COMM1150

Global Business Environments

Comprehensive Course Notes

Weeks 1 to 9 | T2 2022

Course Overview

COMM1150 Global Business Environments examines the complex, multi-dimensional, and dynamic environment in which businesses operate globally. The course moves beyond domestic market analysis to consider how cultural, political-legal, economic, and sustainability forces interact across different levels of analysis to shape business decisions and outcomes.

The course is organised around four analytical lenses applied across multiple levels of analysis:

- Socio-Cultural Lens: how culture shapes individuals, organisations, and societies
- Political-Legal Lens: the nation-state system, political risk, legal systems, and international law
- Economics Lens: globalisation, international trade, long-run growth, and short-run macroeconomic policy
- Sustainability Lens: environmental and social sustainability, systems thinking, and the UN SDGs

Key Framework: Context + Decision/Action = Impact
Every business decision is shaped by context. The global business environment provides that context.
Context is heterogeneous, layered across levels, and constantly changing.
Understanding the environment using lenses and levels enables more informed decisions and actions.

Four Features of Complexity in the Global Business Environment

- **Heterogeneity of dimensions:** There are multiple distinct environmental forces operating at once (cultural, political, economic, sustainability).
- **Heterogeneity of macro-environments:** There are many different national and regional contexts, each with distinct features.

- **Levels:** Environments are layered from local/individual up through national to regional and global levels. Each level embeds within a larger one.
- **Dynamic change:** Different environments at different levels change at different speeds and interact with one another in complex ways.

Levels of Analysis

Level	Example Phenomena
Global	Carbon emissions, global trade flows, WHO health standards
Regional / Bloc	EU economic integration, ASEAN, NAFTA/USMCA
Nation-state	National government policies, central bank interest rates
State / Province	Scope of societal change, state legislation
Municipality / City	Industry agglomeration, local regulation
Organisation	Firm strategy, corporate culture, supply chain decisions
Individual	Consumer behaviour, worker decisions, cultural values

Week 1: Introduction and Sustainability Lens

1.1 From COMM1100 to COMM1150

COMM1100 focused on decision-making within domestic markets: supply, demand, and firm-level analysis. COMM1150 zooms out to examine the context that surrounds those decisions. A business decision made without understanding the environment around it risks being wrong, ineffective, or harmful. The environment does not just constrain decisions; it also generates opportunities.

1.2 The Environment of Business as a Kaleidoscope

The global business environment can be visualised as a kaleidoscope with four interacting dimensions: Economic, Political/Legal, Socio-Cultural, and Sustainability. Each dimension shapes and is shaped by the others. No single lens captures the full picture. Businesses and analysts must move between lenses while also thinking about levels.

1.3 Opportunities and Threats

The global business environment is simultaneously a source of threats and opportunities. Companies such as Apple face complex supply-chain decisions shaped by earthquake risk, geopolitical tensions, and labour conditions. Media companies such as Netflix encounter wildly different audience responses to content across cultures. What creates risk in one context may create competitive advantage in another. The kaleidoscope metaphor captures how a slight turn in conditions changes the entire picture.

1.4 The Sustainability Lens

The Sustainability Lens examines the relationship between business, society, and the natural environment. It challenges the assumption that short-term profit maximisation is the only legitimate business goal and asks how economic activity can be organised to support long-term human flourishing without destroying the planet.

Sustainability Thinking (Wilcox)

Sustainability thinking starts by recognising the interconnectedness of social, economic, and political systems. Key arguments include:

- The earth's resources are finite, which places real limits on continued economic growth.
- The dominant market model, with its emphasis on short-term profits, has contributed to many of the major problems faced by contemporary societies.
- Biases, assumptions, and mental models embedded in other lenses often obscure sustainability issues.

Dimensions of Environmental Sustainability

- Ecosystem protection and biodiversity
- Resource availability, depletion, and use
- Species extinction
- Anthropogenic climate change

Key Principles of Sustainability

Principle	Meaning
Interdependence	Natural, social, economic, and political systems are interconnected.
Needs of Present and Future Generations	Current decisions must not foreclose future options.
Valuing Diversity	Biological and cultural diversity are intrinsically valuable.
Intra- and Intergenerational Equity	Fairness within and across generations.
Precautionary Principle	Where there is risk of serious harm, act cautiously even without certainty.
Limits to Growth	Indefinite expansion on a finite planet is impossible.

Sustainable Development: The Brundtland Definition

"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs." (Brundtland Report)
Two core ideas: (1) Prioritising the essential needs of the world's poor. (2) Recognising ecological limits on what the environment can sustain.

The UN Sustainable Development Goals (SDGs)

The 17 SDGs provide a globally agreed framework for sustainable development. UNSW and its Business School have committed to the SDGs as part of the Principles for Responsible Management Education (PRME). The SDGs cover areas including poverty, health, education, gender equality, clean energy, economic growth, inequality, climate action, and partnerships. They are explicitly cross-sectoral: governments, corporations, NGOs, communities, and individuals all share responsibility.

Doughnut Economics (Kate Raworth)

Doughnut economics reframes the goal of economic policy. Rather than pursuing endless GDP growth, it proposes that societies aim to thrive within the 'doughnut': above the social foundation (meeting basic human needs) and below the ecological ceiling (not overloading planetary boundaries). Key features:

- Begins with the big picture: the economy is embedded within society, which is embedded within the living world.

- Treats economies, societies, and natural systems as complex, interdependent systems best understood through systems thinking.
- Human behaviour can be cooperative and caring, not just competitive and individualistic.
- The goal is to change from endless GDP growth to genuine flourishing within planetary limits.

Circular Economy

The circular economy is a model that aims to add value throughout the product life cycle without generating waste. It contrasts with the linear 'extract-make-dispose' model. Features include:

- System-wide innovation in how products and services are designed.
- Waste is designed out rather than treated as an inevitable by-product.
- Negative impacts are minimised across the whole product lifecycle.
- Priority given to renewable energy sources and regenerative resource use.

Supply Chain Analysis: Sustainability in Practice

Supply chains connect producers, manufacturers, distributors, and consumers. They are complex, involve many stakeholders, and often lack transparency. The sustainability issues embedded in supply chains span all four lenses.

Fast Fashion

- Environmental: textile waste, water consumption, chemical pollution in production.
- Social: unsafe working conditions, poverty wages, labour rights violations (e.g., Bangladesh garment factories).
- Possible pathways: reducing environmental impact in fabric production; extending product life through customisation and design; reducing landfill disposal through recycling and upcycling; increasing demand for second-hand goods.

Electronics: Apple iPhone

- Apple's supply chain is frequently cited for its efficiency, agility, and third-party governance, including risk management, quality evaluation, and compliance audits.
- At the same time, Apple has faced persistent criticism for human rights failures, including unethical labour practices in its supply chain despite stated commitments.
- FairPhone represents an alternative model: modular design, fair sourcing, third-party verification by B-Corp and Fair Trade, and end-of-life recycling.

Palm Oil and Food Supply Chains

- Palm oil is used in a large share of processed food and consumer products globally.
- Environmental impacts include deforestation, destruction of biodiversity-rich rainforest, and carbon emissions.
- Companies such as Unilever acknowledge that their largest environmental footprint comes not from their own operations but from their raw material supply chains.