



## 3.2 Human Capability Development for Sustainable Business Model Innovations

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This track explores the status quo and future directions for developing human capabilities when innovating business models for sustainability and circularity. Engagement with sustainability involves integrating ecological and social aspects into products, processes, and organizational structures. Along with a mix of resources and capabilities, organizations must possess human capital related capabilities to realize these innovations and manage increased complexity (Buller & McEvoy 2016). During this transformation, different from before, organizations will find ways to integrate new knowledge and competencies as opposed to their core ones. Approaching employees as a primary stakeholder group and developing dynamic capabilities such as trust building through communication, skills in managing change and capabilities to integrate external stakeholders into the ecosystem will make a difference (Inigo, Albareda, & Rital, 2017).

Likewise, the Intellectual Capital (IC) characterized by the dynamism of human resources creates value through interactions between IC pillars and knowledge management, especially using new technologies, i.e. artificial intelligence, to achieve sustainable business models (Alvino, Di Vaio, Hassan, & Palladino, 2020; Di Vaio, Palladino, Hassan, & Escobar, 2020). Some avenues to explore are ways to improve employee participation in eco-innovation processes, implementing circular KPIs, aligning incentives with sustainability, formal and informal organizational learning, and creating co-creation opportunities with employees. Hence, a system of practices or initiatives to meet the sustainability goals, more specifically, the sustainable development goals (SDGs) included in the UN 2030 Agenda, should be adopted, measured, and disclosed by firms (Di Vaio, Hassan, D'Amore, & Dello Strologo, 2022; Di Vaio, Palladino, Hassan, & Alvino, 2020).

Theories that lend themselves to exploring the human side of business model innovations include the resource-based view of the firm (Ayuso, Rodríguez, Garcia-Castro & Ariño, 2011), dynamic capabilities (Dangelico, Pujari, & Pontrandolfo, 2017; Santa-Maria, Vermeulen, & Baumgartner, 2022), capability view of the firm (Ketata, Sofka & Grimpe, 2015), stakeholder theory (Kurucz et al., 2017; Freudenreich, Lüdeke-Freund & Schaltegger, 2020) and organizational learning (Müller & Siebenhüner, 2007). We invite research that applies some of these theories or proposes unexplored theories to examine how the human side of an organization can be developed when organizations innovate their business models for sustainability and circularity.

Some non-exhaustive examples of possible topics included in this track can be:

- Employee engagement in sustainability initiatives (e.g., sharing of common values, co-creation of sustainability innovations)
- The double role of human resources in sustainable business models: as internal stakeholders, beneficiaries of sustainability initiatives (health and safety, training, welfare and etc.) and as intermediaries in the relationship between the firm and its external stakeholder (in implementing sustainability initiatives)
- The role of founder/board characteristics in the creation and successful development of new business models for sustainability or in the conversion of more "traditional" BM towards sustainability
- The role of the sustainability manager or similar organizational profiles in guiding the organization's sustainability implementation and linking the different business unit managers towards more sustainable business
- The definition of new frameworks and tools (e.g. scorecards, KPI dashboards) to align the business sustainability strategies and/or the sustainable business components with managers' objectives
- How management control systems change in sustainable business models and the role of controllers as enablers of both financial and sustainability objectives.

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