ARTICLE

Business strategies and corporate sustainability: an ethical linkage

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Abstract

This study explores the following theoretical research question: How can business ethics help to reframe corporate sustainability strategies? This paper's contribution to corporate sustainability (CS) theory is the interconnection of concepts and models from disparate fields of thought, addressing gaps of perception that can impair the development of CS strategies. This paper's main result is a comprehensive and articulated framework that links the societal level of sustainability to the organizational dimension of CS and the individual dimension of managers' moral orientation. The framework reinforces the perception that business ethics driven by a normative orientation could improve CS results when supported by an organizational culture that allows reversing ethical blindness.

Keywords: Business ethics. Corporate sustainability. Ecoinnovation. Strategies. Ethical blindness.

Estratégias de negócio e sustentabilidade corporativa: um vínculo ético

Resumo

Este estudo explora a seguinte questão teórica de pesquisa: como a ética nos negócios pode ajudar a reformular as estratégias de sustentabilidade corporativa? A contribuição deste artigo para a teoria da Sustentabilidade Corporativa (SC) é interligar conceitos e modelos de campos de pensamento díspares, abordando lacunas de percepção que podem prejudicar o desenvolvimento de estratégias de SC. O principal resultado deste artigo é um arcabouço teórico abrangente e articulado, que liga o nível societal da sustentabilidade, ao nível organizacional da SC, e ao nível individual da orientação moral dos gestores. O arcabouço reforça a percepção de que a ética empresarial de orientação normativa, quando amparada por uma cultura organizacional que permita reverter a cegueira ética, pode melhorar os resultados da SC.

Palavras-chave: Ética de negócios. Sustentabilidade corporativa. Ecoinovação. Estratégia. Cegueira ética.

Estrategias de negocio y sostenibilidad corporativa: un vínculo ético

Resumen

Este estudio explora la siguiente pregunta teórica de investigación: ¿cómo la ética en los negocios puede ayudar a reformular las estrategias de sostenibilidad corporativa? La contribución de este artículo a la teoría de la sostenibilidad corporativa (SC) es interconectar conceptos y modelos de campos de pensamiento dispares, abordar las brechas de percepción que pueden perjudicar el desarrollo de estrategias de SC. El principal resultado de este artículo es un marco teórico integral y articulado que vincula el nivel social de la sostenibilidad con la dimensión organizacional de la SC y la dimensión individual de la orientación moral de los gestores. El marco teórico refuerza la percepción de que la ética empresarial orientada normativamente, cuando se apoya en una cultura organizacional que permite revertir la ceguera ética, puede mejorar los resultados de la SC.

Palabras clave: Ética de negocios. Sostenibilidad corporativa. Ecoinnovación. Estrategia. Ceguera ética.

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INTRODUCTION

Two facts stand out in the contemporary business environment: i) firms are responsible for most goods and services produced in market economies (Donaldson & Walsh, 2015); ii) Even with the growing investments made by firms to reduce the impacts of their activities, and the increasing relevance assigned by CEOs to sustainability issues, environmental and social problems continue to escalate, a phenomenon described by researchers as the sustainability paradox (Landrum, 2017).

So, there seems to be a perception problem that impairs executives and managers to realize the paradoxical situation in which the apparent sources of value generation are the same ones that produce degradation of the natural and social environments on which they depend to survive and thrive (Kurucz et al., 2014). Researchers claim that the way business leaders perceive firm's responsibility regarding sustainability challenges may derives from neoclassical economic assumptions, mainly from the neo-liberal ideology (Kallio, 2007).

Critical management studies suggest that, to overcome the sustainability paradox, it will be necessary to develop a substantive rationality in business leaders and managers, to mean a cognition guided by ethical and moral principles, and by a self-reflexive ecocentrism that can challenge business-as-usual mindset (Barthold & Bloom, 2020; Guattari, 2004; Kapra, 1996; Leff, 2014). As explained by Allen et al. (2019, p. 786), a self-reflexivity behavior "emphasizes our responsibility as managers, educators and citizens for shaping social and organizational realities and creating responsive and responsible organizations."

However, the lack of integration of ethics into corporate sustainability (CS) strategies, appointed as major research gap in the CS field (Van Liedekerke, 2019), seems to be impairing a self-reflexive behavior about the future of our society. May be contributing to this gap the absence of integration between the macro and micro level of analysis in the scientific sustainability literature (Dyllick & Muff, 2016). In fact, as Painter-Morland et al. (2017) claim, the integration of societal-organizational-individual levels of analysis could influence the motivation for, and the scope of CS frameworks.

Aimed at covering the gaps appointed above, this paper is an exploratory study with a theoretical goal (Miles et al., 2014). This research extends the CS field by exploring the following theoretical question: How can business ethics help to reframe corporate sustainability strategies? This article's objective is to offer a framework that incentive a deeper comprehension regarding how business oriented by ethics could contribute to improve CS strategies results. This paper's singular and relevant contribution to business administration theory is to connects the societal level of sustainability to the organizational dimension of CS, and to the individual dimension of managers' moral orientation.

THEORETICAL CONCEPTS

The rationale to select the concepts was the following: IF CS is about the firms' contribution to sustainability (Landrum, 2017), it is necessary to understand how sustainability is discussed in CS literature. Although CS could be derived directly from ecocentric ethical models (Phillips, 2019), it is claimed that CS can be framed as a strategic choice (Montiel et al., 2019). Therefore, it is necessary to describe the evolution of the strategy field in business organizations, the cognitive space where firms communicate their contribution to society. It is also claimed that for sustainability to play a determinant role in a firm's strategy it is necessary innovations in products and in business models (Bocken & Short, 2016). But this, as argued by studies from the behavior ethics field (Palazzo et al., 2012), would depends is some extend on ethics models and moral principles shared in the corporate environment that could surpass pressure factors (unrealistic goals, aggressiveness, fear, etc.), that are related with business-as-usual culture (Allen et al., 2019).

Strategy and corporate sustainability

Corporate sustainability

Sustainability, a macro level construct, is discussed in different scientific fields, but it is rare to find a straight and commonly accepted definition. As a normative guidance, WCED presented in 1987 the concept of sustainable development (SD), accepted as the definition of sustainability: "the development that meets the needs of the present without compromising the needs of future generations" (World Commission on Environment and Development [WCED], 1987, p. 43). However, gaps of perception, such as the bounce effects of some apparently sustainable decisions, remain (Dyllick & Hockerts, 2002), indicating the need to better understand the sustainability construct (Montiel et al., 2019).

In a complex system perspective, sustainability can be interpreted as "the changing ability of one or many systems to sustain the changing requirements of one or many systems, over time" (Manderson, 2006, p. 92). From an environmental-preservationist paradigm, sustainability can be understood as: "an end-state in which the needs of humankind and the needs of nature are both satisfied within some form of dynamic equilibrium" (Hector et al., 2014, p. 8). In line with an economic perspective that challenges the idea of endless GDP growth, this paper will adopt, as a proxy of the sustainability concept, the Doughnut Economics goal: "[...] meeting the human rights of every person within the means of our life-giving planet" (Raworth, 2017, p. 22).

As discussed in mainstream management literature, the SD concept suggests that nature can, with due care, be efficiently managed by business organizations, if governed by free-market rules (Allen et al., 2019; Bansal & Song, 2017). The SD concept implies the idea, which underlies neoclassical economics assumptions, that all forms of capital, including environmental and social ones, can be monetized, stored, traded, and replaced. This dangerous misconception reveals the need to reflect about what sustainability really means to firms when they define their CS strategies (Baumgartner & Rauter, 2017; Landrum, 2017; Painter-Morland et al., 2017).

CS, an organizational level construct, is defined as "[...] business' contribution toward the achievement of sustainable development." (Landrum, 2017, p. 3). A recent bibliometric identified 33 CS definitions (Meuer et al., 2019). According to Landrum (2017), the differences reflect the distinct motivations for considering sustainability in business organizations, revealing a spectrum that ranges from a weak approach, anchored by business cases logic (Broadstock et al., 2019), to strong perspectives. Strong CS strategies are: i) oriented by the principles of ecocentrism (Allen et al., 2019), ecosophy (Guattari, 2004) or deep ecology (Kapra, 1996); ii) supported by scientific cases that clearly identify the physical limits of nature.

The concepts of SD and CS present in management literature imply a biunivocal relationship between them. Such as, sustainability can only be achieved by marketable goods and services (WCED, 1987), and this production should be done by business organizations, since they possess the resources to do so, mainly the managerial capacity (Porter & van der Linde, 1995). Usually, firms guided by an economic rationality frame the sustainability construct within business-as-usual limits (Landrum, 2017), using CS, as argued in Roth et al. (2020), to legitimize neoliberal capitalism virtues. In fact, there is evidence that pro-CS discourse embeds myths and taboos such as the neoclassical assumption of business amorality, a rhetorical discourse about responsible firms, and the illusion of infinite exponential economic growth in a finite world (Kallio, 2007).

Firms' emphasis on the weak and intermediate CS strategies may explains why environmental and social problems continue to escalate, dangerously approaching a point of no return (Hahn et al., 2015; Landrum, 2017; Painter-Morland et al., 2017), even with the growing investments made by firms in green production (Salim et al., 2018) and poverty alleviation (R. D. Medina-Muñoz & D. R. Medina-Muñoz, 2020). This sustainability paradox derives from an epistemology that reduces values and beliefs to "moral bookkeeping" (Painter-Morland et al., 2017, p. 297). The dominant business-as-usual mental model fails to perceive that the speed of markets is not compatible with the speed of ecosystems and with the development of a friendly, inclusive, and fair human society (Boons et al., 2013; Pirson, 2019).

Baral and Pokharel's (2016) study found that only 12% of S&P 500 companies' strategic documents demonstrate concern with the triple bottom line objective (profit, people, and planet). In fact, a Fortune 500 survey of CEOs (Fortune, 2020), conducted shortly after the launch of the 2019 Business Roundtable, most CEOs claimed they would not change anything in their business practices, as good companies had already incorporated values and ethical principles, evidencing a clear cognitive dissonance among top executives. On the academic side, Barter's (2016) investigation of strategy textbooks revealed severe limitations of the conceptualization of the sustainability construct, which understands nature as a separate, independent, and dehumanized entity. According to literature, the journey to CS strong models will depend on repositioning sustainability at the top of business strategies (Baral & Pokharel, 2016).

Business strategy

Pioneering studies in the field of business strategy, strongly influenced by the Business Policy Group of Harvard Business School, date back to the 1960s and 1970s. In these studies, the effectiveness of a strategy was not reduced to the pursuit of better economic performance, but also expressed a clear concern with the ethical dimension of business organizations (Fontrodona et al., 2018). The strategy concept given by Andrews (1971, p. 18) and adopted in this paper, highlights this concern:

> […] is the pattern of decisions in a company that determines and reveals its objectives, purposes, or goals, produces the principal policies and plans for achieving those goals, and defines the range of business the company is to pursue, the kind of economic and human organization it is or intends to be, and the nature of the economic and noneconomic contribution it intends to make to its shareholders, employees, customers, and communities.

From the 1980s onwards the economic rationality, influenced by the neoclassical school of thought, has eliminated ethical considerations in the theoretical and practical field of business strategy (Robertson, Blevins and Duffy, 2013; Singer, 1994), be it in Industrial Economics (Porter, 1980), Resource-based View (Wernerfelt, 1984), or Neo-Schumpeterian schools (Teece et al., 1997). Since then, strategy studies have focused on the search for a position in the product and market spaces that can lead to the construction of a competitive advantage that can be defended for as long as possible, and that allow individual firms to obtain profits above the average of rivals in the same industry (Porter, 1980).

Thanks to this shift towards instrumental and reductionist models, what has been conventionally called strategic planning has prevailed for decades in companies, bringing emphasis on formalism, systematic analysis, and control of business processes (Mintzberg, 1994). This approach has led firms to perceive business-as-usual as the only path to the future (Elms et al., 2010). From the 1990s onwards, in the face of a business environment marked by broad and profound changes, largely caused by the intense process of digital transformation that all economic segments are going through, companies have been forced to develop more agile, flexible, and adaptable business strategies (Teece et al., 1997). Contributing to this scenario was the economic rise of China, whose unorthodox management practices, such as long working hours and few social benefits, challenged companies from the United States, Western Europe and Japan that dominated the business scene until then (Standing, 2011).

As a result, emphasis was placed on the need for a dynamic capability (DC) that could lead firms to reconfigure their resource base at the speed required by the new business environment. DC is "the firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments" (Teece et al., 1997, p. 516). However, there is strong evidence that business strategies designed to respond to global hyper-competition have further aggravated environmental destruction and social injustice (Broman & Robèrt, 2015). Borland et al. (2016) argue that to better manage the link between business strategy and sustainability, the DC concept should consider global biophysical ecosystems challenges. The strategic agility, which is "the ability of an organization to continuously adjust strategic direction and develop innovative ways to create value," (Ivory & Brooks, 2018, p. 348), can help firms creatively manage CS tensions and paradoxes (Berti & Simpson, 2019).

Yet, the competitive advantage governance dynamics that dominates the strategy theory to date, aligned with neoclassical economic principles, does not favor of a sustainability driven strategy (Landrum, 2017). To challenge this logic, it is necessary a "[…] link between the dynamic capabilities of the firm and its sustainable strategies focused on the innovation strategies of the firm, especially with regard to those linked to new sustainable opportunities" (Lynch, 2019). But, consistent with Haney's argument (2017), a DC that effectively responds to climate change depends on the firm's decision to design and implement innovative business models.

Innovation

Schumpeter (1934), a strong critic of the principles of neoclassical economics, repositioned innovation as the main trigger off capitalism's dynamics (McCraw, 2007). Since the 1980s, there has been a wide domain of the neo-Schumpeterian perspective of innovation. Economists from this stream of thought influenced the elaboration of Oslo Manual (Organisation for Economic Co-operation and Development [OECD], 2005, p. 46), which defines innovation as "[…] the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations."

Since the 1990s, the new-Schumpeterian theory has advocated that innovation-based differentiation will increasingly depend on capabilities that allow: i) absorbing external knowledge (Cohen & Levinthal, 1990); ii) accumulating technological knowledge (Bell & Pavitt, 1995); and iii) reconfiguring the resource base against an increasingly dynamic environment (Teece et al., 2007). From a socio-technical perspective, technological evolution is subject to complex forces, such as dominant design, which involves continual development of sub-systems and modules (Utterback & Abernathy, 1975); technological paradigms, "a set of procedures, or a definition of the 'relevant' problems and of the specific knowledge related to their solution" (Dosi, 1982, p. 148); and technological regimes, which interpret technological evolution as a knowledge-based process (Nelson & Winter, 1982).

These concepts and models share the idea that technological innovation is a cumulative and gradual process, with self-reinforcing characteristics that guide innovation at the organizational level (Savage et al., 2019). In line with this perspective, most innovations are incremental, taking place within a specific technological path, enabling exploration of full value extraction. Differently, radical innovation, which creates new technological paths, generates new opportunities for value creation, particularly when opportunities for introducing incremental innovations decrease. Radical innovations involve a long open-ended period of diffusion, sometimes decades, from discovery to finally reaching widespread use in the market, a period when incumbents will strongly resist adoption, generating a path dependence trajectory (Nelson & Winter, 1982).

Innovation can be interpreted as a cognitive and social process, initiated by individuals' creativity (Nonaka & Takeuchi, 2000). However, both the neo-Schumpeterian and resource-based-view dominant schools, economic rationality has predominated, decoupling technological innovation from deeper concerns about environmental, social, and moral impacts (Siqueira & Pitassi, 2016). To challenge this rationality, ecoinnovation emerged in the 2000s as a field of study (Boons et al., 2013). Even though, recent bibliometric studies on the drivers of eco-innovation have revealed that: i) most articles have a microeconomic approach, discussing the impact of eco-innovation projects on firms' economic performance (Bitencourt et al., 2020); ii) operational efficiency remains the main internal motivation (Bossle et al., 2016).

These limitations indicate that SOI should not be interpreted as just another type of innovation that could be analyzed by the same principles and models traditionally applied to studies of technological innovation (Siqueira & Pitassi, 2016). To face the sustainability paradox, different innovation management frameworks and models will be necessary, both in scope and in the forces that drive their dynamics (Hojnik & Ruzzier, 2016), requiring the use of collaborative governance mechanisms involving the entire supply chain (Lupova-Henry & Dotti, 2019). Bocken and Short (2016, p. 46), advancing toward the harmonization of innovation and sustainability constructs, argue in favor of sufficiency-driven business model innovation, which is about: "Curbing consumption as part of the business model by moderating demand through education and consumer engagement."

Building on the RBV theory, Salim et al. (2018) stress the relevance of firms` capabilities to redesign business models to support sustainability. Dzhengiz and Niesten (2020) argue that individual responsible management competency must be translated into organizational level capability to improve environmental sustainability performance. The literature review of Pham et al. (2019) showed that, at the strategic level, the long-term based eco-innovation orientation and the norm of reciprocity among partners in firms' strategic networks are crucial capabilities and must be nurtured before any attempt to use environmental management system (EMS). Also using RBV, Demirel and Kesidou survey (2019) revealed that sustainability-oriented capabilities for eco-innovation are preconditions to respond to external drivers such as regulation, technology push, and market pull.

A direct confrontation between the sustainability construct and the innovation concept as framed by the neoclassical economic laws reveals irreconcilable goals, since the relentless introduction of new products and services, without questioning environmental and social impacts, may not be compatible with the socio-technical changes needed in the transition to sustainability (Bocken & Short, 2016). In general, the literature researched argues that a strategic perspective on sustainability, which strengthens the notion of economic, human and natural systems interdependence, ultimately depends on firms' business ethics model and on managers' moral orientation (Elms et al., 2010).

Ethics as a driver of sustainability

According to Sánchez-Vázquez (2002, p. 23), ethics is the "theory or science of the moral behavior of men in society", and moral, the topic that ethics examines, is the set of values that prevails in each society, reflecting the historical, political, economic and cultural conditions that govern the decisions of individuals. There are many ethical theories, such as Utilitarianism, Virtue Ethics, Care Ethics, Confucianism and Kant's (1785) categorical imperative. Every ethical theory owns its pros and cons (Colle & Werhane, 2008).

Business ethics, "examines ethical principles and moral or ethical problems that can arise in a business environment" (Moriarty, 2017, section 4, paragraph 1). As a field of study and practice, business ethics covers a vast array of themes (Lehnert et al., 2016) that can be analyzed by complex and contradictory positions (Sepinwall, 2015), according to different philosophical currents (Colle & Werhane, 2008). Moriarty's (2017) concise taxonomy, argues that, as an academic discipline, business ethics can be analyzed either by a descriptive approach, based on business case methods of evaluation, or by a normative orientation, which draws on ethics philosophical tradition. The normative theory claims that firms are moral agents that intentionally use their internal decision-making structures to pursue their plans, goals, and interests, causing bad or good events to happen to people and to the planet (French, 1995).

Despite strong theoretical and practical evidence coming from different fields of studies, such as behavioral economics and institutional economics, demonstrating that the notion is inadequate (Urbina & Ruiz-Villaverde, 2019), the *homo economicus* remains one of the fundamental pillars of liberal philosophers and neoclassical economists. According to this notion a typical individual is "amoral, values short term gratification, and often acts opportunistically to further personal gain" (Pirson & Lawrence, 2010, p. 553). That is because, at the individual level, the satisfaction of human needs, a concept pivotal to the well-being construct, is associated with utility, which "is typically defined as the degree of satisfaction of preferences, and the latter are considered as given data… that do not deserve any further discussion" (Painter-Morland et al., 2017, p. 298). Consequently, independent economic agents, including corporations, acting based on their immediate pecuniary interests (profit), when mediated by a free market, will produce the best outcome for society (Friedman, 1961).

In this article, even recognizing the limits of moral models at the organizational level (Altman, 2014), the Kantian model was selected as an example of normative model because it seems to be suitable to be used in firm's decisions regarding environment, social and corruption issues. For Kant (1785), human reason obeys either a categorical imperative or a hypothetical imperative. The first is governed by two basic and abstract principles: i) act when choice can be universalized, that is, if all individuals made the same choice, the results would continue to produce the desired effect; and ii) treat people as ends in themselves, regardless of their status in society. The latter imperative judge moral value from its practical or utilitarian consequences. When we act out of duty, respecting the categorical imperative, we are doing the right thing. In contrast, when we act only out of self-interest, there is no moral value in our decisions.

Business transactions demand that firms struggle not only to be ethical, but to remain ethical when new moral dilemmas emerge (Kaptein, 2017). To face the complex and unique ethical challenges of the contemporary business arena, it is argued that moral principles can help firms' managers creatively conceive sustainable solutions (Fontrodona et al., 2018; Smith & Dubbink, 2011). Therefore, the normative-ethical viewpoint can contribute to the development of responsible innovations, stimulating firms to offer products and services that are good for people and the planet (Voegtlin & Scherer, 2017).

Debates in moral philosophy literature regarding the complex effects on individuals' sense making when they are exposed to ethical standards or models (Schwitzgebel & Rust, 2009), reveals two different viewpoints. In a rationalist perspective, researchers advocate that "ethical decision making, at its very core, is personal. It may be enacted in an organizational setting, but is, in essence, an individual struggle" (Lehnert et al., 2016, p. 500). Instead, scholars of behavior ethics alert that "[…] individual values do not develop in a social vacuum but are formed and nourished through socialization processes that embed and situate individual actors in a context of normative traditions. As such, individual values are not only a personal but also a social category (Palazzo et al., 2012, p. 334).

Behavior ethics researchers claim that the majority of the wrongdoings in companies are made by good people, who are capable of committing unethical acts, which reveals a gap between intended and actual behavior (Bazerman & Tenbrunsel, 2011). According to Palazzo et al. (2012, p. 334), ethical blindness is characterized by "[…] a psychological state where people are temporarily blind to ethical dimensions in a decision-making situation". This perspective can help explain why unethical behavior may occur due to pressure factors that are related to business culture, which causes blind spots on people's perception of moral dilemmas (Bazerman & Tenbrunsel, 2011).

Business or organizational culture is "a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems (Schein, 1985, p. 9). The organizational "deep" culture involves a sense making process that goes far beyond formal cultural artifacts like ethics codes or declared organizational values present in business strategy documents (Sims & Brinkmann, 2003).

From an organizational perspective, a manager's character traits can be interpreted as moral competencies that "facilitate the development of ethical behaviors in the workplace" (Morales-Sanchez & Cabello-Medina, 2015, p. S157). According to Saha et al. (2019, p. 417), "the right combination of personal values, such as honesty, integrity, altruism, and trustworthiness in leader behavior, drives impressive leadership outcomes." The role of ethical leadership is also acknowledged in the design of vision, values, norms, and codes of ethics, which are central elements of business strategy (Fontrodona et al., 2018). Broman et al. (2017) argue that leadership for sustainability must integrate a moral orientation to serve the common good with systems-science based knowledge, helping build shared values inside and across organizations.

For Werhane (2006, p. 404), moral imagination "reflects the ability to step out of our present ways of thinking, evaluate those mind sets, and develop or adopt new ways of thinking, acting, and evaluating our decision processes and behavior." Solinger et al.'s (2019) model of moral leadership propose a theoretical interpretation linking the micro level of individual moral orientation to the organizational and macro level of business ethics. In the same vein, Silvestri and Veltri's (2019) conceptual framework underpins the links among the moral leader, the CS approach and the sustainability construct.

From a more substantive perspective, changes in the environmental and social spheres cannot be disconnected from changes in the mental sphere, since mental ecology deals with the subjectivity resulting from worldviews, values, beliefs and norms on which individuals' actions and decisions are based (Guattari, 2004). The interconnections among societal, organizational, and individual levels give rise to "[…] a question of the required epistemic changes in our thinking that would enable us to find a more sustainable paradigm for our common future" (Laininen, 2018, p. 170).

Gröschl and Gabaldon (2018) defend that the use of transdisciplinary epistemology, as defined in Morin's system of ideas (2008), in business schools can help managers develop humanistic values and critical perception of firms' misconduct. According to Barthold and Boom (2020), the practice of dissent, in an ecology-driven radical democracy, could help managers denaturalize organizations' understandings and practices built from the Anthropocene hegemonic discourse, allowing the emergence of a political subjectivity aimed at critically questioning socially constructed ideas of SD framed by neoliberal capitalism.

Therefore, firms' contribution to sustainability at the societal level depends on the basic assumptions behind "the metaphoric references operative in moral language," mainly regarding the needs a firm intends to preserve for present and future generations (Painter-Morland et al., 2017, p. 295). In fact, according to Crilly et al. (2016), the use of the cognitive-linguistic perspective, explained in Hart (2014), can evidence the relationship between language and managers` mental models regarding sustainability.

THEORETICAL FRAMEWORK

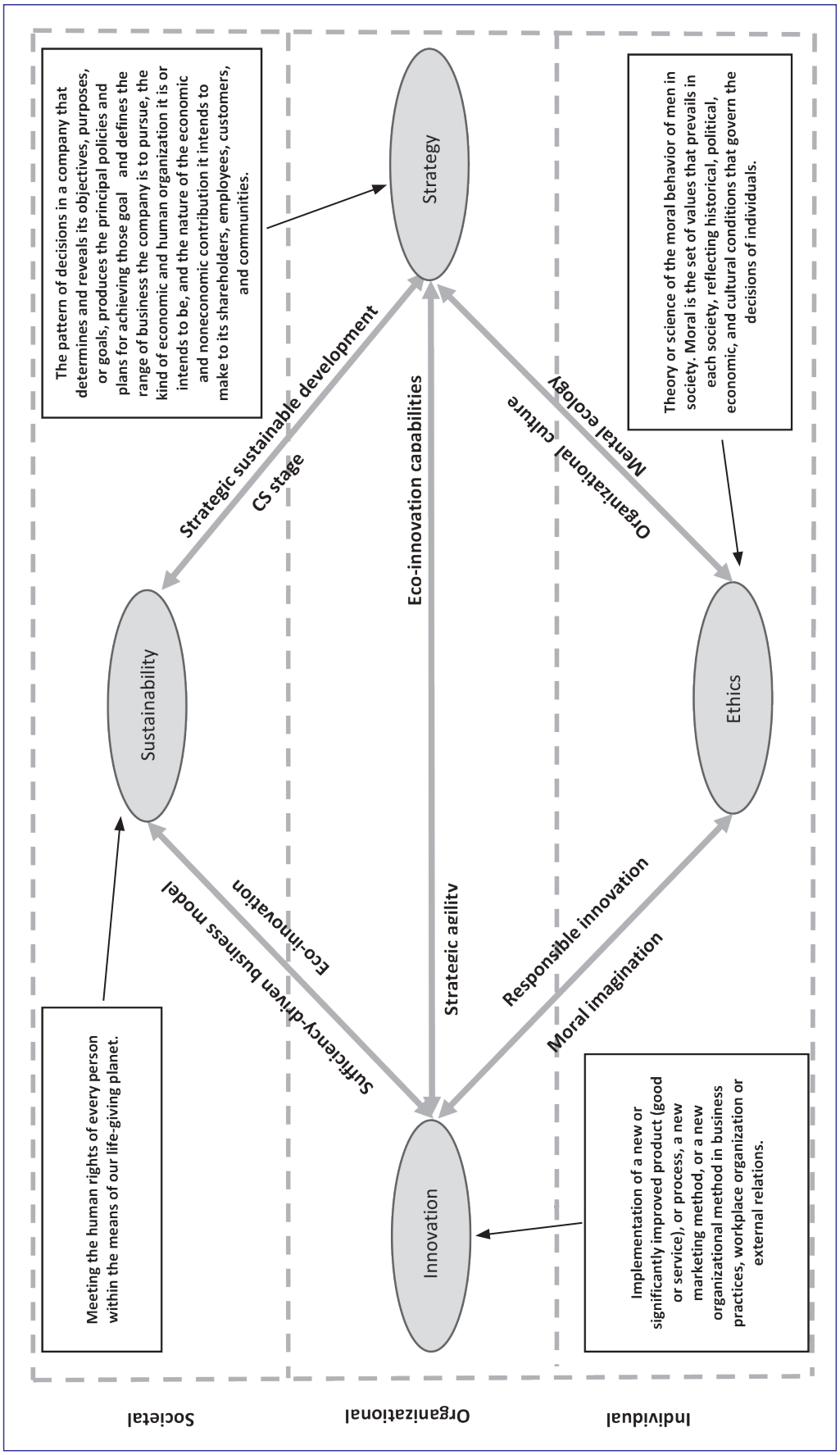
Figure 1 depicts the theoretical framework developed to answer the research question. The theoretical linkages started from the following first-order concepts: i) Sustainability (Raworth, 2017); ii) Strategy (Andrews, 1971); iii) Innovation (OECD, 2005); and iv) Ethics (Sánchez-Vázquez, 2002).

The framework was built to cover the tree main gaps identified during the literature review: i) To integrate the societal, organizational, and individual levels of analysis of sustainability challenges; ii) To link the macro concepts of sustainability to the micro concept of corporate sustainability; iii) To use the ethical reflections, present in sustainability, strategy and innovation theories, as a connecting element among the concepts. For example, the use of an ethic concern to guide eco-innovations explains the selection of the moral imagination construct.

The 3 levels of the framework were stablished according to the following logic. Although it can suffer pressures linked to culture, ethics and the moral orientation must be analyzed, according to the philosophical tradition, at the individual level. Given the article's objective, the concepts of strategy and innovation were analyzed at the organizational level, since both decisions depends on firm's business models and governance mechanisms. To the extent that the sustainability paradox seems to stem largely from a problem of perception of natures' role, which reduces the debate to an economic question, that is sustainable development, the sustainability construct was analyzed in its societal scope and reach, aiming to consider its political, social, philosophical, and ecological dimensions.

As the paper focus was to discuss how business organizations contribute to sustainability, the direct relationship between the concepts of ethics and sustainability was disregarded. But this does not mean that people's moral orientation has no impact on sustainability, as can be the case with responsible consumption.

Figure 1
Theoretical framework



Source: Elaborated by the author.

DISCUSSION

The fact that most companies misbehave (Comen & Frohlich, 2019) does not mean, at least theoretically, that business as a human activity cannot be an important agent of sustainability transition (Donaldson & Walsh, 2015). The interlocution of concepts and constructs presented in the framework evidences a potential to impact the scope of CS strategies, which could transform firms into a proactive agent in favor sustainability. However, the speed and depth of change will be contingent to the capacity of normative ethics models to deconstruct the premises of neoclassical theory, mainly the neoliberal business-as-usual dogma.

The connections among the three levels evidence that the adoption of a self-reflexive ecocentrism could promote organizational cultures built to face sustainability challenges. If ethics reflections have the power to reverse ethical blindness, CS strategies could be designed from a perspective that does not reduce sustainability to its economic dimension, and eco-innovation could become a positive change mechanism, allowing the concepts of innovation and sustainability to be reconciled in business arena.

Even recognizing that different markets or industries could face different sustainable challenges, and respond to them via different strategies, the following discussion aims to exemplify how, and to what extent, the discussion derived from the framework presented above could contribute to CS strategies. To achieve this objective, each connection will be concisely discussed, starting from the individual level.

Ethics and strategy

According to Guattari (2004), the journey to sustainability requires a change at the mental ecology level, where individual subjectivity is shaped. According to Barthold and Bloom (2020), the adoption of ecology driven radical democratic mechanisms could help managers challenge business case values and beliefs ingrained in mainstream CS strategies, aiding organizations improve the process of social resignification, and allowing the emergence of a political perception regarding the quality of firms' internal and external actions towards sustainability.

As discussed in Smith and Dubbink (2011), the use of Kant's (1785) normative ethics model could help managers develop ecocentric subjectivity. For instance, managers' decisions about nature and social issues could be based on the two abstract principles of Kantian`s categorical imperative. In this sense, business organizations should not: 1) choose any policy or action that, if adopted by other business agents could threaten the ecosystem's dynamic equilibrium; and ii) select any strategy or operational action that could harm human dignity, either inside or outside the firm. However, the impact of ethical models on decision makers would ultimately be counterbalanced by the pressures coming from business-as-usual organizational culture (Palazzo et al., 2012).

Ethics and innovation

If the interaction between ethics and organizational culture gains scale, creativity, the first step of Nonaka and Takeuchi's (2000) knowledge spiral framework, can be unleashed by the adoption of categorical imperative principle, to question decisions processes patterns promoted by business-as-usual mindset and behaviors (Werhane, 2006). Managers' moral imagination could conceive unusual solutions to situations that do not involve binary choices, as is common in business settings (Stark, 1993). Besides, as Allen et al. (2019) argues, the adoption of ethics as a normative orientation could help managers develop a self-reflexive attitude to question the metaphors implicit in the moral languages and cognition mechanisms used to signify the sustainability construct inside organizations (Crilly et al., 2016; Painter-Morland et al., 2017).

According to Voegtlin and Scherer's argument (2017), responsible innovations are those which avoid "harm" and do "good" for people and the planet. Although they depend on governance mechanisms at the societal and organizational levels, the genesis of such innovations could be the normative ethics models which guide the moral orientation of decision makers (Smith & Dubbink, 2011). Therefore, to be able to develop eco-innovation strategies (Adams et al., 2016), and to conceive dynamic business models that could contribute to the sustainability transition (Cosenz et al., 2019), managers must change their perceptions about firms' responsibility in building a common future (Savage et al., 2019).

Strategy and innovation

As the introduction of green and digital technology spreads and deepens in all economic sectors, completely transforming production structures and supply chains (Mazzucato, 2013), firms will have the opportunity to develop value propositions and business models in line with ecocentric systems principles (Kapra, 1996). Transdisciplinary education (Gröschl & Gabaldon, 2018) can help develop managers' individual competencies, such as system thinking, empathy and cross-cultural sensitivity, which are central elements of firm's green capabilities to design their CS strategy (Dzhengiz & Niesten, 2020).

According to literature, innovation towards green technologies and green products will depend on firms' sustainability-oriented capabilities (Demirel & Kesidou, 2019), such as: i) green abortive capability to interact with purposive external knowledge, and to build green supply chains (Dzhengiz & Niesten, 2020); ii) technological capability to deal with complex and advanced scientific disciplines related to the paradigm shift to sustainability (Mazzuccato, 2013); and iii) dynamic capability to adapt firms' business models to biophysical ecosystem dynamics (Borland et al., 2016). To cope with the discontinuities and disruptions during transition to sustainability (Savage et al., 2019), firms will need to develop a strategic agility, which reflects their: i) sensitivity to sustainability challenges; ii) commitment to strong CS strategies; 11) ability to acknowledge, deploy and redeploy resources to face ecocentric economic dynamics (Ivory & Brooks, 2018).

Strategy and sustainability

To help fight the battle against neoclassical theory of firms, especially the neoliberal policies that govern capitalist dynamics in most contemporary countries (Roth et al., 2020), the aggressive pursuit of short-term profits should be replaced by corporate values such as human dignity and environmental health (Allen et al., 2015). In line with Montiel et al. (2019) sustainability concept, business organizations could start this process by deconstructing the hegemonic assumption of framing SD as a mechanism to protect firms` reputation.

The theoretical linkages evidence that, in strong CS strategies (Landrum, 2017), firms target not only corporate-centric issues, but also direct their attention to critical ecological processes related to global supply-chain sustainability challenges (Haffar & Searcy, 2018). This would require firms to connect the sustainability macro and micro level of analysis, incorporating all micro-foundations that could help improve sustainability concept (Dyllick & Hockerts, 2002). The literature indicates that first-order sustainability principles, as summarized in Broman and Robèrt (2015), could help business organizations guide the implementation of strong CS strategies.

Executives' role in strong CS models would be not only to assure a sustainable economic future for their firm, but also for the whole planet (Landrum, 2017). Literature gaps show that the challenge to business administration theory, including business schools, is to help develop leadership oriented by humanistic principles (Gröschl & Gabaldon, 2018), supporting the implementation of models and indicators that measure and reward the effectiveness of those strategies (Tsalis et al., 2020). The adoption of models, tools, and step-by-step processes, as discussed in Broman and Robèrt (2015), could be a way to move firms' strategy towards sustainability, capturing innovation opportunities that will emerge in coping with grand social challenges.

Sustainability and innovation

The sustainability-oriented innovation construct, as defined in Adams et al. (2016), evidence that it is possible to reconcile the sustainability and the innovation objectives. However, for incumbent firms to be able to benefit from the creative destruction process generated by radical green innovations (Mazuccato, 2013), they should be able to fight against path dependency forces related to the dominant product design architecture and to the technological paradigm (Zolfagharian et al., 2019).

To deal with radical innovation uncertainties business organizations could promote: i) management training sessions about the interplay among responsibility, sustainability, and ethics (Montiel et al., 2020); ii) a reflexive transdisciplinary exercise to connect issues involved in grand social challenges (Gröschl & Gabaldon, 2018); and iii) dissent workshops aimed at stimulating creative solutions (Barthold & Boom, 2020). According to Lupova-Henry and Dotti (2019), the ability to cooperate with downstream and upstream supply-chain partners could be a survival factor for incumbent firms against the agility of green startups.

It is argued that the capability to conceive dynamic business models to face the path to sustainability transition could be critical in the emerging economic systems (Cosenz et al., 2019). Business models such as sufficient-driven, as discussed in Bocken and Short (2016), could allow firms to explore the benefits of leasing economy, and of the dematerialization caused by the emphasis on services, such as maintenance and repairs, instead of insisting on programed obsolescence strategies. Besides, such models can leverage firms' contribution to sustainability challenges by developing strategies that encourage responsible consumer habits.

CONCLUDING REMARKS

Critical CS literature evidence that business organizations adopt CS to protect reputation or to make the environment a business under their direct control This article aimed at answering the following theoretical research question: How can business ethics help to reframe corporate sustainability strategies? The framework linkages and potential results reinforce the perception that business ethics driven by a normative orientation, which draws on ethics philosophical tradition, have a potential to help firms design strong CS strategies. Nonetheless, the sense making process unleashed by a business ethics will depend on an eco-centric organizational culture that could overcome ethical blindness phenomena.

Regarding the sustainability paradox, the neoclassical theory contributes to its persistence because it: i) defends the amoral status of firms; ii) formulates premises from an epistemology that prevents humanity from seeing itself as an inseparable part of nature; iii) is guided by an uncritical economic rationality that places the immediate pecuniary interest of firms as a superior resource allocation mechanism; iv) reduces human well-being to utility value, which is measured by the satisfaction of material preferences and personal gains; v) assumes that economic, social and environmental capital can be expressed in monetary units, which are exchanged in a free market without any physical consequences; and vi) denies the possibility of attributing to executives the ethical responsibility of corporations. The proposed theoretical framework evidence that normative ethics, supported by an appropriate organizational culture, have the power to demystify neoclassical assumptions deeply rooted in the business-as-usual mental model.

Assuming that business culture could be capable of stimulating sound and positive judgments, business ethics can provide meaning to CS strategies by incorporating the following main characteristics: i) managers' strategic decisions are based in normative values which elevate sustainability to a categorical imperative dimension; ii) sustainability is managed as co-evolutionary phenomenon that can only be promoted if executives perceive firms as inseparable elements of the ecosystems in which they operate; iii) a dynamic capability to reconfigure resources assure a fit between organizations and the ecosystem, without generating intergenerational justice issues; and iv) firms' strategy is driven mainly by radical eco-innovation. These results reinforce the perception that moral guidance could become the core competency of business leaders in ecocentric economies.

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Claudio Pitassi: Conceptualization (Lead); Formal Analysis (Lead); Investigation (Lead); Methodology (Lead); Resources (Lead); Validation (Lead); Visualization (Lead); Writing- original draft (Lead); Writing- review & editing (Lead).

DATA AVAILABILITY

The entire dataset supporting the results of this study was published in the article itself.

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