

Research on the Positive Influence of ESG on Equal Rights for Female Employees in Enterprises

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Abstract: Since Roman law, the economic value of women has been suppressed by patriarchal laws. Driven by the need for socio-economic development and the need to fill the gap left by war, women entered the labor market only in the last century. However, this tradition has long placed women at a disadvantage in business, and women's right to work has been restricted. At the same time, with the development of market economy, companies have made reforms accordingly, and the Environmental Social and Governance model, which is an extension of the Corporate Social Responsibility model, has developed not only to promote economic benefits but also to propose more possibilities for the path to equality for female employees. This paper will explore the positive impact of the Environmental Social and Governance model on women's equality through data enumeration and literature review, summarize the shortcomings of the Environmental Social and Governance model, and briefly suggest solutions. In conclusion, the application of the Environmental Social and Governance model provides new ideas for women's affirmative action at work, and this paper believes that the Environmental Social and Governance model is the dawn of advancing more equal treatment for female employees.

Keywords: ESG, equal right of employment, corporate social responsibility

1. Introduction

Academics believe that in the context of the large patriarchal family in ancient times, women were mainly engaged in domestic work in marriage and were economically dependent on their husbands. With the continuous development of industry and commerce, women participated in social production, and the property system based on the family unit was improved. The family property system, in which all expenses were borne by the husband and family property belonged to him, gradually collapsed. However, even under the newly established nationalist regime, the status of women was still determined by tradition. And the application of the Environmental Social and Governance (ESG) model mitigated this phenomenon to some extent. This has been hotly debated

in academia. On the one hand, academia has mainly focused on improving corporate performance through the appointment of female leaders, but the conclusions are still based on the benefits that "femininity" brings and it is difficult to escape the shackles of stereotypes. On the other hand, the discussion of ESG still focuses on the company performance it brings, rather than directly examining the specific ways ESG brings women.

Based on these issues, this paper will examine the positive impact of the ESG model on female employees and where the ESG model can be improved in this regard, and offer corresponding solutions.

Specifically, how does the ESG model's disclosure promote equality of women's rights at work? What does the number of women required by the board policy actually bring to women in the company, and what are the shortcomings of the ESG model's disclosure in terms of women's equality and how can these problems be solved? These sub-topics are necessary propositions to be studied and answered in this paper.

2. Concept of ESG

In 2006, the UN report "Principles for Responsible Investment (PRI)" was released, which first introduced the concept of ESG based on the concept of sustainable development, arguing that responsible investment differs from traditional investment by integrating traditional factors with environmental, social and corporate governance factors for comprehensive consideration and making investment decisions accordingly. ESG issues remain a priority for regulators, investors, and other corporate stakeholders, making it critical for companies to have strong policies and mandates to address ESG risks in their supply chains. The concept of ESG investing has its roots in socially responsible investing, a subset of SRI with risks of legal, reputational, and financial loss.

In the historical process of corporate social value orientation and high-quality economic development, the content covered by responsible investment has developed along the sequence of social responsibility, environmental protection and corporate governance, gradually forming the concept of ESG, including the three value pillars of environment, society and governance.

Among them, environmental factors mainly refer to the company's energy use, environmental protection investment, and waste prevention and control. It includes indicators such as environmental protection investment, environmental awareness, and biodiversity conservation. The social factor focuses on employees, consumers, and supply chain management. It includes indicators such as number of employees, types of employees employed, employee development and community investment. Governance focuses on company operations, management systems and corporate policies. It specifically includes indicators such as shareholder structure, board structure and information disclosure. ESG has also gradually developed into a hot subject of widespread concern in both theoretical and practical circles, as green development becomes a worldwide strategic direction.

3. Features of ESG

If women becomes a leader, they have the capital to negotiate in the workplace, and they have a better social support system. ESG's board features try to give women more opportunities to become managers[1].

According to the resource dependence theory, the board of directors can provide key resources, such as professional knowledge and management consultation, for the ESG practices of enterprises, which plays an important role in promoting the disclosure of ESG information by enterprises. A firm's value and ESG disclosure are also closely related and can be assessed from the reporting level that enhances the firm's strengths and reduces Gender discrimination is the systematic

difference in the price offered by the employers to certain productivity according to gender differences, or the systematic difference in the price offered by the employers to different vocations featured by genders weaknesses[2]. Specifically, larger board size and higher frequencies of board meetings will provide enterprises with more critical resources, thus promoting the level of ESG disclosure[3].

Moreover, according to the stakeholder theory, when an enterprise has a higher level of board independence, more female directors, and a corporate social responsibility committee, it will have a higher level of ESG information disclosure. On the basis of previous studies, Academic Circle further explored the impact of the critical number of female directors on corporate ESG information disclosure, and found that when the number of women on the board reached three or more, the positive effect began to appear. Female directors are more sensitive to social issues and pay more attention to corporate social performance, which is conducive to giving full play to the supervisory role of the board of directors and urging enterprises to consider the demands of stakeholders[4].

4. Positive Impact on Female Employees

According to the existing jurisprudence of international law, the right to work should be understood in a general sense as a "right to decent work" [5]. The right to work is a basic human right, a necessary prerequisite for workers to realize their right to survival and development, and an important means and indicator to ensure women's economic independence, social status and family status. This chapter will discuss the positive impact of the ESG model on women's equality in labor rights and workplace rights and interests, and clarify the specific principles of ESG in protecting women's rights and interests in the workplace. Each section is progressive, from the outside to the inside.

4.1. Upper Echelon Theory

The upper echelons theory proposed by Hambrick and Mason provides a theoretical basis for studying the influence of female senior managers on business decision-making and performance. As mentioned above, the information disclosure system of ESG and the characteristics of its board of directors make it possible for women to appear in the management of enterprises more than before. Therefore, the company's decision-making reflects the will of women, and women's voices can be heard. Instead, they are progressively connected and influenced by each other, forming a virtuous circle.

4.2. Female Board Participation in ESG

First of all, the international rating agency Standard & Poor's recently released a report that listed companies around the world are facing increasing pressure from investors to improve the diversity of their board teams, which also shows the urgent need to solve the ESG problem in today's world. Research has also shown that companies with female chief executives are more profitable and have better stock price performance than the market average. Research has also shown that companies with more gender diversity on their boards are more profitable and larger. This further encourages investors to include gender diversity and equity in their assessments of companies to determine their ability to respond to ESG-related risks and opportunities.

Second, for enterprise internals. With the rapid development of ESGs, more and more women are seen in corporate management, and they are no longer simply the executors of the grassroots work, but are given some decision-making rights. The economic value of women has been studied and demonstrated, and the board model of ESG has been continuously developed and improved. Just as mentioned above, on the one hand, when women get more management rights, women in the

workplace will be correspondingly free. Women give play to their talents that were suppressed and not recognized in the past in the enterprise, and female senior managers will actively speak out for the interests of women. Because they have experienced various inconveniences, they can better understand the necessity of policy adjustment.

4.3. More Humane Measures

Therefore, the system for maternity leave and lactation will be designed to be more humane and improve the situation where women's economic value is suppressed by the shackles of the traditional family. On the other hand, in order to obtain a higher ESG score and promote the economic benefits of the enterprise, ESG companies will further improve the ESG system, improve the welfare treatment for women, create a more comfortable working environment for women, and safeguard women's right to work and right to get remuneration.

4.4. Improvements of Gender Discrimination in the Recruitment Market

For the outside of the enterprise. It is also a good start for women who have not yet joined the corporate workforce. ESG's well-being created for women has enabled more young women's labor, especially high-quality women's labor, and is willing to believe in enterprises and participate in the work of the enterprise. This indirectly encourages and inspires the enthusiasm of women's employment and compete for management. When there are more mobile female labor force in the market, and ESG enterprises are willing to give women job opportunities, women are enough to believe that they will be respected in the enterprise, their performance will be liberated, and women's work ability will be recognized.

Since 2006, The Times has annually recognized 50 firms in the UK that are considered the best employers for women. To be considered for the award, firms respond to a survey conducted by the award organizer. The survey asks for descriptive details on the firm's gender diversity efforts, including questions such as, "What are you doing to recruit a gender diverse workforce?" Responses are reviewed by experts who select the top 50 employers for women[6]. Female workers can then apply to companies that are more favorable to them. This kind of intentional "gender discrimination" phenomenon will be weakened before entering the enterprise. Companies that have this aggregation phenomenon may be pushed out by workers and move closer to the ESG model, modifying their behavior to create female-friendly hiring environments and cleaner labor markets. After women enter the workplace, based on this affinity for women, the workplace inequality women face is relatively reduced, and the workplace environment is more suitable for women. Women will enter the company mentioned above, thus forming a virtuous cycle to improve and correct gender-based "bullying" and enhance the protection of women's rights and interests.

4.5. More Opportunities to Make Decisions

Female representation on the board can ensure women's voice on the board while reinforcing the benefits of diversity. First, research shows that in order to influence board decisions, female directors should be involved at several levels represented at the committee level. On the one hand, women directors can play a role in the board on an ongoing basis, and on the other hand, women can represent various stakeholders and make decisions in the committees. Secondly, this point has positive implications in terms of improving disclosure strategies, seeking to improve voluntary disclosure and increasing the satisfaction of various stakeholder organizations, achieving the objective of indirectly enriching and improving the ESG model to make it more responsive to women's interests.

5. Shortcomings and Countermeasures of ESG Model in Responding to Female Workers' Demand for Equality

At the same time, there are some shortcomings in the application of ESG as a corporate system that has become popular in recent years. With the demands of a rapidly growing economy, ESG urgently needs to respond to the need for more respect for women in the workplace. Beginning in the summer of 2020, shareholders filed more than a dozen lawsuits alleging that large public companies and their directors and officers failed to follow through on their diversity commitments in proxy statements and other public disclosures[7]. Obviously, the ESG model has many shortcomings in terms of adjustment intensity and transparency.

To address this issue, first, government regulation, especially the capital market regulation system, can be optimized based on the ESG rating system. ESG rating should be incorporated into the daily supervision and evaluation system of listed companies. Through the combination of a guiding system and a mandatory system, the governance effects such as punishment and supervision of the system can be better utilized by clarifying the negative matters in each dimension of ESG to deal with potential or explicit injustice and harm to women in ESG companies.

Second, ESG incentive criteria should be developed to give more financial support and investment to ESG-performing companies to encourage them to focus on women's well-being and improve their ESG scores.

Third, the information disclosure system should be improved to reflect social awareness through good ESG practices. The government should assist and require the incorporation of ESG concepts into corporate strategic decisions and improve the quality of ESG disclosure with a better internal governance system.

6. Conclusion

The realization of labor rights is not only related to the interests of workers, but also related to the healthy development of labor market. In today's world, there is an urgent need to build enterprises more friendly to women, protect the basic rights and interests of female workers, liberate the economic value of women, and respond to the material and moral needs of social development. This paper summarizes the positive effects of ESG model on the improvement of female employees' participation in corporate management, corporate measures to accommodate women, improvement of discrimination against women in corporate recruitment, and giving women more voice opportunities and decision-making rights.

However, the ESG model still has some shortcomings, its information disclosure needs to be improved, further improve its transparency, and truly achieving the satisfaction of both female employees and shareholders of the enterprise is the primary task of its next improvement and development. In future academic discussions, maybe this will be the next direction to be discussed.

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