Identifying the Micro-Foundations of ESG Implementation in relation to psychological safety and employee voice

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Abstract

Organizational silence constitutes a persistent and underquantified risk within contemporary governance systems. While prior scholarship has examined employee voice, psychological safety, and ethical climate extensively, diagnostic tools capable of detecting the structural and psychological forces that suppress reporting before crises materialize remain limited. This paper introduces S-GRIP a higher-order conceptual framework encompassing ten interrelated dimensions: Structural, Psychological, Relational, Ethical, Reporting, Suppression, Risk Appraisal, Signalling, Conflict, and Threshold designed to identify the parameters of organizational silence and their relationship to institutional fragility. Adopting a theory-building methodology grounded in qualitative synthesis and grounded theory logic, the study integrates scholarship across organizational behavior, risk governance, ethical decision-making, and Environmental, Social, and Governance (ESG) reporting. The paper argues that sustained organizational silence directly inhibits transparent ESG disclosure, functioning as a micro-foundational barrier to authentic sustainability governance. By repositioning silence as a measurable precursor to institutional fragility and ESG reporting deficit, S-GRIP provides management scholars and practitioners with a proactive diagnostic architecture for governance integration.

Keywords: *Organizational Silence, S-GRIP Framework, Psychological Safety, ESG Reporting, Employee Voice, Institutional Fragility, Risk Governance, Reporting Inhibition*

1. Introduction

Within contemporary organizational governance, silence operates as an invisible yet corrosive force. Long before crises become publicly visible financial misreporting, regulatory violations, reputational collapses they are characteristically preceded by sustained periods of suppressed communication: hesitations in reporting meetings, withheld concerns, and unescalated ethical discomfort. Morrison and Milliken (2000) identified silence as a systemic barrier rooted in managerial fear of negative feedback, while Pinder and Harlos (2001) demonstrated that silence reflects motivationally distinct states of resignation and strategic self-protection.

The intersection of silence dynamics with Environmental, Social, and Governance (ESG) imperatives is especially consequential. As institutional ESG mandates intensify globally driven by regulatory frameworks including the EU Corporate Sustainability Reporting Directive (CSRD), investor pressure, and reputational risk, organizations must demonstrate authentic transparency and accountability. Yet ESG reporting remains deeply vulnerable to the same silence dynamics that suppress organizational voice. When employees perceive psychological risk in escalating ESG-relevant concerns environmental non-compliance, labor violations, governance irregularities they opt for strategic silence. The result is ESG data that reflects organizational aspiration rather than operational reality. This represents what may be termed the micro-foundational problem of ESG implementation: macro-level governance frameworks cannot compensate for micro-level dynamics that suppress authentic reporting (Eccles & Serafeim, 2013).

This paper develops the S-GRIP framework a multidimensional diagnostic construct comprising ten interrelated dimensions to identify organizational silence parameters and their relationship to institutional fragility and ESG reporting risk. The study forms part of a broader post-doctoral research program examining the micro-foundations of ESG implementation, with particular focus on how psychological safety and employee voice shape the quality of sustainability governance. Three contributions are offered: reframing silence as a measurable risk construct; bridging organizational behavior and risk governance; and establishing a diagnostic architecture for embedding silence detection within ESG governance processes.

2. Related work

2.1 Organizational Silence: From Typology to Predictive Construct

Organizational silence has evolved from passive non-participation to a recognized behavioral construct with significant systemic implications. Van Dyne, Ang, and Botero (2003) differentiated silence into acquiescent, defensive, and prosocial forms, establishing its motivational heterogeneity. However, these typologies position silence as a behavioral outcome rather than a dynamic risk state a condition reflecting accumulated structural and psychological pressures assessable before crisis manifestation. Brinsfield (2013) demonstrated that silence motives are multidimensional, encompassing fear of retaliation, futility beliefs, and relational protection concerns. What remains underdeveloped is a unified diagnostic instrument capable of detecting these pressures proactively.

2.2 Psychological Safety and the Limits of Voice Research

Edmondson's (1999) foundational work established that teams characterized by interpersonal trust demonstrate superior learning and performance. Subsequent research confirmed psychological safety's positive association with voice behavior and ethical disclosure (Edmondson & Lei, 2014; Liang, Farh, & Farh, 2012). However, psychological safety scales assess perceived environmental support rather than perceived reporting danger. An organization may score moderately on psychological safety while harboring acute reporting inhibition particularly in hierarchical or politically sensitive contexts. Detert and Burris (2007) demonstrated that managerial openness to voice is often more apparent than real, with implicit signals discouraging upward communication regardless of formal policy. This gap is especially significant for ESG: authentic sustainability governance depends not only on whether formal reporting channels exist, but on whether exercising them is perceived as professionally safe.

2.3 Risk Perception, ESG Reporting, and the Silence-Governance Nexus

Silence reflects a risk appraisal process. Drawing on prospect theory (Kahneman & Tversky, 1979) and organizational risk perception frameworks (Sitkin & Pablo, 1992), employees who withhold concerns engage in cognitive-affective evaluation of anticipated consequences, including retaliation, career stagnation, and social exclusion. Treviño (1986) and Rest (1986) illuminate the internal moral conflict experienced when organizational pressures conflict with personal values conflict that S-GRIP's ethical and conflict dimensions explicitly capture. In the ESG context, Eccles and Serafeim (2013) argue that disclosure quality is contingent on authentic internal information flows. When silence dynamics suppress the escalation of ESG-relevant concerns, reporting becomes performative rather than substantive. The micro-foundational problem is therefore not the absence of ESG policy, but the absence of the internal communicative conditions necessary for policy to function as intended.

3. Key Contribution : The S-GRIP Framework: Architecture and Dimensions

3.1 Conceptualization: Silence as Institutional Grip

The S-GRIP framework is grounded in a central metaphor: silence is not the absence of voice but the presence of constraint a grip that restricts disclosure even when employees are aware of issues warranting escalation. This grip operates through ten interrelated dimensions organized under a higher-order latent construct. The framework reconceptualizes silence as a generative risk state shaped by identifiable structural, psychological, relational, ethical, and communicative forces. The outcome of sustained S-GRIP conditions is institutional fragility: a state of vulnerability in which the organization becomes progressively unable to withstand internal or external stressors. The framework was developed through iterative processes of open conceptual coding, axial thematic clustering, selective dimensional abstraction, and integrative model development (Gioia, Corley, & Hamilton, 2013), governed by criteria of theoretical coherence, distinctiveness, diagnostic utility, and scalability (Churchill, 1979; DeVellis, 2016).

3.2 The Ten S-GRIP Dimensions

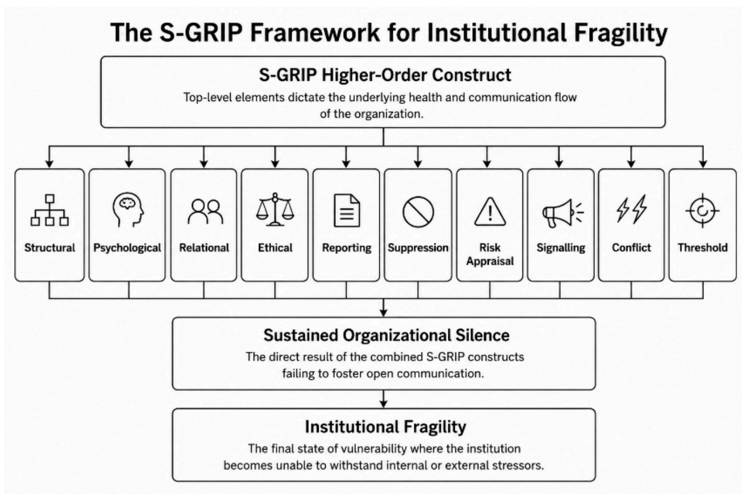

Figure 1: The S-GRIP Paradigm – Silence Generation and Reporting Inhibition Model

Structural dimensions address formal organizational arrangements or hierarchical configurations, authority gradients, decision-making opacity that inhibit escalation of concerns (Morrison & Milliken, 2000; Schein, 2010). In ESG contexts, structural barriers frequently prevent sustainability concerns from reaching decision-makers. Psychological dimensions capture internal risk appraisal processes through which employees evaluate the personal cost of speaking, encompassing fear of retaliation, perceived futility, and career vulnerability. S-GRIP extends Edmondson's (1999) psychological safety construct to encompass perceived reporting danger rather than merely perceived interpersonal safety. Relational dimensions address interpersonal dynamics influencing reporting: trust between employees and supervisors, peer norms regarding dissent, and observed consequences for colleagues who raised concerns. Employees calibrate reporting behavior through mimetic social learning (Bandura, 1999).

Ethical dimensions capture internal moral conflict arising when personal values misalign with organizational expectations, drawing on ethical decision-making frameworks (Treviño, 1986; Rest, 1986). Silence functions as a coping mechanism for moral distress, temporarily preserving psychological equilibrium at the cost of organizational transparency. Reporting dimensions address the design, accessibility, and perceived credibility of formal reporting mechanisms. S-GRIP examines whether anonymity protections are credible and whether reporting pathways are practically navigable at all organizational levels. Suppression dimensions capture active organizational processes overt or covert that discourage disclosure, including cultural norms of compliance and informal sanctioning of those who challenge organizational narratives. Risk Appraisal dimensions address how employees estimate the probability and magnitude of negative consequences from reporting, aligned with risk perception theory (Sitkin & Pablo, 1992; Weber, Blais, & Betz, 2002). Signalling dimensions encompass cultural and behavioral cues from leadership and peer networks regarding the acceptability of dissent, dismissive reactions, exclusion of critical voices, preferential promotion of compliant employees (Weick, 1995; Schein, 2010). Conflict dimensions address internal tension between prosocial motivations and self-protective ones, integrating moral disengagement theory (Bandura, 1999). Threshold dimensions represent the cumulative activation level at which silence transitions into voice the reporting threshold modeled through prospect theory's loss aversion logic (Kahneman & Tversky, 1979). Threshold elevation is the proximate mechanism through which the other nine dimensions aggregate into sustained organizational silence and, ultimately, institutional fragility.

3.3 Theoretical Propositions

To strengthen empirical testability, the S-GRIP framework advances six formal propositions:

P1: Higher structural suppression is positively associated with elevated psychological risk appraisal.

P2: Psychological risk appraisal mediates the relationship between structural suppression and reporting threshold elevation.

P3: Relational and cultural signalling positively moderates the relationship between risk appraisal and internal ethical conflict.

P4: Internal ethical conflict is positively associated with reporting threshold elevation, particularly when retaliation risk is high.

P5: Reporting threshold elevation is positively associated with sustained organizational silence and institutional fragility.

P6: The combined structural, psychological, relational, ethical, and communicative inhibitors constitute a higher-order construct predictive of ESG reporting deficit and institutional fragility.

4. S-GRIP and ESG: Silence as a Sustainability Governance Failure

ESG frameworks are fundamentally dependent on authentic information flows: accurate environmental data, honest social impact assessments, and transparent governance disclosures. When internal silence dynamics suppress the escalation of ESG-relevant concerns, the informational foundations of reporting are compromised. This problem reflects a structural vulnerability in how ESG reporting is currently conceptualized: as a documentation exercise rather than a diagnostic governance process. High S-GRIP scores reflecting elevated structural suppression, psychological risk appraisal, relational deterrence, and reporting threshold elevation should be theorized as predictors of ESG reporting quality degradation.

Employee voice is central to authentic ESG implementation. When employees feel psychologically safe to raise ESG-related concerns, organizations gain ground-level intelligence that formal reporting systems routinely fail to capture. Liang et al. (2012) demonstrated that promotive voice proactive communication aimed at improving organizational functioning is particularly sensitive to perceived safety and relational trust, both central to the S-GRIP diagnostic architecture. Conversely, when silence dynamics are elevated, organizations become structurally blind to ESG risks visible at the operational level but suppressed before reaching governance structures. This is the core micro-foundational failure: not the absence of ESG policy, but the absence of internal communicative conditions necessary for ESG policy to function.

The S-GRIP framework offers a structured pathway for embedding silence diagnostics within ESG governance processes. Organizations may incorporate S-GRIP assessments into annual risk audits, cultural health reviews, and governance effectiveness evaluations. This aligns with emerging regulatory expectations: the EU CSRD and related frameworks increasingly demand that organizations demonstrate not only the content of ESG disclosures but the robustness of the internal processes generating that content. S-GRIP provides a theoretically grounded instrument for assessing whether organizational culture and structure support or suppress the authentic flow of ESG-relevant information.

5. Method, Experiments and Results

This study adopts a theory-building conceptual research design consistent with established norms for framework development in management scholarship (Corley & Gioia, 2011). The S-GRIP framework was constructed through systematic application of grounded theory logic to literature synthesis: open conceptual coding of theoretical streams; axial thematic clustering based on relational overlap; selective dimensional abstraction; and integrative model development. Narrative sensitivity was incorporated by engaging with documented organizational cases, prior qualitative studies, and governance failure patterns, ensuring the framework captures silence as experienced in recognizable organizational realities. As a conceptual study, no statistical validation or empirical generalizability is claimed; the paper establishes the theoretical architecture for subsequent psychometric development, cross-cultural validation (Hofstede, 1980), and longitudinal empirical testing (Podsakoff et al., 2003).

6. Discussion

The S-GRIP framework makes three primary theoretical contributions. First, it reframes organizational silence as a measurable risk construct rather than a behavioral absence, enabling proactive diagnostic intervention before governance failures materialize. Second, it integrates fragmented theoretical streams organizational behavior, risk perception, ethical decision-making, and ESG governance into a coherent higher-order construct. Third, it establishes a conceptual bridge between micro-level organizational dynamics and macro-level ESG reporting quality, addressing a pronounced gap in sustainability governance scholarship.

For managerial practice, organizations can deploy S-GRIP diagnostics to identify departments, hierarchical layers, or cultural contexts where silence generation is elevated, enabling targeted intervention. Leadership development should incorporate training in constructive response to dissent and explicit reinforcement of reporting legitimacy interventions directly targeting the relational and signalling dimensions of S-GRIP. For ESG governance specifically, boards and compliance committees should integrate S-GRIP-derived indicators into oversight frameworks, recognizing that compliance audits and engagement surveys are insufficient substitutes for systematic assessment of reporting inhibition. Limitations include the absence of psychometric validation, potential cultural sensitivity across power-distance contexts, and susceptibility to social desirability bias in future self-report applications (Podsakoff et al., 2003).

7. Conclusions

Key conclusions are as follows. The problem of organizational silence as a governance risk remains under-diagnosed: existing measures assess expressed voice or environmental support but not the structural and psychological forces suppressing disclosure. A theory-building conceptual methodology, applying grounded theory logic to systematic literature synthesis, was used to identify ten dimensions constituting a higher-order diagnostic construct. S-GRIP identifies the micro-foundational conditions that compromise ESG reporting authenticity and institutional resilience, with six formal propositions providing a testable empirical agenda. Limitations include the absence of psychometric validation and untested cross-cultural applicability; future work should pursue exploratory and confirmatory factor analyses, multi-source longitudinal designs, and sector-specific adaptation. In contemporary organizations where transparency and accountability face intensifying scrutiny, understanding the forces that generate silence is not peripheral, it is foundational to institutional resilience and authentic ESG governance.

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