Pakistan Journal of Life and Social Sciences
www.pjlss.edu.pk

https://doi.org/10.57239/PJLSS-2024-22.2.001173

RESEARCH ARTICLE

Beyond Traditional ESG: Unveiling Novel Implementation Theories

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ARTICLE INFO

Received: Oct 21, 2024

Accepted: Nov 28, 2024

Keywords

Stakeholders

Ecofegemony

Governance

Environmental Accounting

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ABSTRACT

This study explores new implementations beyond the traditional Environmental, Social, and Governance (ESG) approach. In recent decades, ESG has become an important framework for companies to measure and report their non-financial performance. However, the approach commonly used by academics in their research often suffers from limitations in terms of balancing stakeholder interests, measuring and evaluating performance, the complexity of global implementation, and unclear economic incentives. This research identifies and analyses innovative implementations that can overcome these limitations. Through a qualitative approach involving in-depth interviews with academics, the study offers new insights into how companies can integrate sustainability principles more effectively and efficiently. The findings show that adaptation and flexibility, more holistic performance measurement, as well as clearer economic incentives are key elements in the new ESG implementation theory, as well as providing the concept of ecofegemony theory that can complement older stakeholder theories. As such, this research contributes to the ESG literature and provides practical guidance for companies looking to improve their sustainability performance.

INTRODUCTION

In recent years, ESG issues related to the environment, social and corporate governance have revealed an influence not only on profitability, but also on the company's financial sustainability. As a consequence of this disclosure, Many companies are starting to develop asset allocation processes. Apart from that, environmental, social and corporate governance awareness is increasing which is increasingly becoming a global concern . (Billio, Costola, Hristova, Latino, & Pelizzon, 2021). In ESG practice, stakeholder theory plays a key role because it relates to Stakeholder Identification where the Organization must identify and understand the parties affected by its operations and decisions, both positively and negatively. ESG assesses businesses through the lens of their sustainable initiatives and social impact (Daugaard & Ding, 2022). These parties include the environment, local communities and surrounding communities. Adopting a stakeholder approach requires consultation and involvement of relevant parties in decision making. This ensures that company policies and practices reflect the needs and interests of the various parties involved.

ESG performance evaluation focuses not only on the value returned to shareholders, but also on the positive impact generated for other parties affected by the company's operations. Effective ESG practices, organizations often use a stakeholder approach to ensure that their activities are sustainable, responsible and provide added value for all stakeholders involved.

LITERATURE REVIEW

Stakeholder theory

Stakeholder theory is a mixed amalgamation of narratives covering strategic management, business ethics, marketing, human resource management, finance and corporate governance (Freeman, 1984; Freeman & McVea, 2001; Freeman & Reed, 1983). Different concepts of stakeholder theory and definitions have given rise to different narratives as distinctive definitions and approaches are made to serve distinctive purposes (S. Miles, 2017).

Stakeholder theory is a framework that recognizes that an organization not only has responsibilities to shareholders but also to various parties who are affected or have an interest in the company's activities and decisions. This includes employees, customers, local communities, government, and the environment. Environment, social, and governance (ESG) in its definition represents environmental protection, social responsibility, and corporate governance in the investment process, which is the basis of socially responsible investment and the core of sustainability investment (Wang, Zhao, & Zhang, 2020)

Stakeholder theory Understanding the interests and concerns of various stakeholders, companies can manage the risks associated with long-term sustainability. These risks may be reputational risks, legal risks, or operational risks. Responding to stakeholder needs can drive innovation and create a competitive advantage for companies. For example, consumer demand for environmentally friendly products can drive companies to develop innovative solutions.

ESG practices and concepts

Term for ESG (Environment, Social and Governance) includes acronyms, and some relevant names. among them are Corporate Social Responsibility (CSR) and related terms because they have a similar concept to ESG, but some of these terms promote sustainable practices from different aspects. ESG growth is rooted in CSR, however, ESG assesses businesses through the lens of their sustainable initiatives and social impact (Daugaard & Ding, 2022)

The global financial crisis in recent years has highlighted the cause of one of the problems due to the absence of corporate social responsibility (Putrevu, McGuire, Siegel, & Smith, 2012). This is as stated by Aras and Crowther (2016) that in managing every impact of company activities, including matters related to finance and the environment, sustainability is needed which is rooted in togetherness which refers to the responsibility of each individual involved in company activities as a basis for achieving corporate responsibility carried out globally

ESG in its definition represents environmental protection, social responsibility and corporate governance in the investment process, which is the basis of socially responsible investment and the core of sustainability investment (Wang et al., 2020). ESG performance indices make it possible to clarify the relationship between sustainable investments and financial performance (M. Khan, Serafeim, & Yoon, 2016). ESG factors can also help measure the sustainability and social impact of a business (Danila, Horga, Oprisan, & Stamule, 2022).

Specifically, this theory consists of an environmental concept which focuses on the power of environmental protection in business operation processes, energy savings, resource utilization, use of renewable energy, cooperation with environmental protection organizations and company employee environmental protection training systems. Apart from that, from the social responsibility aspect ESG theory tends to focus on corporate social responsibility, whether the company's business activities prioritize the long-term interests of the environment or continue to prioritize maximum profit orientation, while the main challenge for companies to build long-term balance can be solved by implementing governance as outlined in this ESG concept (Wang et al., 2020)

Companies must comply with the requirements of a variety of different national, international, and industry institutional frameworks and standards. This is as stated in the Climate-related Disclosures Prototype which was developed by the Technical Readiness Working Group (TRWG) and led by the IFRS Foundation, and is of particular interest in the (IFRS, 2021). This challenge was responded to by developing corporate social responsibility practices (Raufflet, Cruz, & Bres, 2014). Corporate social responsibility practices and reporting provide a strategic framework for achieving a holistic reassessment of corporate performance (Ebiringa, Yadirichukwu, Chigbu, & Ogochukwu, 2013)

ESG theory requires that the environment, people, and business must be combined in the company's development process. To achieve long-term and sustainable development goals, companies must include environmental, social responsibility and corporate governance in a corporate development concept. emphasis on the environmental impact of the company's future environmental performance as well as emphasis on profits that focus on utilizing environmentally friendly company energy (Wang et al., 2020)

The literature on what drives ESG performance is currently highly fragmented and current theory has not succeeded in providing useful insights into differences in ESG performance (Daugaard & Ding, 2022). Reviewing previous literature exploring the relationship between ESG Performance and firm value, it can be generally divided into two main streams, one stream supports stakeholder theory that ESG performance can be positively correlated with firm value. On the other hand, others mention agency theory that ESG performance is negatively correlated with company value (Yu & Xiao, 2022)

ESG theory is conducive to the healthy development of enterprises, and corporate governance is more intuitive to reflect the level of enterprise management, more concerned by investors, to a certain extent, has an impact on enterprise financing (Wang et al., 2020). Socially responsible investors have a desire to vet companies using ESG criteria to screen investments.

RESEARCH METHOD

Research paradigm

A paradigm is a basic belief concept related to a principle (Lincoln, Lynham, & Guba, 2011). A paradigm is an overall system of thinking consisting of basic assumptions and research techniques that should be used (Neuman, 2014). This research began with a literature review and continued with interviews which formed a certain view of the results from a critical perspective. The critical paradigm aims to champion researchers' ideas in order to bring about substantial change. The critical paradigm is not just interpreting, understanding and interpreting , but is characterized by the desire to apply knowledge and the belief that research is not value-free (Neuman, 2014). The point of attention of the critical paradigm relies on reality which is connected to certain values, namely the closeness between the researcher and the object under study (Denzin & Lincoln, 2011). Based on this explanation, the main goal of the critical paradigm is the liberation of dominant values from an understanding that is not common.

The critical paradigm in this research is carried out by looking at and revealing the phenomenon of misunderstanding of structured environmental theory and practice. Critical research is very intolerant of intellectual dictatorship (Gendron, 2018), such as the conquest of historically rooted ideological and cultural freedom in the name of economics. These practices occur in the form of violations of regulations and environmental destruction which are often carried out by companies

This critical paradigm refers to the critical epistemology of Marxism (Denzin & Lincoln, 2011). This concept was further popularized by Frankfurt groups, such as Adordo, Herbert Marcuse, and including Jurgen Habermas in critical theory. This theory has the characteristics of not only explaining, considering but also wanting to change and be practical. The existence of critical theory in this research aims to describe the relevance of stakeholder theory in supporting ESG practices. This research reveals the reality of the phenomenon that stakeholder theory cannot fully accommodate the practice of environmental violations in the ESG concept. Critical theory must also show how the reality of the situation should actually be.

Ontologically , this research aims to report how individuals who are academics who use stakeholder theory participate in research by looking at knowledge and experience related to ESG practices with different views (Creswell & Poth, 2016).

The results of the study of the application of stakeholder theory from various perspectives show that there are still companies that carry out negative actions that can be covered by several positive actions. The suitability of stakeholder theory for society in several literature studies mostly only discusses disclosures based on standard guidelines or other secondary data and not from perpetrator sources. Based on this conceptual study, referring to ontological understanding, stakeholder theory is not appropriate to the situation in society where practices are carried out in the name of stakeholders carried out (Cash, 2012; Gardner, Ahmed, Bashir, & Rana, 2012; Tuulentie, 2019).

This is in accordance with a critical approach that explores the reality of the situation of a group of people often being misled and being subjected to manipulated messages, or having false ideas (Neuman, 2014). The use of stakeholder analysis explored in several studies shows that it is not rooted in facts on the ground regarding company awareness of environmental concerns, but because of limited consideration of the obligation to implement ESG which is influenced by economic aspects (Fifka & Drabble, 2012).

Understanding ontology s that analysis of the relevance of stakeholder theory to ESG practices is important by revealing the discrepancy between understanding stakeholder theory and the suitability of research data which is a reference for companies as a basis for decision making. This decision will be used as a consideration for the company's survival.

In regard to epistemological assumptions, the approach activity with academic participants who research and understand stakeholder theory which is the subject of this research aims to explore information as facts. Facts compiled based on the views of these individuals will become knowledge through subjective experience (Creswell & Poth, 2016). To achieve this goal, then an appropriate analysis is needed.

Regarding axiology, the problem of the incompatibility of stakeholder theory requires a solution, so that the use of theory in the interests of the environment does not function as a theory that is only used as material for research replication.

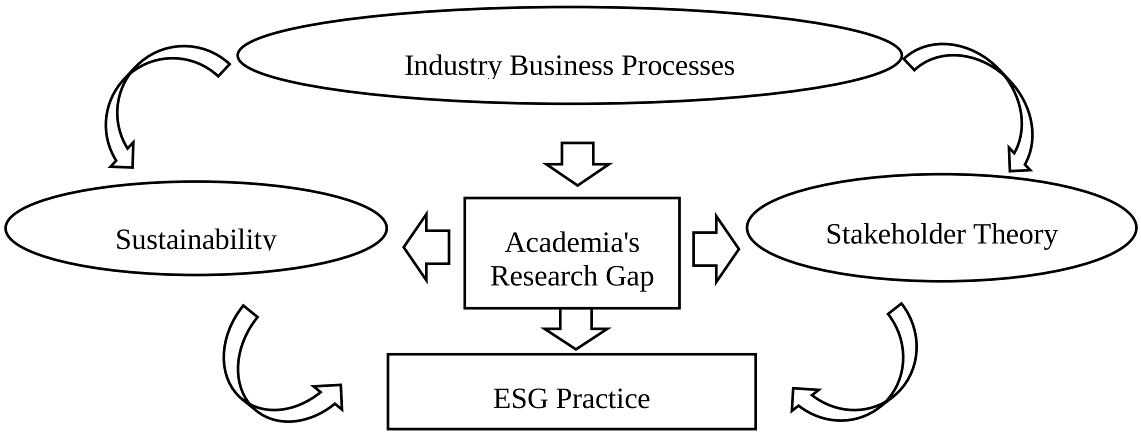

Figure 1: Research paradigm
Source: Author illustration

ANALYSIS METHOD

Data analysis is the process of examining, cleaning, transforming, and modeling data with the aim of finding useful information, informing conclusions, and supporting decision making (Xia & Gong, 2014). Analysis is also the process of systematically compiling data obtained by using certain techniques for data collection carried out in research. In this research, systematic analysis of data from interviews and literature reviews was carried out by compiling and selecting data that was important and appropriate to the topic of the problem, so that it could be easily understood.

Overall, data analysis in qualitative research is carried out before entering the field and after completing field research, based on the facts found and then constructed into a theory. Research interviews can be interpreted to become writing that can be analyzed (M. B. Miles, Huberman, &

Saldaña, 2018)and emphasizes interpretation to obtain a structured understanding of a phenomenon and describe it as it is. The following is the data analysis carried out. Interviews are a method used to search for primary data which is widely used in qualitative research from an interpretive and critical perspective. Interviews are conducted when researchers want to dig deeper into the informants' attitudes, beliefs, behavior or experiences regarding social phenomena. A good interview can generally be understood as one in which participants are cooperative in their engagement with the interviewer. Good interview practice where the interviewer asks open-ended questions. Interviewers can also provide sufficient waiting time for participants to answer, respond tactfully to obtain further descriptions, and listen respectfully to participants. (Roulston, 2012)

The main element of qualitative data analysis is reducing data into meaningful segments and giving names to these segments. The next process combines these codes into broader categories or themes and displays and makes comparisons in graphs and data tables (Creswell & Poth, 2016; M. B. Miles et al., 2018)

The qualitative data analysis process is carried out in the form of spiral analysis along with the stages and processes that must be carried out. (Creswell & Poth, 2016). Overall, the qualitative data analysis process consists of data management, namely processing data from interview results so that it can be analyzed in text form. The resulting manuscript in text form is then analyzed further in the memoing process, namely repeated reading to be able to understand more deeply and provide several important notes as a stage for categorizing and classifying. This process will produce meaning in the form of narrative presentation and visualization.

Informant criteria

The informants who were sources in this interview were informants who had the same knowledge and experience regarding stakeholder theory and ESG. These informants have experience in published scientific research.

Researchers gain access to informants by searching for information related to the criteria for informants needed from various relevant information centers , employment relations and professional relations. The researcher first sought information from fellow researchers regarding financial accounting research that uses stakeholder theory.

Overall, the informants used as criteria in this research are academics who understand the concepts of ESG, sustainability and CSR. Informants are researchers who have used stakeholder theory in their research and published it. The informants are academics who focus on research and have an academic career path. The informant has a minimum educational background of a master's degree in financial accounting or management accounting. The informant has at least 5 years of teaching and educational experience in the field of financial accounting or management accounting

Data analysis process

Overall, the researcher used generally accepted qualitative research standards, reduced the data to a thematic conclusion, followed the recommended data analysis approach by reading, codifying, and discussing codification and transcription (Green, Sinclair, & Tinson, 2016). The researcher carries out informal communication with the informant regarding the informant's willingness to participate in the interview that will be conducted which includes information and experiences experienced by the informant and agrees on parts that are not disclosed regarding the sensitivity of the information. The researcher meets the informants one by one offline or online (adjusted to convenience informant).

Researchers record the interview process with informants using digital voice recording devices such as laptops or cellphones or other similar devices. Researchers listened again to the recordings and carried out verbal transcriptions into text using Voice Typing Tools, which function to convert recorded voices into text and listened again while rereading the transcription results to better understand. The researcher entered the complete transcription and extracted data into DocTools

ExtractData version 1.5, as the first stage of the extraction process and making several codifications and notes on several important statements so that they become the meaning of the formulation.

The results of data extraction at the stage of small important notes in the first stage above, the researcher then conducted the second stage of extraction in the same way and tools to produce meaning formulated into themes with in-depth reflection. The researcher analysed the themes and understood them more deeply and made a classification of the overall themes to produce structural descriptions and textural descriptions.

RESULT AND DISCUSSION

Data analysis results

This research involved a group of informants each bringing extensive academic expertise and experience to the study. In total, 14 highly qualified individuals contributed to this research, thus ensuring a comprehensive and in-depth source of data and information. The composition of the informants is as follows

Table 1: Qualification of informants

No	Academic level	Amount
1.	Professor	3
2.	Associate Professor	5
3.	Assistant Professor	6
Total		14

Source : Author interpretation

All informants above are academics and have taught and researched using stakeholder theory in their research. Based on the results of the themes classified, several views related to the stakeholder theory that has been used are obtained. The views of academics who are informants discussing the limitations of stakeholder theory in ESG practice can vary, but some common arguments that are often expressed from the results of interviews in several themes generated from the previous categorisation process are as follows:

1. Difficulty in balancing the interests of diverse stakeholders

Academics' views state that there are often conflicts of interest between different stakeholder groups. For example, he interests of workers who want higher wages may conflict with the interests of shareholders who want higher profits. In addition, the difficulty in prioritising interests is also often a challenge. For example, a company may face the dilemma of whether to invest in expensive environmental technologies or pay high dividends to shareholders. As implied in the following interview excerpt:

"A frequent conflict is between employees demanding higher wages in relation to the company's wage and salary costs, while the company seeks to reduce costs to increase profits."

2. Limitations of ESG performance measurement and evaluation

Academics' views suggest that many aspects of ESG are difficult to measure quantitatively, so ESG performance assessments are often subjective and prone to different interpretations. For example, the social impact of a CSR initiative may be difficult to measure objectively. In addition, the absence of universal standards for ESG measurement makes comparisons between companies difficult and often unfair. This also makes it difficult for investors to consistently evaluate a company's ESG performance, as seen in the following interview excerpt:

"Each region's social and environmental needs can be very different, so the impact of a company's CSR activities in one region or another can also have different results."

3. Implementation complexity on a global scale

Scholars point out that the different cultures, regulations and economic conditions in different countries add another layer of complexity to ESG implementation. For example, sustainability standards applicable in Europe may be inappropriate or difficult to implement in developing countries. In addition, the coordination of ESG initiatives in different regions with diverse stakeholders can be a major challenge for multinational companies. Each region may have different ESG priorities and challenges. As seen in the following excerpt from an interview with one informant:

" Well,... each region or country has standards that are in line with the prevailing culture."

4. Lack of clear economic incentives

Scholars argue that the financial benefits of ESG practices are not always visible in the short term, discouraging companies from investing significantly in ESG initiatives. For example, investments in green technology may not provide a quick return on investment. In addition, traditional shareholders who focus on short-term profits often pressure management to ignore or minimise ESG initiatives that require large initial investments, as seen in the following interview section:

"In the absence of globally accepted standards, many shareholders' willingness to invest in practice is limited, as they are more interested in investments that generate profits for them."

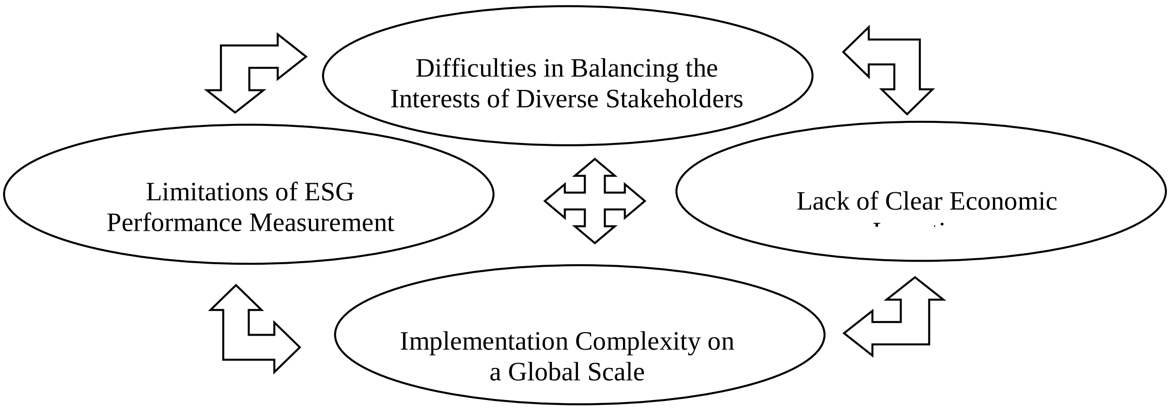

Figure 2: Correlation between four key points indicating the limitations of stakeholder theory in ESG practices based on academics' views

Figure 2 above shows that the difficulty in balancing the interests of various stakeholders is related to the Limitations of ESG Measurement and Evaluation, because the difficulty in prioritising interests can affect the way ESG performance is measured and evaluated. This difficulty also relates to the Complexity of Global Implementation as different interests in different regions complicate global implementation. The relationship with the lack of economic incentives can be seen because decisions related to the balance of interests can be influenced by existing or non-existing economic incentives.

In the aspect of limitations in measuring and evaluating ESG performance can affect and be affected by the difficulty of balancing interests, because unclear measurements can affect the prioritisation of interests. The same condition also exists on the complexity of global implementation as different standards in different regions make measurement and evaluation more complicated. Lack of Economic Incentives can influence and be influenced as unclear performance measurements can reduce economic incentives.

The complexity of implementation on a global scale may influence and be influenced by the difficulty of balancing interests because complex global implementation complicates the balance of interests. the limitations of ESG measurement and evaluation because different standards and regulations make measurement and evaluation more difficult. Lack of clear economic incentives may influence and be influenced by the difficulty of balancing interests as the lack of economic incentives may make balancing interests more difficult to achieve.

DISCUSSION

Balancing the interests of diverse stakeholders requires a holistic and inclusive approach. Companies should conduct effective and transparent communication with all relevant parties to understand their priorities and expectations (Amor-Esteban, Galindo-Villardón, García-Sánchez, & David, 2019). Strategies that involve all stakeholders in the decision-making process can help reduce conflict and find more balanced solutions. However, this requires significant time and resources, as well as a strong commitment from top management (Emeka-Okoli, Nwankwo, Otonnah, & Nwankwo, 2024).

The development of better metrics and more universal standards is needed to overcome these limitations. Companies need to invest in research and development to create more accurate and relevant measurement tools. In addition, collaboration with international institutions and standards bodies can help create a more uniform framework. More transparent and standardised ESG performance evaluation can also increase investor and other stakeholder confidence (Wei & Chengshu, 2023), because profitability and leverage are of great interest to investors (Utami, 2015)

Multinational companies must develop flexible and adaptive strategies to address these differences (Yanting, Muis, & Hakim, 2023). This includes understanding and respecting the local context (Raub & Martin-Rios, 2019), and collaborate with local stakeholders to customise ESG initiatives (Szanto, 2019). Effective coordination and sharing of best practices among different regions of operations can also help address these challenges. Cross-cultural management and employee training on global and local sustainability values can be an important first step.

To encourage investment in ESG, there needs to be clear recognition and incentives from markets and regulators. This could be in the form of tax incentives, subsidies or government rewards for companies that demonstrate a strong commitment to ESG practices. In addition, companies can improve communication with shareholders to show how ESG investments can enhance the long-term value and sustainability of the business. (L. Chen, Khurram, Gao, Abedin, & Lucey, 2023). Case studies of companies that have successfully integrated ESG and shown positive financial results can also serve as motivation for other companies.

Criticism of stakeholder theory

Although stakeholder theory is considered an important and inclusive approach to corporate management, there are several criticisms raised against it. Some of the stated aims of criticism of stakeholder theory include the unclear identification of stakeholders themselves: One of the main criticisms is the difficulty in identifying who the stakeholders actually are and how to prioritize their needs. There are a wide variety of stakeholders with often conflicting interests, and determining which ones should come first can be a challenge. Some opinions say that focusing on stakeholder interests can obscure the company's main goal, namely to generate profits for shareholders. This theory talks more about maximizing profits (Enyinna, 2013)Too much consideration of the interests of other stakeholders can result in confusion or conflict in business strategy.

Adopting a stakeholder approach can expand the scope of a company's responsibilities to areas not directly related to core business operations. This theory has gained a prominent position in the study literature related to organizations or companies (Bundy, Vogel, & Zachary, 2018; Valle & Sarturi, 2022). This can complicate decision making and disrupt organizational efficiency. In some cases, the interests of various stakeholders may conflict with each other, making it difficult to satisfy all parties simultaneously. For example, decisions that benefit the environment may be detrimental to shareholders' financial interests. Although stakeholder theory emphasizes a company's responsibility to various parties, it is not always clear to what extent a company should be responsible for the impacts it has on each stakeholder. All of this leads to the assumption that organizations consist of a set of participants as interested groups (stakeholders) including shareholders, workers, investors, suppliers, customers, administration and the general public

(Freeman, 1984, 2010; Freeman & McVea, 2001). The application of theory is present in the dialogue of emerging issues in society, and is recognized as a fundamental area for growth and development of strategies to create value and improve organizational performance. (Valle & Sarturi, 2022)

However, it is important to remember that despite criticism of stakeholder theory, this approach is still considered an important framework for responsible and sustainable corporate management. Stakeholder analysis includes identifying individuals and organizations, understanding their relationships with each other, individual and organizational interest in successful implementation, criticality in implementation, and unique motivations for supporting or opposing an organizational project (Bernstein, Weiss, & Curry, 2020). These criticisms often encourage developments and adjustments in the application of stakeholder theory to ensure that the needs of all parties involved are best accommodated.

Limitations of stakeholder theory in the application of ESG practices

1. Primary focus on stakeholder interests

The main focus on stakeholder interests is a concept that emphasizes the importance of prioritizing the interests of all parties affected by the company's activities, not just shareholders (Priem, Krause, Tantalo, & McFadyen, 2022). This includes employees, customers, local communities, the environment, and other parties who have a relationship with or are affected by the company's activities. Some research literature states that agency theory states that ESG performance is negatively correlated with company value (Yu & Xiao, 2022)

This approach is different from the conventional paradigm which places shareholder interests as the main priority. A focus on stakeholder interests recognizes that a company's long-term success is not only measured from a financial perspective, but also by its impact on society and the environment. Several reasons why a primary focus on stakeholder interests is important in modern business practices include reputation and legitimacy. ESG theory is conducive to the healthy development of enterprises, and corporate governance is more intuitive to reflect the level of enterprise management, more concerned by investors, to a certain extent, has an impact on enterprise financing (Wang et al., 2020).

Paying attention to stakeholder needs helps build a good company reputation and gain legitimacy in the eyes of society (J. V. Chen, Cheng, & Hsiao, 2016). This can generate trust and loyalty from customers, employees, and the general public (K. I. Khan, Ali, Mahmood, & Raza, 2020; Lee, Chang, & Lee, 2017). By paying attention to stakeholder needs and concerns, companies can identify opportunities for innovation and sustainable growth. This may include developing products or services that meet growing market needs, or adopting more environmentally friendly business practices.

Recognizing stakeholder interests allows companies to identify and manage risks that may arise from relationships with those parties. This includes reputation risks, legal risks, and operational risks that can affect a company's long-term performance. Apart from that, the focus on stakeholder interests reflects the company's social responsibility attitude. This shows that companies understand their role in society and are prepared to take responsibility for the impact of their activities.

Although a primary focus on stakeholder interests provides various benefits, this approach also requires an appropriate balance between the interests of different stakeholders and the long-term sustainability of the company.

2. Lack of emphasis on environmental and social factors

The lack of emphasis on environmental and social factors in some business and corporate management frameworks is a frequently discussed issue (Engle, Brogi, Cucari, & Lagasio, 2019). Some of the main reasons for this lack of emphasis may include a lack of organizational awareness.

Some organizations may lack awareness of the importance of environmental and social factors in their overall business performance. They focus too much on financial or operational aspects (Achim & Borlea, 2014), without paying attention to the environmental and social impacts of their activities. Companies also feel pressure to achieve short-term financial targets, which can lead to sacrificing environmental and social sustainability.

In some jurisdictions, environmental and social regulations may not be as stringent as financial regulations. The lack of strict regulations may reduce incentives for companies to prioritize environmental and social factors. Some companies may not have fully integrated environmental, social, and corporate governance (ESG) considerations into their strategy and operations. This may be due to a lack of understanding of the long-term benefits of paying attention to ESG factors (Kwarto, Nurafiah, Suharman, & Dahlan, 2022)..

In some cases, shareholders may focus more on short-term financial gains than environmental and social considerations (Utami, 2015). This can make companies reluctant to take actions that might reduce their short-term profits. So to address the lack of emphasis on environmental and social factors, it is important for organizations to raise awareness about the importance of ESG in their business practices. This can include education and training for management and employees, as well as implementing more sustainable and responsible business strategies. Additionally, stricter regulations and pressure from external stakeholders may also encourage companies to pay more attention to environmental and social factors in their decision making.

3. Does not provide a comprehensive framework

In some cases, the framework used in business practice may not be comprehensive enough to take environmental and social aspects into account adequately. This can be problematic because ignoring these factors can result in significant risks for a company, including reputational risks, legal risks, and long-term operational risks (Alqallaf & Alareeni, 2018). To address these shortcomings, it is important for companies to adopt a more comprehensive framework that includes environmental, social and corporate governance (ESG) considerations. Some frameworks that are often used in business practice to take ESG aspects into account more holistically include the GRI (Global Reporting Initiative) Framework which provides guidelines for comprehensive sustainability reporting, covering environmental, social and corporate governance aspects (GRI, 2016). It allows companies to measure, monitor and report their performance in terms of ESG.

Apart from that, there is also the SASB (Sustainability Accounting Standards Board) framework: SASB provides a framework that focuses on understanding material risks and relevant performance reporting for investors. This framework helps companies identify and measure the social and environmental impacts that matter most to their business. The UN Global Compact Principles is a UN initiative that invites companies to follow ten principles in the areas of human rights, labor, the environment and anti-corruption. These principles provide a broad framework for responsible and sustainable business practices (UNGC, 2004). The TCFD Framework (Task Force on Climate-related Financial Disclosures) provides a framework that assists companies in disclosing information about risks and opportunities related to climate change. This helps investors and other stakeholders to understand how companies manage environmental risks associated with climate change.

By adopting a more comprehensive framework like the one mentioned above, companies can ensure that they consider all relevant ESG aspects in their decision-making and achieve long-term sustainability in their business performance.

Implications of novel implementation theories

Ecofegemony, a term that combines the concepts of ecology, feminism and hegemony, as proposed by Kwarto (2022), offers an interesting approach in the context of the ESG concept. The ecological concept in ecofegemony emphasizes the importance of maintaining natural balance and treating the environment as a true partner in sustainable development. It includes protecting ecosystems, preserving natural resources, and taking into account the ecological impacts of business activities and public policies.

Meanwhile, the feminist approach in ecofegemony highlights the importance of gender equality, social justice and inclusion. This includes fighting for women's rights in the workplace and society, eliminating gender discrimination, and promoting women's participation and leadership in decision-making related to the environment and sustainability (Adams & Gruen, 2014; Mann, 2011).

In ecofegemony, hegemony theory highlights the role of power and dominance in determining norms and policies that influence the environment and society (Adams & Gruen, 2014). This includes analyzing the influence of dominant parties in industry and politics, as well as championing the inclusion of all stakeholders in ESG-related decision-making processes

By combining these three concepts, ecofegemony offers a comprehensive and sustainable approach to ESG. This makes it possible to take into account not only environmental aspects, but also social, gender and power dimensions in decision-making related to sustainable development. Thus, ecofegemony can be a strong foundation for promoting responsible and inclusive business practices as well as public policies that support social and environmental justice.

RESEARCH LIMITATIONS

This research uses qualitative methods with in-depth interviews involving a limited number of academics. It may not represent the views of all stakeholders across industries and geographic regions. Thus, the results of this study may not be widely generalized. This research was conducted within a limited time period and with limited resources. These limitations may affect the depth and scope of analysis that can be performed, so that some important aspects of ESG implementation may not be fully covered. Apart from that, interview results can also be influenced by the bias of academic respondents, who may have subjective views based on their experience and background. This can affect the objectivity and validity of research findings.

CONCLUSION

Ecofegemony combines elements of ecology, feminism and hegemony to form a holistic approach to sustainable development. This is in line with ESG principles which emphasize environmental protection, social justice and good governance. The concept of feminism in ecofegemony highlights the importance of inclusion and gender equality in ESG practices. This ensures that the needs and perspectives of all groups in society, including women and minority groups, are considered in decision-making related to the environment and sustainability. The theory of hegemony in ecofegemony helps identify and consider the role of power and influence in decision-making processes related to ESG. This makes it possible to overcome the dominance of certain parties and ensure fair involvement of all stakeholders in the process.

Ecofegemony encourages active community involvement in environmental sustainability efforts. It promotes sustainable development centered on local needs and respects traditional knowledge in protecting the environment. The ecofegemony approach views environmental and social challenges as part of an interrelated system. It recognizes the complexity of the relationship between humans and the environment and the need for integrated and sustainable solutions. Overall, ecofegemony provides a comprehensive and inclusive framework for implementing ESG principles in business practices and public policy. By taking ecology, feminism and hegemony into account, ecofegemony makes it possible to build a more sustainable, just and empowering society.

Initiating alternative theories in implementing ESG practices is indeed a strategic step in dealing with business dynamics and sustainability. The development of the ESG concept which is increasingly being applied in the corporate sphere requires critical thinking and innovation in formulating a more inclusive and holistic theory. An in-depth study of potential alternatives for implementing ESG practices is an integral part of efforts to strengthen corporate social responsibility, protect the environment, and create long-term, sustainable value. By continuing to explore various perspectives and approaches that can optimize ESG implementation, it is hoped that we can make a positive contribution to harmony between economic, social and environmental principles.

Funding statement

The authors declare that no funding issues had to be disclosed in conducting this research

Conflicts of interest

The authors declare that they have no known competing financial interests or personal relationships that could have influenced the work reported in this paper.

As researchers, we are committed to transparency and integrity in our work. We declare that we have no known conflicts of interest that could have influenced the outcomes of this study. Should any potential conflicts arise in the future, we will disclose them promptly and take appropriate measures to manage them

Acknowledgments

The authors acknowledge and are grateful for the support from Mercu Buana University, Jakarta Indonesia, for the opportunity to complete this research.

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