

# Chapter 17

## A Holistic Model for Linking Sustainability, Sustainable Development, and Strategic Innovation in the Context of Globalization

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### **ABSTRACT**

*This chapter presents the foundations of a holistic model for connecting the key elements necessary for corporations to adopt sustainability and sustainable development in the context of the global economy and strategic innovation. The complexities of doing business on a global scale have increased dramatically over the last two decades. While sustainability involves many perspectives, strategies, actions, and management constructs, the chapter focuses on how global corporations employ strategic innovations in response to driving forces in the global economy and how they can improve their level of management sophistication in a turbulent business environment. The holistic model focuses on strategic innovations that provide more positive aspects and fewer negative ones since innovations have the potential to create dramatic new solutions with exceptional value and to eliminate or reduce negative effects and impacts. Strategic innovations include radical technological innovations, business model innovations, product developments, and organizational developments that are game changers.*

### **INTRODUCTION**

This chapter presents a comprehensive, i.e. holistic, model for adopting sustainability, and sustainable development (SD) in business organizations based on the perspective of the globalization, the management constructs associated with strategic innovations, and the imperative to lead change. Globalization has become one of the most important management considerations as the driving forces of change are

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shifting from national and regional settings to a more global landscape. Globalization implies that distance and time constraints have become less relevant due to innovative technologies and sophisticated methods that have dramatically improved the efficiency, effectiveness, and costs of production, transportation and telecommunications. Globalization provides new opportunities for global corporations, societies, and individuals around the world to connect with each other and participate in economic, social, political, and technological activities that would have been prohibitively expensive, unprofitable, impractical, and/or very risky in the past. Wide-spread use of the Internet, fifth generation digital technologies, advanced microprocessors, global positioning systems, biotechnology, and nanotechnologies are just a few of the revolutionary technologies affecting almost every industry and corporation. Technological changes are making the business environment more complex and dynamic than it was just a decade ago. Keeping ahead of the dramatic changes is one of the most significant challenges facing global business leaders today.

The prevalent view pertaining globalization is that the world is shrinking as innovative technologies, advanced manufacturing, and supply chain integration provided new avenues for cost reductions and making products and services more valuable and attractive. Business leaders can obtain parts, components, and even end products from far of places. The focus is on economic exchanges and financial outcomes. However, the business world has also increased considerably as billions of additional people are now engaged in global business transactions. There are billions of additional customers and many more potential ones. There are also many new and emerging competitors in the developing countries that can leverage their comparative advantages like low-cost labor and growing populations.

Strategic innovations refer to technological innovations and high-level product developments that have the potential to change the global competitive landscape by introducing major advancements in the solutions and systems; ones with more positive and fewer negatives. Innovations must provide outstanding results in the short term and ensure sustainable success for the long term. Creating, developing and deploying strategic innovations offer bright prospects for an enhanced global business environment with the greater possibilities for more people worldwide to enjoy the outcomes provided by global corporations. However, the global business environment is full of risks and vulnerabilities.

Leading change is based on the theory that the best approach for meeting the needs, wants, and mandates of the market spaces and business environment is to leap ahead of the prevailing and expected requirements and to exceed the desires and expectations of the people and entities involved (Rainey, 2014). Leading change examines how to stretch beyond the limits of the present possibilities and transform the current strategic positions into more powerful and beneficial realities. Leading change is a critical imperative of strategic leadership. Imperatives are critical mindsets mandates, expectations, and/or constructs that are essential for achieving and sustaining successful; they are the “must do” challenges that provide the foundations for success. While leading change depends on the conditions and trends in the business environment and vary considerably based on context and circumstances, strategic leaders have to envision bold and innovative ways to lead change and manage their companies and enterprises. They have to go beyond the mainstream thinking and explore new theoretical constructs for achieving success. Using popular management constructs may allow strategic leaders to quickly obtain a consensus within the company because everyone understands the methods and techniques. However, many of the old-line strategies and mainstream approaches are no longer adequate in a more turbulent and fast-paced business world. Such approaches may lead to inferior results because they are not in concert with the demands and expectations of the business environment.

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