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SUSTAINABILITY IN START-UPS: A LITERATURE REVIEW

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ABSTRACT:

This paper aims to provide a literature review in the area of Sustainability for start-ups. Even though corporate social responsibility has gained importance throughout recent years, it still needs to be implemented properly in the business world. In addition to that, the focus for sustainability practices still lies heavily on larger organizations. Considering that sustainability is relevant for organizations regardless their size or industry, it is important to investigate it in different contexts. Given that operating sustainable is often connected to higher costs, business models which focus on sustainability are usually designed for bigger companies, which makes it complex or even impossible for start-ups to implement them (Halberstadt & Johnson, 2014, p. 1-2).

Throughout the past years, the concern about creating value for not only a business itself but also the people affected by it, society in general and the environment itself, has grown and it clearly shows that the traditional way of corporate reporting is not satisfactory anymore since the needs of several stakeholders are not included (Felber, Campos & Sanchis, 2019, p.1). The balance of the common good aims to visualize not only economic success in forms of the balance sheet total or financial results of a business but also the contributions of an organization to the public good (Butscher, Kasper, Koloo & Riedel, 2021, p. 5). The main research question of this paper is: What value has the implementation of sustainability management for a start-up regarding their competitive advantage? The results of the literature review show that sustainability management and sustainability-promoting concepts are not only common but should be implemented by any company which plans to operate successfully long-term. The balance of the common good is a helpful tool to improve a firm's operations and convert to a more sustainable business model. Therefore, this literature review can be also helpful for start-ups, which are able to implement sustainability management practices in their businesses.

KEYWORDS:

Sustainability, Balance of the common good, Common good economy, start-ups, Germany

JEL classification: M, Q

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1. Introduction

1.1 BACKGROUND

The significant increase in resource use as well as environmental impacts which are caused by an increasing global population clearly shows that current business operations are simply not sufficient anymore (Kiesnere & Baumgartner, 2019, p.1). Sustainability has become more important, and society is urged to act and live in a more sustainable way. Movements like Fridays for Future show that climate change and consequently global warming which is causing wildfires and floods that destroy whole regions and are robbing people of their homes are not tolerable anymore. Society must start taking actions to secure the planet. However, this cannot happen without the sustainable development of organizations. Companies should integrate sustainable business practices at the core of their organization (Kiesnere & Baumgartner, 2019, p.1) to support the sustainability movement. Even though corporate social responsibility has gained importance throughout recent years, it still needs to be implemented properly in the business world. In addition to that, the focus for sustainability practices still lies heavily on larger organizations. Considering that sustainability is relevant for organizations regardless their size or industry, it is important to investigate it in different contexts. Given that operating sustainable is often connected to higher costs, business models which focus on sustainability are usually designed for bigger companies, which makes it complex or even impossible for start-ups to implement them (Halberstadt & Johnson, 2014, p. 1-2). Nevertheless, small companies like startups should be addressing and installing the topic of sustainability from the very beginning of their business journey. Given that the company most likely will be able to achieve a competitive advantage as it is much more costly and often more difficult to implement sustainability and adjust a whole company according to those values later on. At the same time smaller companies are also often limited since it is well-known that larger companies usually have enough resources for sustainable decision-making and proper sustainability management, whereas small and medium-sized enterprises do not (Kiesnere & Baumgartner, 2019, p.3). After all, the practices of small and medium-sized enterprises are much less standardized and centralized compared to those of larger organizations.

Throughout the past years, the concern about creating value for not only a business itself but also the people affected by it, society in general and the environment itself, has grown and it clearly shows that the traditional way of corporate reporting is not satisfactory anymore since the needs of several stakeholders are not included (Felber, Campos & Sanchis, 2019, p.1). The balance of the common good aims to visualize not only economic success in forms of the balance sheet total or financial results of a business but also the contributions of an organization to the public good (Butscher, Kasper, Koloo & Riedel, 2021, p. 5). It can also contribute to the development of companies as it often causes an increased awareness around interacting with employees, reducing the workload and better relations with suppliers as well as improved communication with employees and a higher employee commitment (Wiefek & Heinitz, 2021, p.4). As mentioned above small and medium-sized enterprises usually lack the tools to implement sustainability in their organization, the balance of the common is a tool which can be implemented regardless the size of the company.

1.2 RATIONALE OF THE RESEARCH AND MAIN RESEARCH QUESTION(S)

Startups find themselves in a very early stage of the entrepreneurial lifecycle which consequently leads to several challenges, one of them being the need to clarify whether their activities are transformative (Olteanu & Fichter, 2022, p.3). Successful startups usually show a high level of flexibility which helps them handling the uncertainties that come with the volatility of the business model and the insecure value chain. However, startups and small and medium-sized enterprises might be an important driver for sustainable development as they possess a higher potential to innovate in contrast to larger organization, after all both sustainability and entrepreneurship require a high degree of innovation (Eroglu & Rashid, 2022, p.2). Thus, they should be considered when it comes to sustainability development. Holistic sustainability cannot be achieved if startups and small and medium-sized enterprises are not involved as it is relevant for all companies in all industries of every economy to play their part regarding the needed change towards sustainability (Halberstadt & Johnson, 2014, p.1). First of all, startups as well as small and medium-sized enterprises are growth-oriented which means managers of small organizations should be informed about the increasing social and environmental demands that rise with an increasing organization size. As mentioned, before it is most likely to much easier to make the necessary installments and provide the needed basics for a successful sustainability management of a company when it is done from the start and does not have to be adjusted in a later phase. Not to mention that medium-sized enterprises with a certain number of employees will be mandated by corporate law to state their social and environmental impact by submitting annual sustainability reports (Halberstadt & Johnson, 2014, p. 1-2).

Startups are creating jobs and economic growth. New ventures usually generate a number of benefits for the society by introducing innovations, increasing the competition between organizations, and helping with the adjustment to structural changes (Heesen, 2006, p. 185). One of the main factors influencing the success of a startup or a small or medium-sized enterprises is the level of appreciation the management can show for the importance of human capital as well as the ability for employees to work in a high-quality, capable, and ambitious team (Petrů, Pavlák & Polák, 2019, p.3). Not only in Berlin but around the world startups and small and medium-sized enterprises developed several breakthrough innovations and generated major businesses (Petrů et al., 2019, p.2). Therefore, startups and small and medium-sized enterprises are often considered a key player in economic development.

The main research question of this paper is:

What value has the implementation of sustainability management for a start-up regarding their competitive advantage?

Main Objectives:

- To explain the concept and importance of the balance of the common good and how far it has been implemented in the economy as of today.

- To describe the cost which a business must cover when focusing on operating sustainable, especially start-ups.

- To discuss the increase or decrease of company's efficiency when including sustainability management into their strategy.

- To discuss the influence a successful sustainability management has on the stakeholder satisfaction.

2. Literature review

2.1 Sustainability Management in general

Throughout the past two decades the awareness around the term sustainability grew not only in terms of political decisions or for individuals but also for actors in the economy (Danciu, 2013, p.8). For hundreds of years the main focus of any business is to either provide a good or a service to its customers while also generating the highest possible profit for the business itself. Looking at the climate-related catastrophes society had to deal with during the last years, it is coherent that businesses cannot continue to focus solely on profit maximization. According to Danciu (2013), the traditional role which a business held for so long and operated along is simply not sufficient anymore while it is obvious that the climate change is caused by the human population and society's growth in general (p.8). With raw resources decreasing rapidly and whole ecosystems being destroyed it is crucial that not only every individual starts to live more sustainably but that especially businesses, regardless their size implement sustainability into the core of their operations. As of today, the governments from all over the globe are not able to solve the environmental problems the world is facing on their own if the economy stays inactive (Wilkinson, Hill & Gollan, 2001, p. 1493).

According to Kiesnere and Baumgartner (2019), the sustainability development of society as well as economy cannot occur without the sustainability development in the organizations itself, which is why it is crucial that organizations regardless their location or size integrate sustainability at the core of their business (p.1). The sustainability development and the force with which it is implemented often varies depending on the company, the industry background of the company and especially the people who are in charge meaning the decision-maker of an organization. It is often interpreted differently by individuals, which tends to become more complex when associated with companies (Hockerts, 2014, p.1). Regardless the several ways of how groups in society or individuals interpret sustainability, the common interpretation in the economy is the differentiation between environmental sustainability, social sustainability, and economic sustainability. According to Danciu (2013), environmental sustainability covers the conscious use of resources and waste disposal so that a business does not negatively affect the environment on the long-term (p.8). The term social sustainability entails the well-being of every individual meaning that social relations or interactions, values and different behaviors should nurture long-term relationships and peace within society (Danciu, 2013, p.8). The third term, economic responsibility is like the original rationale of a business. It ensures financial profit which is crucial for any business if it wants to survive in the market and stay in business nationally as well as internationally (Danciu, 2013, p.8-9).

Figure 1. Sustainability Development Goals

Source 1: Adapted From: United Nations, 2015

Regardless the industry some companies tend to disregard the term sustainability due to unwillingness to act accordingly or simply because the decision-makers are unaware what the term entails. To provide a guideline and hold organizations accountable, the United Nations created the 17 Sustainability Development Goals in September 2015 (United Nations, 2015). As shown in figure one the sustainability goals are as followed, (1) no poverty, (2) zero hunger, (3) good health and well-being, (4) quality education, (5) gender equality, (6) clean water and sanitation, (7) affordable and clean energy, (8) decent work and economic growth, (9) industry, innovation and infrastructure, (10) reduced inequalities, (11) sustainable cities and communities, (12) responsible consumption and production, (13) climate action, (14) life below water, (15) life on land, (16) peace, justice and strong institutions and at last (17) partnerships for the goals (United Nations, 2015). These goals were developed and adopted by all UN Member States and are planned to be implemented along the 2030 Agenda for Sustainable Development (United Nations, 2015, p.1). The agenda was conducted to be a plan of action to enhance sustainability for the planet and the people (United Nations, 2015, p.1).

Sustainability increasingly influences the success of companies, it has become both a driver for opportunities in business but also poses several risks (Schaltegger, 2010, p.2). For example, the need to integrate sustainability in the economy forces a number of companies to develop new solutions for old problems, meaning that there are a lot of new inventions and tools. Not to mention that the investment which might be made into one of those tools or inventions is most likely significantly cheaper than the costs which will be incurred by disasters caused by the climate change (Agarwala, Burke, Klusak, Mohaddes, Volz & Zenghelis, 2021, p.28). Consequently, managers nowadays must be familiar with sustainability and oftentimes are expected to actively work on integrating it in their management. According to Schaltegger (2010) strategic management and the management of information are constantly challenged to take sustainability management into account (p.2). As a matter of fact, the rising interest and awareness of this topic almost forces companies to rethink their corporate sustainability behavior and increase the integration of strategies and actions (Baumgartner & Winter, 2013, p.167).

The different points of view in our society on the issue is another objection which complicates the integration of it. There are people who fully support sustainability management and its integration. These supporters take into consideration the consequences the world, hence what the environment and society would have to face if the topic sustainability is being ignored. Those supporters often tend to belong to the younger generations. According to Danciu (2013), the goal of every single generation used to be and still is the social, economic, and technological development and consequently growth resulting in a better life (p. 10). Nonetheless, society is becoming significantly unbalanced with the growing gap between the rich and the poor and the resource shortage in some countries and resource overload in other countries (Danciu, 2013, p.11). Especially people from younger generations, those who will still live on the earth for a while show a high interest in changing and developing more sustainable standards. Be that as it may, there are people who still focus solely on the economic growth. Oftentimes low production or transportation costs mean that the business is growing, while in reality it also means that it is most likely operating under horrible labor conditions. Given that, many companies present themselves as a sustainable operating organization when in reality their focus does not include sustainability. According to Hockerts (2014) some business people simply proclaim that corporate sustainability is the goal of their business as it increases the ability to successfully survive in the market (p.1). Nevertheless, it is more than negligent not to consider sustainability as an important factor today and even more so in the future. It is not unlikely that social trends or political situations lead to adjusted laws and regulations which regard sustainability (Schaltegger, 2010, p. 2). According to Danciu (2013), businesses should be driven to deal with and actively work against outside trends and influences such as climate change, energy and fuel challenges, deforestation, population growth, wealth dynamics, urbanization trends, food security ecosystem declines, government regulations and consumer concerns as well as employee interests (p.11-13).

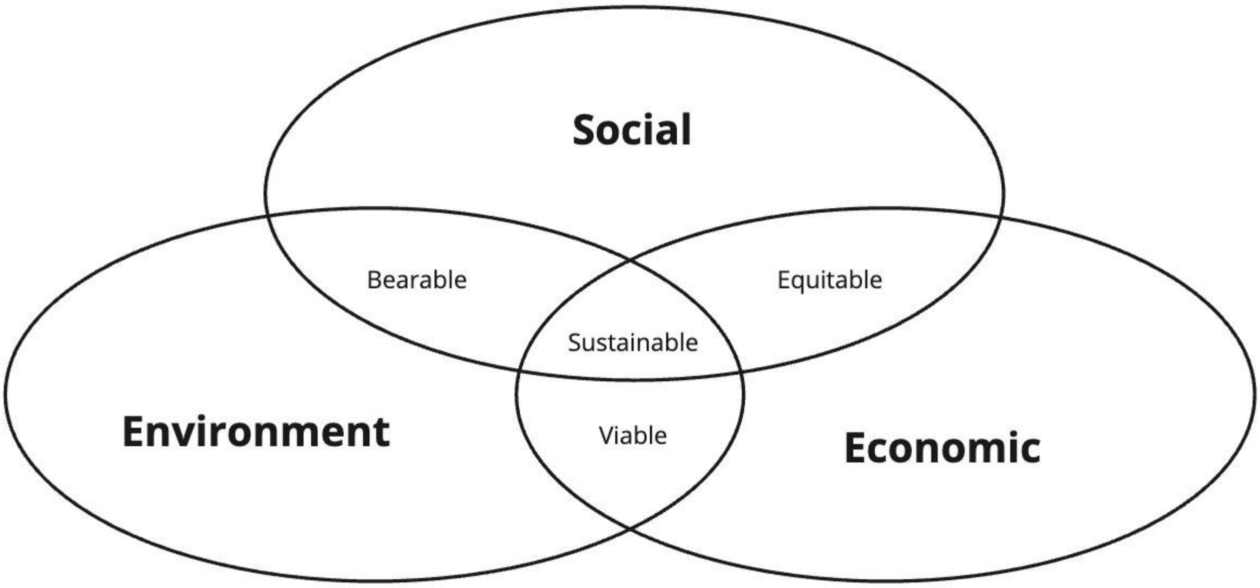
Sustainability can be recognized in two different processes, market and non-market. Non-market processes are often driven by trends established in the media or social communities which are influencing the values and attitudes of their consumers (Schaltegger, 2010, p.3). Issues such as climate change and mindfulness are led by younger generations, people who are almost all connected via social media platforms like Instagram, TikTok or Facebook (Gugler, 2020). Equally important for them is sustainable food production which can be seen by the rising numbers of vegetarians throughout the past years (Gugler, 2020). Market processes on the other hand focus more on the processes which directly influence the market in which the business is operating in. Due to that, conventional management usually targets market processes and influences exclusively (Schaltegger, 2010, p.4). When a business implements sustainability management successfully it adds an economic value to the management as it usually identifies and analyses non-market related aspects and processes as well as market related issues and processes (Schaltegger, 2010, p. 4). Management's goal is to translate these general corporate sustainability strategies into action, so that the issues which have been identified throughout non-market and market processes can be evaluated and consequently be used to support the management's decision-making and action-taking (Schaltegger, 2010, p.4). Equally important is the training and overall education of a firm's employees regarding sustainability-related initiatives and competencies (Baumgartner & Winter 2013, p.167). It is essential that this topic is a motivation for employees on all levels and regardless their position as corporations should try to embed sustainability in their operations, structure, strategies, activities, and routine, consequently in their overall management system (Baumgartner Winter, 2013, p.167). As stated previously, one of the biggest assets of every business, regardless the industry background is its human capital. Therefore, it is only logical that said human capital, meaning the personnel of a business is highly involved in the sustainability development. Especially the management body of a firm should review their role and take on the responsibility to push for changes and make demands and persuasion within the company they are working in that the sustainable approach to a number of things is supported (Wilkinson et al., 2001, 1500).

This movement to a more sustainable operating and its integration in the business world is not only beneficial for the companies and their success, but much more unavoidable for society and the economy, keeping in mind that agriculture as well as the industrialization are vitally dependent on environmental and socioeconomic aspects (Starik & Kanashiro. 2013, p.7). Nevertheless, the extent of moving humans towards this sustainability vision and realizing it as the world's new standard is monumental not to mention that it requires a massive change on organizational and societal scales (Starik Kanashiro, 2013, p.8). Especially as today's society must tackle issues such as climate disruption, biodiversity loss, debilitating poverty, human rights, and child labor abuse as well as overpopulation and overconsumption. For those reasons it has become even more important that organizations recognize the responsibility they have and act accordingly. They have the opportunity to significantly influence the examination and addressing many of these challenges, with the scope and resources they often acquire it is their responsibility to act upon that (Starik & Kanashiro., 2013, p.10-12). According to Falle, Rauter, Engert and Baumgartner (2016), strategically managing sustainability within a firm facilitates the reduction of scarce resource usage, increases benefits for both employees and society as well as saving money despite the size of the business (p.1).

Even though the majority of society usually connects sustainability management within a firm with the environmental impact the company, the impact this type of management is having on its employees is just as significant. According to Wilkinson et al. (2001) sustainability in the human resource department and the human resource operations in general demands a company to realize that human capabilities should be valued, and it is often necessary to take a more integrated approach when it comes to human resource management and managing people (p.1497). It is well known that human resource management and the importance of employee satisfaction has increased throughout the last years. More and more businesses realize that their employees are one of the biggest assets they have, which is also why the fit between employee and company is so extremely important to reach the maximum performance of both parties. Those employee's capabilities such as their knowledge, ideas or experiences is exactly the intellectual capital a firm needs and which causes them to produce greater organizational value (Wilkinson et al., 2001, p.1497). As Wilkinson et al. (2001) stated, human sustainability, as it is called, is often perceived as a change of focus from a short-term perspective for the company to a long-term perspective (p.1497).

An example of successful sustainability management is the integration of the triple bottom line.

Figure 2: The Triple Bottom Line - Framework



Source 2: Adapted from: Rogers & Hudson, 2011, p. 4

The approach of the triple bottom line was first brought up by the Institute of Social and Ethical Accountability with the emphasize the businesses not only influence the society with their financial output but also have an impact in regard to their social and environmental performance (Jamali, 2006, p.812). As shown by figure two the framework of the triple bottom line entails the social perspective, the economic perspective as well as the environmental perspective. Only when all three perspectives are considered by a company, sustainability with said company can be achieved. The model presumes that organizations should not only be measured by the traditional financial performance but also by their environmental and social performance assuming that only all three dimensions together provide sufficient information regarding the success and health of a company (Norman & MacDonald, 2003, p.1). The obligations and their fulfilment to communities, their own employees as well as customers and suppliers should be measured, audited, and reported just as detailed and thorough as the financial information. Nowadays it is almost an industry standard to not only display a financial annual report but also an environmental report alongside it (Hockerts, 2014, p. 4). The conventional reports which were sufficient for multiple decades simply do not provide satisfactory information on non-financial issues and intangible assets of an organization (Skouloudis, Evangelinos & Kourmousis, 2009, p.298). As stated by Falle et al. in 2016, issues which are concerning sustainability as well as the strategic management of it are increasing becoming part of the agendas of the decision-makers in a business (p.1).

Sustainability Management has become crucial in today's society and more importantly within the economy. The increasing interest in this topic within the society but also its integration in political decisions and consequently in laws and regulations has a massive impact on the economy. Companies must implement this type of management in their structure and strategy, as it is not only their responsibility but will also increase the success and health of the company.

2.2 The general situation of Startups

Startups are becoming more and more popular regardless which country or city they are located in. Those young companies are usually just beginning to develop a certain product or service. Due to the early stage of a businesses' life cycle, they are in, they often highly depend on the financial support from investors or loans from the banks and are usually operating with a small team, often solely the founders themselves (Crespo, Pinto-Martinho, Foà, Paisana & Pais, 2020, p.263).

The term startup is often associated with businesses in the technology field which is known for providing a lot of potential to grow fast (Crespo et al., 2020, p.263). Nonetheless, these types of businesses come with a high risk, the financing has to be insured by investors which is often resulting in a lot of pressure to generate a high return on investment while still facing the struggle to successfully navigate the new company through the market. Not to mention the challenge of positioning itself in the market and then maintaining the position they carved out for themselves. Especially high-tech startups usually only have two extremes, they either fail or they experience and incredible amount of success, which due to the high-risk and high-reward strategies most of those startups follow (Cantamessa, Gatteschi, Perboli & Rosano, 2018, p.1).

As mentioned before startups tend to operate in the area of industry and data services. Their business concept is usually created under great uncertainty and is not verified from the start, however, when startups turn out successfully, they usually grow incredibly fast (Kotsch, 2017, p.11). This is also a reason why it is so crucial that a startup has a structured business plan with defined values and principles from the start on. Larger companies often see a benefit in venturing with a startup as they are smaller and present other competencies than they themselves present. For example, the testing of new ideas on the market is significantly easier for startups as they in contrast to larger companies do not have to regard their reputation and loyalty of the long-term customers with caution in order to keep them (Röhl & Engels, 2020, p.5). Startups are also more flexible in their approaches towards certain topics and processes. As mentioned, before they usually operate with smaller teams which makes the majority of the workflow dynamic, and departments or specialties tend to overlap and cause an employee to be in charge of multiple things at once. Even though that might cause a high amount of workload for the individual, changes and improvements are also much faster implemented as they do not have go through a range of people for approval before they are being realized. This is also stated by Kotsch in 2017, one important factor for a startup's success is the ecosystem it is operating in, these ecosystems usually consist of multiple types of individuals and organizations which interact with each other and influence the startup (p.12). Uniquely, the diversity of such ecosystems also plays a huge role in terms of the quality of entrepreneurship, for example the proportion of females who work within such an ecosystem (Berger & Kuckertz, 2016, p.1). However, it can also mean the location a startup is working at and building its company. In order to gain a more detailed insight on that, the following describes the situations of startups in a worldwide context as well as specifically narrowed down to Germany.

2.2.1 Worldwide

Looking at the situation worldwide, it is clear that the US and China are the forerunners for startups. Several of the world's most successful and valuable companies started out as a startup, including Facebook and Apple (Statista Research Department, 2022). Both countries show the highest number of unicorns worldwide. Startups which are called unicorn show an extremely high value and by calling them unicorn the market references their exclusiveness (Statista Research Department, 2022).

When taking a closer look at the US, one location stands out more than others for startups, Silicon Valley. The area shows a high concentration of startups which goes hand in hand with a high volume on social media content. Social media plays an extensive role in the startup scene (Marwick, 2018). Nowadays, large numbers of successful startups are building their concept and marketing on the base of social media, meaning focusing on user-generated content, collaboratively generated information, datafication and peer production (Marwick, 2018). According to Font in 2021 the pandemic caused by the disease Covid-19 mostly likely generated an increase in startups from the year 2021 onwards. Startups are also often founded by younger people who already grew up using the internet and being on social platforms like Facebook. Consequently, a lot of the marketing especially in the fashion industry is done via social media channels and even influencer marketing. According to Jin, Muqaddam and Ryu in 2019, many brands realized that influencers, who usually have a high number of followers, are an extremely effective way to spread information regarding new products and trends and usually help significantly to increase the sales (p. 567).

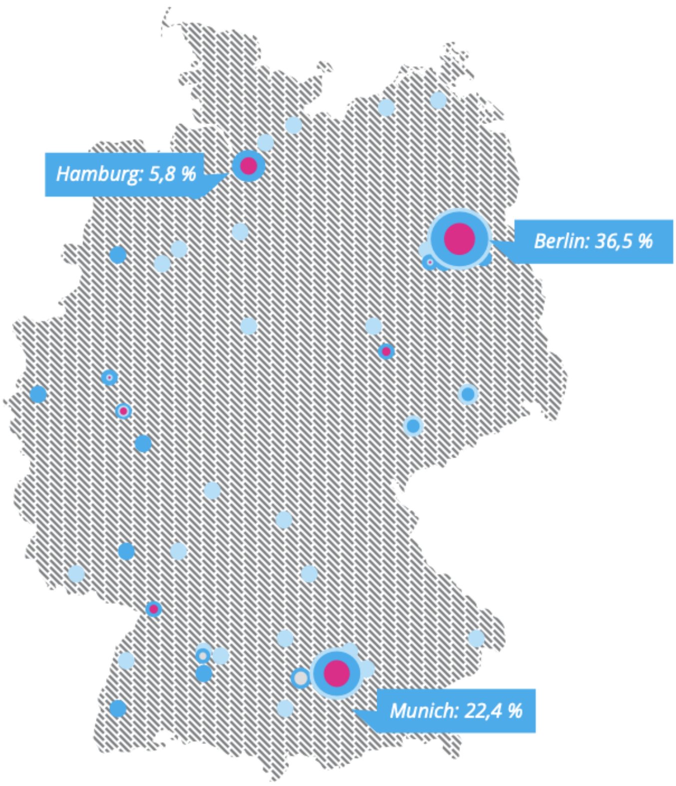
As mentioned above, the pandemic caused by Covid-19 most likely influenced the startup scene. The pandemic with its restrictions and lockdowns caused the general population to re-think their way of living and doing things (Font, 2021). As clearly shown by companies like Airbnb, Zalando and Uber, all companies which were founded during the last recession, unstable environments and situations often also bear entrepreneurial opportunities (Font, 2021). Besides the fact that the pandemic clearly showed problems which still occur in the digital world and that there is a lot of room for improvement, it has also exposed the highly negative impact humans have on the environment. Regardless the fact that sustainability and a greener planet has been a focus-point for many people and organizations, the pandemic might have inspired not only entrepreneurs but also investors or even large organizations to start shifting their priorities and making a difference (Font, 2021).

2.2.2 Specifically in Germany

Germany's so called "Mittelstand" mainly consists of family businesses with a long tradition (Röhl & Engels, 2020, p.7). The startup culture as it is known in countries like China, or the US is less based on continuity than it is the case in established SME's. Especially when comparing the traditional family businesses and the modern startups, the average age difference of more or less one generation often contributes to different behavioral patterns and different views on the market (Röhl & Engels, 2020, p.7). Still, according to Strack, Booker, Kovacs-Ondrejkovic, Hermann and Löwer in 2018, Germany is one of the most popular work destinations within Europe which means it is also ahead of every other country besides the leading US (p.1).

Germany is known for being open to foreigners in terms of entry into the country as well as having less entry restrictions than many other countries in general. After New York and London, Berlin is the third most popular city to work in as startup, it is international, much more affordable than other cities and laid back, in addition to that, speaking English is much more common than one would think (Strack et al., 2018, p.2). According to Röhl and Engels (2020), Berlin, the city, which is the leading German startup generator, even shows a below-average stock of medium-sized companies (p.9). Then again, several cities in Germany provide exceptional work opportunities. For example, when taking a closer look at the topic of artificial intelligence many startups can be found in the German startup landscape. Since metropolitan areas are more popular, almost a third of the startups are located in either Berlin, Hamburg, or Munich (Seitz, Hirschfeld, Gilde, Cann, Komp, Bittner & Walk, 2020, p. 12). This is also shown in figure two, which highlights the economic significance cities like Berlin have nationally. Figure two also displays the unexploited opportunities across the whole country, notably the regions which provide a range of outstanding research facilities and a far-reaching base of industrial companies which could be potential customers (Seitz et al., 2020, p.13). Nonetheless, it is clear that Germany has a handful of hotspots which seem to draw in the entrepreneurs and their startups. The reason for this clear local centralization is the fact that these so-called hubs offer a particular strong ecosystem when focusing on investment, the supporting landscape or even experts in subject areas like IT (Seitz et al., 2020, p.12). However, even though the start-up scene especially with a digital orientation is growing in Germany, not only the potential for developing new business models but also the possibilities to digitalize already existing value chains have not been sufficiently used in the past (Röhl & Engels, 2020, p.3). It is a topic which is usually positively connotated within the United States, whereas within Europe it is a process which moves comparatively slow. Still the German startup scene in digital-focused organizations is catching up, by now there are more than 530 digital startup companies in health care alone in Germany (Rinsche, 2017, p.189).

Figure 3: Startup Distribution focusing on Artificial Intelligence



Source 3: Adapted From: Seitz, Hirschfeld, Gilde, Cann, Komp, Bittner & Walk, 2020, p.13

Altogether, startups rise to become more and more popular and with the increase of startups the number of ecosystems for those startups, usually larger cities, rises as well. While the biggest and most successful startups and consequently the ecosystems they are operating in are still located mainly in the United States as well as China, the German startup scene is expanding. The three main cities Berlin, Hamburg and Munich are providing a nurturing ecosystem for those startups and keep on increasing steadily.

2.3 Sustainability Management in Startups

Today's economy is impossible to imagine without the topic sustainability. The commonly known three major factors influencing it are the social factor, the economic factor, and environmental factor (Grover, 2019, p.2). The sustainability goals which are mentioned above have been agreed to in order to enforce policymakers taking care of societal challenges (Tiba, Van Rijnsoever & Hekkert, 2020, p.1). Startups not only bear the responsibility but also have the ability to help and ensure meeting these challenges to make a difference in today's society. Operating sustainable means generating revenue while also providing a value socially and environmentally, meaning acting mindful regarding material use, the usage of water, emissions, waste, and labor conditions (Bergmann & Utikal, 2021, p.3-4). Startups often located themselves in so-called hubs, regions with a high level of startup activity, also known as entrepreneurial ecosystems (Tiba et al., 2020, p.1). The most famous entrepreneurial ecosystem is Silicon Valley. However, throughout the last years cities like London and Berlin have risen and even show a larger range of sustainably focused startups than Silicon Valley itself (Tiba et al., 2020, p.1).

2.3.1 How far is it developed?

The development of sustainability management in startups is significantly lower than in larger companies, nevertheless, startups are a recognizable contributor to the world's sustainability development. Entrepreneurs are not only changing the lives of the citizens by creating value or even employment opportunities, but they also contribute to the overall economic force of a country. Whether or not a startup places an extra focus on sustainability oftentimes goes together with the individual mindset of the entrepreneurs themselves. According to Grover in 2019, entrepreneurship is influenced by the choices or struggles an individual has encountered during his/ her life or even the possession of certain skills (p.2). Nevertheless, successful startups reflect the growth or even the growth-potential of a country. As recent year's goal has been to transition to more sustainable strategies two dimension turned out to be essential. The first dimension relates to the effect a company has on the market and society itself (Olteanu & Fichter. 2022, p.2). The second dimension links the priority of social and environmental issues to several business goals or even makes them business goals, which can also be seen as an indicator of the willingness of making these sustainable changes (Oltenau & Fichter, 2022, p.2). Simply considering these two dimensions clarifies the importance of sustainability management in all parts of the economy, regardless the size and scope of a company. According to Bergmann and Utikal (2021) startups which are sustainability-oriented are crucial for the development of possible solutions and to foster a transition within society towards a low carbon society (p.1). This sort of entrepreneurship is regarded one of the major contributors for the development of processes and products which first focus is sustainable operating. Due to the flexibility in operating, startups show a higher propensity to test in fields which are new and untapped, therefore, they bear an increasingly large potential to encourage the sustainable development goals (Tiba, 2020, p.7 & 15). In addition to that they are generating employment opportunities. An example for that is the Indian startup scene. As new businesses and its entrepreneurs prefer to work with relatively low investments in the first phases of the company's life cycle, they tend to establish their units in areas which are either semi-urban or rural (Grover, 2019, p.2). Especially these businesses provide a high degree of employment opportunities and a balanced economic development throughout the country as approximately 70% of the Indian population lives in the rural and semi-urban areas (Grover, 2019, p.2). Consequently, development and growth in these areas lead to an improved infrastructure with facilities such as roads, other sorts of transportation, education and health centers providing a better economic situation for following generations (Grover, 2019, p.2). Be that as it may, to achieve a certain level of sustainable operating startups need the entrepreneurial ecosystem which hones their development, growth, inception and ensures sustenance in this particular area.

2.3.2 Some concrete examples from the practice

One of Germany's most successful sustainable startups is reCup GmbH. It is a Munich based startup which was founded by Florian Pachaly and Fabian Eckert in 2016. The pair's idea and consequently the goal they aimed for was to provide a sustainable option for the commonly used coffee-to-go cups. Aiming to make the use of reusable cups easily accessible, uncomplicated and cost-saving they developed coffee-to-cups in the sizes 0,2l, 0,3l and 0,4l (reCup, 2022). From the beginning, when cups are being developed until they finally end up with the customer the startup tried to ensure sustainable operating (reCup, 2022). The cups are odorless as well as tasteless and are made of 100% recyclable polypropylene (reCup, 2022). They are being produced break-proof, BPA-free and in different sizes so that they are suitable for all kinds of hot drinks a café or canteen has to offer (reCup, 2022). Furthermore, they are dishwasher-safe and among that easily stackable and space-saving as many cafes especially in larger cities do not have a whole lot of space for storage (reCup, 2022). Finally, even the final consumer meaning the person who is buying the coffee is presented with an easy handling on the matter, whether extra effort or any official app registration is

Figure 4: reCup GmbH's focus on the Social Development Goals

Source 4: Adapted From: ReCup GmbH, 2022 as cited in United Nations, 2015

required to use the cups (reCup, 2022). Not only is reCup GmbH contributing to the sustainability development goals established by the United States, focusing especially on the three goals mentioned in figure four but it also offers a possible solution for the mandatory reusable offer gastronomy businesses have to provide their customers from the beginning of 2023, a rule passed by law for the year 2023 (Mager, 2022, p.2). While reCup GmbH not only actively battles the still increasing waste problem in Germany's to-go-sector of the gastronomy, but it also shows a supply chain which considers and implements all three dimensions of the triple bottom line, social, environmental, and economical (Mager, 2022, p.2).

Another example is the Danish startup Too Good to Go, which was founded in 2015 by Brian Christensen, Thomas Bjørn Momsen, Stian Olesen, Klaus Bagge Pedersen and Adam Sigbrand (Raidl, 2022). The founders developed an app where bakeries, supermarkets, restaurants as well as hotels can sell their leftover food or food which close to its shelf-life expiration which means it cannot be sold in normal food retail anymore. As of today, the startup is the world's largest Buyer-to-customer surplus food marketplace (Too Good to Go, n.d.). The company's goal is to make an impact socially by actively trying to fight food waste (Too Good to go, n.d.). In order to achieve that the startup has set four pillars for itself on which it wants to work intensively, those are household, economy, education, and politics (Too Good to Go, n.d.). Within these pillars they aim to direct everyone to actively take part in reducing waste, specifically food waste (Too Good to Go, n.d.). Not only are they operating in multiple countries, but they also started a few of their own initiatives, for example as they established concrete measures developed and consequently implemented to save food from going to food waste, they also build networks to strengthen the food rescue (Too Good to Go, n.d.). By doing this the startup aims to contribute to a greater sustainability within the society.

These two examples show that startups are indeed capable to operate in a highly sustainable way. Nevertheless, should it be acknowledged that both of the examples mentioned also started with a business idea which in its core was already greatly sustainable. It is not a prerequisite that startups which do not build their company around a sustainable business idea are less successful, however it is a disadvantage as it not only makes operating easier but also maintaining the high level of sustainability while finding investors who fully support that usually tend to be a lot less difficult. According to Allen and Malin, businesses which are already build with environmental values often also seek a competitive advantage (2008).

2.4 The cost that come with operating more sustainable

While the integration of sustainable operating is not only more popular but also seen as a must for a business by a majority of the population, fewer thoughts are made regarding the cost of operating sustainable. For a long time, the primary goal of a company was to make profit and have a successful financial performance, be that as it may nowadays this is not sufficient for most stakeholder (Niţă & Ştefea, 2014, p.307). Their expectations increasingly include the social and environmental impact the business makes and its performance in these two areas.

Provided that, companies want to contribute to the sustainable development they need to aim for a very high efficiency of capital (Figge & Hahn, 2005, p.48). The financial performance should go hand in hand with the sustainability performance of a company, which does not necessarily have to cause less income or more costs (Niţă & Ştefea, 2014, p.308). Up to the present time many companies take this into consideration when making their strategy and planning their operations, however multiple companies at one point find themselves in the situation that they have to choose between non-sustainable processes and resources or sustainable ones which oftentimes are more expensive and less effective (Niţă & Ştefea, 2014, p.308). In addition to that, green goods and service are often still more expensive and therefore struggle to compete with cheaper and more conventional products (Schick, Marxen & Freimann, 2002, p.64). Corporate practices which are usually seen in large companies still show a more or less defensive strategy, there are different levels of ecological activity and awareness that can be recognized (Schick et al., 2002, p.60). Commonly companies save resources and energy and consequently have less costs, which is why green enterprises are still to this day an exotic type of enterprise (Schick et al., 2002, p.60).

Due to the fact that new businesses are just starting to develop an organizational culture it is assumed to be easier to implement the idea of sustainability in business types such as start-ups, as one would not have to rebuild an established culture on corporate level but simply create a new one let one presume that promoting sustainability in start-ups is a more promising approach (Schick et al., 2002, p.60). Entrepreneurs who already start their business idea with a sustainable mindset and are determined to include sustainability in their organization's processes, procedures and even take it into account when deciding on production firms, vendors in general or packaging will avoid having to adjust later to make their business more sustainable, consequently saving costs there. Whether a startup will start their business with a sustainable mindset usually heavily depends on the entrepreneur establishing it, since they normally do not change their business idea to a large extent throughout the growing phase of the business (Schick et al., 2002, p.61-62). As stated before, choosing the more sustainable option when it comes to products or sometimes even processes oftentimes also bear higher costs and a more difficult production. During the first months of a start-up the business is exposed to a heavy workload, it is often not equipped for all the management tasks it has to do, for example financial controlling or strategic planning while it is also facing financial difficulties (Schick et al., 2002, p. 62). Those financial difficulties often cause them to choose the cheapest option when choosing vendors or packaging. Financial support is rather hard to obtain when presenting a business strategy which chooses higher prices. Another difficulty is time, most start-ups start operating with a maximum of three people where each of them is working at full capacity, they simply do not have the time nor financial resources to inform themselves about sustainable options in this crucial period of their growing phase. Start-ups which decide to direct their firm towards a more ecological orientation usually take higher risks and encounter more resistance from the market than the rather conventional start-ups (Schick et al., 2002, p.66).

In many instances they need additional financial support and special advisory from experts. Considering that those entrepreneurs are working under a lot of pressure to generate revenue as for one they either have to pay back shareholder, meaning investors or they invested their own capital which means they face a great risk, it is understandable that most individuals do not focus on sustainability as much as they should be.

2.5 The balance of the common good

The term common good can be seen as a moral and ideal measure in today's world and its society. It is achieved when all the conditions and options for each and every single individual would be equal, and everyone would be able to reach their full potential due to access to good education, safe housing, and health care for everyone as well as fair wages (Duquesne University, 2018). Ultimately this will most likely not ever be fully realized, however, it still equips the world with a goal which society can work towards.

The balance of the common good is a tool which aims to activate organizations to operate more sustainably. According to Meynhardt and Fröhlich (2017) since many companies nowadays add to the current economic practices and the shortcomings of it such as environmental pollution or horrible labor conditions the balance of the common good is supposed to be a remedy to that (p.153). Throughout the last years an increasing number of organizations started to orient themselves towards the economy of common good and started preparing balance sheets for the common good (Butscher, Kasper, Koloo & Riedel, 2021, p.4). While the current order of the economy and the development on a social and economic level contribute highly to social prosperity, they also generate a socio-ecological crisis (Butscher et al., 2021, p.5). The economy of the common good supports a socio-ecologically sustainable and democratic economic system with a value-oriented approach on not only social and economic level but also political (Butscher et al., 2021, p.5). In order to be able to facilitate sustainability management and also its reporting, the economy of the common good provides two tools to measure this, the common good matrix, and the common good balance sheet (Felber, Campos & Sanchis, 2019, p1-2).

Similar to the three pillars of the triple bottom line, the idea of the concept is that the success of a single organization or even the whole economy should not only be measured by the financial performance but by its contribution to the common good. This oftentimes additionally supports the moral development of an organization. For example, when implementing the values of the economy of the common good it can cause avoidance of discrimination, a higher work participation, task clarity and a higher variety of tasks in autonomy and scope while it also includes flexible work hours and improves the work-life balance (Wiefek & Heinitz, 2021, p.4). Additionally, it bears the possibility to enhance an awareness among the employees and improve the way they are interacting by creating a workplace with women in leadership roles, workplaces with disabled access, an introduction of behavioral codes and the diversity of opinions (Wiefek & Heinitz, 2021, p.4). It is realistic that the economy of the common good might lead to an improved participation and better communication with employees and leadership (Wiefek & Heinitz, 2021, p.4). That being said it is highly likely that improvements in employee's commitment and in cooperation strategies among other businesses and may even better the relations with suppliers (Wiefek & Heinitz, 2021, p.4).

During the past years around 500 organizations have already developed a common good balance sheet, the accounting therefore may be carried out by private companies but also other organizations (Butscher et al., 2021, p.5). The common good balance sheet wants to establish if an organization in fact serves the common good. It also aims to build up a public good balance which is binding and then linked to legal consequences, meaning in case of fulfillment there can be a form of tax concessions, favorable credit conditions or a preferential treatment in public procurement (Butscher et al., 2021, p.5).

Figure 5: Common Good Matrix (blank)

Value / Stakeholder	Human Dignity	Solidarity and Social Justice	Environmental Sustainability	Transparency and Co-Determination
A: Suppliers	**A1** Human dignity in the supply chain	**A2** Solidarity and social justice in the supply chain	**A3** Environmental sustainability in the supply chain	**A4** Transparency and co-determination in the supply chain
B: Owners, Equity, and financial service providers	**B1** Ethical position in relation to financial resources	**B2** Social position in relation to financial resources	**B3** Use of funds in relation to social and environemtal impacts	**B4** Ownership and co-determination
C: Employees, including Co-Working Employees	**C1** Human dignity in the workplace and working environment	**C2** Self-determined working arrangements	**C3** Environmentally-friendly behavior of staff	**C4** Co-determination and transparency within the organisation
D: Customers and other companies	**D1** Ehtical customer relations	**D2** Cooperation and solidarity with other companies	**D3** Impact on the environment of the use and disposal of porducts and services	**D4** Customer participation and product transparency
E: Social Environment	**E1** Purpose of products and services and their effects on society	**E2** Contribution to the community	**E3** Reduction of environmental impact	**E4** Social co-determination and transparency

Source 5: Adapted From: Economy for the Common Good, 2021

The balance of the common good has four values and principles which are used for measurement. First human dignity and the rule of law, which measures if an organization respects human rights and follows fair procedures. It is based on the ethical basis of one's personal freedom (Butscher et al., 2021, p.8-9). Second solidarity and common good, which measures if an organization is committed to consider the public interest and tries to optimize the common benefit of each party which is involved or affected by it (Butscher et al., 2021, p.8-9). The third value is ecological sustainability and environmental sustainability, which aims to ensure that the actions an organization takes are sustainable in the long-term, that it is committed to act on sustainable principles and take on their legal responsibility (Butscher et al., 2021, p.8-9). Fourth is the transparency and co-determination, which considers the involvement of stakeholders in a firm, meaning a company should nurture and create an appropriate form of stakeholder participation in all of its actions (Butscher et al., 2021, p.8-9). These values can also be found in the common good matrix which can be seen in figure five.

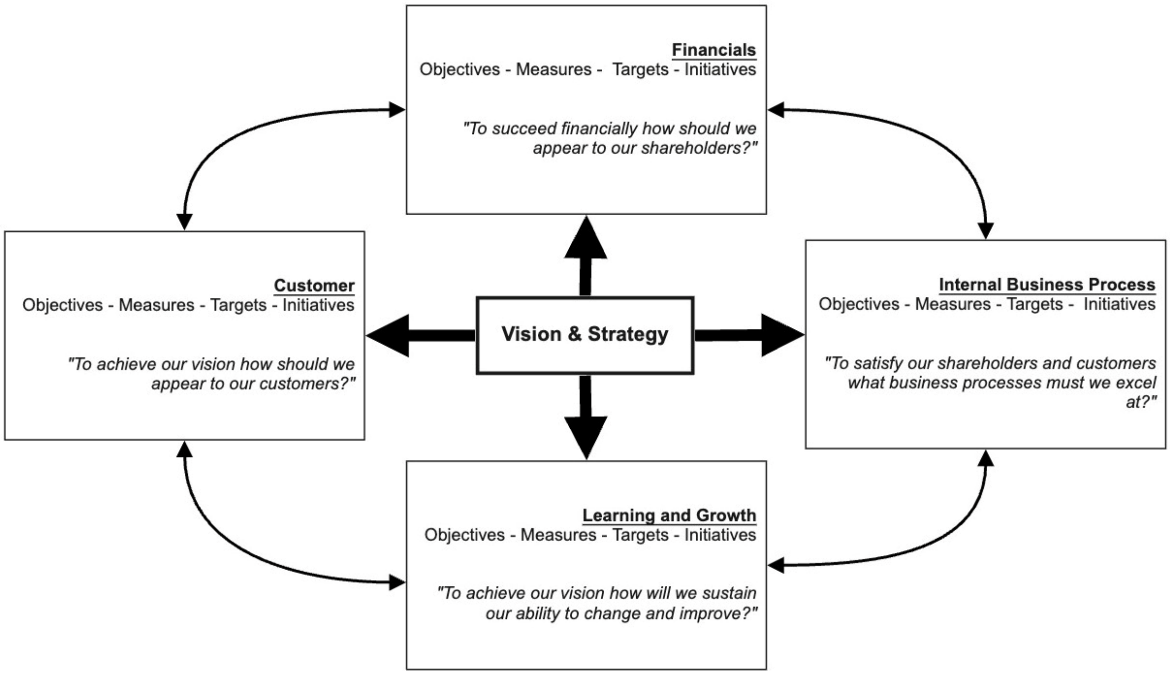
The values are shown on the top row whereas on the side column, the stakeholders are mentioned. Again, there are five stakeholders an organization has to consider. First, the suppliers and service providers, who help to measure if an organization takes responsibility for the consequences that may arise within the supply chain and the procurement of products and services (Butscher et al., 2021, p.9). If the suppliers are chosen mindfully, the organization is acting in the interest of the common good. The second stakeholder is the variety of financial partners, such as owners, equity- and financial service providers (figure 5). Here the organization is analyzed whether they are handling their public funds responsibly in relation to its financial partners or donors and if these funds are used for social and ecological purposes (Butscher et al., 2021, p.9). The third stakeholder is the administration including employees as well as co-working employees, which includes not only all the employees who are implementing the decisions of the organization but also stakeholders on a political level (Butscher et al., 2021, p.9). The fourth stakeholder is the population and the economy, meaning the customers and other companies, overall, every individual who is directly affected by the organization (Btscher et al., 2021, p.9). The last and fifth stakeholder which has to be taken into consideration is the social environment including the state, society, and nature the organization is operating in (Butscher et al., 2021, p.9). The matrix is built by combining these stakeholders and values and analyze their touch points. It examines the financial management and especially the sustainable and meaningful use of those financial resources as well as values such as free development of employees and their personality, that they are treated equally and every employee experiences the same form of integrity.

After all, the balance of the common good is a useful tool for any company which wants to improve its processes and procedures and implement some sort of sustainability management. As Felber et al. stated in 2019, it is most likely beneficial for an organization to not only integrate sustainability management but also measure it via a tool to facilitate the implementation and stay in charge of the sustainability management (p. 2).

2.6 The Balance Scorecard

The balanced scorecard is known as a strategic management system which promotes the implementation of a strategy within an organization (Gawankar, Kamble & Raut, 2015, p.10). It was invented by Robert S. Kaplan and David P. Norton in the early 1990's. According to Kaplan & Norton (1996) it is a tool which helps to convert a business's mission and strategy into clear and direct objectives and measures (p.10). Additionally, Marcu (2020) stated that the tool has introduced new dimensions in regard to the management on the strategic level (p. 34). An organization's balanced scorecard clarifies the vision and strategy of it and also helps managers as well as the usual employee to improve by providing defined actions. In 1996 Kaplan and Norton stated that the tool highlights which financial as well as non-financial measures have to be a part of the system of information for the whole personnel regardless the position within a company (1996, p.8). In order develop a detailed overview as well as a following strategy the balanced scorecard is divided into four perspectives. As presented in figure six, these perspectives are learning and growth, business processes, customer focused and at last the financial perspective. At first, learning and growth, this perspective refers to the attitudes regarding corporate culture as well as employee training when putting it into relation with not only individual but also corporate self-improvement (Gawankar et al., 2015, p.12). The second perspective is business processes, also called internal processes. These said processes can be divided into two kinds, first the processes which are focused on the core business can be identified and second the support processes (Gawankar et al., 2015, p.12). The third perspective is the customer focused one, which emphasizes on the importance of an organization's or business's customers and their satisfaction with the service or product (Gawankar et al., 2015, p.12). The last and fourth perspective is the financial one, which ensures that the data which is available is accurate and provided when needed

Figure 6: The Balanced Scorecard (blue print)



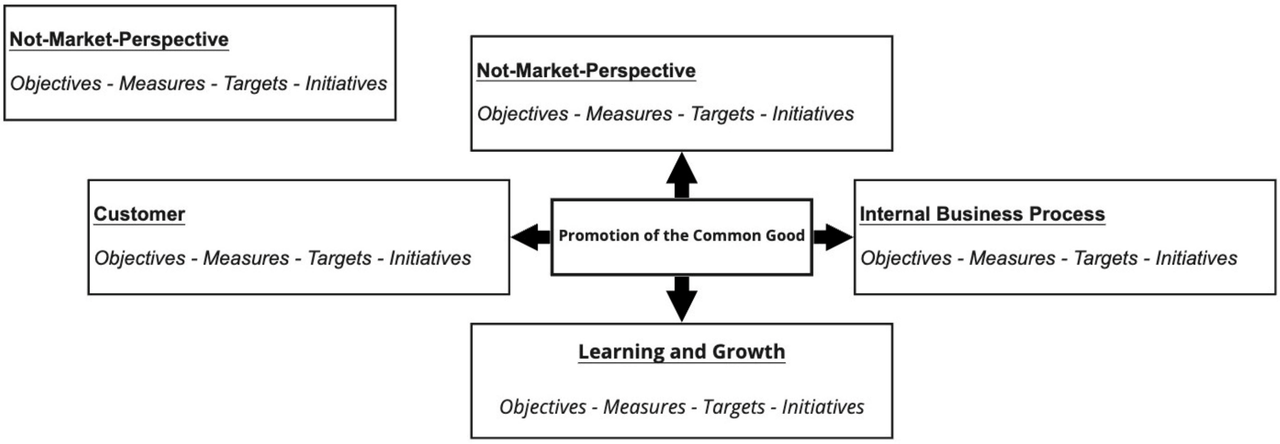
Source 6: Adapted From: Kaplan & Norton, 1996, p.4

that there is no sole emphasis on the financial data as it most likely leads to an unbalanced situation with the other perspectives (Gawankar et al., 2015, p.12).

As mentioned above the term sustainability and its integration into daily business has become increasingly important. The social and environmental aspects are still significantly less presented in the economy than the financial aspect, regardless of their high importance for businesses. Nevertheless, environmental, and social issues are topics that have to be taken into consideration by every company. Consequently, many companies implemented or are still implementing specific social and environmental management systems throughout the last years (Figge, Hahn, Schaltegger & Wagner, 2022, p.269-270). Be that as it may, as most implementations are being done using general management systems, social and environmental aspects are still highly underrepresented so that their contribution to the overall economic performance of the firm remains unclear (Figge et al., 2002, p. 270). To improve the implementation, one could use the sustainability balanced scorecard instead, which is commonly used in the implementation of corporate sustainability management (Falle et al., 2016, p. 2). According to Bieker (n.d.) the intention to use the concept of the balanced scorecard as an environmental management tool is rather common and has already been suggested when it was first developed (p.1). This can be done by including sustainability within the concept of the balanced scorecard so that all three dimensions of sustainability are integrated. It is important that all the objectives and goals are linked with the corresponding plan to action, these relationships are not only important within one perspective but also between the perspectives. There is more than one possibility to integrate sustainability within the balanced scorecard. The first option would be to take all four perspectives and integrate social and environmental factors into each perspective (Figge et al., 2002, p.273). The second option is to add a new perspective which solely focus on environmental and social aspects (Figge et al., 2002, p.273). The third option is to create a derived version of the balanced scorecard, consequently a derived environmental and social scorecard, however, this scorecard could not be used parallel to the conventional scorecard which means one would decide on a whole new tool (Figge et al., 2002, p. 275).

The advantage of management tools which implement sustainability from the core on is the certainty that it will also be practiced in crisis. General management tools put a heavy focus on the economic performance, which is why the management tool can be successfully used while the company experiences economic success (Figge et al., 2002, p.273). During more successful periods many firms are financially in the position to include environmental and social aspects into their business practices however when the company finds itself in financial distress these are usually also the first ones to be cut down (Figge et al., 2002, p.273). When looking from the viewpoint of sustainability it is much more sufficient to improve the performance regarding all three dimensions of sustainability simultaneously since firms which practice a sound sustainability management are also economically stable in times of crises (Figge, et al., 2002, p.273).

Figure 7: The Common Good Balanced Scorecard (blue print)



Source 7: Adapted From: Gehra & Kiermeier, 2021, p.35

A relatively new and so far, not commonly used approach is the balanced scorecard developed with the principles of the concept of the economy of the common good, also called common good balanced scorecard (Gehra & Kiermeier, 2021, p.34). The development of such a scorecard is relatively similar to the development of a normal balanced scorecard since the perspectives remain the same. An additional perspective is the not-market-perspective which includes the factors in the market that influence the vision of the economy of the common good, but a company cannot directly influence it (Gehra & Kiermeier, 2021, p35). The common good balanced scorecard is also shown in figure 7. The information or themes are taken from the matrix of the common good. By grouping and assigning of the themes to the different perspectives of the balanced scorecard, the common good balanced scorecard is being developed (Gehra & Kiermeier, 2021, p.35). By implementing this type of balanced scorecard, a company would meet the expectations of the economy of the common good within the business and their economic performance.

3. Conclusions and Discussion

To conclude, it can be said regardless the size or industry a business has to include sustainability management in their strategy and practices. Starting with the fact that not only the conventional type of business model is not timely anymore but it also does not sufficiently represent the performance of a company. While society experiences catastrophes such as wildfire and floods where people and other living creatures are harmed or even lose their lives, the economy can simply not be inactive. In addition to that is especially the younger generation a driving force for sustainability as they are almost forcing businesses to take responsibility and actively engage change. Movements like Friday for Future are simply a demonstration of the mindset change which is going on in society. With this in mind it also important that sustainability and sustainability management is implemented and used sincerely and not as a marketing tool or an image polisher to feed to the trend or hype circling sustainability. As mentioned before businesses regardless their size should integrate sustainability management into their company. It depends on the standpoint whether startups and smaller businesses have an advantage for implementing this type of management or not. Some say that due to the small size of startups in its process as well as the number of employees they are employing, these types of businesses are more easily capable to switch to more sustainable operations. Whereas larger companies are usually known to be very inflexible when it comes to new implementations and changes.

In the light of sustainability gaining more and more attention and value within society it is also not surprising that startups are experiencing customer complaints regarding the topic.

In order to reach a full conclusion for this paper, the research questions which have been developed and mentioned in the beginning of this research have to be thoroughly answered. Therefore, the questions are being answered in the following.

What value has the implementation of sustainability management for a start-up regarding their competitive advantage?

Implementing sustainability management within a company should be done by every company regardless their size. As mentioned before a company's performance and success simply cannot be measured solely by their financial performance anymore. Integrating sustainability management as a fixed component in a firm's strategy would increase its performance long-term. Since, trends and people's mindsets are already changing to more sustainable practice it is highly likely that laws and regulations will follow. A company which implements sustainability management at an early stage in their company life cycle, such as startups in their first years of operating, will increase their competitive advantage since they avoid any additional integration later in the businesses' life. This reduces costs and workload since employees do not have to put in the extra work to change processes and procedures. Oftentimes, it is also easier to receive funding for additional sustainable projects as investors know from the start that this is a key focus point of the company. Furthermore, since the trends and influence of being more sustainable is especially popular among the younger generation a startup would most likely gain an increasing number of customers within this target group when implementing sustainability management. Correspondingly, the integration of sustainability management could be used for marketing and enhancing the brand's image. It is obvious that sustainability should not be used solely for marketing reasons, however, if a startup is actively implementing sustainability management and put it into action within every part of their business, it would be nonsensical not to communicate it to its customers. Not only the customers would benefit from the implementation of sustainability management but also the employees. Firms which integrated sustainability management usually show a higher employee satisfaction. Many employees feel good about working in a company which practices those values. It oftentimes also improves the communication and the team spirit within a firm, since sustainability management also includes building a healthy work environment long-term, so that employee turnover drops and employee engagement increases. As a result of increased employee satisfaction, there is usually an improved performance which can be recognized. At last, the implementation would be beneficial and maybe even crucial for the survival of the company. As sustainability management also includes keeping the long-term success of a company within perspective, it is most likely that companies which continue to operate without any regard to the environment and society will simply vanish from the market in a couple of years since only being financially secure is simply not sufficient anymore.

In what way does the implementation of the balance of the common good have an effect on the employee behavior and overall satisfaction?

The implementation of the balance of the common good most likely will increase the employee satisfaction as it usually causes a switch in the behavior of the employees. Similar to the previously explained phenomenon of sustainability management in regard to employee satisfaction the balance of the common good promotes the well-being of the employees. It places an extra value on a healthy work environment. By implementing it a company, regardless the size, most likely will encourage the engagement of the employee towards the firm itself but also among the employees. It would help to foster an open work environment with constructive and transparent communication and clear values and beliefs which would consequently ensure the employee fit and the direction the firm would move towards. It would also ensure that the output the company creates would be not harm either the environment or the society in general. This means that environmentally conscious production and transportation would be ensured as well as the well-being of surrounding communities or other stakeholders of the firm. This consequently would increase employee satisfaction as most people appreciate working in a workplace which does not harm its environment, or the people affected by it. Employees might be more open to voice their opinion as they feel appreciated and empowered to do so which would consequently also improve their performance. For those reasons the implementation of the balance of the common good would positively influence the employee's behavior and most likely cause an increase in employee satisfaction.

In conclusion, sustainability management and sustainability-promoting concepts are not only common but should be implemented by any company which plans to operate successfully long-term. The balance of the common good is helpful tool to improve a firm's operations and convert to a more sustainable business model. Since the startup shows sever lacks and carelessness in regard to sustainable operating, it should try to start implementing sustainability management to ensure its long-term success and maintain its market position, since this will provide a long-term competitive advantage to the company. It is undoubted that the implementation of sustainable concepts and management enhance the employee engagement and increases employee satisfaction. In addition, the trends and influences which are currently circling through society will only increase the importance of sustainability management. Since the company is still relatively small and therefore more flexible it would benefit from implementing sustainability management at this stage of their business cycle than further down the cycle as the changes which might have to be made most likely will be more difficult the more the firm grows.

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