

# THE ROLE OF LEADERSHIP AND ORGANIZATIONAL CULTURE IN PROMOTING ESG PRACTICES AND ECO-INNOVATION

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### Introdução

Global environmental and social issues have become more prominent in the public discourse, affecting how organizations operate and adapt. To respond to these global challenges and opportunities, organizations are revisiting their strategies to align with global standards and expectations, as well as to enhance their reputation, brand value, and competitive advantage. The Environmental, Social, and Governance (ESG) model has contributed to this scenario, pressuring companies to adopt sustainable practices and a more socially and environmentally responsible leadership style.

### Problema de Pesquisa e Objetivo

This research aimed to assess the relationship between responsible leadership, organizational culture, ESG practices, and consequently, eco-innovation within manufacturing firms.

### Fundamentação Teórica

The study explores the impact of responsible leadership and organizational culture on ESG practices and eco-innovation. It is grounded in the understanding that responsible leadership, characterized by stakeholder engagement, influences organizational culture, which in turn drives ESG practices and eco-innovation. And it aims to understand the impact of organizational culture on ESG practices and eco-innovation.

## Metodologia

The study used a quantitative and cross-sectional research design to assess the impact of responsible leadership and organizational culture on ESG practices and eco-innovation. Data was collected from a sample of 188 manufacturing companies in Santa Catarina, Brazil. A survey questionnaire comprising 89 Likert-scale questions was used to measure the constructs. The data was analyzed using Confirmatory Factor Analysis (CFA) and Structural Equation Modeling (SEM) techniques.

#### Análise dos Resultados

The results suggest that ESG practices have a positive contribution to eco-innovation, and organizational culture has a positive influence on the adoption of ESG practices. Responsible leadership influences organizational culture, but this does not necessarily translate into better ESG practices. The results indicate a responsible leadership style that is more incremental, with reactive decision-making to market demands.

#### Conclusão

The results confirmed the positive relationship between responsible leadership and organizational culture. However, the study did not find a significant impact of responsible leadership on ESG practices. It highlights the importance of stakeholder engagement and a more integrative leadership approach for fostering sustainable practices. The study also found a positive relationship between organizational culture and ESG practices, emphasizing the need for a culture aligned with sustainability goals.

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