

Chapter 5

Supporting Green Business Growth: Towards a Transformative Approach*

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Abstract

The study analyzes a survey of 372 businesses operating in the East Midlands and reveals the trends of engagement with green growth, demand for green skills development and pro-environmental business support. The findings confirm major differences in how large and small businesses engage with green growth and the challenges they face. Sectorial characteristics are of significance in growth trends and confirm manufacturing companies derive more turnover from the green products when compared to services. Manufacturing companies are also more proactive than services in integrating the green growth ambitions with the business strategy. Green skills and information gaps are major obstacles to business engagement with green growth. Business support agencies are urged to broaden the scope and availability of the pro-environmental enterprise support. Policy community is advised to develop support mechanisms that reduce skills and information gaps. A *transformative approach* to enterprise support is advocated in order to catalyze the contribution of the business community to sustainable regional development.

Keywords: Business strategy; business support; policy; green skills; transformation; regional development

*This chapter presents the study undertaken by the University of Derby and East Midlands Chamber as part of a long-standing strategic and collaborative initiative to gather the evidence-based data on green growth trends in the East Midlands since 2015.

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Introduction

Green growth is seen as an alternative to the conventional view of the economic growth and means “fostering economic growth and development while ensuring that natural assets continue to provide the resources and environmental services on which our well-being relies” (OECD, 2011). According to the World Bank, “green growth is growth that is efficient in its use of natural resources, clean in that it minimizes pollution and environmental impacts, and resilient in that it accounts for natural hazards” (World Bank, 2012, p. 2).

The academic literature on green growth is gaining the momentum with scholars paying attention to the green growth trends (Bassetti et al., 2021) and indicators (Alrasheedi et al., 2021), technology and innovation for green growth (Fernandes et al., 2021). There are advances to understand policy and support for green growth (De Angelis et al., 2019) and contribution toward sustainable development (Gupta & Vegelin, 2016). Despite these advances, the studies of green growth are rare due to a lack of empirical data on how firms of different sizes and sectoral characteristics engage with green growth. As part of this picture, there are gaps in understanding of how businesses respond to policy and business support mechanisms targeting pro-environmental businesses.

This is not surprising as the configuration of enterprise support either through local enterprise partnership (LEP) mechanisms, for example, growth hubs, or through various national and European Union (EU)-funded programmers paid little attention to provision of support programs where contribution to the economic growth and care for the natural environmental are balanced. There is a distinct lack of support programs for businesses operating in the emerging pro-environmental market niches and with a focus on stimulating supply of green goods and service (GGS). At the same time, business support programs aimed at strengthening business engagement with green growth require a re-imagining of enterprise support ethos.

This study aims to address these gaps by addressing the following research questions: *What is the level of business engagement with green growth? What are the engagement strategies used across the regional businesses? And what are the characteristics for business support toward green growth?* This chapter proceeds with a review of the literature on green growth, pro-environmental business support and environmental sustainability policy agenda. It moves onto outlining the study design and methods followed by the analytical developments and discussions. This chapter culminates in identifying characteristics of business support toward green growth. Further, this chapter concludes with the recommendations for theory and practice.

Green Growth – Scope, Direction and Challenges

Literature on green growth is emerging with the main scholarly debates centered on the nature of the green growth (Dinda, 2014; Stoknes & Rockström, 2018), indicators (Reilly, 2012) and policy (Bowen & Hepburn, 2014; Rodrik,

2014). Many authors agree with a view of green growth where economic growth is achievable at the same time as the reduction of the ecological footprint. This so-called decoupling effect started to emerge already as reported in the *Economist* article stating that “over the past decade a growing number of countries – 33, home to over 1 billion people – have managed to increase their GDP while reducing their emissions” (*Economist*, 2022). The article claims two reasons for the decoupling trend. One is the changing structure of economies; as countries became richer, they expanded their service sectors, which use less energy than manufacturing. Second, imports are getting greener due to regulatory and market pressures to green global supply chains. The reported decoupling is a positive trend which needs to be sustained in times of energy crisis, political instability and weakening of major economies.

The United Nations Environmental Program (UNEP) defines a green economy as one that leads to “improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities.” UNEP outlines the characteristics of a green economy as “low carbon, resource-efficient, and socially inclusive.” UNEP states that “In a green economy, growth in income and employment should be driven by public and private investments that reduce carbon emissions and pollution, enhance energy and resource efficiency, and prevent the loss of biodiversity and ecosystem services” (UNEP, 2022). Such growth would surely require a careful balance between policy–practice interface which is focused on developing effective instruments to stimulate public, business and societal engagement with inclusive and sustained green growth.

There is an emerging literature associating green growth with transformation and change. In fact, the terminology of *green transformation* started to appear in the academic literature (Amundsen & Hermansen, 2021) which evolved around the concept of transformation in the context of the climate change (O’Brien, 2012; Pelling et al., 2015). Scholars argue that the approach to addressing the climate change challenges has to be transformative and is likely to meet challenges of governance and policy (Patterson et al., 2017).

When it comes to linking transformation and sustainable economic growth, there is an emergent discourse of *greener growth* (Amundsen & Hermansen, 2021) which is linked to Dryzek’s discourse of sustainability (Dryzek, 2013). In this view, economic growth is seen as a positive, productive force which needs to be sustained but adequately regulated to avoid, prevent and deal with negative environmental externalities, while simultaneously maximizing economic profits. This view supports what is termed as *shallow* transformation where business-as-usual is incrementally modified incorporating new solutions and practices contributing to the ecological footprint reduction.

Alongside the opportunities presented by the green growth, there are challenges around politics of green transformations (Scoones et al., 2015), path dependencies and preservation of business-as-usual while communicating green growth aspirations (Karlsson & Hovelsrud, 2021), a need for interactive policy-engaged research (Læssøe et al., 2013) and technological and resource challenges of green innovation (Song et al., 2019). In business context, firms

experience difficulties in accessing green funding and finance (Baranova et al., 2022); they lack green skills and competences to innovate and change toward sustainable business models (IEMA-Deloitte, 2022) and find engagement with multi-stakeholder dialogue toward finding sustainable solutions problematic (Gray & Purdy, 2018).

The theoretical and empirical literature outlines the challenges of engagement with green growth which can be grouped by the topics presented in Table 5.1.

Despite a number of challenges emerging from the literature, there is a lack of contextual insights into green growth practices. Moreover, considerations about business support toward green growth are lacking theoretical and empirical developments and are often omitted from the mainstream literature. Provided small businesses are the dominant organizational form around the world, effective pro-environmental enterprise support is critical to building capabilities toward green growth.

Table 5.1. Challenges of Engagement with Green Growth.

Topic	Challenge
Low-carbon infrastructure	Lack of infrastructure to support sustainability transition including the achievement of the net zero targets by 2030
Green skills	Lack of green skills to support business engagement with green growth
Green jobs	Although increasing at pace, green jobs are still more prevalent in large rather than small businesses and in manufacturing sectors rather than services
Green funding and financing	Rapidly growing over the last few years, there is now a wide range of financial products available. However, poor referral networks, a lack of specialist advisers, signposting and accessible information are the main barriers to the uptake of green finance
Innovation in green products and service	Insufficient support for innovation at regional and national levels. Lack of technological advancements in materials, processes and operational models to deliver levels of innovation required
Low-carbon technologies	Insufficient support and funding of the low-carbon technologies
Supply chain constraints	Lack of or undeveloped supply chains to deliver green products and services.
Policy–practice gap	Confusing policy landscape with multiple targets, timescales and priority areas that are not synchronized

Business Support Toward Green Growth: A Fragmented Landscape

Despite a significant role played by small- and medium-sized enterprises (SMEs) in national and global economies, they are “disproportionately affected by market failures, and barriers and inefficiencies in the business environment and policy sphere” (OECD, 2017, p. 5). Academic literature acknowledges a range of common SME problems associated with access to finance, staff skills and other resources and identifying new commercial and technological opportunities (Mason & Brown, 2013). They often hinder SMEs progress toward realizing their full potential (Cravo & Piza, 2019) and are linked to SMEs failure (Williams, 2014). Government policies and programs with a remit of supporting businesses to overcome resource shortages and to build SMEs competitive potential toward fulfilling their economic role are being recognized as important institutional interventions (O’Neill & Viljoen, 2001; Ribeiro-Soriano & Galindo-Martin, 2012).

The importance of seeking external business assistance has been extensively considered in the mainstream small business literature. Bennett and Robson (2003) report the importance of external assistance in obtaining strategic knowledge and overcoming knowledge gaps for SMEs. Provided that external advice is contextual and evidence based, it has a higher chance of supporting the firm’s competitive advantage (Chrisman & McMullan, 2004). Several studies report a positive relationship between external advice and firm’s performance (Bennett & Robson, 2003; Berry et al., 2006), but this trend is not for any form of advice. The studies find that external advice on business strategy and staff recruitment is associated with higher performance.

A range of typologies attempting to explore the nature of business support is growing. The enterprise support literature articulates well the distinction between formal assistance, delivered through private sector consultants, professional organizations and business support programs and informal assistance delivered in an informal setting such as family, friends and business associations (McDonald & Westphal, 2003; Rigby & Hayden, 2013). Another evident distinction in the literature is between generic business advice, for example, about funding streams and tax reliefs, and more context-dependent support involving bespoke support packages tailored to the needs of individual SMEs (Chrisman & McMullan, 2004).

The *transactional* versus *transformational* role of business support is also explored in the literature with a distinction being drawn between assistance focused on SME’s day-to-day operational issues and those emphasizing enterprise growth strategies as well as change initiatives attempting radical step change and those focused more on incremental change paradigms (Alexiev et al., 2010; North et al., 2011). The transactional–transformational continuum is a useful way of categorizing enterprise support services. Often the initial contact between a business owner-manager and business adviser is more likely to be about a generic advice to resolve an operational issue. The relationship might evolve toward more bespoke and potentially more transformational advice as trust between the parties develops (Mole et al., 2014).

Despite a wealth of empirical evidence about the benefits of the enterprise support to business growth and development, the enterprise scholars report limited uptake of enterprise support. Uptake of support can be related to SME characteristics such as size and sector, as well as external influences, such as the state of the economy (Mole et al., 2016). A study by Bager et al. (2015) suggests, for example, that program enrollment may be subject to selection bias leading to SMEs with the most growth potential being overlooked. Support providers may recruit unsuitable participants who do not always fulfill the target criteria, and SME owners from, for example, craft/practical backgrounds may be less interested if the training is in formal setting rather than in informal or workplace-based settings.

Scholars exploring the role of policymakers in the design and implementation of enterprise support programs commented on a mismatch in the “hierarchy of choices” concerned with who delivers the support, the type of support offered, how it is allocated and how the support is funded (Mole & Bramley, 2006). The reluctance of support providers to focus “... more intensive assistance on appropriate beneficiaries” or match enterprise support to a specific business problem facing the SME has also been a criticism of enterprise support (Mole et al., 2009, p. 20). More successful outcomes emerge, therefore, when a knowledge gap is addressed within the SME through problem-based enterprise support. Indeed, support in the form of general business advice is unlikely to have the same impact as, for example, specialist support sought from environmental management professionals, accountants, and other established professions.

In terms of the focus of the enterprise support, the literature is largely concerned with the configuration of support for SMEs for business growth. This is not surprising as business support policy has often been an extension of national industrial policy with a traditionally dominant focus on economic development and growth, especially at a regional level (Huggins et al., 2015). In the United Kingdom, Business Links, a decentralized network of business support services established in late 1990, became a prototype for the LEP network operating currently. Business Links were supported by the Industry Ministry and funded on performance. The most important performance indicators were the amount of “market penetration” and the “satisfaction rate” (Mole et al., 2011). In contrast, the government funding of LEPs supports “capacity building” within LEPs and “supports the development and delivery of their strategic plan” (HM Treasury, 2012). LEPs are also invited to bid for funding from a number of national and EU funding streams, including Growing Places Fund, the Single Local Growth Fund and Growth Deals and EU structural and investment funding.

When it comes to supporting SMEs’ environmental ambitions and capitalizing on green growth opportunities, the enterprise support available to SMEs is limited. Although clean growth has been recognized as one of the strategic priorities for many LEPs (DBIS, 2018) and the low-carbon economy is one of the four current investment priorities for ERDF funding (ERDF, 2020), the policy discourse outlining actions toward addressing the challenge is rather vague. Historically, operationalization of this priority has been limited to energy efficiency measures and carbon reduction interventions. Only a very few LEPs offer enterprise

support that attempts to combine cost reductions through improved environmental performance while boosting low-carbon pro-environmental niches, for example, Greater Manchester Growth Hub, LoCase in Kent and Low Carbon Business Network at the University of Derby. In the same vein, the Carbon Trust has recently launched the START2ACT program for start-ups and young SMEs offering free energy efficiency consulting and mentoring in contrast with the more common focus of nongovernmental organizations (NGOs) on corporate and public body clients.

Although such initiatives are encouraging, they are still outside the scope of the mainstream enterprise support programs. Traditionally, business support initiatives have targeted the achievement of the evidence-based economic outcomes. Environmental and social outcomes, although growing in prominence, remain an afterthought still when it comes to understanding the purpose of an enterprise, and the funding streams often do not deviate greatly in scope and in reach of the business support. The policy and regulatory landscapes are, therefore, far from being conducive to the development of a sustainability-focused enterprise.

Our evidence confirms that, overall, only a handful of enterprise support programs across England attempt to balance SMEs' growth and development aspirations with reduction in environmental impact. Support programs toward environmental performance of SMEs are largely similar to those of large companies and offer little appreciation of SMEs' specifics. They often lack a place-based focus (Baranova et al., 2020), and few are based on localized understanding of the SME community, in terms of the firm's size, sector, urban/rural and domestic/international dimensions, LCEGS scope and outcomes and environmental impact trends.

Study Design and Methods

The research is underpinned by a pragmatist ontology in which the value of the knowledge is understood through its power to inform action. The guiding principle of pragmatism is to change the relationship between cognition and reality, and as Joas puts it, "truth is no longer to do with getting a correct representation of reality in cognition"; "rather, it expresses an increase of the power to act in relation to an environment" (Joas, 1993, p. 21). This position recognizes that reality can only be accessible through the plurality of individual experiences and perceptions and representations (Blaikie & Priest, 2019; Seale, 1999). Such plurality is of importance, as in pragmatism terms "all our theories are instrumental, are mental modes of adaptation to reality, rather than revelations" (James quoted in Mills 1966, p. 227).

In line with the pragmatism of epistemology, the study is designed to provide knowledge and understanding into the green growth phenomenon and at the same time enable action across the multiple agencies to accelerate green growth. The study design involved two stages:

Stage 1: As part of the ongoing collaborative work with the regional Chamber of Commerce, the survey was developed and launched as part of the Economic Quarterly Survey mechanism. The survey was distributed to the businesses

operating in the Midlands. It aimed to explore engagement of the businesses with green growth and to identify the policy–practice gaps. The survey had five main sections: socio-demographic characteristics, green growth performance, policy and support for green growth, green growth strategy and green growth skills. The survey was launched in February 2022 across the three counties: Derbyshire, Leicestershire and Nottinghamshire. The first survey of this sort was launched back in 2015. Since then, the survey was launched six times in 2017, 2018, 2020, 2021 and 2022. This resulted in a significant longitudinal data collection on green growth in the region over a seven-year period.

Stage 2: The results of the survey were presented at a number of regional forums, including Sustainability Summit in September 2022, and briefings for policy and business support agencies which prompted discussions documented in the field notes.

Survey was analyzed using descriptive statistics functionality in MS Excel. Documentary analysis was undertaken using thematic analysis (TA) approach, defined as an appropriate method for identifying, analyzing and reporting patterns (themes) within data. Its application is deemed to be valuable in gaining insights into people’s experiences and in enabling the construction of “particular phenomena in particular contexts” (Braun & Clarke, 2013, p. 121).

Ethics and moral standards are integral to research studies (Mertens & Ginsberg, 2009). Research ethics protocols and compliance with the University of Derby research ethics policy and regulations were observed throughout the study.

Results and Analysis

Green Growth Trends

The survey yielded a response from 372 businesses operating across the three counties with 40% of businesses from Derby and Derbyshire, 28% from Leicester and Leicestershire, 30% from Nottingham and Nottinghamshire and the remaining 2% from outside the region; 27% of responses came from engineering and manufacturing sectors followed by professional services (18%); retail (8%); and construction, public and voluntary and education and training at 5% each; with the remaining sectors, from transportation and logistics to tourism and hospitality, agriculture and health, representing under 5% of the responses. Micro businesses provided 42% of survey responses, 32% came from small businesses, 20% from medium and 6% from large.

When asked about the share of the GGSs in the company’s turnover, 45% of businesses stated they generate some part of the turnover from GGSs in the Q1 of 2022, 8% up from 37% in 2021. More than a third of the businesses responded to the survey did not generate any GGS turnover. The 1–19% turnover category remains the most frequent rate of green growth strategy adoption across the businesses surveyed. Fig. 5.1 illustrates a breakdown of business responses by firm size.

Further analysis shows that larger companies have more flexibility to commit fully to the green growth. This is evidenced by the highest proportion of large

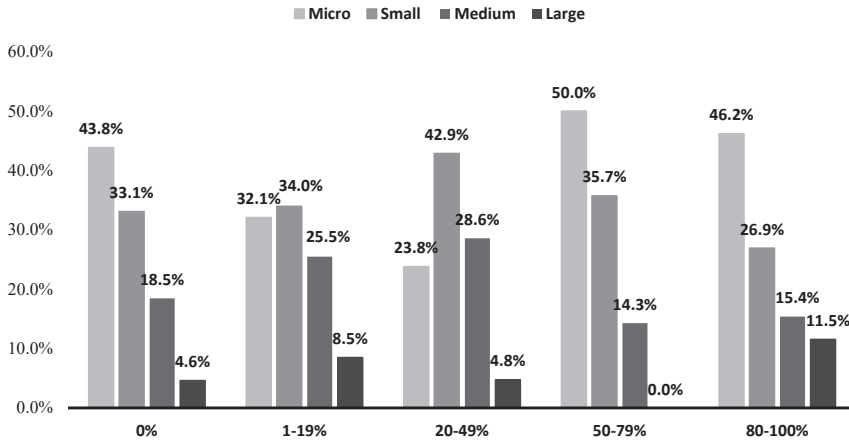


Fig. 5.1. Green Growth Performance by Firm Size, February 2022.

companies reporting turnover in the 80–100% category. SMEs, on the other hand, show a mixed performance across the turnover categories with small-sized businesses leading in two out of four turnover categories.

A similar survey exploring the green growth trends was carried in 2015, 2017, 2018, 2020 and 2021. Fig. 5.2 shows the percentage of businesses deriving GGS turnover during the last seven years. There is a fourfold increase, from 7.5% to 28.5%, in the businesses reporting 1%–19% turnover from GGSs over the last seven years. Such a sustained and continuing increase in this category shows a positive growth trajectory and proliferation of the green diversification. As the majority of survey respondents are small businesses, this is a significant trend that shows sustained green diversification strategies by small businesses over time.

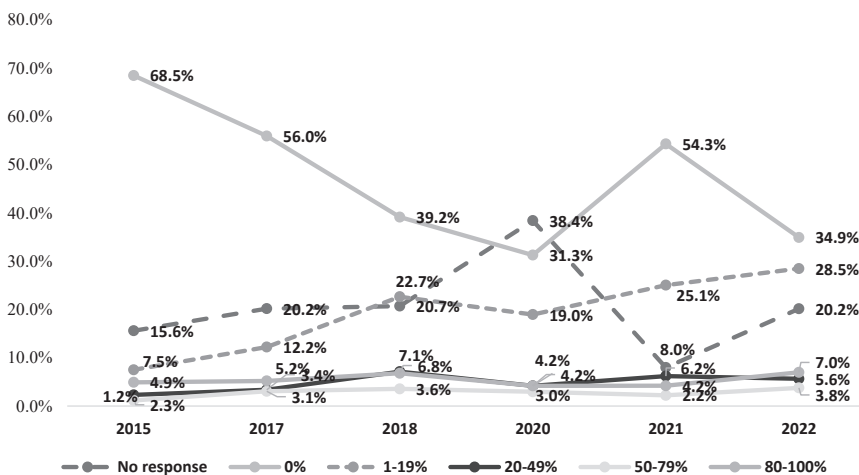


Fig. 5.2. Green Growth Performance, 2015–2022.

Despite each of the remaining turnover categories (20–49%, 50–79% and 80–100%) reported by less than 10% of the businesses surveyed during 2015–2022, these strategies are on the rise too. The number of businesses in the 20–49% turnover category has doubled over the last seven years, and more than doubled in the 50–79% turnover category. The number of businesses reporting 80–100% GGS turnover increased one and a half times during 2015–2022. The inclusion of “no response” in the trends analysis shows the respondents’ attitude toward the question and could mean unawareness about the turnover breakdown in the businesses concerned. The “no response” figures have risen since 2015 with a surprising drop in 2021. The 2021 drop could be explained by the effect of the COVID-19 pandemic and the COP26 impact on regional businesses in the way of intensifying the attention to the green issues and engaging with the Quarterly Economic Survey (QES) survey. The 2022 figures registered 20.2% for “no response” category which signal the return to the previous trend.

Green Growth and Business Strategy

The number of businesses considering green growth as part of their business strategies has more than doubled over the last four years, increasing from 9.7% in 2018 to 21.5% in 2022. Similarly, the number of companies that had never considered green growth has decreased from 36.2% in 2018 to 14.2% in 2022. Less positively, there is an increase in businesses that could not see the opportunities presented by the green growth, an increase of 7.4% over the last four years from 13.6% in 2018 to 21% in 2022.

Analysis of the responses confirms the fragmented picture concerning the integration of green growth ambitions and business strategy and reflects trends described in the academic literature (Baranova et al., 2020). Namely, that larger companies appear to be well in advance of their smaller counterparts, in respect of their strategic approach to green growth, with 88% of large companies either incorporating green growth or developing green growth strategies compared with only 36% of micro, 56% of small-sized and 61% of medium-sized businesses (see Fig. 5.3).

All of the large businesses surveyed saw clean growth as a growth opportunity, while 25% of micro, 22% of small-sized and 17% of medium-sized businesses had considered and dismissed it as an opportunity for growth. These contrasting positions signal differences in the way large and small businesses recognize business growth opportunities linked to green growth. These findings highlight that despite the potential to lead on green growth, SMEs are significantly lagging behind larger firms.

Skills and Information Gaps

The survey data indicated 35% of businesses still aren’t engaged with green growth with reasons cited such as gaps in information, shortage of green skills and access to finance. Only 17% of the businesses said the current policy landscape allows them to fully engage with green growth. These findings paint a challenging picture

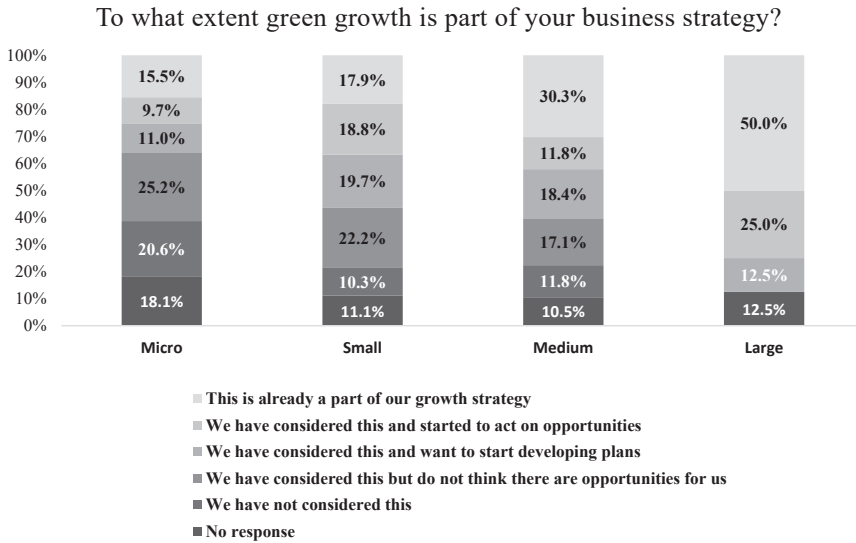


Fig. 5.3. Green Growth Strategy by Firm Size.

where the skills and information gaps constrict the green growth potential of the regional businesses.

When asked which of 18 listed areas businesses need to capitalize on green growth opportunities, efficiency-focused areas dominated the responses. Resource efficiency, energy efficiency and use of renewables were considered the most important areas to be strengthened. With leadership for sustainability, environmental strategy and sustainable purchasing and procurement following closely behind.

The top four skill sets remain largely unchanged from the 2021 QES data apart from the waste management which dropped from third to sixth place in 2022. The biggest change in the demand for green skills is in the area of supply chain management moving up from the 13th to the 9th place. This signals an intensifying engagement of the regional businesses in supply chains as part of the competitive strategy in the expanding green market niches. Altogether, businesses demand skills that help them achieve energy and resource efficiency internally and as part of the green supply chains. Businesses recognize leadership for sustainability and environmental strategy as important competences to harness the green growth opportunities.

Manufacturing Versus Service Engagement with Green Growth

At the backdrop of the positive trend of the triple rise in businesses selling GGSs in the Midlands, there are striking differences in how manufacturing and service companies feature in the trend; 37% of service companies surveyed have no green offer on their portfolio when compared with the manufacturing businesses at 32%. Manufacturing companies lead in every single turnover category for green products and services; 1–19% turnover category is the most popular position reported

by both manufacturing and service companies with manufacturing leading by 10% to services. The biggest difference is in the 20–49% turnover category where the number of manufacturing companies reporting green products and service turnover is almost triple of services.

In terms of the green growth strategy adoption, 26% of the manufacturing companies already have green growth ambitions as part of the business strategy when compared with 19% of the services. Only 12% of the manufacturing companies have not considered green growth as a viable strategic growth option when compared with 16% of service companies. Whilst environmental strategy is already part of the business strategy in half of the manufacturing companies; only 40% of the service companies we have surveyed confirmed this being the case. There is an emerging picture of manufacturing companies being more proactive in integrating and pursuing the green growth opportunities when compared with the service counterparts.

Although service companies feel they are better informed about the business support available, they are less likely to access business support than their manufacturing counterparts. One in four manufacturing businesses currently access business support when compared with one in five of the service firms. Only a third of service and manufacturing companies surveyed reported that they have a good understanding of policy for clean growth in the locality. More manufacturing companies are confident in their knowledge of how to access the business support when compared with services.

There is a difference in skills demands for green growth from the manufacturing and service companies. The biggest difference is in the areas of supply chain management, waste management, product design and development and innovation support and knowledge management. For example, the demand for supply chain skills is double that of from the service companies. Waste management skills are in demand from half of the manufacturing companies we surveyed when compared with 36% of service companies. Lastly, a reverse trend in relation to green marketing and branding skills: more service companies signified their importance to green growth than manufacturing companies.

Discussion

Although study findings signal a positive trend in the engagement of regional businesses with green growth, it is important to recognize that such an engagement is dependent on firm size, sectoral specifics, regulatory environment and business support mechanisms. It is clear that for some companies, it is much easier to integrate the green growth aspirations with the business strategy, and for others far less so.

The significance of firm size in relation to growth is well recognized in the literature (Bentzen et al., 2012). The study confirms such a significance in relation to growth in emerging green market niches. While a number of micro businesses solely trading with green products and services are growing, it is small businesses that are most likely to adopt a “hybrid” approach to the portfolio of green products and services.

Green skills development and upskilling is essential to business engagement with green growth. Study shows the largest demands for skills development are in the areas of energy and resource efficiency, renewables, leadership for sustainability, environmental strategy and access to green finance. As businesses become more confident operating in green markets, they are looking for skills that would sustain competitive success long term. Such skills are not “readily available” and need to be developed over time as they rely on internal capabilities for renewal, agility and quality.

Manufacturing and service companies differ in the way they engage with green growth, policy and business support programs. Sectoral specifics, namely the policy and the regulatory environment, play an important part in stimulating the pro-environmental business behavior. Manufacturing industries have more established and regulated practices that drive positive environmental performance. Supply chain pressures for environmental performance and demands for green products and services are another stimuli for manufacturing companies to green their operations and business performance. Although such pressures are growing in the service sectors, they are far less pronounced.

As the service industries accounted for 78% of total UK economic output (gross value added) in April–June 2022 and 82% of employment in January–March 2022 (UK Parliament, 2022), services are an important part of the solution to the net zero challenge. They seem to be lagging behind their manufacturing counterparts in strategic approach and operationalization of the green growth ambitions. What is important to realize is that their needs for skills development and business support are different to manufacturing companies. Policy and business support instruments need to be more attuned to the specifics of manufacturing and service companies when designing support packages and policy interventions.

In light of the study findings, the following considerations should inform the enterprise support to catalyze the engagement with green growth:

- *Broadening the purpose of the enterprise support* is necessary to encourage the growth aspirations that go beyond just an economic rationale and include commitments toward environment, community and place. Such a shift in purpose would require understanding of the business challenges in addressing the conflicting priorities when it comes to balancing economic and environmental logics and development of the approaches to resolving such tensions. Some of them might include use of the digital collaborative and partnership platforms similar to Zellar (2022) and effective techniques in stakeholder management and relationship building. Business support professionals and agencies have to demonstrate clear and consistent commitments toward the delivery of the business support programs that support green growth and its broader contribution to sustainable development. A comprehensive program of training and development for Business Advisers that places the pathway toward green growth at the heart of the business advice would help scale up transition and radically increase the engagement of business with green growth.
- *Broadening the scope of the enterprise support* is necessary to accommodate the broadening of the purpose. The broadening of support interventions should

go beyond the traditional focus on energy efficiency and renewables. It includes development of the competences in the areas of competitive strategy, responsible management and leadership, green funding and finance, collaborative working and stakeholder management to name just a few. Competence development should reflect specifics of manufacturing companies when compared to services and include support packages to NGOs and charities to support development of the ecosystem for pro-environmental business support in the regions and nationally.

- *Business-led interventions*: there needs to be a careful balance when it comes to generic versus customized business support. Often pro-environmental business support programs offer “generic” competence development and networking opportunities. When it comes to balancing the economic and environmental challenges, businesses require confidence building and degree of green competence development before they are ready to invest in and pursue the green growth opportunities. Although a generic green competence building could be a first step to building green competences, a business-led, bespoke intervention and consultancy tend to yield higher results (Chrisman & McMullan, 2004).
- *Access to diverse learning opportunities*: understanding business support provision as *learning experience* and business support interventions as *learning opportunities* provides a useful rationale for the ethos and the design of business support programs. Small businesses favor diversity of learning opportunities and experiential learning through connection with other businesses and wider stakeholder groupings (Baranova, 2022). Diversity should be reflected not only in the content and scope of the business support interventions but also in the learning mechanisms and styles of the business support delivery. For example, a use of digital platforms, interactive and bite-size materials and podcasts is particularly effective for small businesses. Thinking of business support as a learning experience brings considerations about the value and the outcomes of the learning experience as well as the endeavors of how such experience can be enhanced further. In the context of green growth, a learning perspective can also encourage long-life learning aspirations from owner/managers and support development of the businesses as learning organizations toward a more sustainable way of life.
- *Transformative ethos and action*: transformative rationale for pro-environmental business support has important implications in the way the support interactions are designed and undertaken. This is a radically different approach to transactional, short-term business support interventions prevailing across the pro-environmental business support programs. In the context of green growth, a transformative approach to business support should go beyond strategic rationale and include transformative experiences that would support behavioral change toward a more sustainable way of living. The support programs should empower a shift in personal and professional behaviors through awareness building, experiential and collaborative learning (Kolb, 2014; Sadler-Smith et al., 2000). Programs similar to carbon literacy training (Carbon Literacy Project, 2022) are useful examples of how such interventions

can be constructed. The transformative ethos and actions toward addressing the climate change concerns through business support could offer opportunities for collaborative action and accelerate transition to a low-carbon economy.

Conclusion

Business support programs framed and supported by the regional and national industrial policy are important elements of the business support eco-system for green growth. As businesses are increasingly focusing on green market niches across the domestic and international markets, the broadening of the scope and availability of the support is becoming critical. The broadening of support interventions should go beyond the traditional focus on energy efficiency and renewables. It includes development of the competences in the areas of competitive strategy, responsible management and leadership, green funding and finance, collaborative working and stakeholder management to name just a few. Such skills need to be developed over time and require a *transformative approach* in the delivery of business support. The ethos of such support is about *empowering* businesses to face the vision of their role in addressing the climate challenges and *enabling* proactive and positive actions that strengthen the contribution of business toward sustainable development.

Policy community is advised to develop support mechanisms which reduce skills and information gaps. This includes financial support and programs to reskill and upskill the existing workforce as well as to invest in innovation toward net zero. Collaborative networks of local government, businesses, policymakers, university and public should be part of the solution to bridge the information gaps, to accelerate the problem-solving toward sustainability and to intensify the green growth opportunities in the region and nationally.

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