

Stakeholder capitalism: a new perspective on corporate sustainability

Cristiana Dias, Leandro F. Pereira and Álvaro Dias

Abstract

Purpose – How companies operating in Europe operationalize stakeholder capitalism as a strategic and governance framework for achieving corporate sustainability.

Design/methodology/approach – A qualitative, exploratory and descriptive study using twenty semi-structured interviews with executives and sustainability managers, triangulated with corporate sustainability reports. Data were analyzed thematically and taxonomically using NVivo.

Findings – Companies exhibit a hybrid model of implementation that blends regulatory compliance (Corporate Sustainability Reporting Directive, European Sustainability Reporting Standards, GRI) with relational proximity and trust-based engagement. Leadership plays a decisive role in translating normative commitments into strategic actions, while environmental, social and governance impact measurement remains limited and fragmented.

Research limitations/implications – The study advances stakeholder theory by conceptualizing stakeholder capitalism as a dynamic capability that integrates ethical, strategic and relational dimensions within governance systems.

Practical implications – Managers should institutionalize stakeholder engagement through governance mechanisms, cross-functional coordination and transparent reporting to strengthen resilience and trust.

Originality/value – This research contributes rare empirical evidence from a European context, reframing stakeholder capitalism as an organizational capability that reconciles ethics, performance and sustainability within complex regulatory environments.

Keywords Governance, Corporate sustainability, Leadership, ESG, Stakeholder capitalism, Strategic integration

Paper type Research paper

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1. Introduction

1.1 The changing role of business in society

Over the last decades, the corporate landscape has undergone a profound paradigmatic shift. The traditional view of the firm as an instrument for maximizing shareholder returns – epitomized by Friedman's (1970) notion of shareholder capitalism – has been increasingly challenged by models that recognize the firm as an embedded social institution, responsible for balancing economic, social and environmental objectives. This transformation has been accelerated by global phenomena such as climate change, social inequality and regulatory pressures arising from the European Union and the United Nations' 2030 Agenda for Sustainable Development (United Nations, 2015; Schwab and Vanham, 2021).

Within this evolving context, concepts such as corporate sustainability (Elkington, 1998; Porter and Kramer, 2011), corporate social responsibility (CSR) (Bowen, 2013) and business ecosystems (Adner, 2006; Liu *et al.*, 2024) have converged to redefine the firm's role as an actor co-creating value within interdependent networks. Consequently, the purpose of the corporation is no longer restricted to wealth creation, but increasingly to the stewardship of societal and ecological well-being.

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The following sections clarify this shift by distinguishing its theoretical foundations, its unresolved tensions and its implications for governance.

1.2 From profit maximization to purpose-driven strategy

The conceptual trajectory from shareholder to stakeholder capitalism marks a fundamental reconfiguration of business purpose. [Freeman and McVea \(2001\)](#) proposed that the success of organizations depends on their ability to integrate the legitimate interests of multiple stakeholders, employees, customers, suppliers, investors and communities into their strategic decision-making. Models such as the triple bottom line ([Elkington, 1998](#)) and shared value ([Porter and Kramer, 2011](#)) reinforce this shift, emphasizing that competitiveness and sustainability are not opposing goals but mutually reinforcing forces.

This shift redefines business purpose as the creation of enduring value for multiple stakeholders rather than the exclusive maximization of shareholder returns. While the normative foundations of stakeholder theory are well established ([Freeman and McVea, 2001](#); [Donaldson and Preston, 1995](#)), operationalizing this orientation within governance systems remains a central challenge.

1.3 Unresolved paradoxes in stakeholder capitalism

Despite its growing prominence, stakeholder capitalism continues to face conceptual and empirical ambiguities. Scholars have long debated the tension between normative and instrumental rationales: while [Donaldson and Preston \(1995\)](#) and [Mackey and Sisodia \(2013\)](#) advocated value-based and ethical management, critics such as [Friedman \(1970\)](#) and [Henderson \(2001\)](#) argued that the diffusion of objectives risks diluting strategic focus and corporate efficiency.

Despite its conceptual appeal, stakeholder capitalism remains marked by unresolved tensions in four key areas: stakeholder prioritization, measurement systems, governance institutionalization and strategic trade-offs. Collectively, these paradoxes reveal that stakeholder capitalism is more an aspirational paradigm than an operationalized model, its success depending on the ability of organizations to translate ethical commitments into measurable and enduring governance practices.

1.4 Research gap and contextual motivation

Although stakeholder-oriented management has been widely theorized, much of the foundational development of stakeholder theory and its empirical elaboration has emerged from Anglo-American scholarship and corporate governance debates ([Freeman and McVea, 2001](#); [Donaldson and Preston, 1995](#); [Mackey and Sisodia, 2013](#)). More recently, the global institutional framing of stakeholder capitalism has been shaped by international forums and policy discussions, particularly those promoted by the World Economic Forum ([Schwab, 2019](#); [Schwab and Vanham, 2021](#); [World Economic Forum, 2021a, 2021b](#)). At the same time, European regulatory harmonization through instruments such as the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS) ([European Commission, 2023](#)) has intensified formal sustainability governance requirements across member states, creating new implementation pressures that are not uniformly examined in empirical research.

Within this evolving landscape, Southern European contexts remain comparatively underexplored in relation to how firms operationalize stakeholder capitalism under accelerated regulatory convergence and heterogeneous organizational capabilities. Portugal is not treated here as a peripheral or exceptional case, but as an analytically revealing setting in which relational proximity-based stakeholder engagement coexists with increasing formal standardization pressures. This configuration enables the study to

illuminate how organizations translate harmonized European sustainability governance frameworks into workable internal routines and how relational governance mechanisms complement compliance infrastructures when firms seek legitimacy, trust and cooperation across diverse stakeholder groups (OECD, 2025). As such, this study situates the Portuguese evidence within broader theoretical and regulatory debates, allowing to address an empirical gap concerning how stakeholder capitalism becomes operational in contexts where institutional formalization advances rapidly relative to managerial system maturity. Addressing this gap, the present research seeks to answer the following question:

Q1. How do companies operating in Portugal implement the principles of stakeholder capitalism as a strategy to promote corporate sustainability?

This overarching inquiry is further operationalized into five research questions exploring stakeholder identification, managerial tools, leadership values, impact metrics and adoption barriers. The study thus contributes both to theory by revealing the hybrid nature of stakeholder capitalism as practiced in Portugal and to practice by providing governance insights applicable to firms facing similar regulatory and cultural conditions.

1.5 Contributions of the study

This study contributes to literature in three interrelated dimensions. First, it offers empirical evidence on how the normative ideals of stakeholder capitalism are operationalized in organizational contexts, thereby addressing a persistent gap between theory and practice. Second, it advances stakeholder theory by conceptualizing stakeholder capitalism as a dynamic capability – a governance-based competence enabling firms to balance ethical commitments, regulatory compliance and strategic performance. Third, it contributes to the corporate sustainability and governance debate by identifying the pivotal role of leadership in embedding stakeholder logic into institutional routines and by unveiling a hybrid model that merges formal regulatory frameworks (CSRD, ESRS, GRI) with relational and trust-based engagement. Theoretically, the study advances current scholarships by specifying how stakeholder capitalism is enacted through governance. We propose a hybrid governance model in which stakeholder-oriented commitments are institutionalized through the coupling of:

- formal compliance infrastructures, materiality systems, reporting standards and board-level oversight shaped by CSRD/ESRS/GRI; and
- relational governance proximity-based engagement, trust-building routines and ongoing dialogue that sustain stakeholder cooperation beyond disclosure requirements.

This model extends stakeholder theory by explaining how firms can reconcile the normative aspiration of fairness and inclusion with the instrumental need for strategic focus: rather than competing, these logics are stabilized through governance routines that convert stakeholder expectations into organizational priorities, accountabilities and decision rights. In doing so, we move from treating stakeholder capitalism as a broad moral orientation to theorizing it as an actionable governance capability that can be developed, replicated and audited over time.

2. Literature review

2.1 Fundamental concepts

2.1.1 *Stakeholder capitalism*. The historical evolution of stakeholder capitalism reflects a structural transformation in the way companies balance interests and interact with their stakeholders, recognizing that value creation is not limited to shareholders, as described by Freeman and Mcvea (2001). These authors define stakeholders as “any group or individual

that is affected by or affects the achievement of an organization's objectives," proposing a holistic view of the company as a network of relationships, a view that contrasts with [Friedman's \(1970\)](#) perspective, which advocated profit maximization as the sole responsibility of business.

Since the early foundations in the 1930s, [Berle and Means \(1933\)](#) and [Drucker \(1946\)](#) emphasized that corporate power should be exercised for the benefit of the community, as a guarantee of the well-being of all those dependent on the organization, anticipating concerns that would become consolidated decades later. From the 1960s onwards, the pioneering work of the Stanford Research Institute expanded the notion that companies do not operate in isolation, but in constant interaction with multiple stakeholders ([Freeman and McVea, 2001](#)).

In the 1980s, Edward Freeman formalized the theory, arguing that the interests of stakeholders should be integrated into the company's own objectives and managed in a coherent and strategic manner ([Freeman and Mcvea, 2001](#)). This perspective directly challenges the reductionist view that profit is the sole purpose of business, proposing that the creation of shared value is not only possible but necessary for long-term survival.

The debate, however, remained. Authors such as [Donaldson and Preston \(1995\)](#) argued that the theory is based on normative foundations, defending ethical values in management, while critics such as [Friedman \(1970\)](#) warn of the risk of dispersion and loss of strategic focus. [Mackey and Sisodia \(2013\)](#), through the concept of conscious capitalism, reinforce the importance of empathetic, transparent and inclusive leadership and organizational culture, arguing that companies guided by ethical purposes can and should be a force for the common good.

The consolidation of stakeholder capitalism as a response to major global challenges, such as social inequality and climate change and as a provider of more responsible and sustainable business practices, continues to be pursued in the following decades by [Schwab and Vanham \(2021\)](#), in line with the recognition by the [World Economic Forum \(2021a, 2021b\)](#) that companies must create value not only for shareholders but also for all stakeholders, thus constituting the new era of capitalism.

2.1.2 Business ecosystems. Facilitated by information technologies, which have significantly reduced coordination costs, business ecosystems have become an essential component in the expansion strategies of companies in various sectors ([Adner, 2006](#)).

[Moore \(1996\)](#) described them as an economic community sustained by a base of complementary organizations and individuals that generate goods and services of value to the entire ecosystem, and whose members are aligned with the direction and visions established by the central company. [Liu et al. \(2024\)](#) complemented this by arguing that successful ecosystems achieve a balance between competition to capture value and cooperation to create value, positioning them as a strategic structure capable of achieving competitive advantages.

While [Adner and Kapoor \(2010\)](#) argued that a good business ecosystems strategy is based on three pillars – interdependence (the success of each party depends on the effective collaboration and performance of the other parties), co-innovation (the creation of greater value depends on external changes that require innovation and collaboration on the part of other actors) and shared risk and benefit management – [Jacobides et al. \(2018\)](#) warn of the risks of new dependencies, in the sense that even an innovative company can fail and its partners may not be able to keep pace with change.

2.1.3 Corporate sustainability. Corporate or business sustainability is described as a comprehensive strategy that integrates economic, social and environmental objectives, aiming to create long-term value and contribute to responsible development ([Forbes, 2022](#)).

However, as [Hess \(2013\)](#) noted, this commitment is not only instrumental but also ethical, as companies are seen as moral entities with responsibilities toward their stakeholders. This

view is in line with the recommendations of the United Nations, which highlighted the importance of translating stakeholder needs globally into tangible business solutions and responsibilities, and emphasized the crucial role of companies in contributing to a more just and sustainable world, to contribute to the 17 Sustainable Development Goals (SDGs) by 2030 (GRI; United Nations Global Compact and World Business Council for Sustainable Development, 2020).

On the other hand, there are several models that help lay the necessary foundations for companies to integrate sustainable practices into their operations. Authors such as Elkington (1998) highlighted the triple bottom line approach, emphasizing that business performance should be assessed in a balanced way across economic, environmental and social dimensions and arguing that a sustainable company is one that creates economic value while minimizing its environmental impact and contributing to social well-being. Porter and Kramer (2011) go beyond this perspective, arguing that true value comes from the creation of Shared Value, where business competitiveness is directly linked to improving the social and environmental conditions of communities, contributing to corporate sustainability.

In this context, certifications such as B Corp (B Lab Global, 2023) and indices such as the DJSI (S&P Dow Jones Indices, 2023) seek to establish measurable standards that reduce this ambiguity, although they continue to face criticism for their lack of global standardization and comparability across sectors. Thus, the literature converges on the idea that corporate sustainability is essential in the current context of regulatory pressure, investor demands for environmental, social and governance (ESG) practices and consumer expectations (CCENERGIA, 2024), but diverges on the most effective mechanisms for integrating this logic into business models.

2.1.4 Corporate social responsibility. CSR is a strategic and essential practice for organizations, integrating social and environmental concerns, seeking to balance social benefit and value creation for shareholders (Bowen, 2013).

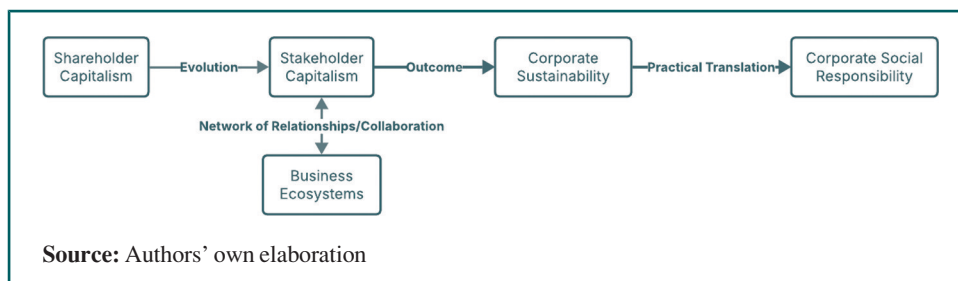
Goswami and Bhaduri (2023) emphasized that CSR functions as a voluntary commitment to ethical practices in all company operations that generate a positive impact on society, beyond legal compliance, while Tansey (1995) highlighted the moral-dimension of business ethics, considering a company to be ethical if it acts honestly in all its relationships and fulfils all its commitments.

When genuinely adopted, CSR enables a company to build trusting relationships with consumers, employees and other stakeholders, ensuring long-term sustainability (see Figure 1). It is a tool that strengthens the reputation and competitiveness of organizations today (Goswami and Bhaduri, 2023).

2.2 Intersection between stakeholder capitalism and corporate sustainability

A sustainable company considers the long-term impact of its decisions and actions on the environment, society and the economy (Freeman et al., 2007a). This holistic approach has

Figure 1 Relationship between concepts



been discussed by several authors: while Smith (2023) emphasized the importance of balancing economic, social and environmental interests to ensure that the needs of future generations are not compromised, Porter and Kramer (2011) argued that sustainability should be seen as a competitive strategy through the creation of shared value.

The literature recognizes that stakeholder capitalism encourages the adoption of sustainability practices as an essential strategy for survival in the competitive market, balancing the pursuit of profit with the protection of the environment, social welfare and ethical governance (Forbes, 2022), starting with the recognition of the interests of all stakeholders in business strategies (Jornal de Negócios, 2023). Smith (2023) argued that a company's level of sustainability can be determined by characteristics such as transparency, accountability for all decisions made and their impacts, economic viability and risk mitigation while taking advantage of new opportunities.

In practice, viewing sustainability as a pillar of strategy has several impacts on companies. Epstein (2008) highlighted that sustainable practices lead to efficiency gains and reduced operating costs, while Carroll (1991) pointed to reputation and trust as the greatest benefits, translating into loyalty, attraction and retention. Recent data from EY (2022) confirmed that consumers and workers place greater value on socially responsible companies.

2.3 From shareholder capitalism to stakeholder capitalism

During the 1980s until the early 2000s, Friedman's (1970) theory shaped business practice, arguing that the sole responsibility of a company is to increase profits and generate financial returns for shareholders and that all business decisions should be made with this in mind. This model was widely recognized as a guarantee of corporate survival and a generator of rapid economic growth (Smith, 2003). However, critical authors such as Freeman and McVea (2001) considered it limited because it neglects social and environmental impacts, which compromises long-term sustainability.

The debate between models has intensified: while defenders of shareholder capitalism emphasize efficiency and clarity of objectives, critics such as O'Brien (2020) pointed out that social perception has changed – more than half of the global population considers this model harmful to the public interest and an existential threat to the long-term sustainability of companies. The Business Roundtable (2019), in endorsing the statement on the purpose of the corporation, signed by 181 large American companies, reflected this paradigm shift, arguing that companies should generate value for all stakeholders and limit the maximization of shareholder value as their sole objective.

The Davos Manifesto 2020 reinforced this change, with the central message that a company's value proposition is calculated by how it was achieved and for what purpose, not just profit and that the purpose of an entity is to leave its mark on the world and contribute to common goals, such as the SDGs and the Paris Agreement on climate (World Economic Forum, 2019; Schwab, 2019).

Thus, the literature shows the transition from a shareholder-centric model to a more inclusive one that seeks to balance financial returns with impacts not only on the businesses themselves, but on the entire value chain, industries and ecosystems in which they operate (EY, 2022).

2.3.1 Who makes up the stakeholder group? To gain an in-depth understanding of stakeholders' needs, there must be an understanding of their respective roles.

According to McKinsey and Company (2021), although stakeholder groups are rarely homogeneous, they can be grouped into three distinct categories: (1) internal company stakeholders – employees, chief executive and senior directors, board of directors and shareholders; (2) external stakeholders who interact directly with the company – suppliers, distributors, customers and investors; and (3) external stakeholders who define the

operating environment – governments, communities, natural capital and ecosystem services (see [Figure 2](#)).

We can also distinguish between organizational stakeholders (internal stakeholders), economic stakeholders and social stakeholders (both external stakeholders), with some stakeholders potentially existing in different categories simultaneously ([Chandler and Werther, 2014](#)).

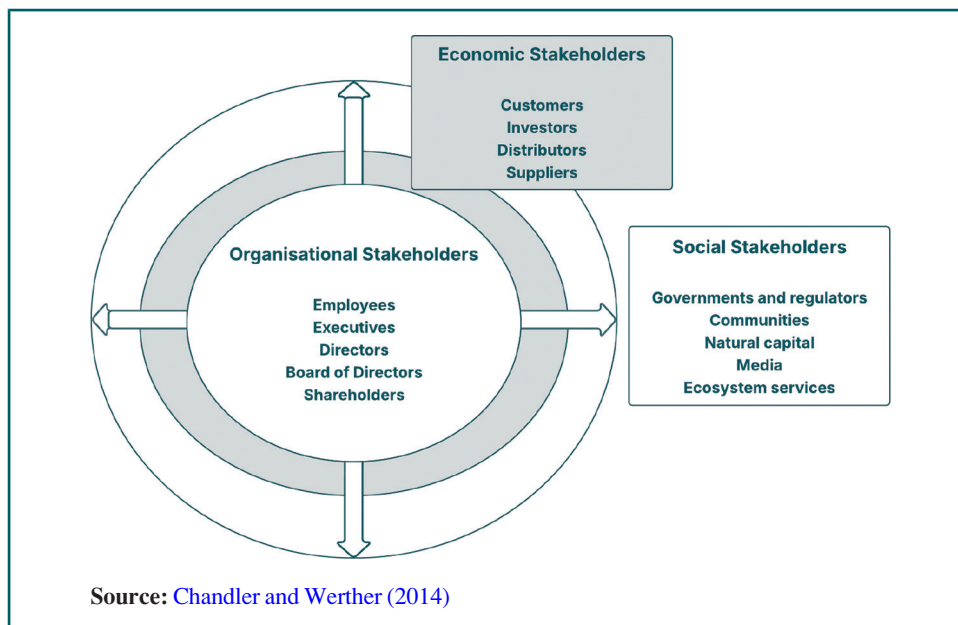
2.3.2 Main characteristics. Both stakeholder capitalism and shareholder capitalism can be read as normative accounts of corporate responsibility, because both prescribe what firms ought to prioritize and how they should relate to society. The shift from [Friedman's \(1970\)](#) shareholder primacy to stakeholder-oriented approaches is not simply a change in emphasis, but a change in the underlying purpose of the firm. In stakeholder theory, value creation is not reduced to shareholder wealth; instead, the firm is seen as embedded in a wider social system whose stability and development it influences and depends upon. This broader framing has been reinforced in recent institutional discourse, including the [World Economic Forum's \(2021a, 2021b\)](#) argument that firms have duties that extend beyond economic production.

2.4 Management and governance practices

2.4.1 Statistics. Several industry reports converge in suggesting that stakeholder-oriented firms exhibit stronger long-term financial performance, improved operating margins, greater innovation capacity and enhanced investor attractiveness ([BlackRock, 2022](#); [Harvard Business Review, 2020](#); [McKinsey and Company, 2020](#); [Boston Consulting Group, 2023](#); [Morgan Stanley, 2023](#)).

2.4.2 The role of leadership in defining strategy. The literature shows that the role of founders and leaders is decisive in integrating sustainability practices, going beyond mere regulatory compliance. [Soundararajan et al. \(2018\)](#) emphasized that these practices are rooted in leaders' moral values, perceptions and personal views on how a business should be managed, as well as in their leadership style. In this sense, Stakeholder Capitalism is not

Figure 2 Stakeholder categories



only the result of external pressures, but also of ethical choices and personal views on how the business should be managed.

For [Bonchek \(2016\)](#), a leader's ethical orientation and perception of social responsibility directly influence organizational culture, its DNA, the degree of involvement of internal and external stakeholders, the definition of objectives and, consequently, the strategic direction to be followed. This perspective is close to the view of [Mackey and Sisodia \(2013\)](#), who argued that the most successful companies are those whose leadership is guided by a comprehensive purpose, underpinned by trust, transparency and empathy.

The literature commonly frames leadership commitment to stakeholder capitalism as varying along three dimensions: the depth of responsibility assumed, the degree to which stakeholder concerns are embedded in governance and strategy and the consistency with which this commitment is translated into measurable routines. This matters because leadership is not only a symbolic driver of change; it shapes resource allocation, internal coordination and the credibility of stakeholder-oriented commitments. The review also suggests that leadership commitment is most durable when it becomes institutionalized through processes and decision rights, rather than remaining dependent on individual preferences (see [Table 1](#)).

2.4.3 Implementation strategies. Promoting sustainability based on the principles of stakeholder capitalism requires not only good intentions, but above all the adoption of concrete strategies and practices that align ecosystems, communities and all stakeholders. According to [EY \(2022\)](#), this process involves a cross-cutting integration of strategies that enable companies to create value responsibly. However, as [Ensslin et al. \(2010\)](#) pointed out, such implementation begins with the existence of a strong set of core values and requires methodologies with integrated information systems that reconcile objectivity and subjectivity, giving relevance to error-learning dynamics, collaborative work with decision-makers and understanding the bases behind behaviors, as is the case with the multiple criteria decision analysis (MCDA) approach.

The literature consistently argues that meaningful adoption must be led from the top. [BlackRock \(2022\)](#), for example, frames boards of directors as central actors in balancing interests and guiding firms toward sustainable and inclusive long-term performance. [Schwab \(2019\)](#) similarly highlighted the importance of proactive leadership that is willing to challenge prevailing norms and integrate diverse perspectives. [McKinsey and Company \(2021\)](#) extended this argument by stressing that transparency, collaboration and dialogue are not sufficient on their own; stakeholder involvement needs to be built into governance, including through formal mechanisms that ensure non-financial stakeholder perspectives are considered in decision-making.

Another consensus is that alignment with SDGs ([GRI; United Nations Global Compact and World Business Council for Sustainable Development, 2020](#)) is essential to give coherence to practices, as the relationship between these goals and corporate

Table 1 Decision factors and results according to each dimension

Perspective	Decision factors	Results
Instrumental	External pressures (regulation, stakeholders), reputation risks, requirement to report metrics and indices, customer expectations	Maximization of economic performance, access to sustainable capital, reduction of reputational and legal risks
Strategic	Leadership vision and values, corporate purpose, perception of risk and opportunity, search for competitive advantage	Long-term growth, value creation, innovation enhancement, resilience, differentiation
Philanthropic	Personal ethical motivation of leaders, influence of public opinion, perceived moral responsibility	Volunteering, donations, community support, reputation enhancement, strengthening of the company's legitimacy

Source(s): Authors' own elaboration

sustainability is intrinsic. However, the challenge is to operationalize this alignment into clear and measurable goals.

The literature suggests that firms that align strategy with values and invest in cooperative stakeholder relationships are more likely to retain stakeholder support even during periods of weaker financial performance (Freeman and McVea, 2001). McKinsey and Company (2021) proposed a pragmatic way of translating this into strategic choice by assessing initiatives according to their fit with mission and values, their responsiveness to stakeholder needs and their long-term value potential. Once initiatives are assessed, firms still face the challenge of prioritization and sequencing. Tools such as benchmarking, cognitive mapping (Eden, 2004) and structured prioritization scales (Saaty, 1990) are often presented as practical supports for that process.

When it comes to monitoring, the literature converges on the importance of performance evaluation and strategic control systems. Kaplan and Norton's (1992) balanced scorecard, which also involves the analysis of key performance indicators (KPIs), is highlighted as an example of a tool capable of articulating financial and non-financial indicators, evaluating different perspectives – financial, customers, internal processes and learning and growth – and promoting transparency and communication between all parties. Here, the perspective of Freeman *et al.* (2007a) is relevant in arguing that such a system should be an integral part of continuous and direct dialogue with stakeholders, reflecting both progress and setbacks.

McKinsey and Company (2021) and the World Economic Forum (2020) emphasized that stakeholder-oriented strategy requires timely feedback loops. Communication and reporting need to be regular and intelligible to both internal and external audiences, because credibility depends not only on performance but on how consistently the organization explains its priorities and progress.

The World Economic Forum has also argued for standardized reporting aligned with evolving European requirements, including the use of stakeholder capitalism metrics. Related work highlights complementary strategic actions aligned with the SDGs, such as building partnerships, mobilizing responsible investment and developing innovations that address societal and environmental challenges while sustaining economic value (Smith, 2003).

2.4.4 Performance indicators. To ensure companies' confidence in the transition to stakeholder capitalism, it is essential to implement complementary metrics that reveal not only financial results but also environmental, social and governance impacts on corporate sustainability (Schwab, 2019). However, the classic literature (e.g. Berk *et al.*, 2015) warned of the limitations of traditional financial indicators, such as revenue, market value and long-term profitability (ROA, ROE) as the only evaluation parameters. This view needs to be updated in light of emerging debates about the validity and comparability of ESG ratings.

Assessing the real impact of a stakeholder-centric approach is challenging, but to overcome this difficulty and to standardize corporate reporting, the World Economic Forum's business council established stakeholder capitalism metrics (SCM) in collaboration with 120 CEOs (World Economic Forum, 2021b). However, recent studies such as the OECD's Behind ESG Ratings report (2025) showed that there is still a wide divergence in the use of metrics, which compromises the comparability of results.

In the European Union, legislation requires large companies to disclose information on social and environmental indicators (Freeman and Mcvea, 2001). Although Portugal does not yet have a single, standardized system of performance indicators that is widely adopted by companies and that simultaneously incorporates the concepts of sustainability and stakeholder capitalism, there is currently a combination of international guidelines, namely, the SDGs (United Nations, 2015), with the growing practice of ESG reporting, in line with European Union requirements and global reporting trends (European Commission, 2022; GRI, 2021).

Among these metrics, the adoption of the CSRD and the ESRS, which impose detailed reporting requirements for these metrics (European Commission, 2023) and the IFRS S1/S2 standards, which serve as comparative bases for sustainability [(IFRS Foundation and ISSB, 2024), stand out. ISSB, 2024]. At the same time, national and sectoral initiatives are emerging, such as those promoted by BCSD Portugal (BCSD Portugal, 2023).

2.5 Criticisms and challenges

Although stakeholder capitalism has gained theoretical and institutional strength, it has also generated criticism and contradictions.

Friedman's classic criticism (1970), according to which multiple objectives can lead to indecision in decision-making and corporate inefficiency, still echoes but can be countered with recent evidence. The difficulty of assessing progress in meeting the expectations of all stakeholders, due to the lack of standardized indicators, clear metrics and well-defined structures, is also the target of criticism (Tallarita and Bebchuk, 2020).

Edward Freeman, one of the leading proponents of the theory, acknowledged that external pressure in highly competitive industries can lead companies to temporarily prioritize quick profits over the interests of all other stakeholders to ensure the company's survival, thus acting contrary to the theory that should apply (Freeman *et al.*, 2007a).

Paine (2023), in more recent studies, argued that many companies proclaim their adoption of stakeholder capitalism but continue to prioritize short-term financial results. This concern had already been highlighted by Smith (2003), who claimed that there were misrepresentation and superficiality in companies that wish to improve their corporate image, claiming to focus on sustainability and social responsibility, but which in practice do not implement concrete actions and continue to prioritize other objectives. Still within the field of greenwashing, Feghali *et al.* (2025) recognized a systematic overview of recent literature, demonstrating that misleading environmental and social communication practices persist and this analysis reinforces the need for independent verification mechanisms and sustainability audits.

Another criticism stems from the disparity between ESG metrics: the OECD report (2025) shows that different providers can produce widely divergent ratings for the same company, which hinders inter-organizational comparisons and compromises credibility. In 2021, Henderson, a former chief economist at the OECD, argued that the use of resources for interests without financial return can harm the competitiveness of companies and that commitment to social issues usually entails high costs that should instead be invested in innovation.

Authors such as Jacobides *et al.* (2018) argued that interdependence between companies can bring additional risks, since coordinating relationships between various actors is complex and dependence on the capacity of partners can condition internal efforts and compromise results.

In summary, the practical challenges are not limited to the lack of metrics, but also include the tension between discourse and action, the credibility of ESG ratings and the consistency between voluntary and mandatory regulation. The main contributions and gaps in the literature on stakeholder capitalism, corporate sustainability and corporate social responsibility are summarized in Appendix 1.

2.6 Integrating stakeholder capitalism into a coherent governance framework

Although the literature on stakeholder capitalism draws on a wide range of concepts, including accountability, regulation, responsibility, leadership and governance quality, these elements are often discussed in parallel rather than integrated into a unified analytical framework. Building on the reviewed literature, this study conceptualizes stakeholder

capitalism as a governance-oriented construct that emerges at the intersection of three complementary theoretical lenses already embedded in prior research: stakeholder theory, institutional perspectives on regulation and standardization and legitimacy–accountability frameworks. Stakeholder theory provides the normative and instrumental foundation by framing the firm as a relational system responsible for balancing the interests of multiple stakeholder groups (Freeman and McVea, 2001; Donaldson and Preston, 1995). From this perspective, value creation extends beyond shareholders and requires organizational mechanisms that translate ethical commitments into strategic priorities.

At the same time, the growing role of regulation, reporting standards and ESG disclosure situates stakeholder capitalism within a broader institutional environment characterized by coercive and normative pressures. European initiatives such as CSRD and ESRS, alongside global frameworks such as GRI and the SDGs, function not merely as reporting requirements but as institutional devices that shape governance structures, accountability routines and managerial attention (European Commission, 2023; GRI, 2021; OECD, 2025). Within this context, legitimacy and accountability become central organizing principles: firms adopt stakeholder-oriented practices not only to comply with regulation, but also to maintain credibility, trust and social acceptance among investors, employees, communities and regulators (Schwab, 2019; Schwab and Vanham, 2021). The integration of these perspectives, allows to frame stakeholder capitalism as a hybrid governance capability, one that stabilizes the normative aspirations of stakeholder theory through institutionalized accountability mechanisms while remaining sensitive to relational dynamics and leadership-driven sensemaking.

3. Methodology

3.1 Research questions and objectives

The literature review showed that stakeholder capitalism represents a structural change in how companies balance economic, social and environmental interests by considering all stakeholders in value creation (Freeman and McVea, 2011; Schwab and Vanham, 2021). However, there are significant gaps in its potential to promote corporate sustainability and strengthen social responsibility. These include: the absence of standardized metrics, difficulty in measuring real impact, the risk of superficial implementation and tensions between long-term shared value creation and short-term profit (Donaldson and Preston, 1995; Mackey and Sisodia, 2013).

In this context, this research aims to understand how companies interpret and implement the principles of stakeholder capitalism in Portugal, and how these translate into corporate sustainability and social responsibility practices, exploring decision-making patterns, practices, mindsets and factors that condition their success.

Thus, the main objective of this study is to analyze how companies operating in the country integrate stakeholder interests in defining their strategy, and the main research question proposed is: QP – “How do companies operating in Portugal implement the principles of Stakeholder Capitalism as a strategy to promote Corporate Sustainability?”

Five sub-research questions and the five corresponding objectives of the study were outlined, articulating the main contributions and gaps in the literature and their respective authors. Table 2 below summarizes these relationships.

3.2 Type of study

To answer the research questions, a qualitative exploratory and descriptive approach was chosen. This is a qualitative study that seeks to gain an in-depth understanding of companies' perceptions, experiences and practices regarding the implementation of stakeholder capitalism as a strategy for promoting corporate sustainability, focusing on interpretation and contextual understanding rather than numerical quantification (Creswell, 2014).

Table 2 Research questions and objectives

<i>Main problems</i>	<i>Author (year)</i>	<i>Research questions</i>	<i>Research objectives</i>
Complexity in analyzing stakeholders who overlap in several categories; how to prioritize conflicting interests among stakeholders and how to ensure commitment	Freeman and Mcvea (2001); Freeman <i>et al.</i> (2007a, 2007b); Donaldson and Preston (1995); Chandler and Werther (2014)	Q1 – “How do companies identify, prioritize and engage their stakeholders in the decision-making process?”	O1 – Understand how Portuguese companies map and manage their stakeholders, integrating them into strategy and governance
How to adapt management and assessment tools to fully integrate ESG and stakeholder capitalism objectives; methodological complexity	Eden (2004); Ensslin <i>et al.</i> (2010); Kaplan and Norton (1992)	Q2 – “What specific stakeholder capitalism methods and tools are being implemented in the company's strategy?”	O2 – Identify and describe stakeholder capitalism strategies and tools implemented
Influence of the leader's personal vision on strategy formulation; analyze how governance mechanisms influence actual sustainability practices; difficulty in simultaneously operationalizing the three dimensions of social responsibility	Mackey and Sisodia (2013); Berk, DeMarzo and Harford (2015); Schwab (2019)	Q3 – “What role do the values of leaders/managers play in corporate social responsibility and the promotion of Stakeholder Capitalism?”	O3 – Understanding how the values of leaders/managers influence strategic definition and the level of engagement with stakeholders
Need for standardization and effective adoption of metrics to assess real impact; how to operationalize normative principles in contexts of competitive pressure; risk of superficiality	OECD (2025); IFRS Foundation and ISSB (2024); European Commission (2023); World Economic Forum (2019, 2020, 2021a, 2021b)	Q4 – “What indicators and metrics do companies use to measure the real impact of their Stakeholder Capitalism practices on corporate sustainability?”	O4 – Identify the metrics and indicators used to analyze the real impact of Stakeholder Capitalism practices on the company's sustainability
Need to reconcile financial value creation with social objectives; feasibility of multiple objectives without compromising competitiveness; development of universal metrics and independent verification systems	Paine (2023); Feghali <i>et al.</i> (2025); Henderson (2001); Smith (2003); Tallarita and Bebhuk (2020); O'Brien (2020)	Q5 – “What are the main challenges faced by companies in effectively adopting Stakeholder Capitalism?”	O5 – Identify barriers and critical factors that condition the practical implementation of Stakeholder Capitalism

Source(s): Authors' own elaboration

It is an exploratory study, as it aims to investigate a phenomenon that is still recent in the Portuguese context and where academic literature and empirical evidence are limited. Thus, it seeks to identify patterns, practices and factors that influence the adoption of this approach, providing a basis for future research (Stebbins, 2011). It is also a descriptive study, as it seeks to map and characterize the mechanisms, strategies and indicators used by companies, without the intention of establishing causal relationships, but rather to understand processes, strategies and interpretations of leaders (Yin, 2018).

The phenomenon under study involves strategic and cultural dimensions that cannot be captured by quantitative metrics alone, requiring the analysis of discourses, values and personal experiences (Creswell, 2014), the chosen research strategy was multiple case studies, based on semi-structured interviews with managers, directors, presidents, partners and those responsible for sustainability and stakeholder relations. This method is justified by the need to collect detailed information, allowing for the exploration of diverse perspectives and the flexibility to delve deeper into responses whenever relevant (Yin, 2018).

Thus, this study seeks to combine scientific rigor with a contextualized understanding of the Portuguese business reality, in line with Stebbins' (2001) proposal, which defends the relevance of exploratory approaches when the object of study is emerging and still not well established in the literature.

3.3 Sample selection

The sample consists of 20 companies, selected using the principle of theoretical saturation, i.e. the number of interviews was defined to the point where new responses would no longer

add substantive information to the phenomenon under analysis (Guest *et al.*, 2006). The selection of the 20 companies followed a purposive and theory-driven sampling strategy aimed at maximizing analytical insight rather than statistical representativeness. Companies were identified through a combination of publicly available indicators of engagement with corporate sustainability and stakeholder-related practices, including the publication of sustainability or ESG reports, participation in recognized sustainability initiatives or indices, adoption of international reporting frameworks (e.g. GRI, SDGs) or visible integration of social and environmental responsibility into corporate strategy. This approach is consistent with qualitative research designs that seek information-rich cases capable of illuminating how complex governance concepts are interpreted and operationalized in practice (Guest *et al.*, 2006; Yin, 2018).

The deliberate focus on companies already engaged with sustainability practices reflects the exploratory objective of this study, which is not to explain why firms adopt stakeholder capitalism, but how they implement it under real organizational and regulatory conditions. This sampling choice inevitably introduces a positive-selection bias toward firms with higher sustainability awareness and reporting maturity. However, this bias is analytically appropriate given the research question, as it allows for the examination of internal governance mechanisms, leadership roles, stakeholder engagement routines and measurement challenges at a stage where such practices are sufficiently developed to be observable. At the same time, this implies that the findings should be interpreted as reflecting implementation dynamics among relatively advanced firms, rather than as representative of the broader population of companies operating in Portugal.

In addition to operating in Portugal, the companies chosen to share a recognized commitment to corporate sustainability and/or stakeholder management, whether through the publication of sustainability reports, integration into ESG indices, adoption of certifications or implementation of social and environmental responsibility practices. Another selection criterion was sectoral and organizational diversity, including law firms, consulting firms, industrial, technological, pharmaceutical, consumer goods and hospitality groups and sectoral associations. This diversity allowed us to capture different perspectives and practices in the application of stakeholder capitalism, ensuring a non-probabilistic, intentional and homogeneous sample that is representative of the Portuguese business context. Thus, this selection contributes to a more robust comparative analysis and the identification of common patterns and relevant differences between organizations.

3.4 Data collection and instruments

Data collection was carried out through semi-structured interviews, according to a previously constructed script (Appendix 2 – Table A2: interview guide structure). This guide was designed to ensure a direct link between the research objectives (O1–O5) and the questions asked (Q0–Q8), classified into different types (descriptive, exploratory, relational and comparative), ensuring consistency between the literature, the research problem and the instrument used.

The choice of a semi-structured interview is justified by the need to access the perceptions, values and experiences of the interviewees, which could not be fully captured by closed questionnaires. This technique offers flexibility to delve deeper into the emerging patterns and practices of stakeholder capitalism and adapt the sequence of questions according to the interaction, while ensuring comparability between interviews (Yin, 2018).

The choice of this method is also justified by the fact that many aspects associated with stakeholder capitalism are subjective phenomena, better understood through the discourse of the interviewees themselves than through secondary data. Subsequently, methodological triangulation was used to complement and corroborate the interview data through the documentary analysis of sustainability reports and internal procedures and public

information made available by the companies themselves, allowing the credibility and validity of the research conclusions to be verified (Yin, 2018).

Contact with the selected companies was made in four ways: via email, LinkedIn, contact forms on websites and telephone calls.

3.5 Data analysis

All interviews were conducted using Microsoft Teams, with automatic transcripts and screen recording to allow for replay and textual cleaning (Figure 3). Data analysis followed a thematic coding logic, operationalized in NVivo 15 software, which allows for the qualitative organization and exploration of large volumes of information (Bazeley and Jackson, 2013).

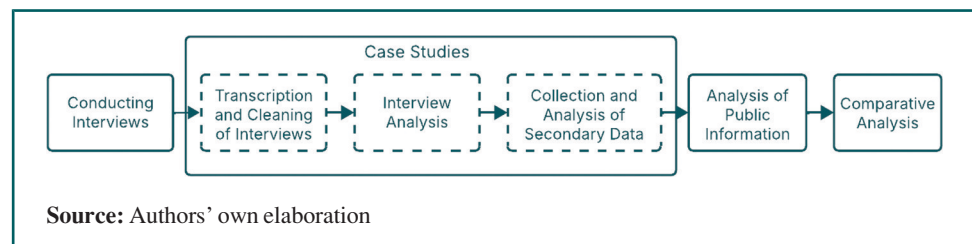
The analysis combined deductive and inductive coding. We began with an initial structure aligned with the research questions and objectives, which provided a stable starting point for comparison across cases. As coding progressed, we iteratively refined the scheme in response to recurring patterns and new concepts emerging from the data. This process resulted in a final coding tree that retained the research-question structure while incorporating inductively derived sub-codes that captured the empirical richness of tools, practices and reporting routines.

The coding process was accompanied by explicit validation procedures aimed at strengthening trustworthiness and interpretive consistency. A codebook with definitions and inclusion/exclusion criteria was progressively refined across iterative reading and coding cycles and the analysis maintained an audit trail through analytical memos documenting code changes, uncertainties and the rationale for theme consolidation (see Appendix 3 – content coding tree). To check stability, a code–recode procedure was conducted on a subset of transcripts after a time interval, and any discrepancies were used to clarify code boundaries and to re-examine the original excerpts before finalizing the coding tree.

Triangulation was used not only as a source-confirmation step but also as an interpretive device. Corporate reports and public disclosures largely corroborated the presence of compliance-oriented infrastructures, including materiality processes and reporting-related governance arrangements influenced by CSRD/ESRS/GRI. At the same time, interviews systematically surfaced practices that were less visible in formal documentation, particularly relational routines of stakeholder engagement, informal coordination and leadership-driven sensemaking. This combination of convergence and divergence strengthened the robustness of the findings and directly informed the articulation of the hybrid governance model, clarifying which elements are institutionally formalized and which depend on relational and cultural mechanisms for effective implementation.

To ensure consistent and meaningful results, the process included four main stages: (i) exploratory reading of the transcripts to identify the most relevant excerpts; (ii) initial coding; (iii) second coding; and (iv) integration of information from corporate reports of the interviewed companies and public data. Thus, the analysis was not limited to the content of

Figure 3 Data analysis process



of mapping these groups and aligning their management with requirements, whether regulatory, relational proximity or international standards.

With regard to the definition of stakeholders, most respondents adopted an inclusive understanding that covers both those affected by the company's activities and those able to influence the organization. Some respondents added an explicit strategic and financial lens, emphasizing the salience of groups that are most exposed to the firm's decisions or most consequential for performance; interviewee 15, for instance, highlighted "those who are most impacted by the company's actions or who are most significant due to their effect on financial performance."

As for how stakeholders are identified, two main trends emerge. The first is based on formal methodologies, especially double materiality analysis (interviewees 10, 15, 3 and 17), often supported by international norms and standards, such as the AA1000 Stakeholder Engagement Standard or European directives (interviewee 7). The second trend corresponds to more pragmatic and informal approaches, based on proximity practices, workshops or contributions from different areas of the organization (interviewees 8, 9 and 13).

Regarding the identified stakeholders, there is great consistency among the responses (see Table 3): customers, employees, suppliers, shareholders and local communities appear as priority groups in almost all organizations. Depending on the sector of activity, these are joined by public and regulatory authorities, investors, professional associations, universities and NGOs.

The analysis reveals that Portuguese companies follow different methodologies to manage their stakeholders, although common patterns that structure the process can be observed.

First, several organizations use formal governance structures, such as committees, executive boards or specific commissions, to ensure that stakeholder interests are considered in a systematic manner. Interviewee 1 stated that "we have a risk committee to manage conflicts of interest between stakeholders," while interviewee 3 pointed out that "all stakeholder management is intrinsic to the company's overall strategy."

Table 3 Identified stakeholder groups

Cases	References
1	"Stakeholders include employees . . . , customers, regulatory authorities, and the community at large"
2	"Stakeholders are board members, the leadership team, and members of the management team"
3	"Stakeholders are customers, suppliers, and business partners, employees, and affected communities"
4	"We have customers, partners, suppliers, and public entities"
5	"There are seven categories identified: employees, management bodies, society in general, customers, suppliers, official entities, and competitors"
6	"Our main stakeholder is the CEO . . . Our colleagues in the finance department, our partners"
8	"The main group of stakeholders are customers . . . the community . . . suppliers . . . employees"
10	"Customers, employees, shareholders, the financial sector, public and regulatory entities, and suppliers . . . partners . . . society and future generations . . . the environment"
11	"Suppliers, consultants, and employees, customers, our landlord, the entire market in which we operate, families, society in general, the planet"
12	"The membership; the national regulatory body; stakeholder groups . . . ; companies involved in processing and distribution . . . ; non-governmental organizations"
13	"Customers, consumers, suppliers . . . authorities, professional associations, health entities, pharmacists, doctors, supermarkets, perfumeries, . . . NGOs, non-profit associations"
14	"Internal stakeholders: shareholders and employees. External stakeholders include suppliers, customers, associations, other partners, communities, NGOs, and industry experts"
16	"We immediately identified our customers . . . our suppliers, our employees, our direct partners, the company's shareholders, and official entities"
18	"Investors . . . customers . . . local communities . . . government, local authorities, institutional entities, European Union . . . universities, innovation centers"
19	"Customers, employees . . . communities, suppliers, and shareholders"

Source(s): Authors' own elaboration

Another central axis is the use of analysis and materiality tools, especially the double materiality required by European standards (CSRD/ESRS), which allows risks, opportunities and expectations to be mapped. As interviewee 10 explained, “according to a series of criteria assessed from the perspective of external stakeholders, but also from the perspective of internal experts, impacts, risks and opportunities are then identified.” In many cases, the methodology combines regular consultations with sector forums, benchmarking and monitoring committees, integrating comparative analysis practices.

Second, there is a decentralization of management, with different functional areas taking responsibility for the stakeholders with whom they are most closely involved. This model favors specialized knowledge and the adaptation of responses to the needs of each group, but it also requires strong internal coordination. As interviewee 18 explained, “each of the areas that is closest to the stakeholder, that best understands their expectations and concerns, is the area that manages the stakeholder”. In another organization, the logic is similar: “the management of all stakeholders is done in a segregated manner by the main areas of interest, with specific interlocutors for each entity” (interviewee 20).

At the same time, many companies emphasize practices of proximity and ongoing relationships, supported by direct channels and regular contact. For example, in the transport sector, interviewee 16 points out that “in more day-to-day management, we create close connections, we create bonds – it’s not just for the sake of it, it’s about creating relationships that cannot be replicated by the competition.” Similarly, other organizations promote regular meetings, themed events and local committees that ensure constant feedback from communities and other stakeholders.

Comparing the different management styles, there is a distinction between companies that adopt more structured and normative models, based on global policies, committees and international standards, such as Mota-Engil and others that favor relational and contextual management, focused on primary proximity, bonds of trust and more informal consultation mechanisms, such as the Alves Bandeira Group. This duality highlights how stakeholder management adapts to the sector, organizational culture and maturity of each company’s sustainability practices, as can be seen in [Table 4](#).

The motivations presented by companies for adopting stakeholder capitalism reveal a combination of external factors (regulatory and market pressures) and internal factors (values, organizational culture and strategic objectives). [Figure 5](#) visually organizes all the reasons identified by the interviewees.

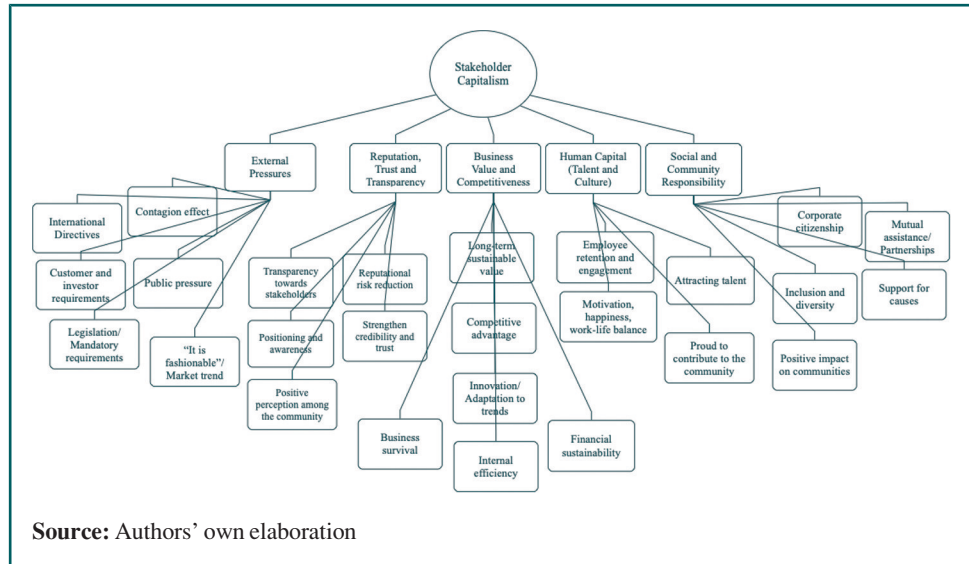
A first set of motivations relates to external pressure, particularly stakeholder demands and regulatory requirements. Several respondents pointed to the growing expectations of customers, investors and society, as well as the influence of European legislation and

Table 4 Typology of stakeholder management models

<i>Dimension of the management model</i>	<i>References</i>
Formalized and standards-based management	“We are covered by the CSRD directive, so we have very specific instructions on how to engage stakeholders” (E10); “We are governed by the AA1000 International Standard - Stakeholder Engagement Standard” (E7)
Decentralized management by functional areas	“It is managed in a decentralized manner, with each area that is closest to the stakeholder directly managing that relationship” (E18); “There are cross-group rules that help each employee understand how to work with stakeholders” (E13)
Participatory and proximity management	“Management is carried out through ongoing consultation, with thematic meetings and public events” (E12); “It is not just doing things for the sake of doing them, it is creating relationships that cannot be replicated by the competition” (E16)
Integrated management in governance and corporate strategy	“Decisions always go to the partners’ committee” (E1); “All stakeholder management is intrinsic to the company’s overall strategy” (E3)

Source(s): Authors’ own elaboration

Figure 5 Mind map of reasons for implementing stakeholder capitalism



international initiatives such as the CSRD and the UN Global Compact. Interviewee 16 captured this dynamic by noting that “our main customers are already starting to demand [...] we have to respond to these pressures,” while interviewee 20 emphasized investor expectations for “socially and environmentally responsible companies with a robust governance system.”

Reputation and credibility were also framed as conditions for competitiveness and long-term viability, rather than as peripheral concerns. Attracting and retaining talent appeared repeatedly, especially in relation to younger cohorts who value purpose, transparency and sustainability commitments. Alongside these instrumental drivers, some accounts reflected a more explicit ethical and cultural motivation, describing stakeholder capitalism as part of organizational identity and a commitment to “have a positive impact on people and the planet.”

4.2.2 Methods and tools. The analysis shows that companies operating in Portugal use a variety of practices and tools to align stakeholder interests with their strategy.

Across cases, double materiality analysis emerged as the central organizing tool for mapping risks, opportunities and priorities under CSRD-related requirements and ESRS technical standards. Interviewee 7 summarized this succinctly by stating that “our management is based on the double materiality defined by EFRAG.” This core is frequently complemented by internationally recognized standards and certifications and by alignment with frameworks such as GRI, the UN Global Compact, the SDGs and the TCFD. The taxonomy in Table 5 reflects this landscape by distinguishing mandatory EU requirements from voluntary standards that firms adopt to strengthen comparability, credibility and internal systematization.

The engagement practices described combine formal consultation with ongoing proximity-based interaction. Organizations report using questionnaires, workshops, focus groups and committees to ensure that different stakeholder groups are heard; interviewee 20 described a consultation process via interviews and questionnaires to understand stakeholder priorities. At the same time, firms emphasized relational routines such as regular meetings, events and internal activities that maintain closeness with employees and customers. Several cases also highlighted structured programs, including training, internships and

Table 5 Taxonomic analysis of sustainability standards, certifications and benchmarks

<i>Hierarchical level</i>	<i>Entity/organization</i>	<i>Title</i>	<i>Nature (character)</i>
1. European Directives and Regulations	European commission/EFRAG	CSRD – Corporate sustainability reporting directive	European reporting directive (mandatory)
	EFRAG	ESRS – European sustainability reporting standards	Reporting standards derived from the CSRD (mandatory)
	European commission	European Union taxonomy	Regulation (mandatory for large companies)
2. Certification and Management Standards	ISO – international organization for standardization	ISO 9001 (Quality), ISO 14001 (Environment), ISO 45001 (Occupational Health and Safety)	Certifiable standards (voluntary, globally recognized)
	FSC	FSC Forest certifications	Sectoral certifications (voluntary)
3. International Reporting and Transparency Frameworks	Global reporting initiative (GRI)	GRI standards	ESG reporting standards (voluntary and advisory)
	IFRS foundation/ISSB	SASB standards	Sustainability accounting standards (voluntary and sector-specific)
	TCFD – task force on climate-related financial disclosures	TCFD recommendations	Climate reporting framework (voluntary, transitioning to mandatory)
4. Ethical Frameworks for Stakeholder Engagement	Accountability	AA1000 SES – Stakeholder Engagement Standard	Guidance standard (voluntary)
	UN	SDGs – Sustainable Development Goals (Agenda 2030)	Global framework of goals (guidance and voluntary)
	UN (UN Global Compact)	United nations global compact	Ethical commitment (voluntary)
5. Assessments and Rankings	EcoVadis	EcoVadis rating	ESG rating system (voluntary and reputational)
	Dow jones sustainability index (DJSI)	DJSI Global & Europe	ESG performance index (voluntary and competitive)

Source(s): Authors' own elaboration

inclusion initiatives, alongside digital channels that support ethics reporting, internal communication and employee participation in volunteering and pro bono activities.

When it comes to formalization, there is clear heterogeneity. Some companies formalize practices in internal documents, guidelines or regulations. As interviewee 5 pointed out, “policies are defined in the reporting structure.” Others adopt a robust reporting structure through Annual Reports and ESG Reports, following international frameworks such as GRI, EFRAG or EcoVadis. Interviewee 13 explained: “the commitments are all quantified in our Annual Report.” In some cases, formalization is still in its infancy or under development, with companies acknowledging that “we are not very structured at that level” (interviewee 11) or setting goals only for the future, such as “by 2027 we will have everything systematized” (interviewee 17).

4.2.3 Role of leadership. The sample revealed a widely shared perception that leadership plays an absolutely central role in integrating sustainability and social responsibility into business strategy.

First, leadership is seen as the driving force behind strategic definition, determining priorities, objectives and the degree of institutionalization of commitments. As some interviewees point out, “leadership is absolutely strategic” (E16) and “they are the main actors in the design, implementation and monitoring of actions” (E3). In this sense, leaders are simultaneously guides and guarantors of the consistency of the sustainability agenda and stakeholder relations.

A second recurring aspect is the alignment between top leadership and organizational culture. Sustainability is no longer a peripheral domain but is now part of the company's overall vision. In the words of interviewee 13, “the local vision is exactly a consequence of the top-level vision.” However, there is also a concern to ensure that values take root beyond the figure of the leader, avoiding dependence on one person: “the leader's vision is

volatile, values need to be passed on to the spirit of organizations” (interviewee 12). Many of the companies analyzed highlighted the importance of the personal influence and values of leaders. They believe that genuine involvement and individual convictions have a direct impact on corporate culture: “the personal values of leaders influence the creation of a deep-rooted culture” (interviewee 5) and “we cannot separate personal vision from corporate vision” (interviewee 20).

Another key element is the governance and reporting structure. Several organizations highlighted that sustainability areas report directly to the CEO or the executive committee, which ensures strategic visibility and legitimacy. Examples of this are described in excerpts such as: “the sustainability department reports directly to the CEO, as an independent area” (interviewee 14) or “our issues go to the executive committee and the co-CEO has requested quarterly updates” (interviewee 18).

In the cases analyzed, it is clear that leadership is also an agent of internal mobilization. In addition to outlining policies, leaders take on an educational and motivational role, transmitting values, promoting ethics, diversity and social impact and encouraging collective adherence. As interviewee 7 summarized, “examples always come from above and it is always the managers who decide the direction.” The points listed below systematize the role of leadership in stakeholder integration and sustainability as understood by some interviewees:

- “Leadership is absolutely strategic” (E16); “They are the main actors in the design, implementation, and monitoring of actions” (E3).
- “The local vision is exactly a consequence of the top-down vision” (E13); “The leader’s vision is volatile; values need to be passed on to the spirit of organizations” (E12).
- “The personal values of leaders influence the creation of a deep-rooted culture” (E5); “We cannot separate personal vision from corporate vision” (E20).
- “The sustainability department reports directly to the CEO, as an independent area” (E14); “The co-CEO requested quarterly updates” (E18).
- “Examples always come from the top, and it is always the managers who decide the direction” (E7); “Leaders promote ethics, diversity, and social impact, integrating them into business objectives” (E19).

Finally, we analyzed the main objectives with which the leaders of the interviewed companies promote the adoption of stakeholder capitalism. The predominant objective was to achieve long-term competitive advantage, growth and resilience, chosen by 13 interviewees. This was followed by maximizing financial performance and reducing reputational risks as the second most chosen objective (6). Only one company considered promoting the common good and supporting the community as the main objective of leaders when adopting stakeholder capitalism.

4.2.4 Indicators and metrics. The analysis of the cases shows great heterogeneity in the use of impact metrics. Some companies have consolidated and comprehensive systems, especially in measuring the impact of sustainability practices, while others admit that they do not yet have formal indicators to assess the impact of stakeholder engagement.

In several cases, measurement uses environmental and operational indicators, such as energy consumption, carbon emissions, waste and internal audits. As interviewee 18 explained: “We have more than 5,000 sustainability indicators, covering safety, employees, contractors, emissions, and water impact.” Other companies highlight social and governance metrics, such as satisfaction surveys, stakeholder engagement, volunteer hours or gender representation in management bodies. Interviewee 19 gave the following

example: “94,850 volunteer hours in 2024 and 29.2% of women in leadership positions and 43% on the Board of Directors.”

Despite this progress, part of the sample acknowledges limitations. Some organizations only measure indirectly – for example, by recording non-conformities or anomalies (interviewee 16) – while others admit to not having metrics in place (interviewees 2, 6 and 17). As interviewee 17 noted: “We have not yet assessed the impact we have.”

As for the definition of metrics, there is a clear influence from international standards. Many companies align themselves with standards such as GRI, ESRS, CSRD, SASB and TCFD (interviewees 14, 15, 18 and 20). Others also report on the UN SDGs or the Paris Agreement, translating global commitments into internal targets (interviewees 13 and 16). An example is given by interviewee 8: “In the last reporting year, we aligned ourselves with the new directive, CSRD and ESRS standards. We also reported our progress on the SDGs.” In some cases, proprietary metrics coexist with indicators defined by regulators and industry standards, creating hybrid models that combine external requirements with internal monitoring needs (respondents 5, 10 and 14).

4.2.5 Challenges and barriers. According to the analysis of the responses, the implementation of stakeholder capitalism faces multiple barriers, which can be grouped into four main dimensions: cultural and organizational, economic, regulatory and methodological.

First, there are cultural and mindset challenges. Many interviewees highlight the difficulty of aligning different generations, internal teams and leaders around new paradigms. As interviewee 1 noted: “The difference in generational mindset is clear and the labour market right now is much more worker-driven than company-driven.” Others reinforce their employees’ internal resistance to change, illustrated by the expression: “We’ve been doing it this way for so many years and it’s always worked, we don’t need that now.”

A second barrier relates to economic and market pressures, particularly in balancing short-term results and long-term sustainability. For some companies, investors continue to demand immediate profits, which creates tensions: “A stakeholder wants results right now. Investors ask us for results every three months” (interviewee 18). This gap makes it difficult to prioritize more structural sustainable practices, which are often seen as additional costs.

At the regulatory and institutional level, several interviewees highlight legislative instability and complexity. The rapid succession of regulations, often before they are fully implemented, creates uncertainty and overload for organizations. Interviewee 20 summarized: “The legislation that has been coming out is not stable; every year we have new legislation.” The lack of tax incentives and the pressure of international requirements are also seen as obstacles.

Finally, methodological and operational barriers emerge in relation to stakeholder management itself: from low response rates to consultations to the difficulty of reaching well-informed stakeholders or mobilizing complex and heterogeneous value chains. As interviewee 10 points out: “We have many stakeholders, and each group has its own perspective,” which requires high levels of coordination and adaptation.

5. Discussion and conclusions

5.1 Discussion of results

The empirical patterns suggest that stakeholder capitalism, as enacted by the organizations in this study, is best understood as a governance problem rather than as a standalone ethical stance. What matters is not only whether firms recognize stakeholders, but how they stabilize stakeholder claims in decision-making under conditions of regulatory intensification and heterogeneous expectations. The evidence points to a recurring coupling between formal structures and relational work: standardized architectures make issues visible, comparable and auditable, while proximity-based engagement provides the

social traction that allows implementation to hold when trade-offs arise. This interpretation helps clarify why stakeholder capitalism often oscillates between aspiration and practice in the literature: without governance routines that translate stakeholder expectations into accountabilities and decision rights, normative commitments remain vulnerable to short-term pressures and organizational fragmentation.

From the perspective of stakeholder identification and engagement, the central theoretical implication is that stakeholder management operates less as a one-off classification exercise and more as an ongoing coordination mechanism. Classic stakeholder theory frames organizations as relational systems in which legitimacy depends on recognizing and engaging salient groups; the present findings add that salience is practically enacted through governance design. Where firms rely on formalized processes, prioritization is anchored in structured materiality routines and documented consultation, which creates traceability and internal discipline. Where firms rely more strongly on relational proximity, prioritization is enacted through repeated contact, locally embedded dialogue and trust-building routines that lower coordination costs and sustain cooperation. These are not simply stylistic differences; they imply different pathways through which stakeholder capitalism becomes durable and they underline why organizational maturity and internal coordination capacity shape outcomes more than stated intentions.

The prominence of double materiality and related reporting infrastructures can be interpreted as a shift in what “good governance” means in sustainability-oriented strategy. Rather than being treated as external compliance, materiality procedures function as boundary objects that align internal functions, make trade-offs discussable and impose a common language for risk, opportunity and impact. At the same time, the data indicate that the practical effectiveness of these infrastructures depends on complementary relational mechanisms, because stakeholder expectations are neither fully standardized nor reducible to disclosure. This combination helps explain why firms often adopt a hybrid governance arrangement: formal frameworks provide legitimacy in increasingly audited environments, while relational practices prevent implementation from becoming purely performative and help maintain stakeholder cooperation beyond reporting cycles.

The findings regarding leadership invite a more critical reading than a simple “leadership matters” conclusion. The evidence suggests that leadership is pivotal precisely because it mediates between normative aspiration and organizational routinization. Leaders’ legitimate sustainability as strategic rather than peripheral, allocate attention and resources and create the conditions under which stakeholder concerns enter the organization’s priority-setting processes. Yet the same evidence highlights a governance fragility: if values remain personalized, stakeholder capitalism becomes contingent on individual continuity. The interpretive contribution here is that leadership is most consequential when it is converted into institutional form through reporting lines, committee routines and cross-functional coordination, because those mechanisms reduce dependence on individual agency and make stakeholder commitments less reversible.

The results on metrics and indicators point to a persistent measurement gap that has theoretical and practical consequences. While there is a visible movement toward convergence around major frameworks, the capacity to demonstrate the impact of stakeholder engagement remains limited and uneven. This matters because, in the absence of credible impact measurement, stakeholder capitalism risks being evaluated through proxies such as disclosure volume, framework adoption or reputational signals. The interpretation that follows is not that firms are indifferent to impact, but that current measurement infrastructures privilege what is easier to standardize over what is harder to quantify, namely, the causal contribution of engagement to sustainability outcomes, reinforcing the argument that stakeholder capitalism should be approached as a capability under development, where reporting convergence does not automatically imply implementation depth.

The barriers identified can be read as symptoms of a broader tension between accelerated institutional demands and uneven organizational readiness. Cultural resistance and short-term market pressures are familiar constraints in the literature, but the evidence also foregrounds a more context-sensitive issue: perceived regulatory instability and overload operate as a cross-cutting impediment that shapes how firms prioritize and sequence implementation. In practice, this perception encourages a compliance-first orientation, yet it also makes the relational side of governance more important because stakeholder alignment cannot be achieved through regulation alone. The theoretical implication is that hybrid governance is not only an organizational preference; it can be an adaptive response to volatility, enabling firms to maintain legitimacy and coordination while regulatory expectations evolve.

Although the empirical setting is Portugal, the patterns identified resonate with and extend comparative discussions in the stakeholder capitalism literature. In Anglo-American contexts traditionally shaped by shareholder primacy (Friedman, 1970; Freeman and McVea, 2001), stakeholder integration has often been framed as a strategic choice or leadership-driven orientation, vulnerable to short-term market pressures (Henderson, 2001; Paine, 2023). In contrast, coordinated European economies have historically embedded stronger stakeholder protections institutionally, yet the recent acceleration of regulatory standardization through instruments such as CSRD and ESRS (European Commission, 2023) has intensified formalization requirements across the European Union. The Portuguese evidence suggests that when regulatory harmonization advances faster than internal organizational capabilities, firms respond through hybrid governance arrangements that combine compliance infrastructures with relational proximity and trust-based engagement.

This dynamic contributes to comparative debates by illustrating how stakeholder capitalism becomes operational in contexts that are neither purely shareholder-dominant nor fully institutionalized stakeholder systems. Rather than treating stakeholder capitalism as a fixed national model, the findings support a capability-based interpretation in which governance hybridity functions as an adaptive response to institutional pressure, measurement fragmentation (OECD, 2025) and leadership-mediated sensemaking (Mackey and Sisodia, 2013; Schwab, 2019). In doing so, the study extends stakeholder theory beyond its traditional Anglo-American focus (Donaldson and Preston, 1995; Freeman and McVea, 2001) and contributes to understanding how European regulatory convergence interacts with organizational practice in Southern European economies.

The proposed hybrid governance model advances theory in three interrelated ways. First, it offers a governance-based resolution to the classic normative-instrumental tension in stakeholder theory. Prior work often contrasts ethical commitments to stakeholders with the strategic imperative of performance, implying a trade-off or an unstable coexistence. Our findings show that firms operationalize both logics through governance design: compliance infrastructures provide formalization, comparability and accountability, while relational governance provides legitimacy, trust and learning. The theoretical contribution is therefore not simply that firms combine practices, but that the combination functions as a stabilizing mechanism that makes stakeholder commitments strategically actionable.

The model extends stakeholder theory by identifying a concrete mechanism of institutionalization. Stakeholder capitalism is frequently discussed as a purpose narrative or managerial intention; however, our evidence indicates that it becomes durable only when translated into governance routines, materiality processes that prioritize issues, committee and reporting lines that allocate decision rights and engagement practices that maintain continuous stakeholder feedback.

The model contributes to governance research by theorizing hybridity as complementarity rather than inconsistency. Formal reporting and regulation are often treated as sufficient proxies for sustainability, yet our cases indicate that compliance alone is unlikely to secure

stakeholder cooperation or prevent superficial implementation. Conversely, relational engagement without formal structures risks dependence on individual leaders and limited organizational scalability. The hybrid model explains why firms adopt dual governance modes, formal and relational, as mutually reinforcing elements of a dynamic capability that enables adaptation under intensifying regulation while preserving local legitimacy and trust. Accordingly, we theorize stakeholder capitalism not as a singular governance template, but as a capability-based architecture whose effectiveness depends on the deliberate coupling of compliance-based and trust-based governance mechanisms.

5.2 Conclusions

In response to the main question – “How do companies operating in Portugal implement the principles of stakeholder capitalism as a strategy to promote corporate sustainability?” – the analysis leads to the following conclusions:

The identification and involvement of stakeholders are carried out broadly, following international standards (double materiality/ESRS/GRI) but strongly complemented by relational proximity.

Companies operating in Portugal tend to adopt hybrid tools, both formal and informal, striking a balance between regulatory requirements (materiality, frameworks, certifications) and relationship practices (focus groups, committees, social programs, workshops).

Leadership is seen as a strategic and cultural driver, anchoring and accelerating the implementation of Stakeholder Capitalism principles, but institutionalization in governance is critical to avoid personal dependencies. Direct reporting to top management and the existence of committees ensure strategic integration.

Despite the heterogeneity of reporting indicators and metrics, there is growing convergence in the adoption of international frameworks, notably CSRD, ESRS, GRI, SASB, TCFD and SDGs. Measuring the real impact of stakeholder engagement on corporate sustainability is still limited.

The challenges of adopting stakeholder capitalism practices confirm tensions identified in the literature – between the short and long term, regulatory instability, cultural resistance and operational barriers – with particular emphasis on the Portuguese context.

The Portuguese cases contribute to international debates by making visible the practical conditions under which stakeholder capitalism risks becoming performative and how firms respond to that risk. Interviewees repeatedly frame regulatory instability and overload as a cross-cutting barrier, which helps explain why compliance alone is experienced as insufficient and why organizations complement formal frameworks with relational proximity, ongoing dialogue and trust-building routines. This evidence refines current theory by showing that the effectiveness of stakeholder capitalism depends not only on adopting standards such as CSRD/ESRS/GRI, but also on the governance capacity to stabilize implementation in volatile regulatory environments and to sustain stakeholder cooperation beyond disclosure. In this sense, Portugal operates as a theoretically informative setting for understanding how hybrid governance emerges as a response to the tension between standardized reporting and locally embedded stakeholder expectations.

The theoretical contributions of this study corroborate the relational view of [Freeman and McVea \(2001\)](#) and the centrality of purpose/leadership ([Mackey and Sisodia, 2013](#)), adding evidence about the hybrid management model (normative and relational) in the Portuguese context. It also advances the discussion of existing gaps in metrics ([Schwab, 2019](#); [OECD, 2025](#)), suggesting the need for indicators of stakeholder engagement impact as a distinct dimension.

The practical contributions of the research include providing evidence for Portuguese companies to reinforce the institutionalization of sustainability (top-level reporting, committees, update routines), adapt hybrid management models to their practices, evidence on priorities for maturing impact assessment metrics and providing a guide with the various phases of stakeholder management methodology.

Building on the empirical evidence, the study also offers clearer guidance for policymakers and organizations involved in CSRD/ESRS adoption. For policymakers, the findings indicate that the effectiveness of CSRD/ESRS will depend not only on the standardization of disclosures but also on reducing interpretive uncertainty and compliance overload, since interviewees repeatedly frame regulatory instability and unclear boundaries between mandatory and voluntary requirements as a cross-cutting barrier. Policy efforts that privilege stable implementation timelines, consistent interpretive guidance and capacity-building support can therefore help shift corporate attention from defensive compliance to substantive integration. For organizations, the evidence suggests that CSRD/ESRS adoption is most workable when double materiality is treated as an internal management architecture rather than a reporting endpoint. In practice, this implies institutionalizing cross-functional routines that connect materiality to decision rights, data ownership and monitoring, while maintaining continuous stakeholder dialogue that prevents the process from becoming purely performative. This is particularly relevant given the uneven maturity observed across firms, where some have robust reporting structures while others remain in a phase of partial formalization and systematization.

Beyond compliance clarity, the findings suggest that regulators may play a more active role in supporting organizational capability-building rather than focusing exclusively on disclosure enforcement. While the CSRD/ESRS architecture (European Commission, 2023) strengthens standardization and comparability, interviewees repeatedly indicate that internal system maturity and cross-functional coordination capacity lag behind formal reporting requirements. In this sense, policy effectiveness may depend on complementary measures such as interpretive guidance, sector-specific implementation roadmaps, phased transition timelines and capacity-building initiatives that help organizations translate materiality assessments into decision rights, monitoring systems and governance routines. This approach aligns with broader concerns about ESG comparability and methodological fragmentation (OECD, 2025), suggesting that regulatory success requires not only technical standards but also institutional support for capability development within firms.

Regarding cross-country applicability, the study distinguishes between findings that are structurally transferable and those that are more context-contingent. The hybrid governance model, combining compliance infrastructures with relational stakeholder engagement, is likely generalizable to jurisdictions experiencing intensified sustainability regulation and reporting convergence. The centrality of leadership in institutionalizing stakeholder logic also appears consistent with foundational stakeholder theory (Freeman and McVea, 2001; Mackey and Sisodia, 2013). However, the intensity of relational proximity mechanisms and the perception of regulatory instability may be more context-sensitive, reflecting organizational culture, institutional maturity and the sequencing of regulatory reforms. Accordingly, while the capability-based interpretation of stakeholder capitalism has broader analytical relevance, its specific operational configuration may vary across institutional environments.

5.3 Limitations and suggestions for future research

The main limitation of this research is related to the sample. As it is a sample of 20 cases, it has limitations in terms of statistical generalization, despite being intentional and diversified. The primary source of data collection was an interview with each stakeholder from the selected companies and, regardless of their positions and roles, there is always a risk of information bias, given their personal views and perceptions about the topic under study.

This risk was partly mitigated by triangulation of information. Another limitation identified is the regulatory moment where, with the regulatory transition (CSRD and ESRS) underway, future results may quickly evolve in another direction. Despite triangulation, potential biases remain and should be interpreted cautiously. In several cases, the empirical core relies on a single key informant per organization, which raises the possibility of role-related framing effects and social desirability bias, particularly because stakeholder capitalism is closely tied to legitimacy and reputation. Informants may emphasize formal commitments, underreport internal contestation or selectively describe practices that portray the organization as aligned with emerging standards. Documentary sources help to corroborate the existence of governance structures and reporting routines, yet they may also reflect strategic disclosure and compliance-oriented narratives. For these reasons, the findings should be read as an interpretive account of how organizations understand and operationalize stakeholder capitalism, rather than as a fully independent verification of implementation outcomes. Future research can mitigate these limitations by adopting multi-informant designs within each company, incorporating perspectives across functions and hierarchical levels and following cases longitudinally as CSRD/ESRS practices stabilize. The scarcity of studies on stakeholder capitalism in a national context makes possible comparisons difficult.

Although the study is empirically grounded in Portugal, its contribution is intended as an analytical explanation of governance mechanisms that are likely to travel across comparable regulatory settings. The findings suggest that, under CSRD/ESRS-driven reporting obligations, firms tend to operationalize stakeholder capitalism through a hybrid governance logic that combines formal infrastructures such as double materiality, reporting routines and committee oversight with relational practices of proximity, dialogue and trust-building that sustain stakeholder cooperation beyond disclosure. This mechanism is plausibly applicable to other European contexts subject to the same regulatory architecture, while acknowledging that national institutional conditions and managerial cultures may shape how hybridity is configured and how quickly it becomes institutionalized. Comparative research across EU countries would therefore be valuable to test how factors such as regulatory interpretation, capital structure and cultural patterns of stakeholder engagement influence adoption pathways and outcomes.

Future lines of research could include further quantitative measurement of the economic impact of stakeholder capitalism practices, for example, by developing and validating impact KPIs (contribution of stakeholder engagement to risk mitigation, innovation, retention) linked to the ESRS. It could also involve conducting a comparative study between Portugal and other European Union countries, identifying contextual factors (such as regulation, culture and capital structure) that may explain the variation in practices. In terms of case studies, the sample could be expanded to include more people within each company interviewed to allow for a more in-depth analysis and mitigate the risk of information bias.

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Further reading

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Appendix 1

Table A1 Summary with authors, contributions and gaps in the literature (Appendix 1)

<i>Author (year)</i>	<i>Main topics (contributions)</i>	<i>Key issues (gaps)</i>
OECD (2025); IFRS Foundation and ISSB (2024); European Commission (2023); World Economic Forum (2019, 2020, 2021a, 2021b)	Social role of companies: they should act as a public service to the community, ensuring the well-being of stakeholders; consolidation of stakeholder capitalism as a global paradigm; alignment with the sustainable development goals and ESG	Need for standardization and effective adoption of metrics to assess real impact; how to operationalize normative principles in contexts of competitive pressure (which can lead to prioritization of profit); risk of superficiality
Freeman and Mcvea (2001); Freeman <i>et al.</i> (2007a, 2007b); Donaldson and Preston (1995); Chandler and Werther (2014)	Stakeholder theory – definition, strategic integration of multiple interests, ethics and value-based management and cooperation; normative framework for decisions; classification of stakeholders into organizational, economic and social	Complexity in the analysis of stakeholders that overlap in several categories; how to prioritize conflicting interests among stakeholders and how to ensure commitment
Mackey and Sisodia (2013); Berk, DeMarzo and Harford (2015); Schwab (2019)	Conscious capitalism – focus on empathetic leadership, inclusive organizational culture and collective purpose; boards of directors as central actors in this perspective; dimensions of social responsibility (instrumental, strategic and philanthropic)	Influence of the leader's personal vision on strategy formulation; analyzing how governance mechanisms influence actual sustainability practices; difficulty in simultaneously operationalizing the Three dimensions of social responsibility
Porter and Kramer (2011); Elkington (1998)	Introduction of sustainability models – shared value (business competitiveness combined with solving social problems) and triple bottom line (people, planet, profit)	Risk of financial bias and difficulty in measuring social and environmental impact on stakeholders in a consistent and comparable manner
Liu <i>et al.</i> (2024); Adner (2006); Adner and Kapoor (2010); Moore (1996); Jacobides <i>et al.</i> (2018)	Identification of the pillars of business ecosystems – interdependence, co-innovation and risk/benefit management (joint value creation). Recognition of risks and dependencies	How to manage the risk of excessive dependence on partners; misalignments; need for frameworks that balance innovation with resilience
Bowen (2013); Carroll (1991); Goswami and Bhaduri (2023); Tansey (1995)	Corporate social responsibility as a voluntary practice – integration of social and environmental concerns into strategy; ethics as the basis of trust; positive impact on reputation	Distinction between genuine CSR and CSR that is merely instrumental for reputational purposes; real impact on long-term economic performance
Paine (2023); Feghali <i>et al.</i> (2025); Henderson (2001); Smith (2003); Tallarita and Bebchuk (2020); O'Brien (2020)	Criticism of stakeholder capitalism – multiple objectives create inefficiency; the sole purpose should be profit maximization; social costs without financial return; lack of clear metrics	Need to reconcile financial value creation with social objectives; feasibility of multiple objectives without compromising competitiveness; development of universal metrics and independent verification systems
Eden (2004); Ensslin <i>et al.</i> (2010); Kaplan and Norton (1992)	Introduction of management and assessment tools – cognitive maps to structure problems and facilitate strategic decisions; MCDA approach to sustainable decisions; balanced scorecard; prioritization	How to adapt management and assessment tools to fully integrate ESG and stakeholder capitalism objectives; methodological complexity
Reports and Market Studies: BlackRock (2022); McKinsey and Company (2020, 2021); BCG (2023); Morgan Stanley (2023); HBR (2020); EY (2022)	Empirical evidence: companies with stakeholder capitalism practices have greater growth, resilience, innovation, profitability, reputation and investor appeal; definition of stakeholder capitalism metrics in collaboration with CEOs; legal requirement for ESG reporting	Need for longitudinal studies; establishing causality and not just correlation; uneven adherence among companies and countries; challenge in harmonizing existing reports and standards (GRI, SASB, EU)

Appendix 2. Interview guide structure

Table A2 Structure of the interview guide

<i>Research objectives</i>	<i>Questions in the guide</i>	<i>Types of questions</i>
0.1 – Company profile	0.1 – Indicate and describe the company where you work: sector of activity, location and legal status	Descriptive
0.2 – Characterization of the interviewee	0.2 – Identify yourself by stating your name, position and department. What functions do you perform in relation to stakeholder management and/or corporate sustainability?	Descriptive
1 – Understand how Portuguese companies map and manage their stakeholders, integrating them into their strategy and governance	1 – Can you describe how your company defines and identifies its main stakeholders?	Descriptive
	2 – How is stakeholder management carried out in your company?	Descriptive
2 – Identify and describe the Stakeholder Capitalism strategies and tools that have been implemented	3 – What are the main reasons for implementing stakeholder capitalism?	Exploratory
	4 – What are the main practices and tools you use to align stakeholder interests with company strategy?	Descriptive
3 – Understand how the values of leaders/managers influence strategic definition and the level of engagement with stakeholders	4.1 – Are these practices formalized and defined in the company's reporting structure? If so, how?	Descriptive
	5 – How would you describe the role of leadership in integrating sustainability and social responsibility into the company's strategy?	Exploratory
	6 – What is the main objective with which leaders promote the adoption of Stakeholder Capitalism in their company? (a) Maximizing financial performance and reducing reputational risks (b) Achieving long-term competitive advantage, growth and resilience (c) Promoting the common good and supporting the community	Relational/comparative
4 – Identify the metrics and indicators used to analyze the real impact of Stakeholder Capitalism practices on the company's sustainability	7 – What metrics and indicators does your company use to assess the impact of sustainability practices and stakeholder engagement?	Descriptive
5 – Identify barriers and critical factors that condition the practical implementation of stakeholder capitalism	8 – What do you consider to be the biggest challenges faced by management in implementing stakeholder capitalism?	Descriptive

Appendix 3. Content coding tree

Table A3 Content coding

<i>Categories</i>	<i>Codes</i>	<i>Subcodes</i>
00 – Characterization	Q0_Company Q0_Interviewee	
01 – Stakeholder mapping and management	Q1_Identification_Definition_Stakeholders	A – definition of stakeholders B – method of identifying stakeholders C – identified STK
	Q2_Management_Stakeholders Q3_Reasons	
02 – Strategies and tools	Q4_Practices_Tools_Formalization	D – regulatory tools E – practices F – reporting
	Q5_Role_Leadership	
03 – Role of leadership	Q6_Objective_Adoption_Stakeholder_Capitalism	
04 – Metrics and indicators	Q7_Metrics_Indicators_Impact_Assessment	G – definition of indicators H – impact metrics
05 – Challenges and barriers	Q8_Challenges	

Appendix 4. Characteristics of interviews

<i>Interview</i>	<i>Duration</i>	<i>Transcription</i>
1 – Miranda & Associates	00:17:52	12 pages
2 – Unbabel	00:13:16	9 pages
3 – PROEF	00:45:34	25 pages
4 – Morais Leitão	00:25:46	15 pages
5 – EUROSOL Hotels	00:28:14	14 pages
6 – Emls Advisors	00:26:38	12 pages
7 – Bial	00:20:42	12 pages
8 – Mendes Gonçalves House	00:17:06	10 pages
9 – SAMSIC	00:25:21	12 pages
10 – Mota-Engil	00:43:01	21 pages
11 – CEGOC	00:29:04	13 pages
12 – PEFC	00:22:15	12 pages
13 – L'Oréal	00:34:52	17 pages
14 – Sovena (Group)	00:29:04	17 pages
15 – PwC	00:20:58	10 pages
16 – Ibero Linhas Group	00:26:18	14 pages
17 – Alves Bandeira Group	00:33:28	18 pages
18 – Galp	00:34:32	19 pages
19 – CGI	00:30:02	19 pages
20 – Altri Group	00:22:51	12 pages

Appendix 5. Characterization of companies and interviewees

Table A5 Case studies			
<i>Company</i>	<i>Activity sector</i>	<i>Scope</i>	<i>Legal status</i>
Miranda & Associates	Legal services	International	Law firm
Unbabel	Computer programming	National (startup)	Limited liability company (Lda.)
PROEF	Engineering (energy and telecommunications)	National	Public limited company (family-owned)
Morais Leitão	Legal services	International	Law firm
EUROSOL Hotels	Tourism	National	Limited liability company (Lda.)
Emles Advisors	Financial services	American multinational	Branch in Portugal of a foreign company
Bial	Pharmaceutical industry	Portuguese multinational	Public limited company (SA)
Casa Mendes Gonçalves	Food industry	National	Public limited company (SA)
SAMSIC	Facility services	French multinational	Public limited company (SA)
Mota-Engil	Engineering and construction	Portuguese multinational	Public limited company (listed on euronext)
CEGOC	Management consulting	French multinational	Limited liability company (Lda.)
PEFC	Forest certification	International	Non-governmental organization (NGO)
L'Oréal	Cosmetics	French multinational	Public limited company (PLC)
Sovena (Group)	Agri-food	Portuguese multinational	Public limited company (SA)
PwC	Consulting and auditing	British multinational	Sociedade de revisores oficiais de contas
Ibero Linhas Group	Logistics and transportation	National	Limited liability company (Lda.)
Alves Bandeira Group	Energy and aftermarket	Domestic	Public limited company (SA)
Galp	Energy	Portuguese multinational	Public limited company (SA, SGPS, listed on Euronext)
CGI	Information technology consulting	Canadian multinational	Public limited company (SA)
Altri Group	Cellulose fiber production and forest management	National	Public limited company (listed on Euronext)

Table A6 Characterization of respondents		
<i>Company</i>	<i>Position</i>	<i>Department</i>
Miranda & Associados	Partner	Real estate practice area
Unbabel	Founder and CTO	Management
PROEF	Chief growth officer Europe	Management
Morais Leitão	Corporate and M&A Partner	Corporate and international expansion area
EUROSOL Hotels	Director	Marketing, quality and environment
Emles Advisors	Administrator and general director	Management
Bial	Senior manager	Sustainability
Casa Mendes Gonçalves	Manager	Sustainability
SAMSIC	Manager	Talent and sustainability
Mota-Engil	Manager	Sustainability
CEGOC	CEO	Management
PEFC	Non-executive chairman	Non-Executive management
L'Oréal	Chief scientific officer and head of sustainability	Scientific management (corporate)
Sovena (Group)	Manager	Sustainability
PwC	Manager	Sustainability
Ibero Group Lines	Responsible for the quality management system	New projects and IT
Alves Bandeira Group	Director	Sustainability
Galp	Manager	Safety, quality, environment and sustainability department
CGI	Vice president consulting specialist	Strategic offerings, innovation and partnerships
Altri Group	Manager	Sustainability

Appendix 6. Top words used in interviews

<i>Word</i>	<i>Length</i>	<i>Count</i>	<i>Weighted</i>
Stakeholders	12	49	1.69
Management	6	33	1.14
Customers	8	28	0.97
Sustainability	16	28	0.97
Impact	7	24	0.83
Materiality	13	22	0.76
Company	7	21	0.73
Analysis	7	20	0.69%
employees	13	20	0.69
Suppliers	12	16	0.55
Strategy	10	15	0.52
Group	5	15	0.52%
Report	7	14	0.48%
Objectives	9	13	0.45%
ESRS	4	12	0.41
Business	7	12	0.41
Communities	11	11	0.38
People	7	11	0.38
Social	6	11	0.38
Labor	8	11	0.38

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