



PREFACE to the Special Issue of the *Asian Journal of Business Ethics based on the Eighth World Business Ethics Forum: Emerging from Crisis through Socially Responsible and Ethical Business*

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PREFACE

Selecting papers from the Eighth World Business Ethics Forum

We solicited submissions from all the presenters at the Eighth World Business Ethics Forum (WBEF 8). We were especially interested in compiling a set of papers that between them would apply diverse theoretical perspectives and research methodologies to investigate the ethical challenges and dilemmas confronting both practitioners and scholars in the Asian context during and after COVID-19. Although environmental, social, and governance (ESG) and the Sustainable Development Goals (SDGs) were prominent research themes at WBEF 8, none of the associated papers found their way into this special issue. Both ESG and the SDGs have gained attention among private and institutional investors, along with other stakeholder groups, whose concerns extend beyond traditional corporate social responsibility (CSR) to scrutinizing companies' track records of social and environmental impacts and responsible governance practices. For completeness, we provide brief overviews of these two topics next.

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ESG

Over the past decade, there has been growing demand for nonfinancial information, yet researchers currently face several limitations regarding the materiality, accuracy, and reliability of the ESG data that they are working with (Jonsdottir et al., 2022; Rau & Yu, 2022).

Materiality refers to the specific ESG issues that are deemed most relevant to a firm's operations, along with the associated impact on the firm's financial performance. The issues that come into play typically include environmental matters such as carbon emissions and use of natural resources, social implications such as product safety and supply chain labour practices, and governance issues such as anti-corruption. However, the selection of material issues and the choice of quantitative and qualitative methods for their assessment leave considerable room for controversy (Eccles et al., 2012; Farooq et al., 2021). In practice, the choices about which material issues to report on and which measurements to adopt remain in the hands of corporate managements (Unerman & Zappettini, 2014). Firms may exploit the looseness of the materiality concept to exclude issues that cast them in a negative light, thereby neglecting concerns that some stakeholders regard as important (Beske et al., 2020; Unerman & Zappettini, 2014).

Concerns about accuracy refer to discrepancies and divergence among the ESG ratings that are provided by independent rating agencies (e.g., KLD, MSCI, LSEG, S&P Global and Sustainalytics), mainly to inform institutional investors but also as public information (Berg et al., 2022; Chatterji et al., 2016; Rau & Yu, 2022). This variation among ratings reflects that these agencies adopt different assessment criteria, metrics, and methodologies, with the resulting outputs lacking the precision that is typically expected in financial reporting. Such dataset variation makes it difficult to verify the accuracy of ESG information.

Concerns about the reliability of ESG data reflect that companies are still allowed to engage in self-reporting of their ESG activities, and typically prefer to do so in their sustainability reports. This practice leaves firms open to the suspicion that they may be engaging in impression management and greenwashing (Leung & Snell, 2021).

Because of these issues, progress in ESG research may have been impeded by scepticism about the quality and transparency of the ESG data that is being used in quantitative analyses (Rau & Yu, 2022). One remedy for researchers may entail adopting qualitative approaches, such as interviews, focus groups, and case studies, to illuminate how and why companies embrace ESG reporting. Topics for investigation might include how senior managers' selection of material issues evolves over time, how they go about enhancing stakeholder engagement, how they learn from ESG-related stakeholder dialogues, and how they treat ESG issues when engaging in strategic decision making (Lehner et al., 2022).

The SDGs

Extant research on the SDGs falls under three pillars, i.e., economic, social, and environmental. The SDGs provide a framework for the macro-level pursuit of sustainability (Mio et al., 2020). The life-quality (and perhaps quantity) of our

descendants will depend on how successfully our organizations address the associated grand challenges. There is a collective moral duty.

Yet complacency abounds. For example, while nearly 74% of G250 companies orient the disclosures in their sustainability reports to one or more of the SDGs, only 10% of the G250 companies report on all 17 SDGs (KPMG, 2022). Furthermore, the associated obligations and duties assumed by these companies typically remain undefined and unexamined. Here, we advocate a four-pronged agenda to address SDG-related grand challenges in Asia.

First, Asia should not lag behind. Mio et al. (2020) indicate that most SDG-related research has been conducted in Europe while by comparison, the field has been relatively neglected in Asia. Now that the power of creating shared value (CSV) has gained recognition, knowledge can be leveraged on how firms can contribute to socially and environmentally oriented SDGs while thriving economically (Kim, 2018). It would be interesting to obtain accounts from managers of those Asia-based firms that are actively addressing SDGs. Their good practices could be identified and shared.

Second, business ethicists should not give up on the top business and management journals, which remain powerful in setting agendas for business research. They are publishing research on SDGs, yet may prefer manuscripts relating to accounting or strategic management. Within business ethics, there are many salient frameworks, such as Jones's (1991) moral intensity-based issue contingency and Küberling-Jost's (2019) model of emergent corporate social irresponsibility (CSIR) as illustrated by Leung et al. (2023). There are many ideas in business ethics that could capture the imagination of the gatekeepers and break in to the top journals. We should help one another to get through the gates fairly, based on the merits of our work.

Third, corporate authenticity in recognizing and addressing SDG-related shortfalls needs to be applauded. Currently, firms are manipulating disclosures in their sustainability reports for impression management purposes (Leung & Snell, 2021). One sign of this is positively biased self-reporting. For example, KPMG (2022) found that 68% of the G250 companies disclosed exclusively positive information about their progress in relation to SDGs, whereas only 6% of the G250 companies disclosed a mixture of positive and negative information. Future research could appreciate the role of ethical and authentic leadership and ethical corporate culture in orienting firms toward self-reflexivity (Leung & Snell, 2021) as a step toward improved SDG-related performance (Jondle et al., 2014).

Fourth, let us not forget the socially oriented SDGs, such as SDG 4, *Quality Education*; SDG 5, *Gender Equality*; SDG 16, *Peace, Justice, and Strong Institutions*; and SDG 17, *Partnerships for the Goals*. Currently, academic interest focuses on a small set of environment-related sustainability goals, such as SDG 7, *Affordable and Clean Energy*; and SDG 12, *Responsible Consumption and Production* (Mio et al., 2020; KPMG, 2022). These are laudable goals, but this emphasis may reflect that the top management journals favour research that is based upon positivist, hypothetico-deductive presuppositions (Wolceshyn and Daellenback, 2018). The associated papers on corporate SDG performance tend to focus on readily quantifiable environmental indicators, such as carbon emissions.

By comparison, the socially oriented SDGs involve more complex considerations that are more difficult to capture quantitatively, challenging academic institutions to invest resources to support excellent qualitative research.

Overview of the selected papers and their key contributions

Despite their relatively little mention of ESG and the SDGs, we are pleased with the papers that we received. After a strict review process, seven papers were eventually accepted for publication, each focusing on a particular challenge in business ethics or CSR. We next provide an overview of the papers that we have assembled.

This special issue begins with a prologue and perspective paper. Both provide reasons for optimism about businesses' potential for contributing to the common good, tempered by awareness of "dark side" threats. In his prologue, Fraedrich reviews the landscape of contemporary research on CSR. Tracing back to Adam Smith's original concepts of perfect competition and a rational man, he summarizes how the theories of business ethics have evolved over the past four decades. He invokes the benefit corporation model as a contemporary exemplar of how businesses can be more long-term oriented and proactive in creating significant social and economic impacts for the societies that they operate. There is, however, a caveat. Reviewing the macro-political scene in Asia, Fraedrich draws the implication that those multinational corporations (MNCs), aspiring to practice stakeholder capitalism, need to take great care not to be seen as treading on the toes of host governments. We think that linking their actions and policies to SDG benchmarks may help provide some legitimation. Tang's perspective paper highlights the ethical challenges faced by corporations when introducing digital technologies, along with the perils for society as a whole that might arise if people are marginalized and excluded from any associated benefits, and if the power associated with digital technologies is abused. Tang proposes some ways ahead for finding solutions to mitigate cyber risk.

The main collection comprises five empirical studies. The first two focus on training issues as they apply to HR practitioners or to students. In view of the importance of possessing professional training and expertise, Segon, Booth and Roberts examine whether practitioners with postgraduate HRM qualifications are sufficiently prepared to serve as custodians of corporate ethics polities and to resolve the associated ethical dilemmas. Based on analyses of where corporations locate their ethics offices within their organizational structures, and of the ethics content typically required within the curricula of accredited Masters in HRM across Asia and Australia, they arrive at some disturbing implications. Put bluntly, they conclude that HRM practitioners possess insufficient expert power and position power to exercise ethics-related duties in a socially responsible manner. As a partial solution, they suggest that radical rethinking of course curricula and their mode of delivery is the order of the day. A further step would address the issue of whether appropriate authority is vested in HRM practitioners by their respective employers.

The second piece is a Hong Kong-based study, in which Ying analyzes how organizational rewards could be more closely aligned with the needs of internship supervisors, so that the latter would be more strongly encouraged to design and support meaningful experiences for the interns coming under their charge. Ying applies stakeholder analysis to the findings of his semi-structured interviews with employers, university administrators, and front-line supervisors, and of a focus group comprising students with internship experience. He concludes that the supervisors' internship-related duties are insufficiently recognized and rewarded, thus hindering the overall effectiveness of internship programmes. We may draw the implication that instead of continuing the *status quo*, internship programmes would ideally be reconceived as a form of talent management, adopted with shared value philosophy in mind, potentially benefiting all stakeholders.

The subsequent two articles are related to the HRM policy and leadership issues that arose during the COVID-19 pandemic. In the third piece, Wong and Cheung report the findings of an online survey-based study in Singapore, conducted to explore the impacts of goal alignment regarding work-from-home (WFH) arrangements on employees' wellbeing and turnover intentions. The results demonstrate the benefits of adopting WFH policies as means for improving employees' personal and family wellbeing and reducing their turnover intention, as mediated by employees' levels of work engagement, so long as those WFH policies are sufficiently flexible to enable their alignment with the employees' goals. Wong and Cheung also recommend that employers provide training programmes and other targeted support to equip employees for work engagement while at home.

In the fourth piece, Khurshid, Wu, and Snell conduct a multiple case study to identify four types of ethics-related leadership practices, namely ethical, authentic, exemplary, and servant leadership, that were perceived by their interviewees to have been adopted during COVID-19. Khurshid et al. analyze that the underlying moral foundations for these leadership practices comprised equity-based justice, informational and interactional justice, ethics of care for employees, and concern for non-employee stakeholders' wellbeing. Their discoveries serve to provide a better understanding of how organizations can promote responsible leadership behaviours during crisis. This analysis may engender hope that as the post-pandemic era unfolds, some of the best firms, alluded to in Fraedrich's prologue, may embrace responsible leadership behaviours as their new-normal *modus operandi*.

In the final piece, Mak identifies the motivations for corporations to pursue creating shared value (CSV) initiatives during and after the COVID-19 pandemic. Her qualitative thematic analysis of 54 cases identifies and classifies some internal and external triggers of CSV. While the former tend to emphasize economic benefits (e.g., profit, efficiency, differentiation), the latter are mainly driven by social and philanthropic considerations, including environmental protection, human rights, public health, and social justice. Amid her conclusions, Mak implies that SDGs, such as SDG 3 (good health and wellbeing) and SDG 8 (decent work and economic growth), are potentially useful resources for guiding firms' CSV initiatives (Table 1).

Table 1 Summary of papers and their contributions

Author(s)	Methodology	Theoretical perspectives	Key insights and contributions
Fraedrich	Narrative review	Stakeholder theory	<ul style="list-style-type: none"> • The research on CSR is evolving from stakeholder-based to sustainability driven • In their more advanced stages, firms strive to achieve a balance between social and economic value maximization
Tang	Expert opinion	Information management and security	<ul style="list-style-type: none"> • Digital technologies can be adopted for achieving some SDGs • Measures should be undertaken to contain cyber security threats and ensure data transparency, accuracy, and human-machine interdependence
Segon, Booth, and Roberts	Document review	Ethical practice and professionalism	<ul style="list-style-type: none"> • Senior HR managers are not provided with adequate training and expertise and are underprepared for handling ethical duties and dilemmas
Ying	Semi-structured interviews	Expectancy theory of motivation	<ul style="list-style-type: none"> • There is a need to professionalize the field of business ethics and enhance its legitimacy among practitioners and employers • Supervisors' roles in and contributions to company internship programmes are inadequately recognized and rewarded • Rewards for internship supervisors as key stakeholders should be better managed to motivate them to foster meaningful internship experiences
Wong and Cheung	Survey	Work-home-resource theory	<ul style="list-style-type: none"> • For effective implementation of WFH policy, it is important to achieve alignment with the employees' work goals • WFH goal alignment can enhance personal and family well-being and reduce turnover intention through the amplification of work engagement

Table 1 (continued)

Author(s)	Methodology	Theoretical perspectives	Key insights and contributions
Khurslid, Wu, and Snell	Case study	Ethics-oriented leadership theories	<ul style="list-style-type: none"> • Leaders should prioritize health and safety of stakeholders, allow employees to be flexible in work arrangements, and address customers' and employees' special needs while providing psychological and financial support to them during crises • The moral foundations underpinning these ethical leadership practices include equity-based justice, informational and interactional justice, ethics of care for employees, and concern for non-employee stakeholders' wellbeing
Mak	Case study	Creating shared value	<ul style="list-style-type: none"> • There are various internal and external triggers for pursuing CSV initiatives • Internal triggers focus more on economic benefits, whereas external triggers are pertinent to social needs • SDGs can provide useful guidance in setting up CSV initiatives

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