CIRCULAR BUSINESS MODELS AND CORPORATE CULTURE

Identification of Main Drivers, Promoting and Inhibiting Corporate Culture-Related Factors

Master’s Thesis

to confer the academic degree of

Master of Science

in the Master’s Program

General Management
SWORN DECLARATION

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Linz, May 24, 2019

Samuel Feichtner
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Without the support of my girlfriend, family and friends, none of this would have been possible and my academic career would have been much more difficult. In this regard, I want to thank all of you for your belief in me, your backup and help during my studies. Consequently, this Master Thesis is dedicated to my parents, grandparents, friends, and especially to my girlfriend, as without them I would not have come so far.
EXECUTIVE SUMMARY

Literature on sustainability shows a strong necessity of moving towards a circular economy. This transition requires circular business models. Organizational culture is considered to be a determining aspect for changing business models in the realm of sustainability, as this approach was revealed by drivers. In this context, organizational values and corporate culture-related factors are significant, as they are difficult to change and largely intangible. In order to combine business models and corporate culture, both concepts are examined and explained in detail in this research. To ensure clarity, all relevant terms are defined in the terminology section. A systematic literature review on promoting and inhibiting factors of corporate culture is conducted, as the main aim of this Master Thesis is to assist companies in their transformation process and provide guidance how to implement business models for the circular economy. The resulting factors of corporate culture are important for both, theory and practice. They can serve as foundation for further research. Furthermore, the factors found in theory constituted an important part of the semi-structured interviews.

In order to provide practitioners with relevant input, five sustainable companies from Upper Austria were selected for interviews. The businesses can be connected with their sustainability background. The main purpose of the interviews is to gather support for the theoretical findings as well as identify drivers and promoting and inhibiting values for circular business models. The outcomes show significant results and may be beneficial for companies aiming for such a transition. Furthermore, practitioners, the top management or leaders of other organizations can refer to these successful case examples and adapt their concepts and models. The more awareness that is created the better, as the triple bottom line of sustainability can help improving the world by not focusing on the environment only, but on social and economic aspects as well. The objective of this Master Thesis is to contribute to the challenge of transformation towards a circular economy and should support making the planet a better and more sustainable place.
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<th>Description</th>
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<tr>
<td>CBM</td>
<td>Circular Business Model</td>
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<tr>
<td>CE</td>
<td>Circular Economy</td>
</tr>
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<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<td>CVF</td>
<td>Competing Values Framework</td>
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<tr>
<td>MV</td>
<td>Mean Value</td>
</tr>
<tr>
<td>NaDiVeG</td>
<td>Nachhaltigkeits- und Diversitätsverbesserungsgesetz (Austrian Federal Law)</td>
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<tr>
<td>OCAI</td>
<td>Organizational Culture Assessment Instrument</td>
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<tr>
<td>SLR</td>
<td>Systematic Literature Review</td>
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<td>SME</td>
<td>Small- and Medium-Sized Enterprises</td>
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1. Introduction

1.1 Starting Position and Motivation

Current resource use is characterized by a massive overuse, caused by growth of population and economy (Antikainen & Valkokari, 2016, pp. 5–6; Ellen MacArthur Foundation, 2013, 2,6; Planing, 2015, p. 1; World Business Council for Sustainable Development, 2017, p. 10). As a consequence, the risk for companies in the present economic model rises, due to higher resource prices and disruptions in supply (Ellen MacArthur Foundation, 2013, p. 6). For this reason, business managers are searching for a model that is capable of decoupling revenues from material inputs (Ellen MacArthur Foundation, 2013, pp. 6–7). Therefore, a transition towards a CE received increased attention and is necessary. This economic model shows considerable opportunities for companies (Antikainen & Valkokari, 2016, pp. 5–6; Ellen MacArthur Foundation, 2013, pp. 7–12; Ellen MacArthur Foundation, Sun, & McKinsey & Co, 2015, p. 12; Lewandowski, 2016, p. 1; Mentink, 2014, p. 9; Planing, 2015, pp. 1–2; World Business Council for Sustainable Development, 2017, pp. 12–13).

Pedersen, Gwozdz, and Hvass (2018, p. 275) explain that strategies, designed to do more than required by law, which are enabled by flexible structures within a company, have a high potential to create economic benefits. Beyond compliance is a stage of sustainable value creation (located in the middle levels of the used models models, see Maon, Lindgreen, & Swaen, 2010, p. 31; Schaltegger, Freund, & Hansen, 2012, p. 111; Willard, 2012, p. 21; Wirtenberg, Russell, & Lipsky, 2008, p. 98) where companies consider social or environmental matters before being pushed by external forces (Maon et al., 2010, p. 26). To estimate those benefits, various studies concluded potentials worth hundreds of USD for different industries that are coming along with the shift towards a CE (Ellen MacArthur Foundation et al., 2015; European Commission, 2015; Lacy & Rutqvist, 2015, pp. 28–29; Planing, 2015, p. 2). Lacy and Rutqvist (2015, pp. 28–29) even see a 4.5 trillion USD opportunity for the global economy.

By not only trying to seize these opportunities but becoming a sustainable organization as well, companies have to incorporate innovative business models, like the CBM (Planing, 2015, p. 2). Sustainability goes hand in hand with various benefits, such as increased profitability and growth, competitive advantage, cost savings, improved corporate image, enhanced relationships, access to new markets, improved resilience, new sources of innovation and revenue, higher supply chain and resource security, reduced energy consumption and emissions; (Lee, 2009, p. 1104; Pauliuk, 2018, p. 83; World Business Council for Sustainable Development, 2017, p. 5). Such new business models created within the scope of CE, referred
to as ‘business model innovation’, are obviously necessary for moving towards this regenerative system (Antikainen & Valkokari, 2016, p. 7; Bocken, Short, Rana, & Evans, 2013, p. 483; Boons, Montalvo, Quist, & Wagner, 2013, p. 1; Planing, 2015, p. 2) and could allow a stronger form of it (Planing, 2015, p. 2). However, it has to be concluded that a 100 per cent CE solution or a 100 per cent CBM is not feasible yet (Antikainen & Valkokari, 2016, p. 8; Lewandowski, 2016, p. 10; Mentink, 2014, p. 4; van Renswoude, Wolde, & Joustra, 2015) because of physical and practical limitations (van Renswoude et al., 2015, p. 2).

Already in 1995, Shrivastava (1995, p. 184) described that the global economy needs to “organize business and industry along ecologically sound principles” for the development of ecological sustainability. Therefore, a necessary transition of companies and their products, production systems, and management practices is evident in the view of the authors (Shrivastava, 1995, p. 184).

According to Eccles, Miller Perkins, and Serafeim (2012, p. 43) companies have to take sustainability strategies into account because of the public’s call for consideration of broad human needs, rather than concentrating on short-term profit maximization only. Bertels, Papania, and Papania (2010, p. 10) point out that innovative business models or revolutionary concepts are probably needed for a shift towards sustainability. Similarly, Antikainen and Valkokari (2016, p. 7) agree with that on the level of a circular economy by explaining that for a guaranteed transition to a CE not only new and innovative business models of organizations have to emerge as described above, but entire processes have to be changed fundamentally as well (Antikainen & Valkokari, 2016, p. 5). Therefore, the authors created a framework for sustainable CBM innovation (see Figure 5) in their article of 2016.

Furthermore, Bertels et al. (2010, p. 10) explain that sustainability is more an aim than a final stage. “In today’s business environment, sustainability is something that many companies are striving toward, but few (if any) have yet achieved (Bertels et al., 2010, p. 10)”. The authors continue to explain that anchoring sustainability into corporate culture is a fundamental element for this achievement.

Linnenluecke and Griffiths (2010, p. 359) point to empirical studies that detected the importance of organizational culture in regard to changes aiming for more sustainability. Bertels et al. (2010, p. 8), Schaltegger, Hansen, and Lüdeke-Freund (2016, p. 7) as well as Matinaro and Liu (2017, p. 3184) consider organizational culture as crucial concerning business model innovation and moving towards more sustainable development. Matinaro and Liu (2017, p. 3184) further outline the high influence of organizational culture on sustainability on a local and global level. They claim enhanced innovativeness and creativeness to have such an effect. Furthermore, Bertels et al. (2010, p. 8) highlight the importance of leadership by explaining that leaders realize this issue but still do not know how to implement it in practice. Similarly, Matinaro and Liu (2017, p. 3184)
emphasize management of organizational culture by assigning it a key role regarding sustainability. Moreover, Linnenluecke and Griffiths (2010, p. 361) write about growing awareness of managers for benefits achieved by corporate sustainability practices. Lüdeke-Freund and Dembek (2017, p. 1670) explain that visionary leaders and a sustainability mindset are needed to manage this transition of organizational culture. They further describe that such required leaders encourage people in the organization to move towards sustainability.

Corporate sustainability is mainly subject to corporate values and basic underlying assumptions of the company according to Linnenluecke and Griffiths (2010, p. 359). In their study, Pedersen et al. (2018, p. 275) conclude that a wide-ranging shift “is dependent on supportive organisational values which facilitate these changes”. Matinaro and Liu (2017, p. 3189) point to the importance of values and how leaders manage them in regard to organizational culture change. Further, Epstein, Buhovac, and Yuhtas (2010, p. 43) explain that for becoming more successful, organizational culture and leadership have to be considered prior to strategy, structure and programs.

The following conceptual framework (Figure 1) shows the scope of this Master Thesis. Its aim is to provide a graphical presentation and explanation of the research topic as well as the target. Sustainability can be found on the vertical axis, whereas organizational culture is placed on the horizontal axis, as these are the central issues of the work. As already explained, cultural factors or especially cultural values, play a key role in the transformation processes of companies aiming for more sustainability or a CE. As it can be seen in the graph, promoting as well as inhibiting factors of corporate culture are of special interest and attempted to be found. In the context of sustainability, the business model of companies is in the focus, as it has to change in order to become more sustainable. The CBM is pursued in the final stage and ideal case. To guarantee a comprehensive background, a SLR on the two main topics should provide a good theoretical foundation on which empirical evidence can build on. The ultimate goal is to find out how far theory and practice correspond and to provide solutions for companies in their pursuit of sustainability.
1.2 Objective and Research Issues

1.2.1 Research Gap

In their paper, Schaltegger et al. (2012, pp. 105–106) point out that predominant corporate sustainability literature mainly ignores business models. Similarly, Lüdeke-Freund (2009, p. 7) writes about lacking theories and concepts and explains that such work on sustainable business models is addressed in a direct way by a very small number of researchers only.

Obviously, awareness amongst organizations for CE increased significantly after the calculations of the Ellen MacArthur Foundation and McKinsey & Company were published (Planing, 2015, p. 2), what made it currently a topic of special interest. Consequently, this issue is addressed by a growing number of researchers in academic and scientific work leading to a considerable amount of literature in this field, as could be concluded from reviewing the literature.

The literature review further showed that actually many researchers deal with the topics of corporate sustainability, sustainable business models or CE (CBMs) and organizational culture but literature where these two topics are connected is very little. In this regard, Schaltegger et al. (2016, pp. 7–8) call for future research on business models for sustainability. These authors especially refer to the organizational level and organizational culture and ask for theories.

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Figure 1: Framework: graphical presentation of the Master Thesis
capable of explaining the change of a company’s existing business model. Similarly, Lüdeke-Freund (2009, p. 8) refers to the SBM ideal type of Stubbs and Cocklin (2008) which is according to him the only existing universal business model template for corporate sustainability matters. This gap has to be filled in the opinion of the author. In their work, Maon et al. (2010, p. 21) focus on CSR and state that “analyses of the organizational and cultural implications of the CSR development process remain underdeveloped or only partially evoked in existing models”. Furthermore, according to these authors it is broadly recognized that radical innovations in organizational culture are necessary for changes that result in advancements of CSR (Maon et al., 2010, p. 21).

Linnenluecke and Griffiths (2010, p. 364) outline the necessity of more future research on the relation between organizational culture and corporate sustainability and highlight that “an important issue for the future will be studies designed to understand the complexities of the relationship between organizational culture and corporate sustainability”. On the one hand, Lüdeke-Freund (2009, p. 25) aims to provide evidence that business models are currently part of the corporate sustainability literature by referring to Elkington and Hart, but, on the other hand, he points to the need of more theories and concepts on this topic. Indicating to the strategic importance of CSR within an organization, Maon et al. (2010, p. 21), describe that how to modify corporate culture, procedures and strategies, from a CSR viewpoint is still only investigated by a little amount of extensive concepts.

As already explained, Bertels et al. (2010, p. 8) write about the managers awareness of organizational culture playing a key role in regard to sustainable development. They continue to explain though, that a majority of these leaders do not understand how sustainability is really embedded in their daily operations and routines. In this context, Matinaro and Liu (2017, p. 3184) highlight the significance to study capabilities of managers to lead culture change in organizations, as cultural innovativeness is highly important for sustainability.

As already mentioned, Lüdeke-Freund and Dembek (2017, p. 1670) refer to successful sustainable business models and explain the need of “visionary leaders who motivate cultural and structural change and a ‘sustainability mindset’ throughout the organization”. Further, these authors see such business models as capable of making businesses sustainable and thus, emphasize communication and powerful connections within and between business, administration and science.

According to Mendoza, Sharmina, Gallego-Schmid, Heyes, and Azapagic (2017), current literature is lacking to explain the transition towards CBMs. Thus, companies do not know how to change their existing business models and implement such ones designed for the CE (Mendoza et al., 2017, p. 527). Especially, comprehensive frameworks that support the realization of CE
principles are needed in the opinion of the authors. They try to fill this gap with their BECE (backcasting and eco-design for the CE) framework proposed in their paper for being capable of implementing a successful CBM.

Additionally, Mendoza et al. (2017, p. 529) describe that their framework misses a phased introduction of defining an overall vision built upon the principles of the CE. From their work, companies can further not learn how required changes for realizing such a vision can be addressed in form of a successful plan of action.

Based on a SLR, CBMs apparently emerged lately in literature. Thus, such models are not covered to the extent of sustainability or CE in scientific research. Referring to this, Bertels et al. (2010, p. 9) point out that the topic of business sustainability is increasingly addressed in scientific literature but their review shows that scholarship in the field of embedding sustainability in organizational culture is very limited. In fact, studies on CBMs and on their drivers, barriers, elements or factors influencing them or being important to change exist, but all these features are not combined and no SLR conducted on the topic of this Master Thesis could be found. Moreover, case studies are predominant in the consisting work, where success stories are emphasized, and mostly such research was conducted within a broader scope of “sustainability” or “environmental management” (Bertels et al., 2010, p. 9).

A comprehensive literature review showed that only a limited number of papers by now have connected the trend of the CE model with the culture of an organization and thus, incentives, values and culture-related factors of companies or managers leading to a transition for businesses towards this approach as well as the adoption of CBMs are not covered sufficiently in scientific literature. Therefore a SLR about such a connection and interrelationship of organizational culture and CBMs is necessary that further examines incentives, promoting and inhibiting factors of companies aiming for the above mentioned transition. For this Master Thesis especially the question why sustainability, CE and in the final instance, CBMs are important is crucial. These terms are all similar but can be categorized which will be explained in a later section of this work. This leads to the next paragraph of this Master Thesis where the research questions and the aim are described.

The review of Bertels et al. (2010, p. 52) made it obvious that this area requires much more research. Here, the authors principally refer to practical and empirical research, as according to them practice frequently leads theory in this field. Practitioners being presently at the forefront are able to deliver a great contribution to people’s understanding of this topic (Bertels et al., 2010, p. 52). The literature review of this Master Thesis can function as a call for action for more practitioners to share their knowledge as well as a collection of their knowledge shared so far. Further, it functioned as a foundation for the later conducted interviews. In particular, the aim was to let the interview partners assess the factors found in theory.
1.2.2 Research Questions and Aim

Derived from the starting position of this Master Thesis, solutions for practitioners to seize the opportunities of a CE are sought to be found. Thus, this scientific work can be divided in two main parts, being theory and empiricism. For the first part, reviewing contemporary present academic literature should function as a foundation for the diversified research area as well as demonstrate the current research progress on sustainability, CE, business models (especially on sustainable and CBMs), and organizational culture. The central aim is to identify corporate culture-related factors that inhibit and promote such business models by means of a systematic literature review. Serving as a basis for the second part, the theory should provide a good overview about the factors of corporate culture influencing CBMs, business model innovation or business change, as CBMs are innovative concepts that require changes of the actual models (Planing, 2015, p. 2). With semi-structured interviews, successful companies in the area of sustainability are targeted and questioned to share their knowledge on the topics found in theory. Here, the main objective is to figure out which drivers and promoting and inhibiting values are identified by representatives of the businesses.

Further, it is aimed to provide helpful literature for practitioners and to increase awareness for this issue. In particular, recommendations for required further research are made and topics of special interest for the future are outlined. Within the scope of this Master Thesis the following research questions are relevant and answered:

Research Questions:

1. Which main drivers for circular business models can be identified?
2. What kind of factors or values of corporate culture are promoting and inhibiting circular business models based on a literature review?
3. Which drivers, promoting and inhibiting values are identified by practitioners of sustainable companies and how do they evaluate the values found in theory?

1.2.3 Terminology

First of all, it has to be mentioned that the area of the interrelationship between sustainability and organizational culture is lacking defined and unambiguous terms. This goes hand in hand with terms being used interchangeably to some degree (Bertels et al., 2010, p. 9). Throughout literature the terms sustainability, CE, sustainable business models and CBMs are used in different ways. For this Master Thesis sustainability constitutes an overall topic whereas CE is seen as solution for a transition towards sustainability (Geissdoerfer, Morioka, Carvalho, & Evans, 2018, p. 712; Geissdoerfer, Savaget, Bocken, & Hultink, 2017, p. 766). In their paper, Geissdoerfer et al. (2017, pp. 762–764) show the similarities and differences between the
concepts of sustainability and CE. Additionally, the authors add that CE is seen as “a condition for sustainability, a beneficial relation, or a trade-off in literature (Geissdoerfer et al., 2017, p. 767).

As already shortly explained, CBMs are then necessary for such a concept of CE. This will be discussed in more detail in this work.

In order to understand the content of this Master Thesis and to be able to follow the discussion, it is necessary to outline definitions of some key terms in the following section. The terms CE, business model, business case and business model for sustainability, CBM, organizational culture and corporate sustainability will be defined. Furthermore, some background information of these key theoretical concepts will be provided.

(Corporate) Sustainability:

Further, it is necessary to show the difference between sustainability and CE, as (Geissdoerfer et al., 2017) explain in detail in their paper and thus, sustainability is defined in this chapter. The World Commission on Environment and Development (1987, p. 54) defines sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." This definition of sustainability is used in this Master Thesis.

Linnenluecke and Griffiths (2010, p. 358), who put sustainability in relation to organizations referred to as corporate sustainability, examined several studies that have identified different important aspects to achieve corporate sustainability. In common, their outcome is organizational change and adaptation across various stages being necessary for the diverse concept of corporate sustainability (Linnenluecke & Griffiths, 2010).

Generally, van Marrewijk (2003, p. 102) refers corporate sustainability and CSR to business activities which are “voluntary by definition” and show “the inclusion of social and environmental concerns in business operations and in interactions with stakeholders". The author continues calling this the wide-ranging definition of the two terms and split it up to five different levels of corporate sustainability: compliance-driven, profit-driven, caring, synergistic and holistic. Furthermore, Bertels et al. (2010, p. 10) already connect sustainability and organizational culture by defining a culture of sustainability "[…] as one in which organizational members hold shared assumptions and beliefs about the importance of balancing economic efficiency, social equity and environmental accountability."

In order to connect sustainability and CE, Geissdoerfer et al. (2017, pp. 762–764) identify differences and similarities between these two concepts, as already outlined. Some important aspects for example refer to differences in goals, the ones who benefit, underlying motivations and prioritized systems in literature (Geissdoerfer et al., 2017, p. 764). Consequently, the
authors describe that the aim of the CE is a closed loop whereas sustainability goals are open-ended. In the main, the whole triple bottom line benefits from sustainability (Elkington, 2002, pp. 70–71), while economic actors implementing the system are benefiting by the CE. The CE indicates that the private sector is in charge of the transformation towards an enhanced system of sustainability (Geissdoerfer et al., 2018, p. 712). According to Geissdoerfer et al. (2017, p. 764), the underlying motivations of sustainability “are based on past trajectories, are diffused and diverse, and often embrace reflexivity and adaptivity to different contexts”. Contrarily, the main motive of the CE is based on the observed capability of circular systems to better use resources and reduce waste and emissions than linear systems. Further, in literature the CE obviously emphasizes systems primarily benefiting environmental aspects and only indirectly profiting the social dimension (Geissdoerfer et al., 2017, p. 764). On the other hand, sustainability considers the whole triple bottom line as equally important (Elkington, 2002, pp. 70–71).

**Circular Economy:**
Lewandowski (2016, p. 5) points out that the first definition of CE was probably delivered by the Ellen MacArthur Foundation (2013, p. 7) which states “a circular economy is an industrial system that is restorative or regenerative by intention and design”. Geissdoerfer et al. (2017, p. 759) attribute this definition as being the best-known one. Furthermore, the organization conceptualizes CE (Lewandowski, 2016, p. 5) and argues that it stands for a transition towards renewable energy and for a shift from an “end-of-life” concept to reutilization as well as for removal of waste and toxic chemicals. This should be achieved by superiorly designed materials, products, systems and, especially important for this Master Thesis, business models (Ellen MacArthur Foundation, 2013, p. 7).

Planing (2015, p. 2) sees three main reasons for the shift to a CE: more and more volatile commodity prices have made it necessary to guarantee the resource supply for manufacturing businesses, new business models are enabled by information technology and consumer behavior currently experiences a transition where performance mentality is becoming more important than ownership mentality. The Ellen MacArthur Foundation et al. (2015, p. 14) further explains that three elementary principles form the basis for a CE: maintaining and promoting natural capital, optimizing gains from deployed resources, and encouraging system effectiveness which includes the minimization of negative externalities.

On the European level, the European Commission (2012, p. 1) announces in their Manifesto for a Resource Efficient Europe that “in a world with growing pressures on resources and the environment, the EU has no choice but to go for the transition to a resource-efficient and ultimately regenerative circular economy.” The organization is further calling for support of leaders in business, civil society and labor to promote resource efficiency and the transformation to a CE and society. This should happen now because it can result in a reindustrialization of the
European economy which will last as well as in a way out of the contemporary crisis (European Commission, 2012, p. 1).

**Business Models:**

With regard to literature, evidently business models are viewed in different ways (Boons & Lüdeke-Freund, 2013, p. 10; Lüdeke-Freund, p. 13; Teece, 2010, p. 175). Consequently, there is no clear uniform description. Osterwalder's business model concept is commonly referred to in literature, as it is explained in detail in section 3.1. The model contains one of the first comprehensive definitions and is based on four pillars (see Table 1) according to Lüdeke-Freund and Schaltegger et al. (2012, p. 106). Thus, this Master Thesis uses the concept of Osterwalder and Pigneur (2013, p. 14) who provide the following definition of a business model: “a business model describes the rationale of how an organization creates, delivers and captures value.” Antikainen and Valkokari (2016, p. 7) further explain that sustainable business models and CBMs can be seen as subcategories of business models and are closely connected in literature. Furthermore, they describe that business model innovation is the new type of the value creation approach which is made possible by changing one or more elements of the business model. Within their applied framework for the categorization of sustainable business models, Florin et al. (2015, IV) go further and classify CBMs as a subgroup of sustainable business models. Such CBMs have to be focused on production and consumption stimulating efficiency and sufficiency in their opinion. In particular, to define and categorize business models, this Master Thesis follows the approach of Geissdoerfer et al. (2018, pp. 713–714) who “consider business models for the circular economy as a class of or generic strategy for sustainable business models”. The concept of the authors is explained in more detail in chapter 3.2 where their created model is illustrated as well (see Figure 4).

**Business Case and Business Model for Sustainability:**

Schaltegger et al. (2012, pp. 97–98) base their analysis on business cases for sustainability where economic success is achieved “[...] through (not just with) an intelligent design of voluntary environmental and social activities.”

According to Schaltegger et al. (2012, p. 98) three conditions form a business cases for sustainability.

1. For the purpose to support solving social or environmental issues, an activity has to be carried out voluntarily or mostly voluntarily by the organization.
2. Positive business effects or economic contributions to the company’s success that can be proofed convincingly by measurement or argument have to result from this activity.
3. Strong and persuasive arguments have to show that a particular management activity will have or had the planned impact on the society or the environment, and the economy (Schaltegger et al., 2012, p. 98). Furthermore, Schaltegger et al. (2012, p. 98) point out that
such a business case “is characterized by creating economic success through (and not just along with) a certain environmental or social activity”.

Considering their view of a business case for sustainability, Schaltegger et al. (2012, p. 112) describe that a business model for sustainability promotes such activities required for these business cases. They continue defining that “a business model for sustainability is actively managed in order to create customer and social value by integrating social, environmental, and business activities.” These authors continue to explain that sustainable business models can promote the transition from single to ongoing business cases for sustainability (Schaltegger et al., 2012, p. 102).

According to Lüdeke-Freund (p. 23), a sustainable business model is characterized by creating competitive edge achieved by greater customer value, and developing the company and the society in a sustainable way.

Schaltegger et al. (2016, pp. 5–6) write about the lack of an unambiguously held definition of sustainable business models. In their earlier paper, these authors write about lacking answers from research on the question of what sustainable business models are (Schaltegger et al., 2012, p. 102). However, Schaltegger et al. (2016, p. 6) define business models for sustainability as follows: “a business model for sustainability helps describing, analyzing, managing, and communicating (i) a company’s sustainable value proposition to its customers, and all other stakeholders, (ii) how it creates and delivers this values, (iii) and how it captures economic value while maintaining or regenerating natural, social, and economic capital beyond its organizational boundaries.” They base their suggestion on contemporary literature and their learnings of experts in this area. This definition shows that the authors have edited their work and thus, provide a more detailed definition of sustainable business models in comparison to their paper of 2012.

**Circular Business Models:**

This Master Thesis refers to Mentink (2014, pp. 23–24) who connects his definition of the CE (based on the Ellen MacArthur Foundation, 2015, p. 26, and others e.g. Bastein, Roelofs, Rietveld, & Hoogendoorn, 2013, p. 70) with the business model definition of Osterwalder and Pigneur (2013, p. 14) to be able to define the CBM as “the rationale of how an organization creates, delivers and captures value with and within closed material loops”. He further argues that a CBM is not required to close material loops itself. A system of business models, with the CBM being a part of, together can close such loops to be attributed circular (Mentink, 2014, pp. 23–24).

In order to go even one step further, the already outlined definition of a business model from Osterwalder and Pigneur (2013, p. 14) and the first (Lewandowski, 2016, p. 5) and most popular (Geissdoerfer et al., 2017, p. 759) one of the CE from the Ellen MacArthur Foundation (2013, p. 7) are connected and thus, a CBM is defined in this Master Thesis as “the rationale of how an
organization creates, delivers and captures value by intending and designing a sustainable economic system that is restorative or regenerative”.

As literature on business model innovation is extensive and such innovations are addressed by numerous researchers (e.g. Bocken et al., 2013; Boons & Lüdeke-Freund, 2013; Chesbrough, 2010; Pedersen et al., 2018; Planing, 2015), the following statement of Planing (2015, p. 3) in the context of CBMs is very important: “developing new business models in the realm of the circular economy can be seen as an almost classical case of business model innovation”.

Innovation refers to new methods, products, markets, suppliers or organizations being introduced what obviously refers to business models largely (Planing, 2015, p. 3; Schumpeter, 1939, p. 80).

**Organizational Culture:**

Researchers in the field of organizational culture agree that this term is defined in various different ways (Barney, 1986, p. 657; Baumgartner & Zielowski, 2007, p. 4; Bertels et al., 2010, p. 10; Dasgupta & Vaghela, 2015, pp. 255–256; Linnenluecke & Griffiths, 2010, p. 358; Schein, 2004, pp. 11–12) and Barney (1986, p. 657) even goes so far to write that only a small number of concepts in organizational theory are defined in so many varying and competing ways like organizational culture. In his work, the author defines organizational culture as “a complex set of values, beliefs, assumptions, and symbols that define the way in which a firm conducts its business”.

Given the fact that culture is used in so many different ways, many researchers (Barney, 1986; Dasgupta & Vaghela, 2015; Linnenluecke & Griffiths, 2010), however, write about parallels and shared topics in the research of corporate culture.

A part of the explanation of organizational culture from Bertels et al. (2010, p. 10) is very important for this Master Thesis: “over time, an organization builds up its own culture, providing a sense of identity to its members about ‘who we are’ and ‘what we do.’ An organization’s culture is both reinforced and reshaped through the daily practices of its members.” This will be especially needed when discussing the values, factors or incentives that lead an organization to adopt CBMs.

Dasgupta and Vaghela (2015, p. 255) write about the best known definition of organizational culture in academic work of Schein (2004, p. 17) being: “the culture of a group can now be defined as a pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.” Baumgartner and Zielowski (2007, p. 5) see the
“Levels of Culture” of Schein (2004, p. 26) as an inevitable model as well which they attribute being the most prominent one, hence, organizational culture is the topic of research. Schein (2004, p. 8) emphasizes the need to carefully deal with culture, as the word is often used wrong or that even estimations of right or bad cultures for organizations exist. The author continues to emphasize the relationship of culture with its environment, as dependent factor to be successful or not. This is a crucial point and the main reason why Schein's (2004) definition of culture is used for this Master Thesis.

However, among researchers the idea of a unified corporate culture is not commonly shared, although numerous definitions of the term would indicate this (Linnenluecke & Griffiths, 2010, p. 362; Linnenluecke, Russell, & Griffiths, 2009, p. 435). To underline their statement, the authors write about the different approaches of researchers concerning this concept and describe three different viewpoints of organizational culture (the integration perspective, the differentiation perspective and the fragmentation perspective (Martin, 2002, p. 93) being capable of capturing these differences. According to Sackmann (2007, p. 8), who follows a similar concept, three different characteristics of culture in companies can be identified in literature:

- Integrated, homogenous, strong
- Differentiated (subcultures)
- Complex (integrated, differentiated and fragmented)

These perspectives as well as the Master Thesis' viewpoint of corporate culture will be explained in more detail in chapter 4.

1.3 Structure of Master Thesis

To provide a better overview of the structure of this Master Thesis, a graph was created. As it can be seen in Figure 2 below and as already explained above, the first section of this Master Thesis focuses on the introduction, where the problem discussed, the objectives and research issues, and the structure of the work. Within objectives and research issues the research gap, the research questions and aim as well as the terminology is included.

In the next section, the methodology and literature reviews are shortly explained and the research process is described in detail. Then, in chapter 3 classical, sustainable and CBMs are outlined, their elements discussed and the three models are compared. In the following section, it is necessary to give an overview about corporate culture as the next chapter is a literature review of culture-related factors or corporate values that are promoting and inhibiting CBMs. Afterwards, the empirical part clarifies and underlines the theory. Here, the companies are briefly explained and then the outcomes of the interviews are presented. In the end a conclusion summarizes the main findings of this Master Thesis and shows room for further research.
1. **Introduction**

   1. 1 Starting Position and Motivation
   1. 2 Objectives and Research Issues
   1. 3 Structure of Master Thesis


1.2.1 Research Gap
1.2.2 Research Questions & Aim
1.2.3 Terminology

2. **Methodology**

   2. 1. Brief Introduction to Literature Reviews
   2. 1. Research process

3. **Business Models**

   3. 1. Classical Business Models
   3. 2. Sustainable and Circular Business Models
   3. 3. Stages of Sustainability
   3. 4. Drivers

4. **Corporate Culture**

   4. 1 Iceberg Model (Hall, 1976)
   4. 2 Levels of Culture (Schein, 1985)
   4. 3 Competing Values Framework (CVF)
   4. 4 Organizational Culture Assessment Instrument (OCAI)

5. **Systematic Literature Review**

   5. 1 Introduction
   5. 2 Corporate Culture-related Promoting Factors
   5. 3 Corporate Culture-related Inhibiting Factors

6. **Introduction Empirical part**

7. **Interviews**

   7. 1 Understanding of Terms
   7. 2 Business Model Type
   7. 3 Stages of Sustainability
   7. 4 Drivers
   7. 5 Relation to Culture
   7. 6 Promoting Values
   7. 7 Inhibiting Values
   7. 8 Theoretical Factors
   7. 9 Role of the Leader
   7. 10 OCAI

7.1.1. Definition – Sustainability
7.1.2. Definition – Sustainable Business
7.1.3. Definition – Circular Business Model

7.8.1 Promoting Theoretical Factors
7.8.2 Inhibiting Theoretical Factors

7.9.1 Promoting Values of the Leader
7.9.2 Inhibiting Values of the Leader

8. **Conclusion**
2. Methodology

The following section is dedicated to explain the methodical approach and the selection of the empirical material. Firstly, relevant literature on the topics of sustainability, CE, business models and organizational and corporate culture was gathered and examined. Then, important terms were defined and the research was structured. Business models were categorized and the position to organizational culture was clarified. Therefore three types of business models being the classical, the sustainable and its subtype the CBM are explained and two cultural models are compared. Furthermore, the different perspectives of organizational culture are described and the adopted perspective is highlighted. With regard to business models and the empirical part, it is necessary to demonstrate the stages of sustainability and drivers for sustainability, CE and CBMs as well, what is comprised in the chapter of business models. Besides the two cultural models, the CVF and the OCAI (a framework with which the corporate culture can be evaluated) are presented in the section of corporate culture.

Afterwards, a SLR on promoting and inhibiting cultural values and corporate culture influencing sustainability and the CE was conducted which will be covered in more detail in the next section, namely the research process.

Within the scope of the SLR, a table with six promotive culture-related factors as well as a list with seven factors of inhibiting corporate culture was created. This served as a good foundation for the semi-structured interviews. In the interview guidelines an introduction, a definition section, where a common understanding of the used terms should be ensured, background information of the interviewees, the stages of sustainability, drivers and reasons for sustainability and the relation to culture and the main topic of the Master Thesis - corporate culture and sustainability, consisting of two parts: promoting cultural factors and inhibiting cultural factors are included. Each of the two sections is supported by the factors found in the SLR. The next question refers the role of the leader and which personal values are promotive and inhibitive in this regard. Corporate culture, where the interviewees had to fill in the cultural assessment instrument OCAI, and a closing section form the last two parts of the interview guidelines.

The companies were selected according to the respACT platform and their region. After choosing relevant member companies of the platform, their websites were examined and studied to find departments or employees responsible for sustainability, CSR or the environment.
arrange interview appointments, the persons were if possible contacted by phone or otherwise by mail.

For the researcher it was very important to find a name or a number of the possible interview partner in order to guarantee to talk to the right person and to increase the chance of an answer. If no department, number or name could be found on the website, only a common call to the company was possible, with a request to be connected to the appropriate department. In some companies, the only way to get in touch was sending an e-mail. However, this type of connection was not successful, as it did not bring positive answers or answers at all. After positive answers, e-mails with attached interview guidelines and the additional documents were sent to acknowledge the appointment where the date was repeated and the process and purpose were shortly explained. The sent interview guidelines were prepared for the companies and thus, additional notes were deleted and the company names as well as the date of the interview were included in order to make it more personal. The interviewer aimed to hold the interviews at the sites of the companies with one person after the other. Furthermore, to be perfectly prepared for the interviews, the researcher read through the latest sustainability reports of the companies. Additionally, their websites were examined closely where special attention was put on the topics of corporate culture, values within the business, CSR, sustainability, the environment and current initiatives of the companies.

As the interviews were conducted in Upper Austria, the corporate language of the sample companies is German and thus, the interviews were prepared and held in German. Furthermore, three additional documents were used during the process of the interviews which can be found in Appendix A. Obviously, the OCAI-framework, consisting of six questions with four answers each, was needed. Further, the stages of sustainability are rather complex and thus, could be better described by means of a graph with a detailed explanation of each stage on it. On another extra sheet the theoretical factors with a seven-part Likert scale ranging from very important to completely unimportant could be filled in by the interviewees. However, mostly this section was passed through together and thus, the interviewer made notes. All interviews were recorded to ensure easier evaluation and transcription as well as to guarantee that no content gets lost. Moreover, anonymity was assured and the interviewees were asked if anything was missing or worth to include in their opinion. Additionally, the interviewer offered in the end of the interview to provide them with the results of the OCAI and send them the completed Master Thesis.

Afterwards, all interviews were transcribed and coded along the main questions according to the guidelines with the help of the program MAXQDA 2018. The next step was to evaluate the written content of the interview. This was done by putting all relevant information from all
interview partners to each question in a table in Microsoft Word. Furthermore, tables and graphs about the persons and their positions within the company, the stages of sustainability, the theoretical factors and the OCAI were created in Microsoft Excel. The final step was to include the filtered information to the appropriate sections of the Master Thesis.

2.1 Research Process

In general, all relevant literature should be identified and taken into account. This was achieved by the above mentioned SLR by means of keyword-based search in databases, reviewing sources of found authors and examining prominent researchers and institutions in the areas of corporate culture and sustainability and CE.

Within the scope of the literature review, two main databases were used, as explained in the section of systematic literature reviews. In this chapter, the keyword-based search is described in detail as well. For acquiring access to the sources, the university online library as well as the database EBSCOhost was used. Furthermore, Google Scholar worked as a connection side for various other research sites such as ResearchGate, Wiley Online Library, Elsevier, Springer and others. Additionally, some books were lent from the JKU library or accessed online (e.g. Google Books).

For the empirical part, mainly the written interview content functioned as source of information. Furthermore, sustainability reports and the company websites were used for general information, additional explanations, facts and figures.

To guarantee the quality of the sources, two academic journal guides (ABS Academic Journal Guide, 2015; VHB Verband der Hochschullehrer für Betriebswirtschaft e.V., 2015) were used. This step is especially important for the SLR and thus, is explained in more detail in that section as well.

2.2 Brief Introduction to Literature Reviews

As already shortly explained, a literature review on promotive and inhibitive factors of organizational culture was conducted within the scope of this Master Thesis. This was necessary in order to guarantee a wider understanding of the topic and served as a good foundation for the empirical part. For providing a very short introduction to this topic, Fink (2014) and Petticrew and Roberts (2012) are used. A SLR is a method to find and analyze existing scientific literature (Fink, 2014, p. 3). Literature reviews have numerous functions, according to Petticrew and Roberts (2012, XIII), as

“they can examine old theories and propose new ones, consider where the balance of evidence lies in relation to a particular topic, and provide a basis for recommendations for interventions, […] They can provide guidance to researchers planning future studies, and provide convenient summaries of the literature on a particular issue. They can also
be used to examine methodically the reasons why different studies addressing the same question sometimes reach different conclusions [...]."

Literature reviews in general and the SLR conducted in this Master Thesis are explained in more detail in chapter 5.1 Introduction to Literature Reviews.

The results of the SLR showed important theoretical factors as well as the significance of the role of the leader. These outcomes heavily influenced the creation of the interview guidelines.

### 3. Business models

In this chapter, classical, sustainable and CBMs are shortly explained and then compared. Furthermore, the stages of sustainability are explained in detail in this section. In that context, reasons to change the current model to move to a higher stage of sustainability are of special interest. Here, the main focus will be on drivers for sustainability, CE, business model innovation and change, and most importantly, CBMs.

#### 3.1 Classical Business Models

As already explained in the part of terminology, for this Master Thesis the business model definition of Osterwalder and Pigneur (2013, p. 14) is used. In a paper published earlier, Osterwalder, Pigneur, and Tucci (2005, p. 6) explain that definitions only provide a general overview of business models, while meta-models go deeper by further describing the elements contained in a business model. Such meta-models for example were developed by Hamel (2000) and Afuah and Tucci (2001) as well and are explored in more detail in the next section. In this context, Osterwalder et al. (2005, pp. 9–10) explain that parts of business models like pricing mechanisms, customer relationships, partnering and revenue sharing are often referred to as business models on their own. As a result, the authors argue that business models need to be seen as more universal systems comprising all of these components.

On the one hand, Hamel (2000, pp. 3–4) identified four major components for business models being core strategy, strategic resources, customer interface and value network. The author continues to explain that these are linked together by three bridge components: configuration, customer benefits and company boundaries. The wealth potential consists of another four factors, that support the business model by defining its profit potential: efficiency, uniqueness, fit and profit boosters (Hamel, 2000, pp. 4–5).

Afuah and Tucci (2001, pp. 48–49), on the other hand, examined the elements that all business models have in common. In their opinion, the ability to make money is comprised in customer value, scope, pricing, revenue source, connected activities, implementation, capabilities and sustainability.
When examining these two approaches, however, many similarities can be identified as the scope of Afuah and Tucci (2001, p. 49) is basically the core strategy of Hamel (2000, p. 4), the connected activities of Afuah and Tucci (2001, p. 49) are reflected in the bridge components of Hamel (2000, p. 5) or the customer value of Afuah and Tucci (2001, p. 49) refers to the bridge between core strategy and customer interface being customer benefits of Hamel (2000, p. 5).

In Table 1 below, Osterwalder et al. (2005, p. 10) identified nine elements that were most commonly used throughout literature according to their analysis:

<table>
<thead>
<tr>
<th>Pillar</th>
<th>Business Model Building Block</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>Value Proposition</td>
<td>Gives an overall view of a company's bundle of products and services.</td>
</tr>
<tr>
<td>Customer Interface</td>
<td>Target Customer</td>
<td>Describes the segments of customers a company wants to offer value to.</td>
</tr>
<tr>
<td></td>
<td>Distribution Channel</td>
<td>Describes the various means of the company to get in touch with its customers.</td>
</tr>
<tr>
<td></td>
<td>Relationship</td>
<td>Explains the kind of links a company establishes between itself and its different customer segments.</td>
</tr>
<tr>
<td>Infrastructure Management</td>
<td>Value Configuration</td>
<td>Describes the arrangement of activities and resources.</td>
</tr>
<tr>
<td></td>
<td>Core Competency</td>
<td>Outlines the competencies necessary to execute the company's business model.</td>
</tr>
<tr>
<td></td>
<td>Partner Network</td>
<td>Portrays the network of cooperative agreements with other companies necessary to efficiently offer and commercialize value.</td>
</tr>
<tr>
<td>Financial Aspects</td>
<td>Cost Structure</td>
<td>Sums up the monetary consequences of the means employed in the business model.</td>
</tr>
<tr>
<td></td>
<td>Revenue Model</td>
<td>Describes the way a company makes money through a variety of revenue flows.</td>
</tr>
</tbody>
</table>

Table 1: Nine business model elements
(own graphical presentation of Osterwalder et al., 2005, p. 10)

Many researchers refer to Osterwalder and colleagues (Osterwalder, 2004; Osterwalder et al., 2005; Osterwalder & Pigneur, 2004, 2013) when writing about business models in their work, such as Schaltegger et al. (2012, p. 106), Schaltegger et al. (2016, p. 5), Ballon (2007, p. 8), Bocken et al. (2013, pp. 483–484), Chesbrough (2010, p. 359), Boons and Lüdeke-Freund (2013, p. 10), Antikainen and Valkokari (2016, p. 7). Meanwhile, this approach is very frequently used in practice (Ahrend, 2016, p. 14). As already explained, Schaltegger et al. (2012, p. 106) and Lüdeke-Freund (p. 15) attribute this concept being one of the first providing a detailed definition and representing the four pillars which can be seen in Table 1 (value proposition, customer interface, infrastructure management and financial aspects). This definition focuses on design features of the value creation function (Schaltegger et al., 2016, p. 5). Ballon (2007, p. 8), to whom other researchers refer when reviewing significant scientific work about the four central business model pillars (Lüdeke-Freund, p. 15; Schaltegger et al., 2012, p. 106), continues to outline that these four elements were formed by Osterwalder (2004) into nine business model building blocks. According to Chesbrough (2010, p. 359), such a method of constructing maps is an auspicious way “to clarify the process underlying them”. Nowadays,
throughout contemporary literature, different variants of this model exist (Schaltegger et al., 2012, p. 106).

Osterwalder and Pigneur (2013, p. 15) explain that their model found worldwide application in organizations and consider it as capable of becoming a shared language. They continue to write in an earlier publication that present literature on this topic attaches mostly only some elements of a business model but hardly all (Osterwalder & Pigneur, 2004, p. 65).

To make this complex topic a bit clearer, Boons et al. (2013, p. 3) and Boons and Lüdeke-Freund (2013, p. 16) argue that at least the following three elements are included in a business model: the value proposition, the configuration of value creation and the revenue model, whereas Afuah and Tucci (2001, p. 48) point out that even though, given all the variety concerning business models, there is one fact that unifies them: “they are designed to make money for their owners long term”.

To provide even more clarity concerning this topic of business models with numerous different concepts, containing elements and approaches resulting from the vast amount of literature on it, as can be seen in the sections above, this Master Thesis uses the simplified business model framework of Richardson (2008, p. 138). Teece (2010), Boons and Lüdeke-Freund (2013) and Osterwalder and Pigneur (2013) used this approach as well or based their work on it. This is underlined by Lozano (2018, p. 2) who uses the elements of Richardson (2008, p. 138) to explain traditional business models in his work that is very similar to the approach of Boons et al. (2013, pp. 3–4). As it can be seen in Figure 3, Richardson (2008, p. 138) writes about three main elements of business models: value proposition, value creation and delivery system and value capture.
In the graph (Figure 3), the basic elements of the business model framework are illustrated. The first component is about what the firm actually offers, to whom, and the basic strategy to achieve this and gain a competitive advantage. The next element is about how the organization creates and delivers value to the clients and where the competitive advantage comes from. The third element, value capture, deals with generation of revenue and profit (Richardson, 2008, p. 138).

3.2 Sustainable and Circular Business Models

To categorize business models, Geissdoerfer et al. (2018, p. 713) see circular business models as a subgroup or basic strategy of sustainable business models. In this context, the authors define sustainable business models as “business models that aim at solutions for sustainable development by creating additional monetary and non-monetary value by the proactive management of a multiple stakeholders and incorporate a long-term perspective”.

To find a definition for sustainable business models, Boons and Lüdeke-Freund (2013, p. 13) conducted a literature review. These authors explain that each element of a business model has to meet basic normative requirements for successful sustainable development. Thus, the product has to create economic as well as ecological and/or social value (Boons & Lüdeke-Freund, 2013, p. 13). A sustainable supply chain management has to be formed and needs to be embedded in the infrastructure management. The customer interface has to be capable of taking responsibility for production as well as consumption. This can be achieved by facilitating strong relationships with stakeholders (Schaltegger et al., 2016, p. 6). The last pillar, financial aspects, has to distribute economic costs and benefits appropriately among the parties.
concerned and is responsible for social and ecological activities of the company (Boons & Lüdeke-Freund, 2013, p. 13).

Referring to these researchers, Schaltegger et al. (2016, p. 6) created their own definition of a business model for sustainability, as already outlined in the terminology section, and emphasize the importance of all stakeholders and the natural environment in this regard.

Further, Lüdeke-Freund (2009, p. 33) refers to the ideal type sustainable business model of Stubbs and Cocklin (2008). Stubbs and Cocklin (2008, p. 103) write that incorporating a sustainability business model requires the development of “internal structural and cultural capabilities to achieve firm-level sustainability” and cooperation with main stakeholders in order to make the whole system the company is operating in sustainable. Summarizing, Lüdeke-Freund (2009, p. 33) points out that in sustainable business models sustainability is the key driver of the organization and is characterized in its decisions.

Elkington’s (2005) model helps to demonstrate the interrelationship of business models and corporate sustainability. By calling the business model “the very DNA of business” (Elkington, 2005, p. 15) and thus, being the crucial factor for corporate decisions, the work of the researcher shows the importance of the business model (Lüdeke-Freund, 2009, p. 38). Schaltegger et al. (2012, p. 105) refer to Elkington (2005) as well and conclude that the business model has to be improved in order to achieve a better corporate sustainability performance.

Further, Boons et al. (2013, pp. 3–4) connect sustainable business models and classical business models by attributing the core elements of the latter the ability to emphasize three essential issues for sustainability innovation.

- **Value proposition:** underlines that the relationship between organization and clients is more formed by the exchange of value then by particular products or services solely (Boons & Lüdeke-Freund, 2013, p. 14). Customer’s desires and the utility of a product or service are significant parts of the sustainability analysis (Boons et al., 2013, p. 3).

- **The configuration of value creation:** indicates the big system, customer interface and the supply chain being important parts of, where the company belongs to and its actions are anchored (Boons et al., 2013, pp. 3–4; Boons & Lüdeke-Freund, 2013, p. 13).

- **The distribution of costs and benefits:** all players of the system need to receive an equal share of costs and benefits, what delivers a specific value definition (Boons et al., 2013, p. 4).

As already outlined, CBMs can be defined as sustainable business models according to Geissdoerfer et al. (2018, p. 713). In this regard, the authors add that CBMs are “specifically aiming at solutions for the Circular Economy through a circular value chain and stakeholder alignment” (Geissdoerfer et al., 2018, p. 714).
This Master Thesis refers to Mentink (2014, pp. 23–24) and thus, CBMs are defined by connecting the CE and business model definitions, as already explained in chapter 1.3. To go even further, the business model definition (Osterwalder & Pigneur, 2013, p. 14) is connected with the first and most popular one of the CE from the Ellen MacArthur Foundation (2013, p. 7; Geissdoerfer et al., 2017, p. 759; Lewandowski, 2016, p. 5) to define CBMs in this Master Thesis. This is outlined in the terminology section as well. Furthermore, for CBMs it is necessary that all involved participants interact. Thus, the core-business network and other stakeholders are comprised (Antikainen and Valkokari, 2016, p. 6).

With regard to the concept of Richardson (2008, p. 138), Geissdoerfer et al. (2018, p. 714) explain that all of these components have to become circular in order to reach ideal efficiency of sustainable development in respect of the CE.

As it can be seen in Figure 4, more factors are influencing business models when they become sustainable or in the next instance circular. The comparison in the graph imlys that configurations of all elements of business models have to change according to solutions for sustainability or the CE (Geissdoerfer et al., 2018, p. 714).

Furthermore, Antikainen and Valkokari (2016, p. 8) point out that a transition to CBMs requires integration of components on three different levels:

- Macro: global developments and enablers
- Meso: environment and value co-creation
- Micro: organization, clients, and consumers
Thus, the authors created the following framework (Figure 5) which provides a good overview of CBM innovation:

![Figure 5: Framework for sustainable circular business model innovation](own graphical presentation of Antikainen & Valkokari, 2016, p. 9)

According to Antikainen and Valkokari (2016, p. 8), the aim to constantly assess sustainability and circularity aspects of the business model is comprised in the framework. In their view, this is necessary for process optimization and for realizing the dynamics of the required processes. As an example, the authors gave the supply chain where modifications of one link can have a massive impact on the entire model (Antikainen & Valkokari, 2016, p. 8).

### 3.3 Stages of Sustainability:

To determine the sustainability level of an organization, the seven-stage CSR development model of Maon et al. (2010), the integrated framework of sustainability strategy, business case drivers and business model innovation of Schaltegger et al. (2012) as well as Roome’s (1992) strategic options model are used in this Master Thesis. To simplify these complex models for the interview partners, the graphical expression (see Appendix C) of Willard (2012, p. 21) will be connected to them and used for the interviews. Willard (2012, pp. 20–22) identifies five stages of sustainability for companies: pre-compliance, compliance, beyond compliance, integrated...
strategy and purpose/passion. The author outlines that the last two stages are characterized by comparable behavior but varying motivations. According to Willard (2012, p. 21), it is a journey to become a sustainable organization, although the author explains that many stage five companies can be only found in the last stage, as they begin as well as finish their journey there. However, all the models follow a similar approach and thus, can be linked together. Especially, the similarities between the five options of Roome (1992, pp. 18–19): non-compliance, compliance, compliance plus, commercial and environmental excellence and leading edge, and the approach of Willard (2012, p. 21) are significant.

The model of Ian Wilson, who identified reaction, defense, accommodation, and proactiveness as potential business strategies (Carroll, 1979, p. 502), is commonly referred to in literature and broadly recognized (Carroll, 1979, p. 502; Maon et al., 2010; Roome, 1992; Schaltegger et al., 2012, p. 103).

To understand the framework of Schaltegger et al. (2012), it is necessary to explain the corporate sustainability strategies they use. These authors point out that the reactive strategy completely ignores the social and environmental dimension and thus, is not relevant in their analysis. This results in three strategy types being helpful for their study: defensive, accommodative and proactive strategies (Schaltegger et al., 2012, p. 103). In this regard, Carroll (1979, p. 501) describes the scope of social responsiveness reactions, reaching from doing nothing (reactive) to doing much (proactive Maon et al., 2010, p. 26.) As the reactive strategy is neglected by Schaltegger et al. (2012, p. 103), the Pre-Compliance stage of Willard (2012, pp. 20–21) which refers to this strategy type, is not relevant as well but still will be shown in the interview guidelines for the sake of completeness.

In their paper, Schaltegger et al. (2012, pp. 102–103) connect their sustainability strategies (see business strategies of Wilson by Carroll, 1979, p. 502) to Roome (1992) by linking the defensive strategy to his compliance strategy, the accommodative strategy to his compliance-plus strategy and the proactive strategy to Room’s strategies commercial and environmental excellence, and leading edge (Roome, 1992, pp. 18–19).

Often defensive strategies (limited integration) are designed to react on cost limitations. Thus, topics of sustainability are addressed relatively constrained and in a reactive way (Schaltegger et al., 2012, p. 103). Maon et al. (2010, p. 26) explain that in this strategy type stakeholder issues are addressed by companies only to avoid consequences from outside, such as of law, rules or the society. These authors continue to describe that in this stance responsibility is recognized but challenged. This type is called compliance strategy by Roome (1992, p. 18) and as a consequence, Schaltegger et al. (2012, p. 103) emphasize “the need to comply with legislation”. Defensive strategies refer to what Willard (2012, pp. 20–21) labels compliance.
With regard to accommodation strategies (integration), Schaltegger et al. (2012, p. 103) point to the leaders’ willingness for applying sustainability management practices and organizational control systems as well as to the importance of employee development and participation. Such strategies are characterized by doing something for the environment or society in advance that external forces cannot push the organization to act (Maon et al., 2010, p. 26). To sum it up, Schaltegger et al. (2012, p. 103) write that this strategy type incorporates “environmental or social objectives in most of the business processes and maybe partly in the product range, however, without questioning the revenue logic or the core business as such”. Furthermore, Maon et al. (2010, p. 26) explain that organizations accept CSR in this posture. This strategy is called compliance-plus strategy by Roome (1992, pp. 18–19) who emphasizes support of the top management for corporate change. Similarly, in Willard’s (2012, p. 21) “Five-Stage Sustainability Journey”, this stage is labelled beyond compliance.

Being proactive (full integration) includes the incorporation of stakeholder issues into the key business of the company to improve the economic and social sustainability. As a result, all processes of the company as well as the entire portfolio of the products are focused on sustainable development (Schaltegger et al., 2012, p. 103). Furthermore, a proactive strategy means striving for both stakeholder satisfaction and thus, includes dealing with environmental and social problems as well as corporate success at the same time (Maon et al., 2010, p. 26; Schaltegger et al., 2012, p. 103). Maon et al. (2010, p. 26) add that a proactive strategy includes the anticipation of responsibility. This superior sustainability performance can be connected to Roome’s (1992, p. 19) options of leading edge and commercial and environmental excellence. On Willard’s (2012, p. 21) five-stage sustainability continuum, stages four and five are characterized by similar proactive organizational behaviors. This researcher only distinguishes the two stages integrated strategy and purpose/passion by their underlying motivations. Obviously, stage five (purpose/passion) is driven internally, while stage four (integrated strategy) focuses on stakeholder interests and on generating a competitive advantage.

In Table 2, Schaltegger et al. (2012, pp. 109–111) connect the sustainability strategies to four stages of business model innovation which they base on the classification of Mitchell and Coles (2003, p. 17).
### Table 2: Framework for business cases for sustainability and integrated business model innovation
(own graphical presentation of Schaltegger et al. (2012, p. 111)

<table>
<thead>
<tr>
<th>Sustainability strategies</th>
<th>Degree of business model innovation</th>
<th>Effects of addressed drivers of business cases for sustainability</th>
<th>Contribution to business cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defensive</td>
<td>Business model adjustment*</td>
<td>Mainly cost and efficiency-oriented measures aim for low-hanging fruit and thus only require moderate (if any) business model changes. Accordingly, only a minor number of business elements (excluding the value proposition) are affected. Sustainability issues are primarily perceived as risks leading to protective behavior, while reputational activities are of a rather cosmetic nature.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Business model adoption*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accommodative</td>
<td>Business model improvement</td>
<td>Cost and efficiency-oriented measures are pursued actively and partly linked to sustainability issues. Together with sustainability-oriented risk management this can require very basic changes like renewing production processes, changing value network partners, or approaching new market segments. A general orientation towards external addressees in terms of reputation, brand, and attractiveness to employees can require basic changes in customer relationships and business processes.</td>
<td></td>
</tr>
<tr>
<td>Proactive</td>
<td>Business model redesign (in a focused sense)</td>
<td>As proactive strategies feature radical changes to the core business logic of a company, a major number of business model elements will be affected. Sales and profits are improved by environmentally and socially outstanding products and services, leading to not yet available value propositions. Cost and efficiency-oriented measures are applied to support the new products and services and to gain competitive advantage through sustainability performance, which in turn pays in terms of risk management, reputation and corporate brand value. As innovative drivers unfold their full potential the company becomes increasingly attractive to high-skilled employees.</td>
<td></td>
</tr>
</tbody>
</table>

Note: *Mitchell and Coles (2003, p. 17), on which this classification is based, themselves reduce the lowest two degrees of business model innovation to one category.

Schaltegger et al. (2012, p. 110) explain that the defensive strategy type, connected with the first two degrees of business model innovation, defends the existing business model and results in no business case for sustainability. Proactivity brings business model innovations and thus, constantly creates business cases for sustainability. Accommodation has an impact on business cases, as such strategies modify and develop the business model to some extent, but not as substantial results as with proactive strategies can be achieved (Schaltegger et al., 2012, p. 110).

In their analysis, Maon et al. (2010, p. 28) compare nine different stage models of CSR development and provide a consolidative model. The authors refer their own concept to CSR and highlight to what the other concepts are referred to. In particular, the models of Benn, Dunphy, and Griffiths (2014, pp. 15–20) and van Marrewijk and Werre (2003, p. 112) are interesting for this Master Thesis, as they refer to corporate sustainability.
### Table 3: Seven-stage CSR development model
(own creation based on Maon et al., 2010, p. 31, with included stages of Willard, 2012, p. 21)

<table>
<thead>
<tr>
<th>Cultural phase</th>
<th>Stage of CSR development</th>
<th>Organizational culture perspective</th>
<th>CSR view</th>
<th>Social responsiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural reluctance</td>
<td>Dismissing (Pre-compliance)</td>
<td>Winning-at-any-cost</td>
<td>None</td>
<td>Rejection</td>
</tr>
<tr>
<td>Cultural grasp</td>
<td>Self-protecting (beginning of Compliance)</td>
<td>Reputation &amp; philanthropy</td>
<td>Marginal</td>
<td>Strong defense</td>
</tr>
<tr>
<td></td>
<td>Compliance-seeking (Compliance)</td>
<td>Requirements</td>
<td>Worthy of interest</td>
<td>Light defense, reaction</td>
</tr>
<tr>
<td></td>
<td>Capability-seeking (beginning of Beyond Compliance)</td>
<td>Stakeholder management</td>
<td>Influential</td>
<td>Accommodation, response</td>
</tr>
<tr>
<td>Cultural embedment</td>
<td>Caring (step from Beyond Compliance to Integrated Strategy)</td>
<td>Stakeholder dialogue</td>
<td>Embodied</td>
<td>Adaptation</td>
</tr>
<tr>
<td></td>
<td>Strategizing (Integrated Strategy)</td>
<td>Sustainability</td>
<td>Prevailing</td>
<td>Strategic proactivity</td>
</tr>
<tr>
<td></td>
<td>Transforming (Purpose/Passion)</td>
<td>Change-the-game</td>
<td>Ingrained</td>
<td>Proactivity</td>
</tr>
</tbody>
</table>

The framework of Schaltegger et al. (2012, p. 111) and the consolidative model of Maon et al. (2010, p. 31) can be linked together by the sustainability strategies of the first and the social responsiveness of the latter model. This range from doing much to doing nothing (Carroll, 1979, p. 501) can be seen in Table 2, as much or little contribution to business cases for sustainability (Schaltegger et al., 2012, p. 111) and in Table 3, as CSR development stage, reaching from dismissing to transforming, and in the organizational culture perspective (Maon et al., 2010, p. 31).

Borland (2009, p. 563) and Hart (1997, pp. 71–74) follow a bit differing approach, the so called “sustainability portfolio”. It provides organizations with a plan or vision for sustainable transformation containing four stages: pollution prevention, product stewardship, clean technologies and sustainable vision (Borland, 2009, p. 563; Hart, 1997, pp. 71–74). This portfolio concept may be used for actually implementing the change towards sustainability.
3.4 Drivers

Rauter, Jonker, and Baumgartner (2017, p. 149) write about the theoretical categorization of sustainable business model drivers into internal and external ones. Regarding organizational change, Bertels et al. (2010, p. 10) differ between sustainability change initiatives and other change initiatives, as the former is, in comparison with the latter, not within the scope of an organization. The authors continue their thoughts by explaining that the motivation for such a sustainability change initiative can be driven internally or externally as well (Bertels et al., 2010, p. 10).

Revell, Stokes, and Chen (2010, 281) write about internal and external drivers for sustainability too, calling them push and pull factors. In another way, Schaltegger et al. (2012, p. 100) emphasize the impact on economic performance. In their opinion, drivers for business cases vary from direct to indirect ones, with costs having the most direct connection.

Bertels et al. (2010, p. 10) further argue that crucial change drivers may not be in the organization’s control but can be possibly found in the supply chain or in connection with the main stakeholders. Thus, businesses aiming for sustainability have to form relationships with other organizations.

Schaltegger et al. (2012, pp. 100–101) mention some drivers (see Table 4) for sustainability that are very important for Chapter 5 of this Master Thesis, as they are more concrete and already address organizational values or are related to corporate culture. The core business case drivers for the business case for sustainability, described in the paper, can be seen in the table below. Furthermore, Schaltegger et al. (2012, p. 101) show other authors addressing their identified drivers in their own research as well. Especially, the last two drivers: attractiveness as employer and innovative capabilities are significant with regard to corporate culture and will be examined in more detail in a later section.

<table>
<thead>
<tr>
<th>Core business case drivers</th>
<th>Exemplary authors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs and cost reduction</td>
<td>e.g., Christmann (2000), Epstein and Roy (1996)</td>
</tr>
<tr>
<td>Risk and risk reduction</td>
<td>e.g., Schaltegger and Wagner (2006)</td>
</tr>
<tr>
<td>Sales and profit margin</td>
<td>e.g., Porter and van der Linde (1995a, 1995b)</td>
</tr>
<tr>
<td>Reputation and brand value</td>
<td>e.g., Jones and Rubin (1999), van Marrewijk (2003)</td>
</tr>
<tr>
<td>Attractiveness as employer</td>
<td>e.g., Ehnert (2009), Revell et al. (2010)</td>
</tr>
<tr>
<td>Innovative capabilities</td>
<td>e.g., Cohen and Winn (2007), Pujari (2006), Schaltegger and Wagner (2011)</td>
</tr>
</tbody>
</table>

Table 4: Drivers for sustainability
(own creation based on Schaltegger et al., 2012, p. 101)

Referring to the exemplary authors of Schaltegger et al. (2012, p. 101), Revell et al. (2010) conducted a study on sustainability drivers as well. The outcome of these researchers shows a
mix of push and pull factors (Revell et al., 2010, 281-282). The authors mention that government policies are obviously still significant. This can be seen in the ranking of the push factors legislative controls and fiscal incentives. However, the pull factors attracting customers, good publicity, retaining stuff and breaking into new markets are slightly more important (Revell et al., 2010, 281-282).

Schaltegger et al. (2012, p. 100) refer to important drivers for sustainability engagement from Hansen (2010, p. 29) who used a meta-analysis of four studies that were carried out between 2001 and 2005, dealing with incentives for corporate responsibility. These are reputation and risk management, employee satisfaction and talent attraction, markets and innovation, and tradition, culture and ethics (Hansen, 2010, p. 29; Schaltegger et al., 2012, p. 100).

Grant Thornton (2014, pp. 2–4) focuses on drivers on the more general level of movement to sustainable business practices. The organization identifies six key drivers:

- Cost management (67 %)
- Customer demand (64 %)
- Right thing to do (62 %)
- Brand building (59 %)
- Staff recruitment/retention (58 %)
- Tax relief (42 %)

The number in brackets is the percentage of businesses that cited the respective driver as important. The underlying question for the companies was: “what is driving businesses in your industry to implement more socially and environmentally responsible business practices? (%)” (Grant Thornton, 2014, p. 4). Cost management, customer demand, the right thing to do, brand building and staff recruitment/retention are relatively important with ranging from 67 per cent from cost management to 58 per cent to staff recruitment/retention. Only tax relief with 42 per cent is staying a bit behind.

In case of external forces being the driver, sometimes profits may not seem to have a direct positive influence on the value, whereas internally motivated changes arise for the reason that one or more employees attribute it being the right thing to do (Bertels et al., 2010, p. 10). These conclusions mainly correlate with the findings of Rizos et al. (2016), what can be seen in Figure 6, as the most important driver is of internal nature and the least important one of external nature. Furthermore, as written in the paragraph before, Grant Thornton (2014, p. 4) as well concludes as well that the right thing to do is an important driver for moving towards more sustainability. However, the outcome of this survey shows a considerable importance of external drivers, as three of the six key drivers are of external nature and two of them are valued with high percentages.
The Ellen MacArthur Foundation (2013, p. 80) is of the same opinion, seeing companies themselves as the key driver for a transformation towards a CE. Nevertheless, this organization points to the potential significance of the public sector as well. In the report, it is continued that governments in particular are able to support promoting rapid implementation of circular business opportunities by “adjusting the enablers to shift the rules of the game” (Ellen MacArthur Foundation, 2013, p. 80).

Concerning internal drivers, Leisten and Krcal (2003, pp. 353–354) describe that despite partly substantial economic and ecological success in companies, it has to be noticed that the wish for a transformation towards sustainability by using tools like environmental management, environmental cost accounting and eco-controlling was not fulfilled (Leisten & Krcal, 2003, pp. 353–354). The authors explain that companies pursue ecological targets in their own interest only when positive effects for the business are linked with it (e.g. cost savings, improved image, competitive advantage etc.) or when, especially in medium-sized companies, an ecological motivated entrepreneur is functioning as a driver.

To categorize sustainable business models, Florin et al. (2015, IV) applied a framework and identified five achetypes that can be considered as drivers for a CE: substitute renewable energy and material inputs, create wealth from waste, adopt a stewardship role, maximize material and energy productivity, and deliver functionality rather than ownership. This leads to the next level being drivers for business models of the CE.

**Drivers for Circular Business Models:**

Within the scope of their article, Rizos et al. (2016) conducted a study on drivers and barriers SMEs experienced when they implemented CBMs. For this Master Thesis, the following graph (Figure 6) is particularly important. Here, the authors show the percentages of the companies that mentioned these drivers (Rizos et al., 2016, p. 11):

![Figure 6: Drivers mentioned by percentage of SMEs (% of all SMEs)](Rizos et al., 2016, p. 11)
As the authors point out, the driver mentioned most often is the culture of the employees and the manager. It can be clearly seen in the graph, with company environmental culture nearly amounting for 70%. This plays a fundamental role for this Master Thesis, as it attaches the first research question and perfectly matches CBMs and corporate culture. Rizos et al. (2016, p. 11) further explain that the adoption of CE principles is quite simple for young start-ups because their organizational culture emerges from the very beginning and therefore, the process can be easier than changing cultures of established companies.

One third of the companies see the next driver, networking, as enabling the adoption of CBMs. Similarly, support from the demand network is mentioned by slightly less SMEs. Around a quarter considers financial attractiveness (27%) and external recognition (23%) as important drivers. Personal knowledge is mentioned only by a few companies, whereas the last driver of the study, government support, is only mentioned by one firm.

To summarize this chapter, it becomes clearly evident that organizational culture is an important factor in respect to a transition towards a CE where CBMs are needed. This is highlighted by many different researchers (Abdul Rashid, Sambasivan, & Abdul Rahman, 2004, pp. 166–175; Baumgartner & Zielowski, 2007, p. 7; Linnenluecke & Griffiths, 2010, p. 363; Pedersen et al., 2018, p. 275; Rizos et al., 2016, p. 11; Yousef, 2000, pp. 582–583) who point out that corporate culture can be a main driver for sustainable development within a company. Consequently, these findings lead to the next chapter of this Master Thesis, being corporate culture.

4. Corporate Culture

With being aware that organizational or corporate culture is greatly important as an internal driver for businesses to move towards enhanced sustainability on a broader level or a CE in particular, this topic will be examined in more detail within the scope of this Master Thesis in the following sections.

Corporate culture is a key factor for the analysis of this Master Thesis, as its influence on business models has to be examined in order to find an answer for the second research question of how CBMs are affected by corporate culture. Consequently, the main corporate culture-related factors and organizational values influencing a company’s decision to incorporate a CBM have to be determined. These factors and values are discussed then in the next chapter, whether they positively or negatively influence business models created in the realm of a CE. Values are especially important, as they comprise the deepest level of organizational culture that is visible or measureable for outsiders (Schein, 2004). Schwartz (1999, pp. 24–25) defines values as “conceptions of the desirable that guide the way social actors (e.g. organizational leaders, policy-makers, individual persons) select actions, evaluate people and events, and explain their actions and evaluations”. The author continues to write that in this understanding
“values are trans-situational criteria or goals (e.g. security, hedonism), ordered by importance as guiding principles in life.” This implies that the deepest level of organizational culture contains a comprehensive amount of values and related factors (Schwartz, 1999, pp. 24–25).

As already explained in the terminology section, corporate culture is seen in different ways by different researchers (Wiener, p. 76). Capturing this cultural diversity leads to three theoretical views of organizational culture, being the integration perspective, the differentiation perspective and the fragmentation perspective (Linnenluecke et al., 2009, p. 435) or culture as a variable, as a metaphor and as a dynamic construct (Sackmann, 2007, p. 7), with three different characteristics, being integrated, differentiated and complex (Sackmann, 2007, p. 8). Following the approach of Linnenluecke and Griffiths (2010, p. 362), the integration and differentiation perspective are discussed in more detail, as they are relevant for this Master Thesis. Sackmann (2007, p. 8) explains that mainly in early publications culture is described as integrative, strong and homogenous. Assuming a culture of homogeneity and shared values and beliefs in the company (Linnenluecke et al., 2009, p. 435), the integration perspective, sees culture as a variable, something an organization has, whereas culture is seen as a metaphor (the organization is something) in the second perspective (Wiener, p. 76). In her detailed analysis, Wiener (pp. 82–83) explains that researchers of the culture as metaphor perspective base their assumptions on the existence of subcultures with different interpretations of values and norms. In this regard, Sackmann (2007, p. 8) mentions that sociologists focused more on subcultures, as for example on certain professional groups. As this perspective is too complex and would go beyond the scope of this Master Thesis by raising various questions (Wiener, p. 76), the viewpoint of the integration perspective is taken. Consequently, culture is seen unified with a common set of assumptions, values and beliefs (Linnenluecke & Griffiths, 2010, p. 362).

4.1 Iceberg Model – Hall (1976):

In the following graph, the cultural iceberg model of Hall (1976) from his book Beyond Culture is illustrated, with the help of the adapted versions by Sackmann (1991, p. 298) and Paik, Chen, and Kwon (2016, p. 154).
Hall (1976, p. 57) points to hidden culture, as it can be seen in the graph (Figure 7) which represents an iceberg where only a small part is above the water and thus, visible (Paik et al., 2016, p. 154). In this regard, Sackmann (1991, p. 298) writes about visible, official or espoused manifestations. The author labels them surface components consisting of corporate artifacts, verbal and nonverbal behavior (Sackmann, 1991, p. 297). Though, this is only the peak and the greater part of the iceberg is underwater and consequently, difficult to see, referred to as invisible culture (Paik et al., 2016, p. 154). Sackmann (1991, p. 297) attributes this culture below the surface being tacit and not directly observable. Furthermore, the author sees the necessity to understand the invisible culture in order to be able to decode the surface components. In general, the picture shows that values, norms, beliefs, and attitudes, as well as underlying assumptions, belong to the part of invisible culture, whereas artifacts, being food, clothing, music, literature, language etc. belong to visible culture (Paik et al., 2016, p. 154).

This model is especially important, as attempts to change the organizational culture have often been ineffective in the past because of underlying assumptions that are deeply rooted in the culture of the company, and thus, are firstly, hard to reach and secondly, may be extremely difficult to change (Linnenluecke & Griffiths, 2010, p. 363). Similarly, with regard to the issue of hidden corporate culture and the difficulty to change it, Linnenluecke et al. (2009, p. 448) point out that underlying values and beliefs and their strong resistance to change cause significant problems in the implementation process of change efforts. In this regard, Assink (2006, p. 222)
explains that such underlying assumptions have to be investigated, as they can otherwise be an inhibiting factor for innovation.

4.2 Levels of Culture – Schein (1985):

In his book, Schein (2004, p. 26) proposed a similar model with three levels. Many researchers, e.g. Linnenluecke et al. (2009, p. 435) and Linnenluecke and Griffiths (2010, p. 358), refer to this cultural model. On the surface level, seeing, hearing and feeling form the group of artifacts. Basically, these are all visible organizational structures, behaviors and processes, named “the observative culture” by Linnenluecke and Griffiths (2010, p. 358). Schein (2004, p. 26) considers them to be “hard to decipher”.

On next cultural level are espoused beliefs and values which contain strategies, goals and philosophies (Linnenluecke et al., 2009, p. 435). The deepest level of cultural analysis constitutes basic underlying assumptions. Such assumptions are unconscious perceptions, thoughts and feelings and in Schein’s (2004, p. 26) opinion, the “ultimate source of values and action”. Further, Linnenluecke and Griffiths (2010, p. 358) see similarities between these levels of corporate culture and the ones of corporate sustainability.

When comparing these two cultural models, it can be seen that they are closely connected to each other, with artifacts forming the highest and basic assumptions the deepest layer of culture. In between values and beliefs are located (Paik et al., 2016, p. 154; Schein, 2004, p. 26). However, many researchers follow different concepts when dealing with corporate culture and sustainability or aiming for change of organizational culture (Abdul Rashid et al., 2004; Baumgartner & Zielowski, 2007; Leisten & Krcal, 2003; Neher, 1998; Pedersen et al., 2018).

Already in 1998, authors tried to connect corporate culture and sustainability, such as Neher (1998, p. 71) who writes about two ways of how the integrated and coordinated implementation of sustainability into corporate philosophy and environmental management can look like. The first path strives for changing the culture and value system because of an enhanced responsible-ethical perspective of the company. Strategies, structures and systems are adjusted to the principals of sustainable development. This can be referred to as top-down approach (Neher, 1998, p. 71). Similarly, in the opinion of Leisten and Krcal (2003, pp. 353–354), responsible environmental protection should be part of the company’s value retention and thus, have a top-down impact on all divisions. Neher (1998, p. 71) outlines that the second way considers an instrumental market-oriented perspective which can be characterized as a bottom-up approach. Here, it is attempted to initiate a change of the value system and advance it to ecology-oriented corporate governance. This is achieved by initial ecology-oriented results in processes and products. Originating from first experiences on the operational level, the ideas of sustainable
development diffuse into the remaining divisions and induce a change of the corporate culture (Neher, 1998, p. 71).

Following a bit different approach, Abdul Rashid et al. (2004, p. 161) carried out a questionnaire-based analysis of 258 Malaysian companies, following the cultural framework of Goffee and Jones (1998), with the aim to measure and examine the influence of organizational culture on change. In this framework, solidarity is on one axis and sociability on the other. Consequently, four types of corporate culture are identified: fragmented, mercenary, network and communal culture. Communal culture is characterized by both, high solidarity and high sociability, whereas in the fragmented culture both values are low. Mercenary culture shows high solidarity and low sociability and network culture low solidarity and high sociability (Abdul Rashid et al., 2004, p. 165).

Baumgartner and Zielowski (2007, p. 7) deal a bit different with the relationship of sustainability and organizational culture. The authors connect the five basic strategies for sustainable development, being introverted, extroverted, conservative, visionary and transformative, with corporate culture. In their opinion, a business strategy is always relying on corporate culture, may it be the different type of strategy influencing the culture or, vice versa requiring a certain organizational culture. As already explained, these researchers take Schein’s concept of organizational culture to show the relationship of sustainability and corporate culture (Baumgartner & Zielowski, 2007, p. 7).

Pedersen et al. (2018, p. 275) conducted a survey where the target group was formed of managers working in the Swedish fashion industry. The main topic of the study is the relationship of business model innovation, corporate sustainability and financial performance. The authors underline the importance of organizational values by including them into their study, what shows significant new findings: a link of organizational values to all three other factors (Pedersen et al., 2018, p. 275). In this regard, Leisten and Krcal (2003, pp. 353–354) explain that corporate culture and philosophy, as expression of practiced values of a company, influence its concrete target system. To continue these thoughts, Abdul Rashid et al. (2004, p. 166) highlight that previous research made the potential influence of corporate culture on organizational change obvious. In this context, Pedersen et al. (2018, p. 275) argue that organizational values are crucial for a far-reaching transition towards sustainability. The outcome of the analysis of Abdul Rashid et al. (2004, p. 175) implies that corporate culture is crucial for the success of innovations. Yousef (2000, pp. 582–583) continues by explaining that, on the one hand, some corporate values promote organizational change, whereas, on the other hand, some inhibit it.
Referring to this, Linnenluecke and Griffiths (2010, p. 363) emphasize the understanding of such values and highlight that it could result in giving a good overview of change initiatives and thus, how to implement sustainability.

**4.3 Competing Values Framework**

<table>
<thead>
<tr>
<th>Flexibility and Discretion</th>
<th>Stability and Control</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Clan culture</strong></td>
<td><strong>Adhocracy culture</strong></td>
</tr>
<tr>
<td>Orientation: collaborative</td>
<td>Orientation: creative</td>
</tr>
<tr>
<td>Value drivers:</td>
<td>Value drivers:</td>
</tr>
<tr>
<td>commitment</td>
<td>innovative outputs</td>
</tr>
<tr>
<td>communication</td>
<td>transformation</td>
</tr>
<tr>
<td>development</td>
<td>agility</td>
</tr>
<tr>
<td><strong>Hierarchy culture</strong></td>
<td><strong>Market culture</strong></td>
</tr>
<tr>
<td>Orientation: controlling</td>
<td>Orientation: competing</td>
</tr>
<tr>
<td>Value drivers:</td>
<td>Value drivers:</td>
</tr>
<tr>
<td>efficiency</td>
<td>market share</td>
</tr>
<tr>
<td>timeliness</td>
<td>goal achievement</td>
</tr>
<tr>
<td>consistency and</td>
<td>profitability</td>
</tr>
<tr>
<td>uniformity</td>
<td></td>
</tr>
<tr>
<td><strong>Theory of effectiveness</strong></td>
<td></td>
</tr>
<tr>
<td>Human development and participation produce effectiveness.</td>
<td>Innovativeness, vision, and new resources produce effectiveness.</td>
</tr>
<tr>
<td><strong>Theory of effectiveness</strong>:</td>
<td></td>
</tr>
<tr>
<td>Control and efficiency with capable processes produce effectiveness.</td>
<td>Aggressively competing and customer focus produce effectiveness.</td>
</tr>
</tbody>
</table>

*Figure 8: The competing values of leadership, effectiveness, and organizational theory (Own graphical presentation of Cameron & Quinn, 2006, p. 46)*

The CVF of Cameron and Quinn (2006), displayed in Figure 8, emerged by researching organizational effectiveness and its supporting cultural criteria (Strack, 2012, p. 31; Wiener, p. 112). According to Cameron and Quinn (2006, p. 33), the aim of the CVF is “to diagnose and facilitate change in organizational culture”. Furthermore, the authors emphasize the great usefulness of the framework to coordinate and evaluate very diverse organizational phenomena. The CVF is founded on effectiveness indicators of organizations which have been identified in science (Wiener, p. 112). The idea and origin of the model are referred to the literature review of Campbell, Brownas, Peterson, and Dunnette (1974) and the study of Quinn and Rohrbaugh (1983).

Quinn and Rohrbaugh (1983) analyzed a list of Campbell et al. (1974), containing 39 indicators for organizational effectiveness (Cameron & Quinn, 2006, p. 34). The authors reduced the...
number of indicators to 17 of which experts estimated the importance (Strack, 2012, p. 31). Based on this, Quinn and Rohrbaugh (1983, p. 363) formed a model containing three value dimensions that support organizational effectiveness, being control-flexibility, internal-external and means-ends. Later, the third dimension, which is only displaying a means-ends continuum, was eliminated (Strack, 2012, p. 31). As it can be seen in Figure 8, the two remaining dimensions create four culture types, distributed correspondingly their core values. According to Cameron and Quinn (2006, p. 36), the formed quadrants are conflicting on the opposing sides. The name of the model is derived of these competing values. Internal focus means emphasis on employees and organizational processes, whereas the external side focuses on organizational environment and the market (Cameron & Quinn, 2006, p. 36). The control-flexibility values are characterized by formal versus flexibility orientation (Strack, 2012, p. 31).

The upper left quadrant is characterized by internal, organic values (Cameron & Quinn, 2006, p. 36) and forms the clan culture which is comparable to a family-type organization (Wiener, 2018, p. 59). The hierarchy culture, located in the lower left quadrant, is internally as well but control oriented and corresponds to the traditional bureaucracy of Max Weber (Cameron & Quinn, 2006, p. 37; Strack, 2012, p. 31; Wiener, p. 116). Adhocracy emphasizes flexibility and the external environment and thus, is highly reactive to the dynamic, continuously changing framework conditions (Cameron & Quinn, 2006, p. 43; Wiener, p. 115). Strack (2012, p. 31) continues to explain that this cultural type aims for innovation, advancement and customer orientation, and is dominant in small-sized successful start-ups, research and development departments or in globalization trends. The market culture can be found in the lower right quadrant and has an external and control focus (Cameron & Quinn, 2006, p. 36). Wiener (2018, p. 59) describes that the organization wants to be profitable by competing on the market.

In their paper, Linnenluecke and Griffiths (2010, p. 359) seek to find out the link between corporate culture and sustainability and thus, following Cameron and Quinn (2006), base their work on the CVF of organizational culture. As already outlined, internal and external values are confronting, on the one hand, whereas, on the other hand, flexibility is opposing control. This divides the framework into four different models:
For providing better clarity, the next paragraphs are dedicated to explain the four models of Figure 9. Pursuing corporate sustainability, different culture types focus on different issues (Linnenluecke & Griffiths, 2010, p. 362). The Human Relations Model is located on the internal side and dominated by flexibility values. This cultural type emphasizes internal staff development (Linnenluecke et al., 2009, pp. 438–439). Obviously, the Internal Process Model is located on the internal side. Further, control is a strong factor in this model and emphasis is placed on economic performance (Linnenluecke et al., 2009, p. 438). Dominated by flexibility, the Open Systems Model can be found on the external side. This model is very important, as it puts a strong focus on innovation capability (Linnenluecke & Griffiths, 2010, pp. 361–362) and emphasizes stakeholder engagement (Linnenluecke et al., 2009, p. 439) in order to become more sustainable. The last model, the Rational Goal Model, is located at the external side and dominated by control. To follow a sustainability approach, resource efficiency is emphasized (Linnenluecke & Griffiths, 2010, p. 361).

In order to show a different approach to this topic, the research of Abdul Rashid et al. (2004, p. 167) is used. The authors explain the relation between organizational culture and innovation with the help of a theoretical model where four types of corporate culture: communal (high sociability and solidarity), networked (high sociability, low solidarity), mercenary (low sociability, high solidarity) and fragmented (low sociability and solidarity), are opposing three attitude categories, being affective, cognitive and behavioral attitudes.

A clear evaluation of the analysis of the authors would go beyond the scope of this Master Thesis and thus, only the main conclusion is described. Abdul Rashid et al. (2004, p. 175) figure out that organizational culture plays an important role in organizational change, as their respondents had positive attitudes towards change.
4.4 Organizational Culture Assessment Instrument

The cultural survey tool OCAI (see Appendix A) is built on the CVF and its four dominant culture types (Cameron & Quinn, 2006, p. 31). The authors continue to explain that the “[…] instrument has been found to be both useful and accurate in diagnosing important aspects of an organization’s underlying culture”. According to Strack (2012, p. 32), the OCAI was initially developed for managers themselves to analyze the culture of their organization. The researcher further describes that only later it became an instrument to assess the position of an organization in the CVF that is used in research as well. Wiener (p. 121) outlines that various publications proof the validity and reliability of the CVF and the OCAI. In this regard, Cameron and Quinn (2006, p. 23) highlight that their instrument has found application in more than a thousand organizations they knew of and that it is capable of predicting an organization’s performance.

Six dimensions function as foundation for the OCAI (Cameron & Quinn, 2006, p. 31): dominant characteristics, organizational leadership, management of employees, organization glue, strategic emphases and criteria of success (Cameron & Quinn, 2006, pp. 26–28). The questionnaire resulting from these dimensions consequently consists of six items (Cameron & Quinn, 2006, p. 25), whereas each item has four options relating to a particular cultural type (Wiener, 2018, p. 61). Consequently, the total amount of items in the questionnaire is 24. As more extensive alternatives with a greater amount of items have not shown more significant results, Cameron and Quinn (2006, p. 23) prefer this variant.

As already explained in chapter 2, the interviews were conducted in German. Thus, the D-OCAI was relevant for this Master Thesis. This is the German adaptation of the cultural survey instrument of Strack (2012). As Strack (2012, p. 33) chooses only four of the six dimensions, Wiener (p. 123) translated the two remaining dimensions into German. Accordingly, the new, German version of the OCAI is used for this research. The intention of using this questionnaire is to assess the existing culture of an organization (Cameron & Quinn, 2006, p. 23). According to the authors, this is only the first step. However, this is enough for this Master Thesis. Step two would be to identify the future culture of the organization (Cameron & Quinn, 2006, p. 23) but this is not relevant in this analysis.

Cameron and Quinn (2006, p. 151) further explain that the combined dimensions show the vital cultural values and “implicit assumptions about the way the organization functions”. They continue to describe that these six content dimensions are obviously not broad, but have demonstrated their applicability and adequacy of displaying the cultural type of a company. Each of the answer options (A, B, C and D) has to be divided by six to get an average score which is related to one type of organizational culture (Cameron & Quinn, 2006, p. 30). Furthermore, the
authors show how to graphically display these scores. Such plots demonstrate the corporate culture profile and are vital in starting culture change strategies according to the researchers.

5. Systematic Literature Review

5.1 Introduction

For answering questions like what a research literature review is or why it is done, Fink (2014, p. 3) defines the term as “a systematic, explicit, and reproducible method for identifying, evaluating, and synthesizing the existing body of completed and recorded work produced by researchers, scholars, and practitioners.” This definition is used by Booth, Papaioannou, and Sutton (2012, pp. 1–2) in order answer the first part of the question mentioned above. Furthermore, Fink (1998, p. 3) explains that one of the reasons why a literature review is done, is the necessity to understand the present knowledge of a subject. The author further describes that such a review is concentrated on sophisticated original scientific work instead of interpretations on it. This assures precise outcomes and the literature review’s findings being under the supervision of the author (Fink, 2014, p. 3). Additionally, Booth et al. (2012, p. 17) emphasize that “all reviews should be ‘systematic’”, as a certain system is needed for all kinds of research.

To go into further detail, systematic methods of reviewing the literature show enhanced transparency, find greater applicability and stand for increased comprehensibility (Booth et al., 2012, p. 32). As already explained under section 2.1, Petticrew and Roberts (2012, XIII) see many purposes of literature reviews. Based on the understanding of these authors, the literature review conducted in this Master Thesis refers to their usage of providing a useful overview of the literature on a specific topic and navigation for the intended empirical part.

As Fink (2014, pp. 3–5) suggests, seven main steps can form a literature review (see Figure 10): selecting research questions, selecting bibliographic databases and web sites, choosing search terms, applying practical screening criteria, applying methodological screening criteria, doing the review and synthesizing the results. Other researchers (Armitage & Keeble-Allen, 2008, p. 104; Petticrew, 2001, p. 99; Petticrew & Roberts, 2012), identified similar basic stages, (such as for example Booth et al., 2012, p. 32: search, appraisal, synthesis and analysis) and outlined the differences between traditional literature reviews and SLRs.
As the purpose of Fink’s (1998, ix) book is to “teach readers to identify, interpret, and analyze the published and unpublished research literature”, the literature review conducted in this Master Thesis adheres to these seven tasks (see Figure 10) of Fink (2014, pp. 3–5). First, the scope of the research area was defined and thus, a research question was formulated. As this literature review was only carried out for chapter 5 of this Master Thesis, one research question addressing the topic of “corporate culture and CBMs” was adequate. The second research question is aimed to answer by the conducted SLR and can be seen in chapter 1.2 and Figure 10.

Figure 10: Elements of a SLR
(own graphical presentation based on Fink, 2014, p. 4)
To identify scientific papers dealing with the topic of the Master Thesis, the electronic journal databases EBSCOhost, ProQuest, Sciedirect and Web of Science were chosen and a keyword-based query with Boolean operators was applied.

The used query contained two keyword groups. The first group of key words, being corporate culture, organizational culture, organizational values and corporate values, with the Boolean operator OR in between, obviously refers to the values of corporate culture, whereas the objective of the second group of keywords: circular business model, business model for CE, sustainable business model and sustainability business model, is to consider all relevant literature regarding CBMs.

For simplification purposes, only the use of the main database EBSCOhost will be explained, as there the largest number and most qualitative findings were obtained and the other databases delivered insufficient or only very few results. Insufficient in that way, as they mostly only contained keywords of one of the two keyword groups or terms of the other group were just used throughout the paper but had no significant relation with the other group. Such other databases in use were: Sciedirect, Proquest and Web of Science. Additionally, Wiley Online Library, Elsevier, SpringerLink and Google Scholar were used for finding suitable academic journals, but here, only a keyword based search was applied.

Moreover, as Fink (2014, p. 3), Booth et al. (2012, p. 72) and Petticrew and Roberts (2012, p. 80) suggest, references of articles identified within the literature review were closely examined and consequently, used if they seemed suitable and essential.

Furthermore, the results of the initial research on (circular) business models and corporate culture were reviewed again and included as well, if suitability and significance were given.

**Query:**

To gain findings, the query used for EBSCOhost was as follows:

**TOPIC:** 

![](corporate culture) OR ![](organizational culture) OR ![](organizational values) OR ![](corporate values)

**AND:**

![](circular business model) OR ![](business model for circular economy) OR ![](sustainable business model) OR ![](sustainability business model)

**NOT:**

![](shareholder value) OR ![](social media) OR ![](accounting) OR ![](health care)

As from beginning on only 60 sources resulted (with switching to the second page only 57), the restrictions for the search were kept rather low, with excluding only four terms: shareholder value, social media, accounting and health care. Additionally, only English sources were of interest, what lead to the exclusion of sources written in Spanish which was the only other representative language. Furthermore, only academic journals, journals and books were chosen, what led to 37 results.
In order to make sure that no important source is missed, all the 60 sources were screened again. This process made clear that other restrictions would have achieved a better outcome, by excluding accounting, aircraft industry, corporate governance, health care or social media from the research, as shareholder value excluded a potentially useful paper.

As hardly any research on dealing with organizational culture in connection to CBMs could be found, since such models obviously emerged recently in literature, terms like sustainability business model or sustainable business model (see query) had to be included.

After identifying suitable sources, the journals, where the papers were published, were examined, with using the Association of Business School’s Academic Journal Guide 2015 (ABS Academic Journal Guide, 2015) and the Verband der Hochschullehrer für Betriebswirtschaft e.V.’s Alphabetische Gesamtliste der Fachzeitschriften in VHB-JOURQUAL3 (VHB Verband der Hochschullehrer für Betriebswirtschaft e.V., 2015), to guarantee their quality. All papers included in these guides were considered, as this already shows the quality of a journal (ABS Academic Journal Guide, 2015, pp. 5–7).
5.2 Corporate Culture-related Promoting Factors

In the following table (Table 5), summarized promoting factors of corporate culture and authors addressing them can be seen:

<table>
<thead>
<tr>
<th>Factors</th>
<th>Authors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attractiveness as an employer</td>
<td>(Ardichvili, 2013; Ehnert, 2009; Hansen, 2010; Liebowitz, 2010; Revell et al., 2010; Schaltegger et al., 2012)</td>
</tr>
<tr>
<td>Innovation capability</td>
<td>(Cohen &amp; Winn, 2007; Linnenluecke &amp; Griffiths, 2010; Pujari, 2006; Schaltegger et al., 2012)</td>
</tr>
<tr>
<td>Personal values (strong environmental and social values, leadership development, role: distribution of supporting values, team chemistry, commitment continuity)</td>
<td>(Abdul Rashid et al., 2004; Ardichvili, 2013; Assink, 2006; Liebowitz, 2010; Linnenluecke &amp; Griffiths, 2010; Schaltegger &amp; Wagner, 2011; Weissbrod &amp; Bocken, 2017)</td>
</tr>
<tr>
<td>Entrepreneurship (outsiders commonly bring innovative business models)</td>
<td>(Assink, 2006; Linnenluecke &amp; Griffiths, 2010; Schaltegger &amp; Wagner, 2011)</td>
</tr>
<tr>
<td>Flexibility and decentralization</td>
<td>(Linnenluecke et al., 2009; Linnenluecke &amp; Griffiths, 2010; Pedersen et al., 2018)</td>
</tr>
<tr>
<td>Ability to (un)learn and change</td>
<td>(Ardichvili, 2013; Assink, 2006; Boud, Cressey, &amp; Docherty, 2006; Linnenluecke et al., 2009; Linnenluecke &amp; Griffiths, 2010)</td>
</tr>
<tr>
<td>Creativity</td>
<td>(Ardichvili, 2013; Assink, 2006; Boud et al., 2006; Pedersen et al., 2018)</td>
</tr>
<tr>
<td>Positive values of inhibiting factors (risk tolerance, good flow of information)</td>
<td>(Assink, 2006; Bertels et al., 2010)</td>
</tr>
</tbody>
</table>

**Table 5: Promoting corporate factors for circular business models**
(own creation)

As suggested by numerous different researchers (Abdul Rashid et al., 2004, pp. 166–175; Baumgartner & Zielowski, 2007, p. 7; Linnenluecke & Griffiths, 2010, p. 363; Pedersen et al., 2018, p. 275; Rizos et al., 2016, p. 11; Yousef, 2000, pp. 582–583), corporate culture can be a main driver for sustainable development within a company and is thus, greatly important for a transition towards a more CE and business models needed for such a shift. As a consequence, the following identified factors of organizational culture can promote CBMs.
As already explained before, Schaltegger et al. (2012, pp. 100–101) have identified attractiveness as an employer and innovation capability as key drivers for sustainability. In regard to the first factor, Hansen (2010, pp. 29–30) uses employee satisfaction and talent attraction for his analysis. According to Berthon, Ewing, and Hah (2005, p. 152), an attractive employer is characterized by providing development and training for employees, being a motivator for talented workers who then are capable of assisting clients in a good way, and performing effectively in the recruitment process. With regard to this characterization, the identified organizational values: empowerment of employees to act, assessing employee concerns and ideas, human relations, teamwork and cohesion, and participation and open discussion of Pedersen et al. (2018, p. 276) can be connected to employer attractiveness, as they may function as motivators for employees or help developing them. In this regard, the CVF of Linnenluecke and Griffiths (2010) shows important promoting aspects. Organizational values in the focus of the Human Relations Model, such as social interaction, interpersonal relationships, development and training of employees, and generating a right working atmosphere, may be beneficial for social entrepreneurship, what is characterized by leaders who are innovative, determined and resourceful. Moreover, such managers stand up for sustainability values (Linnenluecke & Griffiths, 2010, p. 361).

The drivers attracting customers and retaining staff of Revell et al. (2010, 281) are related to the driver of employer attractiveness and were mentioned by 60 and 57 per cent of the respondents in the study of the authors. Referring to this factor too, Ehnert (2009, p. 6) emphasizes attracting and retaining skillful employees as well as sustaining access to such a workforce and the retention of their health and productiveness. Furthermore, the author explains that potential workers have become more selective and may, for example, expect a sustainable or socially responsible employer.

Referring to the first value of Schaltegger et al. (2012, pp. 100–101), Hansen (2010, pp. 109–111) explains that talent entering the company (achieved through recruitment and selection Liebowitz, 2010, p. 52), induction or orientation of employees, and developing leaders through formal training can make an employer more attractive (Ardichvili, 2013, p. 459; Hansen, 2010, pp. 109–111). It is here that Ardichvili (2013, p. 460) and Liebowitz (2010, pp. 51–52) especially put a focus on employees and regard particular training or orientation programs that encourage, design, and supervise the worker’s commitment to sustainability initiatives as crucial. Further, the authors emphasize systems where sustainability engagement is determined. In order to guarantee a connection of employees who have different understandings of corporate sustainability to this topic, diffusion of knowledge about the issue is essential for its successful implementation (Linnenluecke et al., 2009, p. 448).
Furthermore, when sustainability and HR managers are closely working together, the necessary change can be achieved (Ardichvili, 2013, p. 460; Liebowitz, 2010, pp. 51–52). Especially, Liebowitz (2010, pp. 51–52) highlights the importance of the HR staff in moving towards CBMs. Referring to the second value of Schaltegger et al. (2012, pp. 100–101), Cohen and Winn (2007, p. 39) and Linnenluecke and Griffiths (2010, p. 360) argue that emphasizing innovations can entail substantial opportunities. Furthermore, innovations can play an important role in the success of the company (Pujari, 2006, p. 79), or may even be beneficial for many stakeholders and thus, for a big societal section (Schaltegger & Wagner, 2011, p. 225). Additionally, the factors innovation and change identified by Pedersen et al. (2018, p. 276), can be connected to the corporate value innovation capability of Schaltegger et al. (2012, pp. 100–101).

Innovations in the realm of sustainable development are unambiguously connected to entrepreneurship, with leaders or managers being key enablers for radical types of the concept (Idowu, Capaldi, Zu, & Gupta, 2013, pp. 2014–2015; Weissbrod & Bocken, 2017, p. 2665). This leads to another factor important for the transition towards CBMs, relating to the personality of the manager or leader which is different in sustainable and non-sustainable companies: personal values (Abdul Rashid et al., 2004, p. 162; Assink, 2006, pp. 225–226; Linnenluecke & Griffiths, 2010, p. 363; Weissbrod & Bocken, 2017). Such personal goals of entrepreneurs lead to actions, aiming to take the value creation of the whole triple bottom line into account and not only considering economic success (Schaltegger & Wagner, 2011, p. 226; Weissbrod & Bocken, 2017, p. 2672). Schaltegger and Wagner (2011, p. 226) in general emphasize entrepreneurship and write about sustainable entrepreneurs who represent particularly pronounced environmental and social values, combined with “an energetic entrepreneurial attitude”. The researchers continue to describe that personal goals of sustainable entrepreneurs very often heavily impact the goals of the company. However, this mostly applies to small firms and start-ups according to the authors. Similarly, Ardichvili (2013, p. 459) naming leadership development (Liebowitz, 2010, pp. 51–52) as crucial promoting factor for corporate sustainability and thus, CBMs, sees leaders in a key position. Linnenluecke and Griffiths (2010, p. 363) write about the important role of entrepreneurs and leaders who have to distribute sustainability supporting values throughout the organization as well. This is how a common set of organizational values of all employees can be ensured (Abdul Rashid et al., 2004, p. 176; Linnenluecke et al., 2009, p. 448; Linnenluecke & Griffiths, 2010, p. 363).

In this context, the capability of a company to enhance the way of thinking and innovative skills of their employees in leading positions is vital for successful developments (Ardichvili, 2013, p. 459). With regard to the individual personality, Assink (2006, p. 226) highlights commitment continuity and ideal team chemistry. Furthermore, the author describes that cooperation and motivation are necessary values for innovations (Assink, 2006, pp. 226–227). These values can be connected to the first factor attractiveness as an employer as well.
Linnenluecke and Griffiths (2010, p. 363) further highlight that “changes in the values of top management will translate into changes in actual practice throughout the organization”.

Moreover, Assink (2006, pp. 222–223) points to outsiders who commonly bring innovative business models, such as the CBM, because of inhibiting internal values which are explained in detail in the next chapter.

In their analysis, Pedersen et al. (2018, p. 275) conclude that values such as flexibility (Linnenluecke & Griffiths, 2010, p. 360) and decentralization may effectively promote a transition towards CBMs. Their second hypothesis which addressed this issue, was supported and thus, these values have the potential to lead to economic success.

In this context, Linnenluecke and Griffiths (2010, p. 360) emphasize flexibility, learning and change capabilities and attribute them being important values for CBMs. Furthermore, it is explained that values like moral authority, social integration, flexibility, quality awareness and learning capabilities are of great importance for the Open Systems Model of the CVF (Linnenluecke et al., 2009, pp. 438–439).

Following Boud et al. (2006, p. 12), Ardichvili (2013, p. 460) sees the learning ability of employees and the whole organization as crucial. Furthermore, these authors mention creativity and reflection as promoting values. Assink (2006, pp. 221–225) mentions missing creativity, inability to unlearn and slow reaction as barriers to innovation. The author continues that vice versa, creativity, (un)learning capabilities and fast reaction promote CBMs. Creativity is also addressed by Pedersen et al. (2018, p. 276). Here, creative problem-solving processes are addressed.

To raise attention and understanding for sustainability in organizations, published policies addressing this topic and employee assessment methods containing environmental figures, are of great importance (Linnenluecke et al., 2009, p. 447).

The inhibitors risk aversion, uncertainty and fear of Assink (2006, pp. 221–225), which will be explained in more detail in the next chapter, imply that willingness to take risks is an organizational value promoting CBMs. Furthermore, Bertels et al. (2010, p. 36) mention information acquired by observing performance as an important factor, what indicates that good monitoring systems can promote sustainability.
5.3 Corporate Culture-related Inhibiting Factors

The table below (Table 6) summarizes the inhibiting factors of corporate culture and the authors addressing them:

<table>
<thead>
<tr>
<th>Factors</th>
<th>Authors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stability and control</td>
<td>(Assink, 2006; Linnenluecke &amp; Griffiths, 2010; Pedersen et al., 2018)</td>
</tr>
<tr>
<td>Routines and patterns of success</td>
<td>(Assink, 2006; Chesbrough, 2010; Schaltegger et al., 2012)</td>
</tr>
<tr>
<td>Incapability to (un)learn</td>
<td>(Assink, 2006; Linnenluecke &amp; Griffiths, 2010)</td>
</tr>
<tr>
<td>Risk aversion, fear and uncertainty</td>
<td>(Abdul Rashid et al., 2004; Assink, 2006; Schaltegger et al., 2012)</td>
</tr>
<tr>
<td>Personal values (cooperation, team spirit, fear, wrong decisions, no access to information)</td>
<td>(Abdul Rashid et al., 2004; Assink, 2006; Chesbrough, 2010; Schaltegger et al., 2012)</td>
</tr>
<tr>
<td>Lacking creativity, inability to motivate (strict compliance to rules)</td>
<td>(Abdul Rashid et al., 2004; Ardichvili, 2013; Assink, 2006; Pedersen et al., 2018)</td>
</tr>
<tr>
<td>Groupthink, underlying values (deeply rooted routines, knowledge and mental models, “not-invented here&quot; syndrome, learning inabilities, experience, hindered distribution of shared values/beliefs according to sustainable development)</td>
<td>(Abdul Rashid et al., 2004; Assink, 2006; Linnenluecke et al., 2009; Linnenluecke &amp; Griffiths, 2010)</td>
</tr>
<tr>
<td>Lack of information</td>
<td>(Bertels et al., 2010; Chesbrough, 2010; Schaltegger et al., 2012)</td>
</tr>
<tr>
<td><strong>Negative values of promoting factors</strong> (inflexibility, centralization, executive turnover, ineffectiveness through bad team chemistry)</td>
<td>(Assink, 2006; Linnenluecke &amp; Griffiths, 2010; Pedersen et al., 2018)</td>
</tr>
</tbody>
</table>

Table 6: Inhibiting corporate factors for circular business models
(own creation)

As already discussed in the previous chapter, Pedersen et al. (2018, p. 275) estimate organizational values like flexibility (Linnenluecke & Griffiths, 2010, p. 360) and decentralization, being in comparison to values like stability and control, as having greater potential to promote CBMs. Consequently, the corporate values stability and control can be seen as inhibiting factors for business models designed for a CE. Similarly, in the CVF of Linnenluecke and Griffiths
(2010, pp. 360–361), the organizational values stability and control, present in the Internal Process Model, can inhibit sustainability by standing in conflict with flexibility and innovation.

The “Adoption Barrier” of Assink (2006, p. 220) refers to values, such as stability or reliability. This means that companies stick to their business models that were guaranteeing success in the past or become path dependent. Similarly, the authors argue that the barrier of organizational dualism inhibits innovative developments; existing successful concepts trigger a confrontation between maintaining the existing effective business model and allowing future competitiveness. That is achieved through such innovations (Assink, 2006, p. 220), e.g. development of CBMs (Planing, 2015, p. 3).

Linnenluecke and Griffiths (2010, p. 363) mention further inhibitors for change within companies: inflexibility, retention, and underlying norms and beliefs which are closely connected to the values mentioned by the researchers before.

Both, the “Adoption Barrier” and the “Mindset Barrier” of Assink (2006, pp. 220–222) deal with the incapability to unlearn. Likewise, Linnenluecke and Griffiths (2010, p. 360) argue that learning capabilities are necessary for CBMs.

Several inhibitors identified by Abdul Rashid et al. (2004, pp. 162–164) refer to risk aversion, fear and uncertainty and thus, leading companies to follow their routines, familiar situations and knowledge, let them favor known environments, or rely on tacit knowledge, underlying assumptions and experience (Assink, 2006, pp. 221–225).

As already explained in the previous section of promoting factors, personal values are important for innovating business models (Abdul Rashid et al., 2004, p. 162) and if values like cooperation and team spirit are not present and innovation practices are managed ineffectively, such innovations may not be successful or given at all (Assink, 2006, pp. 226–227).

As already outlined, changing the culture of the whole organization can be very challenging, as underlying values and beliefs are deeply rooted in the corporate culture and thus, are extremely difficult to change (Linnenluecke et al., 2009, p. 448; Linnenluecke & Griffiths, 2010, p. 363).

At this point, Linnenluecke et al. (2009, p. 448) emphasize the role of employees being capable to function as consultants who should be involved in change programs. Additionally, lacking creativity (Ardichvili, 2013, p. 460; Pedersen et al., 2018, p. 271), slow reaction and incapability to motivate employees are further inhibiting values. These values are supported by strict compliance to guidelines and regulations, and lacking competencies to adaptation (Abdul Rashid et al., 2004, p. 162; Assink, 2006, pp. 221–225). Furthermore, companies dominating the market, frequently hesitate to promote fundamental innovations as they show a strong tendency for justifying their decisions and thus, save their face (Assink, 2006, p. 224).
Assink (2006, pp. 222–223) explains that normally innovative business models, such as the circular model, result from people outside the organization or unrelated contexts because of inhibiting internal values, like deeply rooted routines, underlying knowledge and mental models, the fact that something is not invented in the organization combined with groupthink, learning abilities, or experience.

Referring to groupthink, mental models of employees or underlying values, Linnenluecke et al. (2009, p. 433) describe that a hindered distribution of shared values and beliefs according to sustainable development is inhibitive.

As already shortly explained in Chapter 5.2, Linnenluecke and Griffiths (2010, pp. 360–361) argue that the existent corporate values stability and control, which are predominant in the Internal Process Model, may inhibit sustainable development, as they stand in conflict with the values flexibility and innovation. Furthermore, the authors explain that this culture type stands for accordance and compliance to regulations and is characterized by a hierarchical structure that is perfectly suitable for a rather constant environment.

The Rational Goal Model of Linnenluecke and Griffiths (2010, p. 361) focuses on resource efficiency for achieving sustainability. However, the wrong definition of efficiency may be ineffective, as decreasing costs and enhancing products or processes may be not enough for reaching this goal.

Schaltegger et al. (2012, p. 112) refer to three main barriers to business model innovation of Chesbrough (2010, p. 359), being clashes with the existing business model in use, confrontations with the traditional configuration of company assets and managers being confused about identifying the right business model for the organization.

As reasons for the first inhibitor, Schaltegger et al. (2012, p. 112) indicate refusal of leaders because of their fear that they will receive less recognition for their work, in case of innovation and information flows being affected by prevalent patterns of logic.

This again refers to patterns of success and sticking to traditions or routines, resulting in resistance of organizations. Consequently, wrong decisions or no access to information can inhibit leaders to change the asset distribution and utilization (Chesbrough, 2010, pp. 358–359; Schaltegger et al., 2012, pp. 112–113). In this context, Bertels et al. (2010, p. 36) see missing information, resulting from insufficiently observed performance, as inhibiting sustainability. Additionally, Cameron and Quinn (2006, pp. 6–7) highlight that the present culture may be inhibitive for future success of the company.

As already mainly explained under the section of organizational values promoting CBMs, such values can, vice versa, function as inhibitors as well. This means that personal values (Schaltegger & Wagner, 2011, p. 226; Weissbrod & Bocken, 2017, p. 2665), the role of the manager (Ardichvili, 2013, p. 459; Assink, 2006, p. 224; Schaltegger & Wagner, 2011, p. 226) and the personality of individuals (Assink, 2006, p. 226) can have a negative impact too, such
as, like already mentioned, less flexibility and centralization (Assink, 2006, p. 220; Pedersen et al., 2018, pp. 275–276). Referring to personal values, Assink (2006, p. 226) describes that executive turnover over longer-lasting innovation processes can be inhibitive. Similarly, the positive value optimal team chemistry implies that disruptions within the team or bad team chemistry result in ineffectiveness (Assink, 2006, p. 226).
6. Introduction Empirical Part

Companies and Background Information:
For a better understanding and proof of the theoretical outcomes resulting from the literature review, semi-structured interviews were conducted. In order to be able to connect the organizations and the results of the interviews as well as to guarantee a comparable sustainability background, only member companies of the respACT platform – the leading corporate platform for CSR and sustainable development in Austria - (respACT platform, 2018) were taken into consideration. In the next step, the region, the prominence and the availability displayed criteria for finally choosing five companies. Additionally, this platform shows the industries and sizes of the member companies. In each company, the person responsible for sustainability, CSR, or the environment was contacted and asked for the possibility of an interview. Furthermore, a colleague for a second interview was requested, as thus, the corporate culture can be better estimated. This resulted in two conducted interviews in each company. In order to further assess the applicability of the companies and to be prepared for the interviews, the sustainability reports of all companies were perused. The following section will shortly introduce the companies as well as the interviewees.

For a better understanding, Table 7 provides an overview of the companies, whereas Table 8 gives a good impression of the interview partners.

Company A is part of the Austrian industry “Bank und Versicherung” (respACT platform, 2018) and has over 5,900 employees (Company A, 2018, p. 98). In Austria, in this industry bank and insurance companies are combined in one industrial sector. The company comprises in total more than 150 fully consolidated subsidiaries and further participations (Company A, 2018, p. 10). Here, the contact person, the CSR and sustainability manager (see Table 8: person A1) was interviewed on Tuesday, 27th of November. On the next day, person A1 suggested person A2, who agreed for an interview, and provided the contact address by mail. Consequently, an appointment could be arranged one week later on Monday with the innovation manager (A2) of Company A.

The second business, Company B, belongs to an international enterprise operating worldwide and is located in the Austrian industrial sector (respACT platform, 2018). In this company, person B1, the environmental manager and assistant to Mill Manager, was contacted by phone and the appointment for the interview was set on Thursday, 29th of November. Person B1 assured to find a colleague and thus, the assistant to Mill Manager (B2) was interviewed directly after the first interviewee. According to the second interview partner, Company B is one of the largest European sites of the entire corporation that has more than 46,000 people employed worldwide (Company B, 2018, p. 1).

The next interviews were conducted in Company C which is a public listed family business in the Austrian industrial sector as well (respACT platform, 2018). With having over 3,000 employees,
it is active in more than 100 countries (Company C, 2018, p. 2). Here, the procedure was the same as in Company B. On Wednesday, the 5th of December, the sustainability manager (C1) was the first interview partner and a maintenance employee (C2) the second.

The industrial corporation Company D is worldwide active with a staff of around 51,600 people (Company D, 2018, p. 14) and can be found in the Austrian sector “Industrie” (respACT platform, 2018). It is operating in more than 50 countries in all five continents with 500 affiliates and sites (Company D, 2018, p. 12). Preceding similarly, the head of corporate responsibility (D1) and an employee of investor relations (D2) were interviewed on Monday, 10th of December. Due to an appointment, person two had to be interviewed in the beginning and then, a longer, more detailed interview with person D1 followed.

With being Austria’s number one in their area, Company E is according to the respACT platform (2018) medium-sized. It employs around 230 people and is active in the Austrian industry “Gewerbe und Handwerk” (Company E, 2017, p. 5; respACT platform, 2018) that can be referred to as manufacturing sector. On the same day as for Company D, the last interview was held in Company E in the afternoon. Here, only one interview in form of a partner interview was conducted where both persons, the head of the sustainability department (E1) and the personnel manager (E2), answered to the questions after each other because of time reasons. The interviewees both gave their opinion and complemented their thoughts by reinforcing their arguments. Furthermore, it has to be mentioned that in Company E recently the structure has changed, as new owners replaced the previous ones. Consequently, the company has just faced a transformation process or is still in an ongoing change.

The following table provides a good overview of the companies, the industry they are operating in, the location of their headquarters, their size and their number of employees:

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Headquarters</th>
<th>Size</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Bank und Versicherung*</td>
<td>Austria</td>
<td>Very big</td>
<td>&gt; 5,900</td>
</tr>
<tr>
<td>B</td>
<td>Industrie (industrial sector)</td>
<td>Austria</td>
<td>Big</td>
<td>&gt; 46,000</td>
</tr>
<tr>
<td>C</td>
<td>Industrie (industrial sector)</td>
<td>Austria</td>
<td>Very big</td>
<td>≈ 3,500</td>
</tr>
<tr>
<td>D</td>
<td>Industrie (industrial sector)</td>
<td>Austria</td>
<td>Very big</td>
<td>≈ 51,600</td>
</tr>
<tr>
<td>E</td>
<td>Gewerbe und Handwerk**</td>
<td>Austria</td>
<td>Medium</td>
<td>≈ 230</td>
</tr>
</tbody>
</table>

Table 7: Interview overview – companies

(own creation based on respACT platform, 2018 and company reports: Company A, 2018, p. 98; Company B, 2018, p. 1; Company C, 2018, p. 2; Company D, 2018, p. 14; Company E, 2017, p. 5)

* Bank and insurance companies
**Manufacturing (pulp and paper industry)

Table 8 is dedicated to give an overview about the interview partners. In particular, their company, their short numerical designation (e.g. A1), their position within the company, and their company affiliation can be seen in this table.
Table 8: Interview overview – interviewees
(own creation)

<table>
<thead>
<tr>
<th>Company</th>
<th>Person</th>
<th>Position</th>
<th>Company affiliation 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>A1</td>
<td>CSR &amp; Sustainability Manager</td>
<td>10 years</td>
</tr>
<tr>
<td>A</td>
<td>A2</td>
<td>Innovation Manager</td>
<td>8 years</td>
</tr>
<tr>
<td>B</td>
<td>B1</td>
<td>Environmental Manager (Assistant to Mill Manager)</td>
<td>10 years</td>
</tr>
<tr>
<td>B</td>
<td>B2</td>
<td>Assistant to Mill Manager</td>
<td>2 years</td>
</tr>
<tr>
<td>C</td>
<td>C1</td>
<td>Sustainability Manager (Communication/CSR)</td>
<td>2 years</td>
</tr>
<tr>
<td>C</td>
<td>C2</td>
<td>Maintenance</td>
<td>10 years</td>
</tr>
<tr>
<td>D</td>
<td>D1</td>
<td>Head of Corporate Responsibility</td>
<td>6 years</td>
</tr>
<tr>
<td>D</td>
<td>D2</td>
<td>Investor Relations Manager</td>
<td>18 years</td>
</tr>
<tr>
<td>E</td>
<td>E1</td>
<td>Head of Sustainability Department</td>
<td>3 years</td>
</tr>
<tr>
<td>E</td>
<td>E2</td>
<td>Personnel Manager</td>
<td>29 years</td>
</tr>
</tbody>
</table>

7. Interviews

7.1 Understanding of Terms

7.1.1 Definition - Sustainability

In general, all interview partners agreed with the definition of sustainable development from the World Commission on Environment and Development (1987, p. 54) stated in the Brundtland Report and emphasized the need to keep an eye on the future. Furthermore, person A1 thinks that it is important to create added value and mentioned that this is the most common definition within the company. Person E1 mentioned that this definition was already topical 30 years ago but it is still good in the opinion of the interviewee. Additionally, A2, B1, B2 and C2 highlighted the importance of no degradation for future generations. In this regard, C2 described that unfortunately this is done but everyone tries to give the best. B1 further talked about the triple bottom line and the necessity to find a good balance between its three aspects. Mentioning the three pillars of sustainability as well, with the fourth pillar in discussion, being human rights that are still relevant according to person D1, the interviewee added that the whole topic is much further developed and explained the role of laws such as the Dodd-Frank Act, the UK Modern Slavery Act, the NaDiVeG (NaDiVeG, 2017) as well as the UN Global Compact and the Sustainable Development Goals (SDGs). In the opinion of D1, the understanding of sustainability is very comprehensive and this definition is basically right but was already stated in the year 1713 from Hans Carl von Carlowitz according to the interviewee. Thus, it will not be
changed because it is completely clear. Furthermore, D1 described that still everything is under the aspect of voluntariness, but it is pushed more and more into the background, what leads to the next definition.

7.1.2 Definition – Sustainable Business Model

The second defined term was the understanding of a business case of sustainability from Schaltegger et al. (2012, p. 112). The interview partners A1, A2, B1, C1, D1 and D2 agreed with this definition with adding questions (A1, C2), saying that this is how it should be (C1), or did not have anything to add (A2, B1, D2), whereas D1 principally, and C2 partly agreed.

After an explanation of what is meant by voluntary or mainly voluntary activities, being activities beyond compliance, A1 stated that basically, only when something is done voluntarily, it is done well. However, the person added that the European Commission recognized that this topic has to be pushed, as with voluntariness not much was achieved, where the person referred to the social and economic crisis. Similarly, C2 asked for an explanation as well and described that the company is dealing with the topic, on the one hand, because of laws and legal regulations, whereas the aim to achieve positive effects for the company in the long-term, which can be monetary or image-related, stands on the other hand. The interviewee added that in times of sustainability reports, the company wants to shine there as well, what means the image should be kept in mind by all companies. Thus, the person would not only build upon voluntariness, as the framework conditions are predetermined and the company has to adhere to them but can act beyond that.

Person D1 mentioned the very common but good formulation of the definition and emphasized the difference between theory and practice. Furthermore, the interviewee explained that it is very hard to define sustainability, as no uniform definition of the term exists and all definitions are very similar in this regard. Additionally, the person described that it also depends on the perspective, but the core is, what was said in the beginning.

B2 was not convinced by the definition and has a different opinion. The person agreed that it deals with the three pillars of sustainability, but did not understand why voluntariness is needed in this definition. In the view of this interviewee, sustainability aspects can be imposed by law or may be market-related as well, due to customer demands and thus, other factors than voluntariness can influence the company concerning the topic. Consequently, this interview partner could not agree with this definition and added that this is only the own opinion which is not necessarily correct. Person E1 has a different opinion as well, as voluntariness is difficult and has to go into a company’s very own activities, as intrinsic motivation does not work for a long time according to the interviewee. The interview partner would define it as follows: for a sustainable business model, the core activities are considered according to three pillars, this should be ecological and social, but should always be economic as well. Furthermore, things
can be done voluntarily, but the main purpose of a company is to secure workplaces and safeguard interests of the owner, what cannot be achieved with voluntary activities in the view of the person. Especially, it will not result in a solid business model, as it will be ignored as soon as the company faces troubles, but when the core activities are oriented towards sustainability, it may be beneficiary.

E2 would basically agree but thought that this cannot be said like this as well. For this person, supporting is the main word in this sentence, as it can support but not more in the opinion of the interviewee. The other person of the company added that these are only add-on activities which are cancelled easily.

7.1.3 Definition: Circular Business Model

The third definition within the interviews was the one own creation by connecting the chosen definitions of the business model from Osterwalder and Pigneur (2013, p. 14) and the CE from the Ellen MacArthur Foundation (2013, p. 7). This definition was mainly accepted and met with approval. B2 would have defined it differently with emphasizing that the business model sets the framework conditions in which a company operates and these are in fact, regenerative or restorative. The definition is not wrong and B2 understands it, but like this it is more understandable in the opinion of the person.

Furthermore, A1 explained that a CE is necessary. What is taken out has to be recycled, otherwise the Brundtland Report would not be fulfilled and the system would not work. Direct CE is probably not possible and thus, it has to be examined indirectly in the opinion of the interviewee. Consequently, the interview partner emphasized holistic thinking, to have a look for the processes within the company and how they can be in balance, and the importance of moving towards the restorative and regenerative system.

With agreeing to the definition, Person C2 added topics like preparation, reutilization, and recycling in the broadest sense.

Within the scope of this question, some interview partners already referred to the next question, such as person D1 who emphasized the life cycle assessment in their company. Further, this person added the importance of recycling and recyclables as resources, by-products and cooperation with customers, and research centers. E1 more or less agreed with the definition but was more concerned about the following question, what leads to the business model type of the companies.

7.2 Business Model Type

The next question was aimed to get to know, whether the target companies would agree to pursue a sustainable business model or even a CBM. Furthermore, the interview partners were given another possibility to describe their business models in the case of no identification with the provided alternatives. Additionally, it has to be mentioned that it is hard to differentiate
between these two models and thus, it the interviewees had problems to find exact answers to this question.

To do so, person A1 explained that Company A for sure follows a sustainable or even CBM. In this regard, the interview partner emphasized the advantages of the company, being their value structure, the purpose of its foundation, and the regional sustainability (90 % of the overall economic performance is carried out in Upper Austria). The interviewee continued to describe that the company has to try to further develop their fields of activity in a sustainable manner. Furthermore, the interview partner highlighted that the whole corporation has to be taken into account, what is especially interesting when writing the sustainability report, as different economic fields have to be united in one report. Moreover, Company A is aware of the responsibility towards the society as well as their economic and ecological responsibility and thus, tries to keep the triple bottom line in mind. Person A1 added that digitization is in discussion as a fourth element of the triple bottom line and described that the company is still at the beginning, even after five years. In the opinion of the interviewee, this process needs time. The company tries to follow a sustainable business model and aims to complete the CE.

Referring to the question, interview partner A2 agreed and emphasized, on the one hand, special investments in this area in form of “green products” and, on the other hand, the attempt to promote sustainability for the employees as well as to implement topics (e.g. car sharing portal or initiatives of works council).

In this regard, person B1 explained that Company B for sure follows a CE model. On requesting the possibility of a 100 per cent CE, the interviewee answered that this is not possible with the current level of technology, as certain things display a problem. In this context, B1 mentioned the usage of laptops with lithium-ion batteries inside as an example where the interviewee sees already limitations for a 100 per cent CE. Furthermore, the person added that Company B is on top concerning renewable energies where an ongoing project is targeting only 19 per cent fossil energy by 2020. The other person of Company B stated that the company is a model example for a CE. This interview partner outlined that many examples amounting to tons could be listed now and emphasized the advantages of their resource, by-products, recycling, quality, economy, and many others. Additionally, this person explained that a 100 per cent CE will never be possible, as cycles have to be entered and exited.

To answer the question, person C1 mentioned that many sustainable aspects are taken into account in Company C where actions are taken as well. In the opinion of the interviewee, the company is not 100 per cent sustainable, what is hardly possible, and by now has no activities concerning a CE. The interview partner acknowledged that a 100 per cent CE does not exist by now and highlighted the importance of recycling and reuse in form of a special program in their
company. The person included uncertainty, whether this is CE, but anyway their products are used again. C2 agreed to the question and the impossibility of a 100 per cent CE model in practice. Further the interviewee explained that things are reused in their company. Here, the person talked about packaging, waste separation, and recycling through disposal companies. This is already a step in the right direction in the opinion of the interviewee. Further, this person was asked about the refurbishment program as well where customer support in terms of being sustainable was emphasized by the interview partner.

In the context of sustainable and circular business models, interviewee D1 does not see any difference and said that sustainability and CE go hand in hand with each other. Similarly, this person thinks that a 100 per cent CE model will probably never work as well because of waste products, but companies can try their best. Furthermore, the interview partner explained that much research is done in their plants concerning renewable energy sources, but is of the opinion that the transformation from fossil energy to such sources still needs time as well.

D2 answered this question with “yes, definitely”. The interviewee would definitely agree with a CE in some aspects as well, as the product of the company is 100 per cent recyclable. Furthermore, D2 added that a 100 per cent CE model is not possible because of continuously required primary materials in the production, in which the company uses secondary resources as well, according to D2.

On requesting that the product can be practically used an infinite number of times, the person principally agreed. Concerning renewable energy sources, the interview partner talked about future models that allow producing in a more sustainable way and decrease emissions, but also added that more work and research is required for these models, as they consume much energy.

In the opinion of person E1, Company E follows a sustainable business model because it tries to embed much in the core activities, what is mainly connected to the production. This interview partner further thinks that according to the used resources and the energy, the company is already on a good level, what does not mean that the person does not see further potential. CE is hard to achieve in the production according to E1. However, the company tries to be long-term oriented in this regard, as obtaining resources has the biggest impact. E1 explained that the longer-lasting their products are, the better it is and thus, they well put on sale or given to employees as well. Picking up products on their own and selling them again on the B2B market is unfortunately not possible yet, but the company tries to consider this topic in other actions, as person E1 outlined. Furthermore, this interview partner described that we are part of an economic system where energy has a very low price and CO2 and the environment none.

Referring to this topic, the other interviewee of this company thinks that everyone can do something and thus, Company E is dealing with it as well. However, the big system is not ready yet, what means the framework conditions are not given by now in the view of E2. Further, the
person agreed to the question of the researcher where it was pointed to non-existence of a 100 per cent CE model but to high technical feasibility and the missing economic efficiency as well.

7. 3 Stages of Sustainability:

In the interviews, the stages of sustainability of Willard (2012) were used, as they are less complex than the other stage models of sustainability and provide a good overview in form of the graph, created by the author. In the table below (Table 9), the estimations of the interviewees as well as their estimated tendencies can be seen. Furthermore, in the second row of the table, the cumulated results for each company are shown.

<table>
<thead>
<tr>
<th>Stages of sustainability</th>
<th>A1</th>
<th>A2</th>
<th>B1</th>
<th>B2</th>
<th>C1</th>
<th>C2</th>
<th>D1</th>
<th>D2</th>
<th>E1</th>
<th>E2</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-4</td>
<td>4-5</td>
<td>3-4</td>
<td>4-5</td>
<td>3-4</td>
<td>3-4</td>
<td>3-4</td>
<td>3-4</td>
<td>3-4</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>(min 4)</td>
<td>4</td>
<td>4</td>
<td>3-4</td>
<td>3-4</td>
<td>(nearly 4)</td>
<td>3-4</td>
<td>(more 4)</td>
<td>3-4</td>
<td>3</td>
<td>(former 5)</td>
</tr>
</tbody>
</table>

Table 9: Evaluation of stages of sustainability
(own creation)

To highlight the high level of sustainability in all companies, a 3-D clustered column diagram was created where the estimated stages of sustainability of each person can be seen (see Figure 11).

Figure 11: Graphical presentation of stages of sustainability evaluation (own creation)
7. 4 Drivers

As the interview partners mentioned a broad set of drivers for sustainability to mainly similar topics, the drivers were categorized into five groups:

- Image, customers (stakeholder and employees), social aspect, conviction
- Legal requirements and regulations, legal compliance (NaDiVeG)
- Economic efficiency, added value/value creation, costs, benefit
- Competitive advantage (sectorial rules)
- Others

The most mentioned drivers were image (A1, A2, B1, B2, C2, D1, E1, E2) and customer demands (A1, A2, B1, B2, C1, D1, D2), or in general, the pressure from stakeholders (A1, B2, D2). In this regard, person A1 explained that climate change affects the society and thus, the society demands action from companies. Additionally, the interview partner sees the growing customer interest in sustainability. In the opinion of the second interviewee (A2), CSR and the external perception are important because, if clients have a negative perception concerning environmental or sustainability activities of a company, it does not matter how good the products are, they will not buy them. Referring to image, B1 mentioned publicity and the standing of the company. The second person of this company added the fact that company B has many neighbors, what is normally not common for their business area, but specific for Austria. Furthermore, this person explained that it is an easy decision for customers when they see the same product from two different companies where one is certified and the other one not. Person C1 stated that customers are important because of the company's social mission and the high social responsibility that is accompanying their business. Thus, company C tries to create products for long-term, safe, and efficient usage. C2 thinks that image is always involved and especially important in the area of sustainability. In the next company, person D1 described that CSR or dealing with this topic is a prerequisite in delivery conditions of many partnering companies. In regard to demands from the customer side, D2 mentioned pressure from outside and taking environmental aspects into account. Both interview partners of company E talked about the asset of such activities. For them, the main question is, whether it brings recognition or maybe has a positive external effect. Furthermore, interviewee A2 mentioned initiatives with the goal to contribute to sustainable development, such as honey on the roof of their company building, what resulted from an employee idea, or in general, emphasized internal calls for sustainability initiatives.

Further stated drivers that can be connected to this group were social aspects (B1, D2), the conviction in the company to do something for the region and the environment (A2), and really going beyond legal compliance (D1), what can be connected to the second main group, where the government is in the focus.
Here the topics were legal requirements and regulations (B1, B2, C1, D1, D2) as well as legal compliance (A1, D1) where standards (B1, E1), the NaDiVeG (C1, D1, D2), and in general, political instruments (B1) were mentioned. According to D2, sustainability certainly started with legal regulations in company D. In regard to legal compliance, A1 sees penalty payments in case of too high CO2-emissions as a topic. Person B1 added regular coming standards, such as EMA or ISO. Referring to standards, E2 highlighted the importance of compliance to them, to operate at all.

Furthermore, referring to regulations (D1) and the NaDiVeG (C1), going beyond legal compliance was mentioned. In Company C, after the law (NaDiVeG) was passed, it was decided to not only write the obligatory report according to the law, but also do more to promote the company. Person D1 explained that often more than regulations require is done because the rest anyway has to be done. When something is done according to law, then it is not CSR in the opinion of the person. Additionally, the interviewee stated that such new laws can cause more difficulties for companies that did not deal with this topic by now.

E2 further mentioned that their systems and certificates have to or should be maintained, but what goes beyond that, strongly depends on the money that has to be spent. This leads to the next group of drivers which refers to efficiency and costs. Six interview partners (A1, A2, B2, C2, D2, E1) named economic efficiency, benefit, added value, or value creation as driving factors, whereas three people (C1, E1, E2) see costs important in this regard. Furthermore, one person (C1) talked about the company’s advantage of long-term orientation and one person (D1) referred to economic reasons in general. In more detail, A1 explained that the organization has to figure out the economic advantage of a CE. The interviewee continued to describe that a CE improves processes and makes the company more efficient. This leads to a better rating of the business and the circularity functions like a spiral upwards. Similarly, the second person of Company A mentioned the realization of a long-term advantage and talked about the benefit or added value of sustainability. In the opinion of person B2, it is important to gain added value from sustainability. Economic success was addressed in this interview as well. Person C2 sees economic efficiency as the greatest driver and stated that there has to be a benefit for the company, otherwise it can become, what the interviewee labelled, a hobby. This is comparable with category five of the stages of sustainability. The interview partner said that this can be done by the company with pleasure where the boss is deciding no matter at which costs, even if the company will make losses with it. Whereas sustainability started with legal regulations, meanwhile the driver is to work more energy-efficient with fewer emissions to operate on a sustainable basis. According to the interview partner, on the one hand, environmental aspects have to be taken into account, whereas, on the other hand, the economic advantage can be seen. D2 thinks that sustainability is motivated by social as well as economic concerns and if these do not fit together, no company can be led sustainable because it will soon reach its limits.
E2 highlights cost savings as driver because others do not measure the corporate activities based on voluntariness but on the price. Referring to this, E1 explained that this is the reason why the interviewee does not agree with voluntary activities. The person outlined that such voluntary actions are only done as long as business is doing well or the company has time or financial resources, but are got rid of when the business is not flourishing as well. Furthermore, E1 talked about economic efficiency and cost savings.

As already shortly described, C1 explained that a CE is a matter of cost as well and that with this economic system costs can be cut.

The next driver “competitive advantage” was directly mentioned by two interview partners (A1, B2) and indirectly by many others, as can be seen above, mainly referring to image and customer demands. B2 referred to the natural and legal competitive advantage in this regard and further, talked about sectorial rules. The interviewee explained that in the industry others have to follow when one business makes a step. The person considers Company B to mostly be in the pioneering role.

Coming to the last group of drivers, the interview partners mentioned different reasons of dealing with sustainability. This category, being “others”, mostly refers to the company itself, intrinsic motivation, or the role of the management. In this regard, A1 describes that the value basis of the company can be derived from sustainability. The basic values and the purpose of the business are sustainable. Referring to this, A2 explained that probably not only the structure of the company is responsible for sustainable development. This shows the persuasion of both interview partners from Company A that the organization itself is a driver for sustainability. Similarly, C1 sees the second main driver, besides legal regulations, in their company, being the advantage that the corporation is family-owned. The long-term orientation can be explained by the intention of the family to keep the company over generations. This person continued to describe that Company C was one of the first environmentally certified businesses, what as resulted from the family as well. Furthermore, C1 points out that a good economic performance will someday not be possible without a CE because economies run out of resources. As an example for resource scarcity, cobalt, what is needed for mobile phones, was mentioned. It is only available in crisis regions and is very scarce according to the interview partner.

Person D2 explained that the motivation for sustainability meanwhile strongly comes from inside Company D. In this regard, D1 generally described that companies have to be principally very responsible, what is also caused by the corporate culture. Furthermore, D1 believes that companies have to have certain values from the start and then, the operation of CSR will result out of it. The interviewee continued to mention that sustainability has to be lived, before it can be said which relation it has to CSR. Additionally, the person explained that this topic is incorporated in all business areas and is strongly connected to risk management.
E1 described that the system of Company E is built upon two drivers: the intrinsic motivation of the previous manager/founder and the presentation of the story around as unique selling proposition (USP). The interview partner pointed out that this intrinsic motivation rubbed off on the employees because the people always know with what they can score and, if this is associated positively, then it is very good. The second driver is connected to the intrinsic motivation where the company tried to create a USP with their story, how they produce, if it is good for the children and grandchildren, and by changing from a price discussion to a quality discussion. Furthermore, this person believes that sustainability has to be embedded in systems and processes which always have to lead to corporate success because the people question this and are not willing to do something that is not good for the company, as they know their job stands or falls with the success of the business. The interviewee added that the asset is important, what refers to the outcome or the achievement of sustainability. In this regard, E2 highlights the significance of the asset as well and sees personal commitment and the actual action as drivers. In regard to personal commitment, the person emphasized the commitment not only on the business but on the private level as well. According to E2, Company E had the enlightenment to do many things, but this was not said outwards. It was normal or anyway there, but was not communicated. For the second driver, the person gave the company Christmas party and other similar events as examples.

7. 5 Relation to Culture

<table>
<thead>
<tr>
<th>Importance of culture</th>
<th>A1</th>
<th>A2</th>
<th>B1</th>
<th>B2</th>
<th>C1</th>
<th>C2</th>
<th>D1</th>
<th>D2</th>
<th>E1</th>
<th>E2</th>
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<td>1</td>
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</tr>
<tr>
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</tbody>
</table>

Table 10: Relation to culture
(own creation)

The next question was directed to the relation of organizational culture in the context of drivers for sustainability. To provide a better overview, Table 10 was created. Culture was labelled by all interview partners as very important, except person C1, estimating it as important, and person C2 as important to rather important.

7. 6 Promoting Values

In general, it was observed that this question was very hard to answer for all interviewees, as it was difficult for them to express their values and culture, especially without explaining it excessively. In this regard, D1 mentioned some promoting factors and then added that it is very hard to put it in words because values once maybe were written down by someone, but what is
actually daily working life, is maybe different. The person continued to state that they have many intangible goods which are common and good. Nevertheless, similarities in values could be found and thus, the following categories were created:

- Social factors (social competency, social security of employees, social proximity, esteem, decision-making independence)
- Role of the company (basic values, awareness, structure)
- Education and training (communication, information, self-improvement)
- Innovation (openness, innovation capability)
- Role model function
- Others (symbolism, modernity of topic, legal compliance, beyond compliance, cooperation, incentives)

The group of drivers mentioned the most can be summarized under the term social factors. Correspondingly, A2 sees the personal values social factor and social competency as promotive for sustainability. Person B1 perceives occupational safety, where social security of employees was added, and the employee newspaper, where the company tries to influence the private life of the employees and helps them to be sustainable and economical, as important. The other person of Company B explained that everyone can talk to and finds time for everyone else and provided an example: it would be no problem to go to any employee right now and discuss anything. This is specific for the company and this industry. According to the interviewee, it is hard to understand, if it is not experienced by oneself. The person added that this cultural value often does not exist in other companies and further gave the example of the custom to shake hands when greeting each other, what is only common in one other company and in a specific industrial area in the opinion of the person. In this regard, the question of proximity was affirmed. Referring to the question of the interviewer, C1 explained that enhanced employee orientation could lead to more sustainability. In the view of this interview partner, employee and environmental orientation are always two topics where a company can improve and become more sustainable. The other person of Company C sees their continuous improvement process system as essential in this context. Employees are motivated to participate and can bring in improvements in their daily work, as they are closest to the processes (e.g. started with advancing the packaging). In more detail, the person explained that any idea will be examined in terms of economic feasibility and practicability. Further, C2 described that often nothing can be gained, as the employees do not know the framework conditions or process, but their motivation is given.

As promoting values, Person D1 explained the corporate conversation culture and the cultural social interaction within the company. In this regard, the interview partner highlighted that this is about the whole corporation in all its operating countries, not only in Linz or Austria. Consequently, it is hard to look inside everywhere, but values are conveyed. The interviewee
continued to state that all employees are human beings and thus, of course, quarrels and differences in national culture occur, but principally this is fine everywhere, if people respectfully face each other. Furthermore, the person mentioned the spirit of the company and the fact of simply being a part of it, what was always present in the company history.

Referring to the staff level, D2 highlighted the social thought that employees are valuable or maybe even a very essential part for the future corporate success. These employee concerns could bring more sustainability for the company in the opinion of the interview partner.

The next interviewee (E1) thinks that people in Company E are currently concerned with security, what takes much of their time and energy. The hint of the interviewer that security may be sustainable as well was neglected by the interviewee, as the workplace security was addressed. The other person of the company, picked up this topic and added that security and sustainability cannot be connected positively by providing the following example: thousands of years ago cavemen were not concerned about sustainability as well, whether the trees outside are growing or not, as long as they did not have the security that wolves are not waiting in front of their caves. With this example the interview partner wanted to express that a basic potential of culture is needed to build upon with sustainability. Further, the person is of the opinion that the topic has to emerge again and again. This does not mean that it is gone in the company, something is there, but currently not visible according to the person. Additionally, E2 explained that it can be recognized on the level of corporate health promotion, satisfaction, and social interaction.

The second most mentioned set of promoting values refers to the role of the company. It includes basic values and principles within a company as well as the awareness of the company regarding environment and sustainability. The corporate set of values was mentioned by person A1, B2, C1, E2 and A2 who sees the benefits of the structure within the company, as promotive factor. In detail, A1 explained that Company A tried to anchor their basic values, such as identity, self-help, solidarity, self-administration, sustainable cooperative success, and subsidiarity (Company A, 2017, p. 8), in the strategy and aimed for creating harmony of these two aspects. Furthermore, the principles regionality, reliability, responsibility, and creative power are not conquering with the big issue (Company A, 2017, p. 9). Moreover, the company adopted the seven principles of sustainability from ISO (asm. ISO 26000), being accountability, transparency, ethical behavior, respect for stakeholder interest, respect for rule of law, respect for international norms of behavior, and human rights (International Organization for Standardization, 2018, p. 6). The interviewee sees the company in the lucky position to start from values and principles where no change is needed. The person added that the corporate values are right and fully promote the topic of sustainability. Additionally, this interviewee gave an example: when a solely profit-driven company wants to become sustainable, it has to consider changing the values completely. For the person, it is clearly visible that values and culture are important to create a
foundation, not only to promote sustainability, but to allow sustainability in general. The interview partner added that it is not enough to write sustainability as a value, it has to go through all topics, as it is a cross-sectional topic.

A2 explained that the awareness of the company for offering such things (e.g. waste separation) plays a role as well as the structure that exists within the company. Furthermore, the company has many owners and for them high payout is less important than dealing with regional stakeholders and giving them something back according to the interviewee.

Independence in decision-making is a promotive value in Company B, as person B2 immediately answered to this question that employees are relatively free in their decisions. The person added that employees being aware of sustainability also act correspondingly, what is not given without this awareness. B2 further made clear that a minimum level of it exists in Company B. Referring to this, the person explained, that the company has a culture which is ensuring a certain level of cleanliness and waste prevention. Answering the question of how to get more sustainable, the interview partner outlined that it is only a matter of the level, as the values are existing. If the level of the values rises or gets even better and the awareness is given, more is done or demanded.

In this regard, C1 mentioned the fact of being a family business as well as reliability that is one of the three corporate values. This means that quality is an important value and long-term and customer orientation bring sustainability because of the company’s customers (these will not be mentioned as the anonymity of the company is not ensured otherwise). The question, if simply the three corporate core values (reliability, innovation and customer orientation Company C, 2017, p. 7) promote sustainability, was answered with “yes”, whereas enhanced environmental consciousness is seen as possible driver to become more sustainable.

According to person D2, the environmental idea promotes sustainability. In this context, the proximity to the city was a disadvantage in the beginning because of the emissions, but resulted in high pressure to act as well. Consequently, emissions were strongly reduced and environmental investments with filter systems undertaken which is a positive development in the eye of the interviewee. To further promote sustainability, person D2 refers to this environmental idea of resource efficiency, producing as efficient as possible, careful handling of raw materials, and using energy as little as possible in the process. Limits according to the product can be seen here, but the aim is to exploit the full potential.

Referring to this group of promoting factors, E2 answered the question, if corporate values written in the sustainability report changed with the transformation of the company, with “yes, absolutely”. It was the position of E2 as personnel developer in former times to promote these values but now, as the person is in another role (personnel manager), the previous position is missing according to the interviewee.
The third category of promoting values for sustainability, being education and training, is addressed by person A2 within the answer to the question, how the company could become more sustainable. The interviewee answered that the topic needs to be communicated even more, given the fact that the person is familiar with the topic, but is not sure, if all employees have a common understanding of it. According to the interview partner, the company published a sustainability report and offers information to this topic which can be read at any time. However, proactively providing more information would contribute to a better understanding and corporate culture in the opinion of A2.

Person B2 emphasized the high significance of education and training. Referring to the before mentioned minimum level of employee awareness, the interview partner explained the necessity to train employees concerning environment, sustainability, waste, and hazardous goods.

The second person of Company C believes that sustainability arises when people start to think about the business and how it could be improved. This means not only taking the product into account, but processes as well, as it is often sustainable to optimize them because of possibly less produced waste. Further, the person added, that Company C is constantly trying to improve or develop processes and procedures.

The first interview partner of Company D mentioned that the company trains employees by means of classroom training and online refresher courses according to topics of compliance, Code of Conduct, and so on.

The next group of values can be combined with the term innovation. In this regard, A2 mentioned openness for novelty. On the one hand, the interviewee referred to investing in and dealing with topics not only having the underlying idea of success, or deliberately investing in topics not resulting in returns, but in image or reputation. On the other hand, openness to allow novelty was meant. Here, the interview partner named employee ideas or open calls for allowing sustainability as examples. Person C1 immediately answered this question with “innovation” and “innovation capability” and even referred to this value already earlier in the interview. As already shortly explained, person E2 talked about values that were included in the corporate sustainability report before the transformation happened, with innovation being a part of, and outlined that these values were present in former times. The position of the interview partner was to deal with topics like, what the people, the system, and processes need and to examine, what the company could do.

The next promoting value category refers to the role model function of a company. B1 exemplified efficient water usage and considerate handling of the environment and people. Person E2 mentioned that no promoting cultural values are present in Company E, because it is not lived top-down. In the opinion of this interview partner, it would need the role model function of the management to become sustainable or more sustainable.
This already leads to the last group where all other promoting values or thoughts, mentioned by the interviewees, are gathered. In this regard, B2 explained that it would need incentives to become more sustainable. These incentives can be of financial nature or may be funding-related (e.g. government support), as many things are economically not viable. In this context, the person talked about models for financial aid, such as government-backed investments or customers. In the opinion of B2, these incentives can lead to superior corporate performance. As already explained, the person thinks that it is only a question of the level concerning the values. For D1 compliance to all laws is a fundamental thing. However, the person added that this is a legal matter and no value. Furthermore, this interviewee mentioned that Company D does not only make necessary investments, such as in environment and research, but tries to go beyond that as well. The company has many co-operations with universities, research, and so on. Here, for example, efforts to help master students with their theses are included. To become even more sustainable is different from company to company in the opinion of the person. In this context, Company D is under pressure from all sides, but has the answers ready because of intensively dealing with this topic. Even though many small companies in the beginning do not have to comply with the NaDiVeG or other laws, they may be affected by them later on, as bigger businesses, which need to include their supply chain into the sustainability report, may come. By being confronted with the question that practitioners say competition demands sustainability, the interview partner explained that platforms, questionnaires, and corporations asking for support concerning this topic, are getting more and more. In general, D1 explained that the whole topic gained credibility, because of figures, data, and facts determining it now. As already shortly mentioned, E2 does not see any positive cultural values in Company E at the moment. Person E1 then questioned this with emphasizing, whether they really do not have any cultural values. E2 agreed and outlined that the company does not have any cultural sustainable values. That the topic is just present because it is commonly done like that, but not consciously supported. As an example, the electric vehicle in front of the company was given which was an anchor for this person. Thus, the person believes that this topic is now in the drawer, as the anchor is missing. Therefore, the interviewee thinks that it would need something where everyone is guided to the topic of sustainability every day. Furthermore, the company had little trees for the sales people. E2 explained that symbolism connects culture and action and with this, sustainability can rise and fall. Consequently, something to bring the topic up again needs to be done, what is currently not the case in Company E in the opinion of E2. Additionally, the topic was already once more public according to the interview partner. Referring to this, E1 mentioned that the company worked very much with symbols and also thinks that this topic has to be dealt with in a modern way, otherwise it is associated with sacrifice and this, people do not like. Furthermore, person E2 outlined that during a cultural transformation, there is a battle for power within the company, between the existing and the new culture. A mixture of the two cultures can be the result as well, as the people are used to existing structures, managers,
owners, and people. Currently, Company E is in this situation. The interview partner further is of the opinion that engagement would be needed to become more sustainable. As an example, a band is referred to, as musicians can just play a concert, or play it that it really reaches the audience. Additionally, the exemplary role of managers was mentioned. Moreover, it was explained that other topics are currently more important.

7. 7 Inhibiting Values

In the case of inhibiting values, it was a bit harder to form value groups, as the interview partners talked about rather varying topics. Nevertheless, one very important factor could be identified as well as four topics mentioned by at least two interviewees:

- Economic efficiency, financial aspects, cost pressure
- Fear and uncertainty (risk aversion)
- Old thought patterns (old school employees, obsolete targets)
- Stability and rigid structures/guidelines (no openness)
- Competition

Further, other topics were discussed, leading to the category of “others”. Those factors can be summarized as management, cultural background, the opposite of promoting values, and lack of information, time, or commitment.

The first and most mentioned group of inhibiting values refers to the financial aspects of sustainability. In this regard, person A1 explained that it has to be beneficial for the company, as economy is part of the three pillars of sustainability as well. The person continued to describe that for customers green products always imply the question of having a greater benefit, profit, or loss, in comparison to normal products. In the opinion of the interviewee, the main problem is not a cultural issue, but the regulation. According to person B2, it mostly has financial reasons, if something is not done. B1 highlighted that economic efficiency plays a very important role in their company. In this regard, the other interview partner of Company B explained that small investments are made very fast, even though they have no payback or are not economically efficient, but when economic efficiency is not given for investments amounting to millions of Euros, then it is getting difficult. This person further gave an example about a new project of a new plant which would result in costs of more than 100 million Euros but would drastically decrease emissions as well. This project would be fully environmentally-driven, as economic efficiency is far not given. Furthermore, this energy efficient plant would make the factory to one of the cleanest and most efficient ones of the world for its product type, but it would need money of the corporation, as such an investment is not affordable for a factory alone. B1 further added
that the idea “production stands above everything else” is present and inhibiting in their company.

To answer this question, interview partner C2 explained that Company C is a public limited company and thus, price, turnover, and profit-driven. The interviewee sees this as the main reason, as good dividends and a high share price are too important factors. Referring to this topic, person E1 said that the biggest barrier is financial support.

Person C1 described that cost pressure is inhibiting, but was uncertain, whether this is a value or not. Further, this interview partner added that high cost pressure often leads to other topics being placed last on the list, in order to be still able to provide qualitative and cheap products.

Factors referring to fear and uncertainty were grouped to the next category of inhibiting values. In this context, person E1 and E2 explicitly mentioned these two values and explained that exactly this is currently present in their company. The first interview partner of Company E outlined that the top management intends to provide stability and limit uncertainty or fearful, but the feelings or thoughts of the employees are a bit different. The question, if fear and uncertainty are important, was answered with “it logically plays a role”, as the reason why people go to work, is to finance their life. According to person A1, waiting to not be the first mover, who fails earliest, is an inhibiting cultural feature. When the interviewer asked about fear of the unknown and caution, the interviewee explained that fear as well as the thought of reduced risk are important and always have been on the agenda of companies in this industrial sector. The person continued to outline that it is even more demanded to have a good risk management. Nowadays, companies are not allowed to take risks to the extent of times before the financial crisis, what is especially a problem in case of start-up support. To summarize the thoughts, the interviewee mentioned overcautious behavior to not be the first in such topics and having the risk in mind as inhibiting factors. Even though, this may be the reason to miss good chances, but the company cannot anticipate the reaction of the people.

The next group of inhibiting values is about old thought patterns and obsolete targets. In this context, person A1 mentioned that the old way of thinking is still present, especially in the industrial sector of Company A. This value was identified by interview partner B1 as well who added, that, however, this is related to employees and thus, can vary. Furthermore, this person referred to old school employees and explained that an employee shortly before retirement will not change anymore, as this person did things always like that. Similarly, the other person of Company A mentioned obsolete targets as inhibitive.

Rigid structures or guidelines, no openness, and stability form the next group of values. In this regard, A1 described that the industry was different before the financial crisis and now, key performance indicators, which all have to be improved and become more stable, are important topics. Such indicators influencing the company can be inhibitive. In this context, the second
interview partner of Company A referred to no openness, rigid structures, which cannot be broken or changed, and rigid guidelines.

Cost pressure, described by person C1, was already mentioned, but also can be related to the next value group, being competition. When pressure of costs was the topic, the interviewer wanted to know, if simply competition is meant, whereas the interviewee agreed. C1 further commented that this is no real value. Further, this person explained that competition is for sure a topic that inhibits sustainability, as the company gets orders mainly through public tenders. Referring to the before mentioned key performance indicators, A1 kept the more abstract view of probable difficulties for companies in mind as well when certain indicators are required to realize the market.

In the last group of drivers, being “others”, all the remaining aspects, mentioned by the interview partners, are covered. Person A2, for example, saw the promoting values from theory beforehand and consequently, mentioned their opposite as inhibiting factors. C1 talked about culture-based factors and explained that in Company C in Austria totally different values are relevant than in the US, for example. The person added that in the region of the US, where they have their plants, environmental protection is irrelevant. Further, cultural values or employees are less relevant as well, as employees that are not satisfied, just change the company. The interviewee summarized it with saying that such values present in Austria or the EU can be maybe missing in the US.

Person D2 thinks that there are no barriers, but emphasized the role of the management. It is important that the management supports sustainability, what, in the meantime, is strongly the case in Company D, even though, it lasted some time.

Interview partner D1 had a bit differing opinion regarding this topic. Firstly, difficulties to get information everywhere and in a certain time, due to the fact that Company D is a global corporation, were mentioned. In this context, the person gave the example of writing the sustainability report which not only covers their location or Austria. Thus, it has to be identified where the right information can be gained and from which systems, and which initiatives or projects exist. Furthermore, the interviewee thinks that values cannot inhibit sustainability. This would not be values otherwise, as values are associated positively in the opinion of D1.

Person E2 sees currently the time as inhibiting factor, as E2 would enjoy encouraging people regarding sustainability, but in the process of reorganization time is limited. Furthermore, this interview partner mentioned lacking engagement as inhibitive. However, E1 disagreed and insisted that missing engagement is not inhibiting but minimizing, because the processes how materials are sourced as well as all certificates remain. After hearing this, E2 agreed, as the foundation is given. Person E1 continued to explain that missing commitment and attitude
towards sustainability are the biggest factor. This was confirmed by E2 who further added the importance of emotions towards it.

7.8 Theoretical Factors

The next section is about the factors found in theory. These were put together in a table, as it can be seen in Appendix B. Here, the interview partners were asked to rate the theoretical aspects on a seven-part Likert scale, ranging from very important to very unimportant (see Table 11 and Table 12). Mainly, the terms were discussed together and then, assessed by the interviewees. C1 filled in the extra sheet alone, by only asking questions of understanding. Furthermore, it has to be outlined that person C2 in general questioned inhibition. This interview partner rather put into question, how inhibitive factors are displayed. Because of the already mentioned change in Company E, it was very hard for both persons of this company to answer the questions of inhibiting theoretical factors as well.

7.8.1 Promoting Theoretical Factors

<table>
<thead>
<tr>
<th>Factor</th>
<th>A1</th>
<th>A2</th>
<th>B1</th>
<th>B2</th>
<th>C1</th>
<th>C2</th>
<th>D1</th>
<th>D2</th>
<th>E1</th>
<th>E2</th>
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</thead>
<tbody>
<tr>
<td>Attractiveness as an employer</td>
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<td>4*</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1-2</td>
<td>2</td>
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<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Innovation capability</td>
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<td>2</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
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<td>2</td>
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<tr>
<td>Entrepreneurship</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>4*</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Flexibility and dezentralization</td>
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<td>2</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td>2</td>
<td>4*</td>
<td>1-2</td>
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<td>1</td>
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<td>3</td>
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<tr>
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<td>2</td>
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<td>1</td>
<td>1-2</td>
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Table 11: Evaluation of promoting theoretical factors  
(own creation)
7.8.2 Inhibiting Theoretical Factors

<table>
<thead>
<tr>
<th>Table 12: Evaluation of inhibiting theoretical factors (own creation)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Person</strong></td>
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<tr>
<td>-------------</td>
</tr>
<tr>
<td>Stability and control</td>
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<tr>
<td>Routines and patterns of success</td>
</tr>
<tr>
<td>Incapability to (un)learn</td>
</tr>
<tr>
<td>Risk aversion, fear and uncertainty</td>
</tr>
<tr>
<td>Lacking creativity, inability to motivate (strict compliance to rules)</td>
</tr>
<tr>
<td>Group think, underlying values (outsiders)</td>
</tr>
<tr>
<td>Lack of information</td>
</tr>
</tbody>
</table>

Legend: 1 - very important, 2 - important, 3 - rather important, 4 neutral, 5 - rather unimportant, 6 - unimportant, 7 - totally unimportant
4: not present
4+: not present but can be inhibitive; 4++: not present but can be very inhibitive
4-: other way round
4*: can be promotive/inhibitive but not necessarily, it depends

In the context of the first factor, attractiveness as an employer, person A2 questioned the relation to sustainability, as in the opinion of the interview partner everyone wants an attractive employer. In this regard, D1 outlined that sustainability promotes the attractiveness as an employer and not the other way round. Referring to this factor, E1 mentioned that the company could do a bit more. After discussing this aspect and listening to the input of E1, person E2 changed the rating from very important to important.

Concerning innovation capability, the second interviewee of Company B described that innovations are rather a topic of the whole corporation. The person continued to clarify that optimizations are done within the factory and thus, the factor was labelled as important, however, employees would not notice innovations. Because of a similar reason, the next factor was set on four, what means it is seen neutral. The interview partner outlined that employees only notice little from the management level. Referring to innovation capabilities, E1 emphasized not only innovations in the context of sustainability, but the importance of innovations in general.

Due to the fact that person E2 was not sure, whether to rate this factor as important or rather important, the opinion of E1 influenced E2 to label it as important. Further, E2 added that one year ago, this factor would have been considered very important for the company.
The first interview partner explained that the two aspects flexibility and decentralization are different. The person added that decentralization is difficult to classify, as in times of digitization, standardization and automatization are in the focus. Furthermore, the interviewee mentioned that decentralization is not the big topic now, whereas the importance of flexibility in terms of finding agile new work processes and forms of work was confirmed. This hint made the researcher aware of offering the possibility to separate these two factors in the interviews. Similarly, person A2 described that flexibility is important, whereas decentralization has two perspectives, as it can be positive and negative in the context of sustainability.

B1 considers the company to be very flexible, while the factories are responsible on their own for decentralization and thus, these factors are set on very important and important. As C1 found it difficult to rate flexibility and decentralization regarding sustainability, the factors were labelled neutral, because they can have a promoting or an inhibiting influence. These two terms are seen neutral by person D1 too. In the opinion of this interviewee, decentralization depends on the size and purpose of the company and cannot really be connected to CSR. In contrast, flexibility impacts on CSR. Additionally, this interview partner mentioned that in this case it is very hard to find a suitable answer.

As the willingness to learn is very high in Company B, but the company is rather conservative according to person B2, ability to learn was set on one and change on two. With the input of person E1, E2 changed the value from rather important to important and both interview partners agreed that it is important for the company to learn fast. According to E2, the company was once very versatile. The person even considered them number one in the past. However, it is very difficult to estimate now because of changing from one culture to another.

In the opinion of person B2, stability is even promotive for sustainability, as the company has a certain constancy of development. Control is neither seen that strictly and rather promotive in the view of the interviewee. Person D1 stated that this factor is not inhibitive. Similarly, D2 explained that stability can be a promoting factor as well.

Referring to patterns of success, interview partner A2 added that such patterns may just predetermine framework conditions, but how those are achieved can vary. Concerning patterns of success, B2 outlined that in Company B success is not recognized enough and added that no culture of praise exists within the company. This can result in lack of motivation. According to person C2, regulated processes are important, but the company still needs to constant improvement. The second factor is not present in Company D in the view of interview partner D1 who added that routines are not inhibitive. In the same way, person D2 mentioned that this factor can be positive as well and sees it in correspondence with innovation and creativity. D2 added that in their case, routines are inhibitive regarding innovative approaches.

Incapability to learn or unlearn is present in Company D, although taking the whole corporate culture into account, would deny this according to D2. However, the person added that, of course, some employees are more and some are less affected in this case.
Regarding risk aversion, uncertainty, and fear, person A1 explained that uncertainty and fear is not really the problem in Company A, but risk aversion, as the company has a clear mission resulting from regulation. Contrarily, A2 sees risk aversion as not necessarily inhibitive, but considers uncertainty and fear to have such an effect. This difference can probably be explained by the varying roles of these two employees within the company. Person C2 sees Company C in general as a very conservative thinking company and continued to explain that it is not necessary for the company to always be the first, but when something is done, it is done well. This means the company seeks to exclude diverse risks and then acts. In this regard, D1 explained that a good risk management is very important, like it is the case in their company. However, this factor is not present in Company D in the opinion of the interview partner. The interviewee added that anticipating risks helps to deal with fear and uncertainty.

B2 thinks that a lack of creativity is very important, whereas potential for improvement in terms of incapability to motivate is mentioned. The person added that compliance to rules is very strict in Company B. Referring to this factor, person C2 explained that it is for sure inhibitive, but considered as a No-Go in Company C. Thus, it is not present. Interview partner D2 described that strict compliance to rules is necessary, as it includes work safety and thus, is dependent on the area and industry. In general, it is very difficult to classify this factor, since it is not given in Company D and further, is not the same in different companies or industries in the opinion of the interviewee.

The next factor being group think is very pronounced and a weapon in Company B according to person B2. Consequently, it is promotive in the view of the interview partner. Underlying values are rather individual cases in the company and thus, display no problem when the whole factory is considered. Here, D2 included that the management in Company D tries hard to convey positive values to the employees.

Regarding lack of information, interviewee B2 added that the company strongly improved in this matter.

Because of the recent change in Company E, the interview partners of this company could only identify fear and uncertainty as inhibiting, whereas the other factors are neutral or not that important in their opinion. However, financial support and commitment were mentioned by the interview partners in this regard, as these aspects currently display difficulties in their view. Furthermore, E2 explained that the company is very adaptable by referring to routines and patterns of success, what can be compared to the company’s capacity.

7. 9 Role of the Leader

The next question of the interviews referred to the role of the leader. The interview partners all saw high or very high significance, as it can be seen in the table (Table 13) below, and used the terms important and big interchangeably. The numbers in the second row refer to the
importance, whereas 1 means very important/big and 2 means important/big. Obviously, the first row shows the interview partner, the second row their estimations and the third row the cumulated results for each company.

<table>
<thead>
<tr>
<th>Role of the leader</th>
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<tbody>
<tr>
<td>A1</td>
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Table 13: Evaluation role of the leader
(own creation)

Noteworthy, the interviews showed an interesting side effect for implications on further research in behavioral science. All men used the term “important”, whereas all women used the term “big” for answering the question of the leader’s role. However, the interview partners of Company E have to be excluded here, as both persons answered with “yes” to the question, if leaders play a big role. Another interesting fact is that from each company one woman and one man was interviewed, whereas the researcher always contacted only one person of the company and the other one was suggested by the first person. To guarantee anonymity only the term “important” is used to explain the estimations of the leader’s roles throughout this Master Thesis.

With attributing high importance to leaders, A1 considers the fact that leaders live the topics to be essential. Here, the person referred to the proverb not preaching water and drinking wine. In the opinion of the interviewee, this is recognized quickly by the employees. In this context, the interview partner included that leaders are not only responsible for breaking down the operational objectives on the entity, but for fostering culture, pushing it in the own departments and teams, and promoting commitment as well. The other person of Company A sees the role of the leader as important and added that a leader is often referred to and oriented towards the employees. This interviewee further explained that a leader often serves as role model, as it was defined in former times. Furthermore, A2 described that the leader of the future plays a new role as coach and agent. Nevertheless, this interview partner again mentioned the importance of the leader.

Both persons of Company B mentioned the very important role of a leader. In this context, B2 highlighted the significance of this position and explained that through helpful and motivated leaders even more can be achieved. The interview partner continued to describe that suggestions and demanding movements lead to faster and better results, as they are defined and thus, done, whereas otherwise actions have to be awaited.

With giving the answer that executives play a very important role, person C1 explained that their management board is very motivated and ambitious in terms of making the company sustainable. Consequently, sustainability measures are taken. In the opinion of the interviewee,
sustainability has to be supported top-down. Motivated employees may sustain the topic bottom-up as well, but without the conviction of the management this is a very difficult process. Person C2 outlined that leaders, of course, play an important role, not only in relation to sustainability. They have a role model function in any type of action as well. The interviewee gave an example of the own area concerning employee protection. In this regard, it was explained that the company never can demand safety shoes from employees, while the leader is wearing flip-flops next to them. Further, the interview partner added that this is the same with sustainability. When executives are able to motivate employees and are convinced about the topics, they can have corresponding demands as well.

The first interview partner of Company D explained that managers play a very important role, what can be seen very well in owner-led companies. If the owner wants something or cares for example about CSR, then the company is led like this. In large companies the top management or the CEO have to support this topic, otherwise it will not work in the opinion of the interviewee. Additionally, the person mentioned that the will has to be present to really be able to promote sustainability. Similarly, the other interview partner of Company D referred to the very important role of a leader and added that leadership is even one of the most significant topics. In the view of the person, the manager in general has an essential function concerning culture and, of course, in sustainability issues as well. Without support and demonstration of the top management, it will not work according to person D2.

During the course of the interview in Company E, the importance of leaders was already discussed and thus, both interview partners answered with “yes” to this question. Nothing more was added, as this topic was dealt with in detail throughout the interview and thus, already was included in the answers to the questions before. This can be explained by the ongoing process of transformation in Company E where an integral part was the change of the owners and the top management.

### 7.9.1 Promoting Values of the Leader

- **Conviction, motivation and will**
- **Role-model function**
- **Communication skills**
- **Social competency**
- **Openness and innovation**
- **Others**

On a personal level, the interview partners see different important values. However, six groups could be formed out of their answers. The two most mentioned personal promoting values groups can be referred to motivation, will, and conviction and social competency. In this regard, person B2 emphasized the belief in meaningfulness of the topic and explained that it is more difficult when the leader is not convinced. The interviewee further described that it is easier to bring employees on board when the leader is personally convinced. On request, if conviction leads to a better motivational capability, the interview partner strongly agreed. Similarly, person
C1 mentioned the motivation or will to change or improve something. In the opinion of A1, the capability of leaders to really motivate people to commitment is promotive. Here, the interviewee especially talked about being participative and including responsible individuals by giving them the possibility to share their thoughts and ideas, as otherwise such employees will show no interest.

Likewise, the first interview partner of Company D, thinks that without conviction sustainability will not be achieved, no matter on which motivation the topic is based. The person continued to explain that there are many examples where smaller companies slightly change their business branch and really concentrate on this track and then, it suddenly works, as it is a niche. In the view of the interviewee, it is probably not like this anymore, but the person emphasized the driving force that has to come and described that it is not possible for bigger companies to say they are not interested in this matter. According to E2, engagement is a crucial promotive value.

Furthermore, person C1 mentioned that future-oriented thinking is important and gave an example of leaders with children who want their children to have the possibility of a good life in future as well. Thus, such persons are more likely motivated concerning sustainable development. The interviewee added that Company C has young leaders and it can be recognized that this matter is very important within the company.

In this context, interview partner B2 explained that the society plays a significant role. The person continued talking about the great importance for future generations that the company has sustainable products and such a small ecological footprint as well. Additionally, this interviewee mentioned that these values lead people within the company to follow a different approach which is much more concrete and not only about numbers.

Values, such as the society or future-oriented thinking, lead to the next value group, being social competency which was mentioned by person A2, B1 and C2. Furthermore, interview partner A1 emphasized a certain emotional competency in this regard. B1 further talked about social engagement and D2 about the thought of social togetherness where exemplary behavior is highly significant, especially in treatment and management of employees, but in environmental issues as well. Referring to this, the person was asked about the role model function and explained the importance of the leader being an example concerning environment, resource efficiency, and so on. The role model function, which is the next group, was mentioned by person C2 and E2 as well. Person E2 even said that this is the big issue.

The next category of promoting values refers to openness and innovation. In this regard, person A2 mentioned openness and innovativeness as promotive personal values. C1 highlighted the importance of innovation and modernization and added that their young leaders simply have a different value system. However, the interviewee included that other leaders may have it as well, but in their case it is exemplary.

Communication skills were identified as the next value group and mentioned by both interview partners of Company A. While A2 only stated the value, A1 explained it in more detail. The
interview partner described the importance of the ability to communicate, as well as the willingness to do so, and highlighted open and transparent communication. In the opinion of this person, it is the worst case when things happen secretly on the management level and rumors spread amongst employees which may panic, reorient, search new jobs, or build walls then. For the last group of promoting values no different suitable title as “others” could be found. Words like integrating (A1), personality or flexibility (B1), courage to make decisions (C2), and more detailed explanations of promotive values were mentioned. Person B1 further described that less old school people can be a promoting factor and added that their company is far progressed and very good concerning this topic.

Interview partner E1 explained that people, who still help to carry the topic, are promotive, as they have embedded values, no matter, if they are lived top-down. The person continued to describe that commands of leaders can help in this case, but are not influential, since the values are embedded. If this is not given and things are done because of other reasons, then someone is needed in this regard according to the interviewee. Here, the other person of the company agreed and further accepted the following statement of the interviewer: underlying values, which are basically inhibiting, can be rather promoting now in the case of your company because of the current transformation to the other direction.

Contrarily to the inhibiting values, person B2 and D1 think that economic efficiency can be seen as a positive value as well, as sustainability makes sense for economic efficiency according to B2. In a similar way, interviewee D1 explained that with sustainable initiatives or products always somethings wants to be achieved, what is a positive image, on the one hand, and sales, on the other. At this point, the researcher pointed to the fact that many interview partners mentioned this value as inhibiting aspect. In the opinion of person D1, it is a big problem when such things have to happen in a very short time because of high investments and finding the right path, but when this is done in form of continuous development, then it displays no problem.

7.9.2 Inhibiting Values of the Leader

As the answers of the interview partners to this question have been very different, no value groups could be identified and thus, each person is covered separately. According to person A1, it is inhibitive for sustainable transformation when the leader does not share the commitment of the company and thus, is not participative or even excluding. As an example, the interviewee gave an employee idea for sustainability. When the company communicates that transformation towards sustainability is very important, but the leader does not care or maybe works against the corporate initiatives, then the employees will stop sharing their ideas or even will leave the company, as the leader is not interested and thus, it makes no sense for them. Furthermore, this interview partner explained that a leader who has a diametrical set of values compared to the corporate values, does not care about the environment.
or the people, and focuses on profit only, obviously does not fit to the company according to its values. A further hindering aspect is missing consequence of the company or leader to push things through and break resistances. In this regard, person A1 explained that always saying yes or just letting people do their things when it seems they are not motivated is a No-Go behavior in leadership.

A2 sees adherence to old structures or methods as inhibitive. Thus, old thought patterns were requested by the interviewer and confirmed by the interviewee. Furthermore, this person thinks that too much authority can be hindering in some ways, as on the one hand, it is inhibitive when the leader always wants to assert the own opinion or is very authoritarian but, on the other hand, the path is predetermined when the leader is very convincing.

In the opinion of B1, no independence in decision-making, success pressure, or strict reporting and guidelines are inhibiting leaders. These factors may result in leaders not being free in their decisions and only having to present numbers. Similarly, interview partner C1 mentioned cost pressure again in this regard. In the opinion of the interviewee, it can be partly hindering when a leader always has to take financial aspects into account, although sustainability in the long-term always saves money according to C1. Further, the interview partner continued to explain that short-term thinking can be inhibitive. To the question, if it is harmful when leaders are not that free in their decisions or have to pay attention to costs, the person answered with “exactly”.

Person B2 sees missing risk appetite as an inhibiting factor. In the view of the interviewee, something has to be tried or maybe money has to be wasted in order to make progress and thus, a certain readiness for taking risks has to be present. The interview partner added that risk aversion usually is hindering.

The next interview partner (person C2) has a bit different opinion about inhibiting personal values and first asked, what is inhibitive. Then, the interviewee explained that only having an eye for the own small area and everything else, what is happening around, is not seen, would be for sure something that is hindering. As an example, the person gave an employee who is not thinking for the leader, just trying to keep the own little work area fine, after whom the flood is coming, and subsequent work is necessary afterwards by everyone, but the person does not care, as the work is done in the fixed time. The interviewer asked, if the person means result or success orientation, whereas the person agreed and continued to explain that in the end all steps have to be evaluated and, if after such people even more extra work is needed, then the total result is pulled down.

According to person D2, a transformation process happened in Company D, as the topic of sustainability was not present from beginning on. The company had to join the run and needed to be directed towards it. This interview partner does not see any substantial inhibition in this regard, because topics, crucial for sustainability, are important for their top management and
demonstrated by them in daily business. The other person of this company stated that in the moment the person cannot say anything. Principally, for sure values exist that can inhibit sustainability. In the opinion of the person, these can be no interest in this topic or only doing it because of the law as it was already explained. Furthermore, D1 added that this topic is very complex, as it affects so many business areas. The matter would be much easier, if only one area was involved.

For person E2 the question could be directly connected to the one before, as consequently, missing engagement is an inhibiting factor. Further, the interviewee thinks that it has the same effect when sustainability is not lived in the company. The interview partner gave an example of not buying milk for one week and left the interviewer with the following question. No sustainability for one week? Person E1 agreed with what E2 said.

7. 10 Organizational Culture Assessment Instrument

In general, it has to be mentioned that it was difficult for the interviewees to answer this question where they had to fill in the framework. Even after a short explanation, some persons had further questions or asked again, how many points the can give or, how many points should be in total. Most of the interview partners filled in the framework immediately during the interview, with some little explanations, questions or discussions included. A1 had already prepared the filled in form, whereas D1 and E2 sent the questionnaire later per mail.

The next paragraph is dedicated to describe the evaluation process. Firstly, the points of the respective answer options, such as A, B, C, or D were added. This resulted in 600 points for each interviewee spread over the four cultural types. In the next step, the amount of points was divided by six because of the number of core dimensions, resulting in the average culture types per questionnaire. Thus, the mean values (MVs) for each person and cultural type can be seen in the next table. As the cultural outcome for each company is relevant as well, a table showing the company-related culture consisting of the average values of the interview partners per company was created. Further figures (see Appendix E) show a graphical presentation of the cultural types of all five companies, as suggested by Cameron and Quinn (2006).
As it can be seen in Table 14 and Appendix E, the hierarchy culture (MV: 33.33) is pronounced highest in Company A, followed by the market culture (MV: 25.83), and a rather equal distribution of clan and adhocracy culture with MVs of around 20 per cent. The results show that the interviewees perceive the present culture as a mixture between hierarchy and market culture. In Company B the clan culture with a MV of 34 per cent and the hierarchy culture with a MV of 33.33 per cent display the highest values, what shows the current perception of the culture. The interview partners valued the market culture (MV: 24) in the middle and the adhocracy culture with a MV of 11.67 per cent at the end. The highest value is scored by the adhocracy culture (MV: 30.83) in Company C, making it the dominant culture of the organization. The market culture (MV: 24.17), the clan culture (MV: 23.33) and the hierarchy culture (MV: 21.67) are distributed more or less equally. Company D shows no real allocation, as the cultural MVs range from about 23 to 27. However, the market culture (MV: 27.08) is perceived highest, followed by the hierarchy culture (MV: 26.67), the adhocracy culture (MV: 23.33), and the clan culture (MV: 22.92). In the next company, Company E, the two MVs of the market culture (MV: 32.50) and the hierarchy culture (MV: 31.67) are pronounced more significantly than the other two. Consequently, the present culture is perceived as a mixture between these two types. The clan culture (MV: 18.75) and the adhocracy culture (MV: 17.08) are seen to be less important by the interview partners.
8. Conclusion

8.1 Summary of Main Findings

To sum it up, reviewing the literature on sustainability shows a strong necessity of moving towards the CE. This shift requires, as mentioned by Planing (2015, pp. 2–3) and other researchers (Antikainen & Valkokari, 2016, p. 7; Bocken et al., 2013, p. 483; Boons et al., 2013, p. 1), new and innovative business models. CBMs are such needed innovations (Planing, 2015, p. 2). To better relate the topic to organizations and make visible how the transition process could be achieved or facilitated, a vital factor of companies has to be examined: corporate culture. This is supported by the findings of the empirical investigation, as all interview partners consider corporate culture to be significant. The role corporate culture plays in the development of CBMs and how cultural values are affecting these models, should not be underestimated by managers and entrepreneurs. In particular, promoting and inhibiting corporate culture-related factors for CBMs or sustainability in general, are sought to be demonstrated in order to support leaders in their decision-making processes. Table 5 and Table 6 provide a good overview of the important values and give good explanations of how such values are affected or may be promoted in the subsequent chapters.

All in all, it can be concluded that the list of cultural values in companies is extremely extensive and thus, it might be hard for companies to keep the overview. Anyway, changing organizational values is very hard, as they are mostly deeply rooted in corporate culture (Assink, 2006, p. 222; Linnenluecke et al., 2009, p. 448; Linnenluecke & Griffiths, 2010, p. 363). However, Table 5 shows culture-related factors that are promoting a transition towards CBMs and thus, companies can focus on these aspects. Further, the inhibitors of Table 6 should be always kept in mind and thus, organizations can aim to limit these factors or even eliminate them. Often companies are not able to recognize the values within the company and consequently, it is hard to identify the values to change as well (Cameron & Quinn, 2006, pp. 16–18; Linnenluecke & Griffiths, 2010, p. 359; Schein, 2004, pp. 36–37). This issue is addressed with this Master Thesis, as awareness is created and managers are pointed to the crucial values and factors. Furthermore, the meaning and role of those is explained and thus, leaders should be capable to implement the findings of this thesis. Within the scope of the empirical part, experts in this area were consulted and asked about drivers, promoting and inhibiting values, and the role of the leader. According to those practitioners of highly sustainable companies, social factors, the company itself, education and training, innovation, a role model function, and other factors, being symbolism, modernity, compliance, cooperation, and incentives can be promotive. Economic efficiency or financial aspects, fear and uncertainty, old thought patterns, stability and rigid structures or rules, and competition are seen as inhibiting factors by the interview partners. Furthermore, the corporate culture-related factors found in theory were evaluated by these experts, what can be seen in
Table 12 and Table 13. In the main, these aspects were supported and considered to be significant. In some cases, the interviewees disagreed individually, as such values were not positive or negative, or could be both in their opinion. Further, some values were just not present in their companies, but would have the expected effect according to the interviewees. Additionally, the role of the leader was estimated to be important by the interview partners.

In order to become competitive prospectively, past success ought to be neglected if circumstances have changed (Wiener, 2018, p. 56). Thus, future should be always considered and literature concludes that there is a transition towards a CE, as already mentioned before, and outlined in detail in chapter 1.1. Such a transition is realized by changing the current business model of the company to a sustainable or even circular one. Several authors provide models and suggestions how to best achieve change and innovation within a company, what is, in fact, done by changing the corporate culture. In this regard, Cameron and Quinn (2006, p. 11) explain that many change attempts of organizations are unsuccessful, even though instruments, methods, and change strategies are given, as the fundamental culture stays the same. The factors identified in this Master Thesis show which organizational values have to be changed and which are good for moving towards more sustainability, what is hard to detect, as such values are often unrecognized (Cameron & Quinn, 2006, pp. 148–149). Commonly, unrelated contexts and people from outside the organization bring changes of the business models, due to inhibiting internal values, as explained in the chapter of inhibiting corporate values (Assink, 2006, pp. 222–223). Further, Schaltegger et al. (2012, pp. 112–113) consider conflicts with existing business models, the underlying asset configurations, or a lack of clarity about the suitable model to be barriers for business model innovation. This can be referred to culture and values as well. When having a look on Table 11 and Table 12, where the interview partners evaluated the theoretical factors, it can be seen that theory is mainly supported throughout the interviewees. In this regard, entrepreneurship on the promotive side and group think and underlying assumptions on the inhibitive side are of special importance. Basically, the practitioners see these factors as important, with some adding that these aspects are already good in the highly sustainable companies but could be inhibiting. Consequently, the terms are considered to be neutral by some interviewees as well. Another reason for neutral valuing was the fact that employees do not notice entrepreneurship in the factory (B2) or the possible, but not necessary promotion of this factor. Furthermore, the inhibitive factor is labelled neutral, as it may be positive as well (A2).

In general, it was very hard for the interview partners to describe the promoting and inhibiting values within their companies. Furthermore, corporate culture was difficult to explain or put in words as well, as it is lived in the company and not written down. Nevertheless, all interviewees are experts in sustainability or corporate culture and thus, could explain the limitations and
advantages of the two connected topics. Another beneficial aspect of the conducted interviews was that all companies are very well developed in the area of sustainability. This can be seen by means of the stages of sustainability which are explained in detail in this work and evaluated by the interview partners. As it is shown in Figure 11, all interviewed persons consider their company to be sustainable, with being on stage 3 or higher. Consequently, the interview partners could give good examples and interesting inputs of how things are done within their company. Further, this may be of great importance for other companies seeking to become more sustainable and aiming for such a transformation. As cultural change is very hard, the outcome of this work and the interviews can be used as guidance.

8. 2 Limitations and Further Research

Some implications for research were already shortly mentioned within this Master Thesis. Especially Bertels et al. (2010) point to some fields that could be addressed in the future. As already explained, according to Mendoza et al. (2017), current literature is lacking to explain the transition towards CBMs. In the opinion of the authors, comprehensive frameworks supporting the realization of CE principles require further research (Mendoza et al., 2017, p. 527). Within the scope of the systematic literature review, it was revealed that mostly authors refer to sustainable business models when connecting organizational culture and business models. CBMs or CE are only rarely addressed in this regard. However, the conducted interviews showed that many of the interview partners consider their business model to be circular or at least containing some elements of circularity. This is why the implications, such as from Schaltegger et al. (2016, pp. 7–8), Maon et al. (2010, p. 21), Lüdeke-Freund (2009, p. 25), or Linnenluecke and Griffiths (2010, p. 364) should be put on the next level from sustainability to a CE. Consequently, the call of Mendoza et al. (2017) is supported by this Master Thesis and more research on CBMs and organizational culture is required. Especially, clear differentiation between business model types would result in more clarity amongst practitioners in this field.

Joining the point of Bertels et al. (2010, p. 9) that literature on embedding sustainability in organizational culture is very limited, leads to the following proposition of more comprehensive studies. In future research, guidance of how to successfully implement such targeted business models should be emphasized and step-by-step explanations need to be provided (Bertels et al., 2010, p. 9). This is a call especially for successful companies and practitioners in this field, to share their knowledge and progress and support companies of their network, as sustainable and stable partners are of great importance according to the interviewees. In this regard, Lüdeke-Freund and Dembek (2017, p. 1677) write about the connection and communication of business, government, and academia. They continue expressing their opinion, amongst other thoughts, by highlighting the importance of designing “concepts, tools, resources and authorities”, creating
“suitable platforms, such as on- and offline communities”, and establishing “strong research and practice communities” where knowledge and experience can be exchanged (Lüdeke-Freund & Dembek, 2017, p. 1677).

Furthermore, this study is very narrow, as it only comprises five companies from Upper Austria with two interviewees each. More comprehensive studies in different areas, industries, and countries with much more companies and interview partners are necessary for advancing business models within companies in the future. Other limitations of this Master Thesis can be found in terms of scope, resources, and time constraints, as a page limit was given and time was always a very important factor for the interview partners. Consequently, the interviews had to be held short. Moreover, many companies have no resources for students and thus, some rejections were received, due to a lack of capacity. Cooperation with research institutes or joint projects with organizations would allow more in-depth interviews and deeper collaboration with interviewees. In this way, the preferred culture, for example, could be included in this analysis as well, to make it more extensive. Following the suggestion of Bertels et al. (2010, p. 51), sustainable, as well as less sustainable, organizations need to be target of research in order to be able to compare them. In this context, successful companies are discussed in this Master Thesis, as it clearly points to the degree of sustainability of the organizations, what can be seen by means of the stages of sustainability explained in chapter 3.3. This is supported by the fact that only companies of the respACT platform were chosen as possible partners.

As the role of leaders was considered as highly important by all interviewees, Matinaro and Liu (2017, p. 3184) and Lüdeke-Freund and Dembek (2017, p. 1670), calling for future research on this topic, are clearly supported. However, leaders of companies following a CBM need to be studied in more detail to allow progress in this field. Here again, clarity is needed, as according to Bertels et al. (2010, p. 8), many leaders do not know how to embed sustainability in daily operations and practice, like it was already outlined.

Additionally, the interviews showed an interesting aspect for behavioral science that could be included in future research. As already shortly mentioned, all men used the term “important” for describing the role of the leader, whereas all women referred to a big role. The only exclusion here was Company E, as both interviewees in this company just answered with “yes” to the question of the researcher.
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Appendix

A – Interview Attachments (OCAI, Stages of sustainability, Theoretical Values)
B – Interview Guidelines
C – Cultural Profiles of Companies

The following two documents were necessary for the semi-structured interviews. The interview attachments consisting of the OCAI framework, a graph and detailed explanation of the stages of sustainability and the promoting and inhibiting values found in the SLR were sent to all interviewees in advance. Furthermore, in order to ensure a good quality of the interviews, the interview guidelines were sent to the interview partners beforehand and used during the interviews to guarantee a smooth operation as well. The third document included in the appendix consists of the five cultural profiles of the interviewed companies. These were created by the researcher on the basis of the results of the OCAI.
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**5-Stage Sustainability Journey**

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**Stufe 1:** Firma missachtet Wirtschafts-, Gesundheits- und Sicherheitsvorschriften und versucht nicht erwischts zu werden, wenn Gesetze gebrochen werden oder verwendet ausbeuterische Praktiken um das System zu umgehen. Diese Phase ist die Norm in korrupten Rechtsordnungen. Woanders ziehen intelligente Firmen schnell weiter zu Stufe 2 um Bußgelder/Strafen, Strafverfolgung und öffentliche Peinlichkeit zu vermeiden.


**Stufe 3:** Eine Firma zieht freiwillig zu Stufe 3 weiter, wenn sie realisiert, dass mit proaktiven operationalen Öko-Effizienzen Geld eingespart werden kann oder zumindest PR-Krisen vermieden und neue Vorschriften abgemindert werden können. Inkrementell „niedrig hängende Früchte“ werden mit Hilfe von Energieeinsparungen geerntet und gleichzeitig werden die assoziierte CO2-Bilanz, der Wasserverbrauch sowie der Materialverbrauch in Verpackungen und Produkten reduziert und Abfallkosten gespart.

**Stufe 4-5:** gleiches Verhalten – unterschiedliche Motivationen (4: ökonomische Vorteile; macht das Richtige, weil es gut für die Firma ist; Ziel: erfolgreiches Unternehmen --- 5: Leidenschaft, eigene Werte; macht das Richtige, weil es das Richtige zu tun ist, Ziel: zu einer besseren Welt beitragen)
5. **Purpose/Passion**  
(Zweck/Leidenschaft)  
Übereinstimmung mit den Werten des Gründer/CEO’s

4. **Integrated Strategy**  
(Integrierte Strategie)  
Verbesserung des Firmenwertes/-wohlstands

3. **Beyond Compliance**  
(Über die Einhaltung hinaus)  
Sparen anhand von Öko-Effizienz, Vermeidung von PR Krisen und des Risikos durch neue Regulierungen

2. **Compliance**  
(Einhaltung)  
Vermeidung von Bußgeldern/Strafen, Strafverfolgung und negativer PR

1. **Pre-Compliance**  
(Vor-Einhaltung)  
Missachtung von Vorschriften

**Werte aus der Theorie (bei nicht genannten nachfragen; Likert Skala): präsent/nicht präsent**

- Attraktivität als Arbeitgeber
  - sehr wichtig ☐ wichtig ☐ eher wichtig ☐ neutral ☐ eher unwichtig
  - unwichtig ☐ völlig unwichtig ☐

- Innovationsfähigkeit
  - sehr wichtig ☐ wichtig ☐ eher wichtig ☐ neutral ☐ eher unwichtig
  - unwichtig ☐ völlig unwichtig ☐

- Unternehmergeist (Personen von außerhalb des Unternehmens)
  - sehr wichtig ☐ wichtig ☐ eher wichtig ☐ neutral ☐ eher unwichtig
  - unwichtig ☐ völlig unwichtig ☐

- Flexibilität und Dezentralisierung
  - sehr wichtig ☐ wichtig ☐ eher wichtig ☐ neutral ☐ eher unwichtig
  - unwichtig ☐ völlig unwichtig ☐

- Fähigkeit zu lernen und zum Wandel
  - sehr wichtig ☐ wichtig ☐ eher wichtig ☐ neutral ☐ eher unwichtig
  - unwichtig ☐ völlig unwichtig ☐

- Kreativität
  - sehr wichtig ☐ wichtig ☐ eher wichtig ☐ neutral ☐ eher unwichtig
  - unwichtig ☐ völlig unwichtig ☐

**Werte aus der Theorie (bei nicht genannten nachfragen, Likert Skala): präsent/nicht präsent**

- Stabilität und Kontrolle
  - sehr wichtig ☐ wichtig ☐ eher wichtig ☐ neutral ☐ eher unwichtig
  - unwichtig ☐ völlig unwichtig ☐

- Routinenen und Erfolgsmuster
  - sehr wichtig ☐ wichtig ☐ eher wichtig ☐ neutral ☐ eher unwichtig
  - unwichtig ☐ völlig unwichtig ☐
• Unfähigkeit zu (ver-)lernen
  sehr wichtig □ wichtig □ eher wichtig □ neutral □ eher unwichtig
  □ unwichtig □ völlig unwichtig □
• Risikovermeidung, Angst und Unsicherheit
  sehr wichtig □ wichtig □ eher wichtig □ neutral □ eher unwichtig
  □ unwichtig □ völlig unwichtig □
• Fehlende Kreativität, Unfähigkeit zu motivieren (strenge Einhaltung von Regeln)
  sehr wichtig □ wichtig □ eher wichtig □ neutral □ eher unwichtig
  □ unwichtig □ völlig unwichtig □
• Gruppendenken, zugrundeliegende Werte (Personen von Außen)
  sehr wichtig □ wichtig □ eher wichtig □ neutral □ eher unwichtig
  □ unwichtig □ völlig unwichtig □
• Informationsmangel
  sehr wichtig □ wichtig □ eher wichtig □ neutral □ eher unwichtig
  □ unwichtig □ völlig unwichtig □
B – Interview Guidelines

Unternehmen: company
Datum: date of interview

Interviewleitfaden: (name of interviewee)

1. Einleitung
Erklärung + Ablauf, Fragen, Anonymität + Aufzeichnung

Nachhaltige Entwicklung erfüllt die Bedürfnisse der Gegenwart ohne die Fähigkeit zukünftiger
Generationen ihre Bedürfnisse zu erfüllen zu beeinträchtigen.
Wie würden Sie Nachhaltigkeit beschreiben oder stimmen Sie meiner Aussage zu?

Nachhaltiges Geschäftsmodell
Schaltegger et al. (2012):
Ein nachhaltiges Geschäftsmodell unterstützt freiwillige oder hauptsächlich freiwillige Aktivitäten,
die Sozial- und/oder Umweltprobleme lösen oder mildern. Somit erzeugt es positive
Geschäftseffekte, die gemessen oder wenigstens argumentiert werden können. Es wird aktiv
geführt um durch Integration von Sozial-, Umwelt- und Geschäftsaktivitäten Kunden- und
Sozialnutzen zu schaffen.
(Basieren ihr Verständnis auf einen Business Case for Sustainability)

Geschäftsmodell der Kreislaufwirtschaft: Die Logik wie eine Organisation Nutzen erzeugt,
erbringt und erfasst mit der Beabsichtigung und Gestaltung eines nachhaltigen
wirtschaftlichen Systems, das regenerativ oder wiederherstellend ist.

Würden Sie somit auch zustimmen, dass ihr Unternehmen ein nachhaltiges Geschäftsmodell
oder sogar ein Geschäftsmodell der Kreislaufwirtschaft verfolgt?
Falls nein: Können Sie ihr Geschäftsmodell in diesem Zusammenhang kurz beschreiben? (um
Geschäftsmodell mit Hilfe der vorhandenen Literatur einschätzen zu können)

a) Hintergrundinformation
Was ist Ihre Position im Unternehmen und wie lange sind Sie bereits im Unternehmen?
Bezeichnung der Position: ___________________________ Dauer: ________________

b) Stages of Sustainability (Stufen der Nachhaltigkeit)

2. Hinleitende Fragen
Was sind Ihrer Meinung nach die Antriebsfaktoren (Treiber) für Nachhaltigkeit in Ihrem Unternehmen? Was motiviert ein Unternehmen nachhaltig zu sein oder in einem weiteren Schritt sich Richtung Kreislaufwirtschaft zu bewegen? (zum Schritt Richtung Kreislaufwirtschaft)

   a) Kulturbezug (wenn Kultur nicht erwähnt oder darauf bezogen)
Wie wichtig ist die Unternehmenskultur in diesem Zusammenhang Ihrer Meinung nach?
☐ sehr wichtig ☐ wichtig ☐ eher wichtig ☐ neutral ☐ eher unwichtig ☐ unwichtig ☐ völlig unwichtig

   b) Weitere Gründe
Gibt es noch weitere Gründe für Nachhaltigkeit in Ihrem Unternehmen?

3. Hauptthema der Arbeit (Unternehmenskultur und Nachhaltigkeit):
   a) Welche (kulturellen) Werte sind in Ihrem Unternehmen present und fördern Nachhaltigkeit?

   b) Was würde es noch brauchen um nachhaltiger zu werden? Welche kulturellen Werte wären noch förderlich?

   (zur Unterstützung werden noch Werte aus der Theorie vorgelegt, diese wurden aber in Ihrer Version noch nicht genannt um Sie nicht zu beeinflussen) → in Firmenversion

Werte aus der Theorie (bei nicht genannten nachfragen; Likert Skala): present/nicht present

- Attraktivität als Arbeitgeber
- Innovationsfähigkeit
- Unternehmergeist (Personen von außerhalb des Unternehmens)
- Flexibilität und Dezentralisierung
- Fähigkeit zu lernen und zum Wandel
- Kreativität

   c) Welche (kulturellen) in Ihrem Unternehmen vorhandenen Werte **hindern** Nachhaltigkeit?
Werte aus der Theorie (bei nicht genannten nachfragen, Likert Skala): present/nicht present

- Stabilität und Kontrolle
- Routinen und Erfolgsmuster
- Unfähigkeit zu (ver-)lernen
- Risikovermeidung, Angst und Unsicherheit
- Fehlende Kreativität, Unfähigkeit zu motivieren (strenge Einhaltung von Regeln)
- Gruppendenken, zugrundeliegende Werte (Personen von Außen)
- Fehlende Information

4. **Rolle der Führungskraft**
   a. Welche Rolle spielt die Führungskraft im Zusammenhang mit Nachhaltigkeit?

   b. Welche persönlichen Werte sind hier förderlich in Ihrem Unternehmen?

   c. Welche Werte der Führungskraft hindern hier Nachhaltigkeit?

5. **Unternehmenskultur**


6. **Abschluss:**
   a) Wir sind bereits am Ende des Interviews angelangt. Wollen Sie noch irgendetwas hinzufügen oder sind Sie der Meinung, dass noch etwas unerwähnt blieb?

   b) Vielen Dank für Ihre Einschätzungen und die Möglichkeit das Interview bei Ihnen abzuhalten. Danke, dass Sie sich Zeit genommen haben.
Definitions

Englische Definitionen:

The Brundtland Report World Commission on Environment and Development (1987, p. 54) defines sustainable development (which is in fact sustainability) as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

Schaltegger et al. (2012, 112):
“Based on the understanding of a business case for sustainability, a business model for sustainability can be defined as supporting voluntary, or mainly voluntary, activities which solve or moderate social and/or environmental problems. By doing so, it creates positive business effects which can be measured or at least argued for. A business model for sustainability is actively managed in order to create customer and social value by integrating social, environmental, and business activities.”

“A circular business model is the rationale of how an organization creates, delivers and captures value by intending and designing a sustainable economic system that is restorative or regenerative.”
C – Cultural Profiles of Companies

Company A

Company B

Company C

Company D