

# Shifting Metagame

## Risk Governance as a Core Function for Achieving Sustainability

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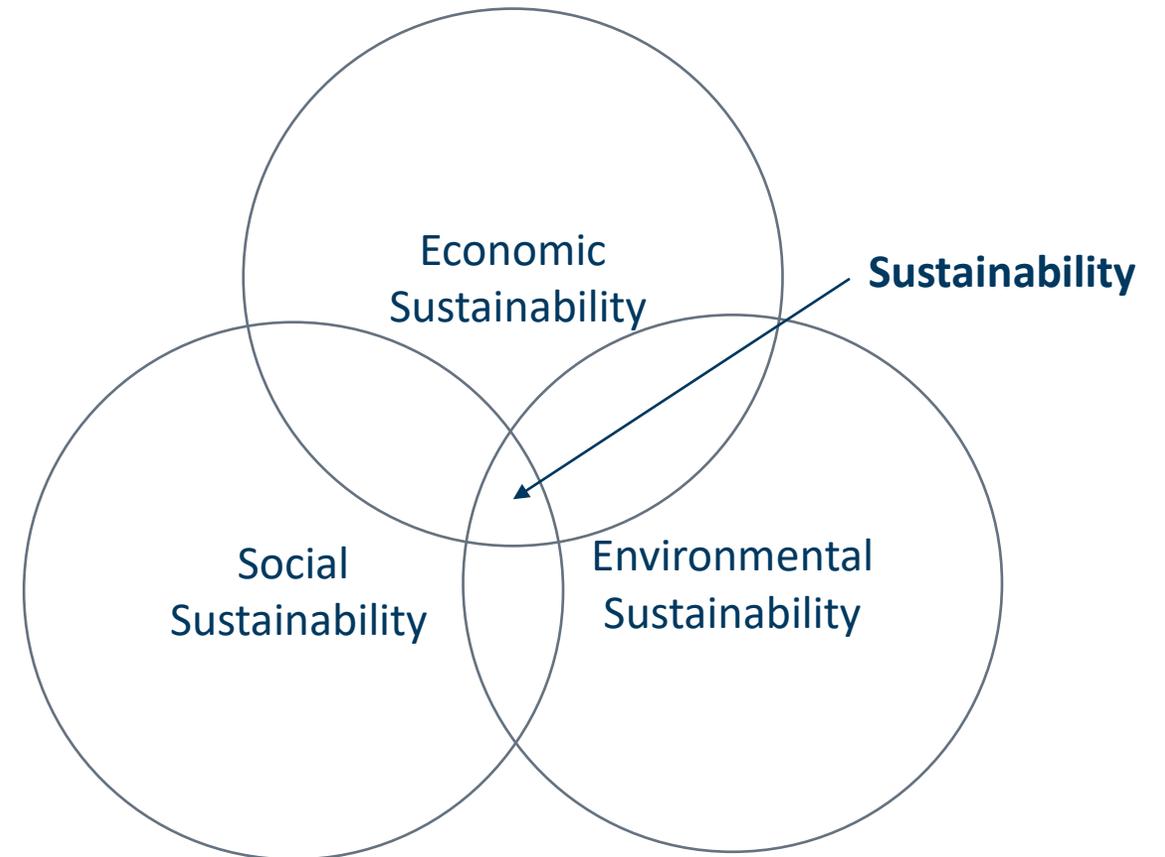
REMEMBER THE FUTURE GENERATIONS

“Taking no action to solve these problems is equivalent of taking strong action. Every day of continued exponential growth brings the world system closer to the ultimate limits of that growth.”

*(Meadows et al., 1972: 183)*

# Sustainability

- Sustainability is part of any organization and has a “**sustainable**” impact on the business model *(Høgevold 2011)*
- Sustainability reporting increasingly **obligatory** for organizations
- Sustainability is part of the **brand** perception *(Parguel 2011)*
- Though the concept is **static**, the practical implementation is constantly changing
- “Risk governance [...] aims at adapting the business model to changing risk landscapes to maintain the **firm’s sustainability** and ongoing value creation.” *(Stein/Wiedemann/Bouten 2019, 1229)*



*based on Elkington 1997*

# Metagame

“A metagame is the game that would exist if one of the players **chose his strategy** after the others, in knowledge of their choices” *(Howard 1971, 23)*

“The metagame concept is based on the premise that a rational decision maker can be only ‘**subjectively rational**’ that is, he chooses some action as most preferred by him under the given information, which may be erroneous” *(Dutta/King 1980, 359)*

- What the player brings to a game
- What the player takes away from a game
- What happens between games
- What happens during the game

There is **no** game without a metagame *(Garfield 2000)*

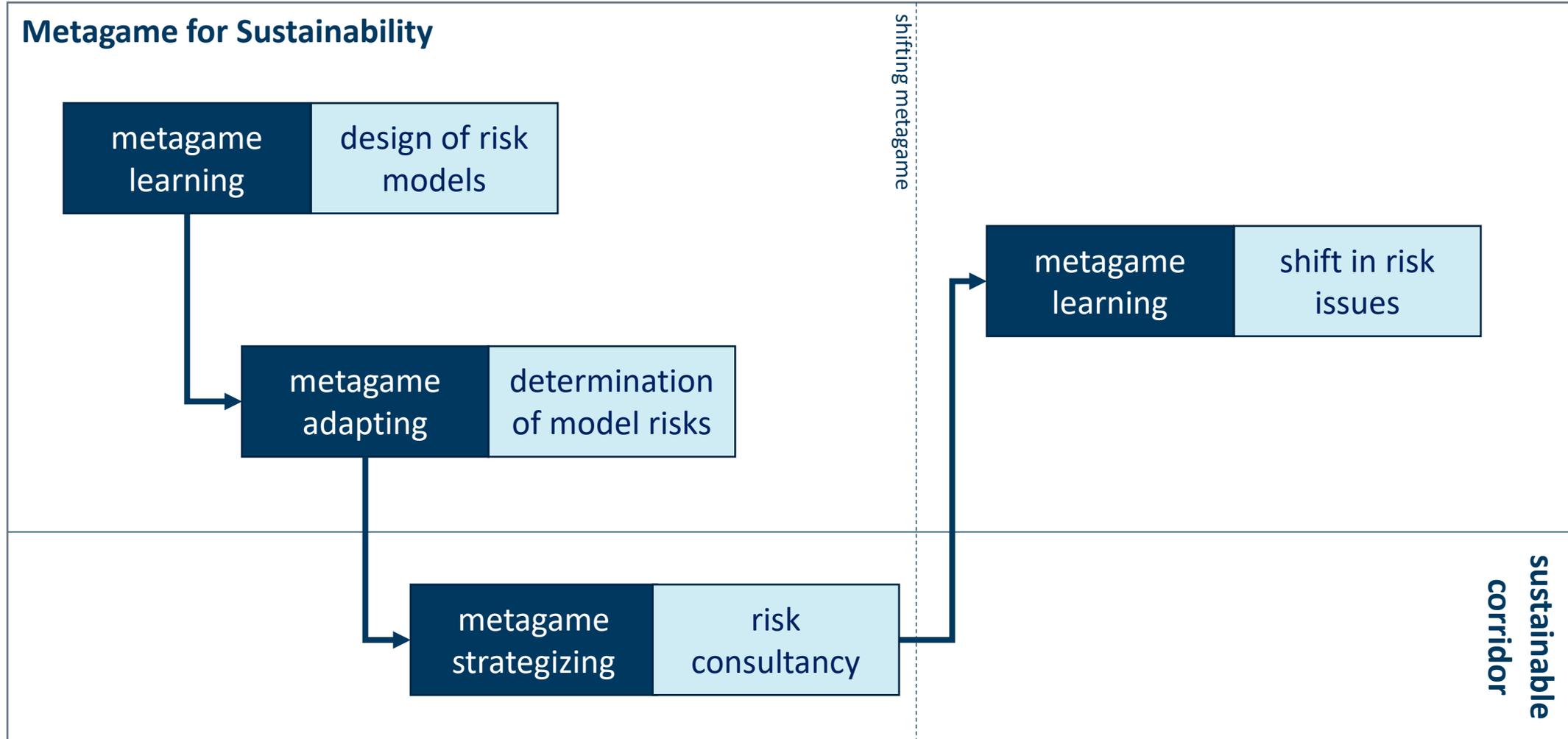
# (Shifting) Metagame



“The player will continuously look for new ways to play the game and find ways for competitive advantage within the game; however, if the game is continually changing, this process of metagaming will also constantly shift.”

*(Scholz 2019, 106)*

# (Shifting) Metagame and Risk Governance



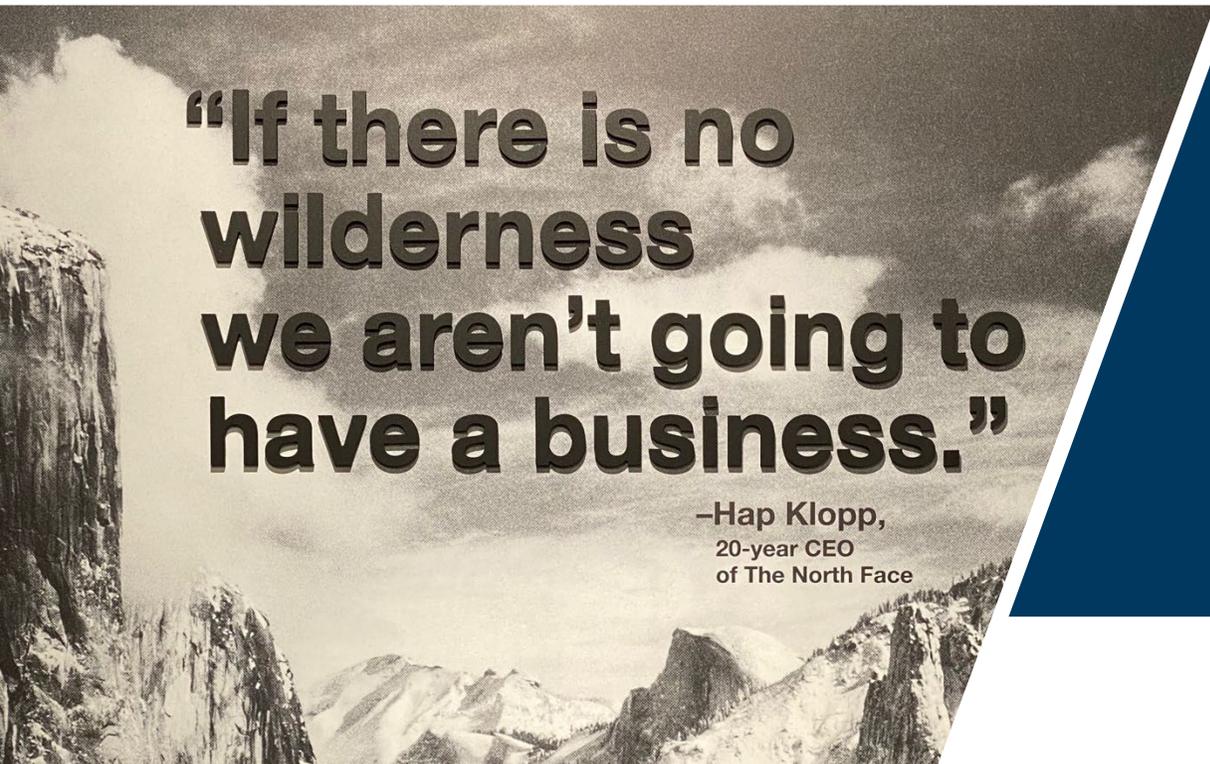
*adapted from Stein/Wiedemann 2016 and Kokkinakis et al. 2021*



# Discussion

- The metagame **framing** gives another perspective to the risk governance discourse
- Shifting metagame **explains** the current situation in which organization are acting
- Shifting metagame also highlights the **dynamics** of creating a stable environment
- Sustainability is a context in which the metarationale is “**be sustainable**” however the metagame is constantly shifting
- Companies need to govern the risks as there is an **inherent conflict** in terms of sustainability as organization need to survive short and long-term to achieve sustainability
- Shifting metagame is a source as it leads to **historical amnesia**
- Shifting metagame and risk governance are a ways to create a **competitive advantage** if utilized proactively

# Conclusion



**“If there is no  
wilderness  
we aren’t going to  
have a business.”**

–Hap Klopp,  
20-year CEO  
of The North Face

The concept of shifting metagame **explains** the struggle of organizations to be sustainable

Risk governance is **utilizing** organizations with a tool-set to deal with the shifting metagame and subsequently sustainability

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