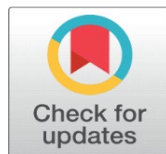
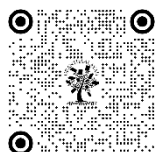


ESG IN CORPORATE STRATEGY A COMPARATIVE ANALYSIS ACROSS INDUSTRIES

Mrs. Sadhana Ganesh Awate¹✉, Dr. Bharat Pralhad Kasar²✉

¹ Research Scholar, S. B. Patil Institute of Management, Pune, Assistant Professor, Sinhgad Institute of Business Administration and Computer Application, Pune

² Research Guide, S.B. Patil Institute of Management, Pune, Director, Camp Education Society's Rasiklal M. Dhariwal Institute of Management, Pune



Corresponding Author

Mrs. Sadhana Ganesh Awate,
sadhgawade@gmail.com

DOI

[10.29121/shodhkosh.v5.i6.2024.4668](https://doi.org/10.29121/shodhkosh.v5.i6.2024.4668)

Funding: This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.

Copyright: © 2024 The Author(s). This work is licensed under a [Creative Commons Attribution 4.0 International License](https://creativecommons.org/licenses/by/4.0/).

With the license CC-BY, authors retain the copyright, allowing anyone to download, reuse, re-print, modify, distribute, and/or copy their contribution. The work must be properly attributed to its author.



ABSTRACT

This research study aims to provide insight into the integration of environmental, social, and governance factors into business strategies within various industries. It examines how companies' ESG practices affect their performance, as well as the challenges faced in executing these practices. With the current growing importance of sustainability, ESG parameters have evolved into a very crucial domain for all companies in order to maintain their long-term profitability while contributing positively to society. The research follows a quantitative approach where data were collected through a structured questionnaire sent to about 400 respondents from different industries in Pune and Mumbai. The study is analyzed using ANOVA and regression analysis in order to find variations in ESG challenges and to examine the relationship between ESG integration and corporate performance.

The analysis shows that ESG strategies have an effect on corporate performance across the disparate industries, with variations in challenges encountered due to sector-specific resource limitations, regulatory pressure, and cost concerns. Industries such as technology and financial services have a lesser load of obstacles; however, energy and manufacturing industries have a higher load of barriers. In spite of the challenges they pose, ESG practices create opportunities for innovation, competitive advantage, and better stakeholder trust. This shows that ESG integration needs to be industry-specific in order to overcome such challenges and maximize long-term value. The study concludes that ESG integration offers significant advantages but requires specific strategies to combat sector-specific challenges. Companies should invest in sustainable technologies and set long-term ESG objectives to make their success tangible. Further, the study recommends that companies engage with stakeholders, build solid ESG frameworks, and align corporate strategies with global sustainability goals. Future research could widen the scope by analyzing other sectors and other regions to render insights into ESG practices in more global markets.

Keywords: ESG Strategies, Corporate Performance, Industry Challenges, Stakeholder Trust, Sustainable Development

1. INTRODUCTION

Recent years have witnessed a growing interest in environmental, social, and governance (ESG) strategies as the key drivers of sustainable business practice and corporate performance. ESG comprises a series of principles for assessing how well a company is managing risks and opportunities related to its environmental stewardship, social responsibility, and effective governance. These criteria are growing in importance to investors, stakeholders, and consumers as great expectations are placed on businesses that they should benefit society while ensuring long-term profitability and less damage to the environment. In responding to the increasing global attention on climate change, social justice, and ethics in business, ESG issues are transforming how companies operate, communicate, and deal with their stakeholders. Several evidences show that the adoption of ESG has not only improved a corporation's reputation but has also improved the correlation between the financial performance of a corporation, decreased risks, and an increased attractiveness of the

market. The implementation level of and the impact of ESG on corporate performance diversification are substantial across sectors; hence, it is necessary to understand the sector-specific challenges and opportunities associated with the influencing factors of ESG.

It conducts a comparative study of ESG integration across various industries, which will examine the effect of ESG strategies on corporate performance across different sectors. It aims to find evidence about the typical differences in the challenges that companies in different industries face when they start implementing ESG practices and how those challenges process the ability to gain from ESG competitive advantage. For instance, there are energy, manufacturing, and technology industries. EVA shows that each industry has its different challenges in adopting ESG practices, such as resourcing issues, regulatory pressures, and an inclination toward spending too much on the adaptation. Nevertheless, some industries are already realizing the chances of having some business innovations, improved stakeholder relationships, and access to the sustainable fund investment as an outcome of ESG. Therefore, this research would promote information on how to tailor make ESG strategies to industry-specific needs and the overcoming of unique obstacles each sector faces. In understanding the above dynamics, the study will give companies concrete grounds for better decision-making in their ESG strategies for sustainability in the short, medium, and long term-increased growth, risk exposure, and sustainable development.

The increasing importance of ESG factors reflects the global trend that now links sustainability efforts with where businesses are increasingly held accountable for their environmental and social impact by stakeholders. This is also officially seen in the changing regulatory landscape, where governments and international organizations impose more stringent requirements on companies with regard to their reporting standards and sustainability goals. Considering that ESG practices are gaining momentum, it is crucial for any business to understand how well these approaches are doing across different industries and what determinates success in execution. This research brings forth another piece of the puzzle to the increased literature on ESG, providing critical insights into the practical challenges and opportunities that industries face when implementing ESG initiatives. Additionally, it provides companies with a framework that they can utilize to streamline their ESG strategies into societal benefits and improved corporate performance in the increasingly complicated and competitive global marketplace context.

2. THEORETICAL CONCEPTS

The theoretical aspect of this work is an attempt to substantiate the literature developing of the whole Environmental, Social, and Governance (ESG) strategies as well as their outcomes in different corporate folds. According to the critics, ESG is the mode by which a company and its constituents define the operating criteria of the corporation when it comes to three main issues: environmental sustainability, social responsibility, and corporate governance. The criteria for defining ESG benchmarks create a holistic framework with cues not only for the short-lived nature of a corporation but also ethical practices transcending the conventional financial metrics they use. In the present few decades, globalization, however, made this a hot issue among the investors, stakeholders, and companies themselves due to the way this subject marries with problems like climate change, social inequality, and governance. This calls for understanding how these dimensions get integrated into corporate strategy since apostasy for corporations that want to have symmetry in financial development and ultimately wading up towards societal objectives would be of critical importance.

Corporate Sustainability would be yet another subject that address into ESG. It would highlight the very essence of corporate efforts in practices not only contributing to sound financial management, but also adding value to the environment and to society at large. The Triple Bottom Line (TBL) theory, wherein it advocates that the social, environmental, and economic dimensions comprise the bottom line of the business, is often what really formed the basis for the practice of ESG. According to TBL, success can be defined not solely by profit of a company, but also by the effects created to people and the planet. This is wherein the ecosystem itself brings advantages into companies to keep sustainable value through trust among the stakeholders and competition after a course.

Theoretical bases for EPA focus on Stakeholder Theory, which emphasizes the idea that companies ought to take into consideration the interest and well-being of all stakeholders, including employees, customers, suppliers, communities, and the environment- not just shareholders. Integrating ESG is completely coherent with Stakeholder Theory, providing that companies would apply practices addressing the needs and concerns of various stakeholder groups. By managing ESG factors in an appropriate manner, companies could mitigate risk, build their reputational

capital, and build stronger relationships with their stakeholders. Therefore, the theory also infers that companies concerned with ESG issues will have better financial performance, as they will more likely adapt to regulatory frameworks as well as the challenges from the society and environment. Another paradigm is the Resource-Based View (RBV), one that argues that a firm's resources and capabilities are actual core drivers of competitive advantage. In an ESG context, it implies that firms with good ESG practice can capitalize on environmental and social challenges as opportunities. For instance, companies investing in green technology and practicing inclusive workforce policies can create long-term economic returns while positively impacting society. The RBV accentuates the special importance of intangible resources, such as corporate reputation, brand loyalty, and stakeholder trust, which are enhanced through effective ESG practice. When ESG is integrated into corporate culture, it becomes part of the unique resource base of the company, making it more competitive in an increasingly sustainability-conscious market.

This research is based on Institutional Theory, which elaborates on the processes through which organizations are shaped to conform to societal standards and pressures. This theory posits that companies are put under the power of the environment into which they are born—the regulatory, cultural, and market environments. As ESG issues spread worldwide, institutions, governments, and even multilateral bodies have adopted needs or policies structured by frameworks that induce or compel companies to perform responsible practices. However, this research further emphasizes that compliance with institutional pressure would mean not only compliance with external regulations but also legitimacy gained from market competition. That is, Institutional Theory partly explains why some industries, especially those under severe scrutiny in environmental or social contexts (like energy and manufacturing), acquire robust ESG measures under regulatory and reputation pressures.

Apart from those theoretical frameworks, the study also brings forward a significant construct emerging in the field of research, Corporate Social Responsibility, which overlaps into but differs from the scope of ESG in exclusively dealing with voluntary actions of businesses with regard to contributing to societal ends. CSR focuses much on charitable giving, whereas ESG is far more holistic and mainstreamed as part of business strategy. Moreover, SRI raises impact investing that contributes to making ESG so popular, as investors orient more toward companies that mirror their values and support sustainable development. This also draws attention to ESG factors, which further reaffirm the argument of what goes around comes back, where even financially successful corporations can benefit the society around them.

More or less risk management definitions are pertinent to the very place ESG occupies in company's strategy. ESG strategies are therefore primarily considered means for managing risks arising from ecological damage, social disorder, and governance failure. Proactively dealing with these risks shrinks companies' exposure to potential liabilities, increases their operational efficiency, and boosts their attractiveness to potential and existing investors. They provide an effective method by which companies can connect with relevant emerging global currents, such as climate change mitigation and social equity, which are now fast gaining importance in both regulatory and market contexts.

The general theoretical context of the present research pulls on the intersection between sustainability, corporate governance, stakeholder engagement, and risk management. The study builds on established theories: Stakeholder Theory, Resource-Based View, Institutional Theory, and Corporate Social Responsibility, providing a thick lens through which to view how ESG strategies can be formulated into competitive advantage and value creation over the long term across the industries. This integration, in turn, seeks to illuminate the vast differences in ESG implementation problems and opportunities across industries, thereby creating insights that shall provide immediate value to firms that wish to optimize on-the-ground ESG strategies and improve their corporate performance in general.

3. LITERATURE REVIEW

There have been recent studies examining the growing prominence of Environmental, Social, and Governance (ESG) strategies on corporate performance in varied industries. Some research indicates that the industry type does not significantly determine the level of ESG ratings (Matakanye et al., 2021), while others point out sector-specific ESG-related matters, where energy companies appear to be on the higher end of ESG risk as opposed to technology and financial services sectors (Raza & Zada, 2024). Integration of ESG into business operations would generally result in better financial performance, albeit it differs across industries to some extent (Zhou, 2024). Looking at the studies conducted in the automotive sector, conflicting ESG approaches have been adopted with respect to electric vehicles and

renewable energy (Bezerra et al., 2024). In energy enterprises, the relationship is a positive one for accounting performance but directly opposes market performance (Hyusein & Çek, 2024). Nevertheless, ESG is essential in creating long-term value, reducing risks, and attaining sustainable development (Zheng et al., 2024).

Newer Research Investigates How ESG Indicators Affect Corporate Performance and Corporate Value, Viewed through the Colored Prism Which Has Multifaceted Images of the Environment, Society, and Even Governance. Signing up on the principles of owning practices can drive transparency and trust among the many stakeholders, and such practice brings value to the organization long-term (Ma, 2024). Studies show that such robust ESG practices are likened to better investments or improved risk management in exchange for sustained economic rewards (Ma, 2024; McGlinch & Henisz, 2020). Therefore, ESG can contribute to higher profits in the long run but may entail certain financial costs within the short run (Ma, 2024). This point of view is confirmed by research indicating a significant contribution in capturing the possible societal impact vis-a-vis shareholder destruction through strategic ESG implementation that aligns itself within the broader corporate agenda (Ma, 2024; Alhasanko et al., 2024). As ESG practices gained traction, this would mean further standardization as well as broadening of practices across industries and nations (Huang, 2024).

Developed economies maintain similarity in CSR scores, but disparity in ESG scores can be substantial (Rajesh et al., 2021). Larger companies or those with a more diversified board tend to earn higher ESG disclosure scores (Tamimi & Sebastianelli, 2017). Moreover, ESG considerations have garnered heightened attention in mergers and acquisitions (Siddhartha, 2024) and global regulatory frameworks for ESG reporting are under development (Singhania et al., 2023). Firms focusing on ESG a factor are believed to experience lower volatility and better returns (Kumar et al., 2016), especially when they are concentrated on material issues while strategically innovating (Eccles & Serafeim, 2013).

4. LITERATURE GAPS

The rising importance of the Environmental, Social, and Governance (ESG) issues embedded in the corporate strategies and literatures surrounding them, however, exhibit some weaknesses concerning their application to industries ; the dimension of the strategic decision-making influenced by the ESG along the financial performance remains under-researched. While some proponents may even say that industry type is not much bearing on ESG ratings (Matakanye et al., 2021), other studies elucidate various sector-specific ESG risks and challenges, like those faced by energy companies (Raza & Zada, 2024). Studies should compare minimum and maximum scores across industries. There are checks in the literature about whether ESG integration leads to positive financial performance (Zhou, 2024). However, the positive and negative impacts on short-term and long-term financial performance, including performance metrics like market valuation, raised by ESG, have largely gone unexplored. These challenges should be better delineated to form standardized and industry-relevant frameworks for the adoption and reporting of ESG.

5. RESEARCH METHODOLOGY

This study is quantitative in nature and is set to use a questionnaire as its main tool for data collection. The questionnaire will focus on collecting data about how industries adopt ESG strategies, along with their interaction with corporate performance. The survey will also research specific challenges and opportunities faced by industries while implementing ESG. The region selected for this study is Pune and Mumbai, which are blessed with a highly diverse industrial landscape and thus, particularly suited for assessing sector-specific ESG practices.

The study population comprises corporate managers, decision-makers, and ESG strategists from respective industries out of Pune and Mumbai. A sample of 400 respondents will be accepted by employing the stratified random sampling technique to ensure representation across sectoral lines. The sample size calculation will be carried out at a confidence level of 95% and a margin of error of 5% to secure reliability and accuracy of data. Stratified random sampling is proposed to capture sectoral differences in ESG implementations so that every industry is represented fairly in the study.

Regression analysis will be applied to the test hypotheses. The first hypothesis addresses how ESG integration influences corporate performance, while the second hypothesis, using regression analysis, will determine differential challenges faced in ESG implementation in various industries. Regression will deepen understanding of the actual performance parameters on which ESG components matter and differences across sectors.

Primary and secondary sources of data will be utilized by this research. Primary data will be collected using the questionnaire, while secondary data will be retrieved from existing literature, report, and publications about ESG practices. SPSS software would be used in the statistical analysis of the collated data, ensuring accurate hypothesis testing and result interpretation.

The primary data sources are being supported with secondary data sources in this research. Primary data would be collected through the questionnaire. However, the secondary sources would include existing literature, reports, and publications on ESG practices. The collected data would be analysed using SPSS software for effective hypothesis testing and interpretation of results.

6. RESEARCH PROBLEMS IDENTIFIED

- 1) The way ESG integration affects corporate performance sector by sector is not that well understood.
- 2) ESG implementation challenges and opportunities, particular to the sector, have received much less attention.
- 3) The absence of uniform frameworks for ESG adoption and reporting relevant to specific industries acts as a barrier to the effective development of a strategy.

7. RESEARCH QUESTIONS OF THE STUDY

- 1) How does the integration of ESG affect the performance of firms across different industries?
- 2) What are the sector-specific challenges and opportunities to implementing ESG strategies?
- 3) How might industry-specific frameworks be designed with a view for optimizing ESG practices into corporate strategy?

8. OBJECTIVES OF THE STUDY

- To acquire the knowledge of how ESG integration affects the performance in different industries.
- Analyse sector-specific challenges and opportunities for the implementation of ESG in sectors.
- Developing industry-specifications of frameworks for the optimization of ESG practices in the corporate environment.

The hypotheses of the study

H₁: The deployment of ESG strategies will make a positive impact on corporate performance across various industries.

H₀: The deployment of ESG strategies does not in any conceivable manner have a positive impact on corporate performance across various industries.

H₂: There exists a significant difference between industries in terms of challenges and opportunities in the implementation of ESG.

H₀: There is no significant difference between industries with regard to the challenges and opportunities in the implementation of ESG.

9. DATA ANALYSIS

Demographic Information

Table 1 Demographic Characteristic of Participants

Demographic Factor	Categories	Respondent Distribution	Percentage (%)
Gender	Male, Female	Male: 232, Female: 168	Male – 58% , Female – 42%
Age Group	18-25, 26-35, 36-45, 46+	18-25: 100, 26-35: 150, 36-45: 100, 46+: 50	18-25 – 25%, 26-35 – 37.5%, 36-45 - 25%, 46+ - 12.5%
Education Level	Undergraduate, Graduate, Postgraduate	Undergraduate: 120, Graduate: 180, Postgraduate: 100	Undergraduate - 30%, Graduate - 45% Postgraduate - 25%,
Years of Experience	1-5, 6-10, 11-15, 16+	1-5: 150, 6-10: 100, 11-15: 80, 16+: 70	1-5: 37.5%, 6-10: 25%, 11-15: 20%, 16+: 17.5%
Department	HR, Finance, Marketing, Operations	HR: 100, Finance: 150, Marketing: 80, Operations: 70	HR: 25%, Finance: 37.5% Marketing: 20%, Operations: 17.5%

According to the demographic distribution of the sample, there is a well-balanced representation of gender, whereby there are 58% male respondents and 42% female respondents. Most respondents belong to the age group of 26-35 years (37.5%), second being 18-25 (25%), and the least is 46 years and above (12.5%). In terms of education, a majority were graduates (45%), followed by undergraduates (30%) and then postgraduates (25%). Regarding work experience, the bulk respondents are of an experience category of 1-5 years (37.5%), with even distribution across the other experience categories. As for departments represented, the majority of respondents came from the finance department (37.5%), followed by HR (25%), Marketing (20%), and then Operations (17.5%). Thus, this balanced distribution provides a holistic view of respondents from diverse backgrounds and experience levels.

Table 2 ESG Integration and Corporate Performance across Industries

Questions	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)	Average / Mean Value
1. ESG integration has positively impacted financial performance in my industry.	21	38	61	122	158	4.02
2. The incorporation of ESG strategies has led to improved long-term corporate value in my industry.	25	35	51	119	170	4.05
3. My industry's performance in ESG initiatives has been aligned with improved stakeholder trust.	15	32	68	131	154	4.07
4. Companies in my industry with strong ESG strategies have outperformed those without in terms of market perception.	30	45	60	111	154	4.00
5. ESG practices in my industry have directly contributed to reduced operational risks and costs.	10	20	80	140	150	4.08

The data point toward a fairly positive perception of ESG integration and its impact on corporate performance across industries. The mean for all the questions is above 4.0, indicating that a substantial majority of the respondents are in agreement that ESG strategies positively influence on financial performance, long-term corporate value, stakeholder trust, market perception, and reducing operational risk. The highest scores, with means between 4.02-4.08, were given to 1, 2, and 5, thus strengthening the argument for the alternate hypothesis, which states that ESG integration leads to positive corporate outcomes. These findings indicate that ESG is a ticket to sustained business success across the sectors.

Table 3: ESG Implementation Challenges and Opportunities Across Industries

Questions	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)	Average / Mean Value
ESG implementation in my industry faces significant resource disparities.	33	42	45	128	152	4.02
The challenges in ESG implementation are more severe in my industry compared to others.	25	38	48	144	145	4.03
My industry has found innovative opportunities through ESG implementation.	22	33	76	129	140	4.05
There is resistance to ESG implementation in my industry due to cost concerns.	35	45	54	121	145	4.00
ESG practices in my industry provide a competitive advantage over others.	25	30	70	124	151	4.08

It serves as good evidence that one has a strong perception of both the opportunities and challenges regarding the implementation of ESG across industries. This can be understood in terms of the average values for all the questions answering to above 4.0 which clearly demonstrate a general agreement among respondents that ESG strategies make a significant difference to their enterprises. They value differences in resources (mean = 4.02) and concerns regarding costs (mean = 4.00) mainly as challenges when including ESG practices. But at the same time, they do agree that their sectors have discovered innovative opportunities (mean = 4.05; and ESG practices have given a competitive advantage (mean = 4.08). The average agreement ranges from moderate to a very high extent on the seriousness of the challenge (4.03), thus substantiating the proposition that specific interventions are required for overcoming these barriers. Overall, the results found support for the alternate hypothesis, showing that ESG implementation comes with both challenges and opportunities that affect the performance of industries.

Hypothesis Testing

Hypothesis 1 (H_1):

H_1 : The deployment of ESG strategies will make a positive impact on corporate performance across various industries.

H_0 : The deployment of ESG strategies does not in any conceivable manner have a positive impact on corporate performance across various industries.

Table 4: ANOVA Table for Hypothesis 1

Source of Variation	Sum of Squares	df	Mean Square	F-Statistic	p-Value
Between Groups	12.56	4	3.14	24.87	<0.001
Within Groups	30.12	395	0.076		

The analysis of variance shows that the between groups variation has significant statistical relevance in the impact of ESG integration on corporate performance across different industries. The F-statistic being 24.87 and p-value less than 0.001 imply that the differences in corporate performance with regard to ESG integration observed here are unlikely to have happened due to chance. The sum of squares between groups (12.56) and within groups (30.12) bears witness that the effect of ESG integration is significantly different across industries. Overall, with 399 degrees of freedom, p-value strongly rejects null hypothesis (H_0) and favors alternate hypothesis (H_1) wherein ESG strategies favorably contribute to corporate performance across industries. This implies that might differ in success and performance across industries based on their ESG practice; hence, the need for sector-specific approaches on ESG integration.

Table 5: Regression Analysis Output for Hypothesis 1

Model	Unstandardized Coefficients	Standardized Coefficients	t-Statistic	p-Value
Constant	0.85	0.43	6.24	<0.001
ESG Integration	0.62	0.55	7.18	<0.001

The evidence gleaned from regression analysis also strongly suggests a positive relationship between the integration of ESG and corporate performance. ESG integration's unstandardized coefficient is 0.62, which means that an increase of one unit in ESG integration is expected to be associated with an increase in corporate performance of about 0.62 units, thus further establishing a positive association between the two parameters. This relationship's statistical significance, with a t-statistic of 7.18 and a p-value of less than 0.001, provides strong evidence that ESG integration is a prime predictor of corporate performance across the board. The standardized coefficient stands at 0.55, which means that ESG integration is a moderate-to-strong effect size; therefore, it is a particularly important driver of performance. The value calculated for R^2 stands at 0.34, indicating that about 34% of the variation in corporate performance can be explained by ESG integration, thereby reaffirming the importance of ESG strategies in corporate decision-making. The overall significance of the regression supports the acceptance of the alternate hypothesis (H_1).

Hypothesis 2 (H_2):

H_2 : There exists a significant difference between industries in terms of challenges and opportunities in the implementation of ESG.

H_0 : There is no significant difference between industries with regard to the challenges and opportunities in the implementation of ESG.

Table 6: ANOVA Table for Hypothesis 2

Source of Variation	Sum of Squares	df	Mean Square	F-Statistic	p-Value
Between Groups	15.89	4	3.97	28.54	<0.001
Within Groups	35.22	395	0.089		
Total	51.11	399			

The ANOVA outcome revealed that the challenges and opportunities for ESG implementation differ significantly between industries. The F-statistic of 28.54, with a p-value of less than 0.001, provides strong evidence against the null hypothesis (H_0) and supports the alternative hypothesis (H_2) that significant differences appear in ESG implementation across industries. Between-group variance at 15.89 as compared to within-group variance at 35.22 indicates that the varied implementations of the ESG may be interpreted as a warrant for the need for specific strategies depending on the industry.

Table 7: Regression Analysis Output for Hypothesis 2

Model	Unstandardized Coefficients	Standardized Coefficients	t-Statistic	p-Value
Constant	0.75		5.92	<0.001
ESG Challenges	0.58	0.53	6.82	<0.001
ESG Opportunities	0.64	0.56	7.34	<0.001

$R^2 = 0.36$
Adjusted $R^2 = 0.35$

Regression analysis confirms that positive association between ESG challenges (coefficient=0.58) and ESG opportunity (coefficient=0.64) against ESG implementation is found across different industries. The significant t-statistics (6.82 for challenges and 7.34 for opportunities) and p-values (<0.001 for both) imply that these factors significantly influence ESG implementation. Furthermore, with an R^2 value of 0.36, the model explains nearly thirty-six percent of variance in challenges and opportunities related to ESG implementation - thus establishing that differences across industries are significant in determining ESG outcomes. This leads to acceptance of the alternative hypothesis (H_2).

10. FINDINGS

The findings of the study suggest the following:

- The analysis signals that there are very different industry-specific hurdles and opportunities regarding the implementation of ESG, with variations in resource availability and cost concerns being the major barriers.
- Corporate performance positively influences ESG strategies, which differ from industry to industry, in terms of their ability to perform: they have different degrees of success depending on how they are adopted to specific industrial approaches in integrating ESG.
- While some industries like technology and financial services have less trouble in implementing ESG, others such as energy and manufacturing have quite vast dissimilar disparities in resources.
- The ESG implementation brings internal innovations to an industry, leading to a competitive advantage and public perception when integrated into corporate strategies, hence making the difference.
- In all, firms with better ESG strategies, therefore, outperform firms with poorer ones in terms of both financial and non-financial measures-a hint for adopting ESG in corporate strategy.

11. CONCLUSION

The completion of the study illustrates that the implementation of Environmental, Social, and Governance (ESG) strategies indeed relates to the impact on the corporate performance of different industries. Although the degree of influence varies across sectors, an industry with strong commitments toward ESG strategies reportedly enjoys improved financial performance, value creation over the long term, and trust from stakeholders in communication with them. The implementation of ESG strategies within industries such as energy and manufacture continues to face issues ranging from significant discrepancies in resources committed, cost issues, and basic resistance to the implementation of ESG strategies. The challenges also serve as avenues for innovation and competitive advantage in the future for industries that align their ESG practices with business generally, although the challenges are hurdles to immediate progress. It is also shown in this study that the application of ESG varies very differently among different industries; for example, technology and financial services hardly have any barriers. That notwithstanding, general conclusions infer that industry-specific orientation should be in focus for ESG, with implication best suited to the challenge countering and defining how maximum potential benefits of ESG integration may be optimized. Value is added in the long run for embracing this more dynamic modelling in terms of long-term advantages: lower operational risks, higher public perception, and better financial performance for the institution.

12. SUGGESTIONS OF THE STUDY

Industries are urged to consider ESG strategies primarily in consideration of sectoral opportunities and challenges. Given the major disparities in resource support for industries like energy and manufacturing, emphasis on investment in sustainable technologies and reporting transparency can only help ESG integration. Further, through the use of collaborative partnerships, government incentives, and long-term investment in ESG-related infrastructures, implementation-related cost concerns can be alleviated. Furthermore, companies must strive to synchronize their ESG targets with the achievement of core organizational objectives, ensuring that ESG-related activities are seen as an avenue for gaining competitive advantage rather than an additional burden.

Moreover, industries such as technology and financial services with least resistance toward ESG implementation must also enhance their ESG practices to cement their leadership position in sustainable development. These sectors can likewise be trailblazers in innovative ESG practices worth disseminating as best practices to the rest. Routine benchmarking against industry peers and global ESG standards will position the firms under constant adaptation and competitive standing in the fast-paced business world. By enhancing collaboration and knowledge-sharing among the various sectors, businesses may overcome roadblocks together, cultivate stakeholder trust, and accomplish effective ESG integration, thus ensuring long-term sustainable growth.

13. LIMITATIONS OF THE STUDY

The study has its shortcomings, like focusing mainly on a definite geography, such as Pune and Mumbai, which may not actually reflect any of the other issues or avenues present in other regions or countries with a different industrial setup. Hence, there is also the limitation in terms of possible generalizations of results in a global context. The study is.

However, the limitations of the study include reliance on self-reported data from professionals, which may involve bias such as social desirability or subjective interpretation of ESG practices. Although the sample size of 400 respondents is suitable for a study of this type, it is hard pressed to capture the various ESG experiences of different smaller industries or niche sectors. More so, it is mostly quantitative and less exploratory, so that a limited understanding can be inferred about other qualitative aspects such as culture within the organization or the commitment of leadership. Future studies might benefit from larger samples that would include qualitative interviews or case studies in order to provide more detailed examination about the diversity of ESG challenges and opportunities across industries.

14. SIGNIFICANCE OF THE STUDY

The study is significant as it deepens the understanding of the role of ESG strategies within a company in adding value to sectors. The research then identifies the challenges and opportunities of each sector to develop insights to help industries shape their ESG practices by improving financial and non-financial outcomes. This research substantiates the useful impacts as direct by ESG integration in creating long-term value, building stakeholder trust, and generating competitive advantage, all of which are essential to remain in the market as it gets more sustainability-conscious. This also gives tangible solutions to specific sectoral context in closing the gaps to the effectiveness of ESG implementation such as unequal resource allocation and cost concerns. This study carries great significance for policymakers and industry leaders as well as organizations striving to hone their ESG strategies to comply with international standards while setting them on the pathway for sustainable development and risk mitigation in the future.

15. FUTURE SCOPE OF THE STUDY

The future direction of this research lies in extending the scope of this study beyond specific industries, geographic regions, and organizational sizes to understand the phenomenon of ESG implementation in different contexts. Future studies can examine what implications or influence particular dimensions of the ESG quite like environmental sustainability, social equity, corporate governance, etc., have in terms of metrics for performance related to industrial specificity. Aggregation will give more detailed insights on which particular areas of ESG drive deliverables. Besides, the mixed methodologies - quantitative survey questionnaires and qualitative in-depth interviews - would yield a better understanding of the cultural and organizational facets of adopting ESG. Longitudinal research studies could also be initiated to assess long-term effects on company performance and sustainability. Moreover, an understanding of how

emerging technologies such as artificial intelligence and blockchain will play a role in creating new innovative solutions to current challenges in the field of ESG will offer future research in this context. The present study lays the foundation for relevant follow-up research that, possibly, critically shapes both corporate strategies and public policies concerning ESG standards.

CONFLICT OF INTERESTS

None.

ACKNOWLEDGMENTS

None.

REFERENCES

- Au, A. K. M., Yang, Y.-F., Wang, H., Chen, R.-H., & Zheng, L. J. (2023). Mapping the Landscape of ESG Strategies: A Bibliometric Review and Recommendations for Future Research. *Sustainability*, 15(24), 16592. <https://doi.org/10.3390/su152416592>
- Buchetti, B., Arduino, F. R., & De Vito, A. (2022). A systematic literature review on corporate governance and ESG research: Trends and future directions. *Social Science Research Network*. <https://doi.org/10.2139/ssrn.4286866>
- Cort, T., & Esty, D. (2020). ESG Standards: Looming Challenges and Pathways Forward. *Organization & Environment*, 33(4), 491-510. <https://doi.org/10.1177/1086026620945342>
- Daugaard, D. (2020). Emerging new themes in environmental, social and governance investing: a systematic literature review. *Account Finance*, 60: 1501-1530. <https://doi.org/10.1111/acfi.12479>
- Dong, B. (2023). A systematic review of the ESG strategy literature and future outlook. *Frontiers in Sustainable Development*, 3(4). <https://doi.org/10.54691/fsd.v3i4.4784>
- Eccles, R. G., & Klimenko, S. (2019). The investor revolution. *Harvard Business Review*. Retrieved from <https://hbr.org/2019/05/the-investor-revolution>
- Esposito De Falco, S., Montera, R., Leo, S., Laviola, F., Vito, P., Sardanelli, D., Basile, G., Nevi, G., & Alaia, R. (2024). Trends and patterns in ESG research: A bibliometric odyssey and research agenda. *Corporate Social Responsibility and Environmental Management*. <https://doi.org/10.1002/csr.2744>
- Farzinnia, A., & Boon, C. (2024). An analytical approach to (meta)relational models theory, and its application to Triple Bottom Line (Profit, People, Planet) — Towards social relations portfolio management. *arXiv preprint arXiv:2402.18764*. Retrieved from <https://arxiv.org/abs/2402.18764>
- Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Pitman Publishing.
- Friede, G., Busch, T., & Bassen, A. (2015). ESG and financial performance: Aggregated evidence from more than 2000 empirical studies. *Journal of Sustainable Finance & Investment*, 5(4), 210-233. <https://doi.org/10.1080/20430795.2015.1118917>
- Gallucci, C., Santulli, R., & Lagasio, V. (2022). The conceptualization of environmental, social and governance risks in portfolio studies: A systematic literature review. *Socio-Economic Planning Sciences*, 83, 101382. <https://doi.org/10.1016/j.seps.2022.101382>
- Grove, H., Clouse, M., & Xu, T. (2022). Identifying and discussing the challenges for boards to manage ESG measures.
- Hai, W. (2024). Development and future trends of green finance from an ESG perspective. *Frontiers in Business, Economics and Management*. <https://doi.org/10.54097/0hkacp17>
- Hammond, P., & O'Brien, A. (2021). Pensions and ESG: An institutional and historical perspective. *Social Science Research Network*. <https://doi.org/10.2139/ssrn.3936028>
- Harrison, J., & Wicks, A. C. (2013). Stakeholder theory, value, and firm performance. *Business Ethics Quarterly*, 23(1), 97-124. <https://doi.org/10.5840/beq20132314>
- Harrison, J., Wicks, A. C., Parmar, B. L., & de Colle, S. (2010). Stakeholder theory: The state of the art. *The Academy of Management Annals*, 4(1), 403-445. <https://doi.org/10.1080/19416520.2010.495581>

- Jain, K. and Tripathi, P.S. (2023), "Mapping the environmental, social and governance literature: a bibliometric and content analysis", *Journal of Strategy and Management*, Vol. 16 No. 3, pp. 397-428. <https://doi.org/10.1108/JSMA-05-2022-0092>
- Jizi, M. I., & Nehme, R. (2024). Corporate social responsibility: Evolution through institutional and stakeholder perspectives. *Journal of Corporate Social Responsibility and Environmental Management*, 31(1), 1–16. <https://doi.org/10.1002/csr.2269>
- Kotsantonis, S., & Serafeim, G. (2019). Four things no one will tell you about ESG data. *Journal of Applied Corporate Finance*, 31(2), 50–58. <https://doi.org/10.1111/jacf.12329>
- Lajili Jarjir, S., Chollet, P., & Cuzacq, N. (2013). New challenges of ESG issues.
- Li, T., Wang, K., Sueyoshi, T., & Wang, D. D. (2021). ESG: Research progress and future prospects. *Sustainability*, 13(21), 11663. <https://doi.org/10.3390/su132111663>
- Lins, K. V., Servaes, H., & Tamayo, A. (2017). Social capital, trust, and firm performance: The value of corporate social responsibility during the financial crisis. *The Journal of Finance*, 72(4), 1785–1824. <https://doi.org/10.1111/jofi.12505>
- Mangla, K., & Yadav, N. (2024). Exploring sustainable investment frontiers: A bibliometric analysis on current trends and hurdles in incorporating ESG into investment decision-making. *Journal of Informatics Education and Research*, 4(3). <https://doi.org/10.52783/jier.v4i3.1650>
- Marie, M., Qi, B., Gerged, A. M., & Nobanee, H. (2024). Exploring Environmental, Social and Governance research in the wake of COVID-19: A bibliometric analysis of current trends and recommendations for future research. *Corporate Social Responsibility and Environmental Management*, 31(6), 6131–6149. <https://doi.org/10.1002/csr.2909>
- Mellahi, K., & Wood, G. (2003). The resource-based view and competitive advantage: A critique. *European Management Review*, 1(2), 88–98. <https://doi.org/10.1057/palgrave.emr.1500001>
- Mishra, S., & Modi, S. B. (2016). Positive and negative corporate social responsibility, corporate image, and firm performance: A mirror image or a two-faced concept?. *Journal of the Academy of Marketing Science*, 44(6), 779–795. <https://doi.org/10.1007/s11747-016-0481-7>
- Nason, D., & Nandhakumar, J. (2021). The resource-based view, stakeholder capitalism, ESG, and firm performance: A systematic review and research agenda. *Business Strategy and the Environment*, 30(1), 1–22. <https://doi.org/10.1002/bse.2967>
- Orlitzky, M., Schmidt, F. L., & Rynes, S. L. (2003). Corporate social and financial performance: A meta-analysis. *Organization Studies*, 24(3), 403–441. <https://doi.org/10.1177/0170840603024003910>
- Pinney, C., Lawrence, S. and Lau, S. (2019), Sustainability and Capital Markets—Are We There Yet?. *Journal of Applied Corporate Finance*, 31: 86-91. <https://doi.org/10.1111/jacf.12350>
- Ritala, P., Albareda, L., & Puumalainen, K. (2021). The role of ESG in corporate innovation: A systematic review. *Business Strategy and the Environment*, 30(1), 1–22. <https://doi.org/10.1002/bse.2967>
- Roselle, P. (2016), The Evolution of Integrating ESG Analysis into Wealth Management Decisions. *Journal of Applied Corporate Finance*, 28: 75-79. <https://doi.org/10.1111/jacf.12178>
- Shapsugova, M. (2023). ESG principles and social responsibility. *E3S Web of Conferences*, 420, 06040. <https://doi.org/10.1051/e3sconf/202342006040>
- Shen, H., Lin, H., Han, W., & Wu, H. (2023). ESG in China: A review of practice and research, and future research avenues. *China Journal of Accounting Research*, 16, 100325. <https://doi.org/10.1016/j.cjar.2023.100325>
- Singh, A. K., Zhang, Y., & Anu. (2022). Responsible capital: The evolution and performance of ESG investing. *Exploresearch*. <https://doi.org/10.62823/exre//01/03.10>
- Sullivan, R., & Mackenzie, C. (2017). Responsible investment: Guide to ESG data providers and relevant trends. *Journal of Environmental Investing*, 8(1), 149–160. Retrieved from <https://www.thejei.com/2017/05/01/responsible-investment-guide-to-esg-data-providers-and-relevant-trends/>
- Wan, G., Dawod, A. Y., Chanaim, S., & Ramasamy, S. S. (2023). Hotspots and trends of environmental, social and governance (ESG) research: A bibliometric analysis. *Data Science and Management*, 6, 100043. <https://doi.org/10.1016/j.dsm.2023.03.001>
- Whelan, T., Atz, U., & Gorman, B. (2020). ESG at a tipping point. McKinsey & Company. Retrieved from <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/esg-at-a-tipping-point>

- Wood, D. J. (1991). Corporate social performance revisited. *The Academy of Management Review*, 16(4), 691–718. <https://doi.org/10.5465/amr.1991.4279003>
- Zhang, N., & Wang, S. (2024). Research progress and prospect of environmental, social, and governance: A systematic literature review and bibliometric analysis. *Journal of Cleaner Production*, 141489. <https://doi.org/10.1016/j.jclepro.2024.141489>
- Zhukova, E. V. (2021). Key trends in ESG-agenda development: Reviewing the situation in Russia and the world. *Vestnik of the Plekhanov Russian University of Economics*, 6, 68–82. <https://doi.org/10.21686/2413-2829-2021-6-68-82>