Call for Papers for a Special Issue

“ESG, Greenwashing and Financial Controversies in organizations”
Submission deadline: January 31, 2025

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OVERVIEW OF THE SPECIAL ISSUE

Over the last decade, different environmental scandals have arisen harming the reputation of several institutions and organizations all over the world (Farinha et al., 2017). In particular, cases of "greenwashing" have recently increased considerably, creating difficulties for stakeholders in distinguishing between the good firms with truly positive corporate performance and the bad firms that only appear to adopt a sustainable development model (Garrido et al. 2020). There are more and more corporate controversies, and the existence of asymmetric information could encourage the behavior of companies practicing greenwashing. Therefore, following Torelli et al. (2020), a detailed analysis of legitimacy theory and signaling is becoming increasingly relevant to understand and to promote solutions to mitigate this phenomenon.

The impacts of such scandals are contingent to cultural factors and the weakness of the legal institutional environment. Therefore, there is a need for studies assessing the environmental effectiveness of companies’ and even national laws in each country combating the environmental firms’ misconduct that may be concealed within the actions of some private and/or public institutions across different areas and environments (López-de-Silanes et al. 2010). Thus, an analysis of the contextual factors is relevant to prevent misconduct attitudes in firms (López-de-Silanes et al. 2019). Cases like Volkswagen about the emission of pollution gases are meaningful examples of controversies that companies and organizations face and highlight the negative impact on their public image.
in the eyes of society (Siano et al., 2017). Although these controversies affect the financial and human resources, they are especially relevant on the environmental activity of firms. As a token, greenwashing attitudes are those “selective statements” made by companies that try to cover certain negative or deplorable actions through a false image of sustainability and increase their advertising regarding issues that appear to be environmentally positive (Lyon and Maxwell, 2008). In this context, the greenwashing behavior adopted by some firms to avoid facing the environmental implications of controversies is a concern.

Greenwashing can be seen as a decoupling policy. Firms seeking to increase its financial value may have incentives to eschew environmental and CSR policies by engaging in ‘masking’ behaviours associated with greenwashing. Such practices might be positively perceived until a scandal emerges, leading to controversy and tarnishing the public image of the company (Bothello et al., 2023). A review and research agenda of greenwashing can shed some light on the international determinants (Montgomery et al., 2023; Ghitti, et al., 2023).

As organizations and public entities are establishing their positions as flagships for an eco-social transformation, sometimes there is some cognitive dissonance between firms’ objective results and the environmental-friendly credentials they claim to have. As a consequence, companies have to react when controversies are disclosed, which comes with important effects on financial decisions. The disclosure of these sustainable practices and outcomes through ESG reporting can become a powerful means of covering up poor performance, fraudulent behaviours and potential social and environmental scandals (Siano et al., 2017; Kurpierz & Smith, 2020; Lyon & Maxwell, 2011; Opferkuch et al., 2022; Berg et al., 2023). Therefore, delving into these issues, as well as developing new tools and mechanisms to implement corruption-proof sustainability-related strategies seem of utmost importance to create socially-conscious institutions (Thanetsunthorn, 2021). Besides, research on control mechanisms to prevent misconducts and to identify potential greenwashing techniques is also critical for detecting fraud attitudes and for avoiding causing harm to the environment and to society as a whole (Gatti et al., 2019).

This special issue aims to develop high-level comparative studies on sustainability disclosures and the corporate ESG financial controversies. Have past controversies and called-out greenwashing practices influenced organisations sustainability performances? Have companies with past scandal history fully completed their redemption arch? What is their relative position regarding environmental, social and governance principles in
comparison to other financial A-listers? Are top-class sustainability flagships ultimately controlled by not-so-sustainable actors? These are examples of questions that could be answered by researchers and whose contributions are invited to this special issue. Studies could also pay attention to firms that have gone through controversies in the past, seeking for reasons of misbehavior in the framework ESG reporting and other financial, sustainable, and corporate governance factors (Wu et al., 2020).

SAMPLE TOPICS
Some of the main topic areas for the Special Issue include, but are not limited to, the following:

• Comparative studies between sustainability disclosures and the covering of corporate ESG controversies.
• Study cases of environmental controversies for different multinational firms in some specific region, country, sector.
• The “Greenwashing” practices and fraudulent actions to the environment and to the well-being of employees and/or society in general.
• The comparison between “naughty” and “good” firms, and the use of ESG reporting as a window-dress for covering wrongdoings.
• The failure of control systems to prevent environmental firms’ misconduct attitudes and to avoid overinvestment or underinvestment decision in different companies, sectors, environments, or scenarios.
• The effectiveness of country laws to avoid misconduct by private and/or public institutions in different regions and environments.
• The influence of ESG scores in controversies, firm value, and corporate risk-taking
• The attitude of top managers to face environmental controversies.
• The relationship between corporate social responsibility policies, financial performance, and the risk of misconduct in companies. The failure of control systems to prevent environmental controversies.

SUBMISSION PROCESS AND DEADLINES
The deadline for Special Issue submissions is January 31, 2025, via the BRQ Business Research Quarterly online submission portal. Completed papers should be submitted online at https://mc.manuscriptcentral.com/brq. Please follow the manuscript submission
guidelines for BRQ Business Research Quarterly at: https://journals.sagepub.com/author-instructions/BRQ.

All papers will be subject to the same double-blind peer review process as regular issues of BRQ.

Publication of the Special Issue is scheduled for the spring of 2026 (tentative). We welcome informal enquiries on proposed topics and potential fit with Special Issue objectives.

Please direct questions to the Guest Editors:

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REFERENCES


