CREATING A SUSTAINABLE CORPORATE CULTURE IN THE CONTEXT OF GREEN AND DIGITAL ECONOMY

Mykhailo Dreichuk[1], Yosyf Sytnyk[2]

Abstract. The *purpose* of this paper is to explore the strategies for creating a sustainable corporate culture in the context of the green and digital economy. In today's business landscape, characterised by a growing emphasis on environmental responsibility and technological innovation, organisations are faced with the challenge of aligning their corporate cultures with these emerging paradigms. This study uses a mixed-methods approach, combining qualitative analysis of case studies with quantitative examination of organisational practices, to investigate effective strategies for fostering a sustainable corporate culture amidst the challenges and opportunities presented by the green and digital economy. *Methodology*. The research methodology includes a comprehensive review of the literature on corporate culture, sustainability and digitalisation, supplemented by analysis of data collected from case studies of organisations operating in different industries. Qualitative data from interviews with key stakeholders and observations of organisational practices are complemented by quantitative analysis of survey responses and performance metrics. *Results*. The findings highlight several key strategies for creating a sustainable corporate culture in the context of the green and digital economy. These include: leadership commitment to sustainability and innovation; integration of green practices into organisational policies and procedures; employee engagement and empowerment through training and development programmes; use of digital technologies to improve communication, collaboration and productivity; and continuous monitoring and evaluation of environmental performance metrics. *Practical implications.* The implications of this study have several practical implications for organisations seeking to cultivate a sustainable culture. First, they underscore the importance of strong leadership commitment to sustainability and innovation, and the need to integrate green practices into all aspects of organisational operations. Second, the findings highlight the critical role of employee engagement and empowerment in driving sustainable behaviour and fostering a culture of environmental responsibility. Finally, the study highlights the potential of digital technologies to enable organisations to adapt and thrive in the evolving landscape of the green and digital economy. *Value / Originality*. This paper contributes to the existing literature by providing evidence and practical insights into the strategies for creating a sustainable corporate culture in the context of the green and digital economy. By combining qualitative analysis of case studies with quantitative examination of organisational practices, the study provides a comprehensive understanding of the key factors influencing corporate culture in the contemporary business environment. In addition, the research highlights the importance of aligning organisational values with environmental and technological advances to enhance business sustainability and resilience. Overall, the paper provides valuable contributions to both theory and practice in the areas of corporate culture, sustainability and digitalisation.

Key words: sustainable corporate culture, green economy, digital economy, organisational values, environmental sustainability.

JEL Classification: M14, O33, Q56

1. Introduction

In today's rapidly evolving business landscape, characterised by the intersection of environmental concerns and digital innovation, the concept of corporate culture has taken on new meaning. As organisations seek to address the challenges and opportunities presented by the green and digital economy, the need to cultivate a sustainable

[1] Lviv Polytechnic National University, Ukraine *(corresponding author)*
E-mail: mykhailo.a.dreichuk@lpnu.ua
ORCID: https://orcid.org/0000-0001-9180-7966
[2] Lviv Polytechnic National University, Ukraine
E-mail: yosyf.s.sytnyk@lpnu.ua
ORCID: https://orcid.org/0000-0001-8718-5738

corporate culture has become paramount. This paper aims to explore the strategies for creating a sustainable corporate culture in the context of the green and digital economy, addressing the new challenges and opportunities facing today's businesses. The novelty of this topic lies in its exploration of the intersection between sustainability, digitalisation and organisational culture. While previous research has examined each of these elements in isolation, there remains a dearth of literature that comprehensively addresses their integration within the context of organisational culture. By focusing on this intersection, this study contributes to a deeper understanding of how organisations can adapt and thrive in an increasingly complex and dynamic business environment. The relevance of this research is underscored by the growing recognition of the need for organisations to embrace sustainability and digitalisation as core elements of their strategic agendas. As global environmental challenges intensify and technological advances continue to reshape industries, organisations are increasingly being called upon to rethink their approaches to corporate culture. By aligning their values and practices with the principles of sustainability and digitalisation, companies can not only improve their environmental performance, but also drive innovation and competitiveness. The purpose of this research is twofold: first, to identify effective strategies for fostering a sustainable corporate culture amidst the challenges and opportunities presented by the green and digital economy; and second, to provide practical insights for organisations seeking to cultivate such cultures. To achieve these aims, the study adopts a mixed-methods approach, combining qualitative analysis of case studies with quantitative examination of organisational practices. Using this methodology, the authors aim to offer a comprehensive understanding of the key factors that influence corporate culture in today's business environment. The structure of this paper is as follows: after the introduction, a review of relevant sources on corporate culture, sustainability and digitalisation will be made to provide a theoretical framework for the analysis. The research methodology will then be presented, detailing the approach used to collect and analyse the data. Further, the results of the study will be discussed, highlighting key strategies for creating a sustainable corporate culture in the context of the green and digital economy. Finally, the conclusions drawn from the study will be offered, as well as implications for practice and suggestions for future research directions. With this research structure, the authors aim to present a comprehensive and holistic analysis of the topic under consideration.

2. Corporate Culture and Sustainability

Corporate culture serves as the backbone of an organisation's identity and behaviour, encompassing shared values, norms and practices that guide employees' actions and decisions. In recent years, the importance of corporate culture in promoting sustainability within organisations has been increasingly recognised. This section explores the complex relationship between corporate culture and sustainability, highlighting the ways in which organisational values and norms influence environmental practices and the adoption of sustainable behaviours.

Corporate culture plays a key role in shaping the attitudes and behaviours of employees towards sustainability initiatives. Organisations with strong sustainability cultures are more likely to prioritise environmental stewardship and integrate sustainability principles into their day-to-day operations. This alignment between culture and sustainability goals not only improves environmental performance, but also fosters a sense of shared purpose and commitment among employees. The values and norms embedded in a corporate culture have a profound effect on the organisation's approach to sustainability. For example, if innovation and risk-taking are celebrated as core values, employees may be more inclined to experiment with new sustainable practices and technologies. Conversely, if cost-cutting and short-term profits are prioritised, sustainability initiatives may take a back seat. Understanding how organisational values and norms shape attitudes and behaviours towards sustainability is essential to fostering a culture that supports environmental stewardship. Leadership plays a critical role in shaping culture and setting the tone for sustainability initiatives. Strong leadership commitment to sustainability sends a clear message to employees that environmental stewardship is a priority for the organisation. Leaders who actively champion sustainability initiatives, allocate resources to green projects, and hold employees accountable

for sustainable behaviours can help embed sustainability principles into organisational culture (Berzhanir, 2015).

Employee engagement is another key aspect of fostering a sustainable culture. Engaged employees are more likely to embrace sustainability goals, participate in green initiatives and contribute innovative ideas for environmental improvement. Organisations can encourage employee engagement by providing opportunities for training and development in sustainability practices, creating forums for employee input and feedback, and recognising and rewarding sustainable behaviour. By aligning organisational values and norms with sustainability principles, fostering strong leadership commitment, and engaging and empowering employees, organisations can cultivate a culture that supports environmental stewardship and contributes to long-term sustainability goals. Recognising the interconnectedness of corporate culture and sustainability is essential to creating resilient and responsible organisations in the context of the green and digital economy (Derhachova, Fedirko, 2018).

3. Green Practices Integration

Green practices refer to strategies, policies and actions aimed at minimising environmental impact and promoting sustainability within organisations. These practices cover a wide range of initiatives, including resource conservation, waste reduction, the use of renewable energy and environmentally friendly product development. By implementing green practices, organisations can reduce their carbon footprint, mitigate environmental risks and contribute to the transition to a more sustainable economy. Incorporating green practices into an organisation's culture requires thoughtful planning and strategic implementation. Organisations have a variety of options for integrating sustainability initiatives into their operations, ranging from small changes to large-scale transformations. One approach is to start with incremental changes, such as implementing energy-saving measures, promoting waste reduction and recycling programmes, and encouraging sustainable commuting options for employees. These small steps can lay the foundation for a broader sustainability strategy and help build momentum for more significant

initiatives. Another option is to use technology and innovation to drive sustainability improvements. For example, organisations can invest in renewable energy sources, adopt digital solutions for energy management and monitoring, and use data analytics to identify opportunities for resource optimisation and efficiency gains. Embracing digitalisation not only improves environmental performance, but also fosters innovation and competitiveness in the digital economy (Arefieva, Kovalenko, 2022).

While green practices have traditionally focused on reducing environmental impact through measures such as energy efficiency and waste reduction, the landscape is evolving to include broader initiatives such as circular economy principles, biodiversity conservation and carbon neutrality commitments. Organisations are increasingly recognising the interconnectedness of environmental, social and economic sustainability and are adopting holistic approaches to address complex sustainability challenges. One innovative approach to integrating green practices into corporate culture is the adoption of nature-based solutions. For example, organisations can invest in green infrastructure projects such as green roofs, rain gardens and urban forests to mitigate the effects of climate change, improve air and water quality and enhance biodiversity. These initiatives not only contribute to environmental sustainability, but also provide social and economic co-benefits, such as improved employee well-being and reduced operating costs. Several leading organisations have successfully integrated green practices into their corporate culture, serving as inspiration for others to follow suit. For example, Interface, a global flooring manufacturer, has adopted the Mission Zero initiative to eliminate its environmental impact by 2020. Through innovative practices such as closed loop manufacturing, product life cycle assessments and carbon offsetting programmes, Interface has made significant progress towards its sustainability goals while driving innovation and profitability. Another example is Patagonia, an outdoor clothing company known for its commitment to environmental and social responsibility. Patagonia's corporate culture is rooted in values of environmental responsibility, social justice and transparency. The company's Worn Wear programme encourages customers to

repair and recycle their clothing, extending the life of products and reducing waste. By aligning its business practices with its values, Patagonia has built a loyal customer base and demonstrated the business case for sustainability. By embracing innovative approaches and learning from practical examples, organisations can demonstrate sustainability leadership, drive positive environmental change, and position themselves for long-term success. As the business landscape continues to evolve, organisations that prioritise environmental sustainability will not only mitigate risk, but also seize opportunities for innovation, growth and competitive advantage (Makovoz, 2018).

4. Digital Transformation in Organisations

Digitalisation encompasses the adoption and integration of digital technologies and data-driven processes across all aspects of an organisation's operations. From cloud computing and artificial intelligence to Internet of Things (IoT) devices and blockchain technology, digitalization offers unprecedented opportunities for organisations to increase efficiency, optimise resource utilisation and improve decision-making processes. One of the key benefits of digital transformation is its potential to support sustainability goals and environmental stewardship. For example, IoT sensors and smart meters can enable real-time monitoring of energy consumption and resource use, allowing organisations to identify inefficiencies and implement targeted interventions to reduce waste and emissions. Similarly, digital supply chain management systems can improve transparency and traceability, facilitating responsible sourcing and sustainable procurement practices. Several innovative applications of digital technology are driving sustainability improvements within organisations. For example, companies like Tesla and Rivian are revolutionising the automotive industry with electric vehicles and autonomous driving technologies, reducing greenhouse gas emissions and dependence on fossil fuels. Similarly, renewable energy companies like SolarCity (now part of Tesla) and Sunrun are using digital platforms to streamline the installation and management of solar energy systems, democratising access to clean energy and accelerating the transition to a low-carbon economy. To harness the potential of digital transformation for sustainability, organisations can adopt a range of practical strategies and initiatives. For example, they can invest in energy management systems and smart building technologies to optimise energy use and reduce carbon emissions. They can also use big data analytics and predictive modelling to identify trends and patterns in environmental data, enabling more informed decision-making and proactive risk management. In addition, organisations can explore opportunities for digital collaboration and remote working to reduce the need for travel and minimise their carbon footprint. By embracing digital tools and platforms for communication, collaboration and knowledge sharing, organisations can foster a culture of innovation and agility while promoting environmental sustainability. By embracing digitalisation and using innovative technologies, organisations can improve their environmental performance, increase operational efficiency and foster a culture of innovation and sustainability (Kudinova, Zadesenets, 2021).

5. Strategies for the Development of a Sustainable Corporate Culture

Building a sustainable culture is a multi-faceted endeavour that requires strategic planning, innovative thinking and a commitment to environmental responsibility. Effective leadership is paramount in driving an organisation's culture towards sustainability. Leaders must champion the cause of environmental stewardship, articulate a clear vision and set ambitious but achievable sustainability goals. By empowering employees to actively participate in sustainability initiatives and fostering a culture of innovation, leaders can inspire collective action and promote a sense of purpose and responsibility towards the environment. Integrating sustainability principles into all aspects of an organisation's operations is essential to embedding a culture of sustainability. This involves incorporating environmental considerations into decision-making processes, from product design and supply chain management to marketing and customer relations (Engert, Baumgartner, 2016).

Organisations can implement sustainability-focused policies and procedures, such as eco-design guidelines, sustainable sourcing practices and carbon footprint reduction targets. For example, companies such as Interface have successfully implemented closed-loop manufac-

turing processes, demonstrating the feasibility and benefits of circular economy principles in practice. Engaging and educating employees on sustainability issues is key to fostering a culture of environmental responsibility. Companies can organise training programmes, workshops and provide resources to raise awareness of the challenges and opportunities of sustainability. By encouraging employee engagement in sustainability initiatives and recognising and rewarding sustainable behaviour, organisations can foster a sense of ownership and commitment to sustainability. In the digital age, technology offers unprecedented opportunities for sustainability innovation. Businesses can use digital tools and platforms to streamline processes, optimise resource use and monitor environmental performance in real time. From data analytics and IoT sensors to blockchain technology and AI-based solutions, digital innovation can help organisations identify inefficiencies, mitigate risks and seize opportunities for sustainable growth. As an example, smart building technologies enable organisations to optimise energy use and reduce carbon emissions, contributing to both environmental and financial sustainability goals. Collaboration and partnerships with external stakeholders, including suppliers, customers, NGOs and government agencies, are essential to driving systemic change and achieving shared sustainability goals. Organisations can join industry alliances, participate in multi-stakeholder initiatives and engage in dialogue with key stakeholders to address common challenges and leverage collective expertise and resources. By working with suppliers to improve sustainability practices throughout the supply chain or partnering with NGOs to address environmental issues, organisations can amplify their impact and drive meaningful change on a global scale. By adopting innovative strategies and embracing the opportunities presented by the green and digital economy, organisations can not only improve their environmental performance, but also drive positive social impact and economic value creation in the long term (Roscoe, Subramanian, Jabbour, Chong, 2019).

6. Conclusions

The study of various aspects related to the creation of a sustainable corporate culture in the context of the green and digital economy has led to several key conclusions. First, the relationship between corporate culture and sustainability is undeniable. Companies that prioritise environmental stewardship and embed sustainability principles in their values, norms and practices are better placed to meet the challenges of the green and digital economy. By fostering a culture of sustainability, organisations can not only improve their environmental performance, but also drive innovation, attract customers and retain talent. Second, integrating green practices into corporate operations is essential to achieving sustainability goals. Initiatives such as conserving resources, reducing waste, switching to renewable energy sources and developing environmentally friendly products play a crucial role in minimising environmental impact and contributing to the sustainable development of organisations. By adopting green practices, organisations can cut costs, mitigate risks and demonstrate their commitment to environmental responsibility. In addition, digital transformation offers significant opportunities to improve sustainability in organisations. From IoT sensors and data analytics to blockchain technology and AI-based solutions, digital innovation can help organisations optimise resource use, streamline processes and monitor environmental performance in real time. By leveraging digital technologies, organisations can identify opportunities to improve efficiency, reduce carbon emissions and strengthen their environmental sustainability. Finally, strategies to develop a sustainable corporate culture must be holistic and integrated into all aspects of an organisation's operations. Effective leadership, employee engagement, integration of sustainability into business practices, and collaboration with external stakeholders are all important components of a successful sustainability strategy. Through innovative approaches and learning from practical examples, organisations can develop a culture of sustainability that contributes to positive environmental change and long-term business success. Looking ahead, the future of creating a sustainable corporate culture in the green and digital economy lies in continuous innovation, collaboration and commitment to sustainability. As technology evolves and new challenges emerge, organisations must remain flexible

and adaptive, constantly looking for new ways to integrate sustainability into their business practices. Harnessing the power of the green and digital economy and prioritising environmental responsibility, organisations can create a more sustainable future for future generations.

References:

Arefieva, O. V., & Kovalenko, N. V. (2022). Strategic orientations of socially responsible business in the conditions of the green economy. *Adaptive Management: Theory and Practice. Series Economics,* Vol. 14(28), p. 1–15. DOI: https://doi.org/10.33296/2707-0654-14(28)-02

Berzhanir, A. L. (2015). Corporate social responsibility and sustainable development of business structures. In P. Y. Kurmaieva, M. A. Slatvinskoho (Eds.). *Development of the national economy on an innovative basis: trends and prospects:* monograph. Uman, p. 151–158.

Derhachova, V. V., & Fedirko, H. A. (2018). Features of forming corporate culture on enterprises of Ukraine. *Economic Bulletin of NTUU "Kyiv Polytechnical Institute",* Vol. 15, p. 272–279. DOI: https://doi.org/10.20535/2307-5651.15.2018.135694

Engert, S., & Baumgartner, R. J. (2016). Corporate sustainability strategy–bridging the gap between formulation and implementation. *Journal of cleaner production*, Vol. 113, p. 822–834.

Holionko, N. H., & Kondratieva, K. A. (2022). Digital transformation of the organization: key aspects and influential implementation trends. In H. V. Starchenka (Eds.). *Strategy of modern development of Ukraine: synthesis of legal, educational and economic mechanisms:* monograph. Chernihiv, p. 36–49.

Kudinova, M. M. (2021). Corporate culture management of the organization in the conditions of digitalization. *Innovation process in the face of global challenges – 2021:* Collection of scientific papers of the Scientific and Research Institute of Providing Legal Framework for the Innovative Development based on the materials of the round table (Kharkiv, 5 October 2021). Kharkiv, p. 89–94.

Makovoz, O. S., & Perederii, T. S. (2018). Green economy as a pillar of sustainable development. *The European vector of economic modernisation: creativity, transparency and sustainable development – 2018: materials of the X Anniversary International Scientific and Practical Conference (Kharkiv, 18-19 April 2018).* Kharkiv: Panov A.M., p. 159–168.

Roscoe, S., Subramanian, N., Jabbour, C. J., & Chong, T. (2019). Green human resource management and the enablers of green organisational culture: Enhancing a firm's environmental performance for sustainable development. *Business Strategy and the Environment*, Vol. 28(5), p. 737–749.