

Collaborating for Climate Leadership

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ABSTRACT (ENGLISH)

[...]Creative Destruction Lab (CDL), founded at the University of Toronto's Rotman School of Management, consists of ten schools across North America and Western Europe working jointly to accelerate the progress of "massively scalable, seed-stage, science- and technology-based companies" in a variety of industries: artificial intelligence, health, space, fintech—and climate. Moving from saying to doing, the founding members of Business Schools for Climate Leadership (BS4CL.org), a group of eight European business schools, have joined together to help business leaders combat the climate crisis facing the planet. In a recent webinar, one participant asked, "How can we trust businesses to deal with the problems of climate change?" That question could equally be asked of business schools.

FULL TEXT

A group of eight European business schools have joined together to help business leaders combat the climate crisis facing the planet

Academics have held up competition as the key to progress in business since Adam Smith writing in 1776. In its extreme form, creative destruction of the old by the new—as labeled by Schumpeter—is seen as the path to improvement. But sometimes, competition is insufficient—and can be counterproductive. System-level problems are simply too big, too intertwined, and too laced with externalities to be solved by simple competition.

In these instances, governments need to act and sectors need to collaborate. In their new book, *Net Positive*, former Unilever CEO Paul Polman and sustainable business expert Andrew Winston call upon companies to "partner with competitors, civil society, and governments to drive transformative change that no single group or enterprise could deliver alone." Polman's non-profit, *Imagine*, seeks to press forward that model, helping companies in specific industries find pre-competitive collaborative actions—like setting standards or sharing technologies—to address global issues. They term these groups "courageous collectives, which work across the value chain to tackle dangerous climate change, nature loss and global inequality." As we watch COP26, it is encouraging to see firms come together, such as the members of Glasgow Financial Alliance for Net Zero, who have pledged \$130 trillion of assets for transitioning the economy to net zero.

What about business schools? In a battle for students, faculty and donors—and a quest to beat others in rankings—business schools tend to adopt competitive stances. Unlike scientists who collaborate in large teams from around the globe, we tend to work in our silos, apart from small co-authoring collaborations. There are some meaningful exceptions. For example, [Creative Destruction Lab](#) (CDL), founded at the University of Toronto's Rotman School of Management, consists of ten schools across North America and Western Europe working jointly to accelerate the progress of "massively scalable, seed-stage, science- and technology-based companies" in a variety of industries: artificial intelligence, health, space, fintech—and climate.

CDL is one example of collaboration, but there needs to be much more—especially around the topic of climate change. Solutions require radical collaborative changes in our use of land and ecosystems, energy systems, urban infrastructure, and industrial systems. While business schools do excellent teaching, research and convening in this space, seeking to covet awards—we are all sub-scale in the climate space. Our students and alumni are clamoring for us to do more, but a relatively small number of our faculty are trained and able to work on the myriad business issues around metrics and accounting, incentive and reward systems, new business models, pre-

competitive collaboration and standard setting, systems leadership, shareholder capitalism, and the host of other questions that businesses face. Logically and morally, it makes sense for business schools to collaborate, but like the businesses we study, this is often easier said than done.

Moving from saying to doing, the founding members of Business Schools for Climate Leadership (BS4CL.org), a group of eight European business schools, have joined together to help business leaders combat the climate crisis facing the planet. Coming from across Europe, we acknowledge the importance and urgency of the climate crisis and the need for business schools to act. As communities of educators and researchers—as well as stewards of powerful alumni bodies collectively with over 400,000 alumni—we have agreed to work together to incite, support, and mobilize our many stakeholders to protect humanity. It is easy to diminish the very act of working across competitive barriers, but I can attest that participating in this group has been a true learning experience: how do we drop our defensive and competitive approaches, while still advancing our Schools' agendas? How do we come to respect, trust, and support competitors? How do we begin to meld our knowledge, when we have never met apart from on Zoom?

As a first step, BS4CL has mined the deep and broad expertise across the schools to produce a Climate Leadership Toolkit for executives that will be launched at the Sustainable Innovation Forum at COP26, hosted a series of pre-COP webinars to educate and galvanize our over 400,000 collective alumni, and more than 80 people from across Europe have come together to form a cohesive working group. Our toolkit deals with topics that some executives may think remote, such as climate change's link with inequality and geopolitics, and other more immediate issues, such as upcoming changes to accounting standards and risk management processes.

In a recent webinar, one participant asked, "How can we trust businesses to deal with the problems of climate change?" That question could equally be asked of business schools. How do we earn trust? While our toolkit and webinars demonstrate meaningful collaboration and will hopefully be useful to business leaders, we must be mindful that BS4CL can't be just "BS," but rather must push towards action. It will take individual work by each school *and* collaboration across the network—encompassing research, teaching and outreach—to ensure that all business leaders are equipped to bridge competitive boundaries, partner with their customers and suppliers, and to work across sectors to address the climate emergency. The stakes are high globally and increasingly visible, with extreme weather over the past months and the specter of a natural gas crisis in Europe that exemplifies the work and tradeoffs that lie ahead. Ultimately, the goal is to inspire leaders to provide products and services that are not only profitable, but also provide solutions to problems of people and the planet.

I was proud to be one of the Deans that championed this effort, and now having stepped down from that role, I am honoured to be a Professor working with BS4CL colleagues from Cambridge Judge Business School, HEC, IE Business School, IESE Business School, International Institute for Management Development (IMD), INSEAD, London Business School, and Saïd Business School at the University of Oxford. While this article bears my signature, BS4CL has the vigorous support of all eight Deans of the Founding Schools. Collaboration and competition are not mutually exclusive. Adam Smith, of Oxford and Balliol College, knew that 262 years ago. While held up as the Father of Capitalism, in *The Theory of Moral Sentiment* he reminded us of the duties we owe to one another. That lesson from 1759 seems particularly apt as we collectively face the consequences of climate change.

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