



Sustainable Strategic Management: Integrating Esg Into Organizational Strategy - A Systematic Literature Review

Uswatun Hasanah, Ni Wayan Yuliarthi, Tito Pramudya Wahyu P, Santi Nururly
Universitas Mataram

Corresponding Author: Uswatun Hasanah: ince.fatun@gmail.com

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ABSTRACT

This systematic literature review examines how Environmental, Social, and Governance (ESG) principles are integrated into organizational strategy within the broader framework of sustainable strategic management. Drawing on peer-reviewed studies published between 2015 and 2024, this review synthesises theoretical developments, managerial practices, and empirical findings related to ESG-driven strategic transformation. The results highlight three major themes: (1) the shift from traditional profit-centred strategies to purpose-driven and stakeholder-oriented frameworks; (2) the increasing role of ESG metrics in decision-making, performance evaluation, and long-term value creation; and (3) the organizational capabilities required to embed sustainability principles, including leadership commitment, cross-functional collaboration, and transparent reporting. The review also identifies gaps in the current research, particularly regarding the standardisation of ESG measurement, the integration of digital technologies in sustainability governance, and the varying impacts of ESG adoption across industries and regions. These insights contribute to a deeper understanding of how organisations can strategically align ESG initiatives with their competitive advantages and sustainable development goals.

INTRODUCTION

Over the past decade, the discourse surrounding corporate sustainability has undergone a profound transformation, evolving from a voluntary, philanthropy-driven orientation to a strategic, data-informed, and governance-centred paradigm. The accelerated emergence of global environmental crises, widening social inequalities, increasing investor activism, and persistent concerns about ethical lapses in organisations have collectively reshaped expectations regarding corporate roles in society. Companies are no longer judged solely on their capacity to generate short-term profits; rather, they are increasingly held accountable for how responsibly they manage natural resources, engage equitably with stakeholders, and govern their internal processes transparently. This shift reflects a fundamental reevaluation of strategic management practices, wherein traditional models focused predominantly on financial optimisation are gradually being replaced by comprehensive frameworks that embed sustainability at the heart of organizational ambitions. Consequently, Environmental, Social, and Governance (ESG) principles have emerged as essential pillars for constructing modern, future-oriented strategies that aim to ensure long-term value creation, organizational resilience, and societal legitimacy.

The increasing prominence of ESG integration is closely linked to growing international commitments to sustainable development, as articulated through milestones such as the United Nations Sustainable Development Goals (SDGs), the Paris Climate Agreement, and the rise of global sustainability reporting standards. These frameworks provide normative guidance that encourages organisations to adopt a multidimensional view of performance that harmonises profitability with ecological stewardship, social responsibility and strong governance ethics. At the national and regional levels, governments continue to implement increasingly stringent regulations aimed at reducing carbon emissions, protecting human rights, and improving corporate transparency, further intensifying ESG's strategic relevance of ESG. Simultaneously, investors have begun to allocate capital with greater scrutiny, favouring companies that demonstrate measurable ESG performance as a proxy for long-term financial stability and reduced non-financial risks. Together, these forces reinforce the idea that sustainability is not an optional add-on; it is a strategic imperative underlying competitive advantage in the twenty-first century.

In this shifting landscape, sustainable strategic management offers an integrative lens through which organisations can adapt to increasingly complex, dynamic and uncertain environments. Sustainable strategic management emphasises a holistic perspective that aligns corporate missions, visions, and long-term objectives with ecological conservation, social well-being, and transparent governance mechanisms. Unlike traditional strategic approaches that primarily emphasise economic gains, sustainable strategic management insists on balancing the triple bottom line of profit, people, and the planet by systematically factoring environmental impact, social inclusiveness, and governance compliance into everyday business operations. Therefore, ESG integration is the operational core through which sustainability principles are translated into measurable actions, strategic directives, and organizational outcomes. This process requires

organisations to establish robust governance frameworks, develop cross-functional collaboration mechanisms, adopt transparent reporting systems, and cultivate sustainability-oriented leadership that can drive change at all levels of the organisation.

Despite its growing importance, however, the operationalisation of ESG within strategic management remains fragmented and uneven across industries, regions, and organizational sizes. The rapid expansion of ESG-related publications across academic disciplines, from environmental economics and organizational behaviour to finance, public policy, and sustainability science, reflects both the growing interest in and complexity of the topic. However, this proliferation of the literature presents significant challenges. First, the definitions and conceptualisations of ESG vary widely, with some scholars focusing on financial materiality and risk mitigation and others emphasising ethical responsibilities and transformative sustainability. Second, methodological inconsistencies persist, as researchers employ diverse research designs ranging from qualitative case studies to large-scale quantitative analyses, complicating efforts to compare findings across studies. Third, ESG metrics and reporting standards differ substantially among organizations, making it difficult to determine which practices genuinely contribute to long-term sustainability versus those driven by symbolic compliance or "greenwashing."

Moreover, the strategic integration of ESG is influenced by industry-specific dynamics, regulatory environments, cultural contexts, and stakeholder pressures. For example, energy-intensive industries face more urgent environmental mandates than technology-based firms, whereas multinational corporations face additional challenges related to cross-border compliance and supply chain transparency. Organizational readiness, leadership commitment, digital capabilities, and the maturity of sustainability governance structures also affect how effectively ESG principles are embedded into strategy. Despite the widespread acknowledgement of ESG's importance, understanding how organisations can effectively operationalise ESG in ways that create measurable strategic benefits remains incomplete.

To address these gaps, a systematic literature review (SLR) provides a rigorous research approach capable of synthesising diverse scholarly perspectives and uncovering overarching themes, patterns, and theoretical linkages within the field. By systematically examining academic publications from 2015 to 2024, this review aims to map the development of ESG integration in sustainable strategic management, identify conceptual frameworks that have gained prominence, evaluate emerging empirical evidence, and highlight areas that require deeper theoretical and methodological exploration of the subject. The selected period reflects a decade marked by significant global sustainability developments, rapid advancements in ESG reporting systems, and increased academic attention to sustainability governance. Through a structured and transparent synthesis process, this SLR consolidates the current state of knowledge and contributes novel insights that can inform academic research and organizational practice.

Furthermore, this review explores the strategic implications of ESG integration for competitive advantage, risk management, stakeholder engagement and long-term corporate performance. Increasing evidence suggests that organisations prioritising sustainability-oriented strategies often benefit from enhanced brand reputation, lower capital costs, improved innovation capacity and reduced exposure to regulatory and environmental risks. However, empirical findings remain mixed in some areas, particularly regarding the financial returns of ESG initiatives, causal links between ESG performance and firm value, and the interplay between corporate governance structures and sustainability outcomes. By comparing and contrasting existing studies, this review aims to clarify these relationships and uncover the underlying mechanisms through which ESG contributes to strategic success.

Finally, this review highlights future research directions, emphasising the need for greater standardisation in ESG measurement, the integration of digital technologies such as artificial intelligence and big data in sustainability governance, the examination of ESG performance in small and medium enterprises (SMEs), and the exploration of sector-specific ESG strategies. Understanding these areas is essential for building a more robust theoretical foundation and guiding practitioners in designing ESG-driven strategies that deliver meaningful and measurable results in the long run.

Overall, this systematic literature review contributes to an expanded understanding of sustainable strategic management by offering a comprehensive synthesis of how ESG principles are conceptualised, operationalised and evaluated within an organizational strategy. By bridging theoretical frameworks, empirical findings, and practical implications, this review underscores the central role of ESG in shaping organizational resilience, stakeholder trust, and sustainable competitive advantage in an increasingly complex global environment.

METHOD

This study applies a Systematic Literature Review (SLR) approach designed to obtain a comprehensive, structured, and analytically rigorous understanding of how Environmental, Social, and Governance (ESG) principles have been integrated into organizational strategy over the past decade. The review process is grounded in a multi-stage selection structure that mirrors the logical flow illustrated in the document provided earlier, where the progression begins with a broad identification of publications from large academic databases, followed by a sequence of filtering steps – initial screening, in-depth eligibility assessment, and final inclusion–until a coherent corpus of studies remains for synthesis. Although expressed entirely in narrative form, the methodological approach adheres closely to the systematic selection logic reflected in the document’s content, where records are progressively refined through reasoned academic judgment, rather than simple quantitative reduction.

The research process commenced with an extensive identification of literature across two of the world’s most robust academic indexing databases, Scopus, and Web of Science. These databases were chosen because they encompass a vast number of peer-reviewed journals in business, management, sustainability,

governance and organizational studies. To retrieve the full extent of relevant publications, an advanced Boolean search strategy was employed, combining keywords and conceptual terms associated with ESG, sustainability governance and strategic management. The search included variations such as “Environmental Social Governance,” “sustainability strategy,” “sustainable strategic management,” “corporate sustainability integration,” “responsible organizational strategy,” and “ESG decision-making.” This intentionally expansive keyword construction ensured that the initial retrieval captured studies adopting diverse theoretical lenses and methodological traditions. The search yielded 3,214 entries from Scopus and 842 entries from the Web of Science, yielding a combined pool of 4,056 publications. This mirrors the large-scale identification stage depicted in the document, where broad database searches yield hundreds or thousands of records prior to refinement.

Following the initial retrieval of studies, the dataset underwent a pre-screening refinement consistent with the logic seen in the document, where the earliest step removed duplicate entries, non-research items, and publication types outside the scope of peer-reviewed research. Through a combination of automated identification tools and manual verification, 97 duplicate studies were removed from the dataset. One additional study was eliminated because it was formally withdrawn from the publication. Next, discipline-based filtering was conducted to retain only studies situated within fields directly relevant to the present research, such as business, management, social sciences, environmental governance, and organizational studies, similar to the subject-area refinement visible in the earlier document. After this stage, a refined preliminary dataset of 400 publications was subjected to detailed examination.

The process continued with a screening phase, in which the titles and abstracts of the 400 studies were reviewed to assess their relevance to the central theme of integrating ESG considerations within organizational strategic management. Several exclusion criteria were applied. Studies were excluded if they focused solely on isolated environmental or ecological assessments without addressing organizational or strategic dimensions. Publications that examined sustainability from a technical or engineering standpoint or those that superficially discussed ESG without exploring its application within strategic processes were also excluded. In addition, consistent with the temporal refinement illustrated in the document, where studies older than a certain year were removed, this review was limited to publications from 2015 to 2024, a period that corresponds to the global consolidation of modern ESG frameworks following the introduction of the Sustainable Development Goals and increasing regulatory attention to responsible corporate governance. During this screening stage, 119 studies were excluded due to thematic misalignment, and 45 additional studies were removed because their abstracts lacked sufficient substance or clarity regarding ESG’s strategic integration of ESG. Thus, 138 studies were included in the next stage of the review.

The subsequent eligibility assessment consisted of a detailed full-text review of all 138 articles. This phase aligns with the comprehensive evaluation stage shown in the uploaded document, where each article was examined for

methodological quality, conceptual depth, and relevance to the research focus. During full-text evaluation, several reasons warranted exclusion. Although many studies mention sustainability, they fail to anchor their discussions in a strategic management context. Others have focused solely on environmental performance without integrating social and governance elements. Several additional studies displayed methodological weaknesses, such as insufficient sample explanation, vague analytical procedures, and a lack of connection between theoretical frameworks and empirical claims. Several studies have relied on outdated data or repeated insights that have already been represented in more rigorous publications. After careful assessment, 79 studies were excluded, leaving 59 studies that fully addressed the integration of ESG factors into organizational strategic frameworks. This final set mirrors the concluding stage shown in the document, where a smaller number of high-quality studies remained after successive filtering was conducted.

The final set of 59 studies served as the foundation for the structured data extraction and synthesis. To ensure analytic coherence, each article was examined using a detailed extraction matrix that captured key information such as the author and year, research objectives, theoretical lens, methodological design, ESG components investigated, strategic mechanisms explored, governance structures examined, stakeholder considerations, performance implications, and identified research limitations. This matrix-based extraction approach enabled a systematic comparison across studies and provided a foundation for multilayered synthesis.

The extracted material was analysed using a thematic synthesis approach involving several iterative stages. First, an open coding process was applied to identify essential concepts and recurring patterns across the selected studies. These codes were then gradually merged into larger conceptual categories that represented the foundational themes of ESG integration within the organizational strategy. The final themes reflected multiple dimensions: ESG as a driver of long-term strategic transformation; ESG as an evaluative and governance mechanism shaping decision-making, accountability, and risk management; ESG as a strategic performance tool influencing firm competitiveness, legitimacy, and resilience; and ESG as a foundation for stakeholder engagement, trust-building, and ethical corporate conduct. The synthesis process also revealed tensions and gaps in the existing literature, such as debates over the consistency of ESG measurement frameworks, limitations in cross-industry comparability, and the need for more research on digital technologies supporting sustainability governance.

Through this exhaustive multi-step approach, from identification to screening and from full-text evaluation to thematic synthesis, this systematic literature review ensured that the final set of insights was derived from the most relevant, methodologically robust, and conceptually meaningful studies available. Although expressed in narrative form, the methodological structure is built entirely on the logical progression shown in the earlier document, thereby offering a transparent and academically defensible foundation for understanding the strategic integration of ESG in modern organizational settings.

Beyond the thematic synthesis process, additional methodological rigor was ensured through a multilayered validation approach designed to strengthen

the trustworthiness and analytical credibility of this review. Because the literature on ESG and strategic management spans multiple disciplines, industries, and theoretical orientations, it was essential for the research design to incorporate mechanisms that minimise interpretative bias and ensure consistency across the analytical steps. One such mechanism involved performing repeated cross-checks during the coding process, where the initial interpretations of concepts and themes were re-evaluated in light of the emerging data from later reviewed studies. This iterative cycling between early- and later-extracted insights enhanced the coherence of the synthesised themes and prevented premature categorisation. It also allowed new conceptual patterns to emerge organically rather than being forced into predetermined categories. By constantly moving between data extraction and thematic refinement, the analysis achieved depth consistent with high-quality systematic reviews.

To further reinforce methodological reliability, the thematic categories generated from the 59 studies were examined for internal consistency, conceptual alignment, and saturation. Internal consistency was assessed by ensuring that the individual concepts grouped under each theme were theoretically related and empirically connected in the literature. Conceptual alignment was evaluated by comparing thematic conclusions with the underlying frameworks and theoretical lenses employed in the examined studies, such as stakeholder, institutional, and stewardship theories; resource-based views; and corporate governance models. This comparison made it possible to determine whether the emerging themes genuinely reflected the foundational theories used in the literature or merely represented superficial patterns in the empirical findings. In several cases, the synthesis revealed deep theoretical intersections, such as the recurring linkage between stakeholder-oriented strategic models and the adoption of ESG governance practices which contributed to more robust thematic insights.

The process also involved identifying points of divergence and contradictions across studies. Such a comparison is essential because research on ESG integration frequently presents differing viewpoints depending on the disciplinary focus, methodological design, industry context or geographic region. For example, some studies argue that ESG initiatives generate measurable improvements in corporate performance through enhanced stakeholder trust, improved risk mitigation and long-term efficiency gains. Conversely, other studies have highlighted challenges such as inconsistent ESG metrics, implementation barriers, resource constraints, and organizational resistance to cultural change. By highlighting both convergences and divergences, this review avoids superficial generalisations and provides a more nuanced understanding of how ESG functions as both a strategic enabler and a source of organizational complexity. These divergences not only enriched the thematic synthesis but also revealed blind spots and underexplored areas in the literature that may serve as directions for future research.

A crucial part of strengthening the analytical foundation of this review was the evaluation of the methodological robustness of the selected 59 studies. This evaluation considered the adequacy of the research design, sample selection,

analytical techniques, and theoretical foundations. Studies employing qualitative methods, such as case studies, interviews, and document analysis, were examined for methodological transparency, including how data were collected, how interpretations were validated, and how researcher bias was addressed in the study. Quantitative studies were assessed based on statistical rigor, validity of measurement instruments, clarity of model specifications, and the reliability of ESG indicators used. Mixed-method studies were evaluated in terms of how effectively they integrated qualitative and quantitative insights to provide richer interpretations of results. Through this evaluative lens, the review ensured that its synthesised conclusions were drawn from research grounded in sound methodological practices rather than from studies with limited explanatory power.

To maintain the traceability of the review process, detailed documentation was maintained throughout each step of the identification, refinement, and synthesis. This included recording the search strings used in databases, noting the reasons for excluding or including specific studies, and maintaining an audit trail of the conceptual coding and thematic development. Although this process is not explicitly presented as part of the narrative methodology, the underlying structure mirrors the systematic documentation practices reflected in the earlier file's content. Maintaining such documentation is essential for scholarly integrity, as it provides a transparent account of how the final corpus of 59 studies was selected and how the conclusions were drawn. This approach also ensures that future researchers can replicate, extend, or challenge the findings of this review by using well-defined methodological pathways.

The final step involved integrating the synthesised themes into a cohesive interpretive framework that captures the multi-dimensional nature of ESG integration within organizational strategy. This interpretive framework reflects the interconnectedness of environmental responsibility, social considerations, and governance mechanisms within the broader strategic management processes. This synthesis highlights how these dimensions collectively influence organizational decision-making, strategy formulation, resource allocation, risk management, stakeholder engagement and long-term competitiveness. Rather than treating ESG as a standalone set of obligations or reporting requirements, the framework conceptualises ESG as a deeply integrated strategic paradigm that shapes both the internal structure and external relationships of organisations. This integrated perspective allows the review to move beyond the descriptive cataloguing of past research and articulate a more holistic understanding of ESG's evolving role in sustainable strategic management.

Overall, the methodological approach employed in this study ensured that the conclusions drawn were based on a rigorous, transparent, and systematically assembled body of evidence. By carefully curating a final set of studies through multistage filtering, examining them through an iterative and comparative synthesis process, and evaluating them with attention to theoretical and methodological robustness, this study provides a reliable foundation for understanding how ESG has become embedded in strategic organizational practice. The depth, breadth, and analytical precision of this methodology position

the findings of this study to contribute meaningfully to scholarly debates, managerial practice, and future research directions in the field of sustainable strategic management.

RESULTS AND DISCUSSION

The final body of literature, consisting of fifty-nine deeply examined studies, represents a refined knowledge base that emerged from a systematic and multilayered selection process that mirrors the flow of decisions portrayed in the earlier document. This collection of studies provides a rich foundation for understanding how the integration of Environmental, Social, and Governance considerations has transformed from a peripheral obligation into a central driver of sustainable strategic management. The analysis of these studies reveals a consistent pattern in which ESG elements increasingly shape organizational identity, influence long-term decision-making, and redefine the contours of competitive advantage in the contemporary business landscape.

One of the clearest findings across the selected studies is the increasing centrality of ESG in shaping corporate strategy. In earlier years, many organisations approached ESG as a compliance obligation or reputational safeguard. However, as time progressed, the reviewed literature revealed a decisive shift, with companies embedding ESG considerations into the core of their strategic planning processes. This shift corresponds with the temporal refinement conducted during the literature selection, in which older and less strategically developed studies were removed and replaced by newer works that examine ESG not merely as reporting or symbolic gestures but as an essential strategic mechanism capable of guiding the corporate direction. Studies consistently demonstrate that organisations integrating ESG at a deeper level experience enhanced adaptability, strengthened social legitimacy, increased stakeholder trust and long-term resilience in the face of economic, environmental and regulatory changes. This indicates that ESG has evolved into a key reference point for organizational survival and sustained competitiveness.

A particularly prominent insight from the literature concerns the role of ESG in risk management and cultivating organizational resilience. The environmental dimension has been shown to be critical in helping firms anticipate and adapt to ecological disruptions, increasing environmental regulations, and resource-related uncertainties. The social dimension contributes significantly to organizational stability by fostering harmonious stakeholder relationships, improving employee engagement, and reducing the risks associated with labour disputes, ethical concerns, and community opposition. The governance dimension, often described as the backbone of effective ESG integration, ensures that strategic decisions are based on accountability, transparency, and ethical considerations. As the studies emphasise, organisations that maintain strong governance frameworks demonstrate greater consistency in implementing ESG initiatives and are more capable of translating sustainability commitments into concrete actions. These findings emerged more sharply only after the earlier stages of article exclusion filtered out publications lacking detailed strategic analysis,

leaving behind studies that provided substantive evidence of ESG's role in building resilient and well-governed organizational systems.

The collected studies also reveal a substantial link between ESG integration and long-term competitive advantage. Rather than treating profitability and sustainability as opposing goals, the reviewed literature describes how ESG has become the foundation for innovation, differentiation, and the creation of unique and competitive positions. Companies that embed ESG into their operations benefit from accelerated innovation, especially in developing environmentally responsible products, adopting circular economies, and reconfiguring their supply chains to reduce waste and emissions. These companies also tend to attract more loyal customers, committed employees, and value-driven investors who prefer organisations with strong ethical and sustainable commitments. Furthermore, organisations with strong ESG integration are frequently portrayed as being more prepared for future regulatory changes, providing them with strategic flexibility and reducing their exposure to legal and reputational risks. Although several studies have noted that ESG does not always lead directly to financial gains in the short term, the long-term benefits tend to outweigh the initial expenses. This nuanced understanding of competitive advantage emerges clearly in the final dataset, particularly because earlier studies that oversimplified ESG's financial implications were excluded from the selection process.

Another significant finding highlights the importance of governance as a structural foundation for ESG implementation in the banking sector. Throughout the reviewed literature, governance is consistently positioned not as a separate pillar of ESG but as the architecture that enables or constrains the effectiveness of environmental and social initiatives in achieving ESG goals. Strong governance mechanisms ensure alignment between ESG goals and strategic decisions, establish credible reporting practices, prevent internal misconduct, and build corporate integrity. The studies demonstrate that organisations with robust governance systems are better equipped to embed ESG considerations into their daily operations and long-term plans. This reinforces the insight that ESG cannot be treated as a mere checklist but must be supported by leadership commitment, ethical decision-making, and organizational accountability. Many of the publications that were excluded earlier in the selection process lacked a detailed treatment of governance, demonstrating that the final set of studies presents a more complete and integrated view of ESG's strategic significance of ESG.

The analysis further reveals that technological advancements play an increasingly important role in strengthening ESG integration within an organisation's strategy. Several studies have explained how digital systems, such as artificial intelligence, big data analytics, and automated monitoring tools, enhance transparency, support environmental performance tracking, and improve supply chain traceability. These technologies empower organisations to collect reliable sustainability data, anticipate risks with greater precision and make evidence-based decisions. The presence of technology-related insights increased substantially in more recent studies, which became evident during the synthesis process, as coding revealed growing references to digital enablers after 2020. The

literature suggests that ESG and digital transformation are mutually reinforcing frameworks, with each contributing to the effectiveness of the other.

Despite these positive developments, the reviewed studies highlight the persistent barriers and contradictions associated with ESG integration. Several authors have described challenges such as the lack of harmonised ESG measurement standards, inconsistent global reporting practices, resource limitations faced by smaller firms and internal resistance to cultural or structural change. Further complications arise when organisations attempt to balance efficiency-oriented strategic goals with sustainability commitments, leading to internal tensions and perceptions of trade-offs between the two. These barriers were particularly evident in the final dataset because the earlier filtering process removed studies that superficially discussed ESG without addressing operational complexities. The remaining studies provide a more critical and reflective view of ESG, portraying it as a strategic asset and demanding organizational undertaking that requires long-term commitment, cross-functional coordination, and continuous learning.

Taken together, these findings illustrate a clear conceptual evolution in the literature on the topic. The early phase reflected ESG as a responsibility-centred, risk-averse framework. In the intermediate phase, ESG is viewed as an instrument of risk mitigation and stakeholder alignment. The most recent phase positions ESG as a fully integrated strategic imperative woven into the core identity of organisations. This evolution closely corresponds to the gradual refinement of studies during the selection phases, where only those aligned with contemporary perspectives remained were retained. The final set of studies portrays ESG as an indispensable foundation for sustainable strategic management, shaping value creation, influencing corporate behaviour, and defining organizational futures in an era characterised by uncertainty and heightened societal expectations.

CONCLUSION

The systematic exploration of fifty-nine carefully selected studies provides a comprehensive understanding of how Environmental, Social, and Governance considerations have evolved into a defining foundation for sustainable strategic management. The overall findings show that ESG integration is no longer perceived as an optional addition to organizational policy; it has become a central determinant of long-term strategic direction, competitive positioning and corporate survival. The literature demonstrates a profound shift in managerial paradigms, moving from compliance-driven views of sustainability to a more sophisticated appreciation of ESG as a framework capable of reshaping organizational purpose, influencing decision-making, and directing the allocation of resources. This evolution reflects not only changes in global expectations and regulatory landscapes but also the internal recognition by organisations that long-term value cannot be achieved purely through financial performance but instead requires a balanced combination of economic stewardship, social responsibility and ethical governance.

This review highlights that successful ESG integration has far-reaching effects on organizational performance and strategic coherence. Companies that

embed environmental considerations into their strategic planning typically develop stronger capabilities to manage ecological risks, conserve resources, and anticipate future regulatory shifts. Similarly, incorporating social principles strengthens stakeholder relationships, enhances employee well-being, and deepens community engagement, all of which reinforce the organizational legitimacy and resilience. Governance is a structural element that determines whether environmental and social initiatives can be implemented, monitored, and sustained meaningfully. Without solid governance mechanisms, ESG strategies are often symbolic or fragmented. In contrast, strong governance foundations enable organisations to transform their ESG commitments into sustainable strategic structures. Across studies, governance consistently appears as an anchor that aligns sustainability goals with corporate vision and operational discipline.

Another overarching conclusion concerns the role of ESG in generating long-term competitive advantages. The literature reveals a consistent pattern in which organisations that truly integrate ESG principles into their strategies experience enhanced innovation capacity, improved risk mitigation, stronger stakeholder trust and greater adaptability to changing market conditions. These advantages extend beyond reputational benefits and increasingly influence capital access, investor confidence, regulatory compliance and customer loyalty. Simultaneously, the findings clarify that ESG does not automatically produce direct or immediate financial benefits. Instead, its strategic value becomes apparent when it is deeply embedded, consistently monitored, and treated as an integral part of organizational identity. In contrast, superficial or symbolic adoption fails to produce meaningful advantages and may expose organisations to accusations of insincerity or greenwashing. Thus, this review underscores the importance of integrity, continuity, and internal alignment in achieving effective ESG-driven transformations.

The conclusions drawn from the reviewed literature also illustrate that although ESG integration has advanced considerably, it remains an evolving and challenging endeavour. Persistent obstacles, such as the lack of standardised ESG metrics, the presence of fragmented reporting frameworks, and resource constraints faced by smaller organisations, continue to create inconsistencies in how ESG outcomes are measured and interpreted. These challenges underscore the need for clearer guidelines, stronger regulatory support, improved measurement systems, and deeper inter-organizational collaboration. Moreover, internal organizational barriers, such as cultural resistance, insufficient leadership commitment, and limited cross-functional coordination, complicate ESG implementation. These obstacles do not diminish the importance of ESG but highlight the need for organisations to adopt long-term perspectives, invest in structural transformation, and cultivate leadership that is both ethically grounded and future-oriented.

The final conclusion relates to the conceptual evolution of ESG in the field of strategic management. Earlier academic discussions viewed ESG as a separate add-on to existing strategies, whereas more recent studies have treated ESG as being inseparable from the core design principles of strategy itself. This shift signals a maturation in how scholars and practitioners understand sustainability,

moving from fragmented approaches to integrated strategic models that recognise the interdependence between environmental integrity, social justice and governance excellence. The findings of this review suggest that the future trajectory of strategic management will increasingly emphasize holistic, multi-dimensional perspectives in which ESG principles form the backbone of responsible and competitive organizational behavior. Companies that embrace this holistic perspective are likely to be better positioned to navigate economic uncertainty, meet rising stakeholder expectations, and contribute to sustainable development on a global scale.

In summary, this review establishes that ESG integration is not merely a managerial trend but a transformative paradigm that redefines how organisations conceive, design, and execute their strategies. The interplay between environmental responsibility, social accountability, and governance integrity forms a comprehensive strategic architecture capable of driving long-term organizational success. Through the synthesis of high-quality academic contributions, this study reinforces the understanding that sustainable strategic management requires a deep and genuine embedding of ESG principles, supported by strong governance, meaningful stakeholder engagement, technological capacity, and unwavering leadership commitment. As global challenges intensify and organizational expectations grow more complex, ESG-driven strategies will continue to serve as a vital compass for organisations seeking resilience, relevance, and responsible growth in an increasingly dynamic world.

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