Climate Change: The Promises and Perils of Strategic Cognition

Introduction:

To begin I would like to define the above title and outline the ideas I will engage with in this essay.

Let's begin with 'climate change'. "We define climate change as the scientifically observed century-scale rise of the average temperature of Earth's climate system" (Mazutis and Eckhart, 2017, p.77).

Next, let's define 'strategic cognition'. Strategic cognition is the study of an organisation as a living organism. As a result, it is subject to cognitive biases present in humans. (Bundy et al., 2013, p.356). In this essay I will highlight a few cognitive biases and heuristics detailed in both Tversky's and Kahneman's 1974 article 'Judgement and Uncertainty' and Mazutis' and Eckhart's 2017 article 'Sleepwalking into Catastrophe'. I shall exhibit the promises these biases bring to the decision-making table in organisations and in individuals. I will then relate these to global warming, demonstrating the perils of these biases.

The "It's Not My Problem" Problem Paradox:

Mazutis and Eckhart bring forth the "It's not my problem" problem in their 2017 article. I believe a large reason for this problem is detailed in the following quote; "When the challenge seems overwhelming and existing solutions inadequate, there is good reason to turn away from the problem." (Weber, 2015, p.562). We may recognise we contribute to global warming. However, we believe the solution is unreachable, so we carry on. We justify this by saying "it's not my problem", a promise of this cognitive bias.

As a consumer and a young adult whose carbon footprint is virtually nil, I related to this. Climate change was a problem long before I was born, why should I have to clean up somebody else's mess? The bottom line here is, obviously, we all have to clean up this mess, however complex the solution may be. As above, the "it's not my problem" train of thought becomes appealing at this point.

Before researching this essay, I wanted to get into a different mindset. In a recent seminar, we discussed who should bear the burden of leading us to a greener future. One may argue that that responsibility falls on firms and their managers. A 2017 Guardian article reads "Just 100 companies have been the source of more than 70% of the world's greenhouse gas emissions since 1988, according to a new report." ¹.

After reading this, I wanted to experience the position of a manager of a firm. I interviewed my dad, managing director at Omos Ltd. Omos is a small to medium sized Irish outdoor furniture business, their products can be found on top of the new Business School. I asked him a number of questions regarding a number of different aspects of the business. I recorded his responses to climate related questions.

I asked him what Omos was doing to combat global warming. His response was that he had always been interested in making durable products. He didn't appreciate using cheap materials to make planned obsolete goods. A large range of Omos' products use wood. I questioned whether he'd consider a more sustainable resource. He answered that it may be possible, but that he'd need to

hire more staff if he was to pursue this. The reason he wasn't looking to achieve it is that his customer base wouldn't care for it. He explained that firms like his are extremely busy, they're constantly playing 'catch-up' to their current demand. It's a reasonably straight forward economics model; if there's no demand for organic products, there'll be no supply.

Thus, arises a paradox. The "It's Not My Problem" attitude fails to account for whether the group or individual you think the problem belongs to, also believe that it is their problem too. This is grand peril of this aspect of strategic cognition, and it is essential we eliminate it as we look to overcome climate change.

The Fruition of The Availability Heuristic:

The availability heuristic refers to the information available to a firm or an individual during a cognitive decision-making process (Tversky and Kahneman, 1974, p.1127). Within this article the authors identify the "Biases due to the retrievability of instances". They describe this as: "When the size of a class is judged by the availability of its instances, a class whose instances are easily retrieved will appear more numerous than a class of equal frequency whose instances are less retrievable". A study was highlighted in the article, and the details were as follows.

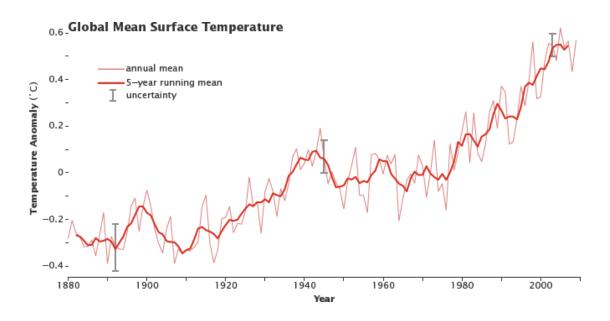
People were given a list of names. The lists were different for each person. On some lists the men were relatively more famous than the women, and on the others vice versa. In each case, those surveyed stated that the sex with the more recognisable names was greater in size than the other. Tversky and Kahneman demonstrate our familiarity with the available data, promises to affect our cognitive decision

One evening I watched 'The Social Dilemma' ⁵. It's a documentary about the controversies of data management in social media firms. Throughout, the interviewees convey a message that social media will show us what we want to be shown in order to keep us engaged, increasing advertisement revenue. I decided to read a paper to investigate this thought further. Although I didn't understand the maths behind the algorithm, I understood its idea and its goal. These can be explained in the following quote: "Users determine their followees based on utility, they want to be in a network that provides them with their desired information." (Yun et al., 2021, p.2). This is what we confirmed the availability heuristic, and the biases within that heuristic, to be. We are in a time where, not only will we ignore information that we don't want to hear, but we won't be exposed to it at all because of these social media algorithms. The cognitive bias is now also being materially promised.

'The Social Dilemma' focussed on this algorithm heightening political tension. The spreading of 'fake news' dramatically increased the political divide in America, subsequently increasing violence. We can translate this message when talking about climate change. The more one group sees posts claiming climate change doesn't exist, the more another group sees posts conveying the opposite. Both groups see less of the other types of post, increasing divide and disagreement amongst them.

Cathy O'Neil Ph.D.⁵ states she follows people she doesn't agree with so that she gets a varied perception of the world. I was very interested in this thought experiment and carried it out myself. I typed into Google and Facebook 'Climate change doesn't exist'. The results were as follows.

I was pleasantly surprised with the results I got with Facebook. When I tried looking for conspiracy groups on the matter, I couldn't find any. Instead, I was greeted with climate change action groups, which was definitely welcome. I'm not insinuating that these groups don't exist, just that they're difficult to find. Whether that's a good or a bad phenomenon is another cognitive problem. With Google the results weren't as admirable. I got an article titled 'The problem with climate change? It doesn't exist'. The piece exhibited neither quality nor quantity. Dr. Benny Peiser, the author, states "The average global surface temperature has not risen for 17 years, an inconvenient fact that no scientist had predicted." (2010). A simple Google search shows that this is incorrect. The below graph from NASA, published around the same time as the article, verifies this.



(Source: https://earthobservatory.nasa.gov/features/GlobalWarming/page2.php)4

The article reveals the author is the director of the 'Global Warming Policy Foundation' (GWPF). Contrary to their name, they seem to want less action to be taken against climate change. I believe this clearly demonstrates the perils of the availability heuristic. Someone reading this may feel they have no choice but to believe that climate change is fake, especially with how official GWPF's website looks ². Even more worryingly, a couple of days after my venture on these websites I was suggested a YouTube video titled '9 misconceptions about climate change'. Judging by the thumbnail it was taking the same stand as GWPF. This exercise undoubtedly demonstrated, not only the promises and the perils of the Availability Heuristic, but the actual fruition of it. I believe this is the colossal peril of the bias and it will prove detrimental in our battle with climate change.

Conclusion:

Cognitive biases will be essential in our battle with climate change. I have focussed on the promises of a few and drawn upon the perils those biases have brought, and will continue to bring until they're addressed. I may have been subject to a number of these biases on my path to arriving at such a conclusion. However, I believe it's evident that until we fully understand the promises and perils that strategic cognition brings, we are in an uphill battle against both climate change and our cognitive selves.

Bibliography:

- Bundy, J, et al., (2013) "STRATEGIC COGNITION AND ISSUE SALIENCE: TOWARD AN EXPLANATION OF FIRM RESPONSIVENESS TO STAKEHOLDER CONCERNS.", The Academy of Management Review, 38 (3), pp. 352–376.
- Mazutis D. and Eckardt A., (2017), "SLEEPWALKING INTO CATASTROPHE: COGNITIVE BIASES AND CORPORATE CLIMATE CHANGE INERTIA", California Management Review, 59(3), pp. 74-108
- Tversky A. and Kahnemnan D., (1974), "JUDGEMENT UNDER UNCERTAINTY: HEURISTICS AND BIASES", *Science*, 185, pp. 1124-1131
- Weber, E. U., (2015), "CLIMATE CHANGE DEMANDS BEHAVIORAL CHANGE: WHAT ARE THE CHALLENGES?", Social Research, 82(3), pp. 561-580,861.
- Yun, G., et al., (2021) "INFLUENCE NETWORK DESIGN VIA MULTI-LEVEL OPTIMIZATION CONSIDERING BOUNDEDLY RATIONAL USER BEHAVIOURS IN SOCIAL MEDIA NETWORKS", Computer Social Networks 8 (7)
- 1. Riley, T., (2017), "JUST 100 COMPANIES RESPONSIBLE FOR 71% OF GLOBAL EMISSIONS, STUDY SAYS", *The Guardian*, 10/07/17, https://www.theguardian.com/sustainable-business/2017/jul/10/100-fossil-fuel-companies-investors-responsible-71-global-emissions-cdp-study-climate-change
- 2. Global Warming Policy Foundation, (2019), https://www.thegwpf.org/, Accessed: 25/02/2021
- 3. Peiser, B., (2014), "THE PROBLEM WITH CLIMATE CHANGE? IT DOESN'T EXIST", *PR Week*, 10/09/14, https://www.prweek.com/article/1311173/problem-climate-change-doesnt-exist
- NASA Earth Observatory, (2010), https://earthobservatory.nasa.gov/features/GlobalWarming/page2.php, Accessed: 25/02/21
- 5. 'The Social Dilemma', Netflix, 2020