

Change management for sustainability: a case study in the Italian wine industry.

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Climate change and consequently the green transition are impacting all industries, and the agri-food sector is not excluded from this wave (Amalho Ribeiro et al., 2023). A particular niche of the agri-food industry, wine production, has been rapidly affected by this phenomenon (Galbreath, 2014). Producers, owners, and even workers within wine firms have faced the need to adapt their business models and production formulas to the constant changes imposed by the new paradigm. However, the effective success of this adaptation cannot be proven a priori (Delmas, M. A. et al., 2016). Even though climate change is a global phenomenon, its impacts are local. This is evidenced by the fact that its effects differ completely from one country to another and even among different areas within the same region (Galbreath, 2011). Different impacts also lead to completely different solutions, and the inability to test them in advance makes the transition often difficult and unsustainable, especially for an industry dominated by SMEs (Hatak et al., 2015). For this reason, we decided to explore a successful example of transition from a traditional business model to an alternative one, equally successful but more environmentally sustainable, in an important Italian enterprise mainly located in Montalcino (Tuscany) and Piemonte. We decided to test an organizational change model (Burnes et al., 2004) in a specific case study in the wine sector in order to explore the challenges and opportunities experienced by the top management of this significant enterprise in a historical period when the growing interest of companies in sustainability needs to be supported by academic research, highlighting a virtuous example of a successful business model that could be replicated by other enterprises.

Change is an essential requirement for the survival of mankind. This is emblematic of what Darwin wrote in the mid-19th century (Darwin, 2016), which can be condensed into the principle that to survive, species need to change and adapt. The challenges of recent years have brought this concept back into vogue with the introduction of the term resilience, which has detached itself from the original psychological context (Southwick et al., 2014) and is now applied to the corporate context. Of all the challenges that businesses are facing, climate change is certainly one of the most pressing (Bahadur, Ibrahim, and Tanner, 2013). This is particularly true in the wine sector, which is symbiotically dependent on its ecosystem (Roehrdanz and Hannah, 2016), an ecosystem which is increasingly compromised by climatic anthropogenic risk. Change, in the positive sense of the term, therefore reflects growth, innovation, and improvement. It develops on multiple levels and involves different professional figures (Kotter, 1996; Storey, 1992) within a complex organism such as the company and is often difficult to implement (Hayes, 2002; Burnes, 2004). In this context, change management can be defined as the application of a structured process and a series of tools which can lead people to change in order to obtain the desired business outcome. (Creasey, 2022) It is therefore both a process and a skill (Creasey, 2007). The ability to change represents both an intangible resource

of the company, aligned with resource-based view theory (Fahy, 2000), and a multilateral and iterative process, associated with path dependency and continuous innovation (Frederick, 1998; Brown and Esidendarth, 1997), which the company must utilize during its existence to ensure lasting and stable competitiveness (Hanson, 1993).

Numerous models have been used to explain this path, which evolves from a starting point A to the desired point B. Over time, these models have become increasingly articulated (Errida and Lofti, 2021), and the number of steps has grown considerably, becoming more empirical and embedded in the company's reality (Galli, 2018).

One of the first contributions to change management theory (Burnes, 2004) was provided by Kurt Lewin, who defined for the first time the model of planned change, in contrast to accidental or forced change (Marrow, 1969). Among his studies, a key contribution to the field of organizational change is the 3-step model, divided into three fundamental stages: Unfreezing (behavioral unfreezing phase), Transition (phase of actual change), and Refreezing (crystallization phase of the new behavior).

The model on which we decided to base our questionnaire, used for the interviews within the company and as the theoretical foundation of our work, is the 8-step model developed by John P. Kotter, Emeritus Harvard Professor and owner of a consultancy firm. In 1995, Kotter wrote an extremely important paper, "Leading Change: Why Change Efforts Fail" (Kotter, 1995), based on the assumption that almost 70% of change initiatives in companies across various industries are doomed to fail. This topic was expanded the following year in the book "Leading Change". From that starting point, Kotter identified eight major mistakes, according to his observations, made by those firms, and the consequent iterative 8-step process they should follow instead to achieve and maintain the desired status over time, coherently with the emergent change theory (Laig and Abocejo, 2021). Missing even one of these steps will mean that the achievement of the desired status cannot be guaranteed. These steps are: establish a sense of urgency, create a core coalition, develop vision and strategy, communicate the change vision, empower broad-based action, generate short-term wins, consolidate gains and produce more change, and finally, anchor new approaches in the culture.

This model, like most change management models, extends and articulates Lewin's model. However, we found it particularly interesting because it merges an academic and empirical perspective, which perfectly suits the scope of our research. Our research applies an intellectual model within an established business reality and it is also the first time that this model has been used to observe green transition within the business model of a wine company.

Despite the numerous applications provided by change management, we found a limited number of studies exploring the relationship between organizational change and environmental sustainability

within management academia. Even fewer studies are related to single case studies or apply a specific organizational change model.

Lonzano (2015) used the concept of change management to identify the internal and external drivers leading to a holistic sustainable approach for companies, while Blanco Portela Norca et al. (2017) focused their analysis on higher education institutions. Additionally, Crane (2002) explored the barriers and facilitators that led to internal culture greening but without following a specific change management model. Adams and McNicholas (2007) applied Lewin's principles to the corporate process of developing sustainability reporting and accountability, while Lee (2009) compared the process of organizational change in two SMEs from different industries using a qualitative methodology. Organizational change and sustainable practices have also been studied by Lonzano (2013), who used a comparative multiple case study approach to analyze organizational change efforts towards sustainability. More recent studies have focused on sustainable-oriented organizational change, such as Csedő (2023), who applied Lonzano's Framework (Lonzano, Nulens, and Ceulemans, 2016) to explore the potential of university and corporate networks.

We found few papers that explore how green change in a wine business model can be effectively introduced and sustained. The first, written by Hatak I. et al. (2015), explores organizational change within SMEs in the Austrian wine industry based on Lewin's framework, using the qualitative Delphi model. The second observes the role of environmental managers as facilitators of change towards the adoption of environmentally friendly strategies, influenced by financial pressure and acceptance of their philosophy in the surrounding environment (Zaharie B. et al., 2016).

Given the observed literature gap and the near-total absence of focus on the agri-food or wine industry, we decided to apply the single intrinsic case study method (Stake, 1995) for various reasons. First, we conducted a literature review to identify research gaps in management academia regarding sustainability and the wine industry. One major observation from our work was that the impact of climate change, even for a specific industry like the one presented in this paper, leads to completely different approaches from one area to another due to normative, biological, environmental, and social aspects. We believe case studies can provide a useful example of how a complex phenomenon can be managed from the producer's side (Yin, 2009). Second, the key characteristics of case study methodology seem to perfectly fit the goal of our research. There is an emergent design arising throughout the interviewing process that naturally comes from interactions with different profiles within the company's and the interviewer's interpretation. Finally, we aim to observe and describe a specific example (Creswell, 2013) with unique characteristics and the approach adopted to address environmental sustainability.

The research was conducted after an in-depth analysis of Kotter's 8-step change model and the development of a questionnaire with 5-10 open questions for each phase. This questionnaire formed the basis of elite interviews with five top-level decision-makers in the firm (Harvey, 2011). To perform our research, we spent a considerable amount of time within the firm in order to observe processes, social interactions, and knowledge flows, and to interview top management, the main actors in this evolution, to test our model. The interviews were conducted, recorded (with participant consent), and analyzed between May and July 2022, with each interview lasting around 2 hours. To enhance the portability of the results, we also compared them with other data types, such as direct observations within the firm and official public sustainability reports, to integrate the interview data and analyze the milestones of the firm's sustainable path.

From our analysis, we were able to draw some interesting conclusions. First, some of Kotter's key steps, like creating a sense of urgency, which is described as the starting point, or defining a new vision, do not need to be implemented by the firm but seem to correlate with the philosophy and major aspirations of its top-level members. Thus, the effort is visible only in terms of formalizing an already existing natural process. Second, most difficulties seem to relate to gaining legitimacy with stakeholders, particularly in defining a communication strategy and disseminating the sustainable message both outside the company and within lower levels of the staff. Importantly, even though certain factors accelerated the green transition process, the company naturally assumes the role of a first mover, even if the rural context, deeply rooted in traditions, appears as an obstacle. This aspect necessitates rethinking the first step because the company can be perceived as a benchmark, a standard-setter, and even one of the enabling factors of change for the entire area. For other steps, like building the guiding coalition, adherence to Kotter's model is stronger. The formation of a strong and cohesive group of people firmly committed to the final goal has been crucial in developing the idea of a green transition, making it operational, and advancing its evolution with the same effort and dignity as the economic dimension. Additionally, defining short-term goals allowed for the integration of sustainability aspects in all investment decisions at different levels within the firm. This is evident because each interview highlighted different dimensions of sustainability, always considering the final goal to be achieved. In conclusion, Kotter's model provides a clear and important guideline that sustainability management should consider to highlight the strengths and weaknesses of the renewed vision, while still maintaining adherence to the specific reference context. In this way, it is possible to support a path for holistic change, such as the one that agri-food firms are experiencing, by accepting the multidimensionality and complexity of sustainability and understanding how to achieve it successfully.

Discuss the theoretical framework at the base of the model, the reason that brought to the decision of adopting this specific methodology, the development of the questionnaire and the consequence in terms of impact on academia and stakeholders of wine industry.

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