

productivity coefficients. A coefficient equal to 1 characterised maximum productivity. Other fractions denoted lower productivity. The system ensured that the worker could only receive products within the limits of the wages due, recorded in his personal account. Therefore, there was a need to record every measure of oil or wine that the worker received, as well as every withdrawal from the warehouse.

Consequently, it can be argued that a double-record-based system of labour registration and corresponding wages has been the basis of economic life since the dawn of civilisation. Archaeological excavations have lifted the veil on the organisation of labour in ancient city-states, where double entry and the measure of the labour unit as a unit of value were widely used in everyday activities. This guaranteed the stability of economic relations and the steady development of socio-economic life.

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EXECUTIVE OVERCONFIDENCE AS A DRIVER OF ESG PERFORMANCE: NEW INSIGHTS FROM CORPORATE BEHAVIOR

Environmental, social, and governance (ESG) priorities have become a key focus for modern corporations. While ESG initiatives are often viewed through the lens of strategic planning and regulatory compliance, emerging research suggests that individual traits of top executives may also play a significant role in shaping ESG outcomes. One such trait is executive overconfidence.

This paper explores how overconfidence in decision-makers affects a company's ESG performance. Overconfident executives tend to overestimate their capabilities and the success of their initiatives. This mindset can lead to increased investments in ESG-related projects, as such leaders may believe these efforts will deliver strong future returns and enhance their public reputation.

On the one hand, overconfidence can stimulate bold action. Executives with high risk tolerance are more likely to initiate and maintain long-term ESG programs, even when immediate financial benefits are uncertain. Their desire for recognition may also push them to improve a company's ESG profile to gain positive media attention or stakeholder praise.

On the other hand, overconfidence may lead to unintended risks. Leaders who underestimate the consequences of unethical behavior may expose the company to ESG-related failures. Moreover, they may neglect ESG strategies, believing their firm's success can be achieved without them.

Despite these mixed possibilities, data suggest that in many cases, overconfidence aligns with stronger ESG performance. This is especially evident in firms with weaker financial transparency, less institutional investor oversight, higher liquidity, or substantial government support. In such contexts, overconfident executives appear more willing and able to pursue ESG goals.

To explore this connection, we analyzed ESG performance data from publicly listed companies in China and compared it with executive behavior indicators. The results showed a consistent pattern: firms led by overconfident executives tended to score higher on ESG metrics. This relationship was strongest in companies with weaker governance structures and more discretionary financial resources. These findings suggest that, under certain conditions, executive overconfidence may act as a catalyst for sustainable action rather than an obstacle. These findings highlight a need to rethink how behavioral traits influence sustainable business practices. Rather than viewing overconfidence solely as a risk, it may be leveraged as a driver for positive environmental and social outcomes - if channeled strategically.

Based on these findings, companies should consider executive psychology as a factor in their ESG strategies. Boards may benefit from recognizing overconfidence not only as a risk but also as a potential asset when aligned with clear sustainability goals and proper oversight. Recruitment and training processes could be adjusted to balance bold leadership with accountability. Policymakers might also encourage ESG investment by creating frameworks that support confident decision-making while minimizing opportunities for misconduct.

In conclusion, executive overconfidence can play a constructive role in advancing ESG performance. When supported by the right conditions, it drives bold decisions and long-term commitments. Rather than avoiding overconfident leaders, firms should focus on guiding their energy toward sustainable goals. This approach may unlock new value in corporate governance and strategy.

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