International Journal of Economics and Financial Issues

ISSN: 2146-4138

available at http: www.econjournals.com

International Journal of Economics and Financial Issues, 2024, 14(6), 291-301.

Navigating the Terrain of Sustainable Finance: A Phenomenological and Narrative Enquiry into Managerial Challenges

Abdelaziz Al Owais[1,2]*, Robinson Joseph[3]

[1]PhD Candidate, The British University in Dubai, Dubai, United Arab Emirates, [2]Senior Economist, Department of Statistics and Community Development, Sharjah, United Arab Emirates, [3]Faculty of Business, Skyline University College, Sharjah, United Arab Emirates. *Emil: abdelaziz.alowais@icloud.com

Received: 13 July 2024 **Accepted:** 14 October 2024 **DOI:** https://doi.org/10.32479/ijefi.16928

ABSTRACT

This research aims to identify the managers' perspective on implementing and adopting sustainable financing models in Dubai. Firstly, Sustainable financing must be defined to differentiate the sustainable model from the traditional financing models, secondly, provide past implementation practices to investigate both external and internal factors in comparison with traditional finance (TF). Finally, record the manager's feelings around this topic. The methodology used is a primary qualitative to dig deeper into understanding from past literature and identify managerial participants from Dubai concerning the implementation of sustainable financing. The paper developed findings that defined the link or difference between sustainable financing (SF) and traditional finance (TF). The propositions in the qualitative literature from studies entail that the UN SGDs heavily influence sustainable financing to adopt ESG practices. However, greenwashing, high costs and ambiguity discourage investors and managers from integrating SF efficiently and indicate challenges to SF implementation. The study implies that the Sustainable Financing model is extremely like the traditional financing model except for the ESG compliance. However, regarding management and operations, the system does not differ much. It is evident that Sustainable Financing standardization is a challenge the managers face.

Keywords: Sustainable, Finance, UN SGDs, Environmental Social Governance and Management
JEL Classifications: G30, G32, Q5, M14, D81

1. INTRODUCTION

Sustainable finance (SF) differs from the common concepts in finance by putting Environmental Social Governance (ESG) under consideration. The idea of sustainability emerged from the commitment of nations to improve their economies using the one-size-fits-all all approach that aims to unite the world at a certain level (Arora and Mishra, 2019). Climate change is claimed to be a direct consequence of capitalism (Aghion et al., 2018), defined as traditional finance, which aims to maximize financial returns through effective strategies and aspects, including stocks, bonds, and mutual funds. The focus of traditional finance is on profit maximization without the inclusion of social, environmental, and governance (ESG). On the contrary, sustainable finance follows (ESG) criteria for promoting sustainable economic growth (Ahmad and Mokhchy, 2023).

The topic of sustainable finance (SF) remains understudied as the field is not considered independent as it links with different aspects. Thus, the current research has gathered to provide a qualitative study with an interpretivism approach to establish this exploratory literature. Moreover, there is a lack of literature on sustainable corporate finance. Studies lack in systematic review, which calls for an investigative study (Aghion et al., 2018; Al Breiki and Nobanee, 2019). This study aims to portray reasonable insights in comparison with SF and TF and how they differ with managerial perspectives majorly to integrate SF along with its challenges. It determined Sustainable Financing, which the UN SGDs heavily influence to adopt the ESG practices and defining and challenges associated with SF models (Arora and Mishra, 2019). The study defined the challenges managers and practitioners face towards implementing SF. It investigates direct and indirect factors that prevent SF from progressing.

1.1. Problem Statement

A recent study indicates that the SF term is not well defined and remains ambiguous due to fuzzy bodies of literature in an evolving field of study that scholars need further research to fill study gaps and understanding regarding SF terminology (Al Breiki and Nobanee, 2019; Arora and Mishra, 2019). This paper focuses on the dimensions to define and differentiate SF from TF. Moreover, it sheds light on the challenges of the SF model. From the gaps provided in this section, it is evident that the conceptualization also causes challenges to the SF model, and it may be due to a lack of studies and gaps in the literature. This paper will provide insights on what directly impacts the SF models from both the conceptualization and challenges criteria.

1.2. Research Questions

RQ1: What is traditional finance (TF) and sustainable finance (SF), and how can they be properly differentiated?
RQ2: What are the successful implementation methods from past literature?
RQ3: What are the challenges associated with SF models?
RQ4: What are the manager's and practitioners' feelings toward implementing SF?

Based on the above research questions, the objectives of this research are;

1.3. Significance

The present work is highly significant as it clearly distinguishes between the terms sustainable finance (SF) and traditional finance (TF). In prior literature, SF research has suffered from no clear definition, making it a vital void that needs filling (Al-Sheryani and Nobanee, 2020; Al Muhairi and Nobanee, 2019). As such, this research fills this gap by presenting a clearer definition of the phenomenon under study: SF. In the same regard, the study compares the current model with the SF models of other industries and organizations in previous literature through which, it realizes the decisive factors that act as the barrier to progress in SF. It also describes the issues related to the SF models and provides the perceptions of the managers and practitioners towards the implementation of SFs. Thus, the study provides an empirical source for improving SF practices. The conceptual framework not only fills the gaps noted in existing literature but also enables advancement in forming better and sustainable financial practices. Thus adding to the construction of a sustainable economy.

1.4. Research Objectives

1. To identify the challenges to classify and differentiate SF from TF
2. To Benchmarking and adapting previous successful models
3. To investigate all the direct and indirect factors that prevent SF from progressing
4. To record signs of optimism and pessimism from managers and practitioners to fill in the prospective criteria.

2. LITERATURE REVIEW

2.1. Theoretical Framework

This research described the theoretical background of TF and SF, its development and the distinction between the two. It discusses how SF incorporates ESG analysis to invest in green industries and distinguishes it from TF which aims to benefit from in terms of sustainable growth. The framework uses past literature to define best practices or standards for SF's utilization or use. It lists several financial instruments as well as strategies connected to SF as the models of SF cited in previous research studies (Amini and Rahmani, 2023; Braun and Clarke, 2023). This theoretical framework mainly outlined different issues that relate to SF models such as the non-standardization of the technique, the danger of greenwashing, scalability and costs. These challenges are also elaborately discussed in the analysis and discussion parts of the study after noticing certain trends and patterns from the responses of the interview participants while interviewing them to understand various perceptions regarding SF and TF.

2.1.1. Sustainable finance (SF)

Starting from the Industrial Revolution, Finance appeared to be the catalyst of human progress (Braun and Clarke, 2023). The global financial system aims to allocate savings or excess funds for productive causes. When this financial system is operated properly the savings are transformed into investments to raise capital in businesses (Tran). However, in improper settings savings are transformed into real-estate business and projects that can be environmentally threatening. These projects also include projects that can harm the environment (Luo et al., 2022). Furthermore, we can acknowledge that the financial system is leaning towards the linear economy. The previous methodologies focused primarily on the secondary aspects to propose gaps in SF. The arguments are compelling as further primary research is needed to clarify SF's dimensions. Previous research provided a limited understanding of the improper settings that develop the real estate industry. Further questions are prompted to define the harm caused by construction projects. Moreover, Yadav et al. (2023), described the real-estate economy as unproductive. This argument addresses the output but needs to consider the complexity of labor economics involved in the FIRE-financed projects (Yadav et al., 2023).

SF combines business processes and environmental issues. The concept is defined as the behavior of all involved parties, including the supply chain of goods and services not limited to financial service providers, consumers, and producers (Ziolo et al., 2021). SF is viewed differently based on different parties' involvement. Moreover, the study contributed to a better understanding of SF terminology as it incorporates the supply chain and studies the interactions and behaviors of the involved parties to achieve sustainability. SF specifically focuses on environmental benefits that could be achieved through environmental protection (Al Muhairi and Nobanee, 2019). The objective of SF is to promote a sustainable economy where funds are provided to industries and other business sectors with the expectation of lowering carbon emissions and other environmental impacts to prescribed limits (Hudson, 2021). While Insightful, the article needs to address the other two pillars of sustainability as it focuses primarily on the ecological impacts. It is perceived that dimensions are developed to incorporate all three pillars and involved parties. However, the paper links the financing to industries with lower carbon emissions. The consensus indicates that SF can be considered as a TF model that focuses on delivering sustainable impacts besides the conventional monetary gain. Thus, the SF model seems to be more complex than the TF due to the sustainability factor (Farooq et al., 2024).

2.1.2. UN SDGs

Financial management is an evolving area; traditional finance (TF) management refers to the financial management style that emerged in the 1920s (Luo et al., 2022). TF is part of a linear economy with a capitalistic approach to earn more money. Enterprises that follow traditional financing methods develop legal and accounting relationships among investors and firms. Collect funds and connect with various financial instruments (Al Muhairi and Nobanee, 2019; Luo et al., 2022). However, with the rise in the ESG (environmental, social, and corporate governance) criteria for decision-making of investments, the effect of the SRI (socially responsible investing) approach, and the concern related to human rights and climate change increased attention of the society towards sustainability; it provoked the identification of the negative impacts of finance and the role of financial institutes in maintaining SF that already has formed dual-line approach due to which financial performance is needed to be aligned with social goals (Carpentier and Braun, 2020; Ziolo et al., 2021). The significance of the previous findings is limited to the concept that SF is not a field of its own, and it is just an approved version of TF.

The findings are rather controversial, which sheds light on SF and declares it an understudied area. In recent years, further changes in the sustainability landscape have followed the landmark of the UN international agreement 2030 (Voituriez et al., 2017). The agenda aims to adopt the sustainable development goals (SDGs) and the Paris Agreement for climate action. Both initiatives have given sustainability and finance significant attention, and their roles are key factors in achieving ambitious sustainability goals (Carpentier and Braun, 2020). Alternatively, setting the standards to align with the UN and the Paris Agreement could be improved as the one-size-fits-all approach is aligned with developing countries primarily and the critic proposes a modified benchmark (Carpentier and Braun, 2020).

As mentioned by Kumar et al. (2022), some functions of financial systems include: allocating capital, monitoring investments, promoting risk management, diversification, and finally, corporate governance (Kumar et al., 2022). Providing funds and using them most productively is finance's major role under SF. The study contributes that SF should be embedded in the TF approach, as the funds should be used efficiently (Kuo et al., 2023). The author should have addressed the link between SF and TF; SF being a part of TF conceptually might lead to ambiguity. Moreover, TF is well-positioned for strategic decision-making to fulfill sustainability goals. Considering a broad perspective, the organizational strategy for sustainable development as funding is the major requirement to achieve sustainable goals. The studies by Afsharipour (2022) and Maguire and Delahunt (2017), defined a critical limitation that hindered the expansion of the understudied field of SF (Afsharipour, 2022; Maguire and Delahunt, 2017). Their research could be set apart from the others by emphasizing on improving TF and ensuring its adaptability to achieve sustainability. Alternatively, the whole process could be redefined as SF to eliminate the confusion. The literature justified the assertion that the UN SGDs can be a dimension of SF as the UN recommends sustainable practices embedded in the SF model (Arora and Mishra, 2019).

2.2. Proposition Development

2.2.1. Lack of standardization and SF

SF management consists of activities that involve environmental, social, and governance (ESG) considerations altogether. Conversely, Financial management refers to the effective planning, organization, direction, and control of financial activities in an organization (Migliorelli, 2021). The need for financial stability is increasing daily to positively impact society. Financial management consists of effectively planning, organizing, directing, and controlling the financial activities that will result in the organization's financial development. Whereas SF management is very important for the sustainable development of an organization. The research conducted by Ning et al. (2023), implied that the governance of SF is like that of TF as the financial functions are identical except for the alignment of ESG to the core values (Ning et al., 2023). The financial management of an organization depends on the various principles within an organization. The business's sustainability has three main elements: profits, transparent reporting, and planning. By using these elements, financial stability can be achieved (Uzsoki, 2020).

The research implied that financial stability can be linked to financial sustainability. The research identified the link. However, the argument lacks empirical support, so it could be proposed for further studies to be tested. (Uzsoki, 2020) Managers need to consider several other factors to maintain the sustainability of the finances in an organization. Moreover, another bridge of practicality can be established by financial institutions such as banks and their role in promoting SF by financing ESG-compliant establishments. Comparing TF and SF, it can be proposed that TF is solely focused on financial risks and returns, while SF is focused on social, financial, and environmental returns (Ren et al., 2023). It remains unclear on what criteria are taken under consideration by banks to classify an entity as sustainable. Migliorelli (2021), claimed that sustainability as a process is aligned with daily operations and strategies to achieve the goals i.e. make goals achievable without harming its immediate environment and external environment; despite SF being a broad terminology that covers all other sustainability concepts (Migliorelli, 2021).

According to the literature of prior studies, SF is considering environmental, social, and governance problems and their benefits before investing in the financial sector (Malik et al., 2022; Roundy et al., 2017). The research implies that if an individual plan to invest their money in a car manufacturing firm, it will be necessary to consider the effect of this product on the environment and public health, and the proposed benefits attained. The evidence suggests that the only way to differentiate SF and TF is loosely applied ESG compliance, and besides that, the functions are identical (Sachs et al., 2019). One might assert that the SF models lack standardization as ESG compliance doesn't appear to be a sufficient criterion. It is evident from past literature that lack of standardization and loosely defined SF practices is considered as a challenge thus, the SF definition is included in the challenges from managerial perspectives. Based on the arguments above, the proposition is:

P (1) SF models are challenged by a lack of standardization.

2.2.2. Greenwashing and SF

According to Sangiorgi and Schopohl (2023), green bonds are purchased by investors who are interested in the betterment of their environment. Municipalities, governments, corporations, and other entities typically offer them (Sangiorgi and Schopohl, 2023). Occasionally, issuers face greenwashing, where projects are labeled as environmentally friendly but aren't. The research identified the barriers to implementing the model as greenwashing occurred due to a lack of proper definition of SF. Ziolo et al. (2021), mentioned instruments such as: green bonds, social impact bonds, and sustainable investment funds (Ziolo et al., 2021). Green bonds are debt instruments purchased to invest in projects that support the betterment of the environment. In that way, investors invest in sustainable projects that combine gaining profits and promoting a CE. However, social impact bonds are another financial instrument that redefines TF (Voituriez et al., 2017). However, while the investors are aware of greenwashing, it hinders the investment process. It returns to SF as an ambiguous concept with loose dimension, as interpreted from the sections above. Moving on to another dimension. Schoenmaker (2017), reported that if the reporting and verification are insufficient, then the issuers and investors may face challenges related to the actual environmental outcome (Schoenmaker, 2017). According to the study by Setyowati (2023), selecting an appropriate project is hard because there is no standardized framework for evaluating each project. The evidence indicates that greenwashing challenges the SF model as the investors seem interested in Sustainable investment options (Setyowati, 2023). Based on the arguments above the propositions are:

P (2) SF models are challenged by Greenwashing activities.

2.2.3. Scalability and SF

The study by Edmans and Kacperczyk (2022), stated that the implementation of SF practices in an organization consists of the following factors to be considered by the manager. Firstly, managers should consider the size of an organization before they transform the financial plan (Edmans and Kacperczyk, 2022). Secondly, it could also depend on the type of industry, core values, and the level at which they can tolerate the risk. While insightful, the research does not consider the redefining and refining of the SF principles. The research implies that the mentioned factors control the implementation process. However, this study can be rescaled to accommodate an improved concept of SF. However, the aim of the research is the conceptualization and barriers of implementation thus the organizational management is kept constant to acknowledge the relation without the interference with the SF (Singhania et al., 2023). It is deduced that the organizations should consider scaling their resources and capabilities to assess their readiness for SF adoption. It is proposed that the organization should scale its internal capabilities to plan for attaining profits and having a sustainable impact. Based on the arguments above, the proposition is:

P (3) SF models are challenged by Scalability.

2.2.4. Cost implications and SF

SF is adopted throughout a country's economy; the country will develop a green economy. A green economy supports the efficient flow of money with the desired success such as the betterment of society, the improvement of environmental health. Theoretically, the green economy is the implementation of SF at the country level (Kuo et al., 2023). The study expanded the individual transactions of SF to create a Circular Economy. Despite the claims that the green economy is superior to the linear model, the cost implications seem missing. Along with capital gains, the investor also gains benefits with the accomplishment of the ESG-focused goals such as the elimination of poverty, and improved healthcare services. Similarly, sustainable investment funds are preferred as they are aligned with environmental, social, and governmental standards. The research provides questionable claims that prompt further questions on how to measure the impacts of sustainable financial instruments (Farooq et al., 2024; Kumar et al., 2022). The previous conceptual studies fairly assumed the benefits of such tools. However, to measure the impacts, quantifiable units should have been taken into consideration. SF is a bridge between SDGs and finance. In 2020, more than $400 billion in funds were raised for capital markets, including $357.5 billion for sustainability bonds and $76.5 billion for green bonds. Conversely, Luo et al. (2022), reported that SF-focused instruments have limited liquidity, which causes a lack of demand and interest from the public (Luo et al., 2022).

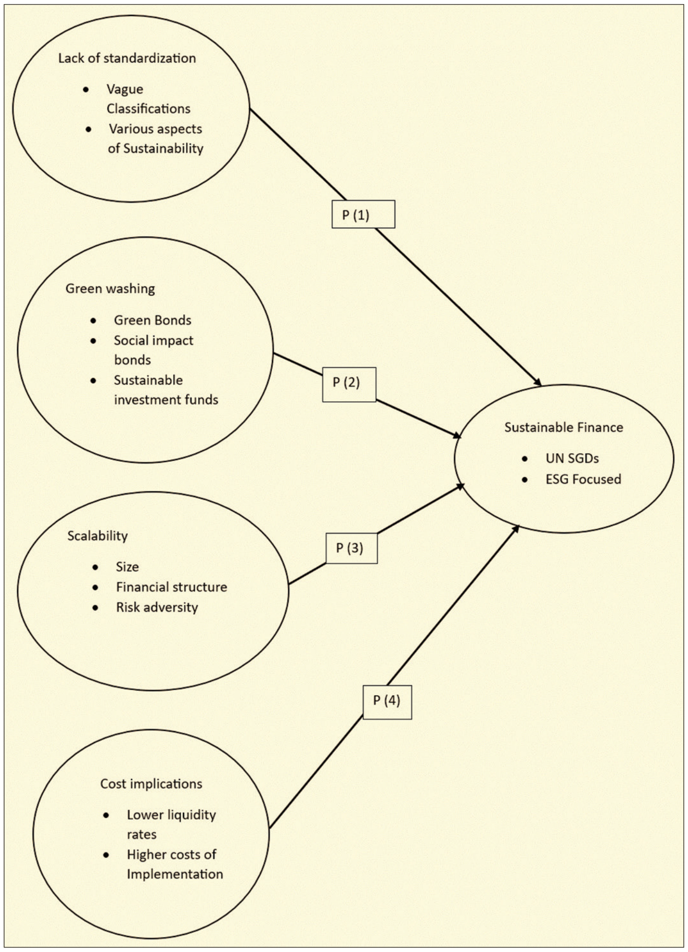
Furthermore, Projects related to green bonds are costly, hindering many organizations from participating in the green bond market (Luo et al., 2022). The research implications cover the lack of awareness related to green bonds, which make a smaller number of investors compared to the required number of investors for the projects.it can be reasoned that the SF models might be beneficial to the society and environment in the long run (Ning et al., 2023). However, the economic burden is evident as the investors seem to worry about the high implementation costs compared to TF. The low liquidity rate could be considered as a challenge regardless of how beneficial the previous studies claim (Singhania et al., 2023). It is justifiable to assert that the current cost implications can challenge the proposed benefits. Based on the literature above the propositions are:

P (4) SF models are challenged by cost implications.

2.3. Conceptual Framework

The 4 variables in (Figure 1), on the left side, are the independent variables (IDV) AND the dependent variable (DV) is the

Figure 1: Conceptual Framework of the study



Sustainable finance. The P (x) represents the propositions that are deduced in the proposition development section. It is evident that P (1) can tackle the SF definition and P (2), P (3) and P (4) will tackle the challenges section of the paper. It is proposed that the challenges can help in defining the SF through managerial lens in the Dubai Context.

3. METHODOLOGY

3.1. Data Collection

The primary data collection method includes using semi-structured interview questionnaires in this study. The use of interviews in primary study is conducted mainly online by emailing a questionnaire to participants. A semi-structured interview questionnaire also allows this study to include deeper information about participants' SF and TF concerns.

3.2. Sampling Technique and Procedure

The sampling technique proposed for this paper is the purposeful sampling method. A similar study targeted 15 experts and used Delphi's method to analyze the results (Kuo et al., 2023). However, to broaden the research, 8 managers including both males and females from different levels who are specialized recipients based in Dubai who are familiar with managing SF-related aspects are targeted whether they work with SF or TF industry aspects. The purposeful sampling method suits this study best as SF is a specialized and niche topic for now and to study the topic, expert insights are required. The paper refrains from collecting large sums of data from outsiders on a time-consuming basis. The paper requires rich data that can assist in developing theories and expanding the mentioned propositions. The propositions were developed from a desk study which will be followed by two methods of data collection which are interviews which allow the reader to have a deep insight related to the topic. This method makes the investigation feasible, convenient, valuable, and authentic (Sablatzky, 2022). Refer to Appendix Figure 1. It is proposed that the next steps of primary data collection include interviews.

3.3. Research Design

The research onion encompasses the research philosophies, methodological choices, strategies, and time horizon including the techniques and procedures. The research design of this study was generated after analyzing all these aspects. The research design of this study is qualitative in nature. Refer to Appendix Figure 2. Qualitative study design means the study includes research material with an interpretivism research approach. This research has utilized prior research studies to discuss SF and TF concerns and performed a thematic analysis to interpret perspectives that have been established after observing different patterns. Qualitative studies provide cost-effective and real-time results of the study (Renjith et al., 2021).

3.4. Philosophy

This paper follows the interpretivism philosophical approach and it is away from positivism. Philosophical approaches such as phenomenology can be utilized to note down the experiences of the experts who adopted the SF practices from the start. The phenomenological philosophical approach takes personal experiences alongside behaviors and emotions. Besides that, narrative inquiry can also be adopted as it is defined as narratives that are based on the expert's opinions. The narrative inquiry seems to complete the Phenomenological philosophy. By adopting both approaches, interpretivism and phenomenological philosophy, the paper follows a suitable philosophy. Table A1 shows the themes and how the interview schedule can enrich it and Table A2 has provided citations.

3.5. Approach

This study used an indicative approach, and a reason to choose the inductive approach is that the study involved observations to analyze identified patterns and themes systematically. In this way, a researcher has generated true results and fulfilled the research objectives of this study related to SF and TF perspectives. These themes are derived by critically analyzing secondary data through an inductive approach, which allowed it to be analyzed and also provided an opportunity to portray a descriptive nature related to observed patterns.

3.6. Ethical Considerations

Ethical considerations of this study include: The researcher guaranteed the confidentiality that information and gathered data are solely used only for this study and not for any other purpose. Participants are not pressured to be involved in this study. The researcher did not provide any physical, emotional, or potential harm to participants, and the data was stored confidentially. By addressing these considerations, a researcher has upheld integrity.

3.7. Research Limitations

This current study needs more quantitative methods. This research is primary and uses interviews, due to which it lacks quantitative data collection through survey questionnaires and data analysis by using any software like SPSS. There needs to be more quantitative analysis, which can be performed in the near future while taking help from this study and integrating a semi-structured approach to perform a longitudinal study on SF and TF in the future. The sample size of 8 managers, including both males and females from different levels who are specialized recipients based in Dubai who are familiar with managing SF-related aspects are targeted whether they work with SF or TF industry aspects is smaller. Conducting future primary quantitative research with a large sample size on the current topic can enhance the quality and reliability of the study. So, in the future, this approach can provide more powerful insights to readers about SF. In this way, readers can achieve a broader understanding of the issues related to SF and the comparison of SF with TF. Therefore, triangulating quantitative data in the future could mitigate the limitations of this study.

4. FINDINGS AND ANALYSIS

4.1. Data Analysis Method

This study used thematic analysis as the method to analyze data which is used to discuss information regarding participants by generation of codes and themes. The study is used to gain insights about SF and TF and issues concerning SF from participants' perspectives from Dubai. For this purpose, the study used thematic analysis which helped a researcher to analyze the perception of participants by analyzing their views as a result of answers to the open-ended survey questionnaire. The thematic analysis method involves systematically identifying and analyzing themes and patterns within the provided data source (Braun and Clarke, 2019). This method provides access to a nuanced understanding and highlights the hidden and visible meanings and concepts of the topic obtained from the secondary data source. To elaborate further, thematic analysis provides in-depth insights from specialized practitioners who can communicate their insights into findings relevant to the theories. Furthermore, the comparability factor can be weighed in assessing the theoretical and practical implications of the findings. However, it is important to note that some scholars view these points as a gap of trustworthiness as the results can be manipulated.

4.2. Thematic Analysis

Thematic Analysis is employed often as a technique of categorizing qualitative data, which strictly adheres to a standardized process to search for patterns or themes (Braun and Clarke, 2019). The strategy is helpful in getting a feel of participants' account of their experiences, attitudes, and perceptions of an event or a situation related to sustainable finance and traditional finance from the industry either SF or TF-related aspects from Dubai. Follows steps are followed;

4.2.1. Familiarization

The first procedure therefore involves the familiarization process whereby the researcher surveys and scrutinizes the interview transcription.

4.2.2. Generating initial codes

Subsequently, researchers categorized such elements by labelling parts of the data as significant.

4.2.3. Searching for themes

After coding, it is feasible to coordinate the codes to believed themes.

4.2.4. Reviewing themes

This involves confirming whether the themes or not make sense, are reasonable, and are consistent with other themes about the entire dataset.

4.2.5. Defining and naming themes

This stage involves the generation of documents that provide an account of the features of each of the themes under analysis and the implications of each.

4.2.6. Writing the report

The last one is the integration step in which the retrieved themes are combined with the aim of coming up with a logical and comprehensive narrative with reference to the research questions.

4.3. Thematic Table

4.3.1. Theme 1

From the views expressed by participants, a concern as highlighted in the literature, was raised which deals with the absence of a generally applicable set of ESG metrics. Please refer to Theme 1 in Table 1. It is also perceived that due to the unclear framework for defining the guidelines of sustainability reporting, comparisons of the firms' sustainability performance causes confusion. This issue is also discussed by Kuo et al. (2023), who stated the above mentioned variations in ESG criteria (Kuo et al., 2023). Participants also replied with reference to it for example as stated by P (1) and P (5);

Table 1: The emerging themes, codes and questions

Themes	Codes	Questions
Theme 1: Lack of standardization	Impact of SDGs, ESGs, social governance, and sustainable finance.	Table A1
Theme 2: Implications of Cost	Influence on SMEs in Dubai, Organizational size and its role in SF adoption and environmental risk.	Table A1
Theme 3: Greenwashing	Experience of team and expertise, firm's capability and protecting investors from greenwashing.	Table A1
Theme 4: organizational structure	SF is costly to adopt, and the challenge of balancing between short and long-term financing, encouraging sustainable practices and increasing financial competitiveness.	Table A1

SDGs: Sustainable development goals, ESGs: Environmental social governance

"*Due* to the lack of well-defined standard in reporting and measurement of ESG performance; make the integration of SF"

"The fact that the evaluation criteria of sustainability performance according to ESG indicators differ between various frameworks and agencies."

These criticisms reflect the participants' account of the complex structure of ESG reporting that hampers the implementation of SF.

4.3.2. Theme 2

Participants discussed issues in regard to financial situation of the organizations: Already discussed financial aspects are in concordance with the literature review section. Carpentier and Braun (2020), pointed out that considerably, the implementation of sustainable finance could entail certain costs such as acquiring modern technologies or providing education to employees (Carpentier and Braun, 2020). Please refer to Theme 2 in Table 1. Also, based on the information provided by P (6);

"*One of the potential drawbacks of adopting SF is that it may entail substantial costs in the early stages through investments in asset/liabilities, technologies, structures, and training*."

Thus, comparing to more conventional approaches to manage SF cumulatively, one of the authors Edmans and Kacperczyk (2022), acknowledged the high initial implementation costs of SF but stated that having accrued so-called "upstream" benefits in the future for organizations (Edmans and Kacperczyk, 2022). The research also supports participants' concerns regarding upfront costs of implementing SF, underlining the importance of weighing relative benefits of SF for SMEs against initial costs, and potential savings. Hence the key alignment underscores the fact that the trade-off between short-term costs and strategic opportunities is extremely relevant. As, P (2) replied;

"*Reasons why SMEs find it hard to implement sustainable practices is due to the fact that it is a capital intensive affair*."

4.3.3. Theme 3

The preconceptions of the participants are supported by literature, which revealed that greenwashing is counterproductive when it comes to gaining investors' trust. The study by Sangiorgi and Schopohl (2023), revealed that greenwashing erodes the reliability of sustainable messages and, consequently, investors' trust (Sangiorgi and Schopohl, 2023). Please refer to Theme 3 in Table 1. Also, based on responses of P (2) and P (4);

"*Several cases of greenwashing have been realized and it has led to investors being more sensitive and in some occasions pulling out their stakes.*"

"*Therefore, it is necessary to carry out an extremely profound research in this matter, as well as, to follow strict ESG reporting guidelines in order to exclude numerous potential risks to investors and guarantee transparency*."

Schoenmaker (2017), underlined that the fight against greenwashing requires strict and attentive reporting and verification procedures. Subsequently, participants' stressed on the importance of transparency and doing the proper amount of research (Schoenmaker, 2017). Also, is a reflection of this study, further; underlining the need for compliance with stringent requirements to preserve the credibility of SF practices. For this reason, the correlation between the participant's experiences and the critical scholars means that the issue of greenwashing must be tackled through increased transparency.

4.3.4. Theme 4

Based on the participants' observations, the arguments for the adoption of ESG components are founded on empirical literature that outlines improved organizational preparedness and flexibility as key benefits of its application. Some authors Sachs et al. (2019) and Sangiorgi and Schopohl (2023), used the premise that integrating sustainability with organizations' initiatives helps in enhancing organizational productivity and stakeholders' confidence (Sachs et al., 2019; Sangiorgi and Schopohl, 2023). However, the problem of having short-term profits and long term sustainable concerns is a major cause of concern. Please refer to Theme 4 in Table 1. Therefore, as per P (3) and P (4);

"*Applying the ESG factors to include them in corporate management arrangements can result in organizations that are less vulnerable to shocks*."

"*This means that at some times there might be difficulty in achieving the organization's current financial goals while at the sometime pursuing long-term sustainability goals*."

Various leaders also mentioned in research the conflict between short-term performance for profitability and sustainability long-term goals (Yadav et al., 2023). Such realities as described by the participants regarding the challenges that attend the implementation of the proposals conform with the literature. The link effectively demonstrates the need to incorporate ESG to sustain the organization as an approach to dealing with the higher and the lower monthly goals.

4.4. Discussion

4.4.1. Objective 1: Identifying challenges to classify and differentiate SF from TF

Examining different managerial perspectives of the literature, this paper seeks to advance the understanding of the distinctions between Sustainable Finance and Traditional Finance. Challenges noted include lack of comparable benchmarks and issues with ESG standards; these issues obscure the comprehensible distinction between SF and TF (Ziolo et al., 2021). For example, one of the participants said that they have a problem determining how well or badly their competitor performs on the ESG front given that there are numerous frameworks and measures to go by (Participant 1). To the extent that participants' perception is that SF reporting is neither well-defined nor clear, this objective is achieved. Thus, analyzing these problems, the study outlines the areas in which SF differs from TF and indicates the possibilities for obtaining a deeper understanding of the issues that managers of the emirate face. The findings are useful for improving the criteria that define the distinction between SF and TF, improving classifications of financial work.

4.4.2. Objective 2: Benchmarking and adapting previous successful models

To achieve the said objective, the following framework of action has been developed: the study assesses the kinds of models that have been successful in promoting SF and how they can be applied and adopted in Dubai (Migliorelli, 2021). There were concerns regarding the high cost that organizations incur in the implementation of Sales and Operations Planning, need to localize models (Response 6). They also emphasized on absolutes such as identifying learning from best practice while applying these to the current regulatory and market context of Dubai. This objective is achieved by incorporating the participants' impression on the relevance of the success factors models for Dubai. The paper also stresses the need to fit these models to solve local issues and limitations. Thus, connecting participants' insights with benchmarking activities and enhancing the understanding of the grounds for applying context-related solutions can help in enhancing the relevance and efficiency of SF practices in Dubai.

4.4.3. Objective 3: Investigating direct and indirect factors preventing SF progression

The participant responses of the study highlight direct and indirect sources affecting the progression of SF. That is why problems like greenwashing, high costs of implementation, and the absence of standard ESG metrics were recognized as critical (Responses 2, 4, 6). Other perceived factors highlighted by the participants included; Features, including perceived shift of investor mistrust if the subjects are deemed to be merely green-washed. Concerning this objective, it is crucial to establish how these factors affect the progression of SF (Kuo et al., 2023). The analysis of the results discussed in the study is consistent with the participants' perceptions and issues regarding the locus of SF advancement. In terms of research limitations, the study connects direct factors (e.g., costs, greenwashing) with indirect factors (e.g.; investor trust) while it presents solutions for these challenges and for the improvement of the SF practices (Migliorelli, 2021). This extensive study correlates with the goal concerning the determination of factors inhibiting the development of SF.

4.4.4. Objective 4: Optimism and pessimism among managers and practitioners regarding the future of sustainable finance (SF) in Dubai

The research notes that there are levels of optimism as well as pessimism from the managers and practitioners in Dubai regarding the future of the SF. They showed a positive outlook on the contributions of SF in bringing sustainable changes in the environment and social conditions, some of the participants were optimistic about increase in regulatory changes and extending investors' interest that help in enhancement of SF practice (Response 5). On the other hand, the surveyed executives expressed rather negative attitudes toward current tasks which can be seen in the following valuable insights: The implementation costs remain persistently high (Response 2). ESG and related metrics imply limited efficacy at present (Singhania et al., 2023). Concerning this objective, the study aims at recording the multifaceted attitudes of participants toward SF. The optimism recorded reveals the patients' potential lit positive approach to surmounting barriers as well as optimizing on gateway SF opportunities. However, the pessimism is quite justified in terms of the current approaches and effectiveness of the applied SF practices. Therefore, the study records these views as offering a richer picture of several considerations that can determine the take-up of SF. This insight helps when formulating potential criteria for SF, because it recognizes idealistic visions alongside practical appraisals of difficulties. Negative perceptions broaden the base for criteria development and highlight the fact that more realistic approaches to the promotion of SF practices need to be developed for the context of Dubai.

5. CONCLUSION AND RECOMMENDATIONS

The findings of the study provided a substantial understanding of issues and prospects of sustainable finance (SF) and traditional finance (TF) in Dubai. The thematic analysis states that the lack of clarity in the model of ESG metrics, as well as the different frameworks used create challenges in drawing the line between SF and TF (Braun and Clarke, 2019). The approach of benchmarking other successful models, although has great potential, suffers from the problem of high implementation cost and focus on context issues. There are negative influences both to the SF extent and aggressiveness; these are greenwashing, excessive charges, and investors' skepticism, and all need to be resolved to improve SF practices. The obtained levels of optimism and pessimism among managers are reasonable since the overall picture can be more diversified. While it is reasonable to express optimism about the possibility of using SF in practice, there are well-founded concerns about today's organizational implementation conditions along with SF effectiveness (Al Muhairi and Nobanee, 2019). This duality is rather concerning, and it draws attention to the necessity of searching for workable context solutions.

5.1. Recommendations

There is a need to create or utilize standard ESG measurements that can be used to increase the difference between SF and TF. This will, in its turn, enhance the chances of classification and make benchmarking easier. Modify existing and proven SF models to Dubai's legal and business environment taking into account the existing hurdles and expenses. These will make the course relevant and effective (Afsharipour, 2022). Approach problems such as greenwashing or excessively high implementation costs using specific policies and stimuli. Improve transparency to restore the investors' confidence. Optimistic visions as well as realistic necessities must be included during strategy creation. This balance, therefore, lays down a course that will lead to improved and more realistic SF implementation.

The following recommendations can however assist Dubai's managers in countering the challenges of SF which in a way will enhance the compatibility and efficiency of sustainably themed practices within the financial system of the city: Subsequent studies should employ quantitative approaches for assessing a relationship between SES and future common and tax-specific ESG standards, and between adaptation initiatives and differential SF and TF variations. It will also contribute empirical results on the impact of SF on the costs and benefits, investors' confidence on the models employed.

5.2. Future Directions to Overcome study Gap

This current study needs more quantitative methods. This research is primary and uses interviews, due to which it lacks quantitative data collection through survey questionnaires and data analysis by using any software like SPSS. There needs to be more quantitative analysis, which can be performed in the near future while taking help from this study

6. REFERENCES

Afsharipour, A. (2022), ESG and Board-Shareholder Engagement in M and A. In: Enriques, L., Strampelli, G., editors. Board-Shareholder Dialogue: Policy Debate, Legal Constraints and Best Practices, Forthcoming, Cambridge University Press.

Aghion, L., Howitt, P., Levine, R. (2018), Financial development and innovation-led growth. In: Handbook of Finance and Development. United Kingdom: Edward Elgar Publishing. p3-30.

Ahmad, S., Mokhchy, J. (2023), Corporate social responsibilities, sustainable investment, and the future of green bond market: Evidence from renewable energy projects in Morocco. Environmental Science and Pollution Research, 30(6), 15186-15197.

Al Breiki, M., Nobanee, H. (2019), The role of financial management in promoting sustainable business practices and development. SSRN Electronic Journal, Available at SSRN: https://ssrn.com/abstract=3472404.

Al Muhairi, M., Nobanee, H. (2019), Sustainable financial management. SSRN Electronic Journal, Available at SSRN: https://ssrn.com/abstract=3472417.

Al-Sheryani, K., Nobanee, H. (2020), Green finance: A mini-review. SSRN Electronic Journal, Available at SSRN: https://ssrn.com/abstract=3538696.

Amini, M., Rahmani, A. (2023), Achieving financial success by pursuing environmental and social goals: A comprehensive literature review and research agenda for sustainable investment. World Information Technology and Engineering Journal, 10, 1286-1293.

Arora, N.K., Mishra, I. (2019), United nations sustainable development goals 2030 and environmental sustainability: Race against time. Environmental Sustainability, 2(4), 339-342.

Braun, V., Clarke, V. (2019), Reflecting on reflexive thematic analysis. Qualitative Research in sport, Exercise and Health, 11(4), 589-597.

Braun, V., Clarke, V. (2023), Toward good practice in thematic analysis: Avoiding common problems and be (com) ing a knowing researcher. International Journal of Transgender Health, 24(1), 1-6.

Carpentier, C.L., Braun, H. (2020), Agenda 2030 for sustainable development: A powerful global framework. Journal of the International Council for Small Business, 1(1), 14-23.

Deloitte. (2021), Sustainable Finance-frequently Asked Questions. Deloitte Belgium. Available from: https://www2.deloitte.com/be/en/pages/climate-and-sustainability/articles/faq-sustainable-finance.html

Edmans, A., Kacperczyk, M. (2022), Sustainable finance. Review of Finance, 26(6), 1309-1313.

Farooq, M.B., Azantouti, A.S.A., Zaman, R. (2024), Non-financial information assurance: A review of the literature and directions for future research. Sustainability Accounting, Management and Policy Journal, 15(1), 48-84.

Ferrie, D., Apostola, A. (2023), Press Corner. European Commission-European Commission. Available from: https://ec.europa.eu/commission/presscorner/detail/en/qanda_23_3194

Hudson, M. (2021), Finance capitalism versus industrial capitalism: The rentier resurgence and takeover. Review of Radical Political Economics, 53(4), 557-573.

Koh, E. (2020), Five Questions to Help you Spot Greenwashing. Standard Chartered. Available from: https://www.sc.com/en/news/personal-banking/five-questions-you-need-to-ask-to-spot-green-washing

Kumar, S., Sharma, D., Rao, S., Lim, W.M., Mangla, S.K. (2024), Past, present, and future of sustainable finance: Insights from big data analytics through machine learning of scholarly research. Annals of Operations Research, 332(1), 1199-1205.

Kuo, Y.C., Huang, Y.H., Sun, L., Small, G., Lin, S.J. (2023), Identifying key factors of sustainability practice in financial institutions based on decision-making trial and evaluation laboratory method. Asian Review of Accounting, 31(5), 661-679.

Luo, W., Tian, Z., Zhong, S., Lyu, Q., Deng, M. (2022), Global evolution of research on sustainable finance from 2000 to 2021: A bibliometric analysis on WoS database. Sustainability, 14(15), 9435.

Maguire, M., Delahunt, B. (2017), Doing a thematic analysis: A practical, step-by-step guide for learning and teaching scholars. All Ireland Journal of Higher Education, 9(3), 3351.

Malik, Y.R., Sheikh, M.S., Yousaf, S. (2022), Probability and sampling in dentistry. Clinical Concepts and Practical Management Techniques in Dentistry. Norderstedt: BoD. p231.

Migliorelli, M. (2021), What do we mean by sustainable finance? Assessing existing frameworks and policy risks. Sustainability, 13(2), 975.

Moyo, D. (2022), 10 ESG questions companies need to answer. Harvard Business Review. Available from: https://hbr.org/2022/01/10-esg-questions-companies-need-to-answer

Ning, Y., Cherian, J., Sial, M.S., Álvarez-Otero, S., Comite, U., Zia-Ud-Din, M. (2023), Green bond as a new determinant of sustainable green financing, energy efficiency investment, and economic growth: A global perspective. Environmental Science and Pollution Research, 30(22), 61324-61339.

Odier, L. (2021), Sustainable Investing in Five Easy Questions. Lombard Odier. Available from: https://www.lombardodier.com/contents/corporate-news/responsible-capital/2021/september/sustainable-investing-in-five-ea.html

Ren, S., Cooke, F.L., Stahl, G.K., Fan, D., Timming, A.R. (2023), Advancing the sustainability agenda through strategic human resource management: Insights and suggestions for future research. Human Resource Management, 62(3), 251-265.

Renjith, V., Yesodharan, R., Noronha, J.A., Ladd, E., George, A. (2021), Qualitative methods in health care research. International Journal of Preventive Medicine, 12(1), 20.

Roller, M.R., Lavrakas, P.J. (2015), Applied Qualitative Research Design: A Total Quality Framework Approach. New York: Guildford Press.

Roundy, P., Holzhauer, H., Dai, Y. (2017), Finance or philanthropy? Exploring the motivations and criteria of impact investors. Social Responsibility Journal, 13(3), 491-512.

Sablatzky, T. (2022), The Delphi method. Hypothesis: Research Journal for Health Information Professionals, 34(1), 1-6.

Sachs, J.D., Woo, W.T., Yoshino, N., Taghizadeh-Hesary, F. (2019), Why is Green Finance Important? Tokyo: Asian Development Bank Institute.

Sangiorgi, I., Schopohl, L. (2023), Explaining green bond issuance using survey evidence: Beyond the greenium. The British Accounting Review, 55(1), 101071.

Schoenmaker, D. (2017), Investing for the Common Good: A Sustainable Finance Framework. Brussels: Bruegel. p80.

Setyowati, A.B. (2023), Governing sustainable finance: Insights from Indonesia. Climate Policy, 23(1), 108-121.

Singhania, M., Chadha, G., Prasad, R. (2023), Sustainable finance research: Review and agenda. International Journal of Finance and Economics, 29(4), 1-36.

Uzsoki, D. (2020), Sustainable investing. International Institute for Sustainable Development, Preuzetos. Available from: https://www.greenfinanceplatform.org/sites/default/files/downloads/resource/sustainableinvesting.pdf

Vereckey, B. (2021), Sustainable Investing: 4 Questions to Ask. MIT Sloan. Available from: https://mitsloan.mit.edu/ideas-made-to-matter/sustainable-investing-4-questions-to-ask

Voituriez, T., Morita, K., Giordano, T., Bakkour, N., Shimizu, N. (2017), Financing the 2030 Agenda for Sustainable Development. United States: The MIT Press.

Yadav, N., Taneja, S., Özen, E., Bhadur Singh, A., Vida, I. (2023), A bibliometric survey on sustainable finance: Research patterns and trends. Acta Polytechnica Hungarica, 20(10), 109-125.

Ziolo, M., Bak, I., Cheba, K. (2021), The role of sustainable finance in achieving sustainable development goals: Does it work? Technological and Economic Development of Economy, 27(1), 45-70.

APPENDIX

Figure A1: Steps of primary data collection

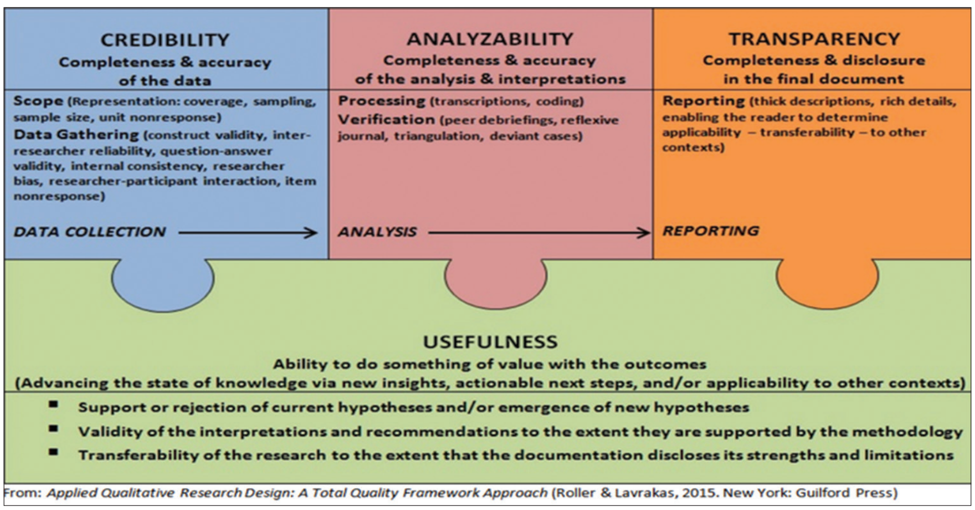


Figure (A1) shows the qualitative techniques framework (Roller and Lavrakas, 2015)

Figure A2: Qualitative study design

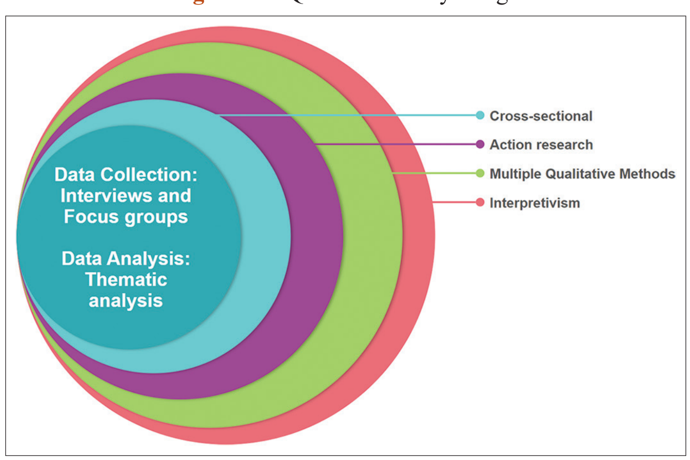


Figure (A2) shows the research plan in the format of the research onion

Table A1: Interview schedule

Q	Questions	Proposition
	Theme 1: Lack of standardization	
1	Do you think that the UN SDGs are impacting the SF's implementation process?	P (1)
2	What are the ESG that you know or encountered?	P (1)
3	Is your company delivering the ESG specifically the "S" and "G"	P (1)
4	Does the ESG principles align with the Shareholders' vision?	P (1)
5	How can you define SF	P (1)
6	Is SF burdening the administration of the companies?	P (1)
7	What metrics do you use to ensure that the SF is uniformed?	P (1)
8	Do you feel that there is a lack of standardization?	P (1)
	Theme 2: Costs implications	
9	Will SMEs be affected by the SF framework?	P (3)
10	Do you think that the size of the organization plays an important role in adopting SF?	P (3)
11	Do you think that financial structure plays an important role in adopting SF?	P (3)
12	How can your company price the environmental transition risk?	P (3)
	Theme 3: Green washing	
13	Did you ask about the firm's ESG before investing?	P (2)
14	Did you ask about the Team's experience with SF?	P (2)
15	Did you ask about the firm's sustainable impact?	P (2)
16	Did greenwashing ever stopped investors from investing?	P (2)
17	How do you protect the investors from greenwashing?	P (2)
	Theme 4: Cost implications	
18	Compared to TF are the returns lower if SF is adopted	P (4)
19	What are the liquidity rates of SF instruments	P (4)
20	Do you think that adopting SF is expensive?	P (4)
21	Does adopting SF affect financial competitiveness?	P (4)
22	Will the company be subjected to trade-offs to keep SF?	P (4)
23	How does SF support economic realities now or in the future?	P (4)

Table A1 shows the interview schedule and the propositions that requires explorations

Table A2: Interview schedule citations

Q	Questions	Citation
1	Do you think that the UN SDGs are impacting the SF's implementation process?	-
2	What are the ESG that you know or encountered?	(Deloitte, 2021)
3	Is your company delivering the ESG specifically the "S" and "G"	(Vereckey, 2021)
4	Does the ESG principles align with the Shareholders' vision?	(Vereckey, 2021)
5	How can you define SF	(Deloitte, 2021)
6	Is SF burdening the administration of the companies?	(Ferrie and Apostola, 2023)
7	Will SMEs be affected by the SF framework?	(Ferrie and Apostola, 2023)
8	Do you think that the size of the organization plays an important role in adopting SF?	-
9	Do you think that financial structure plays an important role in adopting SF?	-
10	How can your company price the environmental transition risk?	(Vereckey, 2021)
11	Did you ask about the firm's ESG before investing?	(Koh, 2020)
12	Did you ask about the Team's experience with SF?	(Koh, 2020)
13	Did you ask about the firm's sustainable impact?	(Koh, 2020)
14	Did greenwashing ever stopped investors from investing?	-
15	How do you protect the investors from greenwashing?	-
16	What metrics do you use to ensure that the SF is uniformed?	-
17	Do you feel that there is a lack of standardization?	-
18	Compared to TF are the returns lower if SF is adopted	(Odier, 2021)
19	What are the liquidity rates of SF instruments	-
20	Do you think that adopting SF is expensive?	-
21	Does adopting SF affect financial competitiveness?	(Moyo, 2022)
22	Will the company be subjected to trade-offs to keep SF?	(Moyo, 2022)
23	How does SF support economic realities now or in the future?	(Moyo, 2022)

Table A2 shows the interview schedule and the sources