

Business strategy teaching and climate change

The strategic challenges facing firms, not-for-profit and public sector organizations are significant and call for, *inter alia*, creativity, inclusivity, diversity and responsibility. The dominant neo-classical worldview that all products and services should be organized predominantly around external *and* internal markets has significant limitations. For example, Covid-19 disrupted global supply chains as borders closed and demand patterns changed. There is also a realization that whilst markets may be efficient in the allocation of resources in a world of infinite economic growth, the looming and deepening crisis of climate change, UN Sustainable Development Goals (SDGs) and pandemics have exposed the risks associated with this market worldview. Moreover, the indicators that drive it such as GDP, stock market values, return on investment, executive remuneration, etc., rest very much on the manufacture of weapons and environmentally-damaging extraction (Pilling 2018). Business education in developed countries reinforces this worldview.

Explanations for the slow engagement of businesses and business scholars with the SDG agenda, particularly of climate change, include: complexity of climate science and unclear cause-and-effect; limited recognition of human-centred climate change and the positive link between carbon-intensive business activities and corporate and human welfare; and, insufficient signals of climate stress, notwithstanding recent wildfires, flooding and regional water shortages (Patenaude 2011).

The failure of mainstream economists to predict the financial crisis of 2008 led to economics students at the University of Manchester in the UK creating a change manifesto. Business strategy as a subset of economics has not adapted too well to its own challenges. In teaching, strategy textbooks ordinarily start with macro analyses introducing the tools including Scenarios, PESTEL, Porter's Five Forces and SWOT. Sequentially, texts then tend to examine micro-level factors and introduce Jay Barney's *Resource Based View* of the firm, Michael Porter's generic strategies and internal value chains. There is no room for the natural environment and the systems that sustain and nourish human life, many of which are captured by the UN SDGs.

There are many texts available to university teachers and scholars alike that enable the SDGs to be aired and incorporated, significantly by writers under the banner of *Principles for Responsible Management Education* (e.g. Laasch and Conaway 2017). However, these are add-ons, not core strategy texts that remain focused on developed-world thinking.

This paper explores options for teaching progressive business strategy being trialed at Brighton Business School in the UK, without shifting too far from mainstream thinking, and embracing "glocal" perspectives. The tools of strategy can be adapted for new times. Crucially, these adaptations draw their energy from the experiences and needs of small enterprises across the globe. Whether it be sources of finance, access to technology or embracing disruptive innovations.

Dr Andrew Grantham

Laasch, O. and R. Conaway (2017). Responsible Business: The Textbook for Management Learning, Competence and Innovation, Taylor & Francis.

Patenaude, G. (2011). "Climate change diffusion: While the world tips, business schools lag." Global Environmental Change **21**(1): 259-271.

Pilling, D. (2018). The Growth Delusion: The Wealth and Well-being of Nations, Bloomsbury.