Emerging trends in sustainable management: developing managers' skills for ESG challenges

Tendências emergentes na gestão sustentável: desenvolvendo habilidades de gestores para os desafios ESG

Tendencias emergentes en gestión sostenible: desarrollo de habilidades gerenciales para desafíos ESG

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Abstract

The ESG culture challenges the nature of the organizational managers needed to lead in this new paradigm. In this scenario, it is clear that future professionals must be aware of their responsibilities to contemporary environmental challenges. They must acquire specific competencies and skills that enable them to meet the demands of the new global agenda. This article delves into this issue by outlining four crucial skills categories managers need—hard, soft, green, and power skills. While hard skills represent technical and specialized knowledge, including understanding climate change, managing natural resources, and implementing sustainable technologies, soft skills encompass interpersonal skills, such as effective communication, empathy, and leadership, central to engaging and inspiring teams to adopt more sustainable practices. Green skills are specific skills related to sustainability, such as the expertise to assess the environmental impact of business decisions and develop strategies to reduce that impact. In turn, power skills empower managers to influence and promote change within organizations, which includes the ability to make ethical decisions and advocate for responsible business practices. The results of this study, obtained through qualitative analysis and research with recruiters and managers, underscore the importance of developing these skills, which highlights the need for collaboration among various stakeholders—including

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Resumo
A cultura ESG desafia a natureza dos gestores organizacionais necessários para liderar este novo paradigma. Nesse cenário, fica claro que os profissionais do futuro precisam estar conscientes de suas responsabilidades em relação aos desafios ambientais contemporâneos. Eles devem adquirir competências e habilidades específicas que os capacitem a atender às demandas da nova agenda global. Este artigo busca aprofundar essa questão, delineando quatro categorias cruciais de habilidades necessárias para os gestores: hard skills, soft skills, green skills e power skills. As hard skills representam o conhecimento técnico e especializado, incluindo a compreensão das mudanças climáticas, a gestão de recursos naturais e a implementação de tecnologias sustentáveis. Por outro lado, as soft skills englobam habilidades interpessoais, como comunicação eficaz, empatia e liderança, fundamentais para envolver e inspirar equipes a adotarem práticas mais sustentáveis. Green skills são habilidades específicas relacionadas à sustentabilidade, como a capacidade de avaliar o impacto ambiental de decisões empresariais e desenvolver estratégias para reduzir esse impacto. Por sua vez, as power skills capacitam os gestores a influenciar e promover mudanças dentro das organizações, incluindo a capacidade de tomar decisões éticas e defender práticas comerciais responsáveis. Os resultados deste estudo, obtidos por meio de análise qualitativa e pesquisa com recrutadores e gestores, ressaltam a importância de desenvolver essas habilidades nos profissionais com destaque para a necessidade de colaboração entre diversas partes interessadas, incluindo instituições de ensino e governos, para garantir que as formações profissionais estejam alinhadas com os desafios da economia verde e da cultura ESG preparando profissionais conscientes de suas responsabilidades e capacitados para enfrentar os desafios ambientais contemporâneos.


Resumen
La cultura ESG desafía la naturaleza de los gerentes organizacionales necesarios para liderar este nuevo paradigma. En este escenario, está claro que los profesionales del futuro deben ser
conscientes de sus responsabilidades en relación con los desafíos ambientales contemporáneos. Deben adquirir habilidades y capacidades específicas que les permitan satisfacer las demandas de la nueva agenda global. Este artículo busca profundizar en este tema, delineando cuatro categorías cruciales de habilidades que necesitan los gerentes: hard skills, soft skills, green skills y power skills. Las hard skills representan conocimientos técnicos y especializados, incluida la comprensión del cambio climático, la gestión de los recursos naturales y la implementación de tecnologías sostenibles. Por otro lado, las soft skills abarcan habilidades interpersonales, como la comunicación efectiva, la empatía y el liderazgo, que son esenciales para involucrar e inspirar a los equipos a adoptar prácticas más sostenibles. Las green skills (habilidades verdes) son habilidades específicas relacionadas con la sostenibilidad, como la capacidad de evaluar el impacto ambiental de las decisiones comerciales y desarrollar estrategias para reducir este impacto. A su vez, las power skills permiten a los gerentes influir y promover el cambio dentro de las organizaciones, incluida la capacidad de tomar decisiones éticas y defender prácticas comerciales responsables. Los resultados de este estudio, obtenidos a través de análisis cualitativo e investigación con reclutadores y gerentes, resaltan la importancia de desarrollar estas habilidades en los profesionales, destacando la necesidad de colaboración entre diversas partes interesadas, incluidas instituciones educativas y gobiernos, para garantizar que la formación profesional esté alineada. con los desafíos de la economía verde y la cultura ESG, preparando profesionales conscientes de sus responsabilidades y capacitados para enfrentar los desafíos ambientales contemporáneos.


Introduction

It is undeniable that organizational agendas face constant and multifaceted challenges since they are linked intrinsically to problems arising from the ever-changing dynamics of operating environments. These challenges are compounded by the imposition of new ethical and moral standards, technological advancements, and increasing complexities in environmental and social scenarios. Currently, one of these pressing challenges lies in understanding, adopting, integrating, and sustaining the Environmental, Social, and Governance (ESG) guidelines initially proposed by the United Nations (UN) in 2005 (Romaro...
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& Silva, 2022), which gained echo in initiatives such as the European Green Deal launched in 2019 and the Sustainable Development Goals (SDGs) formulated for the UN 2030 agenda in 2015. This issue is linked intrinsically to another imperative topic: the development of soft skills and green skills as indispensable attributes for professionals who work in teams, whether they are managing leaders or not.

Faced with this challenging scenario, the need to develop competencies that go beyond technical skills and extend to the scope of soft skills and green skills is evident.

Socio-emotional abilities within a framework of essential competencies for professionals in all areas of activity are regarded here as soft skills, and decision-making aptitudes committed to the environment are considered green skills. Hence, in addition to behavioral skills related to flexibility, resilience, and interpersonal relationships, knowing how to work in a team, among others, is necessary to develop skills aligned with the ESG agenda crucial in a global context focused on sustainability.

In this complex scenario, where there is no single and definitive answer, the discussion about the role of multiple actors, including managers, organizations, and society, in a broad sense, gains prominence, with the need for collaboration in networks for the collective good. In short, an interdisciplinary approach and soft and green skills integration emerge as vital factors to address contemporary organizational challenges and promote a more sustainable and ethical future.

Theoretical Framework

2.1 Knowledge, Skills, and Attitudes – KSA Skills Training

It is important to clarify concepts that sometimes entangle when approaching competence development. Here we adopt the concept that competencies are developed by the sum of the knowledge learned, which can be converted into applied skills and which, added to attitudes-values, can designate a competent professional. In short, what is sought is the continuous development of KSA–Knowledge, Skills, and Attitudes for developing competencies.

According to Zabalza (Ferrari & Martins, 2020), knowledge, skills, and attitudes-values are the core components of all competence that can be constituted in several dimensions: disciplinary, academic, social, and personal; and that all are incorporated and
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complement each other throughout training. Sacristán (2013) points out that competencies result from the complex teaching and learning process and from practices in different situations. Alonso (2013) points out that knowledge alone is not enough – even though it is the crucial starting point. The journey that starts with formal knowledge, advances through skills development, and leads to attitudes is a long and sometimes unfinished journey.

2.1.1 Soft skills – social-emotional skills

We are in the twenty-first century in the so-called knowledge society, complex and transitory, where more than an infinite accumulation of information accessed through digital technologies, the transformation of this information into knowledge is sought. The human capacity to reflect, reason, and self-criticize is what is valued by today’s professionals. We are looking for questioning, creative, flexible, and autonomous professionals and not merely operational subjects since repetitive and programmable activities can be performed by machines fed by information. According to Frey and Osborne (2013) and Albuquerque et al. (2019), activities currently performed by people will be performed by machines. Much of what can be predicted, repeated, and programmed will dispense with operational human intervention. Machine learning is a reality.

Unlike just obtaining information and passing it on, professionals should generate knowledge, that is, can construct critical, ethical, and reflective thoughts, which, transformed into actions, help in better choices, impacting the primary function of a manager. Fleury and Fleury (2001, p. 185) already indicated the new organizational contexts:

Work is no longer the set of tasks descriptively associated with the position but becomes the direct extension of the competence that the individual mobilizes in the face of an increasingly changing and complex professional situation. This complexity of situations makes the unforeseen increasingly everyday and routine. (Fleury & Fleury, 2001, p. 186).

In contrast to training in industrial society, when operational skillfulness called hard skills were valued—such as exercising controls, complying with rules, and correctly handling equipment, that is, activities guided through instruction and training—in the knowledge society, the so-called socio-emotional skills or soft skills are sought in team compositions.

Soft skills can be defined as behavioral skills or subjective competencies that a professional exhibits in the performance of their duties. They are more difficult to develop,
identify, and assess compared to hard skills. Examples of soft skills include empathy, flexibility, and leadership. Figure 1 depicts some of the soft skills that are consistently emphasized in the literature.

**Figure 1**

*Soft Skills*


The analysis of Figure 1 leads us to deduce that it is not training that will induce professionals and citizens to develop such skills. These skills require reflection from the subjects on experiences, that is, concrete situations, where an evaluative logic can mature based on the results obtained by the experience carried out. Each situation faced by the individual, as long as there is a deep reflection on what happened, leads him to learn, or not, and assimilate in order to incorporate in his decisions and actions what is truly learned.

In a survey conducted with managers and recruiters, added to the information collected in other reports, it was possible to list the most sought-after and necessary skills for professionals in the twenty-first century in chart 1.
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Table 1

Essential Skills for the 21st Century

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Chart 1 lists, in the first column, the primary skills/competencies collected in the surveys, in the reports described (WEF and UNESCO), and in the questionnaires with employers. What has been listed in each source is highlighted in blue. Columns 2 and 3 bring the view of employers in two different moments: the skills desired for today and those considered necessary when thinking about organizational activities in the future.

The priority for organizations is highlighted: soft skills. We can see that the skills stand out: the ability to solve problems, knowing how to relate and interrelate with people, flexibility, resilience, dialogic communication, computational thinking, and creativity. It represents a set of skills that can differentiate the competent professional according to the demands of the 21st century. Interpersonal skills were listed almost unanimously in the different sources.

Prioritizing soft skills does not mean that technical skills are not necessary. They are and will continue to exist and demand the need to be included in professional training. However, these competencies should not occur in isolation or as a priority. Soft skills have a strong relationship with the Social (S) aspect of the ESG agenda and should be part of the competencies of a 21st-century manager.
2.1.2 Green skills

The term "green skills" has been used to refer to a set of knowledge, skills, and values related to caring for the environment in actions for the recovery and balance of the planet within a green economy that is environmentally sustainable. It encompasses awareness of the importance of protecting the environment and exhaustible natural resources, actions to achieve energy efficiency, sustainable agriculture, waste recycling, and conscious consumption, among other pillars based on green technology. That is, skills related to the Environmental (E) pillar of the ESG theme.

From the 1960s onwards, questioning whether society was and is effectively concerned with environmental and social agendas remains. Pope Francis (2015, p.18) reminds us: "After a time of irrational trust in progress and human capacities, a part of society is entering a stage of greater awareness."

As a result of an awareness on the part of the world population, added to the market interest, the demand for managers with an environmental concern has increased. Professional managers with *green skills* can achieve organizational goals by seeing the challenges imposed for sustainability and finding innovative and socially responsible solutions for achieving these goals. It requires immense ability to work in multidisciplinary teams, communicate effectively, and be flexible, among other *decisive soft skills*.

During research, no clear definition of green skills was found, unlike socio-emotional skills (*soft skills*), which have a settled definition. However, Sern, Zaime, and Foong (2018, p.4) suggest that green skills overlap and are related to both technical and *soft skills*.

In general, green skills are regarded as skills for sustainability that are related to the technical skills, knowledge, values, and attitudes needed in the workforce to develop and support sustainable, social, economic, and environmental outcomes in business, industry, and the community.

*Soft skills* such as leadership, problem-solving, and communication also emerge in the green skills framework. (Sern, Zaime & Foong, 2018).

The United Nations Educational, Scientific and Cultural Organization (2016) shows the overlap of *green skills* with *soft skills*. It is not possible to dissociate. Think critically, establish connections, and solve problems; these are skills beyond work but for life. For a sustainable economy, we need to develop green skills.
Unlike what happened in the first (late eighteenth and early nineteenth centuries) and second (late nineteenth) Industrial Revolutions when there was a migration from agricultural jobs to manufacturing activities, today in the middle of the fourth—perhaps fifth—industrial revolution that is much more technological, it is not possible to simply transfer professional occupations. In this context, the approach is about structural unemployment. The asymmetries are wide: income, skills, and opportunities.

There is a broad need for the development of specific skills. The professional endowed with soft skills and green skills—strongly interrelated, as seen above—has been sought by companies from all different sectors of the economy such as industries, energy, agriculture, and technology. There is a movement to reduce brown jobs and expand green jobs, according to Vona et al. (2018). It is possible to cite as an example the role of the Chief Sustainability Officer, whose attribution is to identify environmental demands and stimulate dialogue between different groups of stakeholders (VONA et al., 2018) as a new role within the growing set of Chief Executives, demonstrating the relevance of socio-emotional skills and environmental awareness in today's labor market.

2.2 Driving Agents

The environmental awareness movement in organizations does not happen spontaneously. Much of it is a consequence of various stakeholders interested in social and environmental issues that have led to the establishment of environmental and social policies and regulations on the one hand and, at the same time, the use of an ESG agenda with immense financial and market interests, on the other. The topic is so relevant that it was part of the agenda of the World Economic Forum held in Davos (January/2023) with the theme "Cooperation in a fragmented world" relating to environmental and economic challenges. There is a real concern about jobs that will disappear with the expansion of technological possibilities, among other factors, including the circular economy. On the other hand, the need in numerous sectors for professionals with skills to think and develop sustainable businesses expands the range of activities from product design, supply chain, technological development, and management to implement and monitor environmental organizational practices and increased attention to legal and governance issues. We highlight:
The transition to a greener economy also requires new skills, both for newly emerging jobs and for existing jobs that are evolving. Without a suitably trained workforce, the transition will be impossible. Skills gaps and shortages are already recognised as a major bottleneck in a number of sectors, such as renewable energy, energy and resource efficiency, renovation of buildings, construction, environmental services, and manufacturing. Skills gaps related to the low-carbon transition are particularly pronounced in developing countries. The availability of workers and enterprises with the right skills for green jobs plays a critical role in initiating the transition to a green economy, but also in enabling a just transition that ensures social inclusion and decent work. (OECD, 2020, p. 10-11).

Data from the International Labour Organization (ILO, 2021) also point to a significant reduction in certain activities in contrast to others related to the green economy, where there will be an abundance of vacancies. Career transition and professional flexibility will be watchwords.

2.3 Society, the Business Environment and Management Education

The business environment has changed, is changing, and will change even more. In this context, managers also encounter new challenges and need new competencies, skills, and attitudes. Agility and innovation are basic premises. Fleury and Fleury (2001, p. 185) pointed out:

[...] Organizations will have to compete not only through products but through skills, seeking to attract and develop people with complex combinations of capabilities to meet their core competencies.

Professionals need to have the ability to face challenges for which they were not prepared in their initial training, raising the demands on professional skills. That is because these challenges did not exist.

It is located in the CEDEFOP report (2012) notes on the business need for green skills and that this requires support from government policies and new educational practices for the training of these professionals, which is in line with the research of Silva (2022), which indicates the need to reformulate administration courses. As Harari (2018) emphasizes, we do not know what the world will look like in 2050, but we must prepare for it.

The changes already experienced in weather patterns across the planet, with rising temperatures, tidal changes, so-called natural disasters, extreme droughts, and torrential rains,
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have devastating impacts on human life in both social and economic aspects. It is a matter of survival. The consequences have reached levels that, in some cases, we can only mitigate because there is no way to recover.

Managers around the world, from all areas of activity, must turn their gaze and actions to ESG agendas with efficient decisions. The challenges for these professionals are not limited to climate-environmental aspects, and it is necessary to extend the look to the inclusion of minority groups without them having to abandon their beliefs and values to be included in the mainstream of society's organization.

More than technical skills, the world needs human skills that, besides developing business, have environmental and social responsibility. The professional of today and tomorrow has to be nexialist, that is, generate nexus by establishing the necessary connections in the search for solutions. To be multiple in a world of numerous possibilities. In addition to hard or soft, professionals need to develop Power skills.

Hard skills are those that allow us to get into the game, soft skills are those that keep us in the game, and power skills are those that lead us to win the game, but it is continuous learning that leads us to seek victory in a championship (Barros Neto, 2021, p. 35).

Power skills are found in professionals who have a high level of development and professional experience, with exceptional ability to solve complex situations synergistically using hard and soft skills. It is a sum of competencies within which green skills emerge. (Barros Neto, 2021).

Thus, among the various stakeholders involved, higher education institutions experience the urgency of rethinking their curricula through pedagogical innovation and the construction of networks beyond their walls, encompassing other institutions, companies, and society.

Methodology

We developed this study through a qualitative approach of a descriptive nature based on bibliographic research, forming the theoretical corpus. An electronic questionnaire was applied to recruiters and managers to identify the competencies and skills needed for management positions in the current context.
The questionnaire was composed of 23 questions, and the *QS Ranking* (2021) was used as a basis due to its representativeness and for presenting in its composition and methodology the capture of the perception of managers and recruiters on a global scale about the skills needed for managers. Drawing from the survey, questions were adapted and added to reach the research objectives.

The main guiding axis of the survey was established to identify the skills desired by organizations, through the speech of their representatives, for the selection of managers considering the competencies required today and for the future job market. The selection of recruiters and managers invited to answer the questionnaire online took place through several sources and totaled 94 surveys collected, with 45 considered valid for their greater completeness.

For a better systematization of the data collected through the survey, the *NVivoR* software was used, which allows the import and analysis of materials in different languages and assists in the organization and analysis of documents in Word, PDF, videos, photos, and audio files, expanding the possibility of findings. The software was developed to help researchers and others with unstructured material compile and compare information to systematize a qualitative analysis with non-parametric data.

The collected data generated non-parametric data, and for their respective treatment and analysis, Spearman's correlation model was used. Thus, the study was based on primary and secondary data.

**Results and Discussions**

Society must undergo a drastic transformation in its conduct. The most remarkable scientific advances, the most impressive technical innovations, and the most extraordinary economic growth, when not accompanied by a parallel advance in social and moral aspects, inevitably end up harming humanity (Paul VI, 1970).

The training of individual citizens who align themselves with this thinking becomes the task of society as a whole, but, in particular, the training of a manager with social and environmental skills is the obligation of schools to provide and private and public organizations to accept as primary requirements of a good professional.

Universities with content-based profiles and a clear objective in functional training have lost the opportunity to develop the necessary skills, no longer for the future, but for the
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needs of our society and environment. On the other hand, many companies are still unable to structure themselves to have all their professionals committed to social and environmental causes. In this sense, most of them create "a department" isolated from the rest of the organization, which is concerned with creating jargon and slogans that will have little influence on the decision-making of its governing body, serving more as a cathartic process. Other companies, on the other hand, use ESG jargon to cynically expand their influence in the market by selling their products and brands.

Conclusion

There is a long way to go to have an ESG culture that is effectively rooted in the decisions made by public and private institutions. It is important to remember that decisions are made by individual who need to develop in an environment that attributes and respects the value of the collective above individual interests.

Training focused on the ESG agenda, including the development of green skills, should go beyond the current demand. The abyssal differences between intention and action need to be reduced to envision the survival of humanity with a balance of interests.

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