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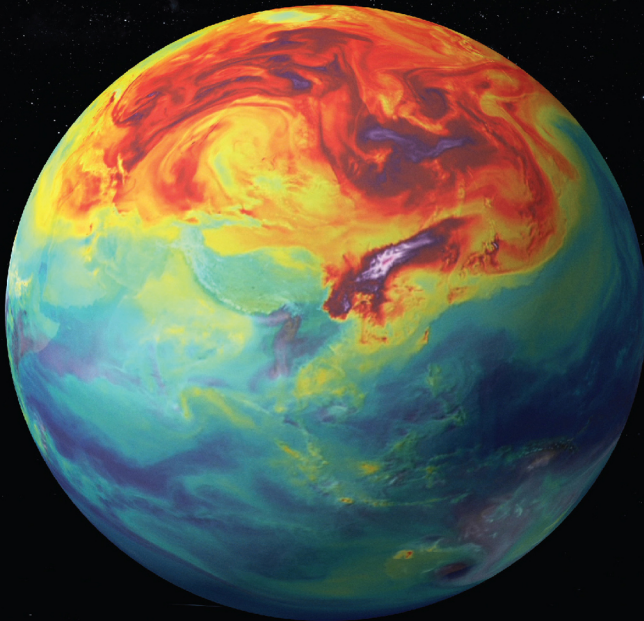
**Simon Sunn Torp and Torben Juul Andersen**

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# **ADAPTING TO ENVIRONMENTAL CHALLENGES**

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New Research in Strategy  
and International Business



**EMERALD  
STUDIES  
IN GLOBAL  
STRATEGIC  
RESPONSIVENESS**

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# **Adapting to Environmental Challenges**

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# Adapting to Environmental Challenges: New Research in Strategy and International Business

EDITED BY

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INVESTOR IN PEOPLE

In Memoriam  
**Simon Sunn Torp**

† February 22, 1971 – November 3, 2019 †

“Genuine, giving and a good friend – always accessible, helpful,  
reliable and a true contributor.

Thanks for everything – you are (and will be) missed.”

*Torben Juul Andersen*

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# Foreword

The global business environment is as turbulent as ever and organizations must adapt to the changing conditions to survive and persevere. The way we conduct business and manage our societies leads to developments that are beyond our immediate control and create significant exposures with uncertain outcomes possibly in the form of extreme unpredictable events. The mounting complexity of the global business environment creates uncertain and unpredictable conditions with wicked problems to resolve. The conventional control-based management practices fall short in these disruptive contexts that call for more environmentally conscious management approaches to deal effectively with the consequences of current developments.

This collection of chapters outlines these contemporary challenges and suggests that business managers can make a (significant) difference by exercising discretionary choices within their specific industry contexts to circumvent the effects of environmental developments that are beyond their immediate control. It suggests that the adverse circumstances can be overcome through proper managerial actions. One way to induce such strategic responsiveness arguably is to engage middle and lower level managers in the organizational strategy-making processes to reduce adverse effects of environmental turbulence and exploit their upside potential by engaging their practical insights in the generation of responsive solutions. Adopting interactive control systems can be one effective mechanism to achieve this kind of interaction between practical local insights and coordinating efforts at the corporate center that generate an adaptive performance dynamic.

While this is easier said than done due to a variety of inhibiting factors, we note that some environments have institutionalized corruption in “immoral” non-market strategies that circumvent the aims for effective adaptation. We should obviously understand these mechanisms to enable proper countermeasures to their adverse impacts on business adaptation.

A predominant response to the mounting environmental challenges is the pursuit of corporate social responsibility (CSR) as a way to engage businesses in more adaptive behaviors that can circumvent the potential adverse consequences of environmental degradation. The empirical evidence suggests that adherence to more formalized CSR approaches is a function of firm size. Yet, the disclosure of CSR information is found to have a positive effect on the market-valuation of firms indicating that the market ascribes positive value to the CSR practices. Furthermore, it is found that application of green technologies with a strategic

commitment to environmental and social concerns can be associated with more sustainable performance outcomes.

Finally, we realize that organizations operating across a multiplicity of cultural contexts are challenged in their ability to manage responsible corporate behaviors that typically are interpreted differently in the local contexts as opposed to the headquarter context they derived from. This points to a need for a phenomenological perspective that can help multinational managers understand cultural differences and disentangle the managerial challenges in a changing global business environment. It also uncovers a global competitive dynamic where resource-poor (Chinese) firms were able to thrive by introducing advantageous value-to-price offers to the market and gradually build more knowledge-based strategic advantages partially induced by supportive cultural values.

We believe that these chapters provide new interesting perspectives and insights on organizational adaptation, corporate responsible behavior, and the need for cultural sensitivity when operating with agility across global markets aiming to form a resilient organization.

We hope you will enjoy reading them.

*Torben Juul Andersen,*  
Frederiksberg, October 15, 2019  
*Simon Sunn Torp,*  
Herning, October 15, 2019