Handelshøyskolen BI

GRA 19703 Master Thesis

Thesis Master of Science 100% - W

Predefinert informasjon

Startdato:	16-01-2022 09:00	**Termin:**	202210
Sluttdato:	01-07-2022 12:00	**Vurderingsform:**	Norsk 6-trinns skala (A-F)
Eksamensform:	T		
Flowkode:	202210||10936||IN00||W||T		
Intern sensor:	(Anonymisert)		

Deltaker

Augustin Garbet, Camille Bastide

Informasjon fra deltaker

Tittel *:	Management consultancies dealing with Green Consulting
Navn på veileder *:	Anna Swärd

Inneholder besvarelsen konfidensielt materiale?:	Nei	**Kan besvarelsen offentliggjøres?:**	Ja

---

Gruppe

Gruppenavn:	(Anonymisert)
Gruppenummer:	295
Andre medlemmer i gruppen:	

Master Thesis

Management consultancies dealing with Green Consulting.

A qualitative study about the internal processes French management consultancies are implementing to build their Green Consulting offer.

Date of submission:

01.07.2022

Campus:

BI Oslo

Examination code and name:

GRA 1970 – Master Thesis

Programme:

Master of Science in Business Strategy

Acknowledgments:

First, we wanted to thank our supervisor, Ana Swärd for her availability and her guidance during the thesis process and throughout our double degree exchange program. We also wanted to extend our gratitude to the four companies that agreed to talk to us and give us their insights on the very new activity that is Green Consulting. We are grateful for the consultants and senior partners who took the time to answer our questions and enrich our perspective. Hopefully our research does them justice and provides a faithful depiction of what they live in their professional day-to-day lives.

Table of contents

Abstract

Increasing regulatory pressure and the need for rethinking operations and value creation to meet sustainability requirements have led to the emergence of Green Consulting. Traditionally, management consulting firms have adapted to market trends and developed capabilities to guide companies in transformation processes. This necessary ability to adapt and engage in knowledge acquisition has been studied extensively by research. Previous research has focused on the effect sustainability issues have had on the dynamics between consultancies and their clients. We use a qualitative data collection method from four different French management consulting firms to give an overview of *"How management consultancies are building their Green Consulting offer?"*. Our findings show that consultancies are still in the early stages of developing and structuring the activity. A flexible organzational structure and initiative taking on the part of consultants are paramount in the companies in which the activity is the most developed.

Introduction

Facing current global warming and ecological crisis, change towards Sustainability is necessary in every layer of our society, including business practices. It is promoted by public opinion, new environmental regulations, etc. However, this change is difficult and requires developing new knowledge or using existing knowledge differently and redefining value streams and their measurement. It is in that context that the role of management consultancies and the emergence of Green Consulting appears to be particularly relevant.

Change management literature has studied extensively the way consulting firms address change and build their business around helping companies transform. The emergence of the Green Consulting activity has been a topic of interest but until then, research has focused on how sustainability awareness and the impacts it has on companies' needs changes the message consulting firms communicate to their clients. Our research will focus on figuring out what the rise of Green Consulting - an activity developed to meet the needs of companies when it comes to ecological transition- implies for French management consulting firms. Our contribution will be to shed light on how management consulting firms approach this new business field compared to other market trends they have had to develop an offer around. Taking a qualitative approach and using the Knowledge-Based View and the Institutional Theory to assess and evaluate the change management processes implemented by consultancies to take on this new activity, we will investigate in this thesis the internal processes by which management consultancies, French ones in particular, are building their Green Consulting offer.

Our research shows that Green Consulting is an industry trend that every consultancy is focusing on, one way or another. Overall, we found that consultancies either have a proactive or an opportunistic attitude towards the development of Green Consulting. This difference in attitude results in different development stages of this activity, proactive consultancies having better structured and integrated their Green Consulting offering. However, the activity is still in its early stages and some challenges have yet to be overcome to make the implementation of a Green Consulting offer more efficient and impactful.

Our approach

Studying Change Management processes in management consultancies

Because we were principally interested in studying the change management processes occuring inside management consultancies to implement Green Consulting, we first decided to study the Change Management and Strategic Management literatures to identify what key factors of change management could be applied to management consultancies. We focused on papers specifically applied to such structures. Quickly enough, we found that not much research has been done yet on the internal side of those change processes. To the best of our knowledge, the research focused so far on recommendations for management consultancies on how to implement Sustainable practices into their clients' businesses, not so much on how to improve their own competencies and knowledge regarding this field.

Our research question

The gap previously identified led us to the following research question:

"How are management consultancies building their Green Consulting offer?"

The research question is used to identify and clarify research objectives. A properly formulated research question ensures that the topic of study is specific and narrow enough to be answered within the boundaries of the research project . It presents the end-game of the research, guides the researcher and provides information on the exact "plan of execution". The process of formulating the research question should be deeply rooted in the theory studied in order to make sure that the findings provide an answer to the question raised by the researcher. (Hair et al, 2019)

Our goal with this research is to paint a picture of how management consulting seize the topic and business field of green consulting to integrate it in their business offer and activities.

Using two economic theories to enrich our qualitative approach

To answer our research question, we decided to have a qualitative approach. Indeed, our goal was to identify and understand the strategic and organizational

changes management consultancies may have implemented in order to improve their knowledge and competencies in Green Consulting. However, because we didn't want to run those interviews blindly without knowing what to look for and where to look, we decided to use two economic theories as theoretical bases and lenses: the Knowledge-Based View (KBV) and the Institutional Theory.

We chose the KBV first because the "management of knowledge" is a major aspect of a consulting firm's business, activity, and strategy (Hansen, Nohria, and Tierney 1999). Moreover, we saw our research question as having two aspects: the one about how management consultancies increase their pure knowledge, sometimes "from scratch", and innovate to implement Green Consulting. The KBV helps us understand what innovation through change means and what the most efficient ways of innovating as well as implementing change within organizations such as management consultancies are.

Finally, the second aspect of our research question related to how management consultancies integrate this knowledge into their organization, how they "institutionalize" it. This is why we decided to rely on Institutional Theory as well. It gives us perspective on how to better analyze and identify the processes management consultancies are following to concretely build their Green Consulting offer. Furthermore, we saw that the emerging Green Consulting activity seems to be the result of many internal and external institutional pressures (e.g., the public opinion, the regulatory institutions, different business actors and stakeholders, etc.), so we found it relevant and interesting to rely on Institutional Theory to better understand the origins and effects of these pressures on management consultancies and how they are building their Green Consulting offer.

<u>Contributions from this study</u>

The contribution of this thesis is twofold.

First, it concerns scholars and general academic research. Indeed, we are among the firsts to analyze the strategic and organizational changes made internally by management consultancies to improve their competencies in Sustainability and integrate it in their offer. To the best of our knowledge, we are also among the very firsts to merge different theoretical learnings and feedback from the field on this very specific topic. Our research can help understand the processes ongoing in this

industry regarding Green Consulting, and help generate more studies on similar topics.

Secondly, it can also be helpful from a managerial standpoint, especially for people working in management consultancies. Indeed, at the end of this study managers from those companies will be able to draw from the learnings and recommendations inferred by different academic views of how to implement innovation and improve their knowledge of Sustainability and Green Consulting. The picture we draw of the progress of the Green Consulting activity in the target can also serve as a reference point for managers.

Definitions

We found it necessary to clarify different terms we will be using throughout this thesis. By *Sustainability* we refer to the definition given by the World Commission on Environment and Development (WCED, 1987): a "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (WCED, 1987, p. 34). In order to be more specific for private business and organizations, the WEF (2020) identifies a set of material and universal Environmental, Social and Governance (ESG) metrics organized under four pillars: Principles of Governance, Planet, People, and Prosperity. In this study we will focus on the Planet pillar. *Regulatory risk* is defined by PwC (2019) as the risk of material loss, reputational damage or liability arising from failure to comply with the requirements of the regulators or related codes of best practice that oversee regulated business in whatever areas the organization operates (PwC 2019). Finally, the *Green Consulting* activity was defined by Chris Galea (2009) and, along with management consulting firm (or management consultancy) and strategic and/or organizational change, defining those terms and activities will be part of our research study.

Literature Review

Defining Green Consulting

Defining the traditional Consulting business

Edward G. Verlander (2012) defines Consulting as "a series of actions and steps that progresses from understanding a client's problem to producing a solution that solves the problem" (*The Practice of Professional Consulting*, Verlander, 2012, p.39). According to him, even though every consulting firm uses their own proprietary models and analytical tools to complete their work, it is still possible to construct a general framework of their activity. The first step in any consulting project consists in finding the answer to a specific set of questions: Who is the real client? What are the client's real needs? How does the client want us to work in the organization? What are the client's vulnerabilities? Will our proposed solution be the best for the client? How do we build a long-term relationship with the client? How can we become the client's trusted advisor? What do we need to do to exceed client expectations? To answer those questions, Edward G. Verlander explains that most consultancies and consultants go through four general steps: developing, mobilizing, building, and implementing (see Exhibit 1). The developing stage consists in finding and developing consulting opportunities and developing a relationship with clients, so an analysis of its needs and a first proposal can be made. Mobilizing is when consultants convert their proposal into a project plan. They gather together other expert consultants to work with, and forge a team that is aligned around individual and collective goals, roles, and responsibilities. Building is when all the milestones in the project plan are accomplished, often resulting in intermediary "deliverables concerning the design and development of some technical part of the solution, reports of findings from data analysis, presentations on progress, reviews with client management, and key meetings of the project team" (*The Practice of Professional Consulting*, Verlander, 2012, p.45). Finally, implementing is when training programs are piloted and tested, strategy documents and recommendations are presented to the client, software solutions are beta tested, organization development initiatives are phased in, and process improvements are subject to evaluation metrics. (Verlander 2012)

Defining the Green Consulting activity

Chris Galea (2009) simply defines Green Consulting companies as the ones that help firms to make the move toward ecological sustainability: their goal is to embed Sustainability into their clients' business strategy, while continuing to improve their overall performance. According to the author, this activity is mainly triggered by regulations, as it is one of the most important risks that the ones he calls "Sustainability consultants" will need to manage: client solutions, advice or technical expertise will become obsolete with the proposed regulatory changes concerning environmental regulations in most developed countries and regions. However, Chris Galea believes that those new and up-coming regulations will create opportunities for new markets and processes or relationship improvements. He identifies Green Consulting as one of these new activities (Galea 2009).

Naqi Sayed and Camillo Lento (2018) agree with Chris Galea on the fact that management consultancies should keep focusing on improving their clients' overall performances for Green Consulting missions, as they define "Environmental Consulting firms" as consultancies that use an "environmentally, socially, and economically sustainable approach to help their clients meet business objectives" *(Developing a strategy map for environmental consulting firms*, Sayed and Lento, 2018, p.917). According to them, Green Consulting is not and cannot be just about turning production and processes to "green". Profitability must still be considered to embark a maximum of stakeholders and clients as few organizations will accept such transition if it is at the cost of economic performance. (Sayed and Lento 2018).

However, Thomas Wunder (2019) still calls for totally rethinking "Strategic Management" and "Sustainable Strategizing" as he makes clear that "strategy practitioners need to rethink their approach to strategizing" (*Rethinking Strategic Management: Sustainable Strategizing for Positive Impact*, Wunder, 2019, p.15) in order to either effectively deal with climate change and its consequences or play an active role in transforming the market towards a more sustainable future. In order to do that, he builds frameworks to help strategists to improve the social and environmental impacts of their business. In short, he calls for Green Consulting firms to review both the value creation definition and scope, and to assess the "impact" of their clients' activity. Regarding the new value definition and scope,

"Sustainable consultants" should consider other stakeholders than customers in the final added value of their client activities (e.g., communities, non-profit organizations, natural environment, and other groups including future generations). They should also consider other forms of value than just the client firm's profits and the customer value, to get closer to the concept of "utility". And they should take into account value destruction as well as value creation. Regarding the assessment of the "impact" of Green Consulting clients' activities, Thomas Wunder encourages to measure and target the positive ones but also to explicitly measure and avoid the negative ones. In the end, he advises "Sustainable strategists" to use Sustainable business models that focus on finding a "social purpose" to a business activity: this will help bring the value of the product and/or service (as perceived by customers) closer to its utility (for the customer and the society). An intense thinking process must be followed in order to innovate in the three main pillars (value proposition, value creation and delivery, value capture/sustenance) of any business model to make it sustainable. (Wunder 2019)

On the other hand, Séverine Lemaire (2021) narrows down the scope of the Green Consulting activity, as she explains that it should only be about supporting companies' efforts and strategies to reduce their environmental impact. Indeed, according to her most companies do not have the experience, skills or tools to make the necessary changes in that regard, but that will be the only need and demand from them. (Lemaire 2021)

Management consultancies dealing with change and innovation

How management consultancies dealt with change and innovation so far

Management Consulting is an industry that is quite old. This is what Edward G. Verlander (2012) shows, as management consultancies have been around for more than a hundred years already : "first there were the big consulting firms […], followed by a tidal wave of small, specialized boutique firms that hired MBAs and trained them in their methods and procedures to be first-class strategy and business consultants" (*The Practice of Professional Consulting*, Verlander, 2012, p.4). Diversification and specialization have been an industry trend since the 1970s, with "the particular field of management consulting growing by some estimates over 20% during the 1980s and 1990s" (*The Practice of Professional*

Consulting, Verlander, 2012, p.7). Since then, these services have been expanding in various domains to meet the ever-growing needs of businesses. To conduct their work, consultants need specialized training in areas such as research methods, interpersonal communications, analytical techniques, and group processes, and are required to have some technical and business expertise. Finally, consultants need to have some degree of familiarity with the client's business, industry, organizational functions, and managerial processes. Regarding change and innovation inside those companies, Edward G. Verlander recommends adopting "a set of specific behavioral practices, training programs and diagnostic instruments" (*The Practice of Professional Consulting*, 2012, p.48) to develop new abilities and/or train new consultants. According to him, management consultancies should also consider every consultant's preferences, strengths and weaknesses before assigning them to certain stages of the consulting work, so they can be more efficient. (Verlander 2012)

Andreas Werr, Torbjom Stjemberg and Peter Docherty (1997) delve deeper into the methods of change in the work of management consultants. They stress that 80% to 90% of the consulting firms they reviewed were using structured methods and tools to implement change in their processes. For instance, Boston Consulting Group (BCG) always uses a step-by-step process and matrix to implement a new kind of offer in their operations. They first have a "preparation and pre-structuring" phase where they get aware of the new field and need they could answer to for clients, but also appoint consultants to work on the subject. Then, they "gain understanding" on the subject, working with clients, possible partners, analyzing the offer competitors possibly have on this matter (benchmarking process) already. Then, they "develop alternatives and solutions" that are client oriented regarding this new matter and issue they will answer to. Afterwards, they do "take action" and implement those solutions into their clients' operations. And, finally, they "realize benefits". Although consistent, this process must always be adapted to feed-backs from the field, clients' specific situations and needs, implementation experiences, etc. The authors found similar processes in most management consultancies they interviewed, and they believe it helps to provide a "common interface to the change process" (*The functions of methods of change in management consulting*, Werr, Stjernberg, and Docherty, 1997, p.13) in those organizations. (Werr, Stjernberg, and Docherty 1997)

However, K. Sahlin-Anderson and L. Engwall (2002) do highlight in their work the interactions management consultancies have with external actors and institutions, what they call "carriers of the expansion of management knowledge": organizations or institutions that are supporting and sometimes changing the management of knowledge in businesses. Management consultancies are one of those carriers, along with private businesses and their technical departments or practices, but also business schools and media companies (see <u>Exhibit 2</u>). According to them, those interactions are both at the origin and part of the change process and innovation development within management consultancies. With practices in companies, consultancies develop such interactions both through the pieces of advice they give to companies, as well as through the learning they get out of implementing their solutions and cooperating with companies. The management consultancies also supply a lot of candidates for executive positions in many private or public organizations. With business schools, consultancies are interacting through the consulting activities professors sometimes have, the continued flow of newly graduates that want to enter the Consulting industry, and collaborative projects they have with them. Lastly, consultancies are interacting with media companies through consultants publishing texts about their business ideas and using material from the Media industry itself. In short, those "carriers of management knowledge" are influencing each other and those interactions are somewhat at the origin of any new expertise development in management consultancies. (Sahlin-Andersson and Engwall 2002)

Management consultancies dealing with Green Consulting

Chris Galea (2009) judges harshly management consulting firms and their capacity to integrate knowledge and processes from the field of Sustainability: "emerging sustainability consulting firms are nipping at the heels of established giants, who are scrambling to find their way in the emergent field of Sustainability" (*Consulting for Business Sustainability*, Galea, 2009, p.1). As a result, Chris Galea recommends several processes for management consultants to follow in order to implement Sustainability in their clients' operations: insist and make clear on why Sustainability is important and what the implications of moving towards it are, implement a strategic plan to integrate fully the Sustainability aspect into the client's business, draw a map of all the client's

business stakeholders to evaluate the opportunities and threat they present, make sure that the client is mobilizing enough resources (both financial and human), reject any tentation for greenwashing policies, and, finally, ensure there are sufficient communication and coordination mechanisms into the client company's organization. According to the author, following those principles will help Sustainability consultants to make sense of challenges that are leaving their clients puzzled when it comes to their environmental (and social) impact. Moreover, they should uncover new value streams, both for them and their clients, "which is the ultimate goal of good consulting practice" (*Consulting for Business Sustainability*, Galea, 2009, p.2). (Galea 2009)

Nathália de Paula, David Arditi and Silvio Melhado (2017) also conclude that management consultancies are lagging behind in implementing Sustainability in their consulting missions and in their own organization skills and structure. They report that 49% of the consulting firms they interviewed in the very specific Construction sector had activities that were now almost fully related to Sustainability certifications, but 63% of the consultants in this sector have not observed any change yet in their firm's agreements and organization to accommodate Sustainability constraints. As an illustration, only 49% of the consultant companies they interrogated did employ professionals that hold a distinct "Sustainability" related position. According to the authors, this is mainly because most consulting firms still believe that profit margins in Sustainable projects are lower than in traditional projects. Thus, even if most firms have strategic plans in place to perform sustainable projects, they don't really want to make costly organizational changes towards it yet, they often rather simply adopt an opportunistic behavior towards those projects. To improve this situation, the authors then recommend focusing on the following processes: have clear and consistent environmental goals within the consulting firm and its Sustainability offer, collaborate with all the supply chain of every client for each Sustainability related project, educate and train clients' stakeholders to the new Sustainable practices, from the beginning of the implementation phase to the final after-evaluation phase of the project, and, finally, use appropriate management tools to mobilize the whole client's organization towards the new Sustainability objectives. (de Paula, Arditi, and Melhado 2017)

Focusing on the management consultancies own organizational and strategic transformations needed for Green Consulting, Guy J. Vaccaro (2006) first argues that Consulting for Sustainability is about creating a new organizational narrative, and that it should be an exciting opportunity for a consultant to help a firm make the move toward ecological sustainability. Indeed, "in the past consultants have helped organizations adapt and compete successfully in the global marketplace, but not many have helped organizations how to measure and manage their environmental impact on a scale ranging from local to global" (*Consulting for Sustainability: Creating a New Organisational Narrative*, Vaccaro, 2006, p.77). According to him, Sustainability can be implemented in management consulting practices by following ten core principles: engage with a wide range of stakeholders, incorporate language from multiple disciplines and business functions, seek external validation, communicate the "Sustainability" message consistently, frame Sustainability in terms of a higher purpose, reject "greenwashing", develop or adopt a comprehensive measurement system on client's business activities' environmental impact, think about (next) environmental regulations and their opportunities (what he calls "blend the institutional with the innovative"), persevere in the face of internal opposition to the new narrative, and build a team fully committed to Sustainability. (Vaccaro 2006)

In order to be even more practical for managers in a management consulting firm moving towards Green Consulting, Naqi Sayed and Camillo Lento (2018) try to identify some clear Key Performance Indicators (KPIs) based on the 4 balanced scorecard (BSC) perspectives (Financial, Internal process, Learning and Growth, Customer) for those managers to follow. Indeed, their goal is to help management consulting firms to achieve and prioritize some strategic steps over others in the implementation of a Green Consulting offer. In the end, they recommend adopting and following KPIs that "self-reinforce, complement each other and form a feedback loop" (*Developing a strategy map for environmental consulting firms*, Sayed and Lento, 2018, p.917). First, regarding the Financial perspective by measuring the "personnel utilization" of Sustainability subjects in the consultancy: a consultant working in Green Consulting should spend most of his time in this field to maximize its efficiency. Secondly, regarding the Internal process perspective by measuring the number of new Green Consulting products

and solutions the consultancy is able to provide: the consulting firm should be well aware of the development of new service models to better attract customers. Then, regarding the Learning and Growth perspective by measuring the acquisition of "new skills and/or techniques" related to Green Consulting: the goal is to build new capabilities and practices to improve Green Consulting business knowledge and solutions. Finally, regarding the Customer perspective they recommend to always evaluate the customer value proposition of Green Consulting products and services in order to take care of it and increase the number of reasons why customers would buy those services. According to the authors, those KPIs are the most relevant and efficient ones to follow and control in order to implement Green Consulting knowledge and offer within a management consultancy. (Sayed and Lento 2018)

Regarding the exact transformations to implement however, Jean-Pascal Gond and Luc Brès (2020) identify a six-tool based practices that consultancies in Québec did follow to improve their Green Consulting competencies and offer. It first concerns Engineering practices: management consultancies in Québec started by designing tools that addressed specific environmental issues before the market need for these tools was even expressed (maturing phase), then they tried those now existing tools on some prospective users and/or client organizations (tailoring phase), and, finally, they (re)designed again new tools that extended the identified pre-existing market needs, in order to better correspond to the actual ones (farming phase). But it also concerns what the authors call "Commodifying" practices: management consultancies in Québec used their tools as authoritative "reference frames" to define and prescribe environmental related requirements (scripting process), they also showcased tools to attract the interest of prospective users (teasing process), finally, they also redeployed tools from other areas to actually address environmental issues (plugging process). The result of those processes was the development of a market for consultancy products and services for Corporate Social Responsibility (CSR), and a general market shift towards more Sustainable practices in private businesses. (Gond and Brès 2020)

Finally, Séverine Lemaire (2021) mentions how important a change in recruitment policy is for management consulting firms in order to foster the development of the Green Consulting activity. According to her, what she calls "Environmental

Transition Consulting" is characterized by the scientific dimension of the profession, and management consultancies should employ more profiles with scientific/engineer competencies related to Environment or Energy. (Lemaire 2021)

How to best implement change according to the KBV and the Institutional Theory

The Knowledge-Based View regarding change and innovation management

The Knowledge-Based View in short

Following R.M. Grant (1996) work, firms are defined in the Knowledge-Based View (KBV) as institutions for integrating knowledge, knowledge residing within individuals. Thus, the primary goal of an organization is to integrate the specialist knowledge residing in individuals to turn it into goods and services, a process called "knowledge application". The KBV therefore focuses on the processes, costs and transactions associated with knowledge (i.e., knowledge transfer, knowledge sharing or acquisition of knowledge). (Grant 1996)

The Knowledge-Based View: how to favorize change and innovation within an organization

In their work, Quintane E. & al. (2011) propose a general framework to categorize the existing views of innovation, differentiating between "innovation from a process" and "innovation from an outcome". Innovation from a process refers to the "activities that companies undertake in order to develop innovations" (*Innovation as a knowledge‑based outcome*, Quintane et al., 2011, p.929). Innovation as an outcome of this process is considered in terms of "new ideas, combinations, solutions or processes, products and procedures" (*Innovation as a knowledge‑based outcome*, Quintane et al., 2011, p.929). However, after reviewing the literature about knowledge and innovation, they found that the concept and definition of innovation as an outcome from a knowledge-perspective was lacking, preventing existing knowledge-based models of innovation from specifying which knowledge processes are more likely to generate a radical innovation. In the end, they conclude that the "innovation as a knowledge outcome" should be considered as new knowledge in the context it is introduced

to, and it should be knowledge that can be duplicated and demonstrated useful in practice. Organizations relying on a knowledge-based model of innovation should then focus on processes that will enable them to acquire totally new knowledge. However, new knowledge that is new only in the company's scope can be enough, pure R&D is not always necessary. Companies should also promote processes that make an innovation duplicable, meaning that the company will not have to go through the same knowledge creation process again to get a similar outcome. Finally, they should promote processes that will enable the company to extract value out of this innovation. (Quintane et al. 2011)

Finally, Zhou KZ and Li CB (2012) complete those recommendations by analyzing "how the existing knowledge base interacts with knowledge integration mechanisms to affect radical innovation". They conclude that a firm with a broad knowledge base is more likely to achieve radical innovation in the presence of internal knowledge sharing processes rather than from market knowledge acquisition. As the firm already has information about different types of markets, "a good shake" often creates a new perspective on its already existing pieces of knowledge. Acquiring new information from the external market could even lead to "information overload". On the other hand, a firm more specialized, with a deep knowledge base, is more capable of developing radical innovation through market knowledge acquisition. As it helps the firm to expand the scope of innovation beyond the (often few) existing markets it is deeply entrenched in. Internal knowledge sharing in those companies will more likely only produce incremental innovations, rather than radical ones. (Zhou and Li 2012)

The Institutional Theory regarding innovation and change

The Institutional Theory in short

Following W. Richard Scott (1995) work, the institutional environment is the set of fundamental political, social, and legal ground rules that establish the basis for production, exchange, and distribution. They can rely on three pillars: the regulative one, when there is coercion through rules, laws, and sanctions; the normative one, when there is a standardization of behaviors through certification or accreditations; and the cultural-cognitive one, when organizations or individuals imitate other behaviors based on shared ideas (Scott 1995). According

to institutional strategists then, firms aim to be like their peers to gain legitimacy and avoid performance penalties with deviance from existing norms, expectations, and practices. According to P. Selznick (1984), institutionalization is also a process that happens to an organization over time, when it acquires a character structure reflecting the organization's own history and members (Selznick 1984). According to A. Stinchcombe (1987), it happens when powerful people from an organization are committed to some common values and/or interests (Stinchcombe 1987).

The Institutional Theory: how to favorize change and innovation within an organization

Robert J. David, Wesley D. Sine, and Heather A. Haveman (2013) classify changes into four inter-related contexts (see Exhibit 3). The two firsts are about the level of maturity of the field it is embedded in (established versus new/emerging). And the two others relate to the level of organizational change: is it sub-organizational and only affects part of the organization or is it a completely new organizational form that is created? Regardless of the categorization, the authors do highlight the role of what they call "institutional entrepreneurs", who are socially skilled actors who work to justify and legitimate changes and new social arrangements. Companies should identify and promote those entrepreneurs who push for novel sub-organizational elements, such as roles, practices, or procedures, through three kinds of activities: (David, Sine, and Haveman 2013)

- Theorization: institutional entrepreneurs theorize the social change they wish to effect, developing and specifying abstract categories of actors, structures, and events. Theorization in the context of an established form is oriented toward consistency with the field's existing structures, values, and norms. Goals and tactics must also be compatible with the society values (i.e., efficiency, equality, or justice). (David, Sine, and Haveman 2013)

- Affiliation: in the case of an established organization form, institutional entrepreneurs try to include their emerging field into the established authority structures and status orderings. (David, Sine, and Haveman 2013)

- Collective action: institutional entrepreneurs tend to band together in some

ways to counter the inevitable resistance from those who value the status quo. (David, Sine, and Haveman 2013)

In an effort to integrate Institutional Theory into Strategic Management, Zhao E. Y. et al (2017) try to give managers a more comprehensive and contemporary view of how firms can become "optimally distinct" i.e. of how they can become different enough from their peers to be competitive, but similar enough to be recognizable. In that aspect, they recommend considering various organizational dimensions simultaneously and examine what drives the coherence, synergy, and relevance of a specific configuration of firm elements (like change), and how it (would) affects stakeholder perceptions of the optimal distinctiveness of the company, which will ultimately drive its performance. The first dimension to analyze is orchestration, that is to say how managers orchestrate various aspects of strategies, structures, and processes to achieve optimal performance. The second dimension is stakeholder multiplicity, based on psychographic distinctions: how managers are exploring and adapting to the different evaluative frameworks, mindsets, and expectations of the various company's stakeholders, and how they adapt their resource management accordingly. The third and last dimension to analyze is managing temporality: how the company is constantly adjusting to the shifting nature of institutional and competitive forces to achieve optimal distinctiveness, following general industry's development(s) and its own organizational life cycle. The authors offer a series of questions for scholars to evaluate the extent of these dimensions when it comes to an organization's element such as change, also encouraging them to "engage configurational approaches such as qualitative comparative analysis" (*Optimal distinctiveness: Broadening the interface between institutional theory and strategic management: Optimal Distinctivene*ss, Zhao et al., 2017, p.108) in that regard. (Zhao et al. 2017)

Methodology

The following part aims at giving an overview of the research context and methodology selected to answer the research question. A justification of the research method is given, followed by a detailed explanation of the data collection process and of how primary and secondary data will be used. Eventually, this chapter deals with ethical considerations to make sure the thesis is in line with GDPR regulations.

Research context

In 2021, the World Economic Forum (WEF) reported that "climate action failure is the most impactful and second most likely long-term risk identified in the Global Risks Perception Survey" (*The Global Risks Report 16th Edition,* WEF 2021, p.8) concerning all businesses in the world. Whether it is from governments, consumers or other stakeholders, the demand for more Sustainable business practices, from an environmental standpoint, is ever more present and is expected to increase in the coming years. (World Economic Forum 2021)

It seems however, that the major push towards Sustainable practices in the private sector will come from the "regulatory forces" (governments and international organizations with regulatory power). In Europe for example, the European Commission (2021) introduced a "Sustainable finance package" with more detailed reporting requirements, including mandatory EU sustainability reporting standards for all large companies operating on the European market, and all European companies listed on regulated markets (except some micro-companies). Also, it would require the audit of those reported information from external consulting or audit firms, and the ability to digitally tag and trace them. And other regulatory texts are published at the very moment we are writing this thesis (e.g., The EU Taxonomy Climate Delegated Act). (European Commission 2021)

Chris Galea (2009) identified early on those environmental regulations as one of the most important risks that consultants will need to manage: client solutions, advice or technical expertise may become obsolete with the proposed regulatory changes such as the ones from the EU Commission. However, he believes that those new and up-on-coming regulations will create opportunities for new markets and process or relationship improvements. One of them is the Green Consulting

activity: "helping organizations embed Sustainability into their business strategy in order to realize improved overall performance" (*Consulting for Business Sustainability*, Galea, 2009, p.65). According to him, this new business will require "more than just imparting knowledge of sustainability practices, improvement strategies and expertise at implementing them" (*Consulting for Business Sustainability*, Galea, 2009, p.65). He identifies two areas of improvement for management consultancies to have a credible Green Consulting offer: (Galea 2009)

- The "strategic sustainability" area, consisting in helping clients understand and unlock Sustainability in ways that give specific strategic advantage for the client organization. (Galea 2009)

- The "consulting" area, consisting of a systematic process and the consistent application of distinctive Sustainable knowledge and competencies that are not yet available in most consulting firms. (Galea 2009)

This is what we want to investigate in this thesis: we aim to review and assess the strategic and organizational changes management consultancies have done or are doing to implement the new Green Consulting business in their offer.

Research methodology

Qualitative data gathering methodology

This part looks at the type of research our thesis is based on and provides justification for such a choice.

Research methodology is different from research method in that it does not provide a guide to conducting research but rather illustrates the inner workings of knowledge creation and its limitations (Adams 2014). The choice of the research methodology is very closely linked to the nature of the issue studied.

To gain insights into the strategic and organizational changes the development of the green consulting activity creates inside of traditional management consultancies, we decided to rely on a qualitative approach. As seen in our Literature Review, the Green Consulting activity is an emerging field. Qualitative

research appears as a method of choice to fully grasp the implications of this new activity for which theory is not yet fully developed (Hair Jr. and Page 2015). Moreover, the implementation and development of Green Consulting is a dynamic, ever evolving process that varies from one consultancy to another. It is an activity that is in its early stages and as such, is not yet institutionalized. Our understanding of the ways management consultancies engage in change management to integrate this new activity is therefore closely linked to internal factors. Qualitative data gathering is useful to encompass several levels of analysis and address unclear boundaries by taking into account the organizational context (Langley 1999). As such, it is well-suited to investigate the change processes that are at play with the rise of this new activity.

Green Consulting being a new market trend, the aim of our study is not so much to test hypotheses as it is to observe and dress an overview of how consulting firms address this novel activity. In that sense, a qualitative approach is the most relevant because its open-mindedness allows researchers to build theory (Graebner, Martin, and Roundy 2012) and identify patterns of behavior through the explanations given by the interviewees (Hair Jr. and Page 2015).

We have seen that there is no common, widely recognized definition of Green Consulting. The aim of our data collection process is to give an overview of what this new practice looks like inside management consultancies, and how those companies are coping. To meet this goal, our research can benefit from qualitative data, defined as "textual or visual rather than numerical descriptions" (*The Essentials of Business Research Methods*, Hair Jr. and Page, 2015, p.161). Indeed, using representations and narrative makes it easier to illustrate and give life to the rather abstract concept of green consulting whose definition and scope are still blurry.

Eventually, taking a qualitative approach is appropriate because of the human element of this research. This thesis tries to look at how consulting firms adapt their skill set, processes, and client relationships when addressing environment-related transformation projects. As such, it is necessary to get insights into individuals' personal experiences and interpretations all the more so as no formal guidelines and regulations have been established. With this approach, researchers will be able to build rationale without imposing "particular

conceptual frames on the data prior to data collection" (*Qualitative data: Cooking without a recipe*, p.278, Graebner, Martin, and Roundy, 2012).

Research strategy and design

The following paragraph explores the reasoning behind our choosing a case study approach to study our research question and structure our findings. In order to describe the impact of the ongoing phenomenon that is the rise of green consulting, we chose to take a case study approach.

Case studies are defined by Eisenhardt as a "research strategy which focuses on understanding the dynamics present within single settings" (*Building Theories from Case Study Research*, p.534, Eisenhardt, 1989). The relevance of this research strategy lies in the advantages it presents when trying to describe a current pattern of action. The goal of our research is to give an account of the impact the new green consulting activity has on consulting firms and how they seize the topic. This means that our research focuses on contemporary events, observes behavior that cannot be manipulated and tries to describe in-depth a current phenomenon. This research setting makes the case study method particularly well-suited to the analysis we want to conduct (Yin 2018). Indeed, this approach allows for an in-depth analysis of internal processes and will enhance our understanding of the forces at play in the development of this new business area.

What we are trying to achieve with our research is to report the progress of the development of the green consulting activity and its institutionalization. Observing firms at work, trying to deal with this trend, and integrate it to their core business, will provide relevant insights. This assumption is in line with Eisenhardt's conclusions on case studies being a great source of "novel", "verifiable" and "empirically valid" theories (Eisenhardt, 1989).

Every research study needs to formulate a research design, that is to say the "logical sequence that connects the empirical data to a study's initial research questions and, ultimately, to its conclusions" (*Case study research and applications: design and methods*, p.20, Yin, 2018). In the case of our research project, this means elaborating on the nature of the case study. Since, our research question is rather open and does not come with predefined hypotheses, a method

that allows for flexibility along the way and encourages the rise of theoretical concepts was needed. An exploratory case study meets these requirements (Yin 2018). The aim of this thesis is to delve deeper into a new trend and observe how that trend is coming to life. An exploratory case study is well-adapted to the clarification of a specific topic (Hair Jr. and Page 2015).

Case selection

The first concern when selecting companies to base our case study on was access to information and to knowledgeable point persons since it is paramount in establishing Getting sufficient access to sources of data - whether they are interviewees that are knowledgeable of the topic at hand or company reports – should be the priority in order to build a successful case study (Yin 2018). Our choice to choose French management consulting firms was motivated by the fact that we had easy access to point persons inside those companies. Getting access to a variety of profiles was important to give a clear picture of the changes brought on to consulting firms by the rise of the green consulting activity. That is why our case selection relied on picking companies of various sizes tailoring to a different portfolio of clients both from the private and public sector. This method is in line with the idea that in qualitative research, sampling should not be done randomly in order to reflect the richness of a topic and identify patterns (Eisenhardt and Graebner 2007).

Throughout our research we will refer to the companies as "Company 1", "Company 2", "Company 3" and "Company 4" in order to maintain anonymity.

Company 1 is a mid-sized French management consulting firm specialized in digitalization and financial services. The consultancy operates in several countries across the world. It is structured around several business units, each focused on a specific sector or function. Green consulting has become a topic of interest within the past two years.

Company 2 is a small French consultancy that tailors mainly to the public sector. The consultancy focuses on projects related to the management and the development of high impact digital infrastructures.

Company 3 is a French management consulting firm specialized in management organizations and information systems. The consultancy is not structured around sectorial or functional business units. Consultants are generalists and join small teams, gathered around a common interest.

Company 4 is the French branch of a strategy, development and transformation consulting firm. The consultancy tends to General management of large companies. It is structured around sectorial or functional business units.

Data collection

The following part describes the different sources of data that are going to be used and explains how this data is going to be processed. An effective data collection plan is essential to ensure the quality and the success of the research. (Adams 2014)

Type of data collected

Primary data is required because our research aims at rendering the changes consulting firms make to adapt to sustainability trends. This requires getting insights from individuals' personal experience which means that secondary data is not enough. Our main concern with the data collection process is to be able to identify the change processes that consultancies are undergoing to integrate the new green consulting activity in their business. The exploratory nature of our research and its design (a multiple case study approach) means that we intend to draw theory from the data. Collecting primary data at the source is therefore appropriate to develop our understanding of the change management mechanisms caused by the rise of green consulting.

Case studies are a ''multi-method research'' (Gephart, 2004) and they are recognized for accommodating "a rich variety of sources including interviews, archival data, survey data, ethnographies and observation" (*Theory Building From Cases: Opportunities And Challenges*, Eisenhardt and Graebner, 2007, p.28). Out of all these sources of primary qualitative data, we focused on conducting "in-depth interviews" (Adler, Adler, and Weiss 1995). This method fits our exploratory approach and is well-suited and is appropriate for giving us insights on employees, who are main actors in a change process.

However, to ensure the reliability of the data collected and as such of our findings, we cross checked as much as possible the information given by respondents during the interviews with secondary sources of data. To give as faithful a rendition as possible, we checked that the patterns identified and initiatives described by respondents matched what companies communicated about their approach to ESG-related projects. In order to do that, we relied on CSR reports, if they existed, or on the companies' corporate website and annual reports.

Interviews

This method of data collection is particularly relevant to our research, because it puts researchers in direct contact with people that are familiar with the research topic (Hair Jr. and Page 2015) and allows researchers to go in depth into people's motivations and behavior (Adams 2014). Since our aim is to gather information on how sustainability consulting affects the practices of consultants, it is important to get first-hand impressions and perspectives on how professionals cope with those changes.

Moreover, as Yin mentions, interviews are "insightful" and provide "explanations as well as personal views" (*Case study research and applications: design and methods*, Yin, 2018). This allows us to get empirical evidence and to spot emerging theoretical concepts in how the change processes are unfolding as a result of the rise of the Green Consulting activity.

Regarding the type of interview, we chose semi-structured interviews.

Because our approach is exploratory, we are engaging in "theory building" (Eisenhardt and Graebner 2007) and trying to spot patterns in the empirical data collected. Consequently, it was important to have a flexible approach in order to be able to get the full range of the Green Consulting phenomenon. Semi-structured interviews allow interviewers to present their investigation as "guided conversations rather than structured queries" (*Case study research and applications: design and methods*, Yin, 2018, p.83). The idea with having an interview guide that is used as a stepping stone rather than as a rigid set of guidelines is to follow the lead of the respondent and as such to avoid looking at the data with preconceived notions and bias. Our interview guide was designed to

allow for exploration of topics brought up along the way by respondents (see Exhibit 4). It is essential in order to let "emergent hypotheses" appear. This is in line with Gioia et al's findings, when it comes to using semi-structured interviews to keep a flexible and iterative approach. The questions are not set in stone and must adapt to the findings in order to elaborate "grounded theory" (Gioia, Corley, and Hamilton 2013). This approach was well-suited to our research which involves an ongoing trend that consultancies and their employees are just starting to get familiar with and are trying to figure out.

In total, five interviews were conducted over the span of a few weeks. The interviews were planned and happened over video conferencing. In order to find participants, we used our alumni database and met with consulting firms at a school job fair.

Respondents

In order to get insights into what perception of Green Consulting management consultancies have and how they approach the topic, we found it interesting to get in touch with several levels of the organizations. Our level of analysis is the consulting firms. Since the goal of our research is to paint a picture of the way traditional management consulting firms adapt to Green Consulting projects, talking to respondents who have different roles within the companies provided us with a depth and richness of information (Charmaz 2006).

This approach is in line with Gioia et al's recommendation in that we did talk to as different levels of the organizations who had different exposure to Green Consulting. We interviewed both junior and senior consultants who were working in direct relation to Green Consulting or not, as well as partners who could tell us the strategy their firm had in regards to this topic. The respondents we interviewed sometimes also pointed us in the direction of other relevant informants inside their organization.

In total, we interviewed six people from different companies (Exhibit 5). For the sake of anonymity, throughout this thesis we will refer to them as "Respondent A", "Respondent B", "Respondent C", "Respondent D", "Respondent E" and "Respondent F". The following paragraph gives an overview of who they are.

Respondent A has been a part of their organization (Company 1) for a year and a half and has an engineering background. They work mainly on projects related to banking and insurance and build on their previous experiences working for large French companies.

Respondent B is a partner and associate director of Company 2. The interviewee is involved in projects involving electric mobility and smart cities as well as internal issues related to HR. They have been with the company for 20 plus years and initially have a degree in political science.

Respondent C is a HR manager working in the same firm as Respondent B (Company 2). They are responsible for talent acquisition as well as employee satisfaction.

Respondent D is a consultant working for the same consultancy as Respondent A (Company 1). They have been part of the organization for a year and have a background in Sustainable businesses. They initially joined the organization to coordinate and develop the activities of a business unit related to Environment. Their missions now include various projects related to ESG with an environmental focus.

Respondent E is the CEO of Company 3. The respondent joined the company as a young graduate from an engineering school and has been working there for more than 20 years. They are responsible for large transformation projects in various industries.

Respondent F is an associate partner at Company 4. The respondent joined the company after a degree in political science and years of experience working for various consulting firms. They are responsible for supporting finance departments in their transformation processes and work on topics related to data intelligence and analysis. Within their business unit, they have pushed for the development of sustainability topics

Ensuring data quality

Qualitative research is generally criticized for its lack of rigor (Gioia, Corley, and Hamilton 2013) and the difficulty for generalization it presents (Yin 2018). To

avoid the pitfalls of this research methodology and in particular those of the case study method, researchers must ensure the quality of the data collected.

Judging the quality of the data can be difficult but in this research we were careful to take in consideration the accuracy, the consistency and the authenticity of the data collected (Dowdall et al. 1989). To ensure this, we relied on the tests of reliability and internal and external validity developed by Yin (Yin 2018).

The reliability of our research refers to the quality and accurateness of the data collected, method and analysis. It is supposed to assess the consistency of the research (Adams 2014). Our challenge was that, given the newness of the Green Consulting field, our theory elaboration relies mainly on the interviews. Those interviews are context specific and the view and perception of the respondents are subjective to change in the long run. To strengthen the reliability of our research, we used "multiple sources of evidence" (Yin, 2018, p.129). This means that we took interviews as a rich source of data while keeping in mind that they are only meant to be verbal reports and must be corroborated with documentary evidence. That is the reason why we also collect secondary data from sustainability reports, institutional studies and company reports. Secondary data is essential to strengthen the primary data and the patterns observed because of the small sample size a case study represents (Adams 2014).

The internal validity of our research refers to the possibility to establish a clear link between the research objectives and the findings as well as the faithfulness in which they present reality. Our research gives an accurate representation of the reality since the type of interview selected, semi-structured interviews, give both "retrospective and real-time accounts by those people experiencing the phenomenon of theoretical interest" *(Seeking Qualitative Rigor in Inductive Research: Notes on the Gioia Methodology*, Gioia, Corley, and Hamilton, 2013, p.19). We studied a real organization and gathered data from several organizational levels. To collect our data, we conducted interviews that we recorded and then transcribed in order to make sure that we were mirroring the respondents' thoughts and perceptions as closely as possible.

Combining a retrospective and real-time approach was also a way to mitigate bias commonly associated with the interview method (Eisenhardt and Graebner 2007). The external validity of our research could be questioned though because the interviewed were context specific and the sample size might not permit generalization.

Data analysis

Having an idea of how the data is to be processed after it has been collected is key to producing a good case study (Yin 2018). Our case protocol followed an inductive approach defined as a "type of thinking that involves identifying patterns in a data set to reach conclusions and build theories" (*The Essentials of Business Research Methods*, Hair Jr. and Page, 2015). Gioia, Corley, and Hamilton (2013), offer the following steps for the data collection process:

- Perform initial data coding keeping the terms employed by the respondents

- Group the data according to common patterns

- Interpret the 1st order codes to translate them into theoretical concepts

- Group the 2nd order codes into a data structure

Consistently reviewing the data and the aggregate formed along the way allows to fill in the gaps in categories where data may be lacking (Hair Jr. and Page 2015). This ensures the quality of the data by making sure it provides a complete picture of the study topic and ensures the completeness of the data (Dowdall et al. 1989).

Ethical considerations

Researchers have an "ethical responsibility to do the work honestly and with integrity" (*Research Methods for Business and Social Science Students*, p.21, Adams, 2014). Due to the nature of our research method, our main concern was complying with GDPR regulations, and in particular with the anonymity of the respondents. This is why the name of the company studied was kept secret. The interviews were recorded to ensure reliability and validity of the data but a consent form was sent to respondents before the interviews to make sure they understood the implications of their participation in the study. Permission is

crucial to ensure that research complies with ethical guidelines and best practices (Hair Jr. and Page 2015). Our project was registered with the Norwegian Research Ethics Committee to get approval for data collection.

Analysis

In this part, we first analyze the learnings and findings from the Change Management and Strategic Management literature specifically applied to management consultancies and Green Consulting. We will see how this has led us to identify a gap in the academic research regarding this topic and how management consultancies are improving their competencies and knowledge to offer some Green Consulting services.

Then, we explain why and how we chose the Knowledge-Based View and the Institutional Theory as two theoretical bases to run our interviews and identify the very processes management consultancies are implementing and/or following to improve their competencies and knowledge for Green Consulting. We draw key focus points and concepts for analysis from these two theories as well as from the Change Management and Strategic Management literature seen before.

Finally, we present both our general findings and our main findings from the interviews we runned. The latter will be confronted with the theoretical lenses presented before.

<u>Findings and learnings from the Literature Review</u>

From the definitions of Consulting and Green Consulting

First, from the definition of the Consulting activity and industry, given by Edward G. Verlander (2012) we can draw that consultants usually follow a very step-by-step process in their work. We can already wonder if, then, Environmental Sustainability Consulting will follow similar processes than those highlighted by Edward G. Verlander. In short, is it still a "traditional" consulting activity?

In the general definition and objectives of the Green Consulting activity however, authors do not always agree on the scope of its projects. Authors like Chris Galea (2009) and Sayed and Lento (2018) maintain the objective of "improving" (not only "preserving") the clients' overall performances in the Green Consulting business, in addition to meeting Sustainability goals. However, the means used to achieve this differ: according to Chris Galea the goal is to embed Sustainability into clients' business strategy, while for Sayed and Lento (2018) they should use

"environmentally, socially, and economically sustainable approach to help their clients meet business objectives" *(Developing a strategy map for environmental consulting firms*, Sayed and Lento, 2018, p.917). It seems that for the first one, Sustainability should be incorporated into the current business objectives and processes, while for the second ones it should be new means for new business objectives and value creation models.

Thomas Wunder (2019) has the most radical approach, as he calls for totally rethinking Strategic Management and Sustainable Strategizing. In short, he calls for a broadening of the scope of consulting missions by taking into account new definitions and forms of "value", as well as include both the positive and negative "impacts" of their clients' strategy, and their own recommendations. In the end, however, we found that experts like Séverine Lemaire (2021) wish to narrow further the scope of the Green Consulting activity: it should only consist in technical assistance to reduce the environmental impact of the client companies' activities.

As scholars still seem not to agree on the exact definition and scope of the Green Consulting activity, we can ask ourselves what is the scope of the Green Consulting projects management consultancies did choose to follow? What is their definition of Green Consulting? And what are the needs and actual demands from the clients?

From the Change Management literature concerning management consultancies and Green Consulting

As this study is a review and assessment of the change management processes management consultancies have done or are doing to implement the new Green Consulting business in their offer, we then studied some interesting papers regarding Change Management specifically applied to management consulting firms.

In short, academics show that the Consulting industry is an industry that has gone through many changes over the years (Verlander 2012). Some authors point out the very procedural internal change management approach those companies have (Werr, Stjernberg, and Docherty 1997), while some others do highlight the interactions they have with external actors and institutions to improve their

"management of knowledge" (Sahlin-Andersson and Engwall 2002). We can already wonder if similar patterns are at the origin of the Green Consulting development as well.

Regarding the implementation of Green Consulting or Environmental Sustainability Consulting, most papers focus on the processes management consultancies should follow in their interactions and business relationship with their clients and on how to effectively implement change in their clients' operations to decrease their environmental impact (Galea 2009 ; de Paula, Arditi, and Melhado 2017). If those principles are important, and will be interesting to verify, they do not concern the processes management consultancies should implement in their own organization to improve their Green Consulting offer and competencies.

Nonetheless, Guy J. Vaccaro (2006) does give some very generic principles to implement Sustainability in management consulting practices. Principles whose practicality we can question.

Naqi Sayed and Camillo Lento (2018) are more practical in that way, identifying some clear Key Performance Indicators (KPIs) based on the 4 balanced scorecard (BSC) perspectives. But again, if some organizational changes and strategies can be "guessed" from the control of those KPIs (e.g., fully allocate consultants to Green Consulting missions, recruit consultants with experience or formation related to Sustainability), it is still not clear enough what those transformations actually should be.

Jean-Pascal Gond and Luc Brès (2020) identify a six-tool based practices that consultancies in Québec did follow to improve their Green Consulting competencies and offer. But this time we ask ourselves if those practices are generalizable to other countries like France, or if they are proper to the Québec province, famous for being a pioneer in environmental-friendly practices and innovations. The authors show how effective those practices were and how important the role of management consultancies actually was in developing a market for consultancy products and services for CSR, and in operating a complete market shift towards more Sustainable practices in private businesses. We can only hope the same could happen in a country like France, and it will be

interesting to see if French management consultancies are following these six-tool practices.

Finally, Séverine Lemaire (2021) has one specific recommendation to management consultancies trying to launch a Green Consulting offer: as what she calls "Environmental Transition Consulting" is characterized by the scientific dimension of the profession, management consultancies should employ more profiles with scientific/engineer competencies related to Environment or Energy. This change in recruitment policy however, although important, should not be the only one for management consultancies to improve their competencies concerning Sustainability and build a Green Consulting offer.

A gap in academic research: our research question

To the best of our knowledge, apart from Jean-Pascal Gond and Luc Brès (2020) work on the Québec province, there has been no general review of the internal processes management consultancies are implementing to improve their knowledge and offer about Green Consulting. A review that would give precise recommendations to managers about such objective.

"How are management consultancies building their Green Consulting offer?"

Lessons from KBV and Institutional theory

<u>*The Knowledge-Based View*</u>

Why use KBV?

The first aspect of our research question is about how management consultancies can innovate and get knowledge "from scratch" in the Green Consulting field. Furthermore, the "management of knowledge" is a major aspect of a consulting firm's business, activity, and strategy (Hansen, Nohria, and Tierney 1999), and management consultancies can often be seen as companies doing business out of their knowledge.

In short, the question of knowledge management is important both for our study and research question, and for the general operation of a management consultancy. This is why we decided to use the Knowledge Based View (KBV) as a first

theoretical lense to analyze and identify the processes management consultancies are following to build their Green Consulting offer.

It will help us understand the very definition of innovation through knowledge acquisition and change, and, then, it will help us understand what are the most efficient ways for companies such as management consultancies to acquire new knowledge and innovate.

Learnings from the KBV

Following the general framework developed by Quintane E. & al. (2011) on the two different dimensions of innovations (innovation from a process, innovation as an outcome), we can already wonder how management consultancies have been dealing with the Green Consulting activity so far: did they consider it as an innovation at all? If yes, have they been undergoing certain processes to improve their knowledge in this field (first dimension)? Have they been able to duplicate, and put in practice the knowledge acquired for it (second dimension)? Answering those questions will help us identify what the internal processes management consultancies are implementing to build their Green Consulting offer are: if they consider Green Consulting as an innovation, they should enter in one or both of those dimensions.

Now, drawing from Zhou KZ and Li CB (2012), we can first identify management consultancies as firms with a broad knowledge base. Indeed, those firms, and especially the ones we will be interrogating in our interviews, are characterized by having knowledge, competencies and clients in multiple industries and sectors. Then, according to Zhou KZ and Li CB, management consultancies are more likely to achieve radical innovation in the presence of internal knowledge sharing processes rather than from market knowledge acquisition. This is a rule we want to verify: if French management consultancies are not following it, this could be a huge gap to identify and a good recommendation to give, in order to better integrate Green Consulting knowledge and implement a related offer. However, we can already see this is somewhat in contradiction with Séverine Lemaire's (2021) recommendation of recruiting people with scientific knowledge, which is some kind of market knowledge acquisition. Maybe management consultancies should follow a good mix of both strategies, with a focus on the internal

knowledge sharing one. Also, we speculate that the most specialized management consultancies we will be interrogating (such as Company B that is focused on public digital infrastructuring), will have a tendency to use more market knowledge acquisition in order to implement Green Consulting, and expand their scope of innovation beyond the market(s) they are entrenched in.

The Institutional Theory

Why use Institutional Theory?

Now that we've seen what are the best options for companies such as management consultancies to get new knowledge like the one concerning Green Consulting, we can wonder how they will integrate it in their current structure and how they will make this knowledge useful. In short, how they will "institutionalize" it in their organization.

This is the second aspect of our research question, and this is why we decided to rely on Institutional Theory to better analyze and identify the processes management consultancies are following to build their Green Consulting offer. Furthermore, we saw that the emerging Green Consulting activity seems to be the result of many internal and external institutional pressures (e.g., the public opinion, the regulatory institutions, different business actors and stakeholders, etc.), so we found it even more relevant and interesting to rely on Institutional Theory to better understand the origins and effects of these pressures on management consultancies and how they are building their Green Consulting offer.

Learnings from the Institutional Theory

Following Robert J. David, Wesley D. Sine, and Heather A. Haveman (2013), we can already identify Green Consulting as an emerging field happening at a sub-organizational level: as defined before, it aims for new objectives and requires new knowledge and competencies, but the organizational form itself (the consulting firm) stays the same. The role of "institutional entrepreneurs" is then primordial to institutionalize this new field into their existing organization. We try to identify those "institutional entrepreneurs" in the management consultancies we will be interrogating, if there are some, as well as the activity they may have put

in place to promote Green Consulting (within the Theorization, Affiliation and Collective action categories). Also, analyzing the organizational level of those activities helps us understand the maturity of the subject.

Finally, following Zhao E. Y. et al (2017) advice on how to become "optimally distinct", we try to assess if management consultancies are pursuing this objective when it comes to the implementation of Green Consulting. The authors gave a series of questions for scholars to evaluate how the three organizational dimensions (orchestration, stakeholder multiplicity, temporality) are managed by those processes. We use them to understand if the changes are coming from external stakeholders (benchmarking process), and if the consulting firm is trying to differentiate and/or conform its Green Consulting offer to competitors.

Key points and elements to analyze during our interviews

In short, after the analysis we just made of the theoretical frameworks and concepts that we wanted to rely on, here are the 18 main points to remember that we want to evaluate during our interviews. Answering those points helps us identify the processes management consultancies are going through to implement Green Consulting in their offer and structure.

<u>From the definition of Green Consulting</u>

1) Are the Green Consulting missions still following the 4 general steps of consultancy? (G. Verlander, 2012)

   a) With the Developing stage still in place?

   b) With the Mobilizing step still in place?

   c) With the Building step still in place?

   d) With the Implementation step still in place?

2) Did the consulting firm implemented/considered Green Consulting as a new/next practice and possible industry specialization? (Verlander, E.G, 2012)

3) Is the improvement of economic performance and business objectives still taken into account in (most) Green Consulting missions and offers? (Galea 2009) (Naqi Sayed and Camillo Lento, 2018)

4) Are regulations one of the main drivers of the Green Consulting activity progression? (Galea Chris, 2009)

5) Is the consulting firm rethinking Strategic Management itself to implement Sustainability? (Wunder T., 2019)

    a) Regarding Value

        i) By taking into account other stakeholders than customers in the final value added?

        ii) By measuring other forms of value than firm profits and customer value?

        iii) By taking into account value destruction as well as value creation?

    b) Regarding Impact

        i) By measuring and targeting positive ones?

        ii) By measuring and avoiding negative ones?

6) Is the lack of experience, skills or tools from client companies to reduce their environmental footprint the one of the main drivers of Green Consulting missions? (Séverine Lemaire, 2021)

From the Change Management literature

7) Is the consulting firm implementing change towards Green Consulting using structured methods and tools? (Werr, A., Stjernberg, T., & Docherty, P., 1997)

8) Is the consulting firm interacting with other "carriers of management knowledge" concerning the Green Consulting activity? (K. Sahlin-Anderson, L. Engwall, 2002)

    a) With business schools?

    b) With practices in companies?

    c) With media companies?

9) Is the consulting firm implementing Sustainability effectively in its clients' business? (De Paula, N. & Arditi, D. & Melhado, S., 2017)

    a) By setting up clear constant environmental goals?

    b) By collaborating with all the supply chain of the client?

    c) By educating and training clients' stakeholders to the new practices?

    d) By using different and specific management tools including Sustainability aspects?

10) Is the consulting firm creating a "new organization narrative" towards green consulting? (Vacaro, G.J, 2008)

    a) By engaging with a wider range of stakeholders?

    b) By incorporating language from different disciplines and business functions?

    c) By seeking external validation?

    d) By communicating the "Sustainability" message consistently?

    e) By framing Sustainability in terms of higher purpose?

    f) By rejecting greenwashing?

    g) By developing or adopting a comprehensive measurement system on business activities' environmental impact?

    h) By reflecting on (next) environmental regulations and their opportunities ("Blend the institutional with the innovative")?

    i) By actively facing (potential) internal opposition?

    j) By building a team fully dedicated to Green Consulting?

11) Is the consulting firm measuring the most important and efficient KPIs regarding the 4 BSC perspectives and Green Consulting? (Sayed, N. & Lento, C., 2018)

a) Regarding the Financial perspective by measuring "personnel utilization" to maximize personnel efficiency?

b) Regarding the Internal process perspective by measuring the number of "new product solutions" for the development of new service models to attract customers?

c) Regarding the Learning and Growth perspective by measuring the acquisition of "new skills and/or techniques" to build new capabilities and practices to improve business solutions?

d) Regarding the Customer perspective by measuring the customer value proposition to increase the number of reasons why customers would buy its services?

12) Is the consulting firm using the six-tool based practices to improve its Green Consulting competencies and offer? (Gond, J.P, Brès, L., 2020)

a) Engineering practices

    i) Maturing, by designing tools that address specific environmental issues before the market need for these tools is expressed?

    ii) Tailoring, by bridging existing tools with prospective users and/or client organizations?

    iii) Farming, by designing tools that extend identified pre-existing market needs?

b) Commodifying practices

    i) Scripting, by using tools as authoritative "reference frames" to define and prescribe environmental related requirements

    ii) Teasing, by showcasing tools to attract the interest of prospective users

    iii) Plugging, by redeploying tools from other areas to address environmental issues

13) Is the consulting firm recruiting or using consultants with scientific knowledge to improve its knowledge and offer on Green Consulting? (Lemaire, S., 2021)

Using learnings from the KBV and the Institutional Theory

From KBV

14) Has the Green Consulting activity been perceived as an "innovation" by the consulting firm? (Quintane E. & al., 2011)

   a) First dimension → Has the company been undergoing certain processes to improve its knowledge in this field?

   b) Second dimension → Has the company been able to duplicate, considered new, made useful in practice the knowledge acquired from and for Green Consulting activity?

15) Has the consulting firm been able, or is it on the way to efficiently and radically innovate regarding the Green Consulting activity? (Zhou KZ and Li CB, 2012)

   a) With internal knowledge sharing? (the good one for consultancies)

   b) With market knowledge acquisition?

From the Institutional Theory

16) How and which sub-organizational elements of the consulting firm are affected by the Green Consulting activity? (Robert J. David, Wesley D. Sine, and Heather A. Haveman, 2012)

   a) Through the creation of a new practice?

   b) Through an additional activity in existing practices?

   c) Through the change of the structure itself of the company?

   d) Through the creation of single individual new roles?

17) Is the Green Consulting activity promoted by "institutional entrepreneurs"? (Robert J. David, Wesley D. Sine, and Heather A. Haveman, 2012)

a) Through a theorization process?

b) Through an affiliation process?

c) Through collective action?

18) Can Green Consulting help to achieve "optimal distinctiveness"? (Zhao E. Y. et al, 2017)

a) Is the consulting firm trying to conform its Green Consulting offer from perceived competitors?

b) Is the consulting firm trying to differentiate its Green Consulting offer from perceived competitors?

c) Is the consulting firm moving towards Green Consulting because of a perceived competition and/or industry shift towards this field?

General findings and learnings from our interviews

The following part presents the findings we derived from our interviews as well as the analysis of the archival data. It goes through the main topics we identified in the transcript of the interviews and highlights common patterns and differences between respondents.

The representation of the Green Consulting activity within management consultancies

This paragraph goes through our findings in terms of what Green Consulting consists in for management consulting firms as of today.

When asking about whether or not, the respondent had ever been exposed to Green Consulting and to what extent, we got different answers. It seems that Green Consulting or at least environment-focused projects are an important industry trend that most consultancies are trying to grasp. One of the respondents stated that: *"It is something that we are increasingly seeing. Concretely speaking, everybody is talking about it" (Respondent 1, translated from French into English).* This was confirmed by another informant who expressed that *"in every new business opportunities they explored, it was an ever-present dimension" (Respondent 2, translated from French into English)* which seems to indicate that

Green Consulting is a growing segment that management consultancies need to tap into to expand their offerings and stay competitive. However, one of the respondents nuanced their statement by inferring that the risk this activity presented was to be affiliated to greenwashing and was a mere attempt at appearing "greener" instead of an actual in-depth transformation process. The following statement indicates that this respondent does not recognize Green Consulting as a new activity or process but rather classifies it as another type of transformation process:

"The word "green" automatically relates to greenwashing. That is to say I will make what I do appear "greener" but it does not mean I am profoundly changing. [...] What I care about is transforming things, making those changes operational. [...] I would advise you to be careful with the wording because when I hear this word, I feel like it is a scam. I don't want to help you pretend to be greener [...] What I am trying to do is to change how companies operate and monitor their business, the way they make resource allocation and investment choices so that it has a concrete measurable impact. You can call that whatever you want but the key notion here is that of impact". (Respondent 6, translated from French into English)

Our findings therefore suggest that while the Sustainability trend seems to have reached the management consulting industry, some doubts can be raised on whether the projects related to this topic are genuinely new. One way or the other, it is a topic that is widely discussed within the industry and that is highly relevant for consulting firms to approach.

The recognition of Green Consulting as an independent activity that stands on its own was not present in every company interviewed. While it appears that the topic is something consultancies are exposed to, the degree in which they recognized this topic as a business area varied.

For instance, Company A has a team that is fully dedicated towards developing this offering and has included it in the core of its business through a 2019 initiative that we will call - for anonymity purposes - "Consulting for the future" (Company A CSR report, 2020). This initiative is clearly stated as being one of the four pillars of the company strategy and is monitored and developed by one of

the company's partners (Company A CSR report, 2020, p.4). Respondents from this company declared:

"We have this "Consulting for the future initiative" and within this "Consulting for the future" initiative, we have four different aspects one of which is "Climate", the other being "Ethics", "Social" and "Diversity". [...] We tried a bit to coordinate everything that has to do with "Climate". [...]. We have global teams which means it is much more international now. All of a sudden, everyone has been affiliated to climate analysis". (Respondent 4, Translated from French into English)

Another respondent, argued that his company had developed formal offerings related to Green Consulting to match the company's philosophy and core values that are to have a meaningful impact on society. Even though clients might not always be asking for it, it is an aspect the company consistently includes in their deliverables. The partner we interviewed argued that even though the company focused primarily on the "Social" pillar of CSR, they had developed offerings related to the environment. The respondent stated:

"We actually do offer services related to Green Consulting. They fall into different categories. [...]. It is not a matter of this activity representing 15-20% of our profits. It is going to be embedded in each of our projects" (Respondent 5 Translated from French into English)

On the other hand, other respondents stated that green consulting was an aspect of their business offering, was distilled into every project but was not acknowledged as an independent activity. One of the respondents told us :

"We are a bit like "Mr. Jourdain" who does poetry without being aware of it. We must be doing Green Consulting without knowing it. Or at least it is not our entry point" (Respondent 2, Translated from French into English).

Another respondent agreed on the fact that the activity was probably something that has been there for a while, that has been part of the consultancy's activities for some time but has yet to be formally theorized. They added that initiatives regarding green consulting have blossomed within several business units but that for now they remain very niche and applicable to a very limited scope of activity:

"We did not label it (editor's note: it refers to a specific project) "CSR", we did not label it "environment". But the fact is that it is a major topic. [...]. In fact, today, we are doing it (editor's note: it refers to Green Consulting) without saying it and without formalizing it. [...]. As of today, there is no concerted, global company strategy. There have been sectoral initiatives that I have told you about. It is a work in progress. I mean if you ask me the same in a year, I think that there will be a global strategy that we will take into account in our recruitment process, all of our business prospects, profits etc.". (Respondent 6, translated from French into English)

This lack of structuring can be confirmed by looking at company's brochures. While the companies that view Green Consulting as a Business segment on its own do advertise it explicitly (Company A, website 2022 & Company C, website, 2022), the other companies interviewed do not mention it explicitly (Company D, website, 2022) or at best put forward projects in which this dimension was present without it being the sole focus (Company B, website, 2022).

Integrating the Green Consulting activity within management consulting firms

In this part, we go through what our data collection taught us in terms of the way management consulting firms approach the topic of Green Consulting and how they integrate it into their core business.

<u>*Progress*</u>

This paragraph aims at providing a quick overview of the extent to which the companies we interviewed have developed and structured the Geen Consulting activity. The following table (Fig. 1) sums up our findings.

	Company A	Company B	Company C	Company D
Level of integration	High	Low	High	Moderate
Measures undertaken to implement the activity	Creation of a fully dedicated practice Green Consulting related	Topic is tackled throughout the organization and in some extent is present in	Several offerings related to Green Consulting. Groups of	Initiatives are developed at the business unit level but they have yet to be

	offerings ingrained in the corporate strategy (Company A, CSR report 2020)	every project but there is no formalization of the offer No Green Consulting services were developed explicitly	consultants are formed to explore the business opportunities the field presents.	institutionaliz ed and formalized in an articulate strategy

Fig.1: Progress of the Green Consulting activity within the companies interviewed (Source: the team)

<u>*Key drivers*</u>

One of our key questions was meant to try and determine what were key drivers behind the development of the Green Consulting activity within management consulting firms. The respondents were in agreement about the fact that increased regulatory pressure from the French government as well as from the upcoming European taxonomy forced companies to seek the help of management consulting firms. That is why the rise of green consulting projects is particularly prevalent in business units dealing with banking and financial institutions since they are the first to be impacted. One of our contact persons stated:

"What has changed recently is that a number of binding regulations have appeared in Europe but in the US as well. This means that clients necessarily have needs related to this since it implies changing or at least transforming a bit a certain number of organizations" (Respondent 1, Translated from French into English).

When asked about the attitude companies adopt towards the upcoming requirements regarding sustainability interviewees had different points of views. Some respondents stressed that most companies were struggling to catch up with the regulations and were not anticipating the upcoming changes:

"No, I don't think that they (editor's note: "they" refer to companies) are very prepared. The contrary actually because the thing is that it is pretty urgent. I mean the goals that we have, regarding net zero and everything, they are for 2030. I mean it is in 8 years. Until then you need to rethink everything. They are not little structural changes, it is about changing operations...I mean they are big changes

and no I don't think that they are ready." (Respondent 4, Translated from French into English)

Other respondents gave a more nuanced answer and inferred that it depended on the size of the organization and on the employees given that every part of an organization is not equally exposed to the topic:

"It really depends and to be honest, the level of maturity when it comes to fully understanding the regulations is moderate or at least it is not widespread throughout the organization. The understanding of the regulations might be good here and there but it is clearly not the case for the entire organization." (Respondent 6 Translated from French into English)

"I would say it varies from one actor to the other. [...] Some of them are really...well they have taken the problem head on and they have a proactive approach. For others, on the contrary, you can see that they are... they are lagging behind and that it is going to be... that they are going to have to put a lot of efforts in order to catch up" (Respondent 1, Translated from French into English)

However, regulatory pressure was identified as a factor to push companies to transform their processes and hire consultancies to do so. As such, it can be identified as a driver behind the development of the Green Consulting activity within management consulting firms. One of the respondents stated:

"In fact, companies only respond to constraints. If they are not forced to do something they will not take care of it." (Respondent 5, Translated from French into English)

Apart from projects aimed at making companies compliant with environmental regulations, Green Consulting projects usually revolve around decarbonation strategies. It seems to be a good point of entry for consultancies to develop the Green Consulting activity and is something clients are asking for:

"Another side of our offering is linked to decarbonation strategies. So we are helping our clients assess their products' carbon footprint throughout their lifecycle as well as figure out how to decrease this impact" (Respondent 5, Translated from French into English)

"We answer tenders that we choose, that we think are relevant and for which we have the necessary competences. It usually "low-carbon" strategy development" (Respondent 4, Translated from French to English)

Even in consultancies in which the Green Consulting activity has yet to be fully developed, decarbonation projects were seen as a way to approach the field. One of the respondents declared:

"We don't go so far as doing before and after carbon footprint calculation. We have never really been asked to do that yet but we are thinking about it". (Respondent 2, Translated from English to French)

ThoSe types of projects are the one consultancies communicate about to their clients and in their brochures. "Low carbon transition" is considered a field of expertise (Company 3, 2022, website). Company 1 also emphasizes that most offerings related to sustainable consulting revolve around accelerating carbon reduction and energy transition. 12% of revenues are generated by offerings related to climate change (Company A, CSR report, 2020). The goal of those missions are to help companies transition to a low carbon business. (Company A, 2022, website)

On top of regulatory pressure, one respondent highlighted that sustainable transformations can also be motivated by pressure from other parts of the value chain. Indeed, other segments of the value can be subject to regulations or quality criteria that raise the requirements they expect from their partners. The respondent stressed that one of his clients, a car manufacturer, was conducting carbon footprint calculations and as such needed the data from all of their suppliers in order to have a reliable estimate:

"For instance, our client A is starting to compute the carbon footprint of all of their products because their client B is asking them to. They tell them: "today I do not want you to deliver a spare part without knowing its carbon footprint" because they did it to calculate the carbon footprint of their own products. There is a waterfall effect so client A ends up doing it because they do not have a chance" (Respondent 5, Translated from French to English)

Both market and institutional pressure can therefore drive the development of the activity. They are identified factors that drive the exploration of the Green Consulting activity for management consultancies.

Structuring the activity

When it comes to the way consulting firms handle the rise of the Green Consulting activity and integrate it to their core business, the approaches vary. The first approach we noticed is one of watching and learning. Going through a trial and error period and taking on an opportunistic behavior allows for a slow build of the activity and ensures that the activity is fully integrated with the rest of the business. The companies that took this approach have their consultants learn as they do to get a grasp on the projects and build legitimacy. Respondents declared:

"You know we explore in a… how to say this, opportunistic and incremental way" (Respondent 3, Translated from to French into English)

"Like most consulting firms I think we are brought to this topic along the way through successive client requests and the business opportunities that we identify". (Respondent 2, Translated from French into English)

The reasoning companies put forward is that it is easier to approach through the Green Consulting activity from the angle of a traditional consulting project. Therefore, respondents stated that they got into the Green Consulting activity by hearing about the potential for Green Consulting projects while conducting an unrelated mission for a specific company.

"It is true that we grow a lot by interacting with our clients. Typically, you can have a consultant working with a client on a specific topic and he hears about CSR so he will try and understand what it means, how it will impact the client and from there we think about it and try to integrate our thinking into our offering. And so we grow that way, step by step. We do not have the perfect model and the perfect offering from the get go, far from it" (Respondent 1, Translated from French into English)

Therefore, one way to develop the consulting activity is to build trust with clients starting with non-related projects and then introduce the topic to the client. The

entry point is not this new activity but rather competencies and knowledge that are traditionally what management consulting firms offer. One of the interviewees summed up this development technique by saying about a decarbonation project:

"Once again, here, our entry point is how to mitigate risks, how to transfer riks, how to split the financial responsibility between the public and the private sector, what contractual relationship should be established etc… We know that in the end we are working towards decarbonation but well… that is not our starting point"

(Respondent 2, Translated from French into English)

On the contrary, other respondents had a more proactive approach and were trying to anticipate needs and then formalize their offer. Instead of developing the Green Consulting activity solely by responding to clients' requests, they formed special "squads" to explore what opportunities this new field can represent and what the necessary capabilities to develop are. Those teams try things out and then structure the offer with the support of top management. One of the respondents declared:

"We have communities and groups that are formed, that are "prospecting", that grow and conduct missions around those topics" (Respondent 5, Translated from French into English)

Similarly, Company A stresses publicly their strategy to learn from their market and take these experiences and observations to anticipate business opportunities and innovate. It is communicated as one of their key strategic pillar (Company A, CSR report 2020) and is confirmed by respondents from the company:

"A year ago, me and another consultant who has been with the company much longer than I have and who is a manager launched a focus group in France around ESG considerations in banking and insurance. And since then well… those structures have gone global and a structure has been created to coordinate their activity" (Respondent 1 Translated from French into English).

When asked about who carried out the development and integration of the Green Consulting activity inside management consulting firms, respondents agreed that initiatives went from the bottom up and that consultants were the driving force behind the structuring of the activity. They are key personnel in the sense that they

are middlemen between the reality of the market - which allows them to spot client needs early and exploit their existing business relationships - and the corporate strategy developed by top management.

"What I mean is that contrary to what we could believe, top management did not say: "we have to enter this market". It is based entirely on the motivation of consultants who want to push these topus and develop them" (Respondent 5, Translated from French into English)

Even when it comes to changing internally the consultancies, consultants are key actors:

"Consultants coordinated themselves voluntarily, to work on those topics. They formed teams to raise awareness about sustainability inside the consultancy, to gain knowledge and to limit the carbon footprint of the company" (Respondent 6, Translated from French into English)

Through our interviews, we noticed that companies that had a leaner management and a less rigid structure were the ones in which the Green Consulting activity was the most advanced and the most structured. Top management, allowing more liberty to consultants to explore, the development of the activity is faster. One of the respondents stated:

"It is great that top management is on board. It motivates us and gives us resources. [...] It steers the entire company in a certain direction and we also have the liberty, internally, to create squads around the topics that we are interested in" (Respondent 4, Translated from French into English)

This was confirmed by another respondent from the same company who declared:

"I do not know how it is like in other management consulting firms but I feel like we are encouraged to say : "Well I want to take the lead on this topic, I have this and that idea". I can tell this to the partner and he will say : "Go ahead try something we will see how it pans out. If it works out, you continue. If it does not you drop it". I am exaggerating a bit of course. It is a bit more complicated than that, you need to agree on things but for me, it is nearly how it went." (Respondent 1 Translated from French into English)

This managerial approach is facilitated by a very flexible organizational structure. Company A includes entrepreneurship in its core values and emphasizes the need to foster ideation and initiative taking on the part of the employees (Company A, CSR report, pp. 07, 2020). Even though the company is split into different business units, top management encourages cross-sectoral teams. The "squads mentioned by Respondent 4 are an example of such an initiative. Company C went a step further by eliminating the business units division to avoid the silo effect. The company relies on teams of consultants who share the same interests and gather to take on a project related to those interests. Those teams potentially change for every new project (Company C, website, organizational structure). Respondent 5 explained the flexibility of the structure:

"What you need to know is that we have an organizational structure in which there are no Business Units or Practices. There is no compartmentalization of the consultants. [...]. Every development at [Company C] is driven by consultants who want to push those topics (editor's note: the respondent is referring to Green IT projects). [...] So if they find the market or if they manage to create the market because that can happen as well than they work on it and develop services to offer" (Respondent 5, Translated from French into English)

Eventually, when it came to implementing and integrating the activity, what the interviews showed is that the average age of the consultants was an important factor. The younger the consultants, the more interested they are in developing the activity and the more initiative they take:

"What we see is that young people are more keen to work on those topics. So necessarily it is going to progress in the company" (Respondent 5, Translated from French into English)

"In our industry, an important factor is that the average age is low. Of course senior partners have more experience and others can be a bit older but I think the average age is under 30. So they are people who have heard about environmental issues a lot growing up" (Respondent 1, Translated from French into English).

Knowledge acquisition

This paragraph exposes our findings regarding the acquisition of new knowledge and tries to answer the "how" part of our research question. The Green Consulting activity being a new topic, it demands the acquisition of new capabilities from consulting firms.

<u>*Training*</u>

The first thing that struck out during our interview process is that Green Consulting projects are very technical in their implementation. This technicity leads to consulting firms needing to acquire and develop capabilities to build credibility and legitimacy in their offering. One of the respondent declared:

"We cannot say whatever we want. It is very regulated and projects need to comply with regulations, low-emissions requirements etc. It is rather technical. Really technical. [...] And so if you want to avoid it turning into greenwashing, you need to approach it with experts" (Respondent 6, Translated from French into English)

Another respondent stressed that consulting firms did not have the resources to get the full range of necessary capabilities and to train their employees externally. Knowledge acquisition from a third party was a way to overcome the steep learning curve:

"We lack tools. [...]. Here the learning curve is too steep. And more than that, [Company B] is meant to take on increasingly complex projects and we will never be able to hire experts for everything" (Respondent 2, Translated from French into English)

The knowledge acquisition strategies varied from one company to another.

The first technique we identified was to get certifications from an external independent regulatory body. Most companies interviewed did it to some extent. Company C relied solely on this strategy as it gave them credibility and legitimacy to take on Green Consulting projects. The senior partner of that company told us:

"Today what makes us credible in the eyes of the clients is that we are certified and that we have "green" labels"" (Respondent 2, Translated from French into English.)

The idea is to train employees so that the company can then develop its own training, even though consultants will still have to get certified in order to get clearance:

"When we have enough experts, we will train people. The issue is that we could already do that but they need to be certified by a third party anyway so…" (Respondent 5, Translated from French into English)

Another method to build capabilities that we identified was to rely on experts to guide the development of the activity. Company D took this approach and refers to an advisor on every topic related to Green Consulting and sustainability. One of the senior partners stated:

"It is not someone we hired in the sense that they have an Advisory contract not an employee contract but we have an advisory contract with an exclusivity clause with someone who has been working with CSR-related topics for 20 years. [...] Very quickly we associated with someone who has been working on the topic for 20 years and who knows this ecosystem very well. Because otherwise it is either "bullshit" or very foggy. Foggy because it is very complicated and "bullshit" because you can be accused of only doing it for your image". Respondent 6, Translated from French into English

Other companies decided to hire someone with a specific background to act as the point person on those topics. Company A and B both included in their teams, someone with a training in sustainability:

"Even though it is not our main target, we are starting to hire people with an energy background. When we recruit these people, they are generally engineers and it is because they have a technical understanding of the issues". Respondent 3, Translated from French into English

"Recruiting people like me who want to work on these topics and who studied this. It pushes everyone in a certain direction." Respondent 4, Translated from French into English

Eventually, the last knowledge acquisition method we identified was to form partnerships with specialized companies and in particular CSR Consulting firms. Company C stressed the importance of such partnerships to become proficient and transfer knowledge that consulting firms do not have the resources to acquire for themselves:

"It is impossible to hire all the expertise that goes into it. So we have to co-construct and to engage in coopetition with our colleagues, friends and competitors" (Respondent 2, Translated from French into English)

Those partnerships can also be used to outsource services the consulting firm is not yet able to perform. It allows the consultancy to develop the business and its offerings while acquiring knowledge. Company A decided to engage in such a knowledge acquisition method:

"On another note, we have a partnership with **"ABC Company".** *It cannot exactly be considered training. It is more a partnership that gives us the skills and that teaches us to do it by working together" (Respondent 4 Translated from French into English).*

Despite the need to acquire extra knowledge to fully develop the activity, some respondents highlighted that they can also build on existing capabilities and capabilities they have acquired for the development of other activities. Exploitation (March, 1991, pp. 71) is possible. This is the case for instance for carbon balance calculation or CSR reporting that require a lot of skills in data mining and analysis. One of the respondents stated:

"There are new things, that is for sure and as I said, there are things that are not exactly the same but it remains a question of how to gather data, how to insure the quality of the data collected etc. [...]. In a way it is something companies are already doing. Not related to the same topics but well." Respondent 1, Translated from French into English

Both company A and company C have worked on models for carbon calculation (Company A, 2022, website; Company C, 2022, website) that rely on existing teams of data analysts and engineers.

All in all, the Green Consulting activity represents a new field which means that consulting firms need to engage in knowledge acquisition techniques to develop their offering and structure the activity. Different methods are available to balance exploration with the exploitation of existing capabilities (March, pp. 71, 1991).

Knowledge management

When asked about the implications the rise of Green Consulting had in terms of knowledge management, the respondents stressed different aspects.

The first noticeable finding is that Green Consulting raises a lot of questions regarding knowledge management and intellectual property. As we have said before, one of the main development areas for this activity revolves around carbon footprint calculation. This offering relies on very little existing frameworks and allows for the development of patented technology. The companies in which the activity is the most developed therefore engage in R&D to stay ahead of the market. Company A used its data labs and research centers to develop a calculation model and keeps investing in research to strengthen their offering (Company A, CSR report, 2020). Respondents tended to agree on the fact that there was technology and knowledge to be built nearly from scratch:

"Since they (editor's note: talking about calculation methods) do not exist, we need to develop everything. It is R&D. We have a few engineers working on it. We also work with engineering schools that help us develop this. And we will probably patent it because since it does not exist, we will want to protect it" (Respondent 5, Translated from French into English)

"We have been able to develop a methodology around this by putting together everyone's ideas" (Respondent 1, Translated from French into English)

Moreover, our interviews revealed that knowledge sharing is a key practice to foster the development of the Green Consulting activity. Making sure that knowledge flows throughout the organization is one of the premises of the institutionalization of the activity. Knowledge sharing can happen both internally or externally. The challenge here is to "coordinate, to not do the same thing twice" (Respondent 1, Translated from French into English). The problem being that since the development of the activity tends to go from the bottom up (as

mentioned before) through sectoral initiatives there is a risk of silo effect. Two of the companies had really given it some thought and were trying to mitigate the problem. Company A launched the "Consulting for the future" initiative that is cross sectoral and is meant to coordinate the actions of every business unit at the global level:

"We want to try and coordinate everything climate-related between the different hubs because the organization we had so far did not make it easy" (Respondent 4, Translated from French into English)

The company also fosters cooperation and knowledge-sharing by promoting BU and sector-related clubs (Company A, CSR annual report, 2020, pp.9).

Having an expert that is the point person on everything CSR is also a way to ensure internal knowledge sharing. This is the solution Company D elected to make sure that the initiatives taken at the team level feed back to the corporate level:

"The expert on those topics is the reference point inside the consultancy. It means that if the Finance team or Banking or Insurance team have issues related to this topic or if the Data Center team have issues related to the topic, they go to him. [...] Having a very knowledgeable person internally is enough for now" (Respondent 6, Translated from French into English).

The knowledge sharing can also be done externally to get best practices from the industry. Some of the respondents created or led professional clubs that gathered clients and other consulting firms to share experiences and best practices.

"We have developed an inter-company club called "ABCD". [...] It gathers a hundred French companies. We created it and we currently run it. [...] Through this platform we also cultivate companies and we share our culture". (Respondent 5, Translated from French into English)

Communicating externally about the topic is another form of knowledge sharing. Company D publishes white papers to educate the general public and its clients on the offerings they have developed:

"We organize a lot of conferences. We have a white paper. Those are communication techniques" (Respondent 6, Translated from French into English)

To conclude, the Green Consulting activity presents a lot of potential for intellectual property development and pushes companies to engage in knowledge management and knowledge transfer practices. Whether the knowledge is shared internally or externally, the challenge is to make sure that the development of the activity is not hindered by poor communication.

Recruitment

An aspect of our analysis was to wonder whether or not the rise of the Green Consulting activity led to changes in the recruitment processes. The answers varied from one respondent to the other. Company A, C and D do not consider recruiting different profiles in the near future. To the question: "do you think it is going to change the type of people you recruit they answered:

" It is not going to change the profile of the people we recruit. What matters is mostly being interested in those topics" (Respondent 1, Translated from French into English)

"I don't think they're going to change their type of recruitment. It's just a... There are engineering profiles but that's what they already have today. It's more an interest for the subject that motivates employees to become proficient on the subject." (Respondent 6, Translated from French into English)

"No. Roughly, we have 50% business school majors, 50% engineering majors" (Respondent 5, Translated from French into English)

On the contrary, company B is trying to integrate different backgrounds than the ones they traditionally go for (business school, engineering school or political science majors). They also do favor engineering school majors for very specific topics

"So it's true that this can have... We can go into something even more niche than what we normally do when we recruit people from schools, business schools, political studies institutes and engineering schools. [...]. When we hire engineers, it is for their understanding of the technical aspect of the topic because in

business school it is not yet a topic. It is necessarily going to become one but there is a slight delay." (Respondent 3, Translated from French to English)

All in all, the rise of the Green Consulting activity does not change the requirements of the management consulting firms. What they are looking for is people interested in the topic or who have had a previous experience working with sustainability.

Perception of what the future of the activity looks like

This part goes through our findings regarding the perception consultants have of the future of the activity. It presents what they view as challenges and how they see the activity evolve in the coming years.

<u>Growth of the market</u>

What emerged from our interviews is that there has been an acceleration of the development of the Green Consulting activity a couple years ago. Respondents *explained that the topic was emerging but that things had sped up recently.*

"So, it turns out that it is accelerating very quickly, but two years ago, when we started, there were not many requests, people found it interesting but did not concretely change things. Now it's concrete. For some time, now it's there, companies are changing their ways of monitoring the business, training, etc." (Respondent 6, Translated from French into English)

"We have only been working on the topic for two years so it is relatively new. And we are starting to see clients coming to us systematically for their carbon footprint calculation" (Respondent 5, Translated from French into English)

"They were working on this topic before. But it is true that we picked up the pace around a year ago" (Respondent 1, Translated from French into English)

Consultants feel like the activity is only going to grow and that the demand is going to increase fast. The upcoming regulations are going to push companies to hire consulting firms because they lack the resources and time to tackle those topics. When asked if they thought the Green Consulting activity would grow, one of the respondents declared:

"Yes. Because as we have mentioned, you need skills and knowledge on very specific things that are not part of your day-to-day business. [...] So... yes. Unless you have the resources to hire all the talents you need but it is rarely the case. So it is a help and it is going to be increasingly popular I am sure." (Respondent 4, Translated from French into English).

However, the technicality of the projects developed in this activity will mean that management consulting firms will remain on strategic, organizational projects rather than deal with technical issues, which will be the focus of specialized CSR consultancies:

"It's too technical. We're dealing with strategic issues, so I don't think we'll necessarily go into that." (Respondent 5, Translated from French into English)

"We do not have the skills, the technicity. [...] That is what is the most complex in sustainability. [...] We rather take projects that are strategic or managerial" (Respondent 4, Translated from French into English)

The increasing popularity of the Green Consulting activity can also be traced back to the fact that CSR departments are starting to be very structured and to be involved in the chain of command. Respondents tended to agree that CSR managers were becoming choice interlocutors:

"What is changing though is that it is not necessarily the same departments that are involved. We see the CSR manager more than before" (Respondent 1, Translated from French into English)

"Something that is going to be developed is the support of CSR departments in companies. These departments are becoming well structured and better funded." (Respondent 5, Translated from French into English)

Other respondents were more nuanced and stated that the role of CSR managers remains limited:

"Our direct clients are not generally CSR managers, they are stakeholders but they are not necessarily our direct clients." (Respondent 6, Translated from French into English)

"There are still CSR departments, ecological transition departments, etc. But what are their human, operational and expert resources? They do not have much." (Respondent 2, Translated from French into English)

Overall, consultants expect the activity to grow and to become better structured thanks to shifts in organizational structure and regulatory pressure.

Challenges to overcome

Lastly, we asked consultants what they perceived as blockers to the progress of the Green consulting activity in their companies. We have identified three main challenges to overcome:

- Limited role of consultants

Respondents warned us about the limits of the consulting industry. Consultants can only go as far as their clients are willing to be. According to respondent 1, a golden rule of the business is that:

"A consultant does not make decisions for their client. Unless their client trusts them enough to give them this mandate. But the client has the final word" (Respondent 1, Translated from French into English)

If clients are not willing to change, management consulting firms are going to have a hard time developing their Green Consulting offering. The Consulting industry obeys market logic and consultancies sell services. Unless companies are interested, the Green Consulting activity is not going to soar. One of the respondents stated:

"The only barrier is our clients, it is when clients are going to be willing to deal with this. [...] We follow the market. We cannot sell services that companies are not interested in" (Respondent 5, Translated from French into English).

The mandate consultants have is limited to their client wishes. Consultants cannot go against their clients. This limitation is inherent to the business model of consulting firms.

- Capacity

Regulations are going to strengthen the pressure on companies. The latter are going to be increasingly in need of consulting firm expertise. One of the interviewees highlighted the risk of the demand being too high compared to the pace at which consulting companies can catch up:

"The market is going to increase tremendously and consulting firms are not going to have the capacity to deal with this rise. Demand is going to skyrocket" *(Respondent 5, Translated from French into English)*

With regulations coming one after the other with a very short timespan between them all, management consulting firms risk being overwhelmed if they do not anticipate the need.

- Lack of consortium:

Another identified challenge that the Green Consulting activity can potentially face is the lack of clear guidelines and consortium on what is sustainable or not. Environment-related issues are not polar and there are a lot of gray areas that could threaten the coherence of the message consultancies want to deliver. The ability to do good is sometimes hard to measure. One of the respondents summed it up by saying:

"There are projects, it depends on the perception of each one: is a project that concerns nuclear energy green? Well, there is a debate." (Respondent 5, Translated from French into English)

Even though environmental regulations and sustainability projects are regulated, the field remains a complex one with no right or wrong answers. Navigating this activity for management consulting firms does require backing up every recommendation by an arsenal of knowledge and research and leading by example.

Merging theory learnings with interview findings

In this final part of our Analysis, we present our main findings from the interviews we runned but with the two theoretical lenses of the KBV and the Institutional Theory as explained before. Key points and elements to analyze were drawn from our theoretical analysis to better understand and identify the processes

by which management consultancies are implementing Green Consulting. Our goal is also to evaluate those processes for future recommendations.

To do so, we first built a table (<u>Exhibit 6</u>) that evaluates the "performance" of each company interrogated in implementing the best practices and recommendations drawn from the literature. A "0" means that the company is <u>not</u> following the advice or implementing the processes highlighted by the author(s) from which the question has been drawn. A "1" means that it is. And a "?" means that we couldn't assess if it was or not (counted as 0 in the total and average scores). Total and average scores were calculated with each main question counting for 1 point or the total point being split equally between every sub-questions. However, those scores are meant to provide a general understanding of the similarities and differences between the truth of the field and the recommendations of the theories, pointing out the principles we were able to assess and those that we were not, rather than to truly evaluate each company's performance.

A good understanding of the Green Consulting definition and scope?

The first thing we can say is that, at least our pool of French management consultancies have a good understanding of what Green Consulting is all about according to today's available papers on the subject. However, we can clearly see that the companies that have structured the most of their Green Consulting offer (Companies A and C as seen before), are the ones grasping the broadest scope of the Green Consulting definition. As seen in our [Findings and learnings from the Literature Review](#) part, authors still don't agree on the exact scope Green Consulting missions should have. We can see in our results that it's the broadest scope from Wunder T. (2019) that is lacking in most of the respondents' companies' strategy (question 5): they are not trying to rethinking strategic management completely using Sustainable principles and objectives. Apart from Company C, the companies we interviewed had a rather "conservative" way of approaching Green Consulting, simply considering it as another field of management consulting. However, we were not able to verify if Company C was still seeking to improve their clients' economic performances and business objectives when conducting Green Consulting missions (question 3), this is

something it should at least be careful about to keep grasping the interest of its clients (Naqi Sayed and Camillo Lento, 2018).

Learnings from the Change Management literature are not or partially followed

Our second main finding was that our pool of French management consultancies do not or poorly follow general Change Management principles and recommendations for the implementation of their Green Consulting offer and competency.

Indeed, none are using structured methods and tools identified by Werr, A., Stjernberg, T., and Docherty, P., (1997) to increase their knowledge and competency in Green Consulting, and build a related offer. We observed a rather opportunistic behavior (mostly from Company B and D) and we can wonder if it doesn't limit or slow down the implementation of this new field withinFrench management consultancies. Cultural differences, both from the country and the type of consultancies we interrogated (mid-size management consultancies rather than top-tier ones), could be at the origin of such differences.

Other aspects and recommendations from the Change Management literature analyzed before are partially followed, and managers from these companies or similar ones could already take note of those differences to guide the implementation of their Green Consulting offer. We can still note the fact that all companies interrogated are interacting with at least one other "carrier of management knowledge" as defined by K. Sahlin-Anderson, L. Engwall (2002) regarding Green Consulting and Sustainability, building partnerships, exchanging information, etc. However, we note that previous literature did not anticipate the interaction with certification agencies that we identified in our interviews.

One recommendation that all the companies we interrogated did follow was a change (even minor) in their recruitment policy as stated by S. Lemaire (2021): they all recruited or made partnerships with people scientifically trained or with experience in the Energy and/or Sustainability field. It seems it is a must for a management consultancy to improve its knowledge and competency in Green Consulting.

Management consultancies following almost all recommendations from the KBV

How can management consultancies better improve their knowledge and competencies regarding Green Consulting? That's what we first tried to figure out to answer our research question, and identify the processes by which management consultancies are implementing the Green Consulting activity. In order to do that, we reviewed and analyzed the teachings and recommendations from the KBV.

Our main findings regarding these learnings is that French management consultancies seem to actually follow them in most part. They view the Green Consulting activity as an "innovation" (question 14) as defined by Quintane E. & al. (2011), and have been undergoing certain processes to improve their knowledge in this field (first dimension of innovation), processes detailed in the previous General findings and learnings from our interviews' part. Furthermore, they consider this knowledge new, and are able to duplicate it and make it useful in practice for the company (second dimension of innovation). However, all except Company A do not have a clear internal knowledge sharing strategy in place to improve their knowledge regarding Green Consulting (question 15.a.), while it should be the most efficient strategy for companies with a large knowledge base like management consultancies according to Zhou KZ and Li CB (2012). It may be an area of improvement for French management consultancies to consider. But in our own opinion, this might also reflect the specificity of the Green Consulting subject and field. This activity requires knowledge and skills that are so specific (mostly scientific according to S. Lemaire, 2021) that it is actually not available anywhere inside their organization yet (as mentioned by C. Galea, 2009), so they have to rely on a market knowledge acquisition strategy (Zhou KZ and Li CB, 2012), which they do according to our results (question 15.b.).

Different levels of institutionalization of the Green Consulting activity

Finally, to answer our research question we try to figure out how management consultancies can incorporate knowledge about Green Consulting in their own organization, how they could "institutionalize" it. In that order, we review and analyze papers from the Institutional Theory that helped us to better identify and

understand the very processes management consultancies are following to build their Green Consulting offer.

The least we can say from our interview findings is that we can observe two distinct groups: Companies A & C versus Companies B and D. The ones who structured the most their Green Consulting offer inside their own organization (Companies A & C), versus the ones who still have an "opportunistic behavior" within their current organization (Companies B and D). Of course, the first group is the one following most of the Institutional Theory principles.

As seen in our [General findings and learnings from our interviews](#)' part, we often stressed the important role of some "individuals" who push the Green Consulting subject, and advocate for it to be structured. According to us, these individuals can be identified as "institutional entrepreneurs" as defined by Robert J. David, Wesley D. Sine, and Heather A. Haveman (2012). And the companies where the Green Consulting offer was the most structured (Companies A and C) were the ones that gave the most freedom and room for those institutional entrepreneurs to innovate in that regard (question 17). We could then recommend management consultancies give as much freedom as possible to such individuals so that they "autonomously " promote and innovate in the Green Consulting field, helping to promote the development and structuring of the activity.

Lastly, we can observe that there is a correlation between the companies with the most structured Green Consulting offer (Companies A and C) and the fact that they were the only ones explicitly and actively seeking to differentiate their Green Consulting offer from competitors (question 18.b.). They are then closer to the concept of "optimal distinctiveness" as defined by Zhao E. Y. et al (2017). We can only wonder if management consultancies not seeking this objective as well are not missing the opportunity to build a strong competitive advantage in the Green Consulting activity.

Discussion, Limitations & Implications for future research

In this last part of our study, we explicitly answer our research question as well as give some managerial recommendations. We also point out the limitations of our study, and the implications for future research

Discussion

"How are management consultancies building their Green Consulting offer?"

We observed two types of behavior concerning Green Consulting for management consultancies: a rather opportunistic one (Companies B and D) and a proactive one (Companies A and C). Nonetheless, as it was mentioned to us almost every time during our interviews: "everyone is talking about it" (Respondent 1, translated from French into English).

The proactive companies had generally a much more mature, structured, complete but also unique Green Consulting offer, compared to the "opportunistic" ones who were doing Green Consulting without knowing it.

Policies followed by (almost) everyone

We noted policies and processes that (almost) everyone was going through to build their Green Consulting offer. First, there is a good understanding of most of the scope and definition of the Green Consulting subject. Secondly, they almost all adopted a market knowledge acquisition strategy as defined by Zhou KZ and Li CB (2012) to improve or get knowledge about Green Consulting. They changed, at least marginally, their recruitment policy to get new (scientific) knowledge, following a recommendation from S. Lemaire (2021). They also partnered with external actors like Energy or Sustainability experts, green certification agencies, or even competitors specialized in the Green Consulting and Sustainability field, creating the concept of "coopetition" (Respondent 2, Company B).

Policies followed by the most proactive companies regarding Green Consulting

Some policies and processes however were only followed by the ones with the most proactive attitude and mature Green Consulting offer. The first one was to give as much room as possible to consultants for them to become "institutional

entrepreneurs" as defined by Robert J. David, Wesley D. Sine, and Heather A. Haveman (2012). It allowed the company to improve its competencies and structure its Green Consulting offer almost autonomously and much faster than companies without such an approach. Furthermore, from our observation we think it greatly increases employees' motivation and trust into the company's future strategy regarding this field. Then, those companies sometimes also implemented an internal knowledge sharing strategy as defined by Zhou KZ and Li CB (2012), in addition to the market knowledge acquisition seen before. This allows them to improve coordination within the company regarding its Green Consulting strategy, avoiding useless, time consuming and sometimes contradicting repetitions. According to Zhou KZ and Li CB (2012), it also allows for more impactful innovations (in the context of a company with a broad knowledge base). Finally, those proactive companies were also generally seeking to actively differentiate their Green Consulting offer. It brings them closer to the concept of "optimal distinctiveness" defined by Zhao E. Y. et al (2017), which can grant them a significant competitive advantage.

Room for improvement for (almost) everyone

The aim of this study was to do a review of how management consultancies' are building their Green Consulting offer, with the help of some theory learnings and recommendations. Consequently, we noticed some differences between the theory and our interviews' feedback. The first one was the fact that very few consultancies (only Company C in our study) were rethinking Strategic Management itself with the Green Consulting activity and Sustainability objectives, as recommended by Wunder T. (2019). This could actually limit the potential for management consultancies to become active actors of the Sustainability transition (or revolution) needed today.

Finally, we noticed that none of the companies we interrogated had a constant and structured approach to implement change in general, but also regarding Green Consulting. They could tried to adopt some structured methods and tools (Werr, A., Stjernberg, T., & Docherty, P., 1997) but also follow some clear internal KPI's (Sayed, N. & Lento, C., 2018) to implement change more systematically and efficiently.

Concerning areas for Green Consulting and management consultancies

As a last part of this discussion, we wanted to point out two different challenges Green Consulting and management consultancies might face.

First, we think management consultancies will be confronted with more and more ethical questions regarding the Green Consulting activity. Indeed, we observed on several occasions that a choice sometimes had to be made between the different pillars of ESG, especially the Environment and Social ones. A balance is to be found, and it could not always be universally accepted as people have different priorities and values. These ethical questions will also concern the (un)consistency of their Sustainable message. Indeed, the fact that a consulting firm can on the one hand market a Green Consulting offer to help companies reduce their environmental impact, but on the other hand help an oil company to generate more benefits, is already questioned by some consultants and could be sanctioned by new ones, as it was brought to us that more and more young consultants want to work with Sustainability.

Finally, another challenge is that demand for Green Consulting services should soon be much higher than the offer. Indeed, firstly there are (upcoming) environmental regulations that will impact everyone, and, as S. Lemaire (2021) explained, organizations are in general inexperienced with such projects. Soon enough, almost everyone will need the support of management consultancies to help them reduce their environmental impact and/or become sustainable. This is of course an opportunity for management consultancies, but an opportunity they need to be prepared for.

Limitations and implications for future research

The first limitation of our study concerns the limited pool of companies that we could interview. Because we relied heavily on personal contacts and had some time constraints, we managed to only interview four French management consultancies. A similar study with a larger pool of management consultancies, also from different countries than France, could expand our scope of research and strengthen the reliability of results.

The second limitation relates to the choice we made to rely on multiple economic theories to help us identify the processes by which management consultancies are building their Green Consulting offer. It expanded our view and analysis but maybe so much that we didn't dig deep enough into each theory. A similar study could choose to focus on one economic theory, a similar one that we chose or a new one.

Finally, doubts could be raised regarding the objectivity of the data collected since most of our data comes from interviews and our control mechanism relies on company reports that are prone to subjectivity as well. A more macro study using some external data could be useful to add more reliability.

References

- Adams, John. *Research Methods for Business and Social Science Students*. Sage Publications Pvt. Ltd, 2014. http://www.myilibrary.com?id=613680.

- ADEME. "14ème baromètre de la consommation responsable 2021." ADEME Presse, May 2021. https://presse.ademe.fr/2021/05/14eme-barometre-de-la-consommation-responsable-2021.html.

- Adler, Patricia A., Peter Adler, and Robert S. Weiss. "Learning from Strangers: The Art and Method of Qualitative Interview Studies." *Contemporary Sociology* 24, no. 3 (May 1995): 420. https://doi.org/10.2307/2076552.

- Charmaz, Kathy. *Constructing Grounded Theory*. London ; Thousand Oaks, Calif: Sage Publications, 2006.

- Company A website

- Company A, CSR Report, 2020

- Company B website

- Company C website

- Company D website

- David, Robert J., Wesley D. Sine, and Heather A. Haveman. "Seizing Opportunity in Emerging Fields: How Institutional Entrepreneurs Legitimated the Professional Form of Management Consulting." *Organization Science* 24, no. 2 (April 2013): 356–77. https://doi.org/10.1287/orsc.1120.0745.

- Dowdall, George W., R. Singleton, B. C. Straits, M. N. Straits, and R. J. McAllister. "Approaches to Social Research." *Teaching Sociology* 17, no. 1 (January 1989): 84. https://doi.org/10.2307/1317936.

- Eisenhardt, Kathleen M. "Building Theories from Case Study Research." *The Academy of Management Review* 14, no. 4 (October 1989): 532. https://doi.org/10.2307/258557.

- Eisenhardt, Kathleen M., and Melissa E. Graebner. "Theory Building From Cases: Opportunities And Challenges." *Academy of Management*

Journal 50, no. 1 (February 2007): 25–32.
https://doi.org/10.5465/amj.2007.24160888.

● European Commission. "Sustainable Finance Package." Text. European Commission, April 2021.
https://ec.europa.eu/info/publications/210421-sustainable-finance-communication_en.

● Galea, Chris, ed. *Consulting for Business Sustainability*. 1st ed. Routledge, 2009. https://doi.org/10.4324/9781351279482.

● Gephart, Robert P. "Qualitative Research and the Academy of Management Journal." *Academy of Management Journal* 47, no. 4 (August 2004): 454–62. https://doi.org/10.5465/amj.2004.14438580.

● Gioia, Dennis A., Kevin G. Corley, and Aimee L. Hamilton. "Seeking Qualitative Rigor in Inductive Research: Notes on the Gioia Methodology." *Organizational Research Methods* 16, no. 1 (January 2013): 15–31. https://doi.org/10.1177/1094428112452151.

● Gond, Jean-Pascal, and Luc Brès. "Designing the Tools of the Trade: How Corporate Social Responsibility Consultants and Their Tool-Based Practices Created Market Shifts." *Organization Studies* 41, no. 5 (May 2020): 703–26. https://doi.org/10.1177/0170840619867360.

● Graebner, Melissa E., Jeffrey A. Martin, and Philip T. Roundy. "Qualitative Data: Cooking without a Recipe." *Strategic Organization* 10, no. 3 (August 2012): 276–84. https://doi.org/10.1177/1476127012452821.

● Grant, Robert M. "Toward a Knowledge-Based Theory of the Firm: Knowledge-Based Theory of the Firm." *Strategic Management Journal* 17, no. S2 (December 1996): 109–22.
https://doi.org/10.1002/smj.4250171110.

● Hair Jr., Joe F., and Michael Page. *The Essentials of Business Research Methods*. 0 ed. Routledge, 2015. https://doi.org/10.4324/9781315716862.

● Hansen, Morten T., Nitin Nohria, and Thomas J. Tierney. "What's Your Strategy for Managing Knowledge?" *Harvard Business Review*, March 1, 1999.
https://hbr.org/1999/03/whats-your-strategy-for-managing-knowledge.

- HEC Paris. "What Is Sustainability?" HEC Paris. Accessed June 16, 2022. https://www.hec.edu/en/faculty-research/centers/society-organizations-institute/think/so-institute-executive-factsheets/what-sustainability.

- Langley, Ann. "Strategies for Theorizing from Process Data." *Academy of Management Review* 24, no. 4 (October 1999): 691–710. https://doi.org/10.5465/amr.1999.2553248.

- Lemaire, Séverine. "Environmental Transition Consulting - How to help companies overcome the greatest challenge of the 21st century?", 2021. https://grande-ecole.audencia.com/en/articles/news/environmental-transition-consulting-how-to-help-companies-overcome-the-greatest-challenge-of-the-21st-century/?no_cache=1&cHash=9206822d05ec5da04f5aa8faca161456.

- March, James G. "Exploration and Exploitation in Organizational Learning." *Organization Science* 2, no. 1 (February 1991): 71–87. https://doi.org/10.1287/orsc.2.1.71.

- Paula, Nathália de, David Arditi, and Silvio Melhado. "Managing Sustainability Efforts in Building Design, Construction, Consulting, and Facility Management Firms." *Engineering, Construction and Architectural Management* 24, no. 6 (January 1, 2017): 1040–50. https://doi.org/10.1108/ECAM-07-2016-0165.

- PwC. "Creating a Strategy for a Better World," 2019, 44.

- Quintane, Eric, R. Mitch Casselman, B. Sebastian Reiche, and Petra A. Nylund. "Innovation as a Knowledge‑based Outcome." Edited by Gregorio Martín‑de Castro. *Journal of Knowledge Management* 15, no. 6 (October 25, 2011): 928–47. https://doi.org/10.1108/13673271111179299.

- Respondent 1, Interview transcript, 2022

- Respondent 2 & 3, Interview transcript, 2022

- Respondent 4, Interview transcript, 2022

- Respondent 5, Interview transcript, 2022

- Respondent 6, Interview transcript, 2022

- Sahlin-Andersson, Kerstin, and Lars Engwall. *The Expansion of*

Management Knowledge: Carriers, Flows, and Sources. Stanford, Calif: Stanford Business Books, 2002.

- Sayed, Naqi, and Camillo Lento. "Developing a Strategy Map for Environmental Consulting Firms." *International Journal of Productivity and Performance Management* 67, no. 5 (June 11, 2018): 916–34. https://doi.org/10.1108/IJPPM-06-2017-0139.

- Scott, W. Richard. "W. Richard SCOTT (1995), Institutions and Organizations. Ideas, Interests and Identities.: Paperback: 360 pages Publisher: Sage (1995) Language: English ISBN: 978-142242224." *M@n@gement* 17, no. 2 (2014): 136. https://doi.org/10.3917/mana.172.0136.

- Selznick, Philip. *Leadership in Administration: A Sociological Interpretation*. Berkeley Los Angeles London: University of California press, 1984.

- Stabell, Charles B., and Øystein D. Fjeldstad. "Configuring Value for Competitive Advantage: On Chains, Shops, and Networks." *Strategic Management Journal* 19, no. 5 (1998): 413–37. https://doi.org/10.1002/(SICI)1097-0266(199805)19:5<413::AID-SMJ946>3.0.CO;2-C.

- Stinchcombe, Arthur L. *Constructing Social Theories*. Chicago, IL: University of Chicago Press, 1987. https://press.uchicago.edu/ucp/books/book/chicago/C/bo3618306.html.

- Vaccaro, Guy J. "Consulting for Sustainability: Creating a New Organisational Narrative." *Greener Management International*, no. 54 (Summer 2006): 69–78.

- Verlander, Edward G. *The Practice of Professional Consulting*. New York, UNITED STATES: Center for Creative Leadership, 2012. http://ebookcentral.proquest.com/lib/bilibrary/detail.action?docID=875832.

- Werr, Andreas, Torbjörn Stjernberg, and Peter Docherty. "The Functions of Methods of Change in Management Consulting." *Journal of Organizational Change Management* 10, no. 4 (August 1, 1997): 288–307. https://doi.org/10.1108/09534819710175839.

- World Economic Forum. "The Global Risks Report 2021 16th Edition," 2021, 97.

- Wunder, Thomas, ed. *Rethinking Strategic Management: Sustainable Strategizing for Positive Impact*. CSR, Sustainability, Ethics & Governance. Cham: Springer International Publishing, 2019. https://doi.org/10.1007/978-3-030-06014-5.

- Yin, Robert K. *Case Study Research and Applications: Design and Methods*. Sixth edition. Los Angeles: SAGE, 2018.

- Zhao, Eric Yanfei, Greg Fisher, Michael Lounsbury, and Danny Miller. "Optimal Distinctiveness: Broadening the Interface between Institutional Theory and Strategic Management: Optimal Distinctiveness." *Strategic Management Journal* 38, no. 1 (January 2017): 93–113. https://doi.org/10.1002/smj.2589.

- Zhou, Kevin Zheng, and Caroline Bingxin Li. "How Knowledge Affects Radical Innovation: Knowledge Base, Market Knowledge Acquisition, and Internal Knowledge Sharing." *Strategic Management Journal* 33, no. 9 (September 2012): 1090–1102. https://doi.org/10.1002/smj.1959.

Exhibits

Exhibit 1

FIGURE 3.2. FOUR STAGES OF THE CYCLE OF CONSULTING
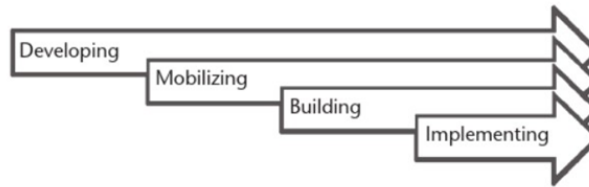
From The Practice of Professional Consulting (Edward G. Verlander, 2012)
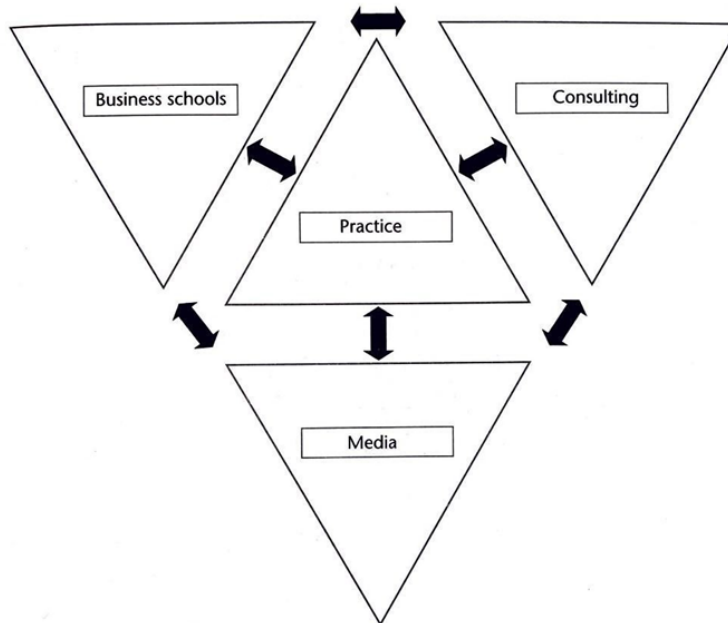
Exhibit 2

FIGURE 1.1   Interaction of managerial fields

From The Expansion of Management Knowledge (Kerstin Sahlin-Anderson and Lars Engwall, 2002)

Exhibit 3

Table 1   The Contexts of Institutional Entrepreneurship: Examples of Empirical Research

Locus of change (new organization form or suborganizational element)	Level of field maturity	
	Established field	New/Emerging field
Organizational practice, activity, structure, or role	*Quadrant 1* • The emergence of the nurse practitioner in healthcare (Reay et al. 2006) • The legitimation of aggressive risk-management practices in mutual funds (Lounsbury and Crumley 2007) • The legitimation of quality management programs in American business (Abrahamson and Fairchild 1999)	*Quadrant 2* • The emergence of practices of consultation and information exchange in HIV/AIDS treatment (Maguire et al. 2004) • The growth of interorganizational collaboration in biotechnology (Powell et al. 2005) • The development of common technological standards in Internet computing (Garud et al. 2002)
Organizational form	*Quadrant 3* • The emergence of the multidisciplinary firm in the accounting field (Greenwood et al. 2002) • The legitimation of vocational community colleges distinct from academically oriented, four-year colleges (Brint and Karabel 1989) • The expansion of specialty coffee retailers in the U.S. coffee industry (Rindova and Fombrun 2001)	*Quadrant 4* • The emergence of the professional form of management consulting firm (this study) • The establishment of an art museum form focused on collecting and conserving "high art" for connoisseurs (DiMaggio 1991) • The development of consumer watchdog organizations (Rao 1998)

From "Seizing Opportunity in Emerging Fields: How Institutional Entrepreneurs Legitimated the Professional Form of Management Consulting" (Organization Science vol. 42 n°2, Robert J. David, Wesley D. Sine, Heather A. Haveman, 2013)

Exhibit 4 : Interview guide

Following a semi-structured interview, the subjects and questions were approximately the following (translated from French to English):

General facts on "green consulting"

How would you define Green Consulting?

Are Green Consulting missions realized in a stand-alone context or are they part of more "classical" projects?

What is the percentage of your missions concerning the Environment and Sustainability in general? In what context and in which sectors are they realized the most? What are their main goals?

Do you know some specialized Green Consulting firms? Are they direct competitors to you?

According to you, what is the main reason why management consultancies are turning themselves more and more to Sustainability subjects and Green Consulting missions?

Concerning organizational changes

Did you company follow structured and pre-defined processes to implement Green Consulting into your offer and competencies?

Is there a Green Consulting dedicated practice in your company and/or dedicated consultants? If not, do you see it in the future?

How does your company convince and motivate consultants towards the opportunity of Green Consulting?

Are there any internal conflicts about the growing importance of Green Consulting projects and issues? If yes, how do you manage them?

Is there any new recruitment policy due to the new Green Consulting field and projects?

According to you, do Green Consulting issues and projects mainly need "engineering" and scientific competencies? If yes, does your company look more into such profiles for recruitments or training?

Is your company implementing specific training concerning Sustainability and Green Consulting? If yes, what are they? Who is managing them? And what are they about mostly?

How do you choose consultants that will work on a Green Consulting mission?

Concerning strategic changes

Would you say the main reason why Green Consulting is growing is because of new upcoming environmental regulation in France and Europe (e.g., EU Taxonomy, EU Green New Deal, EU Circular Economy, etc.)? Are private businesses ready for those regulations?

Did you make partnerships with any external actors (e.g., schools, client companies and/or competitors, media companies, etc.) concerning Green Consulting and Sustainability subjects in general?

Did your contact persons within your client companies change when it concerned a Green Consulting mission? Are there more and more persons in charge of CSR or ESG matters?

How do you advertise the benefits of your Green Consulting offer in general and compare to your competitors?

Do you spontaneously advertise your Green Consulting offer to your clients?

Are you always looking for improving economic performances as well as reducing the environmental impact of your client during a Green Consulting mission?

What are the classic "steps" for a consulting mission in your company? Is it different when it's a Green Consulting one?

Up to what point do you follow the implementation of your recommendations in your client company's organization?

Tools' transformation

What are your criterias to evaluate the environmental "performances" of your clients and your own recommendations or their impacts? Do you use externally or internally developed metrics? What are the main environmental goals that your company is targeting for its clients when realizing a Green Consulting mission?

What is the scope of your Green Consulting missions? Does it only concern the client and its customer do you include other actors and stakeholders?

Personal opinion

How do you see the future of Green Consulting? Especially concerning your organization.

How would you answer any accusation of "greenwashing" towards those projects? Especially concerning your organization.

What could be preventing the development and success of the Green Consulting type of missions?

According to you, what is the best solution for a management consultancy to improve its knowledge and competencies in Green Consulting? Is your company following it?

Exhibit 5 : Summary of the primary data collected

Date of the interview	Company	Respondent
16/05/2022	Company A	Respondent 1 Senior consultant
24/05/2022	Company B	Respondent 2 CEO / Senior partner
24/05/2022	Company B	Respondent 3 HR Director
25/05/2022	Company A	Respondent 4 Senior consultant
01/06/2022	Company C	Respondent 5 CEO / Senior partner
10/06/2022	Company D	Respondent 6 CEO / Senior partner

Source: "Management consultancies dealing with Green Consulting - A qualitative study about the internal processes French management consultancies are implementing to build their Green Consulting offer" (Master Thesis), The team, 2022.

Exhibit 6 : Evaluation table

(Scores were rounded to 0.1 except when it was 0.05 were it was let as it is)

Questions	Company A	Company B	Company C	Company D
From the definition of Green Consulting				
Score **Average score: 4.6/6**	**5.25/6**	**4/6**	**5/6**	**4/6**

1	a		1	1	1	1
	b		1	1	1	1
	c		1	1	1	1
	d		1	1	1	1
2			1	1	1	1
3			1	1	?	1
4			1	0	1	1
5	a	i	0	0	1	0
		ii	0	0	1	0
		iii	0	0	1	0
	b	i	0	0	1	0
		i	1	0	1	0
6			1	1	1	0
Learnings from the Change Management literature						
Score **Average score: 3.9/7**			**4.9/7**	**2.6/7**	**5/7**	**3.15/7**
7			0	0	0	0
8	a		1	0	1	1
	b		1	1	1	1
	c		0	0	0	1

9	**a**		1	0	1	0
	b		1	0	1	0
	c		1	1	1	0
	d		1	0	1	0
10	**a**		1	1	1	1
	b		1	1	1	1
	c		1	1	1	1
	d		1	0	1	0
	e		1	0	1	0
	f		?	0	?	0
	g		1	0	1	0
	h		1	1	1	1
	i		1	1	0	0
	j		1	0	1	0
11	**a**		0	0	?	0
	b		?	0	?	0
	c		1	1	1	1
	d		1	?	1	0
12	**a**	**i**	0	0	1	0
		ii	1	1	1	1

		iii	1	0	1	0
	b	i	1	0	1	0
		ii	1	0	1	1
		iii	1	1	1	1
13			1	1	1	1
Learnings from KBV						
Score Average score: 1.6/2			2/2	1.5/2	1.5/2	1.5/2
14	a		1	1	1	1
	b		1	1	1	1
15	a		1	0	0	0
	b		1	1	1	1
Learnings from Institutional Theory						
Score Average: 2.05/3			3/3	1.2/3	2.5/3	1.5/3
16	a		1	0	1	0
	b		1	1	1	1
	c		1	0	0	0
	d		1	1	0	1
17	a		1	0	1	0

	b	1	0	1	1
	c	1	0	1	1
18	**a**	1	1	1	?
	b	1	0	1	0
	c	1	1	1	1
Total Score **Total average score: 12.15**		**15.15/18**	**9.3/18**	**14/18**	**10.15/18**

Source: The team. Management consultancies dealing with Green Consulting - A qualitative study about the internal processes French management consultancies are implementing to build their Green Consulting offer (Master Thesis), The Team, 2022.