EDITORIAL

ESG: new concept for old problems

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Environmental, social, and governance (ESG) issues are increasingly permeating companies’ decisions on practices and expectations of society and stakeholders regarding companies’ performance and returns. ESG refers to a comprehensive set of issues, from the carbon dioxide footprint to labor practices and corruption, which justify the creation of criteria and practices that guide the role and responsibility of businesses toward ESG factors.

The acronym ESG appeared in the report “Who Cares Wins,” launched in 2005 as an outcome of an initiative led by the UN to offer guidelines and recommendations on how to address environmental, social, and governance issues in the management of assets, security brokerage services, and related research. However, the theoretical basis and conceptual justifications of most ESG studies – academic or not – are older than that and refer to corporate social responsibility (CSR).

The modern discussion of CSR began with the publication of the book Social Responsibilities of the businessman, by Howard Bowen, in 1953. In philosophical terms, the notion of CSR was probably first manifested in the form of philanthropy in the 1920s, as evidenced by the charitable foundations created by the great businessmen John D. Rockefeller, Henry Ford, and Andrew Carnegie.

Seminal authors of corporate responsibility, such as William Frederick (1960), Joseph W. McGuire (1963), and Archie B. Carroll (1999), advocated that companies should assume certain responsibilities to society beyond their legal and economic obligations. A socially responsible business must base its actions on ethical management and consider issues such as the quality of life of its employees, the relationship with stakeholders, and the reduction of negative impacts of operational activities on the community and the environment.

Another relevant publication that reinforces the basis of the current debate on ESG was the Brundtland Report entitled “Our Common Future,” published in 1987 by the World Commission on Environment and Development with the coordination of the then Prime Minister of Norway, Gro Harlem Brundtland. The report was responsible for disseminating the concept of sustainable development that had been discussed since the 1970s.

Sustainable development combines economic development, nature conservation, and the reduction of global inequality as common ethical goals. The Brundtland Report indicated that poverty in third world countries and high consumerism in first world countries were fundamental causes that prevented egalitarian development in the world and produced severe environmental crises.

A few decades later, the Millennium Ecosystem Report (2005) highlighted that we were still living beyond our means, with little significant progress in consolidating intergenerational ethics and failing to achieve the millennium development goals. In 2015, the United Nations General Assembly, through the report “Transforming our world: the 2030 Agenda for Sustainable Development,” launched the current 17 Sustainable Development Goals (SDGs). The 2030 Agenda represents a joint effort by countries, companies, institutions, and civil society, with goals focused on eradicating poverty, fighting inequality and injustice, and protecting the planet, reaffirming a vision of development as a continuous, integrated, and ethical process.

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However, what justifies the emergence and importance of ESG now? Ongoing parallels are being drawn between the unforeseen risks of a pandemic and the climate crisis, both substantially impacting the global economy. This has led many investors and policymakers to see a greater need to accelerate investment and progress in ESG-prioritizing businesses and, consequently, achieving the SDGs. After all, our society no longer depends only on the government but also on businesses that work well and meet their needs, ranging from job creation, equitable growth, protection of natural resources, and defense of consumer interests.

Today’s societal challenges have also made business management a nuanced task that requires making important decisions related to business strategies, employee well-being, risk mitigation, and stakeholder management in an unprecedented environment. This discourse leads organizations to proclaim the relevance and application of ESG as if it reflects new premises and revolutionary ideas of how companies can be good, when in fact, they are realizing, after some time, that we have old problems that we will increasingly need to investigate and fight.

Good examples of studies that advance these themes are gathered here:

This issue begins with “Female-led Inclusive businesses: a search for theoretical and empirical advances”, by Edson Sadao Iizuka and Heise Santos Costa, which delves into theoretical and empirical reflections on female entrepreneurs from the perspective of poststructuralist feminism and on inclusive business from the academic literature on poverty and social exclusion.

Simone Ruchdi Barakat, Natalia Luiz dos Santos, and Michelle Caçapava Vigueles present the article “Stakeholder engagement in creative economy companies: strategies to face the COVID-19 crisis” and discuss the potential for socio-economic development through the Creative Economy (CE). According to the authors, if strategically implemented, CE can play a prominent role in the agendas of emerging and developing countries, encouraging collaboration and stakeholder engagement.

In “Construction and validation of a corruption perception scale at the citizen level”, Kelmara Mendes Vieira, Monize Sâmara Visentini, and Ricardo Teixeira Cunha propose and validate a Corruption Perception Scale (CPS), composed of five individual-level dimensions (knowledge, behavior, reflexes, control, and attitude), which position the citizen as the protagonist in the analysis of the phenomenon.

Silas Dias Mendes Costa, Kely César Martins de Paiva, and Andrea Leite Rodrigues’ article “Meaning of work, organizational ties, and engagement: proposing an integrated theoretical model” seeks to advance the possibilities of theorizing about meanings of work, organizational bonds – commitment, entrenchment, and consent, submitting a proposal for an integrated model.

In “From the explicit to the subtle: is there discrimination perceived by the LGBTI+ consumer in Brazil?”, Janaína Gularte Cardoso and Rudimar Antunes da Rocha present the intersection between sexual diversity and discrimination in consumption, providing evidence that can be used as subsidies for the development of actions and campaigns aimed at preventing and combating violence and discrimination against the LGBTI+ population.

Julianna Gripp Spinelli de Sá, Ana Heloísa da Costa Lemos, and Lucia Barbosa de Oliveira, contribute to the literature on the meaning of work in “Beyond stereotypes: the meaning of work for women in the Military Police of the State of Rio de Janeiro”. They bring the perspective of a group of women who work in a profession stereotyped as masculine, indicating that the obstacles faced by these professionals in their careers do not seem to compromise the positive meanings associated with the work they perform.

In the article “Alignment between thematic research methodology and the decolonial approach: a proposal for Organizational Studies”, Vanessa Faria Silva and Sergio Wanderley present an example of methodological planning for research in the decolonial perspective, in the area of organizational studies, using thematic research as a methodology.

In “Dynamic capabilities for stakeholder management”, Carine Dalla Valle and Greici Sarturi present a systematic review on which companies can use dynamic capabilities to improve their performance in a dynamic and competitive environment, focusing on stakeholder management. The research proposes a model for analyzing the influence of dynamic capabilities among themselves and their relationship with the competitive advantage of companies.
In “Communicative distortions in sustainability reports: an analysis based on habermasian thinking” Ewerton Roberto Inocêncio and Ricardo Lebbos Favoreto analyze the sustainability reports of four corporations listed in the ISE portfolio, based on Jürgen Habermas’ thinking on the notion of communicative distortion. The results of the analysis alert to the risk that the reports instrumentalize the idea of sustainability, imprinting on it the corporate vision but draining it of meaning.

In the bibliographic review “The anti-capitalist chronicles”, Julice Salvagni and Victória Mendonça da Silva summarize the discussion put forward by David Harvey about anti-imperialism and social inequalities in the face of the current political and intellectual agenda.

Wrapping up this issue is the case study & teaching case “Profit or growth: what to focus on? The Fleury case”, by Danilo Soares-Silva, Luiz Carlos Di Serio, Fernando Lopes Alberto, and Rodolfo Modrigais Strauss Nunes. The authors present Grupo Fleury’s strategic choices in light of the Brazilian economic scenario and the particularities of the private health services sector in Brazil, inviting the reader to reflect on the possible challenges that emerge under a strategic orientation toward profitability, growth, or both.

We wish you a pleasant read!

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