The Influence of External Stakeholders on Environmental, Social, and Governance (ESG) Reporting: Toward a Conceptual Framework for ESG Disclosure

Wong Wai-Khuen*
Administrative and Diplomatic Officer, maxwongwk@gmail.com

Teh Boon-Heng
Senior Lecturer, bhteh@mmu.edu.my

Tan Siow-Hooi
Deputy Director, Associate Professor, shtan@mmu.edu.my

Faculty of Management, Multimedia University, Persiaran Multimedia, 63100, Cyberjaya, Malaysia

Abstract

In recent years, governments and investors globally are compelling major corporate organizations to disclose important environmental, social and governance (ESG) issues. The continued flatlining of ESG reporting quality has led some parties to call on policymakers to take advantage of the distinct contextual pressure from external stakeholders to improve corporate ESG commitments. However, the relationship between external stakeholders and ESG disclosure remains ambiguous, both theoretically and empirically. Grounded in stakeholder theory, legitimacy theory, resource-based theory, and slack resource theory, this article reconceptualizes Ullmann's 1985 model of corporate social performance to present a novel conceptual framework to examine the external stakeholders-ESG disclosure relationship. This article contributes to the literature by illustrating the mediating effect of the strategic posture and the moderating effect of corporate financial performance on corporate ESG discourse perpetuated by powerful stakeholders.

Keywords: conceptual framework; environmental, social & governance (ESG); stakeholder theory; legitimacy theory; resource-based theory; slack resource theory

Citation: Wong W.K., Teh B.H., Tan S.H. (2023) The Influence of External Stakeholders on Environmental, Social, and Governance (ESG) Reporting: Toward a Conceptual Framework for ESG Disclosure. *Foresight and STI Governance*, 17(2), 9–20.
DOI: 10.17323/2500-2597.2023.2.9.20

* Corresponding author

Introduction

The ESG is a shorthand for a wide range of environmental, social, and governance issues that affect corporate behaviour and the ability to create long-term value for stakeholders (Moats, DeNicola, 2021; Rose, 2021). In 2019, the market size of impact investing, which is guided by positive and measurable ESG impact and financial return, has grown to approximately US$715 billion (Hand et al., 2020). The year 2020 also saw a record number of 619 sustainable funds that incorporated ESG factors successfully launched in Asia, the United States and the European Union. By early 2020, over 80 countries have introduced sustainability reporting instruments that either mandate or encourage corporate organisations to disclose their current and future ESG commitments[1]. However, recent literature revealed that mandatory disclosure affects an organisation's propensity to file an ESG report, but does not increase the average quality of said reports (Krueger et al., 2021). This implied that new approaches are needed to encourage quality reporting, specifically among those companies that have yet to publish any quantitative data (Heaps et al., 2019).

Against this backdrop, policy makers were urged to take advantage of the distinctive contextual pressure exerted by external stakeholders to induce greater commitment and disclosure of corporate sustainability information (Ali et al., 2017). Despite consensus were established in the extant literature as to which stakeholders are influential on ESG disclosure, their influences are largely ambiguous, context-dependent, and vary over time depending on the issues considered (Buysse, Verbeke, 2003; Yunus et al., 2019). This lack of conclusive evidence may be attributed to the missing link concerning the underlying processes between external stakeholder – ESG disclosure relationship that has yet to be thoroughly parameterized, analysed, and explained. The seminal work by Ullmann (1985) outlined a three-dimensional model (Ullmann model in short) to illustrate this relationship, with the central proposition that stakeholder power, strategic posture, and economic performance are significant contributing factors for corporate social performance. Grounded in stakeholder theory, Ullmann model has since been applied in research works on corporate social, environmental and sustainability disclosure in developed counties including the United States, Canada, France and Spain (Roberts, 1992; Magness, 2006; Lahouel et al., 2014; Moreno, Duarte-Atoche, 2019). However, the examination of ESG reporting, particularly in the settings of developing countries, without proper contextualisation could perpetuate flawed understandings that are based on theories and hypotheses developed from studies carried out in developed countries (Tilt, 2016). In other words, the existing literature highlighted the limited applicability of the Ullmann model for ESG disclosure in developing countries, thus a timely review of the model is necessary.

Moreover, the reliance on the explanatory power of a single theory in prior studies also indicates a possible theoretical gap in capturing the greater perspectives concerning ESG disclosure (Omran, Ramdhony, 2015). Accordingly, ESG researchers are recommended to utilise more than one theory to investigate this phenomenon (Van der Laan, 2009; Nguyen, Nguyen, 2020). In this regard, there remains a missed opportunity to integrate multiple theories to enhance the applicability of the Ullmann model. Hence, the purpose of this article is to develop a conceptual framework for ESG disclosure by drawing on multiple theories to reconceptualise Ullmann model. Specifically, the conceptual framework lays out a logical structure of connected concepts in a form of visual display within the theoretical framework to outline how the corporate discourse on ESG is perpetuated by powerful external stakeholders. This synthetic approach yields several benefits. First, a multi-theoretical framework provides a more holistic understanding of the ESG phenomenon, as each theory offers a unique perspective on the same topic. Despite the possible overlap of different perspectives, this endeavour could open new research opportunities for scholars to build or synthesise a more refined version of these theories (Omran, Ramdhony, 2015). Second, an integrated framework with multi-theoretical grounding allows broader application for different contexts (Mayer, Sparrowe, 2013). Lastly, future researchers can use the resulting framework to empirically test the relationship between external stakeholder-ESG disclosure to identify salient stakeholders and relevant policy instruments capable of instilling greater ESG commitments among corporate organisations.

Literature Review

Concept of ESG disclosure

Corporate disclosure refers to the communication of information by people inside the public companies towards people outside, specifically with the aim of communicating the performance and governance of the company to outside investors (Healy, Palepu, 2001). Traditionally, an annual financial report serves as the most informative public document of a company for stakeholder groups seeking to understand the risks and opportunities that corporate leaders are considering, planning, and managing (Ullmann, 1985; Hummel, Szekely, 2021). In recent times, ESG disclosure became the latest acronym to emerge alongside integrated reporting, which was considered a progression from earlier forms of corporate reporting to reveal environmental and social policies and impacts of an organisation (Buhr et al., 2014). In essence, these cor-

[1] https://www.carrotsandsticks.net/media/zirbzabv/carrots-and-sticks-2020-june2020.pdf, accessed 18.12.2022.

porate accounting reports are considered as economic documents that could influence economic and political arrangements and may even pique the general interests of a given organisation (Mahmud, 2020). Similar with the earlier dominance of social reporting, ESG reporting is another form of communication medium which management has complete editorial control to minimise the risk of journalistic interpretations and distortions (Guthrie, Parker, 1989). As such, companies can exploit the potentially subversive nature and biased role of corporate disclosure to distract the attention of their stakeholders from pursuing ESG issues and disclosure laws (Deegan, 2017).

Concept of external stakeholders

Freeman (1984, p. 25) defined *stakeholder*s as 'any group or individual who can affect or is affected by the achievement of the organisation's objectives.' Harrison and St. John (1997) further categorised this entity into internal stakeholders which have formal ties to the corporate organisation (i.e. managers and employees), and the rest as external stakeholder that could influence the corporate organisation. The authors asserted that priority should be given to external stakeholders based on their ability to influence the environmental uncertainty faced by the corporate organisation. Mitchell et al. (1997) developed a stakeholder identification model for corporate management to better serve the narrower interests of stakeholders based on the following attributes: 1) the stakeholder's power to influence the company; 2) the urgency of the stakeholder's claim on the company; and 3) the legitimacy of the stakeholder's relationship with the company. Mitchell's fundamental proposition was empirically tested by Parent and Deephouse (2007), which reported that stakeholder's power has the most significant effect on salience – the degree to which management give priority to competing stakeholder claim. Accordingly, corporate management will likely prioritise demands from stakeholders which have the power to reward or punish them (Mitchell et al., 1997; Agle et al., 1999).

Stakeholder theory

The central tenet of stakeholder theory posit that "a company has a responsibility to develop relationship and creating as much value as possible for stakeholders, without resorting to trade-offs" (Freeman et al., 2010). The early works by stakeholder theorists led to the divergence of stakeholder literature into two branches - moral and strategic (Goodpaster, 1991; Frooman, 1999). The moral (or ethical) branch proponents embraced normative perspectives about how the organisation should act, advocating that the organisation should strive to balance the interest of different stakeholders (Mainardes et al., 2011). For example, Chelliah et al. (2017) investigated the motivational factors that influence the managers of Malaysian small medium enterprises (SMEs) in adopting corporate social responsibility (henceforth, CSR) practices. The authors confirmed that employees are generally driven internally to implement CSR practises due to the moral obligations embraced by their managers/owners. Correspondingly, Ullah et al. (2022) examined the Pakistani manufacturing sector and concluded that the ethical leadership of CEOs could stimulate businesses to accept corporate social obligation. Their findings corresponded with the growing prevalence of *marketplace morality* which is driven by perceived corporate morality in choices made by investors and consumers (Branco, Rodrigues, 2006). Examples of marketplace morality include the recent study by Saxton et al. (2021) which examined the Fortune 200 companies' Twitter accounts on CSR-related responses. The authors demonstrated that major companies are more likely to respond to selected CSR-focused issues due to the moral persuasiveness imposed by their influential stakeholders on social media platforms.

In contrast, the strategic (or managerial) branch provides a useful framework to analyse ESG disclosure in an organisation-centred perspective (Van der Laan, 2009), by which companies may exploit ESG disclosure as a strategic reporting tool to manipulate the attitudes of their external stakeholders necessary for goal achievements (Guthrie, Parker, 1989). This raise concern about *greenwashing*, a form of impression management mechanism often employed by companies as a communication strategy to publicise their sustainability efforts that do not reflect actual performance (Suryani, Jumaida, 2022; Ngu, Amran, 2021). Specifically, companies with poor corporate social and environmental performance will avoid disclosing sustainability information to detract their stakeholders' attention and scrutinys (Rudyanto, Pirzada, 2021; Stacchezzini et al., 2016). Ruiz-Blanco et al. (2021) analysed the sustainability disclosures of S&P top 100 companies and observed that industries with closer proximity and greater visibility to stakeholders are likely to greenwash their ESG performance to maintain reputation and reduce reporting cost. The authors postulated that this phenomenon could be attributed to: 1) the companies' ability to manipulate their stakeholders' perceptions; 2) the financial benefit of cost saving (through less accurate reporting) outweighs the potential reputational cost of greenwashing.

In general, scholars contend that stakeholder theory is eminently suitable for evaluating ESG through disclosure activities under the influence of stakeholder-organisation relations (Zarzycka, Krasodomska, 2021). However, some were careful to point out the insufficient explanatory power of this singular theory for corporate disclosure behaviour, especially in the context of developing economies that are largely influenced by external market forces (Appiah *et al.*, 2016; Duran, Rodrigo, 2018).

Legitimacy theory

Suchman (1995, p.574) defined *legitimacy* as "a generalised perception or assumption that actions of an entity are desirable, proper or appropriate within some socially constructed system of norms, values, beliefs, and definitions." Legitimacy theory is premised on the concept of social contract between an organisation and society that constitutes the multitude of implicit and explicit expectations that society has about how an organisation should conduct its operations (Patten, 1992; Deegan, 2017). A social contract may contain explicit (legal requirement), implicit (non-legislated), or hypothetical agreement among members of an organised society that defines and limits the rights and duties of each party to that agreement (Gray et al., 1996. In today's business context, the legitimacy of a corporate entity remains intact as long as it meets the social and ethical criteria of the social contract, failing which would result in the withdrawal of stakeholder support that could become the source of reputational risk (Branco, Rodrigues, 2006). Pursuant to the perception-centric legitimacy theory, managers will implement remedial strategies when they perceive the business organisation's operations do not commensurate with the social contract. These remedial strategies must include corporate disclosure process to effectively change the perceptions of external parties of the organisation's social and environmental impact (Deegan, 2002; Magness, 2006). In sum, companies disclose ESG information as a legitimacy tool to better manage capital costs, attract additional resources, and influence the public policy process (Patten, 1992; Maama, Mkhize, 2020).

Resource-based theory

The seminal work by Barney (1991) is pivotal for the emergence of resource-based theory that asserts that sustained competitive advantages, growth, and profit of an organisation are affected by the availability of resources and capabilities. The basic premise of the theory is that the performance difference amongst business organisations can be attributed to the existence of specific resources and capabilities that are valuable, rare, inimitable (difficult to be imitated by competitors) and non-substitutable. As outlined in Galbreath's typology (2005), resources and capabilities can be tangible (i.e. financial and physical assets) or intangible (i.e. intellectual property assets, organisational assets and reputational assets).

Resource-based theory is useful in ESG analysis studies due to two applications. First, the theory emphasised the intangible resources and capabilities as the most important differentiator for an organisation to achieving corporate success (Branco, Rodrigues, 2006). Barney (2001) postulated that companies which developed their sustainability strategies on path dependent, causally ambiguous, socially complex, and intangible assets are likely to outperform companies which developed their strategies based solely only on tangible assets. These sources of competitive advantage are referred to as *dynamic capability* – defined as the organisation's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments (Teece et al., 1997). The authors classified dynamic capability into three categories: 1) coordination/integration capacity which involves efficient coordination of internal activities (i.e., effective communication within the company) and external activities (i.e., strategic alliance or technology transfer with external partners); 2) learning capacity which refers to the process of improving task performance through repetition/experimentation; 3) reconfiguration/ transformation capacity that reflects the ability of a company to assess market conditions and competitors before making timely adjustments to maintain its competitive edge. In other words, dynamic capability can alter the broader resource base of a company, which ultimately leads to a change in performance in terms of sales, profitability, market entry/shares, and survival (Laaksonen, Peltoniemi, 2018). Under the resource-based view, companies adopt proactive ESG strategy as dynamic capability by leveraging on their unique resources and capabilities to remain ahead of their competitors (Hart, 1995; Aragón-Correa, Sharma, 2003; Busch, Hoffmann, 2011). For example, Song et al. (2017) described that green procurement process management is a form of dynamic capability, whereby companies are required to process resources initiated from green design for procurement planning with suppliers, production processes and distribution method. The authors posit that companies adopting green procurement practice will likely foster closer relationship with their suppliers, which in turn will reduce transaction costs, promote mutual development, and achieve competitiveness advantage.

Second, Pfeffer and Salancik (1978) explained that the effectiveness of an organisation is measured by its efficiency in managing demands of different interest groups, upon which the organisation depends for support and resources such as monetary and physical resources, information, or social legitimacy. If managed effectively, corporate organisations could take advantage of the resources and capabilities embedded in the relationship network constructed by their stakeholders to obtain more resources for the implementation of planned strategies (Song et al., 2017). Ullmann (1985) described that this dependency allows stakeholders to demand certain actions from the focal organisations. In return, the resource-dependent organisations discreetly formulate and disclose ESG activities as part of the strategic means to maintain and optimise their relationship with stakeholders.

Slack Resource Theory

The principle of slack resource theory refers to an organisation's ability to carry out its activities, which depends on the resources owned by the organisation that allow it to adapt to internal pressure for adjustment or external pressures for change (Buchholtz et al., 2016). Nohria and Gulati (1996, p.1246) defined *slack* as the 'pool of resources in an organisation that is in excess of the minimum necessary to produce a given level of organisational output.' Bowen (2002) illustrated the six distinct functions of slack in facilitating corporate greening: 1) encouraging employee with an affinity for environmental activities to remain in an environmentally sound organisation, 2) approving environmental pet projects, 3) buffering workflow from the changes in the external environment, 4) developing new products/processes, 5) searching for optimal initiatives that are beneficial both environmentally and economically, and 6) participating in external politics to compete for newly available resources. Accordingly, organisational slack is considered a prerequisite for firms' efforts and commitment to ESG reporting (Kim et al., 2019). Specifically, slack resource theory proposes that superior corporate performance is regarded as a precondition for a company's ability in devoting more resources to manage future ESG issues (Waddock, Graves, 1997; Bansal, 2005). On the contrary, less profitable firms may have fewer slack resources to continue funding future ESG initiatives.

Conceptual Framework Development

Camp (2001) described conceptual framework as a structure of what has been learned to best explain the natural progression of a phenomenon that is being studied. There has been an ongoing scholarly effort to develop a conceptual framework to provide theoretical coherence to the organisational adoption of CSR, the precursor to ESG. For example, Lee (2011) combined both institutional and stakeholder theories to explain how the configuration of external influences – comprised of institutional force and stakeholder pressure – could affect the divergence of the CSR strategy. Fernando and Lawrence (2014) integrated legitimacy theory, stakeholder, and institutional theories to provide a holistic perspective on the theoretical predictive motivations of CSR practises.

Similarly, recent literature showed that ESG scholars are utilising multiple theories to develop a conceptual framework for a cohesive and systematic ESG disclosure. Baldini et al. (2018) proposed a conceptual framework to investigate the extent to which social structures (grounded in institutional theory) and social legitimisation (grounded in legitimacy theory) could influence ESG disclosure practices in over 20 developed countries. Ruiz et al. (2021) applied legitimacy, stakeholder, and institutional theory to investigate the effect of investors' pressure on the quality of the sustainability information published by American and Spanish companies. Based on institutional theory and legitimacy theory, Hammami and Hendijani Zadeh (2020) explained that Canadian companies' motivations for ESG information disclosure are affected by both institutional monitoring mechanisms and legitimacy motivations.

While the prevailing scholarly efforts are commendable for using more than one theory in advancing ESG knowledge, extant literature generally overlook the fact that sustainability initiative adoption in developing countries may be hampered by resource limitation. On that note, Sandhu (2013) provided an intriguing take on corporate sustainability by proposing that the adoption of sustainability practice in developing countries is mainly affected by a combination of resource dependence (arising from stakeholder pressure) and resource-based motivations (internal organisational competencies). However, Sandhu's conceptual model has yet to fully address the theoretical underpinnings for the contributing roles of strategic consideration and financial prowess in shaping an organisation's ESG outcome. This delineation is crucial as sustainability initiative adoptions, particularly in developing countries, may have legitimacy explanations (regulatory pressures or media scrutiny) and slack-based explanations (financial means to pursue sustainability initiatives). Nevertheless, Sandhu's pioneering work provided an impetus for this study to integrate multiple theories in reconceptualising the Ullmann model.

First dimension of Ullmann model: External stakeholder power

The first dimension of Ullmann model proposes that stakeholder power in relation to the organisation is a factor influencing disclosure (Kent, Chan, 2009). Wartick (1994) suggested companies to recognise and monitor relationships with stakeholders holding greatest power. Stakeholder theory provides a starting point for an organisation to identify powerful stakeholders (i.e. investors, creditors, board of directors) and the extent to which they can leverage resource control when pressuring the organisation to incorporate ESG activities (Sandhu, 2013; Ullmann, 1985). Consequently, powerful stakeholders are more likely to have their sustainability information needs satisfied by the organisation (Zarzycka, Krasodomska, 2021). Appropriately, legitimacy theory gave credence that external stakeholders without direct control of such resources could compel companies to disclose more ESG information based on the institutional legitimacy of their claim and normative authority. For example, the source of power for news media and NGOs is rooted in legitimacy theory, which leads to the theory being incorporated into the framework. In essence, both stakeholder theory and legitimacy theory enrich the understandings of ESG disclosure practices by offering interpretation of unique factors at different levels of resolution (Gray et al., 1996). In that sense, the measurement of stakeholder power depends on their control over resources and the institutional power to set norms and values with which the organisation must comply (Gomes, Gomes, 2007).

Second dimension of the Ullmann model: Strategic posture

The second element, strategic posture, was incorporated into Ullmann model to define how an organisation company is likely to respond concerning ESG demands from stakeholders. As expectations and power relativities of different stakeholder groups shift over time, corporate organisations are required to adapt their disclosure strategies to manage stakeholders – either by gaining their support or distracting their opposition (Deegan, 2014). First, it is crucial to understand how the increasing heterogeneity of stakeholders shapes an organisation's choice of strategic orientation towards ESG disclosure. Corporate organisations facing greater pressure from external stakeholders are likely to adopt proactive ESG practices (Darnall *et al.*, 2010; Henriques, Sadorsky, 1999). Both stakeholder theory and legitimacy theory support this perspective. According to stakeholder theory, companies integrate stakeholder interests and concerns into the business process when undertaking strategic planning (Minoja, 2012). Freeman et al. (2010) exclaimed that the establishment of strategic direction (posture) is the element of the strategic management process most strongly associated to stakeholder perspective (power). In other words, the organisation will have to adjust its strategic direction from time to time to balance the interests of different stakeholders to ensure continuous survival. From a legitimacy perspective, companies facing strong stakeholder pressure will choose a proactive strategy to preserve legitimacy by minimising uncertainty stemming from possible hostile actions by stakeholders (Lee, 2011). Therefore, stakeholders play a key role in shaping the strategic orientation of an organisation towards ESG issues.

The points mentioned above lead to the next discussion concerning the influence of strategic posture on ESG disclosure. Generally, ESG activities related decisions are associated to strategic decisions on the business and/or corporate level of an organisation (McWilliams, Siegel, 2011). This implies that ESG performance, before being affected by various temporal internal factor or stakeholder pressure, would have already been shaped by the organisation's business strategy (Yuan et al., 2020). This includes the formulation of strategic posture which reflects the overall perspective of the organisation in ESG issues. Ullmann (1985) posit that resource-dependent managers adopting proactive posture will likely increase ESG disclosure to improve their organisation's relationship with powerful stakeholders that control vital resources. Previous literature provided robust empirical evidence of which companies exhibiting proactive posture towards sustainability disclosed additional ESG information than those assuming passive posture (see Roberts, 1992; Kent, Chan, 2009; Lahouel et al., 2014; Bhatia, Makkar, 2020). In short, the ESG disclosure decision of an organisation is facilitated (hindered) by its proactive (passive) strategic stance in the presence of powerful stakeholders.

Thus far, the theoretical underpinning and empirical illustrations were able to establish the influence of external stakeholders on strategic posture, which in turn, affects ESG disclosure decision. More importantly, this proposition implicates the mediating effect of strategic posture on external stakeholder power-ESG disclosure relationship. The question now becomes how a proactive strategic posture would mediate such relationship. The resource-dependence theory provides a theoretical explanation in which an organisation's competitive advantage is the outcome of the development of valuable organisational capabilities and resources (Barney, 1991; Wernerfelt, 1984). According to Minoja (2012), the implementation of a specific strategy may sacrifice short-term gains, which translates to possible trade-offs for certain stakeholders. The external stakeholders, in return, may restrict the organisation's access to the resources, either by reducing capital or imposing more ESG requirement with additional proprietary cost. Thus, the feasibility of a given strategy, including strategic posture towards ESG, is compromised due to the changes in resources (Aragón-Correa, Sharma, 2003). Similarly, the strategic posture adopted by an organisation could mediate the relationship between organisational resources (as provided by external stakeholders) and ESG capabilities. Scholars in recent times were able to successfully operationalise this theoretical concept (see Shwairef et al., 2021). Hence, strategic posture was repositioned from an explanatory variable to become a mediating variable for the conceptual framework.

Third dimension of the Ullmann model: Corporate financial performance

The last element, corporate financial performance (henceforth, CFP) refers as the degree to which a firm is able to achieve its economic, or financial, goals (Venkatraman, Ramanujam, 1986). In recent times, scholars have been positioning CFP as a moderating variable in ESG research work (see Dakhli, 2021; Moreno, Duarte-Atoche, 2019). The slack resource theory provides a theoretical perspective in this issue. Slack refers to any free and available financial and organisation resource that are used to attain an organisational goal (Jensen, 1986), including in the pursuance of long-term ESG performances (Chams et al., 2021; Waddock, Graves, 1997). Thus, CFP as organisational slack is considered a 'prerequisite' for any corporate effort and commitment to ESG reporting (Kim et al., 2019). Likewise, organisations with higher financial performance can afford to devote more resources to manage future ESG issues (Bansal, 2005). In other words, companies with strong financial performance are more likely to dedicate more resources to comprehensively address various ESG issues that are raised by powerful and influential stakeholders.

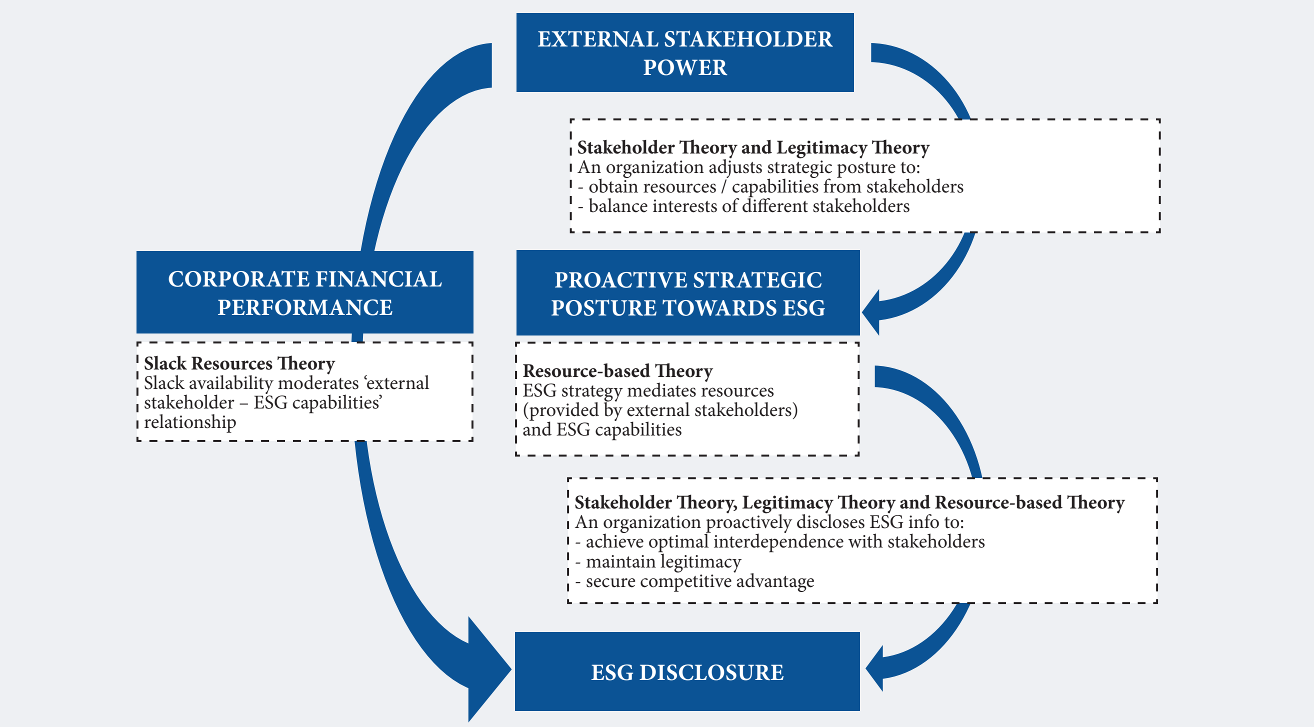
There is empirical evidence for this theoretical proposition. Scholars successfully operationalised this concept by investigating the moderating role of CFP in the relationship between specific stakeholders (i.e. investors, state-owned enterprises, environmental and social interest groups) and ESG performance (see Dakhli, 2021; Moreno, Duarte-Atoche, 2019; Xiao et al., 2018). Furthermore, current scholarly work has yet to theoretically explore, much less empirically prove, the direct effect of external stakeholder on CFP. This effectively rules out the possibility of a reverse interaction effect in which external stakeholder power affects the relationship between CFP and ESG disclosure (Andersson et al., 2014). To these ends, it would be reasonable to assume that CFP moderates the relationship between the influence of external stakeholders and the disclosure of ESG. Otherwise, the strength and sense of this relationship may vary depending on the company's financial result. Thus, CFP was selected as the moderating variable, instead of the explanatory variable, for the conceptual framework. Based on the discussed rationale, the conceptual framework is illustrated by Figure 1.

Future Research

The article presents a conceptual framework for future empirical research on both the mediating effect of strategic posture, and the moderating effect of CFP, in accentuating the influence of eternal stakeholders on ESG disclosures. This article recommends future longitudinal studies to test and validate the framework in different contextual settings. As noted by Mooi et al. (2017, p .47), the "strength of samples comes from selecting samples accurately rather than their sizes". Researchers are recommended to investigate ESG-focused companies in trying to validate the conceptual framework for two reasons. First, the constituents of the ESG index are typically screened according to the transparent and defined ESG criteria based on publicly available data sources and therefore perceived to have published high-quality data on their sustainability practices.[2] Second, ESG-compliant companies demonstrate the 'catching up' effect of harmonising non-financial disclosures within the industry and could inspire others to tackle ESG challenges (Fiechter et al., 2020). This purposive sampling approach, focusing on ESG index constituents, was adopted in recent ESG literature (see Broadstock et al., 2020; Aksoy et al., 2020).

Scholars generally use two approaches to ascertain ESG disclosure. The first approach leverages sustainability score/index provided by third-party ESG rating agencies such as Bloomberg, EIKON, or CSR Hub. However, Larcker et al. (2022) reported that there are significant shortcomings in the objectives, methodologies, and incentives of these ESG rating providers which detract from the informativeness of their sustainability assessments. Alternatively, researchers could conduct a content analysis of annual financial or sustainability reports to develop ESG score/indexes. Nonetheless, self-constructed proxy is based on the

Figure 1. **Conceptual Framework Using Multi-Theoretical Perspectives**



Source: authors.

[2] https://bursasustain.bursamalaysia.com/droplet-details/resources/ftse4good-bursa-malaysia-index, accessed 12.11.2022.

perceptions and interpretation of researchers which may render their findings difficult to replicate (Healy, Palepu, 2001). Taken together, researchers should understand the strengths and limitations of each approach when testing the conceptual framework.

The above conundrum further illustrates that ESG disclosure remains a highly subjective exercise, where the lack of a standardised reporting framework deters the meaningful comparability of sustainability achievements in different industries. As a result, organisations would treat ESG disclosure as a formal box-ticking task in reporting practice by reporting output instead of meaningful outcome (Christensen et al., 2021; Michelon et al., 2020), or resort to green washing by providing only boilerplate information (Caputo et al., 2021; Pizzi et al., 2021). Considering that a uniform global non-financial disclosure framework is unlikely to emerge in the near term (Carter et al., 2022; Filosa et al., 2021), organisations are recommended to objectively measure and report their ESG achievements that are aligned with the values of their key stakeholders (Freeman, Dmytriyev, 2020). Consequently, the 'integrated value model of ESG' developed by Sugai et al. (2020) represents another promising area for future research, as the model directly measures, assesses, monitors and reports on the impacts of value creation (or destruction) impacts that organisations make on their stakeholders. In addition, future researchers could consider using Computer-Aided Text Analyses (CATA) to derive aggregated ESG scores by coding annual corporate reports in a reproducible manner (Lueg, Lueg, 2020).

Lastly and crucially, the external stakeholder could play a pivotal role in deterring the greenwashing phenomenon (Ruiz-Blanco et al., 2021). As proclaimed by Barnett et al. (2018), the "sustainability issues tend to be wicked problems that require cooperation across parties and over time to define and resolve (p. 122)." This is exemplified by the growing influence of the media and NGOs in proactively investigating and exposing corporate malpractice, thereby improving ESG disclosure (UNEP, WBCSD, 2010). Companies also face growing scrutiny from their investors, customers, and suppliers to improve the quality of ESG reporting (Velte, 2021; Serafeim, 2020). Likewise, the demand for credible ESG data corresponded to the increased number of companies obtaining independent assurance reports issued by external auditors (Bartels et al., 2016). These insightful findings offer plausible solution where policymakers could leverage the distinctive contextual pressure exerted by different external stakeholders to induce disclosure of more substantive and verifiable ESG information amongst corporate organisations. Future research should illuminate which external stakeholders are influential in dictating the current discourse of ESG, where robust empirical evidence would assist decision makers in developing salient stakeholders networking instrument to collectively promote greater ESG commitment among corporate organisations (Lu et al., 2019).

Conclusions

This article reconceptualises the Ullmann model and proposes a conceptual framework to illustrate the relationship between external stakeholder and ESG disclosure. Four theories namely stakeholder theory, legitimacy theory, resource-based theory, and slack resource theory are integrated into a single conceptual framework for ESG disclosure. Although stakeholder and legitimacy theories could explain organisational motivation to accept socially endorsed sustainability norms, both theories were not sufficient to explain the different levels of ESG reporting in industries when facing similar pressure from stakeholders. The inclusion of resource-based theory and slack resource theory sheds further insight into this conundrum, as the adoption of sustainability initiatives may have underlying resource-based explanations. The theoretical underpinnings and robust empirical evidence of the extant literature suggest the under researched effects of both strategic posture and CFP in accentuating the relationship between external stakeholders and ESG disclosure. Beyond this, this article provides a novel research direction and advocates for future researchers to empirically explicate and advance the reliability of the proposed framework.

The authors express deepest gratitude to the Faculty of Management of the Multimedia University, Malaysia and the Public Service Department, Malaysia.

References

Agle B.R., Mitchell R.K., Sonnenfeld J.A. (1999) Who matters to CEOs? An investigation of stakeholder attributes and salience, corporate performance, and CEO values. *Academy of Management Journal*, 42(5), 507–525. https://doi.org/10.2307/256973

Aksoy M., Yilmaz M.K., Tatoglu E., Basar M. (2020) Antecedents of corporate sustainability performance in Turkey: The effects of ownership structure and board attributes on non-financial companies. *Journal of Cleaner Production*, 276, 124284. https://doi.org/10.1016/j.jclepro.2020.124284

Ali W., Frynas J.G., Mahmood Z. (2017) Determinants of corporate social responsibility (CSR) disclosure in developed and developing countries: A literature review. *Corporate Social Responsibility and Environmental Management*, 24(4), 273–294. https://doi.org/10.1002/csr.1410

Andersson U., Cuervo-Cazurra A., Nielsen B.B. (2014) From the editors: Explaining interaction effects within and across levels of analysis. *Journal of International Business Studies*, 45(9), 1063–1071. https://doi.org/10.1057/jibs.2014.50

Appiah K.O., Amankwah M., Adu Asamoah L. (2016) Online corporate social responsibility communication: An emerging country's perspective. *Journal of Communication Management*, 20(4), 396–411. https://doi.org/10.1108/JCOM-06-2015-0048

Aragón-Correa J.A., Sharma S. (2003) A contingent resource-based view of proactive corporate environmental strategy. *The Academy of Management Review*, 28(1), 71. https://doi.org/10.2307/30040690

Baldini M., Maso L.D., Liberatore G., Mazzi F., Terzani S. (2018) Role of country- and firm-level determinants in environmental, social, and governance disclosure. *Journal of Business Ethics*, 150(1), 79–98. https://doi.org/10.1007/s10551-016-3139-1

Bansal P. (2005) Evolving sustainably: A longitudinal study of corporate sustainable development. *Strategic Management Journal*, 26(3), 197–218. https://doi.org/10.1002/smj.441

Barnett M.L., Henriques I., Husted B.W. (2018) Governing the void between stakeholder management and sustainability. *Sustainability, Stakeholder Governance, and Corporate Social Responsibility*, 38, 121–143. https://doi.org/10.1108/S0742-332220180000038010

Barney J. (1991) Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99–120. https://doi.org/10.1177/014920639101700108

Barney J.B. (2001) Resource-based theories of competitive advantage: A ten-year retrospective on the resource-based view. *Journal of Management*, 27(6), 643–650. https://doi.org/10.1177/014920630102700602

Bartels W., Fogelberg T., Hoballah A., van der Lugt C.T. (2016) *Carrots & Sticks: Global trends in sustainability reporting regulation and policy (2016 Edition)*, Amstelveen: KPMG. https://assets.kpmg.com/content/dam/kpmg/pdf/2016/05/carrots-and-sticks-may-2016.pdf

Bhatia A., Makkar B. (2020) Stage of development of a country and CSR disclosure – the latent driving forces. *International Journal of Law and Management*, 62(5), 467–493. https://doi.org/10.1108/IJLMA-03-2020-0068

Bowen F.E. (2002) Organizational slack and corporate greening: Broadening the debate. *British Journal of Management*, 13(4), 305–316. https://doi.org/10.1111/1467-8551.00248

Branco M.C., Rodrigues L.L. (2006) Corporate social responsibility and resource-based perspectives. *Journal of Business Ethics*, 69(2), 111–132. https://doi.org/10.1007/s10551-006-9071-z

Broadstock D.C., Matousek R., Meyer M., Tzeremes N.G. (2020) Does corporate social responsibility impact firms' innovation capacity? The indirect link between environmental & social governance implementation and innovation performance. *Journal of Business Research*, 119, 99–110. https://doi.org/10.1016/j.jbusres.2019.07.014

Buchholtz A.K., Amason A.C., Rutherford M.A. (2016) Beyond Resources: The Mediating Effect of Top Management Discretion and Values on Corporate Philanthropy. *Business and Society,* 38(2). https://doi.org/10.1177/000765039903800203

Buhr N., Gray R., Milne M.J. (2014) Histories, rationales, voluntary standards and future prospects for sustainability reporting: CSR, GRI, IIRC and beyond. In: *Sustainability Accounting and Accountability* (eds. M. Laine, H. Tregidga, J. Unerman) (2nd ed.), New York: Routledge, pp. 57–71.

Busch T., Hoffmann V.H. (2011) How hot is your bottom line? Linking carbon and financial performance. *Business and Society*, 50(2), 233–265. https://doi.org/10.1177/0007650311398780

Buysse K., Verbeke A. (2003) Proactive environmental strategies: A stakeholder management perspective. *Strategic Management Journal*, 24(5), 453–470. https://doi.org/10.1002/smj.299

Camp W. (2001) Formulating and evaluating theoretical frameworks for career and technical education research. *Journal of Vocational Education Research*, 26(1), 4–25. https://doi.org/10.5328/jver26.1.77

Caputo F., Pizzi S., Ligorio L., Leopizzi R. (2021) Enhancing environmental information transparency through corporate social responsibility reporting regulation. *Business Strategy and the Environment*, 30(8), 3470–3484. https://doi.org/10.1002/bse.2814

Carter M., McGovern M., Filosa M. (2022) *Towards a global ESG disclosure framework*, Boston, MA: Harvard Law School Forum on Corporate Governance. https://corpgov.law.harvard.edu/2020/12/04/defining-the-role-of-the-audit-committee-in-overseeing-esg/, accessed 19.02.2023.

Chams N., García-Blandón J., Hassan K. (2021) Role reversal! financial performance as an antecedent of ESG: The moderating effect of total quality management. *Sustainability*, 13(13), 1–18. https://doi.org/10.3390/su13137026

Chelliah T.D., Chelliah M.K., Jaganathan M. (2017) Adoption of corporate social responsibility: Empirical evidence from Malaysian SMEs. *Jurnal Komunikasi: Malaysian Journal of Communication*, 33(4), 174–189. https://doi.org/10.17576/JKMJC-2017-3304-11

Christensen H.B., Hail L., Leuz C. (2021) Mandatory CSR and sustainability reporting: Economic analysis and literature review. *Review of Accounting Studies*, 26(3), 1176–1248. https://doi.org/10.1007/s11142-021-09609-5

Dakhli A. (2021) The impact of ownership structure on corporate social responsibility: The moderating role of financial performance. *Society and Business Review*, 16(4), 562–591. https://doi.org/10.1108/SBR-01-2021-0013

Darnall N., Henriques I., Sadorsky P. (2010) Adopting proactive environmental strategy: The influence of stakeholders and firm size. *Journal of Management Studies*, 47(6), 1072–1094. https://doi.org/10.1111/j.1467-6486.2009.00873.x

Deegan C. (2002) Introduction: The legitimising effect of social and environmental disclosures – A theoretical foundation. *Accounting, Auditing & Accountability Journal*, 15(3), 282–311. https://doi.org/10.1108/09513570210435852

Deegan C. (2014) An overview of legitimacy theory as applied within the social and environmental accounting literature. In: *Sustainability Accounting and Accountability* (eds. J. Bebbington, J. Unerman, B. O'Dwyer) (2nd ed.), New York: Taylor & Francis, pp. 248–272.

Deegan C. (2017) Twenty five years of social and environmental accounting research within critical perspectives of accounting: Hits, misses and ways forward. *Critical Perspectives on Accounting*, 43, 65–87. https://doi.org/10.1016/j.cpa.2016.06.005

Duran I.J., Rodrigo P. (2018) Why do firms in emerging markets report? A stakeholder theory approach to study the determinants of non-financial disclosure in Latin America. *Sustainability*, 10(9), 3111. https://doi.org/10.3390/su10093111

Elijido-Ten E. (2006) *Extending the application Of stakeholder theory to Malaysian corporate environmental Disclosures*, Melbourna: Swinburne University of Technology. https://researchbank.swinburne.edu.au/file/19db4add-4dad-4715-8e11-be1e394f6e7b/1/Evangeline Elijido-Ten Thesis.pdf, accessed 07.02.2023.

Fernando S., Lawrence S. (2014) A theoretical framework for CSR practices: Integrating legitimacy theory, stakeholder theory and intitutional work. *The Journal of Theoretical Accounting*, 10(1), 149–178.

Fiechter P., Hitz J.M., Lehmann N. (2020) Real effects of a widespread CSR reporting mandate: Evidence from the European Union's CSR directive. *Journal of Accounting Research,* 60(4), 1499–1549. https://doi.org/10.1111/1475-679X.12424

Filosa M., Alqaseer F., McGovern M. (2021) *The state of U.S. sustainability reporting*, Boston, MA: Harvard Law School Forum on Corporate Governance. https://corpgov.law.harvard.edu/2021/11/02/the-state-of-u-s-sustainability-reporting/, accessed 03.01.2023.

Freeman R.E. (1984) *Strategic management: A stakeholder approach*, Cambridge: Cambridge University Press.

Freeman R.E., Dmytriyev S. (2020) Corporate social responsibility and stakeholder theory: Learning from each other. *Symphonya. Emerging Issues in Management*, 1, 7–15. https://doi.org/10.4468/2017.1.02freeman.dmytriyev

Freeman R.E., Harrison J.S., Wicks A.C., Parmar B.L., De Colle S. (2010) *Stakeholder theory: The state of the art*, Cambridge: Cambridge University Press.

Frooman J. (1999) Stakeholder influence strategies. *Academy of Management Review*, 24(2), 191–205. https://doi.org/10.5465/AMR.1999.1893928

Galbreath J. (2005) Which resources matter the most to firm success? An exploratory study of resource-based theory. *Technovation*, 25(9), 979–987. https://doi.org/10.1016/j.technovation.2004.02.008

Gomes R.C., Gomes L. (2007) Proposing a theoretical framework to investigate the relationships between an organization and its environment. *Revista de Administração Contemporânea*, *11*(1), 75–96. https://doi.org/10.1590/s1415-65552007000100005

Goodpaster K.E. (1991) Business ethics and stakeholder analysis. *Business Ethics Quarterly*, 1(1), 145–174. https://doi.org/10.2307/3857592

Gray R., Owen D., Adams C. (1996) *Accounting & accountability: Changes and challenges in corporate social and environmental reporting*, New York: Prentice Hall.

Guthrie J., Parker L.D. (1989) Corporate social reporting: A rebuttal of legitimacy theory. *Accounting and Business Research*, 19(76), 343–352. https://doi.org/10.1080/00014788.1989.9728863

Hammami A., Hendijani Zadeh M. (2020) Audit quality, media coverage, environmental, social, and governance disclosure and firm investment efficiency: Evidence from Canada. *International Journal of Accounting and Information Management*, 28(1), 45–72. https://doi.org/10.1108/IJAIM-03-2019-0041

Hand D., Dithrich H., Sunderji S., Nova N. (2020) Annual impact investors survey 2020 (10th ed.), New York: Global Impact Investment Network. https://thegiin.org/assets/GIIN Annual Impact Investor Survey 2020.pdf, accessed 24.02.2023.

Harrison J.S., St. John C.H. (1997) *Strategic management of organizations and stakeholders: Theory and cases,* Boston, MA: Cengage Learning.

Hart S. (1995) A natural-resouces based view of the firm. *Academy of Management Review*, 51(3), 49–51. https://doi.org/https://doi.org/10.5465/amr.1995.9512280033

Healy P.M., Palepu K.G. (2001) Information asymmetry, corporate disclosure, and the capital markets: A review of the empirical disclosure literature. *Journal of Accounting and Economics*, 31(1–3), 405–440. https://doi.org/10.1016/S0165-4101(01)00018-0

Heaps T.A.A., Yow M., Väyrynen L. (2019) *Measuring sustainability disclosure 2019: Ranking the world's stock exchanges*, Toronto: Corporate Knights. https://www.corporateknights.com/wp-content/uploads/2021/08/CK_StockExchangeRanking_2020.pdf, accessed 18.12.2022.

Henriques I., Sadorsky P. (1999) The relationship between environmental commitment and managerial perceptions of stakeholder importance. *Academy of Management Journal*, 42(1), 87–99. https://doi.org/10.2307/256876

Hummel K., Szekely M. (2021) Disclosure on the sustainable development goals – Evidence from Europe. *Accounting in Europe*, 0(0), 1–38. https://doi.org/10.1080/17449480.2021.1894347

Jensen M.C. (1986) Agency costs of free cash flow, corporate finance, and takeovers. *American Economic Review*, 76(2), 323–329. http://www.jstor.org/stable/1818789

Kent P., Chan C. (2009) Application of stakeholder theory to corporate environmental disclosures. *Corporate Ownership and Control*, 7(1), 394–410. https://doi.org/10.22495/cocv7i1c3p6

Kim S.I., Shin H., Shin H., Park S. (2019) Organizational slack, corporate social responsibility, sustainability, and integrated reporting: Evidence from Korea. *Sustainability*, 11(16). https://doi.org/10.3390/su11164445

Krueger P., Sautner Z., Tang D.Y., Zhong R. (2021) The effects of mandatory ESG disclosure around the world. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.3832745

Laaksonen O., Peltoniemi M. (2018) The essence of dynamic capabilities and their measurement. *International Journal of Management Reviews*, 20(2), 184–205. https://doi.org/10.1111/ijmr.12122

Lahouel B., Peretti J.M., Autissier D. (2014) Stakeholder power and corporate social performance: The ownership effect. *Corporate Governance (Bingley)*, 14(3), 363–381. https://doi.org/10.1108/CG-07-2012-0056

Larcker B.D.F., Tayan B., Watts M. (2022) *ESG ratings: A compass without direction* (Rock Center for Corporate Governance at Stanford University Working Paper), Stanford, CA: Stanford University. https://ssrn.com/abstract=4179647, accessed 27.12.2022.

Lee M.D.P. (2011) Configuration of external influences: The combined effects of institutions and stakeholders on corporate social responsibility strategies. *Journal of Business Ethics*, 102(2), 281–298. https://doi.org/10.1007/s10551-011-0814-0

Lu J., Ren L., Lin W., He Y., Streimikis J. (2019) Policies to promote corporate social responsibility (CSR) and assessment of CSR impacts. *E+M Business Administration and Management*, 22(1), 82–98.

Lueg K., Lueg R. (2020) Detecting green-washing or substantial organizational communication: A model for testing two-way interaction between risk and sustainability reporting. *Sustainability*, 12(6), 2520. https://doi.org/10.3390/su12062520

Maama H., Mkhize M. (2020) Integration of non-financial information into corporate reporting: A theoretical perspective. *Academy of Accounting and Financial Studies Journal*, *24*(2). https://www.abacademies.org/articles/integration-of-nonfinancial-information-into-corporate-reporting-a-theoretical-perspective-9152.html, accessed 12.12.2022.

Magness V. (2006) Strategic posture, financial performance and environmental disclosure: An empirical test of legitimacy theory. *Accounting, Auditing and Accountability Journal*, 19(4), 540–563. https://doi.org/10.1108/09513570610679128

Mahmud M.T. (2020) Quest for a single theory to explain managerial motivations for sustainability disclosures: Legitimacy theory, stakeholder theory or institutional Theory. *Bulletin of Japanese Association for International Accounting Studies*, 7, 135–159. https://jaias.org/content/files/pdf/academic_records/2019bulletin/12.pdf, accessed 17.01.2023.

Mainardes E.W., Alves H., Raposo M. (2011) Stakeholder theory: Issues to resolve. *Management Decision*, 49(2), 226–252. https://doi.org/10.1108/00251741111109133

Mayer K.J., Sparrowe R.T. (2013) From the editors: Integrating theories in AMJ articles. *Academy of Management Journal*, 56(4), 917–922. https://doi.org/10.5465/amj.2013.4004

McGuire J.B., Sundgren A., Schneeweis T. (1988) Corporate social responsibility and firm financial performance. *Academy of Management Journal*, 31(4), 854–872. https://doi.org/10.5465/256342

McWilliams A., Siegel D.S. (2011) Creating and capturing value: Strategic corporate social responsibility, resource-based theory, and sustainable competitive advantage. *Journal of Management*, 37(5), 1480–1495. https://doi.org/10.1177/0149206310385696

Michelon G., Sealy R., Trojanowski G. (2020) *Understanding research findings and evidence on corporate reporting : An independent literature review*, London: Financial Reporting Council. https://www.frc.org.uk/getattachment/ba1c51d0-e933-4235-9c67-0bd2aa592edb/Literature-Review-Final.pdf, accessed 04.02.2023.

Minoja M. (2012) Stakeholder management theory, firm strategy, and ambidexterity. *Journal of Business Ethics*, 109, 67–82. https://doi.org/10.1007/s10051-012-1980-9

Mitchell R.K., Agle B.R., Wood D.J. (1997) Toward a theory of stakeholder identification and salience: Defining the principle of who and what really counts. *Academy of Management Review*, 22(4), 853–886. https://doi.org/10.5465/AMR.1997.9711022105

Moats M.C., DeNicola P. (2021) *The corporate director's guide to ESG*, Boston, MA: Harvard Law School Forum on Corporate Governance. https://corpgov.law.harvard.edu/2021/12/15/the-corporate-directors-guide-to-esg/#more-142100, accessed 08.01.2023.

Mooi E., Sarstedt M., Mooi-Reci I. (2017) *Market research: The process, data, and methods using Stata*, Heidelberg, Dordrecht, London, New York: Springer. https://doi.org/10.1007/978-981-10-5218-7

Moreno M.L.P., Duarte-Atoche T. (2019) Relationship between sustainable disclosure and performance – An extension of Ullmann's model. *Sustainability (Switzerland)*, 11(16), 11164411. https://doi.org/10.3390/su11164411

Ngu S.B., Amran A. (2021) Materiality disclosure in sustainability reporting: Evidence from Malaysia. *Asian Journal of Business and Accounting*, 14(1), 225–252. https://doi.org/10.22452/ajba.vol14no1.9

Nguyen T.T.T., Nguyen H.L.C. (2020) Corporate social responsibility and firm financial performance: A literature review. *Science & Technology Development Journal – Economics Law and Management*, 4(3), 833–850. https://doi.org/10.32508/stdjelm.v4i3.579

Nohria N., Gulati R. (1996) Is slack good or bad for innovation? *Academy of Management Journal*, 39(5), 1245–1264. https://doi.org/10.2307/256998

Omran M.A., Ramdhony D. (2015) Theoretical perspectives on corporate social responsibility disclosure: A critical review. *International Journal of Accounting and Financial Reporting*, 5(2), 38. https://doi.org/10.5296/ijafr.v5i2.8035

Parent M.M., Deephouse D.L. (2007) A case study of stakeholder identification and prioritization by managers. *Journal of Business Ethics*, 75(1), 1–23. https://doi.org/10.1007/s10551-007-9533-y

Patten D.M. (1992) Intra-industry environmental disclosures in response to the Alaskan oil spill: A note on legitimacy theory. *Accounting, Organizations and Society*, 17(5), 471–475. https://doi.org/10.1016/0361-3682(92)90042-Q

Pfeffer J., Salancik G.R. (1978) *The external control of organizations: A resource dependence approach*, New York: Harper and Row Publishers.

Pizzi S., Rosati F., Venturelli A. (2021) The determinants of business contribution to the 2030 agenda: Introducing the SDG reporting Score. *Business Strategy and the Environment*, 30(1), 404–421. https://doi.org/10.1002/bse.2628

Roberts R.W. (1992) Determinants of corporate social responsibility disclosure: An application of stakeholder theory. *Accounting Organizations and Society*, 17(6), 595–612. https://doi.org/10.1016/0361-3682(92)90015-K

Rose A.M. (2021) A response to calls for SEC-mandated ESG disclosure. *Washington University Law Review*, 98(6), 1821–1856.

Rudyanto A., Pirzada K. (2021) The role of sustainability reporting in shareholder perception of tax avoidance. *Social Responsibility Journal*, 17(5), 669–685. https://doi.org/10.1108/SRJ-01-2020-0022

Ruiz S., Romero S., Fernandez-Feijoo B. (2021) Stakeholder engagement is evolving: Do investors play a main role? *Business Strategy and the Environment*, 30(2), 1105–1120. https://doi.org/10.1002/bse.2674

Ruiz-Blanco S., Romero S., Fernandez-Feijoo B. (2021) Green, blue or black, but washing – What company characteristics determine greenwashing? *Environment, Development and Sustainability*, 24, 4024–4045. https://doi.org/10.1007/s10668-021-01602-x

Sandhu S. (2013) Towards an integrated conceptual framework for corporate social and environmental sustainability. *Academy of Management Proceedings*, 2012(1), 19–38. https://doi.org/10.5465/ambpp.2012.12570abstract

Saxton G.D., Ren C., Guo C. (2021) Responding to diffused stakeholders on social media: Connective power and firm reactions to CSR-related twitter messages. *Journal of Business Ethics*, 172(2), 229–252. https://doi.org/10.1007/s10551-020-04472-x

Serafeim G. (2020) Social-impact efforts that create real value. *Harvard Business Review* (September-October), 2–11. https://hbr.org/2020/09/social-impact-efforts-that-create-real-value, accessed 18.04.2022

Shwairef A., Amran A., Iranmanesh M., Ahmad N.H. (2021) The mediating effect of strategic posture on corporate governance and environmental reporting. *Review of Managerial Science*, 15(2), 349–378. https://doi.org/10.1007/s11846-019-00343-6

Song H., Yu K., Zhang S. (2017) Green procurement, stakeholder satisfaction & operational performance. *International Journal of Logistics Management*, 28(4), 1054–1077. https://doi.org/10.1108/IJLM-12-2015-0234

Stacchezzini R., Melloni G., Lai A. (2016) Sustainability management and reporting: The role of integrated reporting for communicating corporate sustainability management. *Journal of Cleaner Production*, 136, 102–110. https://doi.org/10.1016/j.jclepro.2016.01.109

Suchman M.C. (1995) Managing legitimacy: Strategic and institutional approaches. *Academy of Management Review*, 20(3), 571–610. https://doi.org/10.5465/amr.1995.9508080331

Sugai P., Phattanaprayoonvong S., Phetharn J., Yamazaki M. (2021) *Valuing Value – A Synthesis of Global Sustainability Frameworks to Establish Objective and Transparent Goals to Measure Value for a Firm, Its Shareholders, Customers, Employees, Partners, Society and the Planet* (Discussion Paper DBS-21-01), Kyoto: Doshisha Business School. https://bs.doshisha.ac.jp/studygroup/discussion_paper.html, accessed 18.12.2022.

Teece D.J., Pisano G., Shuen A. (1997) Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), 509–533. https://doi.org/10.1176/appi.psychotherapy.2009.63.1.13

Tilt C.A. (2016) Corporate social responsibility research: The importance of context. *International Journal of Corporate Social Responsibility*, 1(1), 1–9. https://doi.org/10.1186/s40991-016-0003-7

Ullah I., Hameed R.M., Kayani N.Z., Fazal Y. (2022) CEO ethical leadership and corporate social responsibility: Examining the mediating role of organizational ethical culture and intellectual capital. *Journal of Management and Organization*, 28(1), 99–119. https://doi.org/10.1017/jmo.2019.48

Ullmann A.A. (1985) Data in search of a theory: A critical examination of the relationships among social performance, social disclosure, and economic performance of U.S. firms. *Academy of Management Review*, 10(3), 540–557. https://doi.org/10.5465/amr.1985.4278989

UNEP, WBCSD (2010) *Translating ESG into sustainable business value*. https://www.unepfi.org/fileadmin/documents/translatingESG.pdf, accessed 19.04.2022.

Van der Laan S. (2009) The role of theory in explaining motivation for corporate social disclosures. *Australasian Accounting, Business and Finance Journal*, 3(4), 17. https://ro.uow.edu.au/aabfj, accessed 03.02.2023.

Velte P. (2021) Archival research on integrated reporting: A systematic review of main drivers and the impact of integrated reporting on firm value. *Journal of Management and Governance,* 26, 997–106. https://doi.org/10.1007/s10997-021-09582-w

Venkatraman N., Ramanujam V. (1986) Measurement of business performance in strategy research: A comparison of approaches. *Academy of Management Review*, 11(4), 801–814. https://doi.org/10.5465/amr.1986.4283976

Waddock S.A., Graves S.B. (1997) The corporate social performance – financial performance link. *Strategic Management Journal*, 18(4), 303–319. https://doi.org/10.4135/9781412956260.n205

Wartick S. (1994) The Toronto conference: Reflections on stakeholder theory. *Business and Society*, 33(1), 110–117. https://doi.org/10.1177/000765039403300105

Wernerfelt B. (1984) A resource-based view of the firm. *Strategic Management Journal,* 5(2), 171–180. https://www.jstor.org/stable/2486175.

Xiao C., Wang Q., Van Donk D.P., Van der Vaart T. (2018) When are stakeholder pressures effective? An extension of slack resources theory. *International Journal of Production Economics*, 199, 138–149. https://doi.org/10.1016/j.ijpe.2018.03.002

Yuan Y., Lu L.Y., Tian G., Yu Y. (2020) Business strategy and corporate social responsibility. *Journal of Business Ethics*, 162(2), 359–377. https://doi.org/10.1007/s10551-018-3952-9

Yunus S., Elijido-ten E.O., Abhayawansa S. (2019) Impact of stakeholder pressure on the adoption of carbon management strategies. *Sustainability Accounting, Management and Policy Journal*, 11(7), 1189–1212. https://doi.org/10.1108/SAMPJ-04-2019-0135

Zarzycka E., Krasodomska J. (2021) Non-financial key performance indicators: What determines the differences in the quality and quantity of the disclosures? *Journal of Applied Accounting Research*, 23(1), 139–162. https://doi.org/10.1108/JAAR-02-2021-0036