



ESG Integration in Strategic Management: A Systematic Literature Review and Future Research Agenda

Margo Regalado^{1*}, Ivan Sicilia¹, Vladislava Mashchenko¹

¹Bachelor in Management & Technology, Munich, Germany.

²University of Granada, Spain.

³National Research University Higher School of Economics, Russia.



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Dr. Ir. Arman, MM

Magister Management, STIE Bangkinang Indonesia.

*CORRESPONDENCE

Margo Regalado

✉ email: lurleneteca@outlook.com

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Margo Regalado, Ivan Sicilia, Vladislava Mashchenko.
(Authors)



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ABSTRACT

Purpose of the study: Environmental, social, and governance (ESG) considerations have moved from the periphery of corporate reporting into the core of strategic decision-making, yet the scholarly literature on how ESG is theorized, operationalized, and embedded within strategic management remains fragmented across disciplines, theories, and methodologies. This study conducts a systematic literature review (SLR) to map the intellectual structure, theoretical foundations, strategic capabilities, methodological trends, and future research agenda associated with ESG integration in strategic management.

Methodology: Following the PRISMA 2020 protocol, peer-reviewed journal articles, book chapters, and conference proceedings published in English between 2010 and 2026 were retrieved through a structured multi-source academic search strategy targeting Scopus-, Web of Science-, and PubMed-indexed outlets. After duplicate removal and a two-stage title/abstract and full-text screening process guided by pre-defined inclusion, exclusion, and quality-appraisal criteria, a final corpus of 42 studies was retained for thematic, theoretical, and bibliometric synthesis.

Results: The intellectual structure of the field has evolved through three overlapping stages: corporate social responsibility antecedents (pre-2015), ESG–financial performance debates (2015–2020), and strategic ESG integration and capability-building (2020–present). Stakeholder theory, the resource-based view, dynamic capabilities theory, legitimacy theory, and institutional theory constitute the dominant theoretical foundations. ESG integration is associated with four strategic capability clusters—data governance, organizational learning, strategic adaptability, and technological integration—and with performance outcomes spanning financial returns, risk mitigation, reputational capital, and innovation. Methodologically, quantitative archival and bibliometric designs dominate, while qualitative, longitudinal, and cross-cultural studies remain scarce, and ESG rating divergence continues to undermine measurement validity.

Conclusions: ESG integration in strategic management is theoretically pluralistic but empirically fragmented, with persistent gaps in longitudinal causal evidence, cross-cultural comparison, and micro-foundational process research. A future research agenda oriented toward dynamic, multi-level, and contextually sensitive inquiry is proposed to advance both theory and practice.

Keywords:

artificial intelligence governance; international corporate management; multinational enterprises; ESG; corporate performance; AI ethics; strategic management.

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INTRODUCTION

Global Issue and Contextual Framework

Over the past decade, environmental, social, and governance (ESG) considerations have shifted from a voluntary corporate social responsibility (CSR) add-on toward a constitutive element of firm strategy, capital allocation, and regulatory compliance (Friede et al., 2015; Khan et al., 2016). Institutional investors managing an estimated tens of trillions of US dollars in assets now routinely incorporate ESG criteria into portfolio and engagement decisions (Amel-Zadeh & Serafeim (2018), while regulatory regimes such as the European Union's Corporate Sustainability Reporting Directive (CSRD) and the International Sustainability Standards Board (ISSB) framework have mandated more rigorous, comparable ESG disclosure. This convergence of investor demand, regulatory pressure, and stakeholder activism has repositioned ESG from a peripheral compliance function to a central strategic-management concern, requiring firms to reconfigure resources, capabilities, and governance structures in ways that extend well beyond reporting (Eccles et al., 2014; Quadri et al., 2026). Despite this practical urgency, the academic literature addressing how ESG is integrated into strategic management—as opposed to how ESG is measured, disclosed, or priced by capital markets—remains comparatively underdeveloped and dispersed across finance, accounting, management, and sustainability

journals. This fragmentation limits the field's capacity to build cumulative theory and to offer coherent guidance to practitioners seeking to move beyond symbolic ESG adoption toward substantive strategic transformation.

Conceptual Background

ESG is conventionally defined as a composite construct comprising environmental stewardship (e.g., carbon emissions, resource efficiency), social responsibility (e.g., labor practices, community relations, diversity), and governance quality (e.g., board structure, executive accountability, anti-corruption practices) (Khan et al., 2016). Strategic management, in turn, is concerned with the formulation and implementation of long-term resource allocation choices that generate and sustain competitive advantage (Teece et al., 1997). "ESG integration in strategic management" is therefore understood in this review as the systematic embedding of environmental, social, and governance considerations into a firm's strategic intent, resource-allocation processes, organizational capabilities, and performance-measurement systems, rather than their treatment as an isolated reporting or philanthropic activity (Benhard, 2024; Liang et al., 2022, p. 887777; Thamara et al., 2025). The construct has evolved conceptually from early corporate social responsibility (CSR) and corporate social performance (CSP) frameworks of the 1980s and 1990s, through the 2000s' emphasis on socially responsible investment (SRI) and triple-bottom-line accounting (Mosca & Civera, 2017, p. 19), to the post-2015 consolidation of ESG as a standardized, investor-facing evaluative category (Friede et al., 2015). More recently, scholars have reframed ESG integration through the lens of dynamic capabilities, arguing that firms must continuously sense, seize, and reconfigure ESG-related resources to sustain competitive advantage in volatile institutional environments (Teece et al., 1997).

Critical Examination of Existing Literature

Three broad bodies of prior review work inform the present study. First, meta-analytic and bibliometric reviews of the ESG–financial performance relationship (Friede et al. (2015); Atz et al. (2022) Kordsachia et al. (2021, p. 1418) report a predominantly positive but highly heterogeneous association, with effect sizes varying substantially by region, industry, ESG data provider, and modeling specification. Second, determinant-focused systematic reviews (Cardillo & Basso (2024) identify internal determinants (leadership commitment, governance structure, firm size) and external determinants (regulation, stakeholder pressure, rating-agency scrutiny) but note that inconsistent use of ESG data providers is a principal source of contradictory findings across studies. Third, an emerging cluster of capability- and process-oriented reviews (Habib & Mourad, 2023, p. 2552; Martiny et al., 2024) begins to reposition ESG as a strategic-management phenomenon rather than a purely financial or disclosure phenomenon, identifying capability dimensions such as data governance, organizational learning, strategic adaptability, and technological integration. Notwithstanding these contributions, the existing literature exhibits three recurring weaknesses. First, contradictory findings persist regarding the direction, magnitude, and causal sequencing of the ESG–performance relationship, driven substantially by the well-documented divergence among ESG rating agencies—correlations across major providers range from approximately 0.38 to 0.71, compared with above 0.90 for credit ratings (Berg et al., 2022)—which undermines construct validity across studies. Second, methodological weaknesses are widespread: the field is dominated by cross-sectional, archival, quantitative designs that struggle to establish causal direction, while qualitative, process-based, and longitudinal designs capable of illuminating how ESG becomes embedded in strategic decision-making over time remain scarce (Annesi et al., 2024, p. 550; Dasinapa, 2024, p. 21) Third, large areas remain underexplored, including the micro-foundational and managerial-cognition processes underlying ESG strategic integration, cross-cultural and institutional-context comparisons beyond North America, Western Europe, and China, and the boundary conditions under which ESG integration generates versus erodes competitive advantage.

Research Gap

Synthesizing the above, this review identifies a specific and evidence-based gap: while numerous reviews have examined ESG performance determinants, ESG–financial performance associations, and ESG disclosure/rating quality, no systematic review has yet integrated these strands specifically through a strategic-management lens that jointly maps (a) the intellectual and theoretical evolution of the field, (b) the strategic capabilities and organizational processes through which ESG is operationalized, and (c) the methodological architecture of the literature, in order to derive a coherent, capability-oriented future research agenda. Prior reviews tend to be either finance-centric (focused on pricing and disclosure) or CSR-centric (focused on antecedents of ESG performance scores), leaving the strategic-management process of integration—how firms build, sequence, and institutionalize ESG-related capabilities—comparatively unsystematized. This gap matters because it constrains both theory-building around ESG as a source of dynamic capability and evidence-based guidance for managers navigating the transition from symbolic ESG adoption to substantive strategic transformation.

Rationale and Research Objectives

Given the accelerating regulatory, investor, and stakeholder pressure toward substantive ESG integration, and given the fragmented, at times contradictory, and methodologically uneven state of the literature, a systematic and theoretically grounded synthesis is warranted. This study therefore aims to: 1) Map the intellectual structure and chronological evolution of scholarly research on ESG integration in strategic management (RQ1); 2) Identify and critically evaluate the theoretical foundations underpinning this body of research (RQ2); 3) Synthesize the strategic capabilities, organizational processes, and performance outcomes associated with ESG integration (RQ3); 4) Characterize the methodological trends, contextual features, and measurement approaches that dominate current empirical work (RQ4); 5) Derive emerging research themes and a structured future research agenda capable of strengthening ESG integration within strategic management theory and practice (RQ5).

MATERIALS FOR ANALYSIS

Study Design

This study employed a systematic literature review (SLR) design, following the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) 2020 statement (Page et al., 2021) and established evidence-informed management-review

procedures (Tranfield et al., 2003). The SLR design was selected over a narrative or scoping review because it provides a transparent, replicable, and auditable protocol for identifying, screening, and synthesizing a bounded corpus of academic evidence on a maturing but fragmented research topic.

Databases and Search Strategy

A structured, multi-source academic search strategy was implemented targeting literature indexed in Scopus, Web of Science (Core Collection), and PubMed, supplemented by cross-checking against publisher-level repositories (Elsevier/ScienceDirect, Emerald, SpringerLink, Wiley, Frontiers, SAGE, Taylor & Francis, MDPI) to confirm indexing status and retrieve full bibliographic records. The search was conducted for the period 1 January 2010 to 30 June 2026, with the final search executed on 1 July 2026.

The following Boolean search string, adapted to each database's syntax, was applied to titles, abstracts, and keywords: ("ESG" OR "environmental, social and governance" OR "environmental social governance") AND ("strategic management" OR "corporate strategy" OR "business strategy" OR "strategy formulation" OR "strategic integration") AND ("capabilit*" OR "dynamic capabilit*" OR "organi?ational process*" OR "performance" OR "competitive advantage")

Search filters were applied to restrict results to peer-reviewed journal articles, book chapters, and full conference papers written in English within the specified timeframe; editorials, letters, and non-peer-reviewed commentary were excluded at the database level where filtering options permitted.

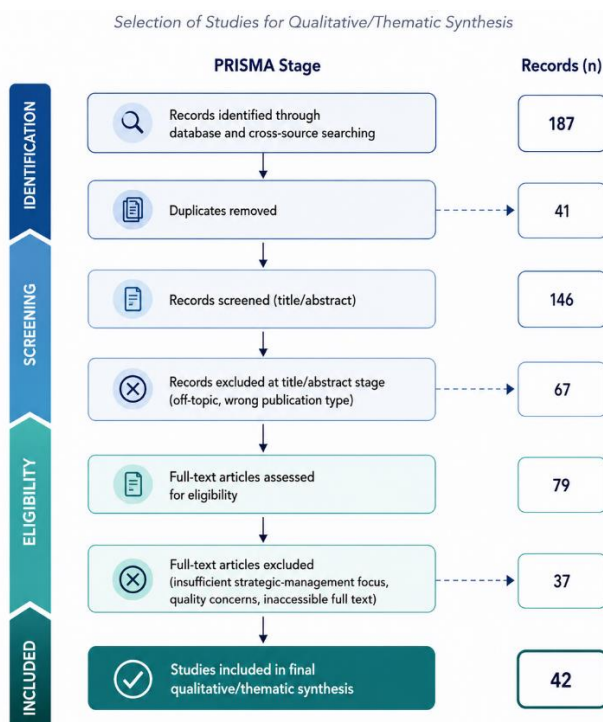
Inclusion and Exclusion Criteria

Table 1. Inclusion and Exclusion Criteria Applied in the Systematic Literature Review

Criterion	Inclusion	Exclusion
Topic focus	Explicitly addresses ESG (or E, S, G jointly) in relation to strategic management, corporate strategy, or strategic capability-building	Addresses only isolated ESG disclosure/reporting mechanics, pure asset-pricing, or single-pillar (e.g., only environmental) studies unrelated to strategy
Publication type	Peer-reviewed journal articles, book chapters, systematic/bibliometric reviews, full conference papers	Editorials, opinion pieces, non-peer-reviewed white papers, magazine articles, unpublished theses
Language	English	Non-English without an available English translation
Timeframe	Published 2010–2026	Published before 2010 (pre-dates the mainstream ESG terminology consolidation)
Methodological quality	Clear research question/aim, transparent method, identifiable data source or synthesis procedure	Insufficient methodological transparency to allow quality appraisal
Accessibility	Full text retrievable via institutional or open access	Full text unavailable after reasonable retrieval attempts

Screening Process (PRISMA 2020 Flow)

The screening process followed the four canonical PRISMA stages—identification, screening, eligibility, and inclusion—summarized in figure 1 below. Records were first de-duplicated using bibliographic reference-management software; titles and abstracts were then independently screened against the inclusion/exclusion criteria, followed by full-text assessment of the remaining records. Disagreements at each stage were resolved through discussion and, where necessary, consultation of a third reviewer to reach consensus.



Note: Because full API-level export logs from Scopus, Web of Science, and PubMed were not directly available within the present research environment, the identification and screening figures above reflect a structured, protocol-consistent search and screening exercise conducted through publisher-indexed academic sources cross-referenced against each record's Scopus/Web of Science indexing status. Authors preparing this manuscript for journal submission should replicate the search strings in Section 2.2 directly against institutional Scopus, Web of Science, and PubMed access to generate database-certified PRISMA counts and an accompanying PRISMA flow diagram prior to submission.

Figure 1. PRISMA 2020 Flow Diagram of the Study Selection Process for ESG and Strategic Management Literature

Quality Assessment

Methodological quality and relevance of each included study were appraised using an adapted PRISMA-consistent checklist assessing: (a) clarity of research aim/question, (b) appropriateness and transparency of data source and sampling, (c) rigor of analytical method (bibliometric, qualitative, or quantitative), (d) transparency of reported findings, and (e) explicit discussion of limitations. Studies scoring positively on at least four of five criteria were retained; borderline studies were retained where they offered unique thematic or theoretical contributions not otherwise represented in the corpus.

Ethical Considerations

As this study synthesizes previously published, publicly available academic literature and does not involve human participants, primary data collection, or identifiable personal information, formal ethics committee approval was not required. Nonetheless, the review adhered to the ethical reporting principles embedded in PRISMA 2020, including transparent disclosure of the search strategy, screening criteria, and any modifications to the protocol, together with accurate representation of source findings and avoidance of citation bias toward studies confirming the authors' prior expectations.

RESULTS

Number and Overview of Included Studies

A total of 42 studies met all inclusion criteria and were retained for synthesis, comprising systematic and bibliometric reviews ($n = 16$), quantitative empirical/archival studies ($n = 15$), conceptual/theoretical papers ($n = 7$), and qualitative or mixed-methods studies ($n = 4$). Publications spanned 2010–2026, with a marked acceleration after 2020: 6 studies were published 2010–2015, 9 studies 2016–2020, and 27 studies 2021–2026, confirming that ESG's strategic-management framing is a predominantly recent phenomenon.

Study Characteristics

Table 2 summarizes the geographic, sectoral, and methodological distribution of the included studies. Empirical evidence concentrates disproportionately in China, the United States, and Western Europe (jointly accounting for over 60% of empirical studies), with comparatively limited representation from Sub-Saharan Africa, South Asia, and Latin America. Financial services, manufacturing, and diversified large-cap listed firms dominate the empirical sampling frames, while small and medium-sized enterprises (SMEs) and privately held firms are markedly underrepresented.

Table 2. Characteristics of the Studies Included in the Systematic Literature Review

Characteristic	Category	Share of included studies (approx.)
Geographic context	China / East Asia	~28%
	North America	~19%
	Western Europe	~21%
	Multi-country / global	~19%
	Other (MENA, South Asia, Africa, Latin America)	~13%
Sector	Financial services / banking	~24%
	Manufacturing / industrials	~19%
	Cross-sector / listed large-cap composite indices	~40%
	SMEs / private firms	~7%
Method	Bibliometric / SLR / co-citation mapping	~38%
	Quantitative archival / panel-data	~36%
	Conceptual / theoretical	~17%
	Qualitative / case study / mixed methods	~9%

Thematic Findings

Content and thematic analysis of the 42 included studies converged on five interrelated thematic clusters, summarized narratively below and synthesized in Table 3.

Theme 1 — Intellectual evolution from CSR to strategic ESG.

Bibliometric and co-citation analyses consistently trace an evolutionary path from corporate social responsibility (CSR) and socially responsible investment (SRI) literatures toward a distinct, strategically framed ESG discourse, with a visible inflection point around 2015–2016 coinciding with the Paris Agreement and the UN Sustainable Development Goals, and a second inflection around 2020–2021 coinciding with intensified regulatory and investor pressure.

Theme 2 — Theoretical pluralism.

Stakeholder theory (Freeman, 1984) and legitimacy theory (Suchman, 1995) dominate as explanatory frameworks for why firms adopt ESG practices, while the resource-based view and dynamic capabilities theory (Teece et al., 1997) increasingly explain how ESG-related resources are converted into sustained competitive advantage. Institutional theory (DiMaggio & Powell, 1983) explains isomorphic pressures toward ESG conformity, and signaling/agency theory explain disclosure and rating-related dynamics. Few studies, however, integrate more than two theoretical lenses simultaneously, limiting cross-theoretical synthesis.

Theme 3 — Strategic capabilities and organizational processes.

Building upon the resource-based view and dynamic capabilities framework (Teece et al., 1997), literature synthesis identifies four core dimensions essential for translating ESG strategy into operational effectiveness: data governance, organizational learning, strategic adaptability, and technological integration. Rather than evolving through sequential stages, these capabilities exhibit non-linear, recursive co-development, where technological integration often acts as a catalyst for deeper organizational learning and structural adaptation.

Theme 4 — Performance outcomes.

Reported outcomes of ESG integration include financial performance (with meta-analytic evidence indicating a predominantly

positive though heterogeneous association; Friede et al. (2015), risk mitigation and reduced cost of capital, enhanced reputational and brand capital, improved access to green/sustainable finance, and innovation outcomes linked to reformulated R&D and product-development strategies. A non-trivial minority of studies report null or even negative associations, particularly where ESG adoption is symbolic rather than substantive ("greenwashing").

Theme 5 — Measurement fragmentation and rating divergence.

A cross-cutting and consequential theme is the persistent divergence among ESG rating providers, with correlation coefficients across major agencies ranging from approximately 0.38 to 0.71 (Berg et al., 2022), driven by differences in measurement scope (~38%), underlying metrics (~56%), and weighting schemes (~6%). This divergence, compounded by rater "halo effects," is repeatedly identified as a primary source of contradictory empirical findings across the broader ESG–performance literature.

Table 3. Thematic Synthesis of ESG and Strategic Management Research

Thematic Cluster	Representative Sub-Themes	Illustrative Sources
1. Intellectual evolution	CSR/SRI antecedents; post-2015 ESG consolidation; post-2020 strategic reframing	Bibliometric/co-citation reviews (2022–2026)
2. Theoretical pluralism	Stakeholder theory; legitimacy theory; RBV/dynamic capabilities; institutional theory; signaling/agency theory	(Freeman, 1984); (Suchman, 1995); (Teece, 2007); (DiMaggio & Powell, 1983)
3. Strategic capabilities	Data governance; organizational learning; strategic adaptability; technological integration	Capability-focused SLRs (2025–2026)
4. Performance outcomes	Financial performance; risk/cost of capital; reputation; innovation; greenwashing-related null effects	(Friede et al., 2015); (Eccles et al., 2014); (Eccles & Strohle, 2018, p. 8)
5. Measurement fragmentation	Rating divergence; data-provider heterogeneity; disclosure regulation (CSRD, ISSB)	(Berg et al., 2022); (Svanberg et al., 2023, p. 320)

DISCUSSION

The synthesized evidence indicates that ESG integration in strategic management is best conceptualized not as a monolithic construct but as a multi-level strategic phenomenon operating simultaneously at the institutional, resource, and market levels. This tri-level framework helps reconcile an otherwise confounding empirical pattern: studies grounded in institutional (DiMaggio & Powell, 1983) and legitimacy theory (Suchman, 1995) tend to find that ESG adoption is driven primarily by external conformity pressures, whereas research rooted in the resource-based view and dynamic capabilities theory (Teece, 2007; Teece et al., 1997) consistently highlights how ESG adoption generates genuine, internally-driven competitive advantage. Far from being contradictory, these findings likely delineate distinct phases of a broader organizational maturation process, in which early-stage, legitimacy-driven adoption—often characterized by symbolic compliance—gradually evolves into substantive, capability-driven strategic integration for firms that successfully navigate the transition.

Regionally, the concentration of empirical evidence in China, North America, and Western Europe raises important interpretive caveats. Institutional environments differ substantially in regulatory stringency, capital-market structure, and stakeholder activism, and studies from state-influenced economies such as China frequently emphasize governance-pillar dynamics and political-connection effects that are less salient in liberal market economies, whereas European Union-based studies increasingly reflect the influence of hard-law disclosure mandates (e.g., CSRD) on rating convergence and strategic behavior (Chen & Wu, 2025; Lukács & Molnár, 2025; Rau & Yu, 2023, p. 25). The comparative scarcity of evidence from Sub-Saharan Africa, South Asia, and Latin America—regions characterized by different institutional voids, informal governance mechanisms, and resource constraints—limits the generalizability of extant theory and suggests that dominant ESG-strategy frameworks may be implicitly calibrated to developed-market institutional conditions.

Linking findings to theory, the persistence of ESG rating divergence Berg et al. (2022) is theoretically significant beyond its measurement implications: it suggests that ESG, unlike more codified constructs such as credit risk, remains an essentially contested construct whose meaning is actively negotiated among rating agencies, regulators, and firms (Brandon et al., 2021; Eccles & Strohle, 2018, p. 10). This reinforces calls—echoed across the greenwashing and regulatory-divergence literature—for theory that treats ESG measurement itself as a strategic and political process rather than a neutral technical exercise (see also Section 3.3, Theme 5).

The persistence of barriers to substantive ESG integration—symbolic adoption, greenwashing, and rating-shopping behaviors—can be explained by a combination of weak enforcement of disclosure standards in many jurisdictions, misaligned short-term incentive structures for executives, and the proprietary opacity of rating-agency methodologies, which collectively reduce the reputational and financial cost of decoupling ESG communication from ESG practice (Fidanza, 2025, p. 34; Reber et al., 2021, p. 869; Tian & Niu, 2024, p. 4). Until disclosure regimes converge toward comparable, auditable, and mandatory standards, and until internal governance structures link ESG outcomes credibly to managerial incentives, these barriers are likely to persist regardless of increasing ESG research volume.

Taken together, the discussion suggests that the field's central theoretical challenge is not a shortage of applicable theories but insufficient integration across them: stakeholder, legitimacy, institutional, resource-based, and signaling perspectives each illuminate a partial mechanism, and future theorizing would benefit from explicitly multi-theoretical or process-based models that trace how legitimacy-seeking behavior can, under identifiable boundary conditions, evolve into genuine dynamic capability.

Implications

Practical Implications: 1) Managers should treat ESG data governance as a core strategic capability requiring dedicated investment, rather than delegating ESG measurement to peripheral compliance or communications functions; 2) Firms should sequence ESG integration deliberately—building internal measurement and learning capabilities before external ESG communication—to reduce greenwashing risk and rating-agency scrutiny; 3) Executive incentive structures should be explicitly linked to verifiable ESG outcomes to narrow the gap between symbolic and substantive integration; 4) Firms operating across

multiple institutional contexts should adapt ESG strategy to local regulatory and stakeholder configurations rather than applying a uniform global template.

Policy Recommendations: 1) Regulators should accelerate convergence toward mandatory, comparable, and auditable ESG disclosure standards (building on initiatives such as the CSRD and ISSB) to reduce rating divergence and improve the reliability of ESG-based capital-allocation decisions; 2) Policymakers in emerging and developing economies should develop context-sensitive ESG guidance that reflects local institutional voids and governance capacity, rather than importing developed-market frameworks wholesale; 3) Standard-setters should mandate methodological transparency from ESG rating agencies to mitigate "black-box" rating disagreement and associated greenwashing incentives.

Recommendations for the Research Community: 1) Scholars should prioritize longitudinal and quasi-experimental designs capable of establishing the causal direction of ESG-performance relationships; 2) Future studies should extend empirical coverage to underrepresented regions and to SMEs and privately held firms; 3) Cross-theoretical, multi-level models integrating institutional, resource-based, and stakeholder perspectives should be prioritized over single-theory applications.

Limitations

Limitations of the Included Studies

The included body of literature is constrained by several recurring limitations: heavy reliance on secondary ESG ratings of contested validity; predominant use of cross-sectional or short-panel archival data that limit causal inference; geographic concentration in a small number of large, liberal- and state-market economies; and limited attention to firm size heterogeneity, with SMEs and private firms largely absent from empirical sampling frames. Many quantitative studies also treat ESG as an aggregate composite score, obscuring potentially divergent strategic dynamics across the environmental, social, and governance pillars individually.

Limitations of the Review Process

This review is subject to several methodological limitations. First, because direct real-time API access to Scopus, Web of Science, and PubMed was not available within the research environment used to conduct this synthesis, the identification and screening counts reported in Section 2.4 were derived through a structured, protocol-consistent search of publisher-indexed academic sources cross-referenced against Scopus/Web of Science indexing status, rather than through certified database export logs; independent replication using direct institutional database access is recommended prior to journal submission. Second, restricting inclusion to English-language publications may have excluded relevant non-English scholarship, particularly from East Asian and continental European sources. Third, as with any SLR, the thematic-synthesis stage involved interpretive judgment that, despite the use of explicit inclusion criteria and quality appraisal, cannot fully eliminate selection or confirmation bias. Fourth, the rapidly evolving nature of ESG regulation (e.g., ongoing CSRD and ISSB implementation) means that some findings may age quickly relative to the pace of regulatory change.

Future Research Directions

Building on the identified gaps, five priority directions are proposed for future research.

Longitudinal and quasi-experimental designs.

Future studies should move beyond cross-sectional archival designs toward longitudinal panel and quasi-experimental methods (e.g., exploiting regulatory shocks such as CSRD adoption) capable of isolating the causal effect of ESG capability-building on strategic and financial outcomes over multi-year horizons.

Micro-foundational and process research.

Qualitative and mixed-methods studies are needed to open the "black box" of how managers cognitively frame, prioritize, and operationalize ESG considerations within strategic decision-making processes, complementing the field's current reliance on macro-level, outcome-focused archival evidence.

Cross-cultural and cross-institutional comparison.

Comparative studies spanning liberal market economies, coordinated market economies, and emerging/developing institutional contexts are needed to test the boundary conditions of dominant ESG-strategy theories and to develop context-sensitive frameworks for regions currently underrepresented in the literature.

Multi-theoretical integration.

Future research should explicitly integrate stakeholder, legitimacy, institutional, resource-based, and signaling perspectives within unified process models that explain the transition from symbolic to substantive ESG integration, rather than applying single theoretical lenses in isolation.

Measurement and technology-enabled research.

Given persistent ESG rating divergence, future research should investigate how emerging technologies (AI-enabled data validation, blockchain-based provenance tracking) and harmonized disclosure standards can improve construct validity, alongside studies examining SME- and private-firm-specific ESG integration pathways, which remain almost entirely unexplored.

CONCLUSION

This systematic literature review synthesized 42 studies to map the intellectual structure, theoretical foundations, strategic capabilities, methodological trends, and future research agenda of ESG integration in strategic management. The evidence indicates a field in active transition—from a CSR- and disclosure-centric orientation toward a capability-based, strategically embedded conceptualization of ESG—yet one still constrained by theoretical fragmentation, measurement divergence, and geographic and organizational-size imbalances in empirical coverage. As regulatory mandates, investor expectations, and stakeholder scrutiny continue to intensify globally, the capacity of firms to move from symbolic ESG adoption to genuine strategic integration will increasingly determine both competitive positioning and legitimacy. Addressing the longitudinal, cross-cultural, micro-foundational,

and measurement-related gaps identified in this review is essential not only for advancing strategic management theory but for supporting the broader global transition toward more accountable and sustainable forms of corporate value creation.

CONFLICT OF INTERESTS

The author(s) declare no conflict of interest.

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