


CORPORATE GOVERNANCE IN CONFESSIONAL INSTITUTIONS: A FRAMEWORK BASED ON ESG PRINCIPLES

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ABSTRACT

This study investigated how governance practices can be adapted and aligned with ESG (environmental, social, and governance) principles in confessional institutions, preserving their religious identity and mission. A qualitative methodology was used with literature review and document analysis to propose a practical and adaptable framework. The framework suggests strategic, operational, and relational dimensions, integrating confessional values and contemporary demands for sustainability and inclusion. The results highlighted challenges such as cultural resistance, limited resources, and regulatory pressures, but also identified significant opportunities, including strengthening institutional reputation, pedagogical innovation, and expanding collaborative networks. The analysis demonstrated that aligning confessional values with ESG principles can promote greater social relevance and positive impact. The study concludes that governance in faith-based institutions, when strategically structured and based on ESG, not only strengthens their mission, but also offers a competitive and sustainable differential. Future research can explore the framework's replicability in different contexts and assess the effectiveness of ESG metrics in the longevity of these organizations.

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INTRODUCTION

In recent decades, the principles of *Environmental, Social, and Governance*, also known as ESG, have emerged as central elements for the strategic planning and sustainability of organizations. Inspired by pioneering works such as Rachel Carson's *Silent Spring*, which brought to light the importance of environmental responsibility, and John Elkington's *Triple Bottom Line* concept, which integrates economic, social, and environmental sustainability, these ideas have shaped the contemporary corporate landscape. In this context, the adoption of practices that reconcile social responsibility, transparency, and sustainability is increasingly considered a fundamental pillar for the credibility and trust of *stakeholders*⁶. The governance dimension is highlighted, as it reflects the commitment of organizations to align their policies and processes with ethical, regulatory, and inclusive participation expectations.

The relevance of corporate governance becomes even more evident in confessional institutions, whose practices are guided by ethical principles and a religious mission that permeates their activities. These organizations face unique challenges as they seek to implement ESG principles without compromising their core values. Social responsibility, intrinsic to its essence, requires a delicate balance between transparency, inclusive decision-making, and the maintenance of its confessional identity. In this sense, confessional particularities add a level of complexity to the adoption of governance models that, in addition to meeting regulatory and market demands, need to be in accordance with religious and ethical values that permeate their performance.

Discussions about ESG have achieved prominence in the academic and practical context. Studies such as those by Galindo, Zenkner, and Kim (2022) point to the relevance of ESG in generating value and credibility for organizations, while authors such as Bichuetti (2020) highlight the importance of governance as a structuring element for ethical and transparent practices. In addition, investigations by Tavares (2009) and Vilela, Duarte and Veloso (2015) explore specific models of governance in confessional higher education institutions, emphasizing the need for balance between religious mission and the demands of *external stakeholders*.

In view of this, the research problem that guides this study emerges: how can corporate governance practices, as part of ESG, be incorporated into confessional

⁶ *Stakeholders* are individuals or groups that have a direct or indirect interest in the activities and decisions of an organization, including employees, managers, communities, customers, suppliers, and investors.

institutions? This question leads to the investigation of a governance model that balances confessional specificities with the need to meet the demands of *stakeholders* and the pressures of the external environment. More specifically, it seeks to understand how principles such as transparency, social responsibility and inclusive decision-making can be integrated into management models that respect and strengthen confessional values.

The general objective of this article is to analyze corporate governance and ESG practices, when incorporated into confessional institutions, and their influence on management and *stakeholder* trust. To achieve this objective, this study seeks to identify the challenges faced by faith-based institutions in adopting governance practices aligned with ESG, considering the particularities of their religious mission. In addition, it proposes a *governance framework* based on ESG principles, which balances transparency, ethical management, and social responsibility with confessional values. Finally, it evaluates the most effective governance strategies in promoting *stakeholder* participation and inclusive decision-making in faith-based institutions.

The rationale for this study is based on the growing demand for management models that integrate ESG principles in organizations whose values and operations are deeply rooted in religious and ethical traditions. Although ESG principles are widely discussed at the corporate level, there is a significant gap in the literature that explores their application in confessional contexts. Research such as those by Silva (2018) and Espírito Santo (2011) reveals specific challenges related to networking and management in religious institutions, while studies by Carson (1969) and Elkington (1997) underline the importance of sustainable and integrated paradigms. By offering a detailed analysis and proposing practical solutions aimed at this specific niche, this article positions itself as a relevant contribution to fill this gap, by offering a detailed analysis and proposing practical solutions aimed at this specific niche.

METHODOLOGY

The methodological structure of this study was designed to meet the proposed objectives, combining literature review, document analysis and the elaboration of a conceptual *framework*. The literature review aimed to identify and synthesize academic and practical contributions on corporate governance and ESG, with an emphasis on confessional contexts. Works such as Alves (2023), Galindo, Zenkner and Kim (2022), and

Voltolini (2021) were fundamental to understanding how ESG can be integrated into organizational dynamics.

In addition, academic dissertations, such as those by Espírito Santo (2011) and Silva (2018), served to contextualize the challenges faced by confessional institutions. Although these studies provide valuable *insights*, the proposal of this article goes further, standing out for the formulation of an *innovative framework*. This *framework* was developed from the identification of gaps in existing practices and the synthesis of the best approaches described in the literature, aiming to solve the specificities and needs of confessional institutions. This purposeful approach positions the *framework* as a practical tool to strengthen governance practices, expanding its applicability in a broader scenario.

The elaboration of the *framework* followed an iterative approach, starting from a critical analysis of the current practices reported in the literature and the experiences documented in case studies. Such steps were essential to ensure that the proposed model was sensitive to confessional peculiarities, while remaining aligned with universal ESG principles. Thus, the *framework* reflects a balance between theory and practice, aiming to provide a significant impact on management and organizational transparency.

RESEARCH APPROACH

This study adopts a qualitative, exploratory and descriptive approach, seeking to deepen the understanding of phenomena related to governance in confessional institutions. The literature review included reference works, such as Carson's *Silent Spring* (1969) and Elkington's *Cannibals with Forks* (1997), which provide theoretical and historical grounding on sustainability and governance. The desk analysis focused on academic dissertations, such as those by Espírito Santo (2011) and Silva (2018), which include detailed case studies on ESG practices in religious organizations. These studies offer an in-depth view of the challenges faced by faith-based institutions and the solutions proposed in specific contexts, serving as a basis for understanding the current scenario. This approach made it possible to ensure representativeness and depth in the investigation.

Combining these elements, the methodology seeks to examine existing practices and propose solutions adapted to confessional particularities. The framework proposition emerges as the main contribution of this study, offering a practical and innovative model to integrate ESG principles in these specific contexts. In the end, it is expected that the

framework will become a reference for managers and academics interested in improving governance practices in confessional institutions, expanding their relevance and impact.

THEORETICAL FRAMEWORK

CORPORATE GOVERNANCE

Corporate governance has emerged as one of the main pillars for strengthening organizations in the twenty-first century, being fundamental to ensure transparency, integrity, and *accountability*⁷ in their operations. According to Bichueti (2020), corporate governance is a set of practices and guidelines that aim to align the interests of managers, shareholders, and other *stakeholders*, ensuring organizational sustainability. In a globalized and competitive environment, corporate governance is not only a differential, but an essential requirement for organizations that seek continuity and credibility.

In the context of corporate sustainability, Alves (2023) highlights that governance is the link that connects the environmental and social dimensions of ESG, consolidating them into a decision-making structure that favors ethical practices and sustainable results. This integration allows organizations not only to meet regulatory and market demands, but also to respond to the growing expectations of *stakeholders* who value social and environmental responsibility criteria in their choices.

Also in this sense, Voltolini (2021) emphasizes that corporate governance plays a strategic role in generating value, by encouraging practices that prioritize transparency and equity. This approach is especially relevant for organizations facing challenging contexts, such as confessional institutions, where governance must balance ethical and religious principles with the demands of the market and contemporary society.

GOVERNANCE IN CONFESSIONAL INSTITUTIONS

Confessional institutions, characterized by their religious mission and intrinsic ethical values, face unique challenges when implementing governance practices. Studies such as those by Espírito Santo (2011) and Silva (2018) show that governance in such organizations is not limited to regulatory compliance, but must also incorporate elements

⁷ *Accountability* refers to accountability and transparency in management, especially in the context of governance, where managers and institutions are accountable for their actions and decisions to internal and external stakeholders, ensuring integrity and trust.

that reflect the essence of their confessional mission. This integration, however, requires a delicate balance between religious interests and the expectations of external *stakeholders*.

Tavares (2009) argues that governance in confessional universities must consider not only the administrative aspects, but also the unique characteristics that connect these institutions to their faith communities. This unique relationship requires a governance approach that prioritizes both transparency and efficiency and the preservation of its core values.

In addition, Vilela, Duarte and Veloso (2015) highlight that governance practices in confessional higher education institutions often face difficulties in harmonizing religious objectives and contemporary demands for sustainability and inclusion. These challenges reveal the need for *frameworks* that are flexible and adaptable, respecting religious mission without compromising the ability to meet the expectations of a competitive and changing environment.

Therefore, confessional institutions find themselves in a scenario of duality: on the one hand, to preserve their confessional identity; on the other, to meet the requirements of modern governance, such as transparency, social responsibility and *stakeholder engagement*. This duality will be explored throughout this article, especially in the proposal of a *framework* that seeks to balance these apparently conflicting aspects.

GOVERNANCE AS A PILLAR OF ESG

Governance is widely recognized as the main pillar of ESG, acting as the structuring axis that connects the environmental and social dimensions. According to Elkington (1997), the concept of the *Triple Bottom Line* reflects the importance of a holistic approach, where economic performance is directly linked to social responsibility and environmental sustainability. In the context of faith-based institutions, this alignment is even more relevant, as governance not only ensures regulatory compliance but also strengthens the ethical and moral identity of these organizations.

Galindo, Zenkner, and Kim (2022) highlight that governance in ESG transcends the simple management of resources and processes; it is about integrating organizational values into strategic decision-making, promoting practices that generate positive impact for all *stakeholders*. This aspect is crucial for faith-based institutions, which must balance external demands for sustainability and inclusion with their religious missions and traditional values.

By placing governance as a central pillar, ESG offers a *framework* that enables faith-based organizations not only to meet market demands, but also to expand their social and environmental relevance. In this sense, Alves (2023) argues that ESG governance is an integrating element that connects the ethical, social, and environmental dimensions to the strategic purpose of organizations. For Alves (2023), governance is the balance point that ensures that corporate decisions are made transparently, aligned with institutional values, and focused on long-term impact. In the case of confessional institutions, this pillar gains even more relevance, as governance practices must reinforce the confessional mission, promoting the trust of *internal and external* stakeholders.

Voltolini (2021) complements by pointing out that governance in ESG is not limited to compliance with rules and regulations, but seeks to foster an organizational environment where ethics and social responsibility are integrated into decision-making processes. This is especially critical for faith-based organizations, which need to demonstrate consistency between their values and their actions, particularly in a world where transparency and accountability are increasingly being demanded by *stakeholders*.

Finally, governance, as a central element of ESG, is positioned as a strategic tool for faith-based institutions that wish to strengthen their credibility, amplify their positive impact, and ensure their long-term sustainability. This perspective will be deepened throughout the article, particularly in the proposed *framework* developed to meet the specific needs of these organizations.

CORPORATE GOVERNANCE IN THE CONTEXT OF CONFESSIONAL INSTITUTIONS SPECIFIC CHALLENGES

Confessional institutions face complex challenges when seeking to implement governance practices that reconcile their religious mission with the contemporary demands of the market and society. According to Espírito Santo (2011), these organizations often deal with financial constraints, infrastructure difficulties, and the need to balance religious interests with the expectations of *external stakeholders*. In addition, Tavares (2009) highlights that competitiveness in the private educational sector requires these institutions to have governance that is simultaneously efficient and aligned with their confessional values.

Another relevant challenge is the integration of ESG principles in confessional contexts, as pointed out by Vilela, Duarte, and Veloso (2015). These authors emphasize

that, for confessional institutions, governance must transcend mere administrative management and incorporate practices that preserve religious identity, while meeting the requirements of sustainability and inclusion. This duality requires a careful approach so that governance practices are adaptable but still rooted in confessional principles. In addition, there is the challenge of balancing financial sustainability with a commitment to accessibility and social impact.

The history of confessional institutions, marked by the connection between religious mission and the provision of educational services, also influences governance challenges. According to Tavares (2009), these organizations need to deal with governance structures that are often unprofessional, a legacy of an administration based on religious leaders. This often makes it difficult to implement changes that incorporate contemporary ESG principles without distorting confessional identity.

An important aspect, pointed out by Silva (2018), is the impact of administrative fragmentation on confessional networks, which can weaken strategic governance. Creating more cohesive and aligned structures can help overcome these obstacles and provide greater institutional resilience.

THE ROLE OF GOVERNANCE IN ESG

Governance plays a central role in ESG, acting as a catalyst that connects the environmental and social dimensions to institutional strategies. Galindo, Zenkner, and Kim (2022) argue that, in the context of ESG, governance is not limited to regulatory compliance, but encompasses the promotion of ethical practices, transparency in processes, and effective *stakeholder* engagement. For faith-based institutions, this role is even more critical, as governance must ensure that their operations are aligned with both religious values and external sustainability demands.

In addition, Alves (2023) highlights that governance is essential to create a resilient organizational environment that promotes inclusion and equity. In this sense, ESG governance not only meets regulatory requirements, but also strengthens institutional reputation, promoting *stakeholder* trust and ensuring its long-term sustainability. For faith-based institutions, transparency and accountability are key to reinforcing their mission of social justice and religious ethics.

An additional aspect of the role of governance in ESG, according to Espírito Santo (2011), is the need for confessional institutions to act as agents of social transformation.

This involves going beyond regulatory compliance to develop policies and practices that contribute to global sustainability goals, such as the Sustainable Development Goals (SDGs),⁸ while always respecting confessional identity.

On the other hand, Tavares (2009) reinforces that governance must act as a mediator between confessional values and the practical requirements of sustainability, ensuring that ESG is not just a cosmetic adaptation, but a genuine integration that reflects the identity of institutions.

STRATEGIES FOR IMPLEMENTING ESG GOVERNANCE

The effective implementation of ESG governance in faith-based institutions requires strategies that are both practical and adaptable to their particularities. One approach suggested by Espírito Santo (2011) is the creation of participatory mechanisms that involve religious leaders, managers, and academic communities in the definition of institutional guidelines and policies. This strategy promotes greater integration between confessional values and external demands, in addition to fostering an environment of dialogue and collaboration.

Silva (2018) emphasizes the role of collaborative networks in overcoming common challenges. By sharing resources, best practices, and experiences, faith-based institutions can adopt ESG principles more effectively and in line with their local realities. These networks also help reduce operational costs and increase administrative efficiency, which is crucial for financial sustainability.

Another strategy highlighted by Vilela, Duarte and Veloso (2015) is the introduction of robust evaluation and monitoring tools. These tools allow faith-based institutions to track the impact of their ESG policies, adjusting them as needed to ensure effectiveness and adherence to institutional objectives. Additionally, the use of digital technologies for data collection and analysis can improve transparency and facilitate accountability.

It is equally important to promote the continuous training of managers and employees so that they understand and integrate ESG principles into their daily practices. Tavares (2009) suggests that specific training can facilitate this integration, creating an organizational culture aligned with ESG.

⁸ The Sustainable Development Goals (SDGs) are a set of 17 global goals established by the United Nations (UN) in 2015, which aim to eradicate poverty, protect the planet, and promote peace and prosperity by 2030, integrating social, economic, and environmental dimensions.

Finally, it is essential that these strategies are implemented gradually and with a focus on *stakeholder* engagement. The formation of specific governance committees to deal with ESG, composed of representatives from different areas of the institution, can be an effective solution to ensure that all dimensions are integrated harmoniously. These strategies will be further elaborated in the proposed *framework* presented in the next section, with the aim of providing a practical and innovative model for the integration of ESG principles in faith-based institutions.

PROPOSAL FOR A *FRAMEWORK* FOR GOVERNANCE IN CONFESSIONAL INSTITUTIONS

FUNDAMENTAL PRINCIPLES

The *proposed framework*, called the Confessional ESG Alliance, for governance in confessional institutions is based on the central pillars of ESG: governance, sustainability, and inclusion. These pillars are tailored to respect the confessional identity of institutions, while ensuring transparency, equity, and accountability. Based on a comprehensive analysis of the practices and challenges presented in the revised references, the model seeks to reconcile the demands of the external environment with the religious mission intrinsic to these organizations.

FRAMEWORK COMPONENTS

The *proposed framework* is divided into three main dimensions that reflect the critical areas for the successful integration of ESG principles into faith-based institutions. Each dimension has been structured to offer a practical and adaptable approach, respecting the uniqueness of these organizations.

Strategic dimension

The strategic dimension constitutes the foundation of the *framework*, connecting the religious mission of confessional institutions to the contemporary demands of the market and society. It is composed of elements that ensure clarity in institutional priorities and efficiency in governance.

- a) Aligned Mission and Objectives: The *framework* proposes that faith-based institutions develop a clear mission statement that integrates ESG principles with their confessional identity. This involves the collaboration of religious

leaders, administrative managers, and external *stakeholders*, as pointed out by Alves (2023).

- b) Responsive Governance: The creation of specific boards to deal with ESG, composed of representatives from different institutional areas, ensures that all strategic decisions are aligned with sustainability and inclusion goals.

Operational dimension

The operational dimension focuses on the practical execution of the *framework*, ensuring that the necessary processes and tools are in place to support the strategic goals. This component is essential to translate strategic intentions into concrete results.

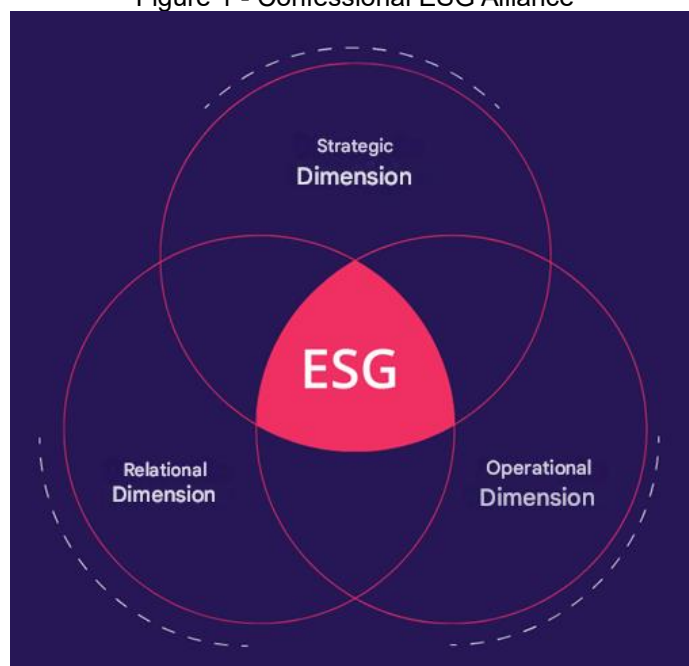
- a) Continuous Monitoring and Evaluation: Robust technological tools are key to tracking progress in implementing ESG practices. Vilela, Duarte and Veloso (2015) highlight that evaluation mechanisms should be integrated into the daily routine of institutional management.
- b) Sharing of Good Practices: Collaborative networks, according to Silva (2018), can facilitate the exchange of ideas and resources between confessional institutions, promoting operational efficiency and consistency in the application of ESG principles.

Relational dimension

The relational dimension emphasizes the importance of building meaningful and sustainable connections with internal and external stakeholders. This component ensures that institutional practices are aligned with community expectations and promote a collaborative approach.

- a) Stakeholder Engagement: *The framework encourages the inclusion of* internal stakeholders (religious leaders, teachers, and students) and external stakeholders (communities and strategic partners) in all stages of implementation. Espírito Santo (2011) points out that this engagement is crucial to promote cohesion and legitimacy.
- b) Strategic Partnerships: Establish partnerships with other institutions, NGOs, and government organizations to amplify the social and environmental impact of initiatives.

Figure 1 - Confessional ESG Alliance



Source: Prepared by the authors (2024).

Figure 1, Components of the *Framework*, represents the strategic, operational, and relational dimensions that support the proposed model. At the center, ESG symbolizes the integration of the environmental, social, and governance pillars. Each interconnected dimension reflects the framework's practical and adaptable approach, where the strategic dimension aligns the institutional mission with sustainable objectives, the operational dimension focuses on the implementation and monitoring of practices, and the relational dimension strengthens engagement with internal and external stakeholders. This setting highlights how confessional values can be preserved and amplified through contemporary strategies of sustainable governance.

IMPLEMENTATION STEPS

To ensure effective adoption of the *framework*, it is necessary to follow a structured process, consisting of four interconnected steps. Each step is designed to meet the specificities of faith-based institutions while promoting the integration of ESG principles.

Institutional diagnosis

- a) Conduct a detailed survey of existing governance practices, identifying strengths and gaps in relation to ESG pillars.

- b) Utilize qualitative and quantitative analysis tools to collect data on governance, sustainability, and inclusion.

Participatory planning

- a) Involve religious leaders, managers, teachers and students in the definition of strategic goals and institutional priorities.
- b) Organize *collaborative workshops* and meetings to align the expectations of different *stakeholders*.

Gradual implementation

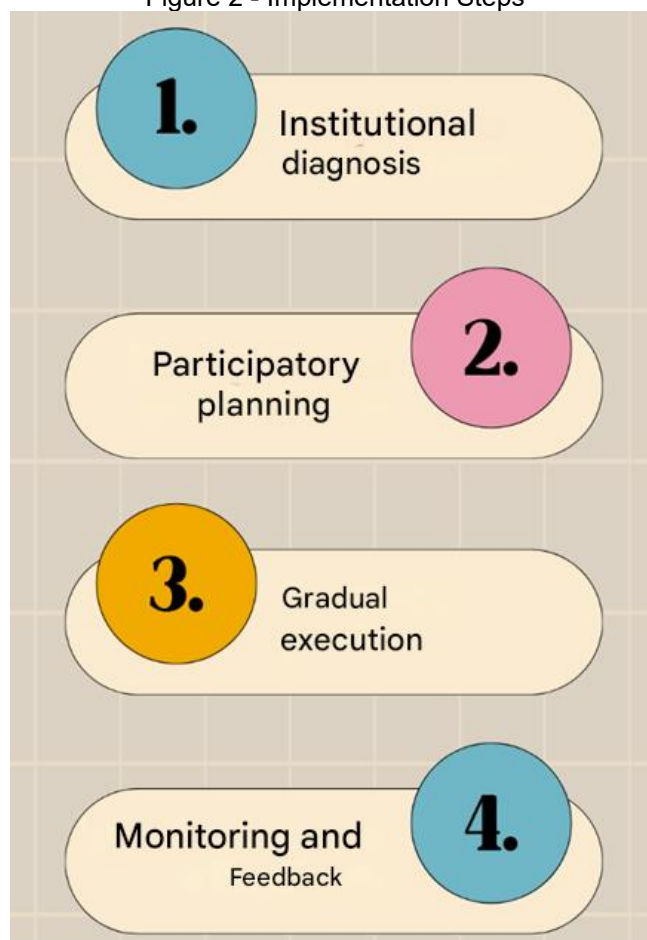
- a) Implement changes in a staggered manner, prioritizing actions of greater impact or urgency.
- b) Ensure the flexibility to adjust the plan according to the results observed and *feedback* received.

Monitoring and Feedback

- a) Use digital technologies to measure the impact of initiatives in real time.
- b) Establish regular cycles of review and adjustment, allowing the *framework* to evolve according to institutional needs and changes in the external environment.

Figure 2 below illustrates the four key steps for implementing the Confessional ESG Alliance framework. The steps begin with the Institutional Diagnosis, which identifies strengths and gaps in the governance context. Next, Participatory Planning engages internal and external stakeholders to align goals and priorities. Gradual Execution allows for a staggered implementation of strategies, ensuring adaptation and flexibility. Finally, Monitoring and *Feedback* ensures continuous evaluation and adjustment of practices to maximize impact and sustainability. This structured approach promotes an effective integration of ESG principles with confessional values.

Figure 2 - Implementation Steps



Source: Prepared by the authors (2024)

EXPECTED IMPACT

By adopting this *framework*, faith-based institutions can strengthen their governance, improve administrative efficiency, and consolidate their social and environmental relevance. In addition, the proposed model offers a practical and innovative basis for other faith-based institutions interested in integrating ESG principles effectively while respecting their confessional identities. This *framework* will be a reference for managers, researchers and *stakeholders* committed to the sustainable transformation of the sector.

Chart 1 presents a consolidated view of the dimensions, components and descriptions that make up the *proposed framework*. It synthesizes the key elements necessary for the integration of ESG principles in confessional institutions, highlighting strategic, operational, and relational actions that ensure effective and sustainable implementation.

Chart 1 - Summary of the ESG Governance Framework for Faith-Based Institutions

Dimension	Component	Description
Strategic	Mission and Objectives Aligned	A clear statement that integrates ESG principles and confessional identity, with the collaboration of religious leaders, managers and <i>external stakeholders</i> .
	Responsive Governance	Creation of specific councils composed of institutional representatives to align strategic decisions with sustainability and inclusion goals.
Operational	Continuous Monitoring and Evaluation	Technological tools to track the progress of the implementation of ESG practices, with integrated evaluation mechanisms.
	Sharing Good Practices	Collaborative networks for the exchange of ideas and resources between faith-based institutions, promoting operational efficiency and consistency in ESG practices.
Relational	Stakeholder Engagement	Inclusion of internal stakeholders (religious leaders, teachers and students) and external stakeholders (communities and partners) in all stages of implementation, promoting cohesion and legitimacy.
	Strategic Partnerships	Collaboration with NGOs, institutions and government organizations to maximize social and environmental impact.

Source: Developed by the authors (2024).

These components, organized into interdependent dimensions, represent a comprehensive model for aligning confessional goals with the challenges and demands of the contemporary environment. The *framework* not only reflects sustainable practices, but also reinforces the identity of institutions, allowing them to advance their social and environmental relevance.

CHALLENGES AND OPPORTUNITIES

Faith-based institutions face a scenario full of challenges and opportunities when trying to align their institutional practices with ESG principles, especially in the context of a society in constant transformation. The challenges are evident in a number of areas, from integrating modern governance practices to maintaining their religious and cultural identity. The complexity of this scenario is magnified by the pressure for transparency and social

accountability, which often collides with traditional organizational structures based on religious leadership or centralized administrative models.

One of the main challenges lies in the resistance to internal changes. Transitioning from a traditional governance model to one that incorporates ESG principles requires a significant effort to overcome cultural and organizational barriers. This resistance can be found both in institutional leaders and in members of the academic and religious community, who may interpret the changes as a threat to the institution's confessional identity. In addition, there is the difficulty of harmonizing traditional values with contemporary demands for sustainability, inclusion, and innovation.

Another important obstacle is the limitation of financial and human resources. Implementing effective ESG practices requires investments in training, technology, and collaboration networks, resources that are often scarce in faith-based institutions. This limitation can be compounded by a competitive education market, where private for-profit institutions often have greater flexibility and access to capital. In this context, faith-based institutions need to find creative and efficient ways to maximize their resources while maintaining their core mission of providing quality education based on ethical and religious values.

In addition, cultural adaptation is also a great challenge. To integrate ESG practices, institutions need to adapt not only administrative processes, but also the mindsets of their employees and managers. This requires a significant effort of training and cultural change, so that confessional values are preserved and integrated with the requirements of sustainability and innovation.

Another relevant challenge is in the regulatory context. Some faith-based institutions face specific constraints imposed by local legislation, which limit their ability to implement structural changes in governance. These regulatory obstacles can reduce administrative flexibility and require creative strategies to comply with legal requirements without compromising the institutional mission.

On the other hand, the opportunities that emerge from this scenario are equally significant. The adoption of ESG practices can be an opportunity for faith-based institutions to stand out in a saturated market, by reinforcing their social and environmental relevance. The transparency and accountability that ESG promotes can strengthen the trust of internal and external stakeholders, including students, parents, teachers, communities, and

strategic partners. This trust is an essential asset for the long-term sustainability of these institutions.

In addition, the implementation of collaborative networks, as suggested by Silva (2018), can be a catalyst for overcoming challenges and creating new opportunities. Networks allow faith-based institutions to share resources, best practices, and innovations, fostering an environment of collective learning and growth. These collaborations can also facilitate access to technologies and expertise, reducing costs and amplifying the impact of institutional initiatives.

A significant opportunity is the strengthening of institutional reputation. By embracing ESG principles, faith-based institutions can attract new students, investors, and strategic partners, standing out as ethical and sustainable leaders. This strengthened reputation can also open up new sources of funding, including government support and international partnerships.

Another highlight is the possibility of innovation in confessional education. The integration of ESG allows institutions to incorporate topics such as sustainability, ethics, and global citizenship into their curricula, promoting training that is more aligned with contemporary demands. This approach not only enriches the educational experience but also positions faith-based institutions as agents of social transformation.

Additionally, the integration of digital tools for monitoring and evaluating institutional practices can offer valuable *insights* for continuous improvement. The use of technology not only increases administrative efficiency but also provides reliable data for strategic decision-making. This strengthens governance and expands the ability of institutions to respond quickly to changes in the external environment.

Finally, the proposal of a *framework* such as the one presented in this article represents a unique opportunity for confessional institutions. It provides a practical and adaptable foundation for overcoming the challenges faced and taking advantage of the opportunities available. By implementing this model, institutions can align their confessional values with ESG principles, creating a competitive advantage and promoting positive impact in multiple dimensions.

Thus, while the path to implementing ESG practices in faith-based institutions is fraught with obstacles, it also offers significant potential for transformation and innovation. By addressing challenges with well-structured strategies and taking advantage of

opportunities proactively, these institutions can position themselves as ethical and sustainable leaders in an increasingly interconnected and conscious world.

DISCUSSION

The intersection between governance practices, the purpose of faith-based institutions, and the pillars of ESG reveals a necessary and promising dialogue. Governance, in its broadest sense, acts as the link that connects the institutional mission to the execution of strategies that meet contemporary demands for sustainability, transparency, and inclusion. This article proposes that by integrating modern governance practices with confessional values, institutions can strengthen their position in the educational and social landscape.

The pillars of ESG – environmental, social, and governance – are more than operational guidelines; they represent a structural transformation that challenges and enhances the identity of organizations. Governance, as a central pillar, not only offers a system of control, but also creates a space for innovation and strategic alignment. As emphasized by Alves (2023) and Galindo, Zenkner, and Kim (2022), robust governance is key to measuring and managing institutional impact, ensuring that confessional values are translated into practices that generate value for all *stakeholders*.

The *framework* presented in this article emerges as a practical and innovative answer to operationalize this integration. It not only proposes solutions to the structural challenges faced by faith-based institutions, but also sets out a clear roadmap to maximize the opportunities identified. The strategic dimension of the *framework*, for example, reinforces the importance of aligning institutional mission and ESG objectives, ensuring that organizational decisions reflect confessional values. This approach promotes greater internal cohesion and alignment with external expectations.

In the operational dimension, the *framework* highlights the role of continuous monitoring and evaluation tools, which allow institutions to confess tangible advances in their ESG practices. Collaborative networks, as pointed out by Silva (2018), are fundamental to strengthen this dimension, promoting the sharing of good practices and optimizing resources in a collective learning environment.

The relational dimension of the *framework* complements this approach by emphasizing the active engagement of internal and external stakeholders. By building strategic partnerships and strengthening communication channels, faith-based institutions

can amplify their influence and consolidate their relevance on a global stage. As Carson (1969) adds, effective collaboration is the key to addressing systemic challenges and bringing about meaningful change.

The purpose of confessional institutions, in turn, is rooted in ethical and religious values that promote education, social justice, and citizenship. By aligning these values with ESG principles, institutions can not only preserve their identity, but also amplify it in relevance and impact. Bichuetti (2020) highlights that organizations that adopt responsible practices are able to balance financial sustainability with the creation of social value, something intrinsic to the mission of confessional institutions.

Finally, the *framework* presented in this article demonstrates how ESG pillars can be operationalized in faith-based institutions in a practical and adaptable way. It offers a framework that connects confessional values to contemporary strategies, enabling these organizations to play a leading role in a world that values ethics, sustainability, and social impact. This discussion reinforces that governance is not only a management tool, but also a catalyst for institutional transformation.

CONCLUSION

This article brought important lessons for researchers and managers who seek to understand and apply governance practices aligned with ESG principles in confessional institutions. In addition, the analysis revealed that these practices not only reinforce the sustainability of organizations, but also offer an opportunity for institutional and social innovation, by adapting global concepts to local specificities. One of the key learnings is that the successful integration of these practices depends on an approach that respects confessional specificities, without losing sight of global demands for sustainability and transparency.

The results show that governance, as a central pillar of ESG, is more than a control structure; it is a strategic tool that integrates the ethical and operational dimensions, enabling the creation of shared value between confessional institutions and their communities. The proposed *framework* demonstrated that it is possible to connect confessional values to contemporary sustainability requirements, allowing confessional institutions to advance in relevance and social impact.

Among the lessons learned, the importance of cultural adaptation, *stakeholder engagement*, and the use of technologies for continuous monitoring and evaluation stand

out. These practices are essential for overcoming internal and external challenges, such as resistance to change, limited resources, and regulatory pressure.

In addition, the *framework* demonstrated the need to expand interinstitutional engagement, creating collaborative networks that share resources, good practices, and strategies for the integration of ESG principles, promoting a more significant collective impact. Such networks not only expand the capacity for innovation, but also strengthen community impact.

The dialectical relationships between the concepts presented by Alves (2023), Elkington (1997) and other reviewed authors reinforce the importance of a constant dialogue between tradition and innovation. This balance is what allows faith-based institutions to stand out in a competitive environment, without compromising their religious and ethical identity.

As an advance in future studies, it is suggested to explore the applicability of the *framework* in smaller institutions and in different cultural contexts, as well as to evaluate the impact of ESG metrics on dimensions such as community engagement and financial sustainability. In addition, future research could assess the effectiveness of the model in promoting not only financial sustainability, but also broad social transformation.

In summary, this work contributes to the academic literature and management practice by proposing a model that connects confessional values to ESG principles, highlighting its relevance as an integrative and transformative approach to sustainable governance. It serves as a guide for managers and researchers interested in promoting ethical, sustainable governance and social impact in confessional institutions.

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