Guest editorial

Introduction

This editorial presents an introduction to the special issue on the "Linkages and Complementarities between Ethics, Corporate Social Responsibility and Sustainability – Challenges for Science and Practice." This special issue originated at the fifth Symposium on Ethics and Social Responsibility Research 2019. The aim is to bring together a collection of original research papers that cover these three topics, promoting whenever possible a dialog to explore linkages and complementarities between them.

Research related to topics of ethics, corporate social responsibility (CSR) and sustainability has gained increasing attention from both scholars and practitioners (Aguinis and Glavas, 2012; Carroll and Shabana, 2010; Treviño and Nelson, 2017) and motivated multiple special issues in various mainstream and specialist journals (Kudłak and Low, 2015). In practice, there is also an increasing expectation that organizations should be accountable for ensuring ethical internal and external processes, for the way they manage their relationship with the stakeholders, asking for a higher level of transparency in decision processes affecting society at large (Burchell and Cook, 2006; Carroll and Shabana, 2010; Treviño et al., 2014; Welsh et al., 2015). The same is true for environmental and social sustainability problems, which are increasingly important topics in public debates and concerns among individuals and communities (Murray et al., 2010; Stubblefield Loucks et al., 2010). Media pressure, for instance, may influence company disclosure in sectors such as fashion that is often under the spotlight (Auke and Simaens, 2019).

Although the constructs of CSR and corporate sustainability have emerged from different streams in the literature, there are conceptual similarities and differences among them. Some argue that CSR is grounded in ethics and normative arguments, whereas corporate sustainability originated in a systems approach (Bansal and Song, 2017). In addition, although scholars in the 1970s focused mostly on CSR as opposed to the economic realities of profit maximization, in more recent decades, attention has also been devoted to corporate sustainability, often with a focus on its environmental dimension. Still, although CSR and corporate sustainability are clearly distinct constructs (Bansal and Song, 2017), the literature reveals a growing trend toward a more integrated approach to both topics that incorporates social, environmental and economic concerns into the equation. This trend seems quite compelling because, as Montiel (2008, p. 260) argues, "contemporary businesses must address economic prosperity, social equity, and environmental integrity before they can lay claim to socially responsible behaviour or sustainable practices." Hence, despite the separate pasts (Bansal and Song, 2017; Montiel, 2008), the constructs of CSR and corporate sustainability could share a common future (Montiel, 2008), and organizational ethics may well be the "magnetic force" behind this *rapprochement*.

For instance, organizational promotion of sustainability, whether from a consequentialist perspective or focused on the intentions of the agents, necessarily involves an ethical reference framework. Also, environmental sustainability can be viewed a part of CSR (Starik and Rands, 1995), and some argue it must be treated as an ethical issue (Zagonari, 2020).

Others posit sustainability as "an inclusive operational dimension of CSR strategy" (Garavan and McGuire, 2010, p. 490) that can and should be extended to organizational activities that affect people's subjective well-being and health. This can only be accomplished by a "societal human resource management (HRM)" or "common good HRM" (Aust *et al.*, 2020; Garavan and McGuire, 2010) that contributes to CSR, sustainability and ethics, through supplanting the objectionable tendency to overalign with financial objectives to the detriment of workers' well-being (de Gama *et al.*, 2012; Simões *et al.*, 2019). In fact, within organizations, ethics, CSR and sustainability are increasingly expected to be facilitated by human resources development, as these three key concepts are closely interconnected parts of the same system (Ardichvili, 2013; Garavan and McGuire, 2010). Education of managers and future managers can be important in this regard, requiring a multilevel approach, including curricula, learning methods and institutional strategy, to foster the integration of ethics, CSR and sustainability in management education (Setó-Pamies and Papaoikonomou, 2016).

Content of the special issue

This special issue covers a diverse set of contexts, not only in terms of geographies but also in terms of industries, providing a general overview on challenges related to ethics, CSR and sustainability.

In their study on the linkage between CSR and cost of equity, Dahiya and Singh (2020) present an Indian perspective on a study exploring the impact of CSR disclosures on the cost of equity capital of large Indian manufacturing firms. The study provides insights into the perceptions of investors, in terms of risk associated, toward firms engaging in CSR activities. The sample includes 68 companies for the period 2013–2018. Findings show a positive link between CSR (assessed through ESG scores) and the cost of equity, i.e. better performing companies in CSR are perceived by equity investors as higher risk investment opportunities. These findings are in contrast with studies performed with the US and European companies but consistent with results obtained in countries with different cultural, religion and social backgrounds and where legal protection to investors is weak. The conclusions of Dahiya and Singh (2020) reinforce the importance of exploring these topics in different geographies.

Also related to corporate disclosure, Mirsadri *et al.* (2021) explore the extent to which the underlying concepts of integrated reporting are applicable for hi-tech knowledge-based organizations (KBOs) in Iran. This paper examined the proper structure for the integrated reporting of hi-tech KBOs, evaluating the appropriateness of the concept and its elements. Mirsadri *et al.* (2021) used an exploratory sequential mixed method approach, including an initial qualitative case study, then an instrument development phase (Delphi) and finally a quantitative survey. Iran is swiftly moving toward a knowledge-based economy, and hi-tech KBOs will become the powerhouse of the economy. Hence, it is important to understand how managers of Iranian hi-tech KBOs perceive and value integrated reporting. This paper concludes that the existing integrated reporting frameworks are useful for the different types of organizations, but with some modifications. In addition, it reveals how directors of Iranian hi-tech KBOs perceive and value content elements of integrated reporting. This paper contributes to the literature filling in the gap of empirical studies focused on Iranian firms and of studies on the impacts of integrated reporting on hi-tech KBOs and its implementation and effectiveness.

The interest on exploring disclosure when it comes to ethics, CSR and sustainability is also the basis for the study of Castilla-Polo and Sánchez-Hernández (2020), who test the social and environmental disclosure–reputation relationship in the Spanish context.

Corporate social and environmental disclosure is frequently related to increased corporate reputation, but recent research on social and environmental disclosure and reputation suggests it is a complex relationship, with contradictory evidence regarding the causality between the variables. The recognition of this contradictory evidence was the starting point for a longitudinal study by Castilla-Polo and Sánchez-Hernández (2020), where the authors have examined the linkage, sign and causality between reputation and social and environmental disclosure. Adopting an innovative approach, the authors considered both the quantity and the quality of reporting and introduced two alternative causal models regarding the reputation–social and environmental disclosure relationship. The models were tested on 100 Spanish reputation leaders included in the MERCO Corporate Reputation Business Monitor from 2014 to 2016. Fifteen indicators were used to measure social and environmental disclosure, and MERCO ranking assessments were used to assess companies' reputation. Findings revealed that the two alternative models considered in the study are valid, but the model representing the effect of reputation on social and environmental disclosure seems to be better. These findings make a unique contribution to the literature on social and environmental disclosure and call into question the contemporary debate over the role of both constructs for strategy.

Linked to corporate disclosure and reputation is the way it is perceived by the consumer. In their paper, Neumann, Martinez, and Martinez (2020) explore sustainability efforts in the fast fashion industry, focusing on three dimensions: consumer perception, trust and purchase intention. Regarding the environment, the impact of distinct industries is not the same. The fashion industry, for instance, is many times identified as one of the most polluting industries in the world. This accusation has motivated many fast fashion companies to develop more environmentally friendly production processes and products. The influence of such efforts on consumers' decisions is not entirely clear yet. Neumann *et al.* (2020) have tried to shed some light on this question by examining consumers' attitudes toward two renowned brands regarding their pro-environmental efforts. Based on previous research, the authors developed a framework that depicts the relationships between perceptions of social responsibility, consumer attitude, trust, purchase intention and perceived consumer effectiveness and empirically tested the model with an internationally diverse sample of consumers. The authors found that perceptions of social responsibility directly affect consumers' attitudes toward the two fashion brands, as well as trust and perceived consumer effectiveness. They also found that consumers need to perceive sustainability efforts of these brands as altruistic and that trust was a direct predictor of purchase intention. Against the hypotheses, both consumer attitude and perceived consumer effectiveness did not predict purchase intention. Based on the results, the authors concluded that positive perceptions regarding the companies' social responsibility efforts are vital to enhance both consumers' trust toward the brands and their individual feeling of empowerment.

Trust – related to various stakeholders – is a common construct when talking about ethics, CSR and sustainability, and it is also found in the study by Sardinha and Machanguana (2021). The authors explore mining multinational resettlements and CSR in Mozambique, an emerging economy. The role of CSR in resettlement processes related to mining activities is analyzed on an exploratory research using data from a case study of the company VALE, SA. In general, Sardinha and Machanguana (2021) conclude that the need to displace local communities is included in CSR activities although not as a well-planned, inclusive initiative. Demands from the communities shape the company's priorities in a defensive and reactive CSR strategy, rising transparency and trust issues. Moreover, measures taken are not enough to reduce societal challenges related to resettlement and

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business operations. Government inability to enforce more strict regulations also contributes to the dissatisfaction expressed by displaced communities.

The papers so far cover a diverse set of countries, industries and companies in studies that delve into science and practices related to ethics, CSR and sustainability. But ultimately, companies are constituted and managed by individuals who make decisions. Therefore, education of present and future managers may play a key role in the extent to which they are aware of these concerns. Hence, the last paper in this special issue explores teaching sustainable development in business sciences degrees. Based on evidence from Portugal, Gomes *et al.* (2020) analyzed the current state of integration of sustainable development in the academic curricula of business sciences degrees, including matters about ethics, CSR and sustainability. In this way, the paper explored how Portuguese public higher education institutions contribute to teaching on sustainable development. Using content analysis, the authors explored curricular plans and syllabus of accounting and taxation and management and business administration courses found on the Webpages of all public higher education institutions with BSc and MSc degrees in those areas in Portugal. Results showed that despite the increasing concern about addressing sustainable development in business sciences, particularly accounting and taxation and in management and business administration degrees and courses, there is still much room for improvement, indicating that teaching about sustainable development is yet a big challenge for higher education institutions. The contribution of this paper is twofold. Not only does it show what higher education institutions in Portugal are teaching in this area of business studies, but it also brings good implications for society while showing that sustainability content is becoming more apparent within certain higher education institutions.

The ongoing debate about ethics, CSR and sustainability is interlinked with initiatives such as the 2030 Agenda for Sustainable Development, launched by United Nations in 2015. This is a very challenging agenda that requires the full commitment of several stakeholders, including organizations, consumers, institutions and citizens alike. Hopefully, the development of strong research about ethics, CSR and sustainability will help to inform institutions, organizations and other parties how to best define and implement strategies to successfully advance in the planetary journey toward a better future for all.

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