

Taking the Leap Across the Rationale Gap: The Role of Emotions in Making the Transition to More Sustainable Materials (REMO)



Our planet suffers from the impact generated by waste and pollution, thus calling for transition to more sustainable future. Company managers have an opportunity and a responsibility to participate in creating this change and set the agenda for a better future. However, making such a strategic change decision can feel challenging for a company manager, especially if there are tensions between the economical, social and environmental criteria. To address these tensions, this project investigates how emotion acts as a compass when weighing multiple factors, pros, and cons, before committing to a more sustainable way of doing business. In so doing, we seek to uncover under which conditions companies and managers will switch to new bio-technologies and materials, and how they overcome difficulties in transition processes.

Our results suggest that despite the manager's initial attitude to be responsible, tensions between the demands of sustainable practices and business imperatives can weaken their willingness to act on their environmental aspirations. Moreover, we find that although facts and calculations are crucial determinants in transitions to sustainable business practices, the final commitment decision around novel responsible innovation requires emotional involvement. When the manager makes strategic decisions around pro-environmental resource substitution or technology adoption, they embrace not only the rational criteria but also associated emotions, such as fear and excitement. It is important for the manager to recognize the impact of their own emotions on strategic decision making, because emotion interplays with reason, and reflects not only the manager's own priorities and work-related values, but also the sustainable development goals in the company.

However, even if the economic, social and environmental criteria for a successful innovation were met and associated emotions were triggered within the company, the final leap into more sustainable bioeconomy requires emotional support from the social environment. Hence, and reinforcing the importance of investors who can help these managers to execute

their sustainable ideas, we investigate also investor's emotions in making investment decisions around business opportunities. These insights will be applied to a more holistic decision model that illuminates how emotion can serve as a baton transferred during the transition to more sustainable bioeconomy. This is important, because a successful adoption of sustainable technologies and materials enables not only the company to do well, but also generates positive externalities to the planet and its people. Hence, this research is relevant not only for the managers, but also for those policy makers and investors who seek to contribute to a better future.

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