Learning from Positive Impact Organizations: A Framework for Strategic Innovation

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Abstract: In view of the significant global challenges, this article analyzes and suggests pragmatic solutions for organizations to transform from sustainability risk management to creating a positive impact. Positive impact is defined by products and services that are created with the purpose of solving societal problems. It reflects the shift from reducing an organization’s negative footprint to achieving a significant net positive impact on society and the planet. This article shows that such a mindset shift is observed on the level of the leadership and the organization. This explorative, case-based research validates the Dyllick–Muff BST typology and identifies strategic differentiators of Positive Impact Organizations, including their governance, culture, external validation, and a higher purpose reflected in their products and services. This research is translated into two tools for practitioners: the Strategic Innovation Canvas (SIC) and the Positive Impact Framework (PIF). The SIC serves as a quick assessment for organizations to get started. It consists of eight action dimensions: (1) sustainability in the organization, (2) transparency and board support, (3) leadership perspective, (4) targets and incentives, (5) societal stakeholders, (6) triple value reporting, (7) market framing, and (8) products and services. The PIF offers step-by-step guidance during the organizational transformation. The article sketches a new field of research for both scholars and practitioners in organizational transformation towards positive impacts. It bridges business sustainability and strategy through an innovation approach. By recognizing the importance of the underlying mindset shifts, it connects the fields of organizational and personal development.

Keywords: SDGs; sustainability; strategy; stakeholders; sustainability leadership; transformation; organizational change; mindset; positive impact

1. Introduction

Global issues, such as the climate crisis, have changed the context for business in an important way [1]. Since the 2012 Rio Conference, it has become clear that business holds a responsibility for ensuring that we can live in a world worth living in [2]. “In a world of 9 billion people all aspiring to Western lifestyles, the carbon intensity of every dollar of output must be at least 130 times lower in 2050 than it is today” [3]. The United Nations Global Compact (UNGC) considers the 2020s a “decade of action” towards achieving the global goals defined in the Agenda 2030 [4]. Therefore, a significant business challenge in the coming decade can be defined as follows: How can organizations not only reduce their negative footprints, but also create a positive impact on society and the planet? Purpose-oriented business membership organizations, such as the UNGC, the World Business Council for Sustainable Development (WBSCD), and the World Economic Forum (WEF), are attempting to orchestrate responses to this question. Since their inception in 2015, the Sustainable Development Goals (SDGs) have been embraced by large business organizations around the world, at least in their policies and communications. A challenge remains in scaling their efforts to create the necessary positive change by 2030 and 2050.

There is an increasing awareness that a successful integration of the SDGs into business is dependent on the perspectives that CEOs hold regarding the roles of their businesses...
in society [5]. At the event of its 20th anniversary in June 2020, in collaboration with the executive search firm Russell Reynolds, the UNGC introduced a report on the “Leadership for the Decade of Action”, which presented the characteristics of sustainable business leaders. The report concluded that there are two critical questions for executive and non-executive leadership teams: “(1) Do our leaders have a sustainable mindset and leadership attributes? (2) Does our leadership culture actively prize sustainability as imperative for the long-term viability and success of the organization?” [6]. The emerging importance of the sustainability mindset and the leadership culture points out the challenge in addressing the SDGs or global challenges as strategic focus areas of businesses.

This challenge can be unpacked by exploring two issues. The first issue relates to the connection between the organization and society, or between the micro-level and macro-level perspectives. The second issue concerns the dominant stance taken at the organizational level regarding the role of sustainability. The currently dominant stance favors short-term benefits for shareholders, and this is in contradiction to the creation of value for stakeholders, society, and the planet at large. These two issues are interconnected, as the following review shall unveil. Topics such as the need for a circular economy highlight the connection between the macro- and micro-level perspectives, with business being challenged to respond to macro-level challenges. The need for a mindset shift hence relates not only to the individual level, but also to the organizational level [7].

Regarding the first issue, there is a disconnect between the increase in the sustainability activities of organizations and the deteriorating state of the world. This disconnect seems to stem from a limited understanding of the meaning of corporate sustainability—or the right mindset—at the micro-level [8]. Considering the stages of development of corporate sustainability, a review of 22 micro- and macro-level models by Landrum [9] suggested that part of the reason can lie in the fact that an organization does not embrace a stance of “strong sustainability.” A strong sustainability worldview maintains that one aspect of sustainability cannot be sacrificed for another. In other words, focusing on the economic wellbeing of the organization cannot happen at the expense of the environment or society. An alternative worldview of weak sustainability posits that one dimension can be enhanced at the expense of another. Landrum’s integrated model offers a conceptual response to this: Businesses must broaden their purposes and their value creation in such a way to embrace a stance of strong sustainability, thereby contributing to economic, social, and environmental value [9]. This provides an important framing of the proactive and voluntary engagement of many pioneering sustainable organizations.

Unpacking the organizational stance identified in the second issue includes reviewing models of various stages for the integration of sustainability into organizations. The six-phase model of organizational transformation from unsustainable to sustainable organizations by Dunphy, Griffiths, and Benn [10] divides business-as-usual organizations into the two stages of rejection and non-response, early sustainable organizations into the two stages of compliance and efficiency, and advanced sustainable organizations into the stages of proactivity and sustainable organizations. A systematic review of the body of knowledge on the topic of innovating for sustainability by Adams et al. [11] presented three levels of action. The first involved starting with a focus on operational optimization. The second involved shifting to organizational transformation. The third involved embracing the challenge of system building. Practitioner models, on the other hand, tend to conceptual approaches, focusing pragmatically on where an organization currently is to where it would like to be. They miss the underlying operational stance highlighted in conceptual models. As such, the UNGC together with the WBCSD and the Global Reporting Initiative (GRI) launched the SDG Compass (https://sdgcompass.org/ (accessed on 21 July 2021) in 2015, followed by the SDG Action Manager (https://www.unglobalcompact.org/take-action/sdg-action-manager (accessed on 21 July 2021) in collaboration with B-Lab in 2020, which represent useful, but limited approaches of organizational transformation.

Organizational progress which is detached from the macro perspective does not sufficiently contribute to the creation of a more sustainable and just world. Such a perspective
is simply not on the radar. In our own conceptual work, we developed a business sustainability typology (BST) that addresses this challenge by offering a clear differentiation between green-washing and what we coined “true business sustainability” [12]. The typology includes three sustainability types. Business Sustainability 1.0 (BST 1.0) consists of a “refined shareholder value management” where economic objectives are the clear priority for an organization and sustainability initiatives aim to save cost and reduce related risks. It represents an initial step of organizations towards sustainability and consists of seeking a business case for sustainability based on a defensive risk perspective. Business Sustainability 2.0 (BST 2.0) represents a broader organizational perspective oriented towards “managing for the triple bottom line”. It represents a mature sustainability risk management approach whereby an organization focuses mostly on reducing its negative operational footprint. Business Sustainability 3.0 (BST 3.0) reflects a shift from “inside-out” to “outside-in” thinking implying that an organization considers society and its problems as opportunities to develop new products, services and often new business models. This shift is called “true business sustainability” and includes moving from reducing negative impacts to creating positive impacts on society and the planet. In this article, BST 2.0 and 3.0 organizations are called “Positive Impact Organizations” (PIOs), honoring that large corporations can add positive value by reducing their significant negative footprint (BST 2.0), while smaller organizations have an opportunity to focus directly on creating positive impact (BST 3.0).

The challenge aspiring PIOs face is how to implement deep change that enables them to positively contribute to society, while ensuring the long-term well-being of their own organization. This article addresses the internal transformational challenges necessary for dealing with external sustainability problems. It builds on the pro-active thinking of the sustainability mindset that is emerging in practice and presumes the value of a broader role for business in society as a given. The article focuses on identifying pioneering PIOs and seeks to translate insights gained into an actionable approach for organizations and their leaders. The question that drives this article is: “What is needed so that leaders transform their organizations into engines of positive change for society and the planet?” To answer this question, case studies of 13 advanced sustainability firms are analyzed to understand their internal transformation process and challenges.

Research presented in this article consists of an exploratory, case-based, mixed-methods empirical study. Insights from the literature review outline the strategic differentiators of PIOs, which serve as a foundation for the practice-based case studies [13]. A quantitative cultural survey conducted among internal and external stakeholders at these case study organizations seeks to validate the BST typology of Dyllick-Muff [12] and provides a new insight into the predictors of success when implementing a positive impact strategy. The case studies highlight particular action dimensions to achieve a positive impact, summarized in the Strategic Innovation Canvas and the Positive Impact Framework.

The major contribution of this article is three-fold. First, two predictors of success provide a better understanding of the critical mindset shifts required to create true positive value for society and the world. Second, the Strategic Innovation Canvas introduces eight action dimensions, a practical approach for organizations to become positive impact contributors. Third, the Positive Impact Framework enables organizations to assess where they are in each of the eight action dimensions and where to focus on next in their strategic innovation process.

The article continues with four sections as follows. Section 2 considers the differences of Positive Impact Organizations versus traditional firms in a focused literature review. Section 3 outlines the explorative case-based, mixed-methods approach of the empirical study. Section 4 develops the mindset and practices of Positive Impact Organizations. Section 5 presents conclusions, limitations, and suggestions for further research.
2. Differentiating Sustainability Organizations from Traditional Firms

This section provides a focused literature review across multiple disciplines as the foundation of this explorative article, bearing testimony to the development of this emerging new field. It starts with Bob Eccles’ seminal work in sustainable finance. He and his colleagues conducted empirical studies early-on, highlighting how sustainable firms outperform traditional firms in the long-term. Eccles grouped the differentiators into governance structure, long-term horizon, measuring and disclosure, and stakeholder engagement [14]. He connected the long-term financial performance to the importance of organizational culture, which is broadened here to include sustainability culture, responsible leadership and corporate purpose. These additional insights contributed to clarify the four differentiators of Positive Impact Organizations (PIOs).

Framing the review requires differentiating advanced sustainability organizations from traditional firms. The concept of PIOs builds on the business sustainability typology (BST), which distinguishes between an “early sustainability” business, an “advanced sustainability” business, and a “true sustainability” business [12]. Connecting the operational priorities (micro perspective) with the larger concerns and issues in the society and natural environment (macro perspective) is critical when discussing how an organization can become more sustainable. The underlying broader perspective is reflected in how the definition of business sustainability has evolved in the past two decades:

- **SAM and PWC in 2006:** “Corporate sustainability is an approach to business that creates shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments.” [15].
- **The Network for Business Sustainability (NBS) in 2012:** “Business sustainability is often defined as managing the triple bottom line—a process by which firms manage their financial, social and environmental risks, obligations and opportunities. These three impacts are sometimes referred to as people, planet and profits.” [16].
- **Dyllick and Muff in 2016:** “Truly sustainable business shifts its perspective from seeking to minimize its negative impacts to understanding how it can create a significant positive impact in critical and relevant areas for society and the planet. A Business Sustainability 3.0 firm looks first at the external environment within which it operates and it then asks itself what it can do to help resolve critical challenges that demand the resources and competencies it has at its disposal.” [12].

The business sustainability typology reflects these statements as a way to express the spirit of the three types of business sustainability. The SAM and PWC definition express the spirit of early sustainability (BST 1.0), the NBS definition reflects advanced sustainability (BST 2.0), and our own definition suggests a spirit of true sustainability (BST 3.0). The insights from the literature review, which are summarized in four strategic differentiators, are considered from this framework of three sustainability types. These differentiators are: governance alignment, sustainability culture, external validation, and higher purpose, as outlined in detail below.

2.1. Governance Alignment

For too long, investors have believed that sustainability is only a further cost with limited benefits at best. The tide is turning and sustainable investing is becoming mainstream in the investment world. Shareholders, while clear in their demands on prioritizing returns, have understood that managing sustainability risks and opportunities forms an integral part of good business practices, that also protects their best interest, both in the short and long-term [14].

There is evidence that suggests that advanced and truly sustainable organizations attract new sources of funding with a longer-term perspective and with funders potentially open to consider a value distribution beyond profit. Under its former CEO Paul Polman, Unilever has managed to shift its investor base from transient to longer-term investors. This was achieved by announcing such a long-term focus to their shareholders and by stopping to provide quarterly guidance to analysts. This shift to long-term investors has enabled the
company to consider investments with a longer-term perspective, which is critical when considering sustainability-related innovations [17]. Mackey and Sissodia point out that stakeholder integration offers access not only to patient and purposeful investors, but also to loyal and trusting customers, to passionate and inspired team members, collaborative and innovative suppliers, as well as to flourishing and welcoming communities [18].

The linchpin between a longer-term investor intention and an effective integration of sustainability in an organization is governance. A transparent governance is a factor for sustainable organizations to outperform others in the long-run [14]. There is mounting concern in practice about the importance such a longer-term perspective represents in the board, and the degree to which the board composition may hinder a sustainability orientation in strategic decisions. A lack of such representation in the board is connected to a lack of transparency and a limited priority of sustainability roles in the organization.

Reporting transparency is a key indicator of governance and relates to the measuring and reporting of sustainability. Advanced sustainability organizations set tangible measurement criteria that are collected in the context of an objective, third-party audit, and are also transparently communicated in the external reporting [19].

Although these insights are clear, the challenge lies in the implementation. When an organization can count on a board that understands the value of a longer-term perspective and a transparent business conduct often found in purpose-oriented investors, progress in the other positive impact differentiators is easier to achieve.

2.2. Sustainability Culture

“Organizations with strong cultures of sustainability strive to support a healthy environment and improve the lives of others while continuing to operate successfully over the longer term” according to Bertels, Papania, and Papania in their systematic review of the body of knowledge [20]. The culture of sustainable organizations can be clearly differentiated from traditional firms. Employees of sustainable organizations value learning new things about sustainability from the outside, report an ease of communication and work across departments, are effective in conflict resolution, and are rewarded for innovation [21]. They also consider their leaders as capable of inspiring, collaborate well across boundaries, and engage internal stakeholders in their sustainability efforts. Employees of sustainable organizations feel much more valued by their organization than those in traditional firms. Equally important is the significant difference in how employees of sustainable organizations judge the ability to change, stating that their organization has a strong record of implementing large-scale change successfully [21]. Further research underlines that implementing large-scale change successfully requires a more sustainable corporate culture [22].

Research also suggests that culture typically underpins purpose [23]. Interviews with CEO and presidents of sustainable organizations confirm that such organizations have different leadership mindsets than traditional firms [24]. The intentions of leaders can be differentiated into four leadership types: the “traditional economist”, focusing on maximizing short-term profits; the “opportunity seeker”, who sees a clear business case for sustainability; the “integrator”, who is able to reconcile profit and purpose; and the “idealist”, who creates social and environment value and feels responsible towards stakeholders in need. Sustainability pioneers, such as Interface, Patagonia, Timberland, Unilever, and Novo Nordisk, have integrators or idealists as CEOs [24].

Compensation schemes of early sustainability organizations show signs of defining and rewarding performance beyond the narrow financial and economic indicators of traditional firms. Ultimately, incentive systems for executives of advanced sustainability organizations are balanced across their economic, environmental, and social performance, with indicators derived from the firm’s purpose. Sustainable organizations are more advanced in adopting such sustainability policies than traditional firms (50% vs. 10%), with much room for improvement for even the best [14]. These examples highlight the differences of culture and leadership and how they impact an organization.
2.3. External Validation

Stakeholder engagement is a critical success factor of sustainability organizations. They typically integrate external and internal stakeholders in pertinent decision processes [14]. This integration is a reflection on the role the organization takes in the larger societal context. True sustainability organizations consider themselves as a societal stakeholder among others, rather than placing themselves in the center and seeing their direct traditional stakeholders as their external universe they engage with. An indication for such an engagement is the degree to which an organization is perceived to communicate their sustainability commitment to external stakeholders [22]. Such an approach is different from traditional firms. They engage in an isolated stakeholder engagement event, which is assessed in terms of perception before, during, and after the event [14]. A superior engagement model includes a basis of mutual trust, cooperation, and a longer-term horizon in relating to external and internal stakeholders.

The culture of an organization influences the degree to which an organization is open to a strong engagement with external stakeholders [25]. Flexible, externally-focused organizations are better equipped to implement positive impact strategies, than internally-focused, stable organizations. A stable, internally-focused organization is likely to prove less successful with the related ambiguity than a flexible, externally-focused organization. It may, therefore, be less capable to engage meaningfully with external stakeholders [25]. The extent to which an organization is able to create new stories of engagement with external stakeholders can result in a shift in the openness of leaders and employees to work beyond traditional boundaries.

Let us consider the Swiss caterer SV Group, which transformed itself to become a true sustainability organization. It has achieved this transformation to a significant degree thanks to its courageous and highly successful collaboration with WWF Switzerland. The two unlikely partners together developed an innovative “ONE-TWO-WE” food concept that significantly reduces the CO2 footprint of their food offering. The organization has managed to achieve its goals of creating value to a broader stakeholder basis, including the environment. Reporting about their achievements is what we call “triple value reporting”. Traditional firms use basic mandatory reporting, while sustainability firms commit to a voluntary ESG reporting. Although, today, 93% of the top 250 global companies issue a sustainability report, the contents vary significantly in terms of transparency and relevance to both geographic and sector-specific sustainability priorities [19]. The external validation of an organization by societal stakeholders, such as civil society is a good indicator of how successful the organization is in assuming its broader role as a societal stakeholder.

2.4. Higher Purpose

The purpose-hype of the past decade is a reflection on a changing mindset of leaders and the pressure of societal actors. This re-orientation of purpose has brought a debate about the role of the organization in society and has resulted in new organizational forms such as the benefit corporation (B-Corp). However, what is purpose? “Purpose is an explicitly stated vision and authentic belief that defines the value that the company seeks to create for itself and society, directs the key business decisions in the way value is created, aligns everyone in the business towards a common goal, guides how the company engages its stakeholders, and provides the organization with courage to foster positive change.” At its core, purpose is the deepest expression of a company’s ability to make the world better with its business solutions [23]. Ultimately, a higher purpose of an organization is measured by the service its products and services provide to society [26].

Pioneering sustainability organizations have adapted an “outside-in” perspective, focusing on the trillion-dollar business opportunities the SDGs have been quantified as [27]. Institutional investor service providers are integrating this “outside-in” perspective in their traditional environmental, social, and governance (ESG) reporting standards. Pioneers such as ISS-oekom or Standard & Poor’s Trucost are introducing separate SDG reports. These SDG reports seek to measure the positive and negative impact of an organization’s
products and services on the SDGs, providing, first, systematic attempts of measuring such impacts. These are signs that measuring organizations for their positive and negative impact on society is becoming more mainstream [28].

Organizations with a societal purpose at their heart can be measured by the degree to which such a purpose influences their investment choices and growth ambitions, their strategic decisions and value proposition, their organizational capabilities, and the agenda of the leadership team [29]. These are measuring points of the transformation process and highlight the interdependence of a higher purpose and the other positive impact differentiators.

In essence, a higher purpose of an organization by itself is an important condition and enabler for change. Its concrete integration can be measured by assessing to what degree the organization’s products and services harm or contribute the challenges of society and the environment. Such an assessment may become a standard measurement of investors and civil society alike.

The four strategic differentiators of advanced and true sustainability organizations as identified in the strands of research are summarized in Figure 1. In an attempt to circumvent the negative connotation of the term “sustainability” certain practitioners hold I call the advanced and true sustainability organizations commonly “Positive Impact Organizations” (PIOs). These differentiators are used as a conceptual foundation for the analysis of the transformational strategies employed by the case study organizations.

![Figure 1. The strategic differentiators of Positive Impact Organizations.](image)

3. The Research Methodology

The article consists of an explorative, case-based, mixed-methods empirical research. The research was undertaken to learn more about good practices of Positive Impact Organizations (PIOs) across different geographies and industries. It builds on the following conceptual foundations:

(a) The suggestion of the required mindset shift from “inside-out” to “outside-in” so that an organization can become truly sustainable and hence create a positive impact;

(b) The business sustainability typology (BST) which serve to determine the progressive steps in transforming from an early to advanced to true sustainability organization type;

(c) The four identified strategic differentiators of Section 2 which serve as a basis for the Strategic Innovation Canvas.
3.1. Selecting the Case Study Organizations

In the context of a doctoral program at Business School Lausanne, seven students purposively selected and conducted in-depth case studies of advanced sustainability organizations following the BST typology. The supervision of their work was assumed by the authors of the typology, synchronizing and harmonizing the assessment with other involved faculty over a five-year process. The seven doctoral students conducted their case study research as a part of their doctoral study requirements in the period between 2013 to 2018. The 13 case studies were purposively sampled and analyzed using the Yin case study methodology [30,31] to select, analyze, and compare the different case studies.

The organizations were purposively selected based on fitting the BST criteria within the geographic reach of students. For this, each student developed a longlist of potential organizations in their geographic region, which met the BST 2.0 or 3.0 standard according to their initial analysis based on publicly available data (i.e., evidence obtained through company website, annual reports, sustainability reports, and press material). This longlist was narrowed by checking for further advanced sustainability evidence by assessing which of these organizations had obtained a third-party sustainability recognition (i.e., from organizations such as WWF, Corporate Knights, etc.). Thereafter, the access to the company was verified using school, faculty, and student contacts to the companies. The shortlisted organizations were subsequently screened by a doctoral faculty panel led by the BST authors. The business school helped ensure access to the organizations by offering them inclusion in a bi-annual sustainability award process, which would be based on a full-fledged company assessment that resulted from the case study analysis. Two faculty members (excluding the author) subsequently supervised the case study analysis and writing of these doctoral students and helped secure the sign-off for publication of the organizations. The approved final list of case studies is shown in Table 1.

Table 1. Overview of the sustainability case companies (compiled between 2013 and 2018).

|   | Company               | Country | Author      | BST Type | Year Founded | Ownership | Size  | Industry        |
|---|-----------------------|---------|-------------|----------|--------------|-----------|-------|-----------------|
| 1 | Alternative Bank      | Switzerland | F. Narbel    | 3.0      | 1990         | Not listed | small | Services        |
| 2 | Beechenhill Farm Hotel| UK      | G. Hashmi   | 2.0      | 1984         | Not listed | small | Services        |
| 3 | Blue Orchard          | Switzerland | H. Oguine   | 3.0      | 2001         | Not listed | small | Services        |
| 4 | Dynamic Sportswear    | Pakistan | S. Gull     | 1.0      | 1992         | Not listed | large | manufact.      |
| 5 | ICI Pakistan          | Pakistan | N. Burkhari | 1.0      | 1944         | Listed    | large | manufact.      |
| 6 | Intercos              | Italy    | F. Luca     | 1.0      | 1972         | Listed    | large | manufact.      |
| 7 | Interloop Ltd.        | Pakistan | S. Gull     | 2.0      | 1992         | Unlisted  | large | manufact.      |
| 8 | Lancaster London Hotel| UK      | G. Hashmi   | 3.0      | 1967         | Not listed | small | Services        |
| 9 | Merkur Andelskasse    | Denmark  | F. Narbel   | 3.0      | 1982         | Not listed | small | Services        |
| 10 | Meso Impact Finance   | Luxembourg | H. Oguine  | 3.0      | 2012         | Not listed | small | Services        |
| 11 | Pebbles Pvt           | Pakistan | N. Burkhari | 3.0      | 2008         | Not listed | large | manufact.      |
| 12 | Procter & Gamble      | US       | F. Luca     | 1.0      | 1837         | Listed    | large | manufact.      |
| 13 | Rhomberg              | Austria  | U. von Arx  | 3.0      | 1886         | Not listed | small | manufact.      |
The multi-method approach combining quantitative and qualitative methods with, at its core, an empirical study of the organizational culture and structure served to identify the different pathways to achieving true business sustainability for creating positive impact. The research approach can be summarized as follows (Table 2).

| Foundations | Research | Output |
|-------------|----------|--------|
| Mindset shift inside-out to outside-in | Quantitative stakeholder survey across case study companies | The two predictors of success related to the two identified mindset shifts |
| Business Sustainability Typology | Qualitative and comparative case study analysis | The Positive Impact Framework |
| The four strategic differentiators of PIOs | Model simplification with practice testing | The Strategic Innovation Canvas |

3.2. Quantitative Stakeholder Survey across Case Study Organizations

The quantitative sustainability culture survey (SCALA) developed by Miller Consulting was used to validate the BST typology [22]. The survey has been used for more than 15 years in a large global setting and has generated important insights on how to increase an organization’s sustainability culture [21].

Logistical regression analysis (Special thanks to Meredith Wells Lepley of the University of California for her support) was used to validate the BST types using the six indices generated by the underlying 28 SCALA survey questions (see Appendix A). It also served to determine which, if any, questions in the survey were significant predictors of the BST types (early, advanced, and truly sustainable). The regression analysis considered data from two groups of employees and managers, those belonging to early-stage sustainable organizations (BST 1.0) and those belonging to truly sustainable organizations (BST 3.0), adding up to a total of 950 participants across these organizations. The sustainability rating (BST 1.0 and 3.0) was used as the dependent variable in all regressions. The survey questions relate to six indices as follows: leadership, organizational systems, cultural climate, organizational change, internal stakeholders, and external stakeholders, and are coded on a five-point scale from 1 = strongly agree to 5 = strongly disagree, thus low scores indicate higher levels of agreement.

First, the reliability of the indices was tested and ensured (all Cronbach’s alpha were well above the acceptance level of 0.70, ranging from 0.803 to 0.954, as outlined in Appendix A featuring all survey questions and indices). The six indices are highly correlated at $p = 0.000$ and the results are statistically significant in predicting the sustainability type (early, advanced, and truly sustainable). See Table 3.

Second, a logistic regression was run on each of the six indices to determine whether each was a significant predictor of the BST types. These results indicated that each index was independently a significant predictor: leadership ($\beta = -1.336, \text{S.E.} = 0.156, \text{Wald} = 72.97, p < 0.001$), systems ($\beta = -1.090, \text{S.E.} = 0.153, \text{Wald} = 50.54, p < 0.001$), climate ($\beta = -0.726, \text{S.E.} = 0.141, \text{Wald} = 26.41, p < 0.001$), change ($\beta = -0.537, \text{S.E.} = 0.138, \text{Wald} = 15.21, p < 0.001$), internal stakeholders ($\beta = -0.972, \text{S.E.} = 0.129, \text{Wald} = 56.37, p < 0.001$), and external stakeholders ($\beta = -1.245, \text{S.E.} = 0.148, \text{Wald} = 70.67, p < 0.001$).

Next, a logistic regression was run with all of the indices collectively to determine which were significant predictors when all were included. The results indicated that the model including all six indices had a Cox and Snell R Squared of 0.16, and four of the six indices were significant predictors: leadership ($\beta = -1.871, \text{S.E.} = 0.303, \text{Wald} = 38.02, p < 0.001$), external stakeholders ($\beta = -1.249, \text{S.E.} = 0.295, \text{Wald} = 17.96, p < 0.001$), change ($\beta = 0.788, \text{S.E.} = 0.257, \text{Wald} = 9.37, p < 0.005$), and climate ($\beta = 0.925, \text{S.E.} = 0.323, \text{Wald} = 8.19, p < 0.005$).
Table 3. Correlations between the six indices of the survey.

| Correlations          | Leadership Index | Systems Index | Climate Index | Change Index | Internal Stake-Holder Index |
|-----------------------|------------------|---------------|---------------|--------------|-----------------------------|
| LEADERSHIP INDEX      | Pearson Correlation | 0.824 **      |               |              |                             |
|                       | Sig. (2-tailed)   | 0.000         |               |              |                             |
|                       | N                 | 849           |               |              |                             |
| SYSTEMS INDEX         | Pearson Correlation | 0.746 **      | 0.713 **      |              |                             |
|                       | Sig. (2-tailed)   | 0.000         | 0.000         |              |                             |
|                       | N                 | 850           | 944           |              |                             |
| CLIMATE INDEX         | Pearson Correlation | 0.667 **      | 0.641 **      | 0.718 **     |                             |
|                       | Sig. (2-tailed)   | 0.000         | 0.000         | 0.000        |                             |
|                       | N                 | 845           | 938           | 939          |                             |
| CHANGE INDEX          | Pearson Correlation | 0.817 **      | 0.801 **      | 0.765 **     | 0.682 **                    |
|                       | Sig. (2-tailed)   | 0.000         | 0.000         | 0.000        | 0.000                       |
|                       | N                 | 842           | 935           | 936          | 936                         |
| INTERNAL STAKEHOLDER INDEX | Pearson Correlation | 0.802 **      | 0.802 **      | 0.714 **     | 0.684 ** 0.824 **          |
|                       | Sig. (2-tailed)   | 0.000         | 0.000         | 0.000        | 0.000 0.000                 |
|                       | N                 | 836           | 834           | 835          | 836 836                     |

**, Correlation is significant at the 0.01 level (2-tailed).

Although all four indices were significant, leadership and external stakeholders were the most predictive as indicated by their higher beta coefficients and lower p values (Sig) in Table 4. When the regression was run again with only the four significant predictors, the R Squared was 0.151, indicating that the two excluded indices, systems and internal stakeholders, had contributed very little to predicting the BST types. Some of the variables in climate, change, and systems resulted in controversial statements with participants not linking a positive change to certain variables, resulting in reversed results. Focusing on the most significant, clear predictors of true sustainability, the leadership and external stakeholders indices with the indicated survey questions (variables) emerge as truly significant factors. This is insightful for organizations that seek to transform to create the kind of positive impact of truly sustainable organizations.

Table 4. Results of regression analysis of six index areas resulting in four predictors, two of which are most predictive.

| Logistical Regression Analysis of Indices | B     | S.E. | Wald  | df  | Sig. |
|-----------------------------------------|-------|------|-------|-----|------|
| The Variables Entered:                  |       |      |       |     |      |
| LEADERSHIP INDEX *                      | -1.871| 0.303| 38.021| 1   | 0.000|
| EXT. STAKEHOLDER INDEX *               | -1.249| 0.295| 17.958| 1   | 0.000|
| INTERNAL STAKE INDEX                   | -0.171| 0.295| 0.334 | 1   | 0.564|
| CLIMATE INDEX                          | 0.925 | 0.323| 8.190 | 1   | 0.004|
| CHANGE INDEX                           | 0.788 | 0.257| 9.369 | 1   | 0.002|
| SYSTEMS INDEX                          | 0.430 | 0.316| 1.854 | 1   | 0.173|
| Constant                                | 0.862 | 0.374| 5.317 | 1   | 0.021|

* = statistically relevant.
The next set of regression analyses examined the specific survey questions in each of the four significant indices to determine which items were most predictive of sustainability rating. Among the eight leadership variables, the Cox and Snell R Squared for the model was 0.152, and the significant predictors of true sustainability were Leaders integrate sustainability into their decision making ($\beta = -0.919$, S.E. = 0.262, Wald = 12.34, $p < 0.001$), being willing to take measured risks in pursuit of sustainability ($\beta = -0.688$, S.E. = 0.197, Wald = 11.54, $p < 0.005$), having a clear vision for sustainability ($\beta = -0.588$, S.E. = 0.257, Wald = 5.24, $p < 0.05$), and are able to inspire others about sustainability focused issues and initiatives ($\beta = -0.574$, S.E. = 0.242, Wald = 5.64, $p < 0.05$), see Table 5.

### Table 5. Results of regression analysis of the leadership index of which four variables are significant predictors.

| Leadership Variables in the Equation | B     | S.E.  | Wald  | df   | Sig. |
|-------------------------------------|-------|-------|-------|------|------|
| The leaders of this company integrate sustainability into their decision-making. * | $-0.919$ | 0.262 | 12.342 | 1    | 0.000 |
| The leaders of this company are willing to take measured risks in pursuit of sustainability. * | $-0.668$ | 0.197 | 11.541 | 1    | 0.001 |
| The leaders of this company have a clear vision for sustainability. * | $-0.588$ | 0.257 | 5.248  | 1    | 0.022 |
| The leaders of this company are able to inspire others about sustainability-focused issues and initiatives * | $-0.574$ | 0.242 | 5.640  | 1    | 0.018 |
| The leaders of this company have a clear business case for pursuing the goals of sustainability. | $-0.069$ | 0.252 | 0.075  | 1    | 0.784 |
| The leaders of this company take a long-term view when making decisions. | $-0.052$ | 0.206 | 0.065  | 1    | 0.799 |
| The leaders of this company are knowledgeable of the issues pertaining to sustainability. | $-0.336$ | 0.243 | 1.905  | 1    | 0.168 |
| The leaders of this company are personally committed to issues pertaining to sustainability. | $-0.219$ | 0.250 | 0.764  | 1    | 0.382 |
| Constant | 1.054 | 0.345 | 9.332  | 1    | 0.002 |

* = statistically relevant.

Among the three survey questions of the external stakeholder variables, Cox and Snell R Squared for the model was 0.143, all were significant predictors of true sustainability: The company sends a clear and consistent message to external stakeholders about its commitment to sustainability ($\beta = -1.286$, S.E. = 0.227, Wald = 32.15, $p < 0.001$), having mechanisms in place to actively engage with external stakeholders ($\beta = -0.917$, S.E. = 0.200, Wald = 20.97, $p < 0.001$), and encouraging sustainability in its supply chain ($\beta = -0.865$, S.E. = 0.222, Wald = 15.11, $p < 0.001$), see Table 6.

### Table 6. Results of regression analysis of the external stakeholder index of which three variables are significant predictors.

| External Stakeholders Variables in the Equation | B     | S.E.  | Wald  | df   | Sig. |
|-------------------------------------------------|-------|-------|-------|------|------|
| This company sends a clear and consistent message to external stakeholders about its commitment to sustainability. * | $-1.286$ | 0.227 | 32.151 | 1    | 0.000 |
| This company has mechanisms in place to actively engage with external stakeholders about its sustainability initiatives. * | $-0.917$ | 0.200 | 20.972 | 1    | 0.000 |
| This company encourages sustainability in its supply chain. * | $-0.865$ | 0.222 | 15.115 | 1    | 0.000 |
| Constant | 0.977 | 0.344 | 8.074  | 1    | 0.004 |

* = statistically relevant.
Although the change and climate index were not as significant a predictor as leadership and external stakeholders, their variables (the index questions) were also assessed. Among the three change variables, Cox and Snell R Squared was 0.019, and only one was a significant predictor: People in the company challenging the status quo (β = −0.284, S.E. = 0.137, Wald = 4.28, p < 0.05). Among the five climate variables, Cox and Snell R Squared was a much smaller 0.061, and the two that were significant predictors were Continual learning being a core focus on the organization (β = −0.314, S.E. = 0.151, Wald = 4.58, p < 0.05) and the organization rewarding innovation (β = −0.564, S.E. = 0.136, Wald = 17.18, p < 0.001). All of them are much less significant than the variables highlighted in the leadership and external stakeholder index sections, both regarding the beta coefficients and the p values (Sig).

The described statistical analysis to validate the BST types across the case studies provided the following general results:

- All truly sustainability companies (BST 3.0) scored significantly better than all early-stage sustainable companies (BST 1.0) companies across all survey questions, validating the BST types;
- All small companies rated significantly better than large ones;
- All services companies rated significantly better than manufacturing companies;
- There are two strong predictors in transforming towards true business sustainability: leadership and external stakeholders.

### 3.3. Qualitative and Comparative Case Study Analysis

The faculty engaged in the doctoral program developed a first version of a measurement framework based on the BST typology and the insights covered in Section 2 [12]. The purpose of this early version was to enable a comparability across the selected organizations for all participating students. Each student used it as an analysis framework when conducting the research and assessment of the case studies. In regular meetings of all students and the faculty, case-based insights were compared and adaptation suggestions for the measurement framework were discussed.

In addition, students undertook a comparative analysis of their two selected case companies. Selected pairs were organizations that operate in the same industry and in the same geographic region. The comparability of organizations was a selection element in the approval process of the second case study company. The following pairs were established:

- Pair A: Alternative Bank Schweiz and Merkur Andelskasse are two small, non-listed “alternative banks” in Europe, pursuing financial, as well as non-financial goals. The case researcher was Frederic Narbel [32,33];
- Pair B: Blue Orchard and Meso Impact Finance are two small non-listed organizations in the financial services industry (banking sector–impact investment) in Europe. The case researcher was Henry Oguine [34,35];
- Pair C: the Beechenhill Farm Hotel and the Lancaster London Hotel are two small non-listed organizations in the UK hotel sector. The case researcher was Gulen Hashmi [36,37];
- Pair D: Dynamic Sportwear and Interloop Ltd. are two large unlisted organizations in the textile manufacturing industry located in Pakistan. The case researcher was Shamaila Gull [38,39];
- Pair E: Interloop and Pebbles Pvt are two large organizations, one listed and one non-listed public, in the manufacturing industry in Pakistan. The case researcher was Syeda Nazish Zahra Bukhari [40,41];
- Pair F: Intercos and Procter & Gamble are two large listed multinational organizations in the fast-moving consumer goods industry. The case researcher was Franco Luca [42,43];

Furthermore, a single case study: Rhomberg is a small non-listed company in the building and construction sector in Austria. The case researcher was Urs von Arx [44].

Pairs A and B (four companies) were ranked as “born BST 3.0 organizations”. An attribution for organizations that had the outside-in mindset from the start; they were created
in the spirit of true business sustainability. These cases provided excellent insight into how truly sustainable firms operate and helped sharpen the ultimate or ideal definition in the measurement framework. The other pairs and the single case were used to understand the transformation process of organizations, as all of these were initially either traditional organizations or BST 1.0 firms.

In addition to the original research based on public information and the quantitative survey outlined above, students conducted qualitative interviews in two rounds. In round one, mid-level management and external stakeholders, such as key clients and suppliers, were interviewed to reflect and expand on the publicly available data. The interviews were unstructured and open-ended in order to generate new insights and questions. In round two, select member of the senior management were interviewed to reflect on insights that had occurred across the round 1 interviews, the quantitative survey and the publicly available data. Learnings from these interviews were included in discussions among all students and the faculty and resulted in an updated version of the measurement framework. The updated measurement framework was refined once all case studies were completed and the organizations could be grouped into the BST types. The seven BST 3.0 organizations (Alternative Bank Schweiz, Blue Orchard, Lancaster London Hotel, Merkur Andelskasse, Meso Impact Finance, Pebbles, and Rhomberg) and two BST 2.0 organizations (Beechenhill Farm Hotel and Interloop Ltd.) were compared among themselves to verify the measurement framework. The resulting final version of the measurement framework (the Positive Impact Framework) is featured in Section 4.

3.4. Model Verification and Simplification

The eight action dimensions of the measuring framework were mapped against the four strategic differentiators identified in the literature review (see Section 2). Table 7 provides an overview of the sources from the literature review and the case study analysis for the identified dimensions:

| Action Dimensions                  | Key Literature Reference | Case Study Reference |
|------------------------------------|--------------------------|----------------------|
| Sustainability in the organization | Miller Perkins [22]      | All cases            |
| Transparency and board support     | Eccles et al. [14]       | All cases, in particular Alternative Bank Schweiz |
| Leadership perspective             | Pless, Maak, and Waldmann [20] | All cases, in particular Rhomberg |
| Targets and incentives             | Eccles et al. [14]       | All cases, in particular Alternative Bank Schweiz |
| Societal stakeholder               | Eccles et al. [14]       | All cases, in particular Beechenhill |
| Triple value reporting             | Dyllick and Muff [12]    | All cases, in particular Alternative Bank Schweiz, Blue Orchard, Beechenhill |
| Market framing                     | Dyllick and Muff [12]    | All cases, in particular Pebbles, Rhomberg, Lancaster London |
| Products and services              | Dyllick and Muff [12]    | All cases, in particular Rhomberg, Merkur Andelskasse, Meso Impact Finance |

This review allowed the model simplification of the measurement framework and the strategic differentiators into the Strategic Innovation Canvas (SIC) which highlights eight innovation strategies to transform from a traditional organization to a Positive Impact Organization. Furthermore, the insights of the quantitative survey were added to highlight the connection of strategies to predictors of success. This connection allowed highlighting the importance of the two identified mindset shifts required. The leadership mindset and the organization mindset are both connected to their innovation challenges and action dimensions. The purpose of the SIC was to offer organizations of any type (a) to assess their current status regarding these innovation challenges, and (b) to identify where they might want to focus their innovation process on. Clarity on the current status includes highlighting organizational blind spots.
The SIC was tested in practice to ensure a suitable application for sustainability professionals. Two cohorts of an executive diploma program in business sustainability, organized by the Institute for Business Sustainability (Switzerland), randomly selected 50 organizations using the BST typology and subsequently assessed them individually using the measurement framework and then in pairs translated the insights into a simplified visual using the SIC. Two Ph.D. students of the University St. Gallen (Switzerland) independently verified the assessment and visualizations and concurred in all cases with the recommendations.

The output of the research is threefold and is discussed in the next section:

(a) Two distinct mindset shifts associated with the two most significant predictors of success of achieving a positive impact transformation process;
(b) A verified Positive Impact Framework allowing organizations to assess their progress;
(c) The Strategic Innovation Canvas as a simplified tool for organizations to identify strategic innovation priorities to create a positive impact.

4. The Mindsets and Practices of Positive Impact Organizations

This section translates the research into insights and tools for business practitioners.

4.1. Two Mindset Shifts as Key Predictors of Success

In its updated report, the Business Council for Sustainable Business (WBCSD) highlights that mindset shifts are an essential part of the transition. They have produced the influential “Vision 2050” report in 2010 which has gained much support. Now in 2021, they have updated the report and have provided concrete implementation suggestions [45]. One of the mindset shifts they recommend is called “Regenerative Thinking”. It suggests that business has to move beyond a “doing no harm” mindset. The WBCSD points out that it is time to unlock the potential of living systems—social and ecological—that business depends on. It is time for business to build their capacity to regenerate, thrive, and evolve.

Studying the case study organizations reveals that in order to become a Positive Impact Organization (PIO), there are two noticeable mindset shifts to be embraced. These shifts relate to the ability to shift from an inside–out to an outside–in perspective. The first mindset shift concerns the leader, or the leadership team, the second relates to how the organization operates outside of its traditional boundaries with external stakeholders. The regression analysis indicated that there are two strong predictors of success for an organization seeking to become a Positive Impact Organization. The two predictors are directly connected to the underlying mindset shifts. When comparing true sustainability organizations with early sustainability organizations, these mindsets make a significant difference:

- **The outside-in leadership mindset:** Leaders who “gets it” have redefined their role and the role of the organization in society. They see themselves as one with the world around them and, hence, broaden their focus to serve the common good. Such leaders derive their purpose from providing a positive contribution to society and the planet, and by aligning their organizational processes to ensure the long-term well-being of the organization;

- **The co-creative organization mindset:** An organization that excels in how it engages with its external stakeholders is externally oriented and open. Such an organization is able to work as fluently outside of its boundaries as across its internal departments or divisions. Experience of multi-stakeholder processes has shown that such organizations have successfully learned to work with stakeholders and players outside of its traditional boundaries. These organizations are able to effectively translate its positive impact purpose in practice by co-creating innovative solutions with external stakeholders [46].

Although this research does not allow us to highlight underlying nuances of a leader’s or an organizational mindset shift, Rimanoczy’s work adds insightful value to our discovery [47]. She has grouped the various elements of a sustainability mindset into four categories. Two of which can be attributed to a leader’s mindset shift, and two to the
organizational mindset shift. Sustainability minded leaders adopt an ecological worldview, which can be observed through a higher degree of eco-literacy and a clarity of how they see their contribution for this world. They also develop a spiritual intelligence that can be observed in how they see themselves in the context of nature (as one with nature) and in how mindful they are both with themselves and others. Organizational mindsets are more complex phenomenon as they involve a number of individuals. What can be observed in such groups is that they have grasped an understanding of systems thinking, which consists of long-term thinking, a “both/and” approach and a sense of interconnectedness. Organizations that are co-creative also demonstrate a high degree of emotional intelligence across their members. They are fluent in creative innovation, are able to reflect, possessing a high degree of self-awareness and a clear sense of purpose. Our case study research has highlighted elements of these observations reported in Rimanoczy’s valuable work.

Organizations that were “born 3.0”, so-called true sustainability organizations, all demonstrated the outside–in leadership mindset and the co-creative organizational mindset from the start (Alternative Bank Schweiz and Blue Orchard in Switzerland, Merkur Andelskasse in Denmark, and Meso Impact Finance in Luxembourg). These two predictors of change play a critical role when considering how organizations can overcome the innovation challenges to become a Positive Impact Organization. The case study research demonstrates that an outside–in leadership mindset and a co-creative organization mindset are closely related to achieving the four strategic differentiators of a Positive Impact Organization outlined in Section 2. Achieving these can be framed in four transformation challenges:

- **The integration challenge of a governance alignment**: organizations that have implemented alignment in governance are able to attract suitable investors and are likely to have a board that is more supportive of a progressive sustainability agenda. This makes it significantly easier to integrate sustainability deeply within the organization.

- **The priority challenge observed in the organizational culture**: organizations with an advanced sustainability culture are inspired and led by a leader or a leadership team that gets the outside–in perspective of sustainability. Such organizations often attract employees who carry a desire to create positive impact in their hearts. Their compensation system is aligned with broader sustainability goals and the organization measures its ambitious sustainability goals. This priority ensures that in times of a crisis, the sustainability topic does not get put on the back-burner.

- **The engagement challenge to achieve a positive external validation**: organizations that benefit from a positive external recognition of their sustainability efforts have learned to excel in how to engage with external stakeholders. Although traditional firms often consider external stakeholders a potential danger and handle them with “silver gloves”, truly sustainable firms have learned their lessons in how to engage authentically with critical civil society players and how to integrate constructive external views in their operational decision-making processes. Such open stakeholder engagement becomes the source of entirely new “outside-in” ideas that the organization can translate into new business opportunities.

- **The positioning challenge to accomplish the organization’s higher purpose**: such organizations have rewritten their purpose in a way to demonstrate their desire to create a positive impact for society and the planet. What differentiates advanced sustainability organizations from other firms with impact-oriented purpose statement is the fact that they have translated such a purpose into their products and services. They have reconsidered and identified markets which are relevant to them. Other firms have often not been able to make this translation from a lofty purpose to an amended or expanded product or service offering and they not only risk facing credibility issues but also cannot benefit from the opportunities such a new purpose potentially holds for them.

Figure 2 connects the four innovation challenges with the two mindset shifts. The Positive Impact Organization has successfully addressed the challenges in the four strategic
areas: (1) a governance alignment that facilitates the integration challenge of sustainability; (2) a sustainability culture that prioritizes the role of a business in society; (3) an external validation that confirms the societal stakeholder stance of the organization, and (4) a higher purpose that results in a revised positioning of products and services.

Figure 2. The mindset shift of leaders and the organization and the innovation challenges associated with the strategic differentiators of Positive Impact Organizations.

In summary, the outside–in leadership mindset is required to overcome the challenge to achieve a governance alignment, and to implement a sustainability culture. The co-creative organization mindset is needed to successfully work with other societal stakeholders to create a positive impact for the world, which is reflected in new product and service offerings.

4.2. The Positive Impact Framework (PIF) for Measuring Progress

There are different approaches to address the transformational challenges of an organization set to create a positive impact. Analyzing the case study organizations, it was possible to sharpen the draft framework and to confirm the key innovation strategies which pioneering organizations have applied in their journey. These eight action dimensions are: (1) sustainability in the organization, (2) transparency and board support, (3) leadership perspective, (4) measuring and reporting, (5) societal stakeholder, (6) triple value reporting, (7) market framing, and (8) products and services. The Positive Impact Framework (Table 8) describes these eight action dimensions across the three types of business sustainability. It offers a qualitative assessment for organizations that seek to measure their progress in achieving their positive impact.
Table 8. The Positive Impact Framework.

| Mind Set | Innovation | Reducing Impact (Early Sustainability) | Redefining Impact (Advanced Sustainability) | Increasing Positive Impact (True Sustainability) |
|----------|------------|----------------------------------------|---------------------------------------------|--------------------------------------------------|
|          |            | Sustainability in the Organization      | The organization has organized itself around societal challenges and includes outside players in an open and dynamic structure |
|          |            | The organization has introduced defensive policies and guidelines to protect against risks | The organization’s board ensures triple-bottom line goals are integrated into internal policies, guidelines and structures |
|          |            | Opportunity seeker | Integrator | Idealist |
|          |            | Short term, qualitative targets | Smart targets and some non-financial incentives for management | Smart, science-based targets and sustainability incentives for all employees, management and board members |
|          |            | Selective reporting as a response to outside demands | Reporting on all material aspects relevant for the organization | Reporting on societal and environmental value |
|          |            | The organization reacts to external pressure | The organization reaches out to its traditional stakeholders | The organization redefines its role as one of many responsible societal stakeholders |
|          |            | The organization is responding to outside pressures in existing markets | The organization is exploring new market opportunities and emerging segments inside or outside existing markets | The organization is transforming existing markets or defining new markets allowing for significant repositioning |
|          |            | Qualitative, social or environmental improvements of existing products and services | Systematic improvements incl. all relevant dimensions and the whole value chain | Development of new products and services with a net positive impact on sustainability challenges |

Part A

The first two innovation challenges are related to the outside–in leadership mindset. The integration challenge depends on a supportive board that understands the importance of integrating sustainability in the organization, so that the transformation towards positive impact creation is not just another change project. The priority challenge is a leadership topic that is unlikely to succeed without a sustainability leader who builds a
strong sustainability culture [48]. Although it is not always easy to measure these, the quantitative survey among our case study organizations revealed three relevant indicators of a leadership mindset. Employees and managers of Positive Impact Organizations (PIOs) say four things about their leaders that their peers in early-stage sustainable organizations do not see: PIO leaders (1) integrate sustainability into their decision making, (2) they are willing to take measured risks in pursuit of sustainability, (3) they have a clear vision for sustainability, and (4) they are able to inspire others about sustainability-focused issues and initiatives. Studying the case study organizations revealed further important insights that are outlined below.

**Integration**

The integration challenge, which is heavily influenced by investors’ intention, consists of two elements: transparency and board support as one, and the role of the "sustainability function" in the organization as the other. It is highly related to the priority challenge.

*Sustainability in the organization* addresses how an organization has integrated the topic into its hierarchy and structure. Early sustainability organizations typically create a centrally managed role of a newly appointed sustainability specialist. Often, the role reports to existing functions, such as the corporate secretary, or the communications or marketing head. Advanced sustainability organizations have overcome the limitations of such a centralized role and have integrated sustainability responsibilities into various functions across departments and divisions. True sustainability organizations have reorganized their entire organization around societal challenges they seek to resolve and address, creating multi-functional divisions that are organized to create the products and services that serve its purpose. Such a structure enables the integration of outside actors into an open and dynamic structure.

**Transparency and board support** are important ways of measuring the degree of sustainability integration. Signs of early sustainability are primarily defensive policies that consist of codes and guidelines to protect against sustainability risks. A sign of advanced sustainability is the degree to which triple-bottom line objectives are integrated into policies and structures. True sustainability organizations are fully transparent and have integrated relevant societal stakeholders into all decision-making processes on all levels of the organization, including the board.

**THE INTEGRATION CHALLENGE: A CASE IN POINT:**

**LANCASTER HOTEL, UK—service industry**

The management of the hotel understood the importance of being an exemplary citizen as a business. As a result, sustainability as a topic was anchored in various aspects of the hotel. The head of sustainability was able to launch a number of sustainability initiatives that transformed the hotel step by step. Although initially the products and services were not fundamentally changed, important additions and modifications ensured that everything in the hotel was aligned with its desire to be a positive example. A broader market framing led to a better positioning and changes to how performance was measured. These were important accelerators of change. The organization started to measure value creation more broadly and worked courageously with new stakeholders in their journey to adapt their services offering.

**Priority**

The priority challenge relates to the organizational culture. Although a sustainability culture consists of many different elements, the research of our 13 sustainability case study organizations has shown that the type of leader on one hand, and targets and incentives on the other side, are the two determining elements to ensure that an organization can act with clarity to generate a positive impact for society.

*Leadership perspective* is one predictor of success of a Positive Impact Organization. Although early sustainability organizations have leaders that are opportunity seekers, advanced sustainability organizations often have leaders that are integrators. True sustainability organizations are blessed with idealists, leaders that put the societal and planetary
well-being at the heart of their vision and put themselves and their organization at the service of improving the state of the world [40].

**Targets and incentives** including relevant non-financial, sustainability performance indicators is highly relevant in assessing the degree to which an organization has embraced a sustainability culture. Early sustainability organizations tend to create short term, qualitative targets. Advanced sustainability organizations set smart targets and some non-financial incentives for management. True sustainability organizations find answers in how to create value for stakeholders and society and as a result create both moonshot goals as well as smart, science-based targets and sustainability incentives for all employees, management, and board members.

**THE PRIORITY CHALLENGE—CASE IN POINT:**

**RHOMBERG, AUSTRIA—construction industry**

The new CEO brought in a new leadership perspective which inspired a higher transparency in the organization, coupled with a deeper engagement of the board. The CEO had a great interest in broadening the range of products and services and openly engaged with new players outside existing business boundaries creating new and stronger bonds with external stakeholders. The outside-in leadership mindset created a strong sustainability culture, which enabled an accelerated transformation. The authentic engagement of CEO Hubert Rhombert was a magnet for new talent and has resulted in remarkable market innovations.

The other two innovation challenges are related to the **co-creative organization mindset**. The quantitative survey among the case companies provided revealing insights into how employees and managers of true sustainability organizations assess their organization. They see these three things that their peers in early sustainability organizations do not observe: (1) their organization sends a clear and consistent message to external stakeholders about its commitment to sustainability, (2) their organization has mechanisms in place to actively engage with external stakeholders, and (3) their organization encourages sustainability in its supply chain. Further insights derived from the case study organizations are outlined below.

**Engagement**

The engagement challenge describes the upside potential of an organization’s ability to involve traditional and societal stakeholders in the decision-making processes of the organization. This is — so our research suggests — the second predictor of success to become a Positive Impact Organization. This engagement can be observed by the stakeholder involvement and what type of value creation a company reports on.

The societal stakeholder is a new way for the organization to see itself in society. Traditionally, stakeholders have held an important role in helping the organization to clarify its role along its value chain. Early sustainability organizations tend to be reactive to external pressure and view stakeholders as a potential threat. Advanced sustainability organizations reach out to their traditional stakeholders along the value chain to discover ways to reduce the extended footprint. True sustainability organizations adopt a broader perspective as one of many responsible stakeholders in society. They are changing the playing field from placing themselves at the center (inside-out) to starting by considering how the world is evolving (outside-in).

The triple value reporting of an organization is a good indication of how sustainable an organization is. Early sustainability organizations undertake selective reporting as a response to outside demands. Advanced sustainability organizations report on all material aspects that are relevant for the company. True sustainability organizations engage in the unchartered territory of attempting to report on the societal and environmental value they create, including both negative and positive impacts.
THE ENGAGEMENT CHALLENGE—A CASE IN POINT:
PEBBLES, PAKISTAN—manufacturing industry

Pressing social issues in the neighborhood of the organization were very front of mind of many managers. Ongoing external pressure further increased awareness and triggered a number of consultative meetings with concerned citizens including a number of management and employees participated. Increasingly, the CEO and his leadership team understood that the social crises at their doorsteps may be an opportunity in disguise. They started exploring options for collaboration with local planners and engineers and worked together on a proposal that envisioned a promising future for the concerned neighborhood. Initially, the organization saw this external engagement as a prototype; they deeply cared about the issue but they were not sure how connected it was to the rest of the business. Once a first prototype was implemented, the internal impact was enormous. Employees started to emotionally connect with this new activity of their organizations with many reporting how proud they felt. The growing sustainability culture was palpable and departments started to engage with much less hesitation in new types of collaborations with organizations outside of their market definition. The business boundaries were reconsidered and redefined much more broadly. The initial prototype significantly change the way the organization—its employees and managers—considered themselves. As importantly, external stakeholders validated this new role through their admiration and willingness to work together with the organization that had transformed to be such a good citizen. New opportunities emerged as a result, with the CEO reporting how proud he was of how far they had come and how confident his future outlook had become.

Positioning

The positioning challenge defines the higher purpose dimension of a Positive Impact Organization (PIO). It consists of two key elements: market framing and products and services. Its success is intimately connected to the engagement challenge. Creating relevant products for society requires a trusting and open collaboration with societal stakeholders. It builds on a broader societal perspective.

Market framing is about shifting from reacting to the perspective of the organizational purpose. Early sustainability organizations react to outside pressures in existing markets. Advanced sustainability organizations explore new market opportunities and emerging segments inside or outside existing markets. True sustainability organizations transform existing markets or define entirely new markets as a result of considering new ways of solving existing societal and environmental challenges, resulting, often, in a significant repositioning of future products and services.

Products and services are central to the repositioning of an organization. Early sustainability organizations consider selective improvements of existing products and services. Advanced sustainability organizations undertake systematic improvements across their product and service range, which include all relevant dimensions and the whole life-cycle, resulting in “better product”. True sustainability organizations work on “good products and services that generate a net positive effect” (impact) on sustainability challenges, often along several time horizons [29].

THE POSITIONING CHALLENGE—A CASE IN POINT:
EARLY SUSTAINABLE COMPANY (anonymized)—manufacturing industry

The organization had started to consider sustainability as a result of increasing external pressure. To its management, sustainability issues were risks mapped in the materiality matrix. The CEO defined his role as ensuring the survival of the organization in an increasingly fast-changing world, driven by a competitive mindset of an opportunist. Performance measurements consisted of short-term economic measures to ensure first and foremost shareholder value. The sustainability department reported to the communications department and had a challenging stance in trying to change the organization mindset from inside-out to outside-in. External pressure and eroding markets had forced a rethinking
internally and the SDGs provided a welcome new framework to hopefully find new market opportunities, even though the management team was hesitant to what degree to collaborate with external stakeholders it had not previously engaged with. Sustainability had not yet resulted in a broader framing of markets or new service solutions.

4.3. The Strategic Innovation Canvas (SIC) for Getting Started

Translating the research insights for practitioners ideally results in a tool that provides a meta-level orientation. The SIC (Figure 3) is a concise and visual summary of the Positive Impact Framework, allowing organizations that seek to increase their positive impact to gain a strategic overview to clarify their innovation strategy.

![Figure 3. The Strategic Innovation Canvas for Positive Impact Organizations.](image)

Although each organization needs to determine which of the eight dimensions is the most relevant and appropriate to improve, the case study research suggests that there may be a path of least resistance to become a Positive Impact Organization. Starting with the right kind of a leadership perspective (top right quadrant of Figure 3) to authentically embrace such an endeavor, the organization subsequently embeds such a vision in its targets and incentives. In a second phase, the organization learns to co-create beyond its boundaries as a societal stakeholder (bottom right quadrant) to identify ways to create value for society, the planet, and the economy (triple value reporting). This increased ease
of collaboration outside of the organizational boundaries will speed up the implementation of a positive impact purpose. Such a purpose needs to be expressed in a broader market framing and will result in changes in existing and new products and services (bottom left quadrant). Last but not least, the integration of sustainability in the organization and an increased transparency along with a strong support by the board is enabled through the early successes of low-hanging fruits that have been collected in a first circle of the canvas. It closes the loop in a first transformational round (top left quadrant) and may well allow the leadership team to be boosted in its sustainability mindset and the second round of transformation is launched.

A further useful application of the SIC lies in its use as an assessment of the current state of an organization during a strategic discussion at the management or board level. Such an assessment can be generated by members of the leadership team or the board completing a straight-forward online assessment: (https://assessment.sdgx.org/index.php?r=survey/index&sid=65264&newtest=Y&lang=en (accessed on 27 July 2021). The online assessment translates the eight action dimensions of the Positive Impact Framework (see Table 8) into eight questions and generates a company profile. This profile can be displayed visually (see Figure 4). Such a visual can serve as a starting point of a strategic discussion. Each of the eight dimensions is featured depending on the average assessment of the organization’s leadership team. The higher the score the larger the shaded area. The smallest circle represents business-as-usual, the next larger circle covers early sustainability, thereafter advanced sustainability, and the outer largest circle represents true sustainability, as illustrated with the top right pictogram. For example, the organization featured in Figure 4 has already achieved a level of “true sustainability” in the action dimensions, targets and incentives, societal stakeholder, market framing, and products and services; while it is only at a stage of “early sustainability” in the dimensions triple value reporting and transparency and board support. The visual highlights further opportunities for improvements in the strategic dimension “integration” and to a lesser degree in “engagement” and potentially “priority”.

![Figure 4. Example of a current position of an organization when starting its positive impact innovation.](image-url)
The Strategic Innovation Canvas is a symbol to indicate that organizational transformation is an ongoing creative process and that one dimension often helps the improvement of another and that once a virtual circle is set in motion, the positive energy will help propel the organization forward. The stories of the seven truly sustainable organizations are well documented (https://www.theibs.net/research (accessed on 27 July 2021) and make for inspirational reading for those interested in learning more.

4.4. Relevance to Practice

The research presented in this article has contributed to practice in two ways. First, it serves as a hands-on tool to differentiate between green washing and true business sustainability in a Swiss-government-funded sustainability platform. On this platform, organizations can apply for a professionally-produced short documentary featuring their true sustainability. The platform is called Business Sustainability Today (www.Sustainability-Today.com (accessed on 27 July 2021) and organizations complete a self-assessment that reflects the PIF. An expert panel then reviews these self-assessments to confirm the level of sustainability of the organizations.

Second, the research was used to co-create a SDG-oriented innovation strategy tool for business. The tool is called SDGXCHANGE (www.SDGX.org (accessed on 27 July 2021) and has been created based on the insights of our case study research and finalized during a stringent prototyping process in collaboration with numerous businesses from different industries [44].

The practice application has helped to validate three of the four strategic differentiators identified in Section 2. The SDGXCHANGE tool enables organizations to revisit their market definition and to create new products and services. As a result, it has proven effective in shaping the “higher purpose” strategic differentiator. In the process of creating new products and services, organizations were incited to involve a broad range of external stakeholders in co-creative workshops. These workshops have helped validate the effectiveness of the strategic differentiator “external validation”. The tool has resulted in discussions about the role of sustainability in the organization, which has in a few cases resulted in an improvement in governance and transparency. An improved “governance alignment”, a strategic differentiator, is best achieved by actively involving the board of directors. The SDGXCHANGE tool is used at the board level to frame a strategic discussion with investors and shareholder representatives and to trigger a strategic process.

It is, however, not just the direct application of this research that demonstrates its usefulness in practice. A parallel effort by CB Bhattacharya and Paul Polman (then CEO of Unilever) highlights near identical action dimensions, or “pain points”, as are highlights in the SIC. Referring explicitly to the mindset shift from inside–out to outside–in, they point to all eight action dimensions. They highlight that (1) “the CEO has to lead this charge”, (2) “it’s important to set clear targets and get all employees to conduct business through the sustainability lens”, (3) “executives are required to engage with multiple external stakeholders”, (4) “incorporating sustainability criteria into financial tools such as integrated reporting”, (5) “understanding what stakeholders within and beyond the value chain are asking of our business”, and “sustainability needs to be put in the precompetitive space”, (6) “top leadership must clarify what is the business’ purpose and where is the growth likely to come from in the future”, (7) “making sustainability part of every employee’s job”, and (8) “making sustainability a priority for the board” [49]. They also confirm that a sustainability initiative is a change process with purpose. This has also become evident in various practice applications of the SDGXCHANGE tool. As a result, the tool includes a change readiness assessment at the start of its process. For organizations interested in undertaking initial steps to position for the creation of positive impact, Table 9 offers a number of next steps.

It is today, more than ever, that the world needs inspired changemakers at any level of an organization to help get a virtuous circle started. This is particularly relevant when the leadership has not yet adopted an outside–in mindset. Our practice cases have demon-
strated that small miracles can be achieved by bringing in external stakeholders. Their refreshing views have been triggers of new ways of thinking, leading eventually to a mindset shift not only of the organization but also the leadership. This insight provides hope to the many positive impact changemakers working in organizations that are not (yet) blessed with a positive impact leader.

Table 9. Suggestions for organizations seeking to create a positive impact.

| Next Steps—Suggestions for Organizations Seeking to Increase Their Positive Impact: |
|---|
| 1. Getting started and reframing of the perspective: |
| 1.1 Have a selection of leaders and influencers in your organization conduct a self-assessment of your organization’s current and desired future state of sustainability (early, advanced, or truly sustainable)—free link available on www.sdgx.org (accessed on 27 July 2021); |
| 1.2 Discuss the outcome regarding the current and the future desired state for the organization: areas of disagreement are of particular interest as these might be dimensions with a great potential for change. Often, a short film can help get the discussion about the outside-in mindset shift going (suggestion: true business sustainability: https://youtu.be/AEFqUf4PMml (accessed on 27 July 2021)); |
| 1.3 Have the same group of people conduct a change readiness survey highlighting the current and desired future culture of your organization. The quantitative research show that the change readiness of an organization is an important predictor of change—free link available on www.sdgx.org (accessed on 27 July 2021); |
| 1.4 Discuss the outcome of the group results: for quantum leap change, an organization would ideally be externally open and flexible in structure. A predominant internal focus with a stable structure is not ideal for embracing massive change. |
| 2. Innovating for positive impact and resilience: |
| 2.1 Confirm the size and scale of the strategic innovation ambition based on the insights gained during the discussions outlined in points 1.2 and 1.4; |
| 2.2 Invite key internal and external stakeholders to participate in a co-creative innovation workshop to identify outside–in business opportunities, combining the core competences of the organization with relevant societal and environmental issues in the markets the organization seeks to be active in; |
| 2.3 Implement a follow-on prototyping process so that the ideas generate from the innovation workshop can be translated into concrete business plans and proposals, in order for the new revenue alternatives and business models to be realized and implemented. |
| 3. Sharing positive impact plans and realizations: |
| 3.1 Include ambitions, plans, and achievements in the area of positive impact in the various reports (annual, sustainability, integrated)—a suggestion for a free tool for comprehensive reporting: https://focusedreporting.ch/ (accessed on 27 July 2021); |
| 3.2 Explore the opportunity of applying for a professional documentary of your positive impact examples—the free access link: https://sustainability-today.com/ (accessed on 27 July 2021). |

5. Contribution, limitations, and Further Research

5.1. Contribution

The aim of this research was to study Positive Impact Organizations (PIOs) in the domain of true business sustainability. These organizations were either born as PIOs or they had transformed from a traditional firm to a PIO. In a time when we need to understand better how organizations can contribute effectively to solving our societal and environmental problems, such as the SDGs, explorative research should be helpful to frame and scale such efforts.

This research had two main foci: first, to understand how PIOs differ from traditional organizations. Second, to gain insights from organizations that have successfully transformed from business-as-usual to creating significant positive impact. Such insights should help organizations to shift from a business focus to a broader perspective that considers the service to society and the planet as a key business responsibility. When business leaders better understand that an orientation to society and the planet does not preclude their ongoing financial and economic resilience, developing products and services that help solve societal issues will be recognized as attractive business opportunities. To convey this insight has been a fundamental goal of this article.
Insights from literature helped to identify the strategic differentiators of Positive Impact Organizations (PIOs). These can be summarized as follows: (a) a governance alignment with a higher purpose, (b) a sustainability culture, (c) an external validation of a societal stakeholder perspective, and (d) a higher purpose integrated into products and services. Mapping the insights of the case study organizations that have transformed from a traditional business approach to a PIO against these strategic differentiators has resulted in four innovation strategies. These four strategies are called integration, priority, engagement, and positioning. Although many organizations are familiar with innovation processes, they rarely address a higher purpose. Traditional organizations simply innovate products and services for existing or new customers without taking into account to what degree these new products may harm society or the planet. These strategic differentiators integrate a purpose into innovations by highlighting new and different organizational dimensions when implementing change. By going beyond products and services, this article develops an innovation approach that addresses change in terms of governance, culture, and external engagement.

An important insight that emerged from this research are the two predictors of success in transforming to a PIO. Having compared organizations that have successfully completed the transformation with those that have not, it became clear that a leader with an outside–in mindset, and a co-creative organization mindset were critical for success. Organizations with these two mindsets in place succeeded in their transformation, those that had one or both missing, did not. The regression analysis supports this insight. It can be surmised that these two mindsets are not only essential; they are predictors of success. This is a novel insight for two reasons. First, while it may seem self-evident that a leader who embraces a responsibility for society and the planet makes a critical difference in such a transformation, this research goes much further and confirms the anecdotal evidence. Second, understanding the importance of external stakeholders in enabling organizations to reconsider their role in society is only nascent. This research provides insights into just how important external stakeholders are. An engagement with them needs to go beyond an annual reputational exercise to truly build the external view into operationally or strategically relevant processes.

The comparative analysis of the case study organizations allowed refining the four innovation challenges into eight action dimensions for organizations wishing to become a PIO. The action dimensions address: (1) an outside-in leadership perspective, (2) relevant targets and incentives, (3) a redefinition of the stakeholders’ concept, (4) the focus on triple value reporting, (5) a broadened market framing, (6) products and services that express a higher purpose, (7) a well-integrated understanding of sustainability in the organization, and (8) exemplary transparency and board support for a positive impact. The Positive Impact Framework is the result of this exercise and describes the progress for each of the eight action dimensions in three different phases. Each phase represents progress from early to true business sustainability.

Developing stages in corporate sustainability are not new and will further develop as our understanding of the societal responsibility of the corporation changes. One particularly insightful early model of the stages of corporate citizenship was developed by Mirvis and Googins in 2006 [50]. It has outlined a number of interconnected dimensions of organizational transformation, including leadership, stakeholder relations, strategic intent, and transparency. Importantly, it features a reframing of the role of business and has paved the way for further conceptual development in this growing field. This research built on the business sustainability typology (BST), which consists of the useful three phases of early, advanced and true sustainability across the eight action dimensions. This has resulted in a step-by-step overview as an aid to practitioners who are interested in assessing organizational transformations. The granularity of the framework has been further tested and is currently applied in practice (see more below).

A picture often speaks more than a thousand words and it was, therefore, important to translate the research contribution into a single visual. The Strategic Innovation Canvas
(SIC) is the result of this effort. It seeks to contribute to organizations which are new to this thinking and wish to pragmatically understand what they can do to generate a positive impact and what concrete actions they should focus on. The SIC, which is derived from the Positive Impact Framework and the strategic differentiators, offers a simplified model of key action dimensions for organizations at the start of their positive impact journey.

There are a number of remaining questions. The model highlights some key challenges an organization has when embracing a positive impact ambition. However, its eight action dimensions are not assessed in terms of how important each one is and how dependent an organization may be on one or another. For example, when a leader with a sustainability mindset leaves, this one dimension may well represent a major set-back to the entire organizational system. Likewise, when a sustainability leader is unable to gain the trust and support of the board, this may also be a dimension of significant impact. Alternatively, can an organization become truly sustainable without all action dimensions in place, and in particular, without having a sustainability leader?

There is little reliable knowledge yet on these questions beyond some first insights from the case studies. There is some hope that organizations without a sustainability leader can advance quite far when they are able to implement an organizational mindset shift and start collaborating with external stakeholders, particularly in the area of new product development and re-framing of markets. In this research, we have observed that such an opening of organizational boundaries does also impact the mindset of leaders. In more than one case it has led a CEO to undergo a mindset shift as a result of an open and trusting collaboration with external stakeholders. In the case of Pebbles PV in Pakistan, the CEO had suddenly experienced an “aha moment” when he realized that his organization was itself a stakeholder of society, rather than just considering the stakeholders of his organization. This brought about a larger systems-thinking and a redefinition of his contribution. However, there remains much work to be performed that will allow to deepen the understanding of the interdependencies of the proposed action dimensions of the Positive Impact Framework, and visibly expressed in the Strategic Innovation Canvas.

5.2. Limitations

Explorative research has its limitations. With regards to the case study element of the research, there are two key limitations. First, the purposefully selective sample is likely to render a duplication of results difficult. A purposeful sample comes with strengths and limitations. Although the selective focus on pioneering organizations was an essential choice to identify best practice examples, it reflects a skewed perspective on the organizational universe and adds an element of tautology to the findings. Second, the limited number of case study organizations analyzed limits the generalizability of the insights, particularly to organizations that fall outside of the organizational lens the research has applied through the use of the BST framework. Although the quantitative research featured in this article offers a first attempt to validate the BST types, this is only a first step with much room for further research.

Regarding the literature review, it is also important to highlight the limitations of the non-traditional approach chosen. Although traditionally research builds on an in-depth literature research, the focused approach used here is justified through the early stage of development of this new field. A complete review may have provided other elements ignored here. Additionally, it might have been beneficial to compare learnings with insights from non-related strands of research. As a consequence, the literature review falls short in providing multiple conflicting perspectives and focuses on summarizing the most relevant insights in a summative manner.

Furthermore, readers may also consider the normative view on business as a limitation. This research builds on the idea that business has a role to play in society with a responsibility to contribute to both society and the planet on which shoulders it stands. There have been important efforts to redefine the purpose of business. The last decade has seen an increasing number of organizations developing a purpose-orientation, strengthen-
ing their public engagement for climate change, net zero targets, or CEO commitments, and even political activism in addressing certain public issues. These are encouraging signs that the thinking is shifting, at least in Positive Impact Organizations. Nonetheless, the dominating economic thinking still favors a narrow shareholder value orientation and short-term profit maximization.

5.3. Further Research

We may be at the dawn of a new era in economic thinking. This means that much more research is needed to support organizations in this deep transformation. It seems that much of such a transformation relates to leaders and organizations shifting their mindset from placing narrow economic interest first to creating a positive impact for society and world while securing the long-term economic well-being of their organization. Furthermore, the way business executives interpret sustainability as a three-dimensional concept has significantly progressed [51]. They understand that a long-term perspective lies at the heart of generating value for the firm. There is broad alignment among young business leaders that business should create a positive impact beyond profit [52]. This is a significant shift towards multiple value creation. During the climate-year 2019, nearly 200 U.S. CEOs have signed a statement that claims that the purpose of the firm is broader than generating value for shareholders only [53]. The challenge now is to shift from intent to action. This is where more research is required to scale the necessary change.

The mindset of the leader matters, this should be clear. This article also introduces the idea of an organizational mindset; a new aspect of organizational practice to be explored further. It comes with an appreciation of working outside of the organizational boundaries with external stakeholders and the innovation power that is hidden in collaborating with them. Although the case study research has shed light on two predictors of success—namely the outside-in leadership mindset and the co-creative organizational mindset—much work needs to be completed to understand the interdependencies, correlations, or causalities among them.

The article offers practical strategic insights to those businesses that want to embrace the ambition to do well by doing good. It acknowledges the fact that it may take a long time for governments to set the required regulatory framework and instead wants to help those who already “get it”, without being forced to do the right thing. A better understanding of the requirement for appropriate regulatory measures that will incentivize a positive impact orientation and penalize a continuation of business-as-usual is needed. For the time being, we have to rely on the voluntary efforts of positive impact leaders and their adaptive and externally-open, or co-creative, organizations to contribute positively to the societal, environmental, and economic issues we are facing locally, regionally, and globally.

The validation of the BST types provided in this article shall serve as a basis for further work across more industries, regions, and types of organizations. It should enable a replication of research to further validate the BST typology. Furthermore, the research conducted here will benefit from further research to put it on a broader, empirical foundation by adding further case studies which then either confirm or further develop the concepts suggested here, resulting in an amended model.

This article is dedicated to all voluntary, purposeful, efforts of the many positive impact changemakers active around the world. It bows in deep respect to everything that has been completed and still needs to be performed. May this research make your work easier and more powerful so that the positive impact of organizations can be amplified and scaled.

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Appendix A

THE SUSTAINABILITY CULTURE SURVEY (SCALA) (developed by Miller Consultants)—6 INDEXES WITH A TOTAL OF 28 QUESTIONS (with Cronbach's alpha in brackets, all >0.700):

LEADERSHIP INDEX—8 questions (Cronbach’ alpha = 0.952)
1. The leaders of this company have a clear vision for sustainability.
2. The leaders of this company take a long-term view when making decisions.
3. The leaders of this company have a clear business case for pursuing the goals of sustainability.
4. The leaders of this company integrate sustainability into their decision-making.
5. The leaders of this company are able to inspire others about sustainability-focused issues and initiatives.
6. The leaders of this company are willing to take measured risks in pursuit of sustainability.
7. The leaders of this company are knowledgeable of the issues pertaining to sustainability.
8. The leaders of this company are personally committed to issues pertaining to sustainability.

ORGANIZATIONAL SYSTEMS INDEX—6 questions (Cronbach’ alpha = 0.834)
1. This company has embedded sustainability into the operating procedures and policies.
2. This organization has an Enterprise-wide management system for sustainability.
3. This company has integrated sustainability-related goals into the performance management system.
4. Rewards and compensation are clearly linked to the organization’s sustainability goals.
5. The level of trust within this organization is high.
6. Most people in this company believe that a commitment to sustainability is essential to the company.

CULTURAL CLIMATE INDEX—3 questions (Cronbach’ alpha = 0.830)
1. Continual learning is a core focus of this organization.
2. People in this organization are encouraged to learn more about sustainability from external sources.
3. This organization rewards innovation.

ORGANIZATIONAL CHANGE INDEX—3 questions (Cronbach’ alpha = 0.803)
1. This company has a strong track record of implementing large-scale changes successfully.
2. This company has a strong track record for implementing incremental (small, continuous) change success.
3. People in this company actively challenge the status quo.

INTERNAL STAKEHOLDER INDEX—3 questions (Cronbach’ alpha = 0.849)
1. This company has a clear strategy for engaging all internal stakeholders in its sustainability efforts.
2. By and large, people in this company are engaged in work that is connected to sustainability goals.
3. Most employees believe that the organization values them and their contribution.

EXTERNAL STAKEHOLDER INDEX—3 questions (Cronbach’ alpha = 0.889)
1. This company has mechanisms in place to actively engage with external stakeholders about its sustainability.
2. This company encourages sustainability in its supply chain.
3. This company sends a clear and consistent message to external stakeholders about its commitment to sustainability.
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