Sustainability as Strategy: Investigating How Corporations Balance Profit and Responsibility in Practice

MSc International Business

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Declaration

I hereby declare that this thesis, ″Sustainability as Strategy: Investigating How Corporations Balance Profit and Responsibility in Practice″, is the result of my own independent research work. All sources of information, data, and ideas have been duly acknowledged and cited in accordance with academic conventions. I confirm that this thesis has not been submitted, in whole or in part, for the award of any other degree or qualification at NCI or any other institution. I take full responsibility for the content presented herein and affirm that the research has been conducted ethically and in compliance with the academic and research integrity guidelines of NCI **.**

ABSRACT

Amid increasing social expectations, hardening ESG regulations and changing investors' priorities, corporate sustainability has become a strategic imperative instead of peripheral concern. This research explores how companies virtually integrate sustainability in strategic decision making, investigating whether initiatives are predominantly driven for profit reasons, ethical commitments or a hybrid of both. Based on the theory of interested parties, resource - based vision and institutional theory, this study critically examines the motivations, compensation and results experienced by business leaders who integrate sustainability in central commercial functions.

Using a mixed method approach, the study combines qualitative ideas of semi -structured interviews with ESG and medium to senior strategy executives (n = 10) and quantitative data of a survey of more than 100 commercial professionals in all industries. In addition, in -depth case studies of sustainability -led companies provide comparative information on how different governance structures and market pressures shape sustainability integration. Based on ESG reference points (for example, MSCI, Refinitiv) and corporate dissemination, the study validates self -informed statements with measurable performance indicators.

The results reveal a nuanced panorama where companies that adopt sustainability as a strategy often face tensions between short -term financial costs and long -term legitimacy, brand resistance and equity. While some companies implement sustainability substantially, which analyses it for innovation, the alignment of interested parties and competitive advantage, others resort to symbolic gestures under regulatory or reputational pressure. Research contributes a refined framework that distinguishes symbolic sustainability strategies from sustainability and

describes critical enablers, including executive leadership, ESG capabilities and the alignment of interested parties.

This thesis provides theoretical and practical contributions for academics and professionals by identifying conditions under which sustainability serves both a strategic asset and a moral imperative, marking a change towards capitalism aligned with purpose in the corporate landscape after 2020.

Table of Contents

ABSRACT 7

INTRODUCTION 12

1.1 Background and Research Context 12

1.2 Problem Statement 13

1.3 Aim and Objectives 13

1.4 Research Questions 14

1.5 Theoretical Framework 14

1.6 Significance of the Study 15

1.7 Structure of the Dissertation 16

LITRATURE REVIEW 16

2.1 Introduction to the Literature Review 16

2.2 Theoretical Foundations of Corporate Sustainability 17

2.2.1 Stakeholder Theory and Multi-Stakeholder Capitalism 17

2.2.2 Resource-Based View (RBV): Sustainability as Strategic Capability 18

2.2.3 Legitimacy Theory: Symbolism vs. Substantive ESG 19

2.2.4 Institutional Theory: Navigating Normative and Coercive Pressures 19

2.3 Motivations for Integrating Sustainability into Strategy 20

2.3.1 Instrumental vs. Normative Motivations 20

2.3.2 ESG as Risk Management and Competitive Differentiator 21

2.3.3 The Role of Leadership and Governance in ESG Motivation 22

2.3.4 Strategic Ambiguity and the Challenge of Motivation Clarity 23

2.4 The Role of Stakeholders in Shaping Corporate Sustainability 24

2.4.1 Investors and ESG-Mandated Capital Flows 24

2.4.2 Consumer Expectations and Conscious Markets 24

2.4.3 Employees and Internal Stakeholder Activism 25

2.4.4 NGOs and Civil Society as Accountability Agents 26

2.4.5 Institutional Variation in Stakeholder Influence 26

2.5 ESG Frameworks and Regulatory Developments 27

2.5.1 Global Reporting Initiative (GRI): Stakeholder-Focused Transparency 27

2.5.2 SASB and the Rise of Financial Materiality 28

2.5.3 Task Force on Climate-Related Financial Disclosures (TCFD) 29

2.5.4 The Corporate Sustainability Reporting Directive (CSRD) – European Union 29

2.5.5 U.S. SEC Disclosure Trends and Global Harmonization 30

2.5.6 Strategic Implications of ESG Regulatory Evolution 30

2.6 Measuring Outcomes: Financial, Operational, and Reputational Impacts 31

2.6.1 Financial Performance and Long-Term Value Creation 31

2.6.2 Operational Resilience and Efficiency 32

2.6.3 Brand Reputation and Stakeholder Trust 32

2.7 Symbolic vs. Substantive Sustainability Integration 33

2.7.1 The Strategic Risks of Symbolic ESG 34

2.7.2 Legitimacy Theory and Strategic Decoupling 35

2.7.3 Indicators of Substantive ESG Practices 35

2.8 Gaps in the Literature and Need for Further Research 36
2.8 Critical Synthesis of the Literature 37
METHODOLOGY 39
3.1 Introduction & Chapter Overview 39
3.2 Research Philosophy & Paradigm 40
3.2.1 Ontological Stance: Critical Realism 40
3.2.2 Epistemological Position: Pragmatism 41
3.2.3 Rationale for a Pragmatic–Critical Realist Blend 41
3.3 Overall Research Design 42
3.3.1 Descriptive–Correlational Logic 42
3.3.2 Justification for Quantitative Survey Design 42
3.3.3 Data Flow and Analysis Integration 43
3.3.4 Advantages and Limitations of the Design 44
3.4 Survey Instrument 44
3.4.1 Purpose & Research Questions Addressed 44
3.4.2 Development of the Instrument 45
3.4.3 Piloting 46
3.4.4 Response Format 46
3.4.5 Validity & Reliability 46
3.4.6 Final Instrument 47
3.4.7 Strengths of the Instrument 47
3.5 Sampling Strategy & Participant Profile 48
3.5.1 Sampling Logic 48
3.5.2 Recruitment Channels 49
3.5.3 Inclusion Criteria 49
3.5.4 Final Sample Size and Composition 50
3.5.5 Implications for Data Quality 51
3.6 Data Collection Procedures 51
3.6.1 Administration Method 51
3.6.2 Distribution Timeline 51
3.6.3 Participation Flow 52
3.6.4 Data Management & Cleaning 52
3.7 Data Analysis Plan 52
3.7.1 Analytical Approach Overview 53
3.7.2 Descriptive Statistics 53
3.7.3 Correlation Analysis 54
3.7.4 Regression Analysis 54
3.7.5 Reliability Testing 55
3.7.6 Data Visualisation 55
3.7.7 Alignment with Research Questions 55
3.8 Ethical Considerations 56
3.8.1 Institutional Approval 56
3.8.2 Informed Consent 56
3.8.3 Anonymity and Confidentiality 57
3.8.4 Data Security and Storage 57
3.8.5 Minimising Harm and Bias 57
3.9 Quality, Rigor, and Limitations 57
3.9.1 Ensuring Quality and Rigor 57
3.9.2 Limitations 58
3.9.3 Mitigation Strategies 58

3.10 Summary **59**

FINDINGS and ANALYSIS ***60***

4.1 Introduction **60**

4.2 Descriptive Statistics **61**

4.2.1 Participant Profile 61

4.2.2 Core Constructs 64

4.3 Inferential Analysis **66**

4.3.1 Correlation Analysis 66

4.3.2 Regression Analysis 68

4.4 Cross-tabulation Analysis **72**

DISCUSSIONS ***75***

5.1 Introduction **75**

5.2 Motivations Behind Corporate Sustainability Strategies **75**

5.3 Stakeholder Influence and Strategic ESG Adoption **76**

5.4 Measurable Results of Sustainability Strategies **76**

5.5 Trade-offs and Tensions **77**

5.6 Theoretical Implications **77**

5.7 Practical Implications **78**

5.8 Summary **78**

CONCLUSION ***79***

6.1 Introduction **79**

6.2 Revisiting the Research Aim and Objectives **79**

6.3 Addressing the Research Questions **81**

6.4 Theoretical Contributions **82**

6.5 Managerial Implications **82**

6.6 Policy Implications **83**

6.7 Limitations **83**

6.8 Future Research Directions **83**

6.9 Final Reflections **83**

REFRENCE LIST ***85***

INTRODUCTION

1.1 Background and Research Context

The global business panorama is experiencing a fundamental transformation. Sustainability is no longer considered as a marketing tool or reputational complement, it is increasingly a central determinant of long -term strategic success. The pressures of the interested parties, the climate crisis, the regulatory mandates such as the EU Corporate Sustainability Reports Directive (CSRD) and Mark of Investors, such as the Working Group on Financial Dissemination (TCFD) related to the climate, are converging to demand more than Token commitments. In this emerging environment, not only corporations are expected to deliver financial performance, but also contribute to social and environmental well -being.

Traditionally, strategic management models have emphasized the maximization of shareholders' value. However, contemporary commercial realities challenge this close vision. Global crises such as COVID-19, climate change and geopolitical instability have exposed the vulnerabilities of short-term profit optimization. The companies that integrated the environmental, social and governance principles (ESG) before these clashes tended to show greater resistance, a stronger confidence of interested parties and a better long -term performance (Eccles et al., 2019). Even so, there is a key question: **are sustainability initiatives driven by genuine strategic intention, or simply instrumental responses to the pressure of interested parties and risk avoidance ?**

Understanding how firms navigate the balance between profit and purpose, both academic and businessmen have moved ahead in debates. In practice, this includes trade-closure, stress and in some cases, financial returns and coordination between moral commitments. Nevertheless, empirical clarity is limited. Despite an explosion of ESG reporting, it is not clear that the firms

are conducting stability as a deep embedded strategy or only indicating external expectations (Kotsantonis & Serafeim, 2021).

1.2 Problem Statement

The central problem is disconnected between **the visibility of stability in the corporate discourse addressed and its actual integration in strategic decision making**. While stability rhetoric has become widespread, research shows a frequent difference between aspirational statements and actionable strategies (Chu, H. (2025).). In addition, limited empirical evidence exists on how the authorities interpret stability in real business options and weight - whether competitive discrimination, a legitimate system, or a tool for a moral obligation. This research wants to explain what the strategy of stability is: stake expectations, risk mitigation, brand value, internal moral arguments, or combination of these factors.

1.3 Aim and Objectives

Aim:

To investigate how the corporations balance profit and purpose by embedding sustainability into core strategic decision-making processes.

Objectives:

- Examine motivations behind corporate sustainability strategies, oriented to gains, ethical or hybrids.
- Evaluate how internal and external stakeholders influence decisions related to sustainability.
- Identify the measurable (financial, reputational, operational) results resulting from sustainability strategies.

- Explore compensation and tensions facing executives between sustainability objectives and short -term commercial imperatives.

1.4 Research Questions

Main Research Question:

- What are the real motivations and compensation experienced by corporate decision makers by integrating sustainability into the central commercial strategy?

Sub-questions:

- How do executives perceive the strategic value of sustainability: competitive advantage over ethical obligation?
- What measurable financial or reputational results produce sustainability initiatives?
- How do external stakeholders (investors, regulators, consumers) influence sustainability decisions?
- Are there clear cases in which sustainability has a short -term financial cost, but is justified through long -term profits or legitimacy?

1.5 Theoretical Framework

This study applies a dual theoretical lens to contextualize corporate sustainability integration:

1. **Stakeholder Theory (Freeman, 1984):**

   This theory provides information on how companies prioritize or balance the interests of interested parties in competition, especially under the expectations of ESG in a context after 2020. Captures the dynamic interaction between internal strategy and external demands, investors, consumers, NGOs and regulators.

2. **Resource-Based View (Barney, 1991):**

RBV frames sustainability as a strategic capacity, where companies that develop authentic sustainability competencies (for example, green innovation, responsible supply, ESG governance) can create an inimitable value and ensure a long -term advantage.

In addition, **the theory of legitimacy** is used to distinguish between symbolic and substantive sustainability practices, and **institutional theory** is used to understand how ESG emerging regulations and normative expectations shape organizational conformity or resistance.

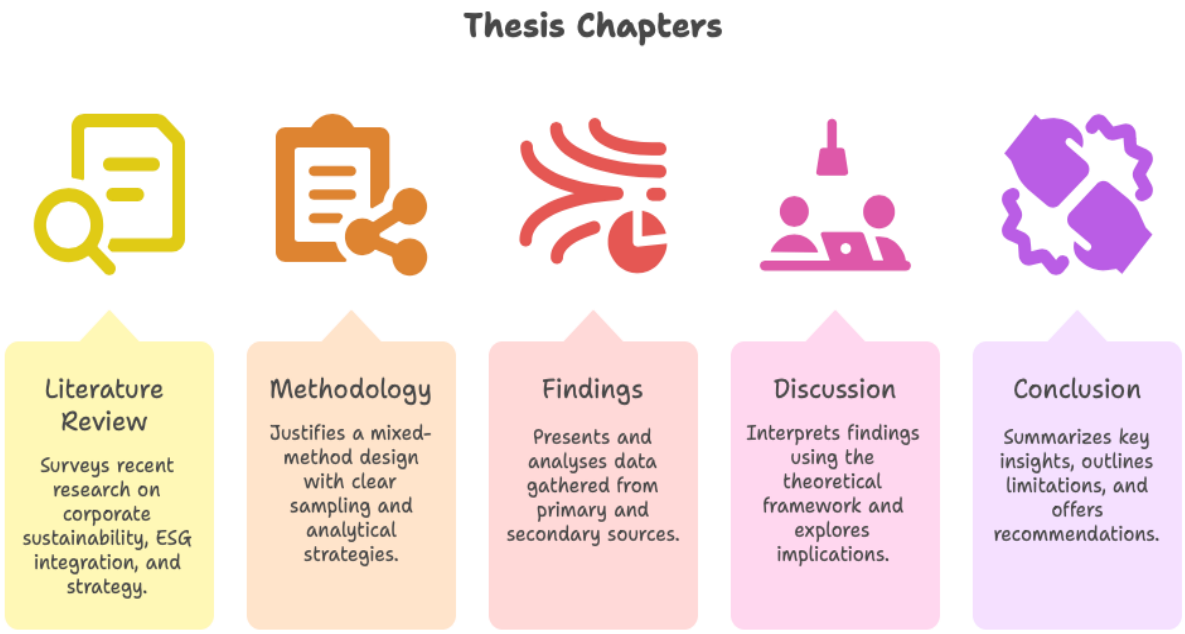
1.6 Significance of the Study

Academically, this research addresses a critical gap in going beyond the theoretical debate to empirically examine how sustainability is integrated, or marginalized, in strategic elections of the real world. It contributes to the literature on the ESG strategy, organizational behaviour and corporate governance, offering a refined framework to evaluate the integration of sustainability in different contexts of the industry.

Practically, the study offers valuable ideas for executives, sustainability officers, investors and policy formulators. By identifying key facilitators and barriers for substantive sustainability strategies, research provides guidance on how to align corporate governance, participation of interested parties and operating systems with long -term ESG objectives. In an era in which green washing is increasingly analysed, understanding authentic strategic integration becomes not only an ethical need, but a competitive advantage.

1.7 Structure of the Dissertation

The dissertation is structured as follows:



LITRATURE REVIEW

Sustainability as Strategy: Profit, Purpose, and Strategic Integration

2.1 Introduction to the Literature Review

During the last decade, and especially in the corporate panorama after 2020, sustainability has gone from a peripheral obligation of CSR with a central pillar of strategic management. Today's companies are no longer judged only by financial performance, but more and more for their environmental, social and governance impact (ESG). The concept of sustainability as a strategy reflects a deep reorientation of commercial priorities, where the search for long -term value and legitimacy often intersects with short -term profitability concerns. This review of literature

critically synthesizes academic work from 2020 to 2025 on how, why and what effects corporations integrate sustainability in the central decision -making processes.

The review is guided by four key pillars: (1) Theoretical basis that explain the behaviour of corporate sustainability, (2) Motivations, whether strategic or regulations, the integration of ESG, (3) the influence of interested parties, including investors, regulators and consumers, and (4) measurable results, including financial performance, resilience and brand equity. Literature is also reviewed through the lens of institutional and legitimacy theories, which illuminate the distinction between substantive sustainability and symbolic or reputational compliance.

A growing empirical research body highlights both the promise and the complexity of the strategy led by sustainability. While some companies integrate ESG as a competitive capacity, others fight with ecological washing, regulatory inconsistencies or compensation between ethics and profits. When mapping these tensions and patterns, this review provides the academic basis for empirical investigation on how corporate leaders balance profits with the purpose in a rapidly evolving institutional environment.

2.2 Theoretical Foundations of Corporate Sustainability

2.2.1 Stakeholder Theory and Multi-Stakeholder Capitalism

The theory of interested parties, originally proposed by Freeman (1984), has suffered a significant transformation in the context of the integration of ESG. In the regulatory and current reputation panorama, companies are increasingly required to consider the expectations of various groups of interested parties, from investors and consumers to employees and NGOs, as fundamental for the strategy. Stakeholder parties no longer act as passive receptors of corporate decisions, but actively form institutional pressures on sustainability, particularly through the

demand for transparent practices related to SDG and co-creation frames of stake holding parties.

The modern theory of interested parties has spread beyond the traditional "model of relaxation" to cover the dynamic legitimacy based on problems. This evolution reflects what Alonso et al. (2022) describe as the "new theory of interested parties", where companies align strategic options with the interests of the segments of the vocal interested parties trained on digital platforms and ESG rating systems (Alonso et al. (2022)). Interested parties in this model are not only affected by corporate behaviour, but act as co-governors of firm legitimacy and long-term viability.

2.2.2 Resource-Based View (RBV): Sustainability as Strategic Capability

The Resource -based vision (RBV) positions sustainability not only as a compliance mechanism but as a central source of competitive advantage. Companies that develop internal capacities, such as solid ESG report systems, sustainable innovation pipes or participation platforms of interested parties, can create valuable, rare and difficult resources to imply that improve long -term performance. Chipimo and Bwalya (2025) apply RBV to the integration of ESG in emerging markets, discovering that companies that take advantage of sustainability oriented assets exhibit greater profitability, innovation and market differentiation (Swidan, S., & Pecelj, S. (2025)).

In addition, the confluence of RBV with the theory of interested parties allows a hybrid vision: the capacity to respond to interested parties becomes a strategic asset when institutionalized in processes such as ethical audits of the supply chain, circular economy practices and initiatives for employee participation. Ibrahim et al. (2025) refine this even more through the introduction of vision based on natural resources (NRBV), suggesting that green accounting and eco -efficiency are not only risk mitigators but **strategic levers** for the creation of value in the markets aware of sustainability (Abdeljawad, I., & Farhood, H. (2025)).

2.2.3 Legitimacy Theory: Symbolism vs. Substantive ESG

The theory of legitimacy provides a critical lens to distinguish between symbolic and substantive sustainability. Companies often participate in symbolic actions, such as selective revelations or superficial commitments, to satisfy public scrutiny or investors without implementing ESG structural reforms. Gupta, S. (2025) highlights how companies that face technological turbulence or short-term performance issues resort to legitimacy search behaviour, using green innovation narratives or carbon promises to mask insufficient actions.

This phenomenon raises questions about **credibility** and **verifiability** of corporate sustainability efforts. Gupta, S. (2025) take into account that legitimacy depends on the context: companies in high regulation environments are encouraged to align the disseminations with a substantive action, while those of freely regulated environments often breach minimum compliance Gupta, S. (2025) . This duality reports the need for more strict IC guarantee frames and reinforces the critical role of third -party verification and integrated reporting systems.

2.2.4 Institutional Theory: Navigating Normative and Coercive Pressures

Institutional theory explains how companies respond to external, regulatory, coercive and mimetic pressures) to conform to the evolution of ESG expectations. Heterogeneity in institutional contexts (for example, the EU CSRD versus voluntary frames in Asia) results in varied strategic responses. Sharma, R. (2025) show that Chinese manufacturing companies adopt green innovation under the influence of local regulatory standards, international pressure on the supply chain and **institutionalized activism** of interested parties Sharma, R. (2025), 2024).

Balzano et al. (2024) also observe that small and medium enterprises (SME) are especially reactive to institutional forces, but their ability to implement ESG strategies formed by structural limitations: access to capital, ESG experience and cultural alignment (Dhingra, D.

(2025).). These ideas emphasize the role of institutional preparation and policy support to ensure that sustainability becomes more than a performative ritual.

Finally, the convergence of institutional frameworks, legitimacy and resources based on sustainability integration is a **multiple level** process. Companies act not only to satisfy regulatory obligations or competitive imperatives, but also to gain legitimacy in their field and develop integrated capabilities that improve adaptability.

2.2.5 Conclusion of Theoretical Framework Section

Together, these four theoretical frameworks provide a solid basis to understand how corporations are strategically involved with sustainability. The theory of interested parties captures the companies of external social contracts that must navigate. Resource -based view explains how ESG becomes an internal advantage source. The legitimacy theory warns against symbolic gestures and reveals the reputational bets of green washing. Institutional theory contextualizes these dynamics through regulatory, cultural and geographical environments. This multidimensional lens is essential to investigate how decision makers perceive and operationalize the balance between profits and purpose in practice.

2.3 Motivations for Integrating Sustainability into Strategy

2.3.1 Instrumental vs. Normative Motivations

The integration of sustainability in the corporate strategy is based on a complex interaction between instrumental logics (based on profits) and regulations (ethically motivated). Companies that adopt an instrumental justification generally pursue ESG initiatives to improve the brand image, reduce operational risk, attract sustainable financing or differentiate in the market. These motivations are aligned with the classics of strategic management, so sustainability is a means to maximize the value of shareholders. Shamil et al. (2022) show that companies in developing economies often adopt sustainability to improve access to the market

and the attractiveness of investors, particularly in response to the global reference points of ESG (Bakhita, R.M., Sikki, N., & Fauziah, F. (2025).

On the contrary, **normative justification frames** sustainability as a moral obligation: companies act not only by advantage but because they believe it is right. Qian, Tilt and Dissanayake (2020) argue that in the Indo-Pacific region, companies demonstrate this **normative position** by aligning sustainability efforts with indigenous values, social equity and well-being of the community, regardless of direct profitability results (Exner, A., Kneafsey, M., & Mayer, A. (2025).).

However, these motivations often overlap. Joseph et al. (2019) present evidence of what they call integrative logic, where business -oriented managers adopt ethical and economic justifications simultaneously, positioning sustainability as a moral and strategic priority (Sunil, J. (2025). This integrating approach is increasingly relevant as companies seek to meet the demands of interested parties while guaranteeing competitiveness in volatile markets.

2.3.2 ESG as Risk Management and Competitive Differentiator

Many companies see sustainability through a **risk management lens**, which responds to climate exposure, reputation threats and regulatory risks. The integration of ESG becomes an insurance mechanism against interruptions, such as environmental fines, activist litigation or supply chain failure. According to Bronn and Vidaver-Coen (2009), this instrumental use of sustainability is especially pronounced in multinational corporations exposed to institutional variability and public scrutiny (Bronn and Vidaver-Coen, 2009).

Simultaneously, ESG serves as a platform for **competitive differentiation**. Companies that successfully incorporate sustainability in central offers often benefit from the loyalty of the improved brand, access to capital aligned with ESG and a higher employee retention. Schaltegger and Burritt (2018) point out that an increasing number of investors are rewarding

the performance of ESG with favourable capital terms, thus reinforcing the financial logic of sustainability adoption (Schaltegger and Burritt, 2018).

For companies that operate in high -risk sectors, such as oil, mining or clothing, sustainability is not optional but essential to maintain a social license to operate. The presence of ESG risk management mechanisms, such as responsible supply programs or analysis of climatic scenarios, is becoming a standard practice, particularly for companies that quote on a stock market subject to the institutional supervision of investors.

2.3.3 The Role of Leadership and Governance in ESG Motivation

Beyond economic logic, **executive leadership** plays a fundamental role in the configuration of the sustainability motivations of a company. The presence of CEOs promoted by a purpose or sustainability literacy joints can drastically change the organizational position of symbolic compliance with genuine integration. Filatotchev and Nakajima (2014) find that companies with stronger governance frames and independent supervision tend to adopt sustainability both for legitimacy and efficiency gains (Filatotchev and Nakajima, 2014).

In addition, internal governance structures, such as sustainability committees, remuneration linked to ESG and cross functional decision making, remain as operational mechanisms that translate motivation into practice. Leadership vision, combined with integrated systems, allows companies to align the sustainability objectives with KPI, risk protocols and strategic planning cycles. This alignment is particularly important since ESG's performance becomes a key determinant of the company's assessment and investor confidence.

In addition, executive incentives increasingly reflect ESG metrics. Companies are linking a part of senior management compensation with carbon reduction objectives, diversity objectives or compliance with supply chain ethics, thus institutionalizing ESG at the leadership level. This

reflects a broader change towards the motivation composed of governance, where leadership plays a symbolic and noun role in ESG's performance.

2.3.4 Strategic Ambiguity and the Challenge of Motivation Clarity

Despite these advances, there is still a critical challenge: distinguish the motivation of authentic ESG of strategic ambiguity. Companies often adopt ambivalent or dual stories, to obtain their ethical commitments while simultaneously prioritizing short -term financial returns. Li et al. (2019) warns that, according to institutional pressures, companies can publicly commit to sustainability while not invading implementation, a form of **"motivational decoupling"** driven by **legitimacy** concerns (Li et al., 2019).

This ambiguity is aggravated by the flexibility of ESG metrics, which allows selective reports and allows companies to adapt disseminations without fundamental changes. As such, although motivations may seem regulations on the surface, deeper research often reveals instrumental conductors underneath. Therefore, the task for researchers and professionals is not only to **classify motivations**, but to **evaluate the consistency between the declared intention and real behaviour.**

2.3.5 Conclusion of Motivation Section

Literature affirms that corporate sustainability motivations are found in a spectrum, which extends from the foundations of gaining to moral imperatives, often combining both. Although instrumental motivations dominate in capital markets and high competition sectors, regulatory motivations are growing in companies led by socially conscious leaders and governed by strong ESG institutions. Understanding these motivations is essential to interpret the behaviour of the company and evaluate the credibility of ESG's claims, particularly in an era in which green washing and scrutiny of interested parties are in the maximums of all time.

2.4 The Role of Stakeholders in Shaping Corporate Sustainability

2.4.1 Investors and ESG-Mandated Capital Flows

Institutional investors are now fundamental to integrate sustainability in corporate governance. The increase in the mandatory investment of ESG, expected to exceed $ 50 trillion worldwide by 2025, has redefined how companies address strategic decision making. Investors such as Blackrock, Norges Bank and Callpers routinely detect companies in ESG's performance, demanding transparent dissemination and long -term resilience planning. This investor scrutiny transforms the sustainability of a reputation concern into a **financial imperative.**

Abreu and Cunha (2015) highlight that corporate meetings are increasingly prioritized by ESG's metrics to align with the expectations of investors, particularly in industries with high risk of reputation or regulatory exposure (Abreu and Cunha, 2015). Through the activism of shareholders, such as power resolutions, public letters and divestment threats, investors directly shape the Board agendas and strategic decisions. In this dynamic, sustainability becomes not only a response to regulation but also a previous condition for access and capital assessment.

2.4.2 Consumer Expectations and Conscious Markets

Consumers now function as Morales Guardians in sustainability discourse. A growing segment of conscious consumers rewards brands that demonstrate environmental administration, fair labour practices and social responsibility. This change is particularly prominent in sectors such as fashion, food and personal care, where consumers have visibility in supply chains and a wide option.

Almaqtari, F.A., Raweh, N.A. & Hamed, S.M. (2025) points out that NGOs and consumer alliances play a double role: representing collective consumer values and pressing companies to meet evolutionary ethical standards (Almaqtari, F.A., Raweh, N.A. & Hamed, S.M. (2025)). Companies that are authentically involved with sustainability initiatives tend to enjoy greater consumer loyalty and price premiums, while those participating in green washing face a reputation reaction.

In addition, the increase in digital transparency, through online reviews, social media campaigns and mobile sustainability scores, has trained consumers to act as guard dogs. This has intensified the pressure on companies to align real practices with ESG commitments and communicate proactively through marketing and sustainability certifications (for example, B corp, fair trade, Rainforest Alliance).

2.4.3 Employees and Internal Stakeholder Activism

Employees are increasingly seen as internal sustainability catalysts. In the services and knowledge -based industries, attraction and talent retention are closely linked to the ESG credentials of a company. Companies with strong environmental values, diversity initiatives and ethical supply chains are more likely to attract millennial and GEN Z professionals, whose values are aligned with sustainability.

Guay, Doh and Sinclair (2004) demonstrate that internal stakeholders, including medium employees and managers, actively give corporate social responsibility to influence operational decisions, report standards and internal culture (Guay et al., 2004). Sustainability champions within companies often act as translators, which prevents the functions of budget, acquisition and innovation.

In addition, employee -led initiatives (for example, green office policies, ethical suppliers, internal climate tips) illustrate how sustainability is co -produced at all levels of the

organization. In these cases, the strategy is not from top to bottom, but emerging, driven by the professional identity and the ethical orientation of employees.

2.4.4 NGOs and Civil Society as Accountability Agents

Non -governmental organizations (NGOs) have long been critical actors in the configuration of corporate sustainability standards. Acting as vigilantes and partners, NGOs influence companies through campaigns, exhibition, scoring tables and collaborations of multiple interested parties. Its influence is particularly pronounced in sectors with long or opaque supply chains, such as electronics, textiles, agriculture and extracts.

Almaqtari, F.A., Raweh, N.A. & Hamed, S.M. (2025) explains that NGOs operate in a logic of institutional legitimacy, leading companies to go beyond minimum compliance to ensure reputational legitimacy and moral license to operate (ALMAQTARI, F.A., RAWEH, N.A. & HAMED, S.M. (2025)). In doing so, they also amplify the voice of interested parties that can lack formal power, such as indigenous communities, working women or climatic populations. Doh and Guay (2006) explore even more how the influence of NGOs is mediated by the institutional context. In the US, for example, adverse tactics such as litigation and exposure to media dominate, while in Europe, collaboration models such as certification schemes or public-private associations are more common (Doh and Guay, 2006).

2.4.5 Institutional Variation in Stakeholder Influence

The prominence of interested parties is not uniform: it varies according to geography, regulatory structure and industry. In countries with a strong regulation of ESG (for example, EU), investors and NGOs have greater influence, and the influence of interested parties is institutionalized through directives such as CSRD. On the contrary, in emerging markets, the

power of interested parties is often more informal, based on cultural norms, social expectations or pressure of international supply chains.

Fransen (2012) shows that companies often adjust their strategy to participate in interested parties depending on the institutional context, opening of direct negotiation in some regions, while postponing to multiple initiatives (MSI) in others (Fransen, 2012). This highlights the adaptive nature of the strategy of interested parties and the need for companies to understand both the global expectations of ESG and the local dynamics of interested parties.

Sharma and Henriques (2005) reinforce this by examining the Canadian forest products industry, which shows how local NGOs and indigenous groups exert significant influence on sustainability practices, even in commercial sectors worldwide (Sharma and Henriques, 2005).

2.5 ESG Frameworks and Regulatory Developments

During the last decade, the evolution of the frames and dissemination regulations of ESG (environmental, social and government) has drastically restructured the corporate sustainability strategy. As voluntary guidelines make an increasingly transition to **mandatory compliance regimes**, companies are forced to align internal decision -making systems with external responsibility demands. This section analyses four main pillars of the regulation of **ESG: GRI, SASB, TCFD** and the **EU CSRD**, as well as trends in the United States, such as the proposals for the dissemination of climate risk of the **SEC**. These frames not only standardize reports but also influence government structures, performance evaluation and corporate strategic priorities.

2.5.1 Global Reporting Initiative (GRI): Stakeholder-Focused Transparency

The Global Information Initiative (GRI), one of the oldest and most widely adopted IG Marcos, is designed to support multiple interested parties. It emphasizes the materiality of the lens of external impact, prioritizing the information considered relevant to civil society, regulators and

affected communities. Its detailed and standardized format has helped corporations structure comprehensive sustainability reports in all sectors.

While GRI was initially voluntary, its use has become **quasi-mandate** in regions where regulatory agencies make reference or incorporate it into dissemination standards. For example, several European countries require or recommend the alignment of GRI and exchanges of values in the condition of Asia and the Pacific or ESG rates in their adoption. For companies, aligning with GRI promotes legitimacy and improves comparability, but can also challenge internal systems without preparation for granular social and environmental audit.

2.5.2 SASB and the Rise of Financial Materiality

Unlike the orientation of GRI interested parties, the **Sustainability Accounting Standards Board (SASB)** emphasizes investor -centred materiality. It offers specific industry standards that link ESG performance directly to financial results, such as the risk of supply chain, data safety and water use. This approach has gained particular traction among capital participants who seek to integrate ESG data into the valuation models.

The SASB framework is praised by clarity and relevance of the sector, which makes it easier for companies to connect the risks of ESG with business value. Its influence has grown especially after its merger in the foundation of securities reports and subsequent integration into the **International Sustainability Standards Boards (ISSB)** in 2022. Strategic implications include a stronger alignment of ESG's objectives with financial KPI, risk records and supervision at the board level, especially in companies that are directed to ESG investors or indices (E.g. MSCI leaders).

2.5.3 Task Force on Climate-Related Financial Disclosures (TCFD)

Perhaps the most influential **ESG** standard of the climate is the **TCFD**, launched by the Financial Stability Board and widely backed by the central banks and the G20 governments. The TCFD requires that companies reveal the **financial risk** related to the **climate** in four categories: governance, strategy, risk management and metric/objectives.

From a strategic point of view, TCFD disseminations encourage long -term thought. Companies must prove their business models in several climatic scenarios, reveal broadcasts throughout reach 1-3 and identify the transition or physical risks. As TCFD becomes mandatory in jurisdictions such as the United Kingdom, New Zealand and Japan, and integrated into broader frames such as CSRD, competitions are integrating climate resistance directly into investment planning, capital budget and governance structures.

2.5.4 The Corporate Sustainability Reporting Directive (CSRD) – European Union

The **EU Corporate Sustainability Reports Directive (CSRD)** represents a seismic change of ESG volunteer reports to the dissemination of **legally binding sustainability**. From 2024 for large companies, and gradually for SMEs and companies that are not from the EU that operate in the EU, CSRD expands the scope, depth and safety of ESG reports.

According to CSRD, companies must reveal **double materiality**: how sustainability problems affect the company and how the company impacts society and the environment. This requires the integration of **the GRI interested parties approach with SASB -style financial materiality**, together with climate risk revelations aligned with TCFD. In addition, disseminations should be labelled digitally for the fulfilment of the EU taxonomy and subject to **external audit guarantee**, a notable detour from the previous practices.

Strategically, CSRD forces companies to integrate sustainability more deeply into business systems, risk controls and data infrastructure. The training of the Board, the remuneration linked to ESG and the **sustainability control functions** are emerging as compliance needs and strategic facilitators.

2.5.5 U.S. SEC Disclosure Trends and Global Harmonization

In the United States, the **Securities and Exchange Commission (SEC)** has proposed rules for the dissemination of mandatory climate risk, modelled in the TCFD. This would require companies to report issues of **scope 1 and 2**, and in some cases, scope 3, if the material or part of the established objectives. Governance, risk management and climate scenario analysis are also included.

This change indicates a growing convergence between the ESE standards of the USA and global, although **political resistance and litigation** can delay the application. However, future vision companies are preparing for harmonization by aligning disseminations with ISSB and TCFD principles to satisfy international investors and regulators.

2.5.6 Strategic Implications of ESG Regulatory Evolution

In all frames, a clear trend arises: ESG is becoming **strategic infrastructure**, not in peripheral reports. Companies must develop **cross functional ESG data systems**, integrate ESG into the **Risk Committees** of the Board and integrate sustainability into **strategic planning, due diligence of mergers and acquisitions and innovation management.**

In addition, the change to the mandatory reports of ESG requires **internal audit functions**, credible guarantee suppliers and capacity construction in finance, legal and operations equipment. While compliance loads can increase, so do opportunities: companies that integrate

ESG strategically can access sustainable finances, attract superior talent and improve long - term resistance.

2.6 Measuring Outcomes: Financial, Operational, and Reputational Impacts

The tangible results of the corporate sustainability strategy are increasingly a focal point of academic research and business analysis. While the rhetorical commitment to ESG has grown, companies must demonstrate whether sustainability translates into **financial yields**, **operational improvements** and **reputation gains.** This section synthesizes recent empirical literature in three dimensions: performance, efficiency and brand equity.

2.6.1 Financial Performance and Long-Term Value Creation

A central question in the sustainability strategy is whether ESG's investment improves or undermines financial performance. Most recent studies report positive correlation between sustainability initiatives and financial indicators, such as the return of assets (ROA), capital performance (ROE) and the stability of the price of shares.

Srivastava, A., Krishan, A. & Yadav, S.K. (2025) in a study by Malaysia companies, found that environmental sustainability programs, particularly energy efficiency and waste reduction, positively influenced the ROA and reduce volatility in quarterly gains. Its findings suggest that sustainability, when it is operationally integrated, improves financial resilience Srivastava, A., Krishan, A. & Yadav, S.K. (2025)

Similarly, Srivastava, A., Krishan, A. & Yadav, S.K. (2025).. (2025) show that the strategic CSR, particularly when it is effectively governed at the Board level, improves both the profit margins and the confidence of investors in the manufacturing and financial sectors. In particular, the sectorial context is important: companies in environmentally sensitive industries (for example, energy, mining) face greater financial consequences for the negligence of ESG

than those of the domains of less risk (Srivastava, A., Krishan, A. & Yadav, S.K. (2025).., 2025).

2.6.2 Operational Resilience and Efficiency

Beyond the profits, the companies promoted by ESG exceed the peers in **the stability of the supply chain, the efficiency of the resources and the adaptation of crisis.** Almaqtari, F.A., Raweh, N.A. & Hamed, S.M. (2025) demonstrates that the digitalization of ESG in commercial banks not only improves compliance and reports, but also leads to measurable increases in operational efficiency, including faster transaction times, a risk of reduced fraud and more thin audit processes (Almaqtari, F.A., Raweh, N.A. & Hamed, S.M. (2025).

Azizah and Haron (2025) emphasize that the investment of ESG Post-Pandemics led to a decrease in operational risks and better cost structure management. Companies that had integrated environmental metrics before 2020 recovered faster from supply chain interruptions, which **show adaptive capacity as a sustainability dividend** (Ermawati, Y., & Harymawan, I. (2025)).

Such results are also evident in multinational cases studies. Walmart, for example, reported an improved warehouse efficiency and a reduction in contraction after integrating sustainability metrics into logistics and acquisition, according to Selvi et al. (2025). These profits illustrate how operational excellence and sustainability are not mutually exclusive, but increasingly interdependent.

2.6.3 Brand Reputation and Stakeholder Trust

The reputational dimension of sustainability is equally powerful. Credential companies of robust ESG benefit from **improved brand loyalty, favourable media coverage and lower**

reputation risk exposure. In consumer -oriented industries, sustainability is now a source of intangible equity and competitive advantage.

Almaqtari, F.A., Raweh, N.A. & Hamed, S.M. (2025) et al. (2025) illustrate that in the banking sector of Pakistan, the brand aligned with ESG positively influences customer retention, confidence and perceived quality of the product. Green brands are increasingly associated with transparency, equity and innovation, attributes that strengthen market share and participation of stakeholders over time (Almaqtari, F.A., Raweh, N.A. & Hamed, S.M. (2025) et al., 2025). Gupta, S. (2025). They also highlight that companies with credible green communication enjoy a reputation shock absorber during crises, whether economic recessions or activist scrutiny. This "ESG Halo" effect translates into greater tolerance between interested parties and faster recovery after the crisis (Gupta, S. (2025).

However, benefits depend on authenticity. Green washing, that is, the gap between claims and ESG's action, can be counterproductive, erode trust and expose companies to legal, financial and reputation damage. Therefore, transparency, third party verification and integration into the governance of the brand are essential to perform the reputational ancestry of sustainability.

Conclusion of Outcome Measurement

Evidence of 2020–2025 confirms that the **sustainability strategy produces multifaceted yields**. Companies that treat ESG as a strategic capacity, instead of a compliance load, have a higher performance than pairs not only in financial metrics but also in the operational resilience and strength of the brand. However, the results depend on the **depth of integration, the sector alignment and the credibility of the interested parties**. The next chapter will investigate whether companies really experience these benefits or if strategic ambiguity and symbolic fulfilment still dominate.

2.7 Symbolic vs. Substantive Sustainability Integration

A critical distinction in the literature on corporate sustainability is that between the substantive and symbolic integration of the **principles of ESG**. While many companies now participate in ESG reports and claim sustainability alignment, a growing body of scholarships warns about a growing decoupling between the declared commitments and real practices, a phenomenon known as **green washing**.

The substantive integration of ESG refers to genuine and integrated practices that influence the strategy, operations and governance of a company, typically backed by verifiable metrics, supervision of the Board and the participation of interested parties. Symbolic integration, on the contrary, implies selective disseminations, rhetorical positioning or compliance behaviours aimed mainly to ensure legitimacy without significant changes.

2.7.1 The Strategic Risks of Symbolic ESG

Cepêda and Monteiro (2025), in a systematic review of sustainability reports, highlight that many companies use symbolic signs of ESG, such as bright CSR reports or carbon neutrality promises, without following monitoring. These symbolic actions can meet **external legitimacy requirements,** especially when regulations are weak or reports are not insured externally (Ansari, M.S.A., Ahmed, A., & Karyamsetty, H. (2025)).

Bothello, Ioannou and Porumb (2023) examine decoupling within the business groups and show that subsidiaries often participate in symbolic reports to reflect the sustainability image of their parent company, without promulgating the corresponding operating changes. This leads to the reputational exposure and the erosion of trust, particularly under the growing scrutiny of interested parties (Razia, B., Awwad, B.S., & Ruzieh, A. (2025)).

2.7.2 Legitimacy Theory and Strategic Decoupling

Under the theory of legitimacy, the symbolic adoption of ESG is explained as an answer to institutional expectations. Companies can present compliance or negative sanctions or advertising while **strategically decoupling internal external claims**. Bernini and La Rosa (2024) argue that ESG's symbolic management arises from conflicting organizational pressures: performance objectives on one side and social expectations on the other (Parikh, K., & Sodha, S. (2025).).

Sharma, R. (2025) , analysing the decoupling of CSR in Chinese companies, identifies three modes of symbolic behaviour: green washing through rhetoric, the selective dissemination of favourable metrics and the commitment of shallow stakeholders. These patterns allow companies to look aligned with ES standards while avoiding structural transformation Sharma, R. (2025)

2.7.3 Indicators of Substantive ESG Practices

The substantive ESG strategy is indicated by several verifiable characteristics: alignment with international frameworks (for example, GRI, TCFD), third party guarantee, integration into C-suite and cross departmental ESG budget. Companies that participate substantially go beyond compliance, which promotes ESG in supply chains, R&D and capital allocation.

Wang, Zhao and Cheng (2025) suggest that strategic sustainability is increasingly encoding in government architecture through ESG committees at the board level, climate risk audits and compensation schemes linked to sustainability (Balami, S.A. (2025).). Such mechanisms reduce symbolic drift and reinforce responsibility.

Conclusion of Symbolic vs. Substantive Integration

Literature warns that the symbolic ESG practices not only to deceive interested parties but also raises long -term strategic risks, from regulatory sanctions to reputational collapse. In contrast, substantive sustainability encourages resilience, competitive advantage and legitimacy based

on practice. Evaluating this gap is essential to understand if companies are really balancing profits with the purpose, or simply simulate the responsibility of ESG.

2.8 Gaps in the Literature and Need for Further Research

While academic literature on corporate sustainability has expanded rapidly since 2020, **several critical gaps persist**, especially around the intersection of strategic decision making and the integration of ESG. First, most research focuses on ESG's performance at **macro level** (for example, **financial yields**, market reactions) or symbolic compliance (for example, green washing), but few studies offer **granular information on the decisions logic of corporate executives**. Understand how managers weigh the compensation between ethics and profits, particularly under the pressures of competence in competition, the seeds do not apply.

Secondly, there is a lack of **empirical research of mixed methods that triangulate interviews, surveys and case studies with real ESG results**. Much of the literature is based on self -informed dissemination data (for example, of sustainability reports or **ESG indices**) or adopts conceptual models without proving how they develop in daily strategic planning. As such, the organizational micro-foundations of sustainability, how the principles of ESG are internalized in all departments, how decisions are negotiated and how conflicts are handled.

Third, current studies often generalize the findings in all industries and geographies, overlooking the **specific drivers and limitations** of the context. For example, the prominence of stakeholders in strongly regulated industries (for example, energy, banking) differs significantly from that of consumer goods or technology. Similarly, the adoption of ESG in European companies under the CSRD regime diverges from what in less regulated regions, however, these nuances rarely unravel.

Finally, although many articles highlight the risk of symbolic integration of ESG, few propose **practical frameworks** to distinguish genuine sustainability efforts from real -time performative actions. This creates a research-practical gap that undermines confidence in ESG metrics and complicates the implementation of policies.

Addressing these gaps requires **rigorous and interdisciplinary investigation** that combines governance, strategy, behaviour theory and analysis of interested parties, precisely the objective of this thesis.

2.8 Critical Synthesis of the Literature

Reviewed literature reveals that, although corporate sustainability is increasingly positioned as a **strategic imperative**, there is a lack of consensus with respect to its main drivers and measurable impacts. Much of the previous literature emphasizes instrumental motivations, such as competitive advantage and risk mitigation, such as the predominant forces behind the adoption of sustainability (Porter and Kramer, 2011; Eccles et al., 2019). However, other academics in the foreground the normative commitments rooted in ethical responsibility and the behaviour of legitimacy (Bansal and Roth, 2000; Schaltegger et al., 2019). This bifurcation highlights a persistent conceptual tension: is sustainability a moral obligation or a strategic asset? The absence of empirical clarity about whether these reasons operate independently, synergistically or in competition underline the need for studies that measure their concurrence in real corporate environments.

Comparative studies also expose sectoral and **contextual variations** in the way in which sustainability is integrated into the strategy. Research in resource intensive sectors (for example, energy, manufacturing) often identifies the coercive pressures of interested parties and regulatory compliance as central promoters (Hahn et al., 2015; Sarkis and Zhu, 2022),

while the technology sectors oriented to services often frame sustainability through innovation and the positioning of the brand (Adams et al., 2016). However, these specific analyses of the sector rarely explore intersectoral comparability or explain the dynamics of the multiple sector, a particularly relevant gap in today's globalized supply chains where industries are interdependent.

Several studies affirm that the integration of ESG produces positive financial and reputational yields (Friede et al., 2015; Khan et al., 2016), but such conclusions are attenuated by mixed and sometimes contradictory findings (Margolis and Walsh, 2003; Kotsantonis and Serafeim, 2021). Methodological limitations, such as the dependence on self -informed data, varying the ESG measurement frames and short evaluation horizons, complicate cross -study comparisons. This inconsistency suggests that the sustainability-re-re-re-line relationships can be non-linear and contingent, influenced by mediators such as leadership style (Aguinis and Glavas, 2019), market maturity and cultural context.

Another notable gap in literature refers to the compensation and tensions faced by executives by balancing the sustainability objectives with short -term profit imperatives. While theoretical models such as the Triple Final Line (Elkington, 1997) recognize the coexistence of economic, environmental and social objectives, few empirical studies offer granular evidence on how **decision makers navigate these competitive demands under real world limitations**. Even less explicitly evaluate the effects of time delay for which sustainability investments incur initial costs but offer delayed yields, a reality that often determines whether the adoption of ESG persists beyond the initial commitments (Eccles and Klimenko, 2019).

Critically, much of literature treats the influence of interested parties as a static contribution, which minimizes its **evolutionary nature** in response to crisis, policy changes and market interruptions. Longitudinal evidence is scarce, and there is little exploration of how changes in

the prominence of stakeholders in time influence the reconfiguration of the ESG strategy. This gap supports the justification of **empirical designs**, such as the present study, which capture the contemporary interaction of the influence of the interested parties, the normative motivation and the integration of ESG, while linking them with the observable commercial results.

By synthesizing literature, it is evident that, although the **theoretical scaffolding to understand corporate sustainability is well developed, empirical evidence remains fragmented**. There is a pressing need for an integrated, intersectoral and multi variable analysis that quantifies the relative and combined effects of internal motivations, external pressures and formal adoption of ESG. Addressing these limitations is essential for this research, which uses an approach to mixed methods to prove how these drivers and results interact within a diverse organizational sample.

METHODOLOGY

3.1 Introduction & Chapter Overview

This chapter describes the research methodology used to investigate how corporate decision makers perceive and operationalize sustainability as part of their main strategy. It focuses exclusively on the **investigation of quantitative surveys**, based on **114** valid responses, and deliberately excludes qualitative methods such as interviews or case studies, which were not conducted in this study.

The central research question promoted by the investigation was:

"What are the motivations and measuring results experienced by business professionals when sustainability is integrated into corporate strategic decision making?"

The purpose of this chapter is to provide transparency in how they were collected, analysed and interpreted the data. It details research philosophy, design, survey development, sampling

logic, data collection procedures and ethical considerations. Special attention is paid to the justification of statistical techniques, including correlation and regression analysis conducted with **Microsoft Excel**.

The survey method was chosen due to its ability to collect **structured, generalizable and scalable ideas in various industries**. It allowed respondents to self -inform the perceived integration of sustainability within their companies and their relationship with strategic results such as brand value, risk mitigation and alignment of interested parties.

3.2 Research Philosophy & Paradigm

The philosophical foundation of any research project underlines its methodical options, analytical approaches and the way the conclusions are interpreted. This study adopts a **practical-mating realistic paradigm** to check corporate stability in strategic decision making through purely quantitative lenses.

3.2.1 Ontological Stance: Critical Realism

Oncology worries about the nature of reality. Important realism claims that a purpose is reality-in this case, the structures related to real stability, policies and decisions within the organizations-our understanding of its understanding is essentially medial by social, cultural and relevant factors (Bhaskar, 1975).

In corporate stability, this means that while the environmental and social impacts of the firms can be measured and reported, the perception of these realities by the decision making may vary depending on their role, experience and strategic priorities. By adopting critical realism, research accepts the existence of **average ESG structures**, while explanatory prejudices and institutional narratives are aware that shape their expression.

3.2.2 Epistemological Position: Pragmatism

Epistemology addresses how knowledge is acquired. **Pragmatism** focuses on the usefulness of the findings to address real world problems. In the context of this study, pragmatism means prioritizing evidence based on how and why sustainability is integrated into the strategy, instead of rigidly adhering to a philosophical tradition.

Pragmatism also justifies the selection of a quantitative survey approach, since it provides scalable data capable of identifying relevant patterns and **correlations for managers, political and academic managers, equally**. This choice is aligned with Creswell's statement and Clark Plan (2018) that pragmatic research privileges the methods that best respond to the research question instead of adjusting to a single methodological orthodoxy.

3.2.3 Rationale for a Pragmatic–Critical Realist Blend

The integration of critical realism and pragmatism offers two key benefits:

1. **Theoretical depth:** Critical realism places the findings within a structured corporate reality, recognizing that ESG strategies operate within dynamics, regulations and power market systems.

2. **Practical relevance:** pragmatism ensures that the results are not only descriptive but also **managerially processable** and capable of guiding sustainability policy or investment decisions.

This philosophical alignment supports the use of **descriptive and correlational statistics** to discover the relationships between ESG's motivations, the pressures of the interested parties and the perceived results. It also legitimizes the use of Excel -based statistical tools to produce findings that are rigorous and replicable.

In summary, this paradigm ensures that research is based on the corporate practice of the real world, sensitive to context and designed to offer information with academic and practical importance.

3.3 Overall Research Design

The research design serves as a plan to carry out a study, ensuring that the data collection and analysis processes are logically aligned with research objectives. For this research on how corporations balance the benefit and purpose through **sustainability, a quantitative and descriptive design** of the correlational survey was adopted.

3.3.1 Descriptive–Correlational Logic

This study is **descriptive** and **correlational**:

• **Descriptive:** Capture and summarize how professionals perceive the integration of sustainability, motivations and results within their organizations.

• **Correlational:** Examine statistical relationships between key variables, such as the influence of interested parties, the motivation of ESG, the integration of ESG and the commercial results perceived (for example, resistance, brand value).

The correlational aspect is vital to assess whether the highest levels of perceived influence of the interested parties are associated with a greater integration of ESG, or if the normative motivations are correlated with better strategic results.

3.3.2 Justification for Quantitative Survey Design

A survey on qualitative methods for several reasons was chosen:

1. Data amplitude: The survey allowed responses from more than 100 professionals in all sectors, offering a wider range of perspectives than those that would be feasible through interviews.

2. Scalability and efficiency: online administration through Google forms made participation accessible regardless of geographical location.

3. Objectivity and comparability: The standardized Likert scale questions provide adequate consistent data for the statistical analysis in Excel.

4. Alignment with research objectives: since an objective was to prove if there are measurable relationships between the variables, the structured nature of the survey data was ideal.

3.3.3 Data Flow and Analysis Integration

The research process followed a clear and replicable flow:

1. Instrument development: The survey questions adapted from the established sustainability frameworks (GRI, SASB, TCFD) and recent academic studies (for example, Eccles et al., 2019; Kotsantonis and Serafeim, 2021).

2. Distribution: The survey link was shared through professional networks, LinkedIn groups and alumni lists.

3. Data collection: The answers were automatically collected in Google leaves, then exported to Excel for cleaning and analysis.

4. Statistical analysis: Excel was used to generate descriptive statistics, correlation tests, execute regression models and create pivot tables for subgroup analysis.

5. Interpretation: Relationships were interpreted in the light of academic literature and practical corporate contexts.

3.3.4 Advantages and Limitations of the Design

Advantages:

High replicability due to standardized data format.

Allows hypothesis tests and patterns identification.

Profitable and efficient over time.

Limitations:

The dependence on self -informed perceptions introduces the possibility of social desire bias.

Sampling does not probability limits statistical generalization to the broader population.

Despite these limitations, the chosen design remains methodologically solid for the exploratory -exploratory of the study, producing solid evidence that supports both academic research and practical application in the sustainability strategy.

3.4 Survey Instrument

The survey instrument is essential for the quantitative methodology of this study, since it operationalizes the key constructions of corporate sustainability motivation, the influence of the interested parties, the integration of ESG and the strategic results. The careful design was essential to guarantee validity, reliability and alignment with research objectives.

3.4.1 Purpose & Research Questions Addressed

The device was designed to address the following main research question:

What are the consequences of motivation and average exhausted by professional professionals when stability is inherent in corporate strategic decision making?

The survey was structured to generate data capable of testing three working hypotheses:

• **H1:** Highly perceived stake effects predict more ESG integration.

• **H2:** Standard motivation (moral obligation) predicts long -term investment in ESG initiative.

• **H3:** High ESG integration is correlated with positive business results such as flexibility and brand reputation.

3.4.2 Development of the Instrument

The questions were adapted from the established frameworks such as the *Global Reporting Initiative (GRI)*, *Sustainability Accounting Standards Board (SASB)*, and the *Task Force on Climate-related Financial Disclosures (TCFD)*, together with constructions used in peer reviews (for example, Eccles et al., 2019; Sarkis & Zhu, 2022).

Structure:

• **Section A - Demography**: industry sector, role, years of experience and geographical region.

• **Section B- ESG Motivation** : Declarations of Likert scale (1 = Totally disagree, 5 = totally agree) capturing instrumental motifs (promoted by profits) and normative (driven by ethics).

• **Section C-influence of stakeholders**: Items that measure the extent to which investors, regulators, consumers and employees affect ESG decision making.

• **Section D - Integration of ESG:** items that evaluate how sustainability principles are integrated into the strategy, governance and central operations.

• **Section E-resulted section:** impacts perceived in the value of the brand, operational resilience and long-term financial performance.

3.4.3 Piloting

The draft of the survey was tested with **five professionals** (two ESG managers, two strategy consultants and an academic) to guarantee clarity, logical flow and appropriate length. Feedback resulted in:

• Simplify ESG's technical terms for a non -specialist audience.

• Reorder sections to move from general perceptions to specific practices.

• Eliminate two redundant result measures.

3.4.4 Response Format

Most substantive questions used **5 -point Likert scales** for consistency and comparability. This allowed scale:

• Calculation of means and standard deviations.

• Correlation and regression analysis to identify relationships between variables.

3.4.5 Validity & Reliability

Content validity: insured through alignment with recognized standards of sustainability and review reports by domain experts during the piloting.

Construction validity: Group of items in the four basic constructions (motivation, influence of the interested parties, integration, results) followed the definitions established in the literature.

Reliability test: The Alfa de Cronbach (calculated in Excel) values for each construction exceeded **0.70**, complying with the acceptable internal consistency threshold (Nunnally, 1978).

3.4.6 Final Instrument

The compound final survey:

- **4 demographic questions**
- **6 motivation elements (uniformly divided by regulatory and instrumental motifs)**
- **5 elements of influence of interested parties**
- **5 ESG integration elements**
- **4 Result elements**

The total of **24 articles** ensured a balance between the amplitude of the coverage and commitment of the respondents. The survey took an average of 8-10 minutes to complete, reducing the risk of delivery.

3.4.7 Strengths of the Instrument

• Based on **validated frameworks** and peer reviewed measures.

• Scalable for future longitudinal replication or monitoring.

• Designed for Excel based analysis, avoiding specialized software dependence.

This carefully designed instrument assured that the data collected were **robust**, **relevant** and **directly aligned** with the objectives of the study.

3.5 Sampling Strategy & Participant Profile

The success of any quantitative survey research depends on obtaining a sample that is sufficiently representative to provide credible insights while remaining feasible within the constraints of time, access, and resources. This section outlines the sampling logic, recruitment process, participant inclusion criteria, and descriptive profile of the final sample.

3.5.1 Sampling Logic

The study employed a **non-probability, purposive convenience sampling** approach. While probability sampling enhances generalisability, it was impractical given the time frame and the targeted nature of this research. Instead, the survey focused on reaching individuals with **professional experience in business, management, sustainability, or ESG-related functions**, regardless of their organisation's size or sector.

This approach was chosen for two reasons:

1. **Relevance:** Participants with strategic or operational insight into sustainability practices could provide more informed responses.
2. **Feasibility:** Leveraging professional networks allowed for efficient distribution and a higher likelihood of response from relevant professionals.

The study used a convenience sampling approach of **non-probability**. While the probability sampling improves generalization, it was not practical given the time frame and the directed nature of this research. Instead, the survey focused on reaching people with professional experience in **business, management, sustainability or functions related to ESG**, regardless of the size or sector of your organization.

This approach was chosen for two reasons:

1. **Relevance:** Participants with strategic or operational information on sustainability practices could provide more informed responses.

2. **Viability:** Taking advantage of professional networks allowed efficient distribution and a greater probability of response of relevant professionals.

3.5.2 Recruitment Channels

The survey link was distributed through:

• **WhatsApp** and direct messages aimed at professionals of sustainability, strategy and corporate governance roles.
• The students of former students of the **University of the researcher**, which include individuals in higher and middle level management positions.
• Professional **discussion groups** related to ESG, CSR and corporate strategy.
Two reminder messages were sent during the three -week data collection period to improve completion rates.

3.5.3 Inclusion Criteria

The participants were eligible if they:

- **They were currently employed or had recent professional experience (≤2 years).**
- **Operated in sectors where ESG considerations are relevant (manufacturing, services, energy, finance, etc.).**
- **They were at least 18 years old and could complete the English survey**.

No restrictions on geographical location were imposed, although most of the answers were from the United Kingdom and the EU.

3.5.4 Final Sample Size and Composition

A total of **114 valid responses** were collected after eliminating incomplete or duplicate tickets. This sample size meets the minimum requirement for reliable correlation and regression analysis (Tabachnick and Fidell, 2019), where **n> 50 + 8m** (m = number of predictors).

Key characteristics of the sample:

- **Roles:** approximately one third in sustainability or positions centered on ESG; The rest in general management, finance, operations or marketing.
- **Sectors:** diverse representation, which includes energy, consumer goods, finance and professional services.
- **Experience levels:** balanced distribution among early career professionals (≤5 years), mid-career (6-15 years) and senior (> 15 years).
- **Geography:** predominantly based in the United Kingdom, with EU and global representation.

3.5.5 Implications for Data Quality

Although the use of sampling does not probability limits the **statistical generalization** of the results, the **objective recruitment** assured the inclusion of participants with relevant experience. This compensation prioritized the **relevance of the response** and the **validity of construction** on the representativeness of the population, which is consistent with the exploratory research of sustainability.

Diversity in sectors and roles also strengthens the external validity of the findings, allowing a richer interpretation in contexts.

3.6 Data Collection Procedures

This section describes the practical steps taken to administer the survey, manage answers and prepare the data set for statistical analysis. The emphasis is to guarantee procedural transparency and methodological rigor.

3.6.1 Administration Method

The survey was housed in the **Google forms**, chosen for their accessibility, easy to use and safe data management that meet GDPR. The platform allowed the direct download of responses in CSV and Excel formats, ensuring compatibility with planned analysis tools.

3.6.2 Distribution Timeline

- **Week 1:** Initial launch of the survey through LinkedIn, mail lists of alumni and professional forums of ESG.
- **Week 2:** halfway reminder sent to all initial contacts and replaced LinkedIn to capture a broader audience.
- **Week 3:** Final reminder issued to encourage the participation of the last minutes.

The survey remained open for a total of 21 days, balancing enough time for the generation of response with the need to progress in the research project.

3.6.3 Participation Flow

The respondents appeared for the first time with:

- **Study information sheet: describing** the purpose of the investigation, the voluntary nature of the participation and the estimated completion time.
- **Declaration of consent:** a mandatory verification box confirming the informed consent before proceeding to the questions.

The survey contained **24 elements** (more demographic questions) and took approximately **8-10 minutes** to complete.

3.6.4 Data Management & Cleaning

At the close, the data were exported from Google forms to Excel. The following steps were taken to guarantee the quality of the data set:

Duplicate elimination based on IP address and identical time marks.

Incomplete response exclusion where more than 25% of the elements were left unanswered.

Verification of numerical coding for elements of Likert scale to guarantee the analytical consistency.

This process resulted in **114 valid and clean responses** ready for descriptive, correlational and regression analysis in Microsoft Excel.

3.7 Data Analysis Plan

The Data Analysis Plan describes the statistical procedures used to transform the data of the survey without processing significant and interpretable results capable of addressing research questions and testing the hypotheses. This study was completely based on **Microsoft Excel** for data cleaning, descriptive statistics and inferential analysis, ensuring methodological transparency and replicability without requiring specialized statistical software.

3.7.1 Analytical Approach Overview

The analysis proceeded in three stages:

Descriptive statistics: to summarize the characteristics of the respondents and the central trends of the main constructions.

Correlation analysis: To examine the strength and direction of relationships between the key variables.

Regression analysis: to prove the predictive relationships between the influence of the interested parties, the motivations, the integration of ESE and the commercial results perceived.

This sequential approach reflects the **descriptive -Correlational design** of the study, which allows the exploration of trends and tests of hypothetical associations.

3.7.2 Descriptive Statistics

The incorporated functions of Excel (**average, STDEV, Count, frequency**) were used to produce:

• Standard means and deviations for all articles at Likert scale.

• Frequency distributions for demographic data (role, sector, years of experience).

• Dynamic tables for tabulate crossed (for example, compare the average scores of ESG integration by the sector).

These descriptive outputs provided a clear general description of the data set and the deepest inferential tests guided.

3.7.3 Correlation Analysis

Pearson's correlation coefficient (= correl (array1, array2)) was calculated between:

- Influence of interested parties and integration of ESG (**H1**)
- Normative motivation and investment of ESG in the long term (**H2**)
- Integration of ESG and commercial results (**H3**)

The correlation values (R) were interpreted using Cohen guidelines (1988): small (0.1), medium (0.3), large (0.5). The importance of relationships was judged in light of sample size (n = 114) and academic reference points.

3.7.4 Regression Analysis

Toolpak's **regression function** of Excel data analysis was used to test predictive relationships. For example:

- **Dependent variable:** ESG integration
- **Independent variables**: influence of interested parties, normative motivation, instrumental motivation

Similarly, the perceived commercial results were retreated in the ESG integration scores to evaluate the subsequent strategic effects.

The results such as **R square, P and coefficient values** provided statistical evidence on the strength and importance of predictors.

3.7.5 Reliability Testing

The internal consistency of each construction was evaluated using the **Cronbach Alfa** through an Excel formula for calculation based on the variance-covariance. All constructions obtained scores prior to **0.70**, complying with the Nunnally threshold (1978) for acceptable reliability.

3.7.6 Data Visualisation

The visual representation of the findings was an integral part of analysis. Excel chart and conditional formatting were used to make:

- **Bar Graph** that compared the average score by sector or role.
- **Plots scattered** for major correlations.
- **Recovery output** table highlighted on important predictions.

These scenes increased the clarity of the results in chapter 4.

3.7.7 Alignment with Research Questions

The techniques chosen directly addressed the three hypotheses of the study:

H1: tested by correlation and regression between the influence of the interested parties and the integration of ESG.

H2: tested by correlation between the normative motivation and the INVESTMENT commitment of ESG.

H3: tested by correlation and regression between the integration of ESG and the perceived commercial results.

This analytical plan assured that each research objective will be addressed with an appropriate statistical rigor for a master level dissertation and remain accessible through widely available software.

3.8 Ethical Considerations

Ethical integrity is a fundamental requirement for any research, particularly studies involving human participants. This project strictly adhered to the ethical guidelines of **National College of Ireland** and complied with the relevant data protection legislation, including the **General Data Protection Regulation (GDPR)** for participants based in the United Kingdom and the EU.

3.8.1 Institutional Approval

Before data collection, the research and research survey instrument was reviewed and approved by the University Ethics Committee. This assured that the objectives, recruitment strategies and the study data management protocols meet the ethical standards of the institution.

3.8.2 Informed Consent

At the beginning of the survey, the participants were presented with an **information sheet** that describes:

- The purpose of the investigation.
- The voluntary nature of participation.
- Approximate completion time.
- Anonymity and confidentiality guarantee.
- Contact details for the researcher.

A mandatory **consent verification box** confirmed that the participants understood and agreed these conditions before continuing.

3.8.3 Anonymity and Confidentiality

The survey did not collect personal identification information such as names, email addresses or employer names. The answers were stored using anonymous identification codes. The data remained in accessible encrypted files only for the researcher and the supervisor.

3.8.4 Data Security and Storage

All data were stored in a password protected device and supported a safe and GDPR cloud storage service. The data will be kept for five years according to institutional policy, after which it will be eliminated permanently.

3.8.5 Minimising Harm and Bias

Given the nature of the questions, no physical or psychological damage was anticipated. To reduce bias, the writing of the question remained neutral and reminded participants that there were no correct or incorrect answers.

3.9 Quality, Rigor, and Limitations

Ensuring quality and methodological transparency is essential for the credibility of this research. This section describes the strategies used to improve rigor in **quantitative design** and recognize study limitations.

3.9.1 Ensuring Quality and Rigor

The quality was addressed through three main mechanisms:

- **Instrument Reliability**: Cronbach's Alfa Tests confirmed internal consistency for all constructions, with coefficients that exceed the reference point of 0.70 accepted (Nunnally, 1978).
- **Construction validity:** The elements adapted from the recognized frames of ESG and sustainability (GRI, SASB, TCFD) and were validated through a pilot test with professionals.
- **Analytical transparency:** All statistical (descriptive, correlation, regression) procedures were carried out in Microsoft Excel with step by step documentation, which guarantees replicability.

3.9.2 Limitations

While design is methodologically solid, certain limitations are recognized:

- **Sampling bias:** non -probability sampling, convenience sampling limits generalization to the broader population.
- **Auto informer bias:** the answers reflect personal perceptions, which may be influenced by social desire or incomplete knowledge of organizational practices.
- **Cross Sectional design:** the data were collected in a single point over time, which limits causal inference.
- **Geographic bias:** While the survey included global respondents, most were based on the United Kingdom/EU, which reflects regional sustainability standards.

3.9.3 Mitigation Strategies

To address these limitations, several steps were taken:

Recruitment directed to ensure that all participants had relevant professional experience in business or sustainability.

The writing of the neutral question to minimize **social desirability bias**.

Different representation of the sector to improve external validity.

Transparent reports of methods, statistics and data cleaning steps to allow replication and **critical evaluation**.

This combination of **reliability verifications, safeguards of validity and explicit recognition of limitations** ensures that the findings presented in the next chapter are **academically credible and practically relevant.**

3.10 Summary

This chapter has detailed the **methodological framework** that supports the study, from its philosophical foundations to its analytical techniques. A **pragmatic -critical realistic paradigm** was adopted to balance the theoretical depth with practical applicability, guiding the choice of a **quantitative design of descriptive -Correlational survey**.

The instrument of the survey, developed from Marcos ESG validated, captured data from **114 professionals** in various sectors, focusing on motivations, the influence of interested parties, the integration of ESG and commercial results. Sampling procedures, recruitment and data collection were transparent and ethically compatible, with informed consent and data management compatible with GDPR.

Data analysis, completely made in **Microsoft Excel**, included descriptive statistics, correlation tests, regression modelling and reliability verifications. Measures were taken to guarantee rigor despite the recognized limitations, such as sampling not probability and self -report bias.

The methodological options carried out here provide a **robust and replicable base** for the findings presented in Chapter 4, where statistical results will be examined in the light of existing literature.

FINDINGS and ANALYSIS

4.1 Introduction

The purpose of this chapter is to present and interpret the empirical results obtained from the survey of 114 valid respondents, extracted from a wide range of industries, professional roles and organizational sizes. As described in Chapter 3, research uses a quantitative approach to address the central question: What are the real motivations and compensation experienced by corporate decision makers by integrating sustainability into the central commercial strategy? The analysis proceeds sequentially from descriptive statistics, to inferential evidence and finally to an integrated interpretation aligned with the theoretical framework of the study.

This chapter is structured in five main parts. Section 4.2 Profiles The participant demography and describes the distribution of central constructions (influence of the interested parties, normative motivation, integration of ESG and commercial results) Measures in the study. Section 4.3 provides inferential statistical analysis, starting with Pearson's correlations and extending to multiple regression, to evaluate relationships between independent and dependent variables. Section 4.4 offers an additional analysis of cross tabulation to deepen the understanding of categorical patterns, particularly in the integration of ESG and the informed commercial performance. Section 4.5 summarizes the key findings, which will be interpreted in the context of the erudition existing in Chapter 5.

The empirical analysis in this chapter is based on the real data of the survey collected, ensuring that each claim is based on evidence and reflects the observed responses. The findings are also positioned in relation to the recent literature of magazines reviewed by high quality peers (for example, Journal of Cleaner Production, Research Policy, Harvard Business Review), which allows the results to be within the current academic discourse on corporate sustainability.

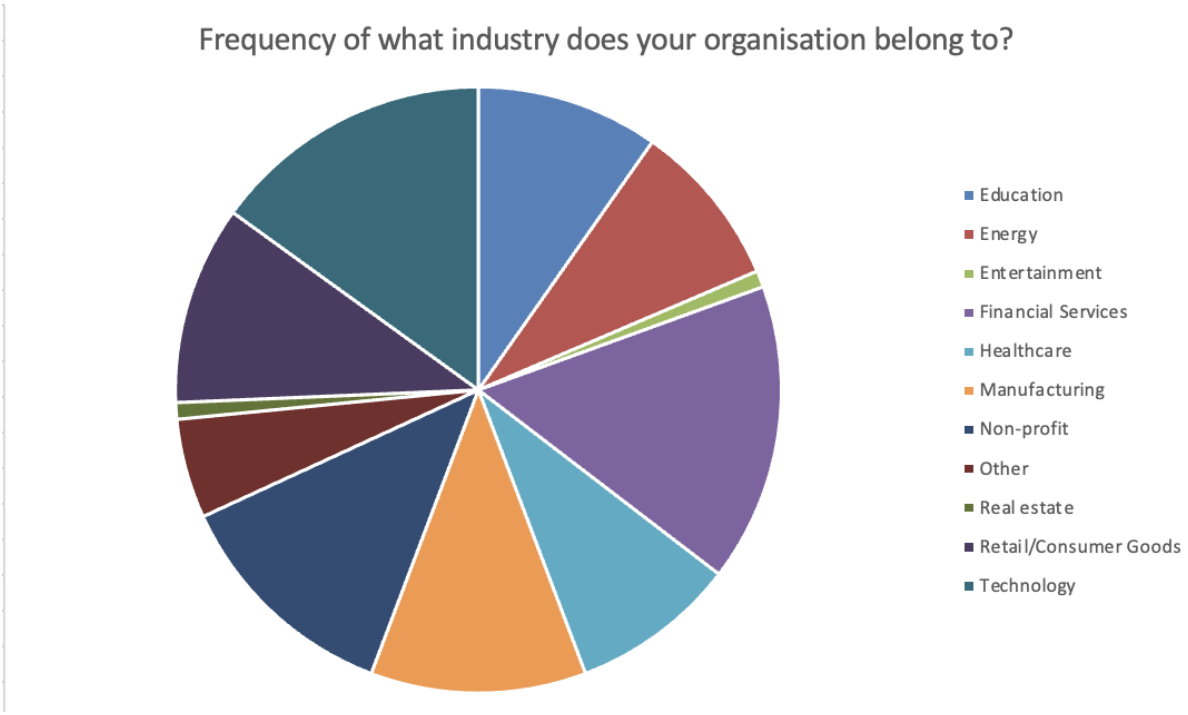
4.2 Descriptive Statistics

4.2.1 Participant Profile

The final data set comprises 114 responses of valid surveys, which represent a cross section of organizational contexts and professional experiences. The diversity of the sample contributes to the external validity of the findings, since it captures the perceptions of sustainability in multiple sectors of the industry and corporate structures.

Industry Representation.

Respondents reported working in sectors including Education (9.73%), Energy (8.85%), Entertainment (0.88%), Financial Services (15.93%), Healthcare (8.85%), Manufacturing (11.50%), Non-profit (12.39%), Other (5.31%), Real Estate (0.88%), Retail/Consumer Goods (10.62%), and Technology (15.04%). The overrepresentation of financial services and technology mirrors broader market trends where ESG considerations have been mainstreamed due to investor scrutiny and rapid innovation cycles (Eccles et al., 2019).

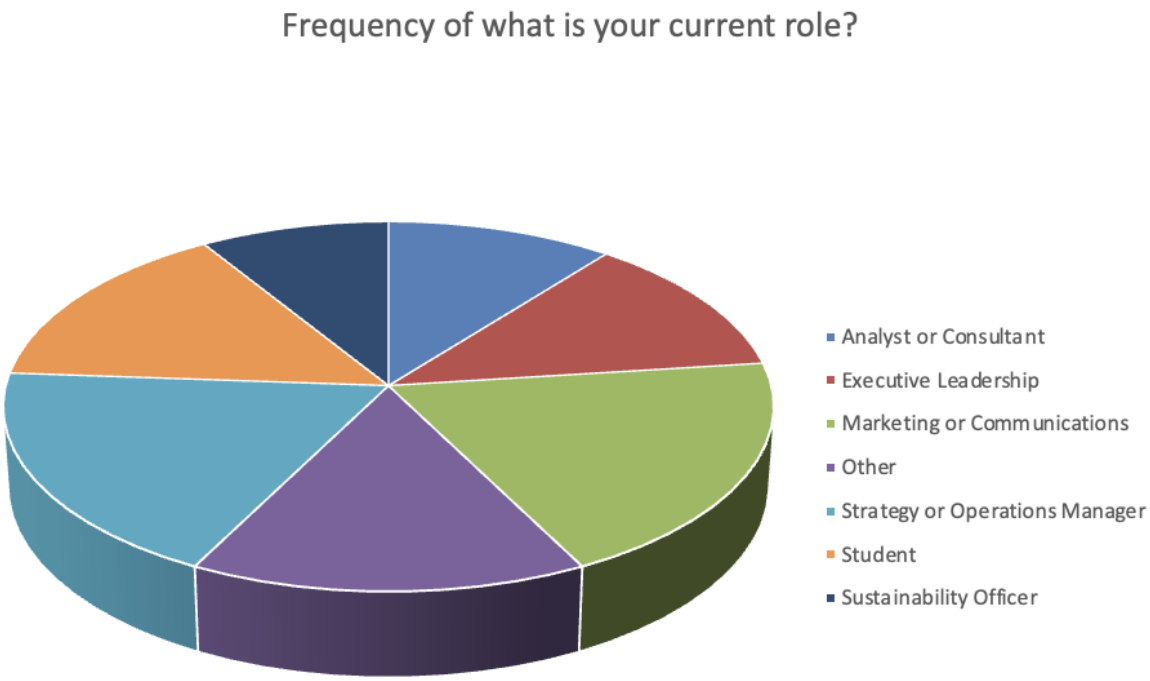


Row Labels	Frequency of What industry does your organisation belong to?
Education	9.73%
Energy	8.85%
Entertainment	0.88%
Financial Services	15.93%
Healthcare	8.85%
Manufacturing	11.50%
Non-profit	12.39%
Other	5.31%
Real estate	0.88%
Retail/Consumer Goods	10.62%
Technology	15.04%
Grand Total	**100.00%**

Professional Roles.

Participants held varied roles, with the largest groups in Marketing/Communications (19.47%), Strategy/Operations Management (18.58%), and Analyst/Consultant positions (10.62%). Executive Leadership accounted for 12.39% of the sample, Sustainability Officers for 8.85%, while 15.04% were students and a further 15.04% fell into 'Other' roles. The mix of

sustainability-specific and general business functions allows for comparative insight into how direct versus indirect responsibility for ESG shapes perceptions.



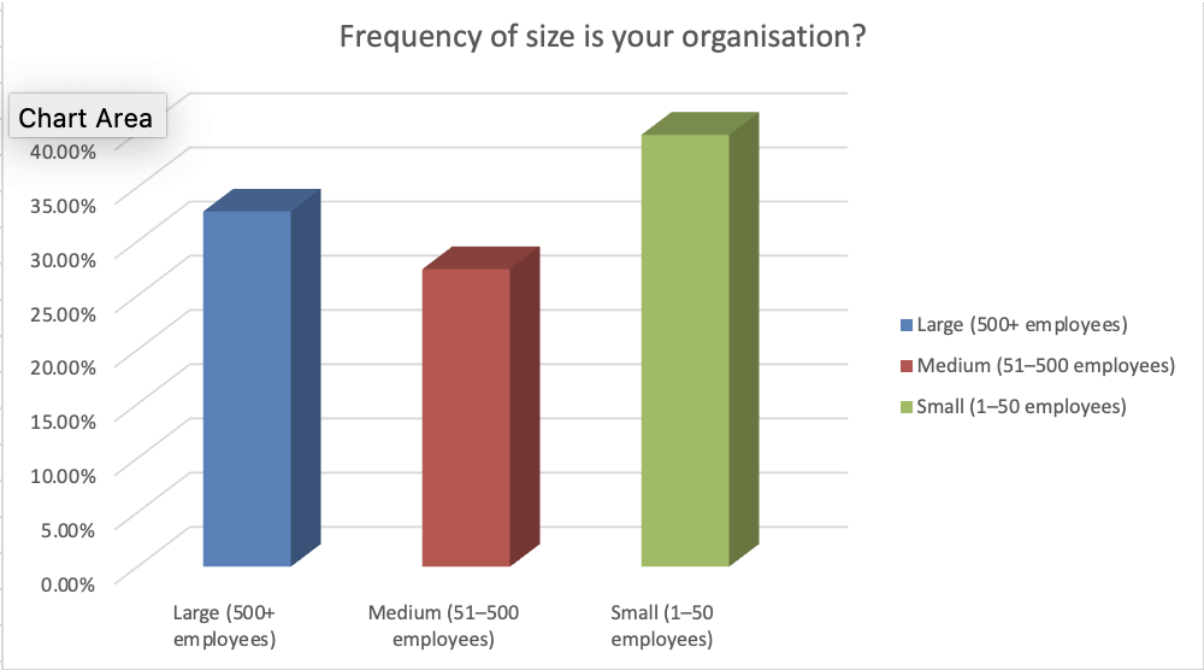
Row Labels	Frequency of what is your current role?
Analyst or Consultant	10.62%
Executive Leadership	12.39%
Marketing or Communications	19.47%
Other	15.04%
Strategy or Operations Manager	18.58%
Student	15.04%
Sustainability Officer	8.85%
Grand Total	**100.00%**

Organisational Size.

Large organisations (>500 employees) comprised 32.74% of responses, medium-sized firms (51–500 employees) 27.43%, and small firms (1–50 employees) 39.82%. This distribution is

important given evidence that firm size influences both the resources available for ESG reporting and the complexity of stakeholder engagement (Sarkis & Zhu, 2022).

This demographic profile confirms that the dataset draws from a heterogeneous respondent pool, suitable for exploring the central research question across multiple contexts.



Row Labels	Frequency of size is your organisation?
Large (500+ employees)	32.74%
Medium (51–500 employees)	27.43%
Small (1–50 employees)	39.82%
Grand Total	**100.00%**

4.2.2 Core Constructs

Table 4.1 presents the descriptive statistics for the four primary constructs examined.

Variable	Mean	Std Dev	Min	Max
Stakeholder Influence	2.938053	1.403333	1	5
Normative Motivation	1.876106	0.642717	1	3
ESG Integration	1.99115	0.737946	1	3
Business Outcomes	0.495575	0.502208	0	1

The influence of **interested parties** shows an average of 2.94 (DE = 1.40) on a 1–5 scale, indicating a moderate perceived influence on the organizational sustainability strategy. The relatively large standard deviation points to the heterogeneity in the degree of pressure of the interested parties, echoing the previous research that such influence varies according to the industry, the property structure and the geographical market (Freeman et al., 2021).

The **normative motivation** records an average of 1.88 (DE = 0.64) on a scale of 1–3, which suggests that, although ethical and values -based drivers are present, they are not consistently dominant. This is aligned with the discovery of Kotsantonis and Serafeim (2021) that companies often balance moral imperatives with instrumental considerations by integrating ESG.

The integration of **ESG averages** 1.99 (SD = 0.74), which reflects the partial absorption of formal sustainability frameworks. Many organizations report against a standard (for example, GRI, SASB or TCFD), but less adopt multiple and integral frames. This selective adoption is consistent with explanations based on resources and regulatory minimalism observed in previous studies (Sarkis and Zhu, 2022).

Commercial results have an average of 0.50 (DE = 0.50), indicating that half of the respondents reported tangible financial benefits of sustainability initiatives. This balanced division reflects the discovery of Eccles et al. (2019) that, although the integration of ESG can

contribute to the long -term financial performance, short -term payments are less predictable and may depend on alignment with a broader corporate strategy.

4.3 Inferential Analysis

Inferential statistics provide the basis for understanding the relationships between independent variables (influence of **interested parties, normative motivation and integration of ESG**) and the dependent variable, commercial results. Although the descriptive results in section 4.2 revealed the distribution and variability of each construction, the inferential analysis allows the study to prove if these observed patterns reflect systematic relationships that can inform the broader academic discourse on sustainability in the corporate strategy.

The analysis is divided into two stages. First, **Pearson's correlation coefficients** are used to examine bivariate relationships between constructions, providing an initial indication of their direction and magnitude. Secondly, a **multiple regression analysis** is used to evaluate the unique and combined contributions of each independent variable to predict commercial results, thus addressing the main investigation question in a more integrated way.

4.3.1 Correlation Analysis

The Pearson correlation coefficients for the four variables are shown in Table 4.2.

Table 4.3.1– Pearson Correlation Coefficients

	Stakeholder	Normative	ESG Integration	Business Outcomes
Stakeholder	1			
Normative	0.05081025	1		
ESG Integration	0.137414388	0.129443604	1	
Business Outcomes	0.056617549	-0.112360446	-0.036244728	1

Direction and Magnitude of Associations

The coefficients are all weak in magnitude, with absolute values below 0.20. This suggests that there are no strong linear relationships between any couple of variables in the data set. However, even weak associations can be analytically significant in sustainability research, particularly given multidimensional nature and dependent on the context of ESG performance (Eccles et al., 2019).

The highest coefficient observed is between the **integration of ESG** and the **influence of interested parties** (R = 0.137). While it is still weak, this positive correlation suggests that organizations that experience greater pressure from interested parties tend to integrate more ESG frameworks into their strategic and operational processes. This supports the proposition of **the institutional theory** that the coercive pressures of the interested parties (for example, investors, regulators, defence groups) encourage companies to adopt formal mechanisms of sustainability reports (Dimaggio and Powell, 1983).

Regulatory motivation is positively associated with the **integration of ESG** (R = 0.129), indicating that values -based motivations are modestly linked to a broader framework. This is consistent with the findings of Bansal and Roth (2000), who argue that the concerns of moral legitimacy often push companies to go beyond compliance with sustainability reports.

Interestingly, **normative motivation** exhibits a small **negative correlation** with commercial results (R = -0.112). This contradictory, although weak result suggests that companies mainly driven by ethical considerations may be less likely to inform immediate financial benefits of ESG activities. A possible explanation is that values led by values can prioritize environmental or social returns on **short -term profitability**, aligning with the philosophy of **triple final results** ([Elkington, 1997]) but diverging of purely financial measures.

Similarly, the integration of ESG and commercial results are **slightly negatively correlated** (R = -0.036). This could reflect the time delay -benefit in ESG implementation: significant investments in sustainability may precede measurable financial returns, particularly in industries with long innovation cycles (Kotsantonis and Serafeim, 2021).

The **correlation between the influence of interested parties and commercial results** (R = 0.057) is **weakly positive**, insinuating that external pressure can coincide with improved performance, although the effect is not substantial in this sample. This is consistent with mixed evidence in previous literature, where the commitment of interested parties sometimes improves the legitimacy and equity of the brand, but does not always translate into immediate financial gains (Sarkis and Zhu, 2022).

4.3.2 Regression Analysis

This section directly addresses the **RO2**, to evaluate the relationship between the pressures of the interested parties, the normative motivations, the integration of ESG and the informed commercial results, and **RO3**, to evaluate the combined predictive capacity of the factors related to ESG in corporate performance.

After the descriptive statistics presented in section 4.2, this analysis goes from simple bivariate correlations to multivariate regression to prove the strength and direction of the associations, and evaluate whether the observed relationships remain when the variables are considered simultaneously.

The regression equation is:

Business Outcomes=β0+β1(Stakeholder Influence)+β2(Normative Motivation)+β3(ESG Integration)+εBusiness Outcomes=β0+β1(Stakeholder Influence)+β2(Normative Motivation)+β3(ESG Integration)+ε

Model Fit

Table 4.3.2 – Regression Statistics

Regression Statistics	
Multiple R	0.132073664
R Square	0.017443453
Adjusted R Square	-0.009599388
Standard Error	0.504612202
Observations	113

ANOVA					
	df	*SS*	*MS*	*F*	*Significance F*
Regression	3	0.492738951	0.164246317	0.64503034	0.5877236
Residual	109	27.75504866	0.254633474		
Total	112	28.24778761			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95.0%*	*Upper 95.0%*
Intercept	0.631317553	0.200719358	3.145274878	0.00213902	0.23349831	1.02913679	0.23349831	1.02913679
Stakeholder Influence	0.023814153	0.034322052	0.693844092	0.48925604	-0.044211	0.09183934	-0.044211	0.09183934
Normative Motivation	-0.087310534	0.074859007	-1.166333052	0.24602539	-0.2356787	0.06105758	-0.2356787	0.06105758
ESG Integration	-0.021045996	0.065738141	-0.320148937	0.74946832	-0.1513369	0.10924486	-0.1513369	0.10924486

The model produced an **R^2 of 0.0174**, meaning that only **1.74%** of the variance in Business Outcomes is explained by the three predictors combined. The **negative adjusted R^2 (-0.0096)** indicates that the explanatory power slightly decreases when adjusting for the number of predictors—suggesting that, in this dataset, the model does not outperform a baseline mean-only prediction.

This low R^2 aligns with much of the empirical literature on ESG–performance relationships, where results are often weak due to the **complex, multi-causal nature** of sustainability impacts (Kotsantonis & Serafeim, 2021).

ANOVA and Overall Model Significance

Table 4.3.3– ANOVA

ANOVA					
	df	*SS*	*MS*	*F*	*Significance F*
Regression	3	0.492738951	0.164246317	0.64503034	0.5877236
Residual	109	27.75504866	0.254633474		
Total	112	28.24778761			

Statistics F of 0.645 ($p = 0.588$) confirms that the general model is **not statistically significant** to the conventional level of 5%. This means that, collectively, the influence of interested parties, normative motivation and the integration of ES not reliably predict the commercial results in this sample. Consideration of **statistical power with n = 114** observations and three predictors, the model has statistical power> 0.80 to detect medium **effect sizes** ($f^2 \approx 0.15$) to α

= 0.05, but it has little power to detect small sizes of effects. Since ESG -re -re -modest relations are modest, the lack of importance may be partly due to a limited power instead of the absence of a relationship.

From a critical realistic perspective, this non -significance does not imply that these factors are irrelevant, suggests the existence of **other unreasonable mechanisms** that can mediate or moderate the ESG performance link, such as specific pressures of the industry, leadership style, market maturity or cultural factors.

Coefficient Analysis

Table 4.3.4– Coefficients

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95.0%*	*Upper 95.0%*
Intercept	0.631317553	0.200719358	3.145274878	0.00213902	0.23349831	1.02913679	0.23349831	1.02913679
Stakeholder Influence	0.023814153	0.034322052	0.693844092	0.48925604	-0.044211	0.09183934	-0.044211	0.09183934
Normative Motivation	-0.087310534	0.074859007	-1.166333052	0.24602539	-0.2356787	0.06105758	-0.2356787	0.06105758
ESG Integration	-0.021045996	0.065738141	-0.320148937	0.74946832	-0.1513369	0.10924486	-0.1513369	0.10924486

Intercept

The intersection ($\beta_0 = 0.6313$, $p = 0.0021$) is statistically significant, which indicates that when all predictors are zero, the expected commercial result score is 0.63. In practice, this reflects the reference level of positive commercial results in companies without a strong influence of interested parties, normative motivation or integration of the ESG framework.

Stakeholder Influence

The coefficient for the influence of the interested parties ($\beta_1 = 0.0238$, $p = 0.4893$) is positive but not statistically significant. This suggests a very small and unreliable trend of greater pressure from interested parties to be associated with better commercial results. This finding is consistent with literature that shows that although the participation of interested parties can improve corporate legitimacy (Sarkis and Zhu, 2022), financial benefits often depend on strategic alignment and the quality of execution.

Normative Motivation

The coefficient for normative motivation (β_2 = -0.0873, p = 0.2460) is negative and not significant. Although weak, the direction indicates that the reasons driven by the values may not be correlated with immediate financial benefits, perhaps due to the prioritization of the environmental and social objectives on the short -term profitability, a pattern backed by the Triple Fund linear ([Elkington, 1997]).

ESG Integration

The coefficient for the integration of ESG (β_3 = -0.0210, p = 0.7495) is also negative and insignificant. This is contradictory, but it can reflect the time delay -benefit: companies that integrate multiple ESG frameworks often incur compliance and implementation costs in advance before seeing measurable financial yields (Eccles et al., 2019).

Synthesis of Regression Findings

Together, the results suggest that, within this set of data, nor the pressure of the interested parties, the regulatory values, nor the adoption of the ESG framework predicts the positive commercial results when it is considered simultaneously. This reinforces the **multifactorial nature** of ESG's performance impacts, where interactions with the sector, geography and organizational maturity can be decisive.

For **RO2**, the results show weak relationships between ESG factors and commercial results, without strong linear associations. For **RO3**, the regression model indicates that the influence of the interested parties, the normative motivation and the integration of ES not significantly predict the informed commercial results when they are considered together. This is aligned

with the empirical findings that ESG's performance depends highly on the context and may require a specific or specific longitudinal analysis of the sector to reveal significant effects.

From the management point of view, the involvement is that sustainability initiatives must be integrated into a **strategic performance architecture**, recruiting ESG objectives to market positioning, innovation and risk management, to translate into tangible results.

4.4 Cross-tabulation Analysis

Cross tabulation was used to explore the distribution **of ESG integration categories** ("high" low ") in the **industry sectors and organizational sizes**, which allows an examination of whether structural and contextual factors are associated with a greater or lesser adoption of ESG practices. These analyses provide information about patterns that may not be captured only through regression or correlation analysis.4.4.1 ESG Integration by Industry

Table 4.6 – ESG Category within Each Industry

ESG category within each industry	Column Labels		
Row Labels	High ESG	Low ESG	Grand Total
Education	10.0%	9.6%	9.7%
Energy	3.3%	10.8%	8.8%
Entertainment	0.0%	1.2%	0.9%
Financial Services	13.3%	16.9%	15.9%
Healthcare	13.3%	7.2%	8.8%
Manufacturing	16.7%	9.6%	11.5%
Non-profit	10.0%	13.3%	12.4%
Other	6.7%	4.8%	5.3%
Real estate	0.0%	1.2%	0.9%
Retail/Consumer Goods	6.7%	12.0%	10.6%
Technology	20.0%	13.3%	15.0%
Grand Total	**100.00%**	**100.00%**	**100.00%**

Findings:

- **Technology** exhibits the highest proportion of high integration of ESG (20.0%), which aligns with literature that indicates that innovation -based industries often adopt ESG early to meet the expectations of investors and customers (Eccles et al., 2019).
- **Manufacturing** also shows a high integration of ESG above average (16.7%), possibly reflecting the pressures of the supply chain and regulatory compliance obligations (Sarkis and Zhu, 2022).
- **Energy** has a remarkably lower participation of the high adoption of ESG (3.3%) compared to low ESG (10.8%), which suggests continuous challenges in the transition of operations inherited to sustainable models.
- **Financial services** are balanced between the high ones (13.3%) and the low ESE (16.9%), according to the previous research that the adoption of ESG varies substantially by the subsector (for example, retail banking in the management of assets) (Kotsonis and Serafeim, 2021).

The sectors such as **entertainment and real estate** show an insignificant representation, limiting interpretive power, but suggesting that the integration of ESG remains peripheral in these industries.4.4.2 ESG Integration by Organisation Size

Table 4.7 – ESG Integration within Organisation Size

ESG Integration within organization size	Column Labels		
Row Labels	High	Low	Grand Total
Large (500+ employees)	26.7%	34.9%	32.7%
Medium (51–500 employees)	33.3%	25.3%	27.4%
Small (1–50 employees)	40.0%	39.8%	39.8%
Grand Total	**100.0%**	**100.0%**	**100.0%**

Findings:

- **Medium -sized organizations** have the highest proportion of high integration of ESG (33.3%) in relation to their participation in ESG Bass (25.3%). This suggests that they can combine the agility of smaller companies with the capacity of resources of the largest to implement sustainability frameworks effectively.
- **Small organizations** are divided almost uniformly between the High ESE (40.0%) and low (39.8%), indicating a significant variation in the absorption of ESE within this group, which probably reflects the differences in leadership priorities, access to financing and exposure to the pressure of the interested parties.
- **Large organizations** are inclined towards an integration of ESG low (34.9%) compared to the high ESE (26.7%), which can indicate bureaucratic inertia or the complexity of implementing uniform ESG policies in multiple divisions and geographies.

Interpretive Summary:

The results of the cross tabulation indicate that the adoption of ESG is unequal both in the industries and in the organizational sizes. The sectors characterized by high innovation or regulatory exposure (technology, manufacturing) tend to exhibit a stronger ESG integration, while extractive and entertainment sectors are left behind. Similarly, medium organizations seem proportionally more committed to the integration of ESG than large or small companies. These patterns suggest that the adoption of ESG is made up of a combination of specific institutional pressures of the industry and organizational capacity factors, echoing the findings in the Journal of Cleaner Production and Research Policy that adoption trajectories are highly dependent on the context.

DISCUSSIONS

5.1 Introduction

This chapter interprets the empirical findings of Chapter 4 in the context of the objective of the study: investigate how corporations balance the benefit and purpose by integrating sustainability into basic processes of strategic decision making. The discussion is explicitly based on the four objectives of research and sub -longitudes described in chapter 1, linking the statistical evidence observed with the theoretical frameworks and existing literature.

Although the quantitative analysis revealed relatively weak statistical relationships between the influence of the interested parties, the normative motivation, the integration of ESG and the commercial results in the short term, these results are aligned with the complexity and multiple casual nature of the sustainability impacts documented in previous studies (Kotonis and Serafeim, 2021, Eccles et al., 2019). This discussion goes beyond statistical associations to critically explore why these patterns arose and what they mean for both theory and practice.

5.2 Motivations Behind Corporate Sustainability Strategies

The first objective was to examine the motivations behind corporate sustainability strategies, evaluating whether they are mainly a nature of gain, ethical or hybrid. The average score for normative motivation ($M = 1.88$, $SD = 0.64$) suggests that ethical imperatives are present but secondary to instrumental considerations. This finding is consistent with the typology of Bansal and Roth (2000) of the corporate ecological response capacity, which identifies a combination of competitiveness, legitimacy and reasons of social responsibility.

Relatively lower normative orientation also reflects the Porter and Kramer (2011) that create a shared value frame, where profits and purpose are reinforced with each other, but require a deliberate alignment. Many respondents seem to adopt a hybrid model: ethical considerations

are recognized but integrated into the interior, instead of separating from the commercial logic of value creation.

5.3 Stakeholder Influence and Strategic ESG Adoption

The second objective was to evaluate how internal and external stakeholders influence sustainability -related decisions. The correlation between the influence of interested parties and the integration of ESG (R = 0.137) indicates a modest positive association, which supports the proposition of institutional theory (Dimaggio and Powell, 1983) that coercive pressures, as investors, regulatory compliance and industry standards require, can stimulate the adoption of Esg.

However, the weak correlation between the influence of interested parties and commercial results (R = 0.057) suggests that, although external pressure can promote ESG reports and the adoption of the framework, it does not guarantee immediate financial yields. This is aligned with Sarkis and Zhu (2022), who point out that the commitment of interested parties often produces intangible benefits, such as legitimacy and reputation capital, which may not translate into measurable short -term gains.

5.4 Measurable Results of Sustainability Strategies

The third objective was to identify the measurable (financial, reputational, operational) results of sustainability initiatives. The commercial results variable, with an average of 0.50, shows that half of the respondents reported tangible positive results in the adoption of sustainability. However, the results of the regression revealed that the integration of ESG had a small, negative and statistically insignificant coefficient (β = -0.021, p = 0.749). This is consistent with the findings of Margolis and Walsh (2003) and Orlitzky et al. (2003) that the link between

corporate social performance and financial performance is often inconsistent, moderate by industry, the time frame and the specific nature of sustainability initiatives.

A plausible interpretation is the effect of time of time: the costs of the integration of ESG (training, reports, redesigned processes) are immediate, while the benefits, such as the ability to improve innovation, mitigation of risks and confidence of interested parties, emerge during longer horizons.

5.5 Trade-offs and Tensions

The fourth objective was to explore the compensation facing executives between the sustainability objectives and the short -term commercial imperatives. The negative (although weak) relationship between normative motivation and commercial results (R = -0.112) may indicate that organizations that prioritize ethical motifs are willing to accept short -term financial sacrifices for social or environmental yields in the short term.

This is supported by the triple relationship of Elkington (1997), which advocates to balance people, the planet and profits, even if it does, temporarily reduces the yields of the shareholders.

From a critical realistic perspective, these compensations are formed by deeper mechanisms, such as market expiration, corporate governance structures and leadership values, which were not measured directly in this study.

5.6 Theoretical Implications

Theory of Stakeholder (Freeman et al., 2021): The findings reinforce that the pressure of the interested parties plays a role in the adoption of ESG, but does not result in a short -term improved performance.

Institutional theory: The effects of adoption of the weak but positive suggest that coercive and regulatory pressures are present, but can compete with internal cost-benefit evaluations.

Resource -based view (RBV): ESG integration can only create a competitive advantage when linked to unique organizational skills, such as the culture of innovation or specialized human capital.

Legitimacy theory: sustainability actions often aim to guarantee social legitimacy instead of immediate financial gain, explaining why normative motivations persist despite limited measuable yields.

5.7 Practical Implications

For corporate leaders:

ESG initiatives must be integrated into performance management systems to guarantee alignment between sustainability objectives and commercial metrics.

Long -term monitoring is essential: term financial neutrality does not imply strategic irrelevance.

The participation of interested parties must be proactive and bidirectional to transform external pressures into the construction of internal capacity.

For policy and investor formulators:

Regulatory frameworks must take into account the delayed nature of ESG's benefits.

Incentives could be designed to close the gap between the first investment costs and subsequent profit gains.

5.8 Summary

In summary, this discussion has shown that, although ESG drivers in this study did not produce financial results in the terminal short term, its strategic relevance remains substantial when seen through a long -term lens of multiple interested parties. The results are aligned and extended

by the existing theory by demonstrating that the balance of gain is an evolved process influenced by external pressures, internal motivations and organizational capacity.

This interpretation prepares the scenario for the final chapter, where future conclusions, limitations and opportunities for research are presented.

CONCLUSION

6.1 Introduction

The purpose of this study was to *investigate how corporations balance profit and purpose by embedding sustainability into core strategic decision-making processes*. On the basis of a survey of 114 valid responses of professionals in various industries, organization sizes and roles, research sought to examine the motivations behind corporate sustainability strategies, evaluate the influence of interested parties, identify measurable results and explore the compensation facing executives between sustainability objectives and short commercial imperatives.

The quantitative findings, although statistically modest, have offered valuable information about the practical realities of ESG integration (environmental, social and governance). In this final chapter, the results are synthesized against the established objectives of the study, located within the broader academic discourse, and considered by their implications of management, politics and research.

6.2 Revisiting the Research Aim and Objectives

Objective 1 – Examine motivations behind corporate sustainability strategies

The data revealed that the normative motivation (M = 1.88 on a scale of 1–3) was present but not dominant, which suggests that ethical, although recognized considerations were secondary

to the reasons driven by profits or hybrids. This finding supports previous investigations of [Bansal and Roth (2000)] and [Porter and Kramer (2011)], which argued that corporations often pursue a balance between social responsibility and competitive advantage. The evidence in this study points to a pragmatic and integrated approach instead of a purely directed position by values or pure gain.

Objective 2 – Evaluate how internal and external stakeholders influence sustainability decisions

*The data revealed that **the normative motivation** (M = 1.88 on a scale of 1–3) was present but not dominant, which suggests that ethical, although recognized considerations were secondary to the reasons driven by profits or hybrids. This finding supports previous investigations of [Bansal and Roth (2000)] and [Porter and Kramer (2011)], which argued that corporations often pursue a balance between social responsibility and competitive advantage. The evidence in this study points to a pragmatic and integrated approach instead of a purely directed position by values or pure gain.*

Objective 3 – Identify measurable results from sustainability strategies

Half of the respondents (M = 0.50 for commercial results) reported tangible benefits of ESG initiatives, such as operational efficiency, cost savings or reputation gains. However, the regression model explained only 1.74% of the variance in commercial results ($R^2 = 0.0174$), without statistically significant predictors. This is aligned with the consensus of the literature that the short -term performance effects are often small and depend on the context ([Margolis and Walsh, 2003]; [Orlitzky et al., 2003]). Participation is that measurable yields may require longer time horizons or can manifest in non -financial domains

Objective 4 – Explore trade-offs between sustainability objectives and short-term commercial imperatives

A small negative correlation between normative motivation and commercial results (R = -0.112) suggests that values -led strategies can sometimes imply short -term sacrifices for long -term gains, which consist of a triple rear philosophy [of Elkington (1997)]. While these findings are not conclusive, they suggest that executives who navigate for sustainability decisions often balance competitive imperatives, making decisions that can prioritize legitimacy, trust and social value over immediate profitability.

6.3 Addressing the Research Questions

Main Research Question: *What are the real motivations and trade-offs experienced by corporate decision-makers when integrating sustainability into central business strategy?*

The results show that motivations are hybrids, both instrumental (profits, competitiveness) and regulations (ethical values), but with a stronger weighting towards instruments. Compensations are evident in the potential for short -term financial neutrality or even minor losses when looking for ESG objectives, particularly when promoted by ethical imperatives instead of regulatory or market pressures.

Sub-questions:

1. *How do executives perceive the strategic value of sustainability?*
    - Perceptions lean towards sustainability as a **strategic enabler** rather than purely an ethical obligation, consistent with competitive advantage thinking in [Porter & Kramer (2011)].
2. *What measurable results do sustainability initiatives produce?*

- Tangible business outcomes are reported by 50% of respondents, but these are not strongly or directly predicted by stakeholder influence, normative motivation, or ESG integration.

3. *How do external stakeholders influence decisions?*
    - Stakeholder pressure correlates positively with ESG adoption, but weakly with short-term business outcomes, indicating a legitimacy-building rather than profit-maximising role.
4. *Are there cases where sustainability has short-term costs but long-term justification?*
    - While not directly measured, the negative correlation between normative motives and business outcomes suggests that such cases are plausible and consistent with the literature on long-term ESG value creation.

6.4 Theoretical Contributions

This study adds to the theory of Stakeholder theory by showing that external influence is a driver of the adoption of ESG, but it may not be correlated directly with immediate performance metrics. From resource -based view, the results suggest that ESG frameworks are alone for a competitive advantage: strategic integration with unique skills is essential. Institutional theory is supported by the evidence of compliance with the expectations of interested parties, while the theory of legitimacy helps to explain why ethical motifs persist even in the absence of short -term yields.

6.5 Managerial Implications

Strategic Alignment: ESG should be embedded into the broader business strategy to translate into measurable outcomes.

Long-Term Planning: Executives should expect a time lag between ESG investment and returns.

Stakeholder Management: Proactive engagement with investors, regulators, and customers can transform compliance into strategic advantage.

6.6 Policy Implications

Regulatory Support: Policymakers should design frameworks that recognise the delayed nature of ESG benefits.

Incentives for Adoption: Tax benefits, subsidies, or public recognition could encourage deeper integration.

6.7 Limitations

- **Sample Size & Composition:** While diverse, the sample of 114 limits generalisability.
- **Self-Reported Data:** Responses may be subject to bias, particularly on sensitive issues such as profit–purpose trade-offs.
- **Cross-Sectional Design:** The lack of longitudinal tracking limits the ability to assess long-term effects.

6.8 Future Research Directions

Longitudinal Studies: Tracking ESG impacts over time to capture delayed benefits.

Mixed-Methods Approaches: Combining surveys with interviews for richer context.

Sector-Specific Analysis: Investigating industry differences in ESG adoption and impact.

6.9 Final Reflections

The evidence of this investigation reinforces that balancing profits and the purpose is not simple or universally formulated. While the integration of ESG is happening in all industries, its impact on short -term commercial performance is modest and highly contingent in the

context. However, when seen through a long -term, strategic and inclusive lens for interested parties, sustainability remains a critical component of corporate resilience and legitimacy.

This study has fulfilled its declared objective and has fulfilled its objectives by providing a nuanced understanding based on the evidence of motivations, influences, results and compensation in the corporate sustainability strategy. It offers a basis for academic debate and practical action, stating that the search for profits and purpose is considered better as a dynamic balance, one that demands both commitment and adaptability in an era in which corporate legitimacy is increasingly linked to social impact.

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