

Editorial – v. 20, n. 6, 2023

Dear readers,

In this November/2023 issue we are pleased to announce to you a variety of interesting topics, such as ESG and profitability, intergovernmental transfers, corporate crimes, customer behavior towards food delivery apps, workplace satisfaction, intellectual capital and management control systems (MCS). Focusing on providing quality of academic reading in the business area, our goal is to deliver the diversity that the field deserves without losing sight on the relevance and timeliness of the discussions.

Our issue begins with a paper on the effect of economic freedom over the relationship between Environmental, Social, Governance (ESG) practices and profitability among finance companies located in the Americas from 2017 to 2020. Using the Refinitiv Eikon® database and data modeling in a hierarchical panel, Ferreira and Malanski demonstrate that ESG practices have a positive and significant impact on profitability, with the social variable particularly standing out. Economic freedom was found to enhance the relationship between an ESG index and profitability, specifically amplifying the relationship between corporate governance and profitability. The findings also imply that a country's institutional quality has an important influence on ESG practices and profitability. <https://bit.ly/3OsegA0>

Next, Louzано, Abrantes and Brunozi investigate the complexities of Brazilian Fiscal Federalism, particularly focusing on the impact of intergovernmental transfers from the State Participation Fund (FPE) on the economic development of Brazilian states. Utilizing spatial panel data models to analyze data from 1997 to 2016 across all 27 Brazilian federative units, the authors reveal that when spatial dependence is accounted for, these FPE transfers negatively impact the GDP per capita of the states. This pivotal finding suggests that the criteria for fund allocation should be rethought, extending beyond the goal of equalizing imbalances between states. <https://bit.ly/3r3Wr2k>

Paganini and Medeiros investigate the role of 'arenas' as interorganizational spaces that either foster or mitigate corporate crimes. Drawing from the historical context of slavery eradication in Brazil, the paper presents a unique perspective on how dynamic arenas and counter-arenas serve as settings where corporate crimes are either encouraged or prevented, with the state acting as a facilitator in these activities. The researchers employed methods like

shadowing, in-depth interviews, and field observations to construct a rich data pool. Utilizing the Grounded Theory approach, the paper explores open, axial, and selective coding to analyze this complex phenomenon. The findings call into question the state's dual role in both permitting and preventing corporate crimes, underscoring the need to scrutinize the key elements that shape these arenas. <https://bit.ly/3RmE7ft>


Our fourth paper explores the customer behavior towards food delivery apps in the Indian cities of Chandigarh and Bhubaneswar. To this end, Kaur compares user behavior across two different tiers and offers strategic recommendations for food delivery startups. The author first reviews existing literature to construct a model, and then gathers primary data from food app users. Key findings suggest that factors like financial and health safety, ease of use, and flexible delivery significantly influence customer satisfaction. Interestingly, customer behavior remained largely similar across two different tiers, except for preferences in variety options and certain aspects of discounts and delivery flexibility. The study provides valuable insights for various stakeholders in the food delivery industry, including investors, startup founders, and vendors, to tailor their services according to customer preferences. <https://bit.ly/3QGdD8h>

The next paper, by Seifert, Silva and Adversi investigate the relationship between conventional and alternative organizational characteristics and their ties to workplace satisfaction or dissatisfaction. Leveraging Multiple Correspondence Analysis with feedback from 172 online survey respondents, the study points out that conventional attributes are largely linked to dissatisfaction, while alternative ones resonate with satisfaction. Notably, technical orientation focusing on productive efficiency and a market-centric commercial approach lean towards dissatisfaction. Conversely, a cooperative inter-organizational stance is strongly linked to satisfaction. This research provides deeper insights into organizational approaches challenging the dominant conventional paradigm. <https://bit.ly/3YC0VJL>

Closing the issue, Dal Vesco and Beuren take a close look at the interplay between intellectual capital, management control systems (MCS), and their potential impact on performance within a franchising system, mediated by cooperation. Through a survey of 112 fuel dealer managers and application of structural equation modeling, the study finds that intellectual capital (encompassing human, structural, and relational aspects) and MCS (comprising performance appraisal systems and socialization) both contribute positively to performance and cooperation within a franchising system. Intriguingly, their findings indicate that cooperation does not serve as a mediating factor in enhancing the relationship between intellectual capital or MCS and performance. This unexpected finding calls into question long-standing assumptions about the role of cooperation within franchising systems, as advocated in existing literature and generally expected in franchise contracts. The discovery triggers the need for further research to reconcile these divergent outcomes. <https://bit.ly/47YFQxF>

We hope you enjoy the diversity of themes of this issue. Good reading!

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