

Uncovering ESG Criteria: Meeting Stakeholders' Expectations in Strategic Management

Summary

Environmental, social and governance (ESG) criteria has gained high attention in recent year due to the climate change and several world-wide new regulations. Stakeholders expect companies to align with their ethical priorities, and policymakers are driving the economy towards green recovery. Therefore, more high-level research is needed to understand the effectiveness and visibility of sustainability programs of organizations. The aim of the PhD research is to find out beneficial and strategic ESG approaches that meet implicit and explicit stakeholders' needs. In this research, mainly corporate governance and social issues will be in the focus. The current PhD project aims to find answers to the following research questions: a) how can ESG criteria be best positioned in strategic management; b) what are the stakeholders' expectations for ESG and c) how ESG indicators should be measured for accurate and comprehensive tracking of ESG performance in governance and social issues in order to meet stakeholders' needs? The expected outcome of PhD project would be a holistic ESG strategic framework from stakeholders' perspective with set of principles providing guidance and shaping the understanding of ESG importance in a business management concept.

Research field:	Business
Supervisors:	Prof. Dr. Karin Reinhold Dr. Merle Ojasoo
Availability:	This position is available.
Offered by:	School of Business and Governance Department of Business Administration
Application deadline:	Applications are accepted between June 01, 2023 00:00 and June 30, 2023 23:59 (Europe/Zurich)

Description

In recent years, environmental, social and governance (ESG) criteria as a business management concept has emerged rapidly. The value applied in the corporate social responsibility (CSR), where climate change issues, diversity and inclusions were key factors, has shifted more to different ESG issues, although the basic principles are remained similar: in order to be a successful and responsible institution, the transparency in corporate governance, reduction of environmental footprint and ensuring of workforce holistic wellbeing have to be a part of the business strategy. Those factors determine how well the organization can service different stakeholders' needs.

Nowadays, many stakeholders expect companies to be ethically aligned to their own priorities. Additionally, employees are selecting companies based on its mission and purpose. Fair payment, good treatment of employees, sustainable sourcing and environmentally conscious practices all play their important role in this (Van Holt, Whelan, 2021). If organizations aim to invest in the resilience of their businesses, they also must invest in the resilience of their workforce addressing issues that affect people's health, education, but also communities and social identity (Van Duuren et.al, 2016).

Uncovering ESG criteria is coming under increasing scrutiny also from regulators, in some countries becoming statutory rather than voluntary (e.g EU, UK, USA, Canada). Policymakers and regulators are under pressure to drive the economy towards green recovery after coronavirus pandemic, directing businesses to align their activities accordingly. (Cantino, Devalle, 2017).

However, only little research has been conducted to determine the effectiveness of sustainability programs on the employees and governance and whether the ESG activities commonly practiced, really serve its purpose and are visible and transparent for all stakeholders (Signori et.al, 2021; Van Holt, Whelan, 2021). Moreover, according to Buallay (2019) non-financial performance and poor corporate governance may course higher investment and reputational risks. Therefore, there is a need for research and corporate attention to understand what are stakeholders' expectations towards organisational ESG performance and how ESG is positioned in strategic management. The aim of the research is to find out beneficial and strategic ESG approaches that meet implicit and explicit stakeholders' needs. In this research, mainly corporate governance and social issues will be in the focus.

The thesis should address the following questions:

- How can ESG criteria be best positioned in strategic management?
- What are the stakeholders' expectations for ESG?
- How ESG indicators should be measured for accurate and comprehensive tracking of ESG performance in corporate governance and social issues in order to meet stakeholders' needs?

The researcher can decide over the methods to reach the aim, but the mixed method approach for the research is preferred.

Responsibilities and (foreseen) tasks

- Conduct a literature review on the current state of research on ESG, CSR criteria, and sustainability programs in business management;
- Analyze and synthesize existing data on stakeholder expectations for ESG and identify the research gaps related to the topic;
- Identify best practices for positioning ESG criteria in strategic management and evaluate their effectiveness in meeting implicit and explicit stakeholders' needs;
- Develop a framework for measuring ESG performance in governance and social issues that is both accurate and comprehensive, using both quantitative and qualitative ESG criteria;
- Conduct empirical research using mixed method to test the effectiveness of different ESG approaches in meeting stakeholders' needs and achieving strategic business goals;
- Analyze and interpret research findings and draw conclusions and recommendations for businesses.

The candidate is also expected to engage in small-scale teaching and supervision as well as active participation in the department's activities.

Applicants should fulfil the following requirements:

- A master's degree in social sciences (preferably in business administration, information systems or sociology)
- A clear interest in the topic of the position
- Excellent command of English
- Strong and demonstrable writing and analytical skills
- Capacity to work both as an independent researcher and as part of an international team
- Capacity and willingness to provide assistance in organizational tasks relevant to the project

The following experience is beneficial:

- Working knowledge of statistics,
- Working knowledge and experiences in qualitative data collection and analyses.

The candidate should submit a research plan for the topic, including the general research and data collection approach. The candidate can expand on the listed research questions and tasks, and propose theoretical lenses to be used.

We offer

- 4-year PhD position in one of the largest, most internationalized and leading social science research centers in Estonia with a large portfolio of ongoing pan-European and national research projects
- The chance to do high-level research in one of the most dynamic and innovative business environment
- Opportunities for conference visits, research stays and networking with globally leading universities and research centers in the fields of business administration, innovation and sustainability studies
- All PhD positions are guaranteed a gross income of at least 1718 EUR and Estonian national health insurance.

About the department

Tallinn University of Technology (TalTech) is an international scientific community with approximately 9,000 students and 2,000 employees, one of the largest universities in Estonia that is the leading EU country in digitalization. The strengths of the university are wide multidisciplinary study/research interests, modern research and study environment as well as strong collaboration with international educational and research institutions. TalTech is aiming to be an organization leading the way to a sustainable digital future.

The research carried out at the **Department of Business Administration** in the School of Business and Governance in TalTech deals with various aspects of business – entrepreneurship, sustainability, knowledge and technology transfer, operations and strategic management, digitalization, marketing, supply chain management, accounting and performance management. The School has over 200 employees.

The department is highly internationalised. Its staff have been involved in a multitude of international research projects with the EU (INTERREG, COST, Horizon Europe etc).

For further information, please contact Ass. Prof. Karin Reinhold karin.reinhold@taltech.ee and Ass. Prof. Merle Ojasoo merle.ojasoo@taltech.ee and visit <https://taltech.ee/en/department-business-administration> and <https://taltech.ee/en/phd-admission>

We relayed to the following literature and suggest to read for potential candidate:

- Buallay, A. (2019). Is sustainability reporting (ESG) associated with performance? Evidence from the European banking sector, *Management of Environmental Quality*, Vol. 30 No. 1, pp. 98-115. <https://doi.org/10.1108/MEQ-12-2017-0149>
- Cantino, V., Devalle, A. (2017). ESG Sustainability and Financial Capital Structure: Where they Stand Nowadays. *International Journal of Business and Social Science*, 8, 116 - 126.
- Signori, S., San-Jose, L., Retolaza, J.L., Rusconi, G. (2021). Stakeholder Value Creation: Comparing ESG and Value Added in European Companies. *Sustainability*, 13, 1392.
- Van Duuren, E., Plantinga, A., Scholtens, B. (2016). ESG integration and the investment management process: Fundamental investing reinvented. *Journal of Business Ethics*, 138(3), 525-533.
- Van Holt, T., Whelan, T. (2021). Research Frontiers in the Era of Embedding Sustainability: Bringing Social and Environmental Systems to the Forefront. *Journal of Sustainability Research*, 3(2), e210010.

TalTech has a green and one of the most compact university campuses in Europe that includes the Tehnopol Tallinn Science Park. Low hierarchy, academic freedom and a balanced work and family life are valued at TalTech. The university provides individual development and training opportunities, material and non-material tokens of acknowledgement, sporting opportunities at TalTech Sports Club and all-staff activities.

TalTech as an employer brings together representatives from a wide range of disciplines - engineers and economists, business and biotechnology, and data scientists - with a common mission to develop Estonian higher education and research. Keywords that characterize TalTech today are rapid development, interdisciplinarity, and internationalization. The university has an international working environment and the working languages are English and Estonian.



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