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As a manuscript

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**DEVELOPMENT OF A METHOD FOR ASSESSING USAGE OF ESG TOOLS
IN MANAGEMENT OF HIGHER EDUCATION ORGANIZATION**

Specialty 5.2.6 – Management

**Abstract of the dissertation for an academic degree
PhD of Economics**

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Relevance of the topic of the dissertation research. The modern economic and social reality, as well as the environmental agenda, determine the growing importance and new features of the management of an educational institution of higher education, generating ever higher and constantly changing requirements in the context of growing uncertainty.

ESG transformation has been affecting the business environment for several years: many commercial companies use this factor not only to reflect their merits in this area in international ratings, but also to attract investment, as well as to increase consumer confidence. Modern ESG principles were first formulated by former UN Secretary-General Kofi Annan: it had to be implemented to combat climate change.

Step by step, the environmental component, together with the social and managerial ones, are moving from commercial organizations to others (non-profit, social, educational, etc.). However, at this stage, it is being formed and the possibilities and risks of using such innovations in the public sector are being assessed. In particular, there are not many studies on the sustainable development of public universities in the educational field, and those considering administrative and managerial aspects have not yet been implemented in principle. This is the next relevant task of the dissertation.

Environment, social sphere and governance (ESG) are becoming an increasingly strategic area of activity for organizations and their leaders. Environmental and climate risks remain on the agenda, but the COVID-19 pandemic has also drawn attention to the importance of social and governance issues for the long-term viability and success of organizations. A well-thought-out ESG strategy, accompanied by a consistent framework for actions and transparent communication about the consequences of these actions, can make a big difference in helping a university attract and retain students, faculty and staff, as well as improve relations with a wider circle of people.

Collecting and analyzing ESG information is an important aspect for understanding the key ESG risks and opportunities facing a company, industry or country. More and more Russian companies are striving to achieve long-term

sustainable development goals. The idea that business profitability should be combined with social justice and responsibility, environmental protection, and human rights protection is becoming increasingly widespread. Professional associations are developing ratings and indices in the field of sustainable development and corporate social responsibility.

Ensuring sustainable development, the achievement of which determines the objective need for structural changes and reforms, is a priority of the state and largely depends on the management of the processes of forming an effective management structure of an educational institution. The strategy of socio-economic development of the Russian Federation until 2050 with a low level of greenhouse gas emissions aims to grow the economy while reducing greenhouse gas emissions. By 2050, their net emissions should decrease by 60% from the 2019 level and by 80% from the 1990 level. Further implementation of this scenario will allow Russia to achieve carbon neutrality by 2060. More and more universities in Russia have begun to develop higher and additional education programs for the training of ESG specialists, since it is educational institutions that are entrusted with the role of forming such competencies of students. However, for the full training of such personnel, the university itself needs to implement and use ESG principles not only in the educational process, but also in the administrative, managerial and organizational ones. For this purpose, it is especially necessary for educational organizations to prepare their own personnel reserve, considering modern management methods. The use of ESG tools in practice assumes a special role of human capital, ESG competencies are associated with the transformation of management ethics, building priorities for long-term planning over short-term planning. Moreover, most of the population of our country is still not familiar with the concept of ESG transformation, with its components, despite the fact that there are a large number of global and local environmental, social and management initiatives. In this regard, an urgent task is to determine the essence and content of ESG transformation mechanisms in an educational institution.

Note that now, ESG transformation is only entering the educational sphere and there is little experience in using such tools in this industry. They are mainly local in nature and are used spontaneously.

In addition, the management of educational organizations has its own specifics, sometimes fundamentally different from business structures. It is important to take into account federal regulation of the educational sector, which is reflected in state educational standards and other requirements.

The use of the ESG concept in higher education can be regarded as a blue ocean strategy - this direction, in fact, does not fully exist in such institutions. These are untouched areas of the educational market, there is no competition, and they provide an opportunity to grow, make a profit, and set new trends in this direction. Thus, the Presidential Academy can expand the boundaries of the educational sector, being the first to demonstrate in practice the use of ESG tools.

Thus, the relevance of the dissertation topic is associated with the need for transformational processes in the management of higher education institutions, including the development and accumulation of human capital with a set of ESG competencies, to achieve national and global goals in the field of sustainable development and policies to reduce greenhouse gas emissions.

The degree of scientific development of the problem. The direction presented in the dissertation research has been sufficiently studied in the business environment, ESG reporting is reflected in different industries, guidelines for development strategies are outlined; at the same time, the ESG approach in public higher education institutions (in educational and administrative-managerial terms) is practically not considered in scientific works. There are only local proposals for the use of this toolkit abroad. The works of domestic and foreign scientists were used as the fundamental basis for the dissertation research, including: F. Taylor, A. Fayol (the founders of management theory, who made a significant contribution to management science), E.A. Starikova (described the theoretical aspects of the principles of responsible investment), P. McAteer, G.T. Saparova, A.Z. Nurmagambetova (considered sustainable business development through the

implementation of innovations), Altynova N.V., Antonova M.V., Vasilkova A.A. (showed the development of the ESG agenda), Zazdravnova M.A., Akindinov V.V., Porter M.E., C. van der Linde (showed the impact of the concept of sustainable development on society), Afanasyev S.B., Ayupova G.T., Blinova K.A., Bogdanov I.V., Bugaeva E.A., Vashakidze N.S., Gilfanova G.T., Cerin P., Goncharenko N.V., Gorshkova V.V., Danilkova M.P., Danilov O.F., Evgrafova O.G., Ilyevich T.P., Ismailova G.M., Karipzhanova N.M., Kasparov I.V., Lobo, M.-J., Pietriga E., Appert C., Kozaeva G.R., Kotova E.G., Leontyeva A.V., Vostrikova E.O., Gafurova G.T., Dziedik V.A., Dobers P., Zilahy G. (considered sustainable development through innovations), Margolin A.M., Vyakina I.V. (described the risks of ESG transformation of management systems), Doszhan R.D., Zavyalova E.B., Morozov M.M., Bunce L., McGee N., Phillips-MacNeil C., Podkorytova E.V., Zhukova E.V., Mruz A., Ocetkovich I., Lukasz T., Valotek-Szczanska K., Dariusz R. (described sustainable development in educational programs), Karaeva A.P., Chashchin M.R., Magaril E.R., Nikolaeva E.O., Nikonets O.E., Popova K.A. (described the processes of green financing and ESG transformation of the economy), Petrov AM, Polyakova PM, Popova E.V., Strikh N.I. (studied the secondary effects of ESG for stakeholders), Safonov M.A., Guzairova A.F., Safonova E.A., Semenova D.M., Suslenko A.A. (indicated that sustainable university management is a new management paradigm), Syaglova Yu.V., Tronin S.A., Yurevich M.A., Kuklina E.A., and others. It is important to note that the trend of ESG management and sustainable management of higher education institutions is a new direction in management theory. At present, there are a limited number of scientific papers that would consider this topic.

The author of the dissertation research in the theoretical part of the study also relied on the study of documents and reports of the Organization for Economic Cooperation and Development (OECD), which is an international economic organization of developed countries, whose reports contain objective scientific data and proposals, including on sustainable development, ESG and tools for achieving the Paris Agreement on climate. To one degree or another, World Bank reports and

United Nations (UN) reports were used in the part concerning the goals of sustainable development, environmental construction and education.

The purpose of the dissertation research is to develop a methodology for assessing the compliance of management processes of an educational institution of higher education with the requirements of the ESG concept.

In accordance with the stated goal, the following tasks of the dissertation research are solved in the work:

- to determine the essence and main characteristics of the ESG concept in the modern economy;
- to study the relationship between sustainable development goals (SDGs), corporate social responsibility (CSR) and ESG transformation;
- to determine promising areas of ESG transformation in the educational sphere;
- to assess the effectiveness of using ESG tools in various sectors of the Russian economy;
- to analyze foreign practices of implementing ESG tools, to identify their similarities and differences with the Russian experience;
- to determine possible areas of application of ESG tools in the management of educational organizations of higher education;
- to develop a methodology for assessing an educational institution of higher education according to ESG criteria;
- to formulate scientific proposals for the use of ESG tools in the management of an educational institution of higher education.

The object of the study is environmental, social and corporate governance tools in an educational institution of higher education. The subject of the research is theoretical, methodological and applied aspects of the ESG transformation process in the management of educational organizations.

The theoretical basis is the scientific works of domestic and foreign scientists in the field of sustainable development, ESG transformation, project, system approaches.

Methodology and research methods: international sources that provide a theoretical and practical basis in the field of ESG, education management were used writing the dissertation, as well as scientific research related to this topic. The methodology is determined by an interdisciplinary approach and a combination of specific methods of cognition used in different branches of science: analysis, synthesis, SWOT and PESTEL methods of analysis, generalization, construction of theoretical statements, analogy, induction, systems approach, structural-functional method, modeling and others. Sources that were analyzed: scientific journals and articles in the field of corporate social responsibility, sustainable development, ecology, publications on the practice of managing educational organizations, leadership in higher education, UN reports on sustainable development, guidelines for reporting standards in the field of ESG, analysis of previously defended dissertations on similar topics.

The information and empirical base of the research is represented by current regulatory and legal acts in the field of sustainable development, construction, education, etc., scientific articles, monographs, Internet resources, reports of consulting groups, the Organization for Economic Cooperation and Development (hereinafter referred to as OECD), the World Bank (WB), reports on management topics, environmental education, UN reports, research by the Moscow School of Management Skolkovo, the Sber ecosystem, etc.

The main provisions and results of the study. During the study, the author obtained several theoretical and practical results that determine scientific novelty and became the subject of protection:

The theoretical significance of the study lies in the methodological substantiation of the influence of ESG instruments and the need for their use in an educational organization of higher education. Recommendations are proposed for the use of ESG instruments for the administrative and educational areas of the educational organization. A study of the experience of the BRICS countries, as well as developed Western countries in using ESG instruments in various sectors of the

economy will help to avoid failures in the formation of sovereign strategies and concepts.

The practical significance of the study is determined by the possibility of applying the research results in the activities of educational organizations of higher education. As part of the qualitative and quantitative studies conducted on the example of the RANEPA under the President of the Russian Federation, the respondents' interest in using ESG instruments in the activities of higher education organizations was revealed. It was determined that the ESG concept for the education sector is a driver that introduces innovations into the activities of RANEPA and increases the value of the product provided for students. The application of methodological recommendations is reflected in the draft model for assessing the degree of ESG transformation of a higher education organization, and a roadmap that presents a detailed integration of environmental, social and management aspects into the activities of the relevant organizations. The presented tools for ESG transformation of an institution can be used to enhance reputation, consider new risks, form the image of a socially responsible institution, and implement a policy to reduce the carbon footprint.

Conformity of the dissertation to the passport of the scientific specialty.

The dissertation corresponds to the passport of the scientific specialty 5.2.6 - "Management", clauses:

13. Corporate social responsibility. Social and environmental responsibility of business. Management of sustainable development of the organization.

32. Management of organizations of the social sphere (culture, science, education, health care).

Scientific novelty of the work: the author of this study for the first time proposed a comprehensive approach to the substantiation and assessment of aspects of ESG transformation and ESG tools for the sphere of higher education using the example of the Russian Presidential Academy of National Economy and Public Administration. The study distinguishes between the tools for assessing the institution by administrative and educational activities. Based on the results of the

study, the following results obtained personally by the author and possessing elements of scientific novelty are submitted for defense:

1. The feasibility of dividing ESG instruments in the management of an educational institution of higher education into administrative and educational areas is substantiated.

It was revealed that the administrative area includes such instruments as a waste management system, energy management, reducing the carbon footprint of buildings, building codes, ethical principles of personnel management, creating an inclusive work environment, etc. The educational area includes such instruments as an environmental education system, student corporate culture that includes environmental and social initiatives, educational programs that ensure the integration of the ESG agenda into various areas of training, grants for training in the field of sustainable development, etc.

It was determined that dividing ESG instruments into two key areas of activity of an educational institution of higher education helps to avoid duplication and directs efforts to the key tasks of each area. Moreover, the presented division has a qualitative difference between ESG instruments, each of which plays a significant role in the process of ESG transformation of an educational organization of higher education.

Based on the analysis of existing ESG practices in higher education institutions, the potential for dividing ESG tools in the management of higher education institutions into two areas has been identified. This approach is new and universal for higher education institutions. It contributes to the development of management theory in higher education, considering the ESG transformation processes. The practical implementation of the use of ESG tools contributes to the achievement of sustainable development goals in education. (clause 13 of the Passport of scientific specialty 5.2.6. "Management").

2. The methodology of SWOT and PESTEL analysis methods, combined with the TPESTRE trend mosaic, was adapted to assess the impact of ESG tools on the activities of higher education institutions, which made it possible to take

into account the macroenvironment more deeply, highlighting key ESG trends for integration into the management strategy of an educational organization. The strengths of the higher education institution were identified, such as the place for developing an environmentally conscious culture among students and employees, the introduction of energy-saving technologies in the institution, the implementation of educational activities with state support in the form of grants and subsidies, the use of anti-corruption practices, etc., and specific threats were identified and substantiated, such as skepticism and resistance to change, financial, political and other crises, and the risks of "green camouflage". The SWOT and PESTEL analysis factors were assessed by priority groups (high, medium and low probability of their implementation), which allow us to determine the specific weight and significance of strengths, weaknesses, opportunities, threats, as well as technological, political, economic, social, regulatory, environmental and other factors in the management of an educational institution. It is shown that the allocation of groups simplifies the determination of factors of paramount importance. The TPESTRE Trend Mosaic is a predictive analytics analysis method that allows you to generate successful or unsuccessful development forecasts, identify and evaluate key external factors affecting an organization or project, and structure them for a better understanding of strategic threats and opportunities. Based on the analysis results, it is shown that attracting educational grants, subsidies, expanding partnerships, constantly monitoring the implementation of ESG initiatives, etc. are aimed at mitigating the identified threats and strengthening the strengths of the educational organization.

SWOT analysis also revealed strategic opportunities to improve the competitiveness of educational institutions, such as the use of successful international experience of sustainable development, growing interest in ESG, technological innovations, etc. (clause 32 of the Passport of the scientific specialty 5.2.6. "Management"). Analysis and adaptation of 10 tools of the OECD climate action and policy measurement system (building codes, international cooperation, renewable energy planning, public R & D, etc.) allows them to be used in the management of an educational institution of higher education. This system has

proven its effectiveness at the international level in various fields, which is confirmed by statistics for 20 years. (Clause 13 of the Passport of the scientific specialty 5.2.6. "Management").

3. A methodology for assessing higher education institutions based on their compliance with the ESG concept has been developed. The methodology consists of calculating a comprehensive ESG index based on environmental (energy efficiency, waste management, green infrastructure, water conservation), social (inclusiveness and diversity, quality of education, participation in community projects, health and well-being) and management (transparency and accountability, ethics and anti-corruption, corporate governance, innovation and development) instruments. The calculation result is compared with a table interpreting the result obtained to determine the level of ESG transformation. This index allows assessing the level of compliance with environmental and social standards in the management of educational institutions. This contributes to a more accurate measurement of the contribution of educational institutions to sustainable development, which was not previously taken into account in existing management approaches. A comparative analysis of the author's methodology for assessing an educational organization of higher education, consisting in analyzing the degree of use of ESG tools in an educational organization of higher education, calculating the ESG index and forming adapted steps of the roadmap in the ESG transformation of an educational organization of higher education with the methodology of internal independent assessment of the quality of education proposed by the Ministry of Education and Science of Russia in the Letter of 15.02.2018 No. 05-436 "On Methodological Recommendations" was carried out. Based on the comparison, it was revealed that the author's methodology is universal and objective, meets international standards and requirements, includes a wider range of indicators not taken into account in the methodology of the Ministry of Education and Science. The existing methodology does not include indicators assessing sustainable development, such as carbon footprint, energy efficiency, waste management and inclusiveness, which are leading on the agenda of sustainable development goals. Thus, the proposed tools

are proposed to supplement the traditional assessment of the quality of education for a more comprehensive management of universities. Moreover, the updated methodology will become the basis for further scientific research in the field of ESG management in higher education, allowing for a more detailed consideration of the impact of educational institutions on the environment, society and management processes. (clause 13, clause 32 of the Passport of scientific specialty 5.2.6. "Management").

4. Recommendations have been developed for the implementation of ESG tools in higher education institutions, providing for the transformation of management and educational business processes. The essence of the recommendations lies in the gradual transformation of management and educational processes using the example of several departments: administrative and educational. The process of implementing innovations is designed for more than 2 years, includes 10 stages that allow assessing the level of use of ESG tools taking into account the specifics of government regulation and project management in the educational sphere, which increases the efficiency of managing an organization in modern conditions and reduces ESG risks. The result of each stage is multifaceted, introducing changes to all areas of the department's activities at once. Intermediate goals are provided for each stage, which allows for flexible adjustments to the process of implementing ESG tools depending on the results achieved. Regular monitoring and reporting by stages allows you to track progress and promptly identify possible deviations from the intended goals. Before and after the completion of transformation processes, it is proposed to conduct a study of the degree of ESG transformation of the organization using the methodology for assessing an educational institution of higher education, developed by the author, including indicators from the environmental, social and management components.

The practical significance of the recommendations is seen in the possibility of introducing ESG tools into the activities of higher education organizations, which will lead to the optimization of management processes taking into account the specifics of the educational organization of higher education. The implementation

of the recommendations is aimed at achieving national and global goals of sustainable development, including carbon neutrality, through strengthening the social, environmental and management components of educational and administrative processes. A separate block of recommendations reflects the directions for the implementation of ESG tools in the activities of RANEPA, taking into account its features, such as the breadth of the branch network, specialization in training personnel in the socio-economic field, the implementation of training and advanced training programs that include aspects of social and environmental responsibility, the presence of centers and laboratories engaged in the study of sustainable development, participation in discussions of the ESG agenda at various levels, holding conferences and seminars, etc. It is substantiated that the use of recommendations allows to increase the degree of ESG transformation of higher education organizations, in particular the Moscow campus of RANEPA in educational and administrative business processes and is a driver on the path to achieving national and global goals for achieving carbon neutrality (clause 13, clause 32 of the Passport of scientific specialty 5.2.6. "Management").

Approbation and publication of research results. The main results of the dissertation research were reflected in the author's publications and his reports at scientific and practical conferences.

Publications:

1. Syaglova Yu.V., Chetin A.M. Development of environmental focus of companies' business as part of the ESG concept. Bulletin of the Plekhanov Russian University of Economics. 2022. Vol. 19. No. 4 (124). Pp. 198-204.

2. Chetin A.M. Digitalization of Higher Pedagogical Education: Advantages, Opportunities, Development. Secondary Vocational Education. 2022. No. 8 (324). Pp. 25-30.

3. Chetin A.M. Social component of the ESG concept and the possibilities of its application in public educational institutions. Economics and Management of Management Systems. 2023. No. 2 (48). Pp. 52-58.

4. Syaglova Yu.V., Chetin A.M. Application of ESG factors in the education system due to the changing digital economy. *Economy. Taxes. Law.* 2023. No. 2. P. 68–76.

5. Koval A. A., Chetin A. M. Considering building codes for educational institutions in light of the ESG transformation of economic systems // *Human Progress.* 2023. Vol. 9, Issue 4. URL: http://progress-human.com/images/2023/Tom9_4/Koval.pdf. DOI 10.34709/IM.194. EDN UADGWE.

6. Chetin A. M. Modern teacher for the digital economy: expectations and possibilities / Supplement to the journal "Secondary vocational education". 2023. No. 1. P. 39–47.

7. Chetin A. M. Analysis of recommendations for the implementation of the policy of banning and phasing out fossil fuel heating systems / *Advances in Science and Technology. Collection of articles from the LVI international scientific and practical conference.* Moscow, 2023. P. 250–252.

8. Chetin A.M. Possibilities of Using ESG Tools in Managing Higher Education Organizations / *Bulletin of Eurasian Science.* – 2024. – Vol. 16. – No. 1. – URL: <https://esj.today/PDF/06ECVN124.pdf>

Conferences:

1. International scientific and practical conference "Professional competencies of a teacher in the context of digital transformation of education".

2. Interdisciplinary scientific conference of RANEPA "Promising research of young scientists in social and economic sciences".

3. International scientific and practical conference "Achievements in science and technology".

The main provisions of the dissertation were developed during the writing of research papers within the framework of the state assignment on the following topics: "6.5-2023-1. Approaches to the formation of a system for monitoring and assessing the effectiveness of national climate actions and the development of proposals for the Russian Federation", "4.8-2023-1. Development of proposals for

regulating the activities of ESG information providers in Russia based on the best international practices", in analytical notes on climate policy instruments in the interests of the Government of the Russian Federation, the Ministry of Economic Development of the Russian Federation, the Russian Environmental Operator, etc.

Also, as part of the assistance, practical classes were held for students in the bachelor's and master's degree programs of the Institute of Industry Management of the Russian Presidential Academy of National Economy and Public Administration on the topics of Sustainable Development and ESG transformation in education.

In addition, the results of the research of Chetin A.M. have been introduced into the educational process of the RANEPA under the President of the Russian Federation (Bachelor's and Master's degree programs in Leadership Management and Organizational Transformation, Business Management within the framework of the ESG discipline and sustainable development).

The main provisions of the dissertation are set out in sufficient detail in publications with a total volume of 5.2 pp.

The structure and volume of the dissertation. The structure of the work is determined by the purpose, objectives and logic of the study and consists of an introduction, three chapters, a conclusion, a list of abbreviations, a list of references, and an appendix. The dissertation is set out on 237 pages of text, including 14 pages of appendices, 26 tables, 23 figures. The list of references contains 151 titles.

The introduction substantiates the relevance of the research topic, analyzes the degree of its development, defines the goals and objectives, the object and subject of the study, presents the theoretical and methodological basis of the study, the information and empirical basis of the study, the theoretical and practical significance of the work, reflects the compliance of the dissertation with the passport of the scientific specialty.

The first chapter provides a theoretical basis for the essence and characteristics of the ESG concept in the modern economy. It defines environmental (anthropogenic impact and ways to overcome it, eco-tools for achieving carbon neutrality and environmental protection), social (gender inequality, social packages,

security, benefits, training) and management aspects of business. The concept of sustainable development is systematized, the concepts of modern Russian and foreign scientists are presented, and the author's understanding is derived. The specifics of sustainable development in educational organizations are reflected. The main prospects for ESG transformation are analyzed. The second chapter analyzes the use of ESG tools in the activities of various sectors of the economy in Russia and abroad. The regulatory framework governing sustainable development relations is presented. The reorientation of the ESG concept in Russia is clarified: from the environmental to the social component, from Western partners to Eastern ones and BRICS. Thus, the experience of friendly and unfriendly countries was studied: the latter to understand the need to develop sovereign instruments for ESG transformation and analyze weaknesses to take them into account in domestic projects. The impact of ESG on the banking and mining industries, which are pioneers in transformation in Russia, is considered. The main trends of ESG transformation that affect the activities of educational organizations are reflected. A general division of educational institutions in Russia is presented. In addition, the main trends in the field of building construction that affect sustainable development processes are reflected.

The third chapter contains a strategic analysis of the activities of RANEPa, on the basis of which scientific recommendations for the implementation of the ESG concept in the activities of an educational institution of higher education were developed and presented using the example of RANEPa, as well as a roadmap reflecting the step-by-step process of introducing ESG instruments into its activities.

In conclusion, the main results of the dissertation research are presented in accordance with the objectives and conclusions are given.