses (Díaz-Perdomo et al., 2021). For instance: "*KPMG has developed a clear orientation towards corporate social responsibility through 'Make a Difference Day', an internal corporate volunteering programme*". It is possible to note that the concept of NPOs is becoming blurred, as also suggested by Porter and Kramer in 2011. RECUP perfectly reflects this shift "*born as an association, in the last two years we adopted practices closer to businesses than to NPOs. For instance, this year we have developed a structure with specific roles and responsibilities. We are planning to become a profit organization in future*". In line with literature, more than one David has opened to the crowd for certain operations to foster the innovation by acquiring freshness from outside. On the other hand, some of the participants are using modern ways to develop this creativity internally. Contrary to literature, also large companies are investing internally. For instance, "*Deloitte Italy has created 'The Lab': an incubator of technologies and process innovation, where our talents can compare, collaborate and develop business projects with high added value*". Shifting to a start-up, in STEP: "*we have launched our technology park: a place open to all start-ups to flourish the skills of employees of different entities. Since there are many entities, there are professionals in environmental issues of all kinds who can develop different skills. To facilitate this contamination there are common working spaces, such as a mechatronics workshop, to influence also from a technological point of view*".

- Organizational Culture

This theme explores how a solid culture is fundamental in developing sustainability practices.

As largely documented in Chapter 1, organizational culture is the source of a true drive and passion to reach the company's environmental purpose. In the previous paragraph we observed that motivating employees is an important topic for all participants. As confirmed by scientific literature (Varma, 2018), employees are seeking alignment of their personal values with their professional lives. Workers who believe that their efforts contribute to a larger social cause, increase their motivation in the workplace improving job satisfaction, and ultimately increasing job performance (Tschelisnig & Westerlaken, 2022). Thanks to this increased motivation, there is a direct effect on developing a unique and strong organizational culture based on sustainable principles. In fact, companies are now focusing on searching soft skills like motivation and values in line with their environmental missions. For this reason, these entities are focused on having a solid and unique purpose shared by their employees. At the same time, they want to train their employees in developing knowledge about the addressed sustainable topics. Large corporations train their employees with general programs that touch many sustainable topics. On the other side, Emerging Davids adopt training sessions that are highly connected with their projects. Developing this complex knowledge could lead to close these entities in their niche, limiting any growth of their business. High-Growth Davids, given their businesses that require complex environmental knowledge, utilize both more specific programs based on this knowledge and general training courses on many materials of sustainability.

- Sustainable Strategy

This theme concerns strategies for sustainable purposes that are and will be applied. Obviously, their application involves a change in the corporate organizational structure. As reported by EY Italy "*sustainability is becoming an essential element for businesses*". All the participants are considering sustainability a key element for their strategies. An increasing number of businesses are changing their strategies in a sustainable way for different reasons such as respecting legal requirements, having an environmental impact, desiring to not only pursue an economic result, reaching new business opportunities, etc. This is not surprising for Davids because they are born to have a positive environmental impact. On the other side, it is important to highlight that Goliaths are not born with an environmental purpose, but they recently made sustainability a priority. It is interesting to see how even these huge worldwide entities are considering environmental activities a key topic for their future strategies. This trend is not affecting only large corporation, but also smaller entities. For instance, in more than one occasion small businesses have obtained the title of "Benefit Corporation" even if they were not forced by any legal requirement, considering their size. Furthermore, among

the large companies that were interviewed, some of them are moving in advance in planning their initiatives in view of the central role that sustainability will have in the next years. In defining the strategy for a sustainable mission, this analysis proposes different paths in terms of organizational structures. All of them recognize the importance of defining a strategy shared by internal and external stakeholders as a priority, in accordance with McKinsey's recommendations (Smet et al., 2021). The interconnection of a social mission connects these subjects, thus creating a community of subjects in their business models. Stakeholders play key roles in planning sustainable activities, especially in large corporations. As emerged from interviews and in line with literature (Hockerts & Wüstenhagen, 2010), Goliaths are often under pressure from stakeholders, customers, investors, and regulators in adopting sustainable initiatives.

- Environmental Metrics

It is fundamental that companies use short- and long-term metrics to measure their environmental impact and the achievement of their goals. In the previous paragraph it was evident that Greening Goliaths and High-Growth Davids have already developed specific structures. For instance, they have adopted internal sustainability audit departments to measure their impact in the short- and long-term, granting a well-functioning measurement system. As literature confirms, a valid measurement system must build upon past insights and collection of data. (Reeder & Colantonio, 2013). Both Goliaths and High-Growth Davids, in line with the framework proposed by Ferlito and Faraci, are adopting indicators defined by the Global Reporting Initiative (GRI) to measure the results of their activities. In addition, both are setting measurable sustainability-specific performance metrics (both financial and nonfinancial), depending on the addressed environmental topic, in line with McKinsey's advice (Smet et al., 2021). On the other side, in more than one occasion, the start-ups interviewed used metrics that are highly specific to their market niche. The idea of "small is beautiful" (Schumacher, 1974) could be a challenge in the long term because maintaining their focus on a singular mission will limit the possibilities to grow and survive in the market.

- Sustainability Credentials

The obtained credentials provide a clear indication of the company's positioning in terms of sustainability and its ability to respond to the growing environmental needs. As analysed in the first chapter, there are two main barriers when companies want to change their organization in a sustainable way. Firstly, it is possible to overcome the institutional barrier through the implementation of regulations based on codified environmental standards (Porter & Kramer, 2011). As reported by the literature, Goliaths are more interested in codifying sustainability standards requirements and

reaching them (Hockerts & Wüstenhagen, 2010). This will not only lead to a better reputation but also to a deeper control by setting measurable sustainability-specific performance metrics. In general, the certification most obtained by the participants was the Benefit Corporation title. As reported, seven out of the fourteen companies obtained this certification. Law No. 208 of 2015 has introduced the concept of Benefit Corporation in Italy which combines the objective of profit with social responsibility (Treedom, Report d'Impatto 2021). This allows companies to have a positive impact on society while remaining profitable entities. In general, the obtainment of these sustainable credentials leads to huge changes in the internal structure. For instance, with the above-mentioned certification, a company must nominate an impact manager and develop a sustainability committee. These internal changes should be easier for start-ups, and riskier for existing large companies due to their current assets, and since they have already developed a culture that is resistant to change (Hockerts & Wüstenhagen, 2010). Nonetheless, this has not happened for the Greening Goliaths interviewed, that have been able to innovate their structures and cultures in view of this "Green Growth" (Ki-Moon & Gore, 2009).

3.1.3 Aggregate Dimensions

Following the explanation of Second-Order Themes, we can proceed to define the Aggregate Dimensions (*please see Figure 3*), which are the third-order concepts. In this part of the analysis, 2nd-order themes are distilled into overarching theoretical dimensions. This concept consists of the macro-clusters of theoretical categories that incorporate all the previously analysed elements in broader themes. Therefore, in order to move on with the analysis, it is required to adopt a different approach from the previous sections. Three Aggregate Dimensions have been developed: Ambidexterity, Equifinality and Sustainable Performances. All of them are the cornerstones of the literature used in Chapter 1. They refer respectively to the three main areas of the theoretical paragraph regarding the Sustainable Business Model Innovation: Value Proposition, Value Creation, and Value Capture. Concerning this last classification, the applied questionnaire can be divided in Q1-Q3-Q5 for Value Proposition, Q2-Q4 for Value Creation and Q6 for Value Capture.

- Ambidexterity

As mentioned in the first Chapter, the term ambidexterity refers to the right balance between the hierarchy applied and the level of creativity granted for innovations. Some organizational structures can facilitate creativity and innovation, granting "exploration". Other structures are more focused on an effective and efficient production process, also known as "exploitation". In rarer occasions, some

structures allow the achievement of both objectives at the same time, granting ambidexterity. As reported by the literature, usually High-Growth Davids adopt modern structures that enable ambidexterity, thus being able to mix exploration of Emerging Davids and exploitation of Goliaths. In this analysis, we have seen many complex organizational structures adopted by modern companies that contain a part less hierarchical and more oriented to holacracy that allows for exploration, and a part more hierarchical and standardized, that allows a precise control over operations. On the other side, Goliaths interviewed are changing the way they operate. In general, their hierarchical organizations can be advantageous in achieving environmental standards thanks to stringent control mechanisms, leading to a high level of standardization, which can be beneficial in many ways. On the other hand, as analysed in the first Chapter, usually this Goliaths have a strong culture that makes them slow to change and lacking in agility and creativity, which are key components for long-term sustainability success. During this analysis, we have also seen that these companies are changing how they create value, leading to a "triple bottom line" of economic, environmental, and social value creation (Elkington & Rowlands, 1999). In fact, they "*are not focused anymore only on economic value creation, but also on social and environmental goals*" as reported by Plenitude. As opposed to literature, these types of organizations are indeed investing internally and externally to overcome the lack of a creativity flow. As we have observed, these large companies are focused on obtaining a creativity flow through value co-creation with NPOs, and through internal channels. In addition, since 2021, these entities have shown agility by establishing specific departments for sustainability activities. On the other hand, some Emerging Davids are changing the way they operate adopting structural mechanisms in order to grow more business oriented, as evident by their willingness to increase their activities in the field of sustainability.

- Equifinality

This dimension refers to the organization culture applied to incorporate sustainable practices inside and outside the organization to direct all parts towards the same sustainable goals. This topic seems to be commonly held among all participants. In fact, companies are applying designs that emphasize the importance of the alignment of the organization towards the same goals, following the advice proposed by McKinsey. This trend is effective because, as identified by Varma in 2018, there is a positive correlation between the assumption of a strategy based on a social cause, and employee motivation. In general, it has emerged that the Value Proposition of all companies is changing. In fact, sustainability has now become an essential element for all businesses. As reported by Ferlito and Faraci, these sustainable developments of Value Proposition will unlock the motivation of all

workers, granting a unique sustainable culture. We have observed that an increasing number of companies are adopting organizational approaches aimed to reach equifinality. A common approach adopted by three High-Growth Davids is called "Objectives & Key Results (OKR) methodology": "*our company uses the 'OKR methodology', which helps define, track and achieve ambitious and measurable goals, creating a strong alignment with sustainability goals. This system promotes employee autonomy. Instead of having a manager who says exactly what to do, team members have the freedom to choose how to achieve Key Results. This can help stimulate innovation and make every individual feel more involved. Overall, the adoption of the OKR system has been a key element to nurture our culture of sustainability, motivating and involving all members of our team in the common goal of creating a positive impact on the environment*", as reported by 3Bee. This innovative method promotes transparency, as all team members can see what the company's goals are and how they are helping to achieve them. This not only helps to ensure that everyone is working towards the same goal, but also helps to create a sense of belonging and involvement.

During the analysis, it appeared that all participants, for different reasons, see the future of sustainability as an opportunity for their businesses that cannot be ignored. The magnitude of "Green Growth" is so strong that in the future "*all business models will be born from the beginning with practices of circular economy and sustainability, encouraging the transformation of the global economy towards more efficient and fair models*", as reported by Circularity.

- Sustainable Performances

This dimension refers to the metrics used to measure environmental impacts and the certifications possessed by companies. The obtainment of specific credentials indeed determines the development of dedicated departments and the nomination of actors to measure and report, as emerged from the analysis. In the first Chapter, we have seen that many regulations are affecting large corporations, and in the next future they will also touch smaller entities. At this point, it is evident the key role that environmental topics will have in developing organizational structures. In fact, in line with literature (Porter & Kramer, 2011), these regulations concerning the measurement of sustainable performances are overcoming institutional barriers by stimulating firms to adopt sustainable practices. Especially High-Growth Davids and Greening Goliaths are developing new ways to capture value, depending on the environmental result that the company is measuring. As suggested by McKinsey, by setting measurable sustainability-specific performance metrics, it is also possible to apply motivational principles considering achievement of the target. On the other hand, some Emerging Davids are utilizing metrics specifically tailored to their niche. As we have seen, maintaining this approach could be risky for reasons that were previously mentioned.

3.2 Discussion

This conclusive section is a comparative analysis between the results emerged from the current study and the existing theory gathered from the literature on these topics. As studied in Chapter 1, businesses face institutional and organizational barriers in redefining their structures in a sustainable way (Peters & Simaens, 2020). As Porter and Kramer suggest, the right kind of government regulation can stimulate firms to adopt sustainable practices, overcoming the institutional barrier. In fact, in line with directives reported, all participants have embraced SDGs as pillars for their environmental missions. In accordance with CSRD directive, these entities are implementing sustainability audit departments to disclose detailed information on their sustainability performances. During the analysis, another example of this incentive regulations system has emerged with the law No. 208 of 2015, which has introduced the Benefit Corporation in Italy. Moreover, conform to literature, national initiatives such as NRRP, are key drivers in encouraging companies to adopt this path. In general, it has appeared that also entities which are not directly touched by regulations regarding their environmental impacts, are already proactively redefining their structures. An interesting aspect, not anticipated by the theory, is that some small businesses acquired the title of "Benefit Corporation" even without being legally required to do so. In addition, Goliaths proactively moved ahead of these regulations. This suggests that in the coming years, as predicted by Bugg-Levine and Emerson, a sustainable approach will be even more essential in this new way of doing business. All participants have embraced the "Impact Investing" idea, where their profit-making goals are aligned with generating sustainable and beneficial changes. Motivating employees is an important topic for all participants, in order to grant a solid and unique purpose shared by their workers. In doing so, we have seen that companies face organizational barriers when redefining their structures. In line with McKinsey's fourth suggestion, High-Growth Davids and Greening Goliaths have redefined multiple organizational aspects to follow this path. Concerning the analysis, as proposed by Ferlito and Faraci's framework, interviewees are changing their core elements by adopting a sustainable orientation focused on three cornerstones. Value Proposition, that favours a unique culture to align all employees on reaching the same shared goal. Value Creation, which grants a level of autonomy and creativity to workers while applying a certain level of hierarchy. Value Capture, meaning that businesses are developing new ways to effectively measure environmental performances. As expected, the large companies interviewed have adopted well-defined hierarchical structures for sustainable activities, while start-ups are more prone towards flat models.

In general, Goliaths' decisions about sustainable activities are usually guided by stakeholders. In a deeper analysis of this last actor, we have seen that the analysed participants are incredibly conformed

to the first and second recommendations proposed by McKinsey. In fact, these large companies have a short list of precise topics that they must address and, secondly, they centralise sustainable activities in two or less entities with defined authority lines between actors. On the other hand, there were innovative findings not in line with literature. Firstly, Goliaths too have recognised the importance of fostering creativity as a key component for long-term sustainability success. They in fact are investing to obtain an internal and external creativity flow. In addition, this category of company has been able to successfully incorporate sustainable changes inside their structures in less than two years, showing a high level of agility. In fact, these entities proved to be more focused on characteristics that are not typical to traditional hierarchical structures, granting employee engagement and autonomy.

Changing focus, Emerging Davids are not in line with McKinsey's suggestions, but this is due to their size. Some start-ups interviewed have an approach in line with the idea of remaining focused on their market niche. This is reflected by the specificity of their training programs, metrics adopted and mission for the future. Other participants, not in line with literature, are changing their strategies by adopting more structural levels. The association interviewed also adopts this approach, thereby confirming that the boundaries of NPOs are becoming blurred (Porter & Kramer, 2011).

Contrary to McKinsey's suggestions, High-Growth Davids, even though they have already surpassed star-up size, have decided to apply a model based on activities' decentralization to address many sustainable topics without micromanagement. As emerged from interviews, and in accordance with literature, this type of company is adopting innovative structures and creating new hybrid organizations that find their full application in the three Aggregate Dimensions of this analysis.

To visually represent the relationship between the existing literature in Chapter 1 and the results analysed in Chapter 3, Table 4 was created. The Second-Order Themes were chosen as a metric for this analysis, as they encapsulate the topics that emerged from the interviews in relation to the literature. For each theme, subcategories were developed to encompass both First-Order Concepts and theories explored in depth in Chapter 1. Consequently, for each actor considering the addressed concept, one of three circles was assigned, based on the congruence between theory and findings.

Table 4: Comparison between literature and findings

Legend
- Solid circle (●): literature and findings agree
- Empty circle (○): literature and findings differ
- Half solid circle (◐): partial relationship between literature and findings

		G.G.	H-G.D.	E.D.
Organizational Structure	Type of Hierarchy Applied	●	●	●
	Activities Centralization	●	○	◐
	Few Topics Addressed	●	○	◐
	Decision-Making with Many Levels	●	○	◐
	Agility in Changing Structure	○	●	◐
Creativity Granted	Internal Source	○	●	●
	External Source	●	●	●
	Autonomy	◐	●	●
Organizational Culture	Employee Motivation	●	●	●
Sustainable Strategy	Vision and Mission	●	●	◐
	Adaptability to Changes	○	●	◐
	External Influences	●	●	●
Environmental Metrics	Short and Long Term Indicators	●	●	◐
Sustainability Credentials	Right kind of Government Regulations	◐	●	◐

Source: Personal Elaboration

In conclusion, these interviews have revealed that businesses are living a transitional moment where it is essential for each company to incorporate sustainability activities. In line with Chapter 1, from this analysis it is evident that all the companies recognize the importance of modern principles. They are either testing new structures, or innovating their designs, because, currently, there is no single "right answer" in crafting a sustainable organisation.

CHAPTER 4 – Conclusion

This research analyses various organizational designs that companies can adopt to incorporate sustainable activities, depending on several factors. Businesses are in the phase immediately following the application of mandatory directives and financing plans. In a hypothetical timeline, we are in a moment of transition and experimentation in which methodologies regarding organizational structures are being studied and tested to face this "Green Growth". Therefore, no approaches have been already studied, and thus the literature available on the topic is limited. As has emerged from the analysis, sustainability has become an essential element of all businesses. Every company in this sector, regardless of its nature, is testing its own method. This is the reason why there is no single right answer for which type of organizational design a firm should develop to embed sustainability. Businesses may need to adopt multiple designs to effectively handle sustainability, considering many specific factors such as institutional obstacles, the nature of their company, their size, their age, their purpose, and many other considerations. But one thing is certain: this innovative "Green Growth" of companies and industries is creating a new way of doing business. We have witnessed the creation of a new type of company recognised by the law: the "Benefit Corporation". This firm combines the objective of profit with social responsibility, and it can be considered as a promoter of this modern approach. We have also seen the adoption of new actors and departments that separate in many levels the decision-making authority regarding environmental operations. Examples are the institutions of sustainability committees, impact managers, internal sustainability audit departments, fully dedicated divisions, etc.

A few years ago, it was possible to find such degree of structuring for these themes only in a niche of specialized companies. Currently, an increasing number of companies, for various reasons, are rethinking and innovating their organizational structures in line with sustainable practices.

The implementation of the "Impact Investing" approach is having a deep influence, not only on the long-term sustainability of the entire country, but also on companies at every level of their life cycle. We have seen that growth and sustainability are not mutually exclusive but can coexist in harmony. This is evident from: the dynamic evolution of the Emerging Davids, which encourage change and invention; the process innovation of the Goliaths, that mainstreams sustainability; and the development of High-Growth Davids, which combines the best of both.

Emerging Davids, where creativity and autonomy are fundamental, are starting to change the way they operate. In fact, these companies are implementing increasingly structured processes that do not completely reflect the typical flatness of start-ups. For instance, some of them already obtained the title

of Benefit Corporation. In general, respondents of this typology are beginning to be more business oriented compared to what is stated in the literature.

On the other side, large corporations, even if they keep adopting a hierarchical structure, are redefining their organizational designs in several ways. Since 2021, these structured organizations have been implementing actors and divisions with environmental purposes thanks to regulations. This information is important insofar as these global entities are not born with a sustainable goal, which is now is a core business concern. Secondly, Goliaths are changing the way they operate during their "Greening" process. As we have seen, they are more focused on characteristics that are not typical to traditional hierarchical structures, demonstrating high levels of agility.

High-Growth Davids, even if they already surpassed the dimensions of a small company, have chosen to be pioneers of this "Green Growth" by testing innovative types of management systems, which are more focused on holacracy rather than strict hierarchy. We have seen, for instance, the new XYZ framework adopted by Nativa. In this model there are no vertical hierarchy and defined roles, but it is structured in boxes. All employees have the same role, and they autonomously choose their box based on their preferences. Many of the Davids adopt the OKR methodology, which creates a strong alignment with measurable sustainability goals by promoting employee autonomy. This approach stimulates innovation and makes every individual feel more involved. Moreover, we have also observed models that open some operations to the crowd to increase innovation by obtaining creativity from the outside.

In conclusion, three different categories of companies that are facing this "Green Growth" were analysed. All these companies, even if they differ in the way they integrate sustainable practices into their structures, recognize the importance of the pillars of this research as cornerstones in their sustainable growth. Through their structures, they want to reach ambidexterity, while granting equifinality towards the same environmental goals by measuring their sustainable performances. Therefore, we can say that even if there is no sure "right answer", since we are in the first phase of a new way of doing business, an increasing number of companies are reconfiguring their structures by adopting designs more inclined to hybrid models. On one hand, High-Growth Davids are promoting new organizational approaches; on the other hand, Emerging Davids and Greening Goliaths are redefining their structures by adopting models that grant a certain level of control, while remaining flexible.

4.1 Implications deriving from the study

Implications emerged from this study are multiple and they are interconnected. Firstly, the shift towards new hybrid structures suggests that businesses are recognizing the need for flexibility and adaptability in the face of evolving sustainability challenges. This change in the way of doing business not only impacts internal operations but also influences stakeholders' perceptions, empowers partnerships with external entities, and ultimately changes the company's values.

Secondly, sustainability has shifted from being an option to a necessity. As directives increasingly affect all businesses, irrespective of their size, companies without an inherent environmental mission will find themselves compelled to adopt sustainable practices. This transition will reshape market dynamics, with sustainability becoming an essential aspect for businesses, rather than a competitive advantage or just a compliance requirement.

Lastly, the blurring boundaries between profit driven companies and NPOs indicates a broader shift. Businesses that previously were only profit-driven are becoming active contributors in a societal transformation by integrating sustainable practices to achieve broader global goals, such as the Sustainable Development Goals (SDGs).

4.2 Possible directions for the future

The future of sustainable business models is uncertain, but some aspects can already be outlined. As imagined by visionaries such as Bugg-Levine and Emerson, the influence of "Impact Investing" will pave the way for a new generation. In fact, there could be an integration of NPOs in profit companies that will redefine market dynamics, creating new opportunities and challenges.

Moreover, in 2030 the SDGs will be fully implemented. This will make the regulations wider, involving companies of all sizes. Thus, there will be a universal push towards sustainable practices. Companies must be agile to be in line with more stringent regulatory requirements. We will then overcome this transitional moment when verified methodologies on organizational structures will be applied and tested.

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SUMMARY

Introduction

In recent years, the issue of sustainability has become increasingly pervasive in every sector around the world. In parallel, an innovative way of doing business is emerging, generating a new framework for companies called "Sustainable Business Model". An increasing number of companies are indeed innovating their business models by implementing modern types of organization designs. The aim of this study is understanding how different companies in sustainability sector will face this "Green Growth" and what strategies they will adopt to integrate sustainable practices into their operations. This topic will become even more prevalent in the future due to the global emergency of climate change. In fact, the modern term "Impact investing" is becoming more common to everyone. It is a new generation of companies that, in addition to making profits, are oriented to have a sustainable impact. Recently, worldwide and European directives are shifting the concept of organization, which now is not just an entity that pursues only financial results, but also the social interests of the community. This enormous change in the way of doing business is leading to the creation of new companies and unexplored market opportunities. For this qualitative research, interviews will be conducted to collect the necessary data. Afterwards, the data will be analysed based on the "Grounded Theory" approach. Specifically, three new types of companies in the sustainability sector will be interviewed. Firstly, four well-known, large companies, which can be considered as an incumbent, where sustainability is not the main business of the overall strategy. On the other hand, five start-ups that are totally dedicated to sustainability topics. The third type are five companies that are implementing modern organization designs to overcome environmental issues. This last typology of firm is able to combine the strengths of both the above-mentioned companies. The participants were carefully selected because they represent innovative examples of business models that are adopting sustainable practices in their structures. I believe that the obtained results could be useful to prevent the upcoming sustainability's future that will affect each type of company. In fact, companies in this sector are experiencing a transition in which methodologies are studied, but there are no safe and tested practical models. There are always more entities, those who are forced by regulations or those who believe in their own sustainable mission, that are adopting new pathways to implement sustainable business innovations. Through this research it is therefore possible to trace the cornerstones on which companies are based, regardless of their type, in changing their structures to adopt sustainable practices.

CHAPTER 1 – Literature Review

In recent years, there has been a surge in environmental regulations, underscoring the urgency of sustainability. Rather than mere guidelines, these regulations are becoming mandatory prerequisites for businesses across industries. The Kyoto Protocol (2005) and the Paris Agreement (2015), followed by Sustainable Development Goals of United Nations (2015) and the European Green Deal (2020), are the legislative pillars on which all recent environmental obligations for companies are based. These fundamental regulations will be fully implemented in the coming years. Meanwhile, the European Commission has introduced the Corporate Sustainability Reporting Directive (CSRD), which is set to replace both the Non-Financial Reporting Directive (NFRD), established in 2014, and the Directive on Corporate Sustainability Due Diligence (CSDD), established in 2022. The CSRD makes it mandatory for large and listed companies to disclose detailed information on their sustainability performances by implementing an internal audit department dedicated exclusively to sustainability. These directives reflect the growing recognition of the importance of sustainable business practices. Companies across various industries will soon be impacted by environmental regulations. Even those not previously centred on environmental practices are now establishing sustainability departments and altering their internal frameworks. Businesses now understand that sustainability is not only about preserving the environment but also ensuring long-term business success. In Italy, the National Recovery and Resilience Plan also known as NRRP (or *Piano Nazionale di Ripresa e Resilienza*, *PNRR*) offers a chance to advance towards a greener and more sustainable economy. With substantial funding granted by NRRP for the implementation of Mission 2 "Green Revolution and Ecological Transition", and for Mission 3 "Infrastructures for Sustainable Mobility", the plan aims to profoundly influence the long-term sustainability of the nation as a whole, affecting businesses of all sizes, from new start-ups to established global enterprises.

All investments made by international institutions towards sustainability are leading towards a "Green Growth" (Ki-Moon & Gore, 2009) of companies, thus creating a new way of doing business. The Sustainable Business Model Innovative (Ferlito & Faraci, 2022) represents an innovative method that creates new value for all of the company's stakeholders by changing its core elements and adopting a sustainable orientation. This model doesn't have gains as its only priority, but also considers environmental benefits, which are commonly referred to as the "triple bottom line" (Elkington & Rowlands, 1999). Key elements of SBMI include transitioning from solely pursuing economic value to also creating shared value and fostering a culture that promotes sustainability within and outside the organization. The framework highlights three areas. The first area is Value Proposition, which highlights the necessity to align the firm's goals to sustainable principles, granting a solid and unique

culture to unlock employees' motivation. The second area is Value Creation, meaning how value is created inside the organization and then delivered outside the organization through Stakeholder Engagement. Companies are recognizing the importance of creating a community with external stakeholders sharing the same environmental missions. The last section regards Value Capture: businesses are developing new ways to capture value that support sustainability. For instance, large entities adopt the Global Reporting Initiative (GRI).

The term "Impact Investing" (Bugg-Levine & Emerson, 2011) refers to this emerging trend of doing business. This approach breaks the traditional divide between profit and societal benefits, leading to the creation of new hybrid organizations that pursue both financial and environmental results. This break also shows how the concept of Non-Profit Organizations (NPOs) is becoming blurred. NPOs are increasingly oriented towards practices typical of business. In addition, NPOs play a pivotal role in promoting sustainability in businesses through a value co-creation between these actors.

Sustainability is now an essential necessity for businesses. Companies must rethink their organizational structures to face this Green Growth. In doing so, companies confront both external (institutional) and internal (organizational) barriers. Overcoming the institutional barrier requires an effective set of regulations implemented by the government to stimulate the adoption of sustainable practices (Porter & Kramer, 2011). Regarding the second obstacle, McKinsey's research suggests four ways to integrate sustainability into organizational structures (Smet et al., 2021):

- Being focused on specific sustainability topics through a modular organization design. This model is contrasted by the holistic one, where all parts are interconnected.
- Centralizing decision-making with a lean central team. Centralization allows for a precise control over operations. This design is dismissed by Gutterman, who proposed an innovative matrix model to grant a multi-disciplinary approach to sustainability.
- Finding the right structure that aligns with the company's sustainability agenda: from a large central team with few BU resources, to a central team that adopts a helix organization.
- Redesigning structures considering the dynamic nature of sustainability. The strategy developed necessitates unique decision-making methodologies. It is essential to move beyond the traditional organizational chart composed of lines and boxes.

The literature explains the usual path of an industry's sustainable transformation (Hockerts & Wüstenhagen, 2010). During the timeline, it is possible to highlight three main actors based on their size, age and mission. The same classification will be adopted for the current study.

Emerging Davids: start-ups focused on environmental goals. They prioritize impact over profit and often face challenges due to limited resources.

Greening Goliaths: worldwide entities that are adapting to sustainability trends. They have significant market power but can be resistant to change due to their established structures

High-Growth Davids: companies that blend the strengths of both Davids and Goliaths, focusing on sustainable growth and market expansion. They already suppressed the start-up's dimension.

The chapter ends by listing possible organizational designs that a company with a sustainable scope could address:

- Traditional Hierarchical Design: this top-down approach is efficient in achieving environmental standards thanks to its stringent control but can suffocate creativity. It is used by large companies.

- Matrix Design: it combines divisional and functional departmentalization, granting a multi-disciplinary approach to sustainability. However, its complexity can create internal conflicts that will be transmitted to the whole organization.

- Modular Design: it is an agile design with self-managed teams focused on specific sustainability topics. Through this model, it is possible to "feel small". Unfortunately, this model doesn't allow for a valid strategic alignment, leading to a decrease of coordination in the organization.

- Network Design: it emphasizes collaboration between autonomous actors that behave as a single large entity to reach the same goals. This framework requires a high degree of trust and coordination. Indeed, it may be challenging to create a solid culture.

- Holacracy: this self-management model promotes autonomy, transparency, and innovation which are critical for sustainability initiatives. Hierarchy remains in its invisible form. The two types of holacracy approaches analysed are Helix organization and Flat structure.

- Hybrid Model: it combines features of multiple structures to achieve a balance between flexibility and standardization granting ambidexterity.

This chapter highlights that, in this time of experimentation of methodologies, there is no single "right answer" for the design of an organization that embraces sustainability activities. In fact, sustainability and the resulting key pillars are undeniably a strategic priority for modern businesses, which makes it necessary to have new tailored organizational designs.

CHAPTER 2 – Empirical Research

This chapter provides a detailed description of the qualitative research methodologies, data collection process, and data analysis approach used in the study. The aim of this chapter is to gather evidence that can verify, substantiate, or challenge the assertions presented in the theoretical section.

The chapter begins by explaining the nature of qualitative research and the methodologies adopted. Qualitative approach is defined as a type of research that aims to understand human behaviour.

This research relies semi-structured interviews. They allow flexibility in data collection and effectively stimulate the conversation, while avoiding the limitations of more rigid approaches. In fact, the questions, even if carefully prepared in advance, must be adapted during the conversation, considering the differences in the typologies of companies involved.

An interview protocol was developed to collect data. Its aim is to explore the theoretical pillars of Chapter 1, by confronting different organization designs' approaches. The questionnaire consists of six questions based on the three areas of SBMI: Value Proposition (Q1-Q3-Q5), Value Capture (Q6), and Value Creation (Q2-Q4). Each question is backed by scientific literature and is supported by additional probe questions. The questionnaire aims to answer the main inquiry of this research: "understanding how three different types of companies of the sustainability sector will face this Green Growth within their business model and what strategies they will adopt to integrate sustainable practices into their operations".

The chapter follows by describing the interviewees' target. The fourteen participants were carefully selected because are in line with the three main actors listed in Chapter 1. In fact, companies interviewed will be classified using three parameters: Age, Size and Objective function. The companies are:

- Greening Goliaths: Deloitte & Touche Italy S.p.A. SB, KPMG Italy S.p.A., Eni Plenitude S.p.A. SB and EY Italy S.p.A.

- Emerging Davids: Circularity S.r.l. SB, GM Ambiente & Energia S.r.l, STEP S.r.l. SB, RECUP and PlanBee S.r.l.

- High-Growth Davids: SunCity S.r.l., Nativa S.r.l SB, Treedom S.r.l. SB, 3Bee S.r.l., Up2You S.r.l. SB.

Once the data collection method is clarified, the chapter continues by explaining the "Grounded Theory" as the approach adopted for analysis. Through this method, it is possible to create a data structure that clarifies the connections between direct quotations and theoretical concepts.

The analysis is composed of three categories: First-Order Concepts, which are the pieces of information reported by the interviewees; Second-Order Themes, which group the First-Order Concepts and compare them to existing theories; and Aggregate Dimensions, which provide wider macro-clusters of theoretical categories that incorporate all the previously analysed elements into broader themes.

CHAPTER 3 – Discussion

This chapter is fully dedicated to the practical application of the "Grounded Theory" approach, which will make the data analysis process more transparent by showing how data has been converted into emerging theories.

The analysis starts by identifying sixteen First-Order Concepts that are key topics emerged from direct quotations of interviewees.

From this initial analysis has emerged that, Greening Goliaths adopt hierarchical structures with clear lines of authority for sustainable activities. They centralize all sustainability operations in two or fewer units dedicated to all their sustainability tasks. At the same time, these large companies are granting a certain level of autonomy to employees by reorganizing their structures. The participants want to obtain their creative flow externally or by implementing periodic activities for all employees. In fact, they invest heavily in NPOs. Moreover, they offer general programs to employees on their sustainable topics. In general, all the Goliaths have the same long-term goal of becoming "*net zero*". External stakeholders play a key role in defining the strategy to reach this goal.

On the other hand, surveyed Emerging Davids adopt flat models. Participants demonstrate that creativity is a pillar on which their business is based. Some of them want to develop niche knowledge focused on their market segments. This is evident by the adoption of specific training programs and short-term indicators that are highly characteristic to their market niche. Others are more business oriented, as evident by their willingness to increase their activities in the field of sustainability. Some Emerging Davids indeed already obtained the certification of "Benefit Corporation", even if they were not touched by any legal requirement.

High-Growth Davids that participated to this study, although they have surpassed the dimensions of start-ups, use models oriented to holacracy. Similar to Emerging Davids, there is not micromanagement between business units and employees are stimulated to change business units.

In line with Goliaths, they have developed specific internal departments to measure their impact in the short and long term. This is reflected by double programs offered to their employees that cover both general topics and complex environmental knowledge. As reported, creativity and innovation are so essential to their business that they have developed dedicated departments for these purposes. Broadly speaking, they apply structures more focused on autonomy and flexibility, while adopting hierarchy in its invisible form.

All the companies interviewed are committed to employee engagement inside a unique culture in various ways and are interested in both hard and soft skills. In general, participants rely on 17 SDGs as their long-term environmental goals.

Following the Grounded Theory's path, the above mentioned sixteen key topics are now organized into six Second-Order Themes. These themes encapsulate the topics that emerged from the interviews in relation to the literature analysed in Chapter 1.

- Organizational Structure

The organizational structure is identified as one of the two main barriers for companies during their Green Growth. Participants have managed to overcome this barrier by implementing organizational structures aligned with sustainable practices in various ways.

Large corporations are adopting centralized structures with clearly defined authority lines between actors, as suggested by McKinsey. This structure includes a strong central authority that makes key decisions and sets the organization's direction. For example, KPMG Italy reports all its impacts to the headquarter annually, allowing Greening Goliaths to have precise control over operations in this highly regulated industry. By 2021, all these large entities had successfully established departments fully dedicated to sustainable activities, despite traditionally being slow to adapt organizational changes. For instance, Plenitude has a Sustainability Committee chaired by the CEO that monitors projects and implements strategies.

On the other hand, High-Growth Davids are adopting modern approaches based on activities' differentiation where the role of sustainability is not confined to a single department. This innovative business model, more focused on holacracy rather than strict hierarchy, is adopted by these entities to achieve their environmental goals. Nativa uses the "XYZ framework", a non-hierarchical structure with undefined roles. The framework is organized into separate boxes, each representing a different project. All employees, known as "Nativers", have the same role and can autonomously match themselves to a specific box.

- Creativity Granted

Companies of all sizes recognize the importance of granting greater autonomy to business units for fostering creativity. They invest in both external and internal sources to develop a creative flow. In fact, partnerships with a valid stakeholder engagement are essential to achieve sustainable goals by growing the core business and obtaining external sources of creativity, as analysed in Chapter 1 (Ferlito & Faraci, 2022). For example, Deloitte leverages external sources through the CEOforLIFE program, involving Luiss "Guido Carli" students in projects aligned with the missions of NRRP (or *PNRR*). Large companies also incorporate sustainability innovation through partnerships with NPOs, leading to value co-creation (Díaz-Perdomo et al., 2021). For example, KPMG promotes corporate social responsibility through its internal corporate volunteering program, "Make a Difference Day".

On the other side, the concept of NPOs is becoming blurred (Porter & Kramer, 2011). For instance, the NPO called RECUP explained that wants to become a profit organization by adopting business practices and developing a structured organization. To foster innovation, some participants opt for crowdsourcing strategies "*opening operations to the crowd*", while others develop creativity internally. For example, Deloitte Italy has established "The Lab", a technology and process innovation incubator. Meanwhile, STEP has inaugurated a technology park open to all start-ups, with the goal of developing the skills of their workforce through interaction with employees from different entities.

- Organizational Culture

As explained in Chapter 1, a strong organizational culture fuels the drive and passion needed to achieve company's environmental goals. The importance of employee motivation is a recurrent topic among all participants, and scientific literature confirms that employees seek alignment between personal values and professional lives. Companies now prioritize soft skills, such as motivation and affinity with environmental missions. They also invest in training employees on sustainability topics. Large corporations offer general programs covering various sustainability topics. Emerging Davids provide project-specific training, but this could restrict companies to their niches. High-Growth Davids, needing complex environmental knowledge, use both specific and general training programs on sustainability topics.

- Sustainable Strategy

As reported, sustainability is crucial for businesses, and all participants, regardless of size, consider it essential to their strategies for various reasons. While Davids are founded to have an environmental mission, Goliaths have only recently prioritized sustainability. However, both large and small entities are actively planning and implementing sustainable initiatives. In fact, smaller participants have obtained the title of Benefit Corporation even if they were not forced by any legal requirement. The analysis suggests different organizational paths, all prioritizing a strategy shared by internal and external stakeholders (Smet et al., 2021). A social mission interconnects these entities, creating a community in their business models. Stakeholders, particularly in large corporations, play vital roles in planning sustainable activities. Indeed, as expected by existing literature (Hockerts & Wüstenhagen, 2010), the analysis has revealed that Goliaths often face pressure from stakeholders in defining their sustainability strategies.

- Environmental Metrics

This theme underscores the importance of using both short-term and long-term metrics to measure the environmental impact and goal achievement of companies. Both Greening Goliaths and High-Growth Davids have implemented specific structures, such as an internal sustainability audit department, to measure their short- and long-term impact. A well-functioning measurement system, as confirmed by literature, should be built on past insights and data collection. Goliaths and High-Growth Davids are adopting indicators from the Global Reporting Initiative (GRI) and setting sustainability-specific performance metrics, both financial and non-financial, based on the environmental topic addressed. However, start-ups interviewed often use metrics specific to their market niche, in line with the "small is beautiful" approach that could limit their growth.

- Sustainability Credentials

Especially regarding institutional barriers, this theme highlights the importance of sustainability credentials, such as the Benefit Corporation's certification, which mandates companies to balance profit-making with social responsibility. Seven out of the fourteen companies studied obtained this certification, which leads to significant internal structural changes, including the appointment of an Impact Manager and the development of a Sustainability Committee. Despite the challenges associated with implementing such changes, large companies have been able to innovate their structures and cultures to support Green Growth. The text refers to previous literature and reports to support its analysis. It concludes that obtaining sustainable credentials leads to impactful changes within companies. As a result, these companies are able to have a positive societal impact while remaining profitable.

Moving on with the analysis, there are three developed aggregate dimensions: Ambidexterity, Equifinality, and Sustainable Performances. These dimensions represent macro-clusters of theoretical categories that incorporate all previously analysed elements into broader themes. They are cornerstones of the literature discussed in Chapter 1 and refer respectively to the three main areas of Sustainable Business Model Innovation: Value Creation, Value Proposition, and Value Capture.

- Ambidexterity

During the research, it was observed that some structures facilitate creativity and innovation ("exploration"), while others focus on effective and efficient control over operations ("exploitation"). Few new structures grant the right balance between the two objectives. The analysis showed that modern companies, particularly High-Growth Davids, have complex organizational structures with

parts that are less hierarchical and oriented towards holacracy for exploration, and parts that are more hierarchical and standardized for exploitation. On the other hand, Goliaths, despite their traditionally hierarchical organizations which facilitate achieving environmental standards through stringent control mechanisms, often lack agility and creativity, crucial for long-term sustainability success. Despite this, the analysis found that these organizations are also evolving by focusing on the "triple bottom line" of economic, environmental, and social value creation. They are investing to overcome the lack of creativity, especially through partnerships with NPOs. Moreover, these entities demonstrated a high level of agility because they have been able to redefine their models by establishing specific departments for sustainability activities. Conversely, some Emerging Davids are also changing the way they operate by adopting structural mechanisms to grow more business oriented.

- Equifinality

This dimension relates to the organization culture applied to incorporate sustainable practices inside and outside the organization, directing all parts towards the same environmental goal. All participants seem to share this dimension. Companies are emphasizing the importance of aligning the organization towards the same goals, following McKinsey's advice. This alignment has a positive correlation with employee motivation and performances. The value proposition of companies is evolving, with sustainability becoming essential for all businesses. More companies are adopting organizational approaches like the "OKR methodology" to reach equifinality. This methodology helps define, track, and achieve ambitious and measurable goals, promoting employee autonomy, stimulating innovation, and involving all team members in creating a positive environmental impact. This method promotes transparency and creates a sense of belonging and involvement. Given the significant impact of Green Growth, participants unanimously view sustainability as an unignorable business opportunity. Future business models will integrate sustainability practices inside their Value Proposition from the beginning.

- Sustainable Performances

This dimension concerns the metrics used and the certifications that companies possess to measure their environmental performances. Obtaining specific credentials leads to the development of dedicated departments and the nomination of new actors to measure and report. The regulations proposed in Chapter 1 stimulate firms to adopt sustainable practices by overcoming institutional barriers. High-Growth Davids and Greening Goliaths are developing new ways to capture value that supports sustainability, depending on the implemented measurement results. On the other hand, some

Emerging Davids are applying niche-focused metrics, which could pose risks for their future. It is evident from the applied regulations that environmental topics will play a key role in developing organizational structures. These regulations encourage firms to adopt sustainable practices by overcoming institutional barriers.

The chapter ends by giving a comparative analysis between the study results and existing literature (*please see Table 5*).

Table 5: Comparison between literature and findings

Legend
- Solid circle (●): literature and findings agree
- Empty circle (○): literature and findings differ
- Half solid circle (◖): partial relationship between literature and findings

		G.G.	H-G.D.	E.D.
Organizational Structure	Type of Hierarchy Applied	●	●	●
	Activities Centralization	●	○	◖
	Few Topics Addressed	●	○	◖
	Decision-Making with Many Levels	●	○	◖
	Agility in Changing Structure	○	●	◖
Creativity Granted	Internal Source	○	●	●
	External Source	●	●	●
	Autonomy	◖	●	●
Organizational Culture	Employee Motivation	●	●	●
Sustainable Strategy	Vision and Mission	●	●	◖
	Adaptability to Changes	○	●	◖
	External Influences	●	●	●
Environmental Metrics	Short and Long Term Indicators	●	●	◖
Sustainability Credentials	Right kind of Government Regulations	◖	●	◖

Source: Personal Elaboration

This analysis traces the concepts that emerge according to the theory. Using the established classification of enterprises into the three groups, their different approaches to integrating sustainable practices into their structures were described. Second-Order Themes have been chosen as a metric for this analysis, because they encapsulate the topics emerged from interviews in relation to the literature. Consequently, for each concept and actor, a certain level has been assigned, based on the congruence between theory and findings. In conclusion, the analysis reveals that companies recognize the importance of modern principles in line with Chapter 1. To achieve this alignment, these entities are testing new hybrid structures as there is not a single right answer to creating a sustainable organization.

CHAPTER 4 – Conclusion

Businesses are currently in a transitional phase, following the application of mandatory directives and financing plans aimed at incorporating sustainability activities. An increasing number of companies are rethinking and innovating their structures in line with sustainable practices. From the analysis, it is evident that there is no one-size-fits-all approach to embedding sustainability. Currently, companies are experimenting with new structural methodologies to address Green Growth, creating a new way of doing business based on the Impact Investing approach. During the analysis, we observed the rise of Benefit Corporations and the adoption of new actors and departments dedicated to environmental operations. The analysis revealed that all types of firms interviewed are changing the way they operate by adopting hybrid models that balance control and flexibility. Emerging Davids are implementing increasingly structured processes, moving away from the traditional flatness associated with start-ups. Greening Goliaths are more focused on characteristics that are not typical to traditional hierarchical structures, demonstrating high levels of agility. High-Growth Davids are promoting new design with a focus on holacracy. In conclusion, even though these companies differ in the way they integrate sustainable practices, they all recognize the importance of the pillars identified in this research as cornerstones of their sustainable growth. Through their structures, they want to reach ambidexterity, while granting equifinality towards the same environmental goals by measuring their sustainable performances.

By 2030, the full implementation of the 17 SDGs will broaden regulations to encompass businesses of every size, prompting a global shift towards sustainability. When this transitional phase finishes, methodologies for embedding sustainability into organizational structures will be verified and applied. This implicates that the influence of Impact Investing will pave the way for a new generation of businesses even more focused on the pillars of this research.