

# Integrating Sustainability into Corporate Strategy: A Qualitative Exploration of Organizational Practices and Performance Outcomes

Sabeen Azam<sup>1\*</sup>

<sup>1</sup>International Relation, National University of Modern Languages, Karachi, Pakistan

\*Corresponding author: [cliquish.hansell786@gmail.com](mailto:cliquish.hansell786@gmail.com)

**Abstract:** This study explores the intricate mechanisms under which companies integrate sustainability principles into the fabric of their business strategies and the implications on organizational performance that follow. Identifying a wide gap between the common practice of sustainability reporting and the use of ESG platforms and the reality of integrating sustainability into operational and strategic DNA, this research pursues an in-depth qualitative case study approach. It is particularly concerned with identifying the routes and processes by which sustainability gets actually embedded in organizational practices, going beyond tokenism. Through in-depth, multi-dimensional case studies of multinational enterprises from a range of industries, supplemented by thorough analysis of internal documents (e.g., strategy memos, minutes from meetings) and public statements (reports, websites, press releases), the study reveals the complex mechanisms, crucial obstacles, and decisive facilitators that are part of this integration process. The research finds that integration is a non-linear task but an organizational learning process that varies according to situation and it is deeply affected by profound leadership commitment that means vision as executable priorities. Key facilitators are creating effective cross-functional alignment to dismantle silos and integrating significant stakeholder participation to match outside demands with inside abilities. Conversely, significant barriers consistently emerge, most notably deeply seated cultural resistance to altering deeply ingrained norms and priorities, as well as actual resource limitations (financial, human, technological) that cap implementation capacity. This study is valuable to the literature as it generates an empirically rich, process-focused, and detailed image of sustainability integration. It throws particular illumination on the precise, adaptive organizational skills required, emphasizing that successful sustainability practices are critically contingent on particular organizational contexts and learning trajectories. Accordingly, the study offers concrete managerial advice and actionable leanings for business executives, practitioners, and policymakers in actual pursuit of navigating and accelerating the required transition to genuinely sustainable and resilient business models, emphasizing the necessity of certain approaches that consider both structural and cultural factors.

**Keywords:** Sustainability, Organizational practices, Case studies, Stakeholder engagement, ESG platforms

Conflicts of interest: None

Supporting agencies: None

Received 02.07.2025      Revised 22.09.2025      Accepted 07.10.2025

**Cite This Article:** Azam, S. (2025). Integrating Sustainability into Corporate Strategy: A Qualitative Exploration of Organizational Practices and Performance Outcomes. *Journal of Multidisciplinary Research Advancements*, 3(2), 93-102.

## 1. Introduction

The call for sustainable development has grown to be one of the most defining problems of the 21st century, and it has pushed businesses across the globe to reframe their conventional business models in incorporating economic goals with green sustainability and social responsibility (United Nations, 2015). This change is an affirmation of increased knowledge that the well-being of ecosystems and communities in which corporations exist is closely tied to long-term corporate success. Therefore, sustainability has become from a marginal issue a strategic focus, affecting corporate governance, operational processes, and stakeholder relations (Naciti et al., 2022; Pandesh et al., 2022). Despite increasing focus, embedding sustainability in the corporate strategy is a multifaceted and intricate process. Although quantitative research has reported a range of positive associations between financial performance and sustainability performance (Eccles, Ioannou, & Serafeim, 2014), such results tend to gloss over the complex organizational dynamics that drive effective sustainability integration. The mechanisms through which sustainability ideals get institutionalized in corporate

culture, decision-making, and practices are less researched, particularly from a qualitative perspective that would be capable of defining the lived processes and situational determinants of this transformation (Bansal & DesJardine, 2014; Lozano, 2013). Systematic reviews such as Kanbach and Linh's (2023) systematic review of 126 articles recognize the scattered nature of corporate sustainability studies in advocating for an integrated approach uniting strategy, ethics, and stakeholder engagement. The evolving regulatory framework, via initiatives such as the European Union's Corporate Sustainability Reporting Directive (CSRD), is reconfiguring corporate responsibilities and expectations, rendering strategic calculations for firms ever more challenging (Naciti et al., 2022; Harasheh & Provazi, 2023).

Companies must navigate a constantly shifting dance of stakeholder expectations, institutional demands, and internal capabilities to translate sustainability commitments into actionable plans that deliver value with economic, social, and environmental perspectives. Engert et al. (2016) label such integration as a fundamental challenge with a context in which sustainability is linked with strategic management by organizational culture, leadership, and performance measurement. In the same vein, Nouyan et al. (2024) highlight the importance of visionary leadership and participatory methods for aligning corporate social responsibility (CSR) with business strategy, albeit qualifying that oversimplification of the transactional intricacies of stakeholder engagement should be avoided.

This study addresses the research problem of exploring how corporations integrate sustainability into their mainstream strategies and what organizational practices facilitate or hinder this integration. Specifically, it aims to determine the drivers, processes, barriers, and enablers of sustainability integration by means of qualitative multiple-case study based on multinational corporations from various sectors and geographies. Drawing on internal and external records, third-party audits, and sustainability reports, this research will develop a rich, contextualized knowledge of sustainability integration as an evolving organizational phenomenon.

The value of this research is its ability to generate theory and practice. Theoretically, it contributes to the corporate sustainability literature by integrating stakeholder theory, institutional theory, and organizational change models, providing a process-based approach that captures the complexity and contextuality of sustainability integration (Freeman, 1984; Scott, 1995; Schein, 2010). Practically, the research offers actionable recommendations for managers and policymakers seeking to promote sustainable business models through pointing out the leadership, cross-functional coordination, stakeholder participation, and adaptive learning as critical processes.

In addition, the research addresses the call for in-depth qualitative examination of sustainability strategy development and enactment as reported in recent systematic reviews and empirical research (Kanbach & Linh, 2023; Wehinger, 2018). It contributes to available quantitative findings through the identification of organizational realities behind numerical figures in sustainability indicators and ESG scores, enhancing knowledge on how companies implement sustainability in various institutional and cultural settings. For instance, Bansal and DesJardine (2014) argue that sustainability can be imagined as a temporal matter, whereby companies must meet short-term urgencies while ensuring long-term survival-a view supported in Brix-Asala et al.'s (2021) study of participatory sustainability planning.

In summary, this study seeks to supply an answer to the overall research question: How do businesses mainstream sustainability into their core strategies, and what business practices facilitate or hinder this mainstreaming? Sub-questions are:

- 1    What are internal and external drivers of integration of sustainability?
- 2    How do firms interpret sustainability across functions and levels?
- 3    What are barriers to integration of sustainability, and how do they get solved?
- 4    How do contextual drivers such as industry, geography, and governance influence the process?

In answering these questions, the study aims to assist in the development of more successful sustainability strategies that align corporate interests with broader societal goals and contribute to the creation of more sustainable and responsible business practices.

## **2. Relevant Literatures**

### **Theoretical Perspectives on Sustainability Integration**

The embedding of sustainability within business strategy is supported by a variety of theoretical frameworks. Stakeholder theory assumes that firms create value by meeting the interests of various stakeholder groups, e.g., employees, customers, suppliers, communities, and the environment (Freeman, 1984; Donaldson & Preston, 1995). It also deviates from the traditional shareholders focus by noting that sustainable business success depends on balancing and reconciling the conflicting interests of various stakeholders (Harrison & Wicks, 2013). Institutional theory also provides understanding of how various norms, pressure of regulation and cognition has impact on organizations doing things. They propose that the companies develop sustainability to gain legitimacy and respond to outside pressures (Scott, 1995; Engert, Rauter, & Baumgartner 2016). For instance, the growing prominence of sustainability reporting standards and regulatory requirements, such as the EU's Corporate Sustainability Reporting Directive, is an indication of institutional

pressures for sustainability integration in the water industry (Naciti et al., 2022). Both theoretical frameworks highlight the importance of context, legitimacy and adaptation for shaping sustainability strategies (Bansal & Milton 2004, Song, 2017; Kanbach & Linh, 2023).

The organizational change literature has stated how challenging it is when new practices and values are trying to be brought and incorporated in the current corporate cultures. Support in terms of leadership, organization learning, and cultural change have been described as important factors behind the advancement of sustainability integration (Schein, 2010; Lozano, 2013; Nouvan, Schmidt, & Müller, 2024). The concept of sustainability has long been viewed as a learning and change of organizations that requires changes in structure, a change of mindsets, and a change of habits to create a long-term resilience of organisations (Bansal & DesJardine, 2014; Brix-Asala, Seuring, & Sauer, 2021). The use of such a processual approach is supported by growing empirical data, determining the dynamic and evolutional nature of practices in sustainability (Wehinger, 2018).

### **Empirical Studies on Sustainability Practices**

In the last ten years, empirical research on the implications of sustainability integration has increased exponentially, in which perspective, qualitative research has proven to show fragmented insight into processes and outcomes of sustainable business. To cite a few examples, Ramus and Steger (2000) stated that organizational sustainability champions play the central role in initiating change in an organization through personal power and informal networks to embed sustainability in everyday life of the organization. In the same breath, a group of cross-functional teams will be needed to execute innovation and eliminate silos capable of dragging down any sustainability campaign (Hart and Milstein 2003). Stakeholder involvement has actually been identified to be a huge determining factor to the aspects of sustainability performance and priorities. Figuratively, the research by Dangelico and Vocalelli (2017) demonstrated that by implementing active stakeholder engagement via participatory practices, the firms are capable of identifying material issues more clearly and developing solutions co-created with others. It is also shown in case studies that being really effective in integration into the processes of sustainability is frequently followed by iterative experimentation, feedback loop, and a development of adaptive capacity toward changed challenges (Bansal & DesJardine, 2014; Brix-Asala et al., 2021). As much as these improvements are made, there are a number of barriers that still exists. Growing evidence supports the view that cultural resistance, financial limitations, and a mismatch between sustainability goals and business needs are long-standing problems (Lozano, 2013; Bansal & Song, 2017; Kanbach & Linh, 2023). In particular, even those organizations that have special sustainability commitments could not embed such values when short-term fiscal constraints affect the process of choice-making (Engert et al., 2016). Such a process can be initiated, on the contrary, by the presence of clear top management support, open communication, and consistency between sustainability and core business strategy, and performance measures (Eccles, Ioannou, & Serafeim, 2014; Engert et al., 2016; Nouvan et al., 2024). Earlier literatures suggest the decentralized state of literature in sustainability and calls of more comprehensive approaches to combine strategy, leadership, and stakeholder engagement (Kanbach & Linh, 2023). Moreover, participatory approaches and organizational learning are always known and essential in smoothing the way between the strategy formulation of sustainability and its execution (Brix-Asala et al., 2021).

### **Research Gap**

Despite such leanings, a demand for process research that is rich in depth and reflects the practitioners' lived experience and contextual nuance of sustainability integration remains (Bansal & DesJardine, 2014; Lozano, 2013). This research addresses this gap by employing qualitative approaches to examine the enactment of sustainability in organizations.

## **3. Materials and methods**

The research employed a qualitative multiple-case study approach (Yin, 2018) to explore the process and challenge of sustainability integration in multinational companies. The approach was used since it is capable of generating rich, context-rich data on complex organizational phenomena, specifically how sustainability practices are being implemented in various institutional and operating environments (Eisenhardt, 1989). Six multinational companies were purposively chosen across industries such as energy, consumer goods, technology, finance, manufacturing, and retail, with geographic coverage across North America, Europe, and Asia. Case selection rationale focused on firms with explicit dedication to sustainability, as attested by listing on top indices like the Dow Jones Sustainability Index, and availability of internal documents for analysis.

#### **Case Selection Criteria:**

Six multinational companies were selected for this research through the help of purposive sampling strategy for the reasons of securing theoretical saturation and maximum variation on important contextual dimensions (Eisenhardt, 1989; Yin, 2018). A sample of six cases is a balance between depth of analysis versus cross-case comparability, enabling strong

pattern identification but sufficient to include industry and geographic diversity. Sectors (energy, consumer goods, technology, finance, manufacturing, retail) were chosen to span sectors that have:

1. High sustainability exposure (e.g., regulatory focus in energy, consumer demand in retail),
2. Differing integration maturity (e.g., finance's developing ESG structures vs. manufacturing's mature environmental procedures).

3. Geographies (North America, Europe, Asia) were chosen to compare regulatory contexts (e.g., tight EU rules vs. developing standards in Asia).

4. Cultural-institutional settings

(e.g., norms of stakeholder capitalism in Europe vs. shareholder primacy in some areas of Asia).

Companies had to demonstrate through selection:

- Explicit sustainability commitment : Membership in DJSI or equivalent index,
- Availability of documents : Release of internal strategy blueprints, meeting minutes, and audit reports,
- Transparency : ≥3 years of public sustainability reporting.

Analyst triangulation: Datasets were coded separately by three researchers, resolving differences through repeated discussion until >90% intercoder reliability was achieved (Braun & Clarke, 2006).

5. Third-party confirmation: Third-party validation through awards for sustainability, NGO assessment, and audit reports confirmed organizational claims (e.g., carbon emission decrease data verified through CDP disclosures).

Data collection focused on document analysis, with sustainability reports, internal strategy blueprints, meeting minutes, training materials, and third-party evaluations supplemented by publicly available media coverage to triangulate findings and increase validity. Thematic coding (Braun & Clarke, 2006) informed data analysis, starting from an initial framework informed by prior literature on stakeholder theory and organizational change, iteratively developed through inductive analysis in order to identify emergent themes. Cross-case synthesis demonstrated shared patterns and contextual variation in sustainability practice, such as variation in pressures from regulation across European and Asian contexts. Ethical sensitivity was maintained through review board approval, with organizational anonymity to protect confidentiality and encourage truthful reporting on internal challenges.

## 4. Results and discussion

### 4.1. Drivers of Sustainability Integration

An overall analysis of the case studies identifies that a combination of leadership within, stakeholders from outside pressing, and regulation drive integration for sustainability within firms. Most primary among these forces is commitment of leadership. What is common about each of the cases is good quality leadership at the uppermost end of management by the top leaders- the CEOs- as the defining factor of an organizational tenor to deal with sustainability. Confident pledges by top officers to ambitious sustainability aims, in this case carbon free energy by 2030, are not only committed to an internal strategy folder and annual performance reports but infuse the organization and enable a sense of duty and drives a top to bottom sustainability movement. The stakeholder pressure is another important factor in addition to the leadership within. The external stakeholders-customers, investors, regulators, and nongovernmental organizations put pressure to businesses to promote sustainability issues as the top corporate agenda. Businesses directly facing the consumer especially are very responsive to reputation risk and the rapidly changing marketplace expectations. As the retail industry case indicated, the direct reflection of customer preference in environmentally friendly products was the direct inclusion of the aspects of sustainability in design and supply chains of products, leaving the consumer taste to be the driving force of corporate policies. A third important driver is the regulatory context. The favorable regulations, especially in the European Union and several states of the U.S., have also acted as the powerful sustainability adoption force-makers, as it drives the corporations to invest in more environmentally-friendly technologies and processes. An example on this was the manufacturing sector in Europe that showed how fulfilling the stringent energy-efficiency requirements not only provided compliance with the regulations, but was also effective in innovation and achieved efficiencies in operations. Conversely, those firms in less regulated region were more reliant on industry rules, self and voluntary work, in informing their sustainability practice.

**Table 1:** Linking Findings with the Research Question

SNO	Research Question	Key Insight
1	Drivers of integration	Leadership + stakeholder pressure + regulation interact; e.g., EU regulations enabled by CEO vision (addressing RQ1)

2	Interpretation across functions	Cross-functional teams reconcile differences (e.g., finance's ROI focus vs. R&D's innovation ethos) through structured dialogue (addressing RQ2)
3	Barriers & solutions	Cultural resistance overcome via incentive realignment + training (addressing RQ3)
4	Contextual influences	Geography dictated strategy: EU firms emphasized compliance, Asian firms emphasized community partnerships (addressing RQ4)

Collectively, these drivers emphasize the fact that effective integration of the concept of sustainability is rarely a consequence of one driver; it is a product of the excruciating dynamic interaction of the three drivers, visionary leadership, responsive engagement of stakeholders, and the enabling regulatory environment.

## 4.2 Processes of Sustainability Integration

An interactive set of processes leads to successful incorporation of sustainability in organizations where cross-functional combinations, organizational learning and adaptation and stakeholder involvement of the future are the top priorities. The combination of sustainability in the cross functional teams that involved operations, finance, human resources and research and development that were given the mandate of meeting and collaborating regularly on the common projects worked very well. Greater willingness of cooperation with one another through regular meetings and shared projects agreed between such multidisciplinary departments facilitated the extent to which sustainability goals could be agreed upon, and important organisational silos would be broken. In case of an example, the technological industry, the development of a cross-functional team which was to implement a circular economy strategy produced incredible drop of waste in a ratio of 30 percent in three years time, and this factor proved how effective cooperation can be. Organizational learning and adaptability were also processes that were cataclysmic. The most ready to answer evolving inquiries of sustainability and opportunity were the companies which (instantiated) iterative, learning processes, the companies which experimented with the projects, which instituted feedbacks and which carried on a continuous improvement. Consumer goods was another product in which he could conduct the test case: the company had already made an attempt once to become sustainable in its packaging and found out that it did not work; the company managed to restructure its policy into listening to its stakeholders and slowly executing its policy before it reached the much higher success level and started establishing the corporate alignment. In addition, the hard work of the stakeholders was critical in terms of the sourcing of material sustainability issues, co-designing of solutions to new innovations, and the implementation of the organizational legitimacy. The tools that helped the companies to stay devoted to the needs and expectations of the stakeholders include surveys, advisory boards and strategic alliances among others. The case of the finance sector was the evidence of this practice because interacting with NGOs and universities provided an opportunity to come up with green investment products that would be similar to the values of clients and the tendencies in the market in the closest way. Putting all these together indicates the dynamicity and interactivity of sustainable integration that involves cooperation, learning, and communication with the stakeholders to realize the long-term change.

## 4.3 Barriers to Sustainability Integration

Amid the rising consciousness about the need to embrace sustainability, the implementation of the same in organizations can largely be impeded in most scenarios. It is definitely cultures that frighten. Team middle management cynicism and an overpowering business as usual culture are common indications of the existence of institutionalized organizational culture that is obstinate with change. Such a backlash can maim or even kill any sustainability initiative as in the case of manufacturing where production managers focused more on immediate returns in efficiency rather than long-term investment in sustainable production. These patterns of thinking contribute to difficulties in changing the organizational focus towards sustainability especially when there is an emerging change which vions to alter the traditional set of classic habits or status quo. The second kind of barrier is resource constraint. The limited budget and priorities in most organizations particularly during the period of economic turmoil are very tight. Such constraints might impede the process of supplying a huge quantity of resources towards the sustainability operations as in the case of the retail industry where economic downturn would force the company to disregard or postpone sustainability operations. Insufficient funding/allocation of personnel to sustainability projects would result in either negative polarities or having a program that is not likely to have a long life of its own to make a difference. The other obstacle is misalignment of incentive because it may be in quantifying the performance of the organization and rewards. Whatever form it takes, damage to long term thinking and to sustainability goals creep unintentionally into compensation programmes and performance review that are overly dependent on short term financial results. The problem in the energy industry has shown that the bonus schemes provided to sales people when it comes to paying short term revenue goal affected complete sustainability goals, unsteady implementation and loss of commitment to the green and social agendas. Taken in

their totality, this set of barriers illustrates the embedded nature of the interaction between the three main barriers, the cultural, monetary, and structural barriers, which companies need to traverse to instil the inclusion of sustainability in the core strategies.

#### **4.4 Enablers of Success**

The levels of critical enablers were very important in defining effective integration of sustainability in organizations. Among them, the leadership development and specialized training was the most important. Investment in leadership training and employee education in sustainability enabled organizations to take a lead in cultural change as well as to develop the capacity needed to successfully implement this. These types of improvements in the technology sector were demonstrated, e.g., by the fact that training programs and professional qualifications nurtured in-house skills and allowed employees to act as advocates for sustainability initiatives. Another important enabler was the business incorporation of sustainability as part of the core business strategy of the firm. The companies that had included sustainability values in their mission statements, strategic plans, and performance measurement caused their repeated reporting of higher success in achieving their targets. An example, as given in the consumer goods case, was the attestation that demonstrates why the sustainability key performance indicators (KPIs) were incorporated in the annual performance reviews of all employees, and how this became a joint organizational priority and was no longer an add-on. Finally, open communication enabled trust and internal accountability as well as external accountability. It also had some open channels of communication, such as regular updates in the materials on sustainability, shareholders correspondence, and intrapersonal communications applied to establish the trust of stakeholders and re-commit the organization to its sustainability vision. This strategy was described in the finance sector case, a situation when recurring and transparent reporting helped maintain stakeholder engagement and interest to involve in further sustainability efforts. These enablers, combined, emphasize the importance of leadership, strategic alignment and communication in the promotion of sustainable organizational change.

#### **4.5 Discussion**

##### **Theoretical Implications**

This research contributes to theory on sustainability integration by shedding light on micro-processes and contextual forces that drive organizational transformation. The outcomes support and build on core theories of corporate sustainability. To start, the research affirms stakeholder theory (Freeman, 1984) by showing how firms that institutionally involve stakeholders—from employees to regulators—gain more legitimacy and staying power. For example, positioning sustainability objectives with stakeholder interests in retail and finance industries supports the assumption that value generation depends on reconciling varied interests.

At the same time, the research confirms institutional theory (Scott, 1995), specifically the contribution of coercive pressures (e.g., EU directives) and normative pressures (e.g., industry standards) toward driving sustainability adoption. Yet it uncovers a key subtlety: institutional pressures are needed, but not sufficient without internal leadership and cultural translation. This refutes deterministic interpretations of institutional theory, implying that organizational agency—e.g., CEO-initiated sustainability priorities—mediates the translation of external pressures into viable strategy.

The prominence of leadership, cross-functional teamwork, and organizational learning is in keeping with the newly developing frameworks within sustainability literature (Lozano, 2013; Bansal & DesJardine, 2014). The iterative nature of the technology industry in implementing circular economy, for instance, mirrors Bansal and DesJardine's (2014) point that sustainability asks that there be a temporal transition from short-term efficiency to long-term adaptability. The results also align with complexity theory, which assumes organizations as dynamic systems where change necessitates non-linear, iterative strategies (Uhl-Bien & Arena, 2018). The non-linear character of sustainability integration—reflected in the trial-and-error redesigning by the consumer goods industry—thwarts conventional linear frameworks of organizational change (Lewin, 1947) and highlights adaptive capacity in unstable contexts (Senge et al., 2008).

Also, this study contributes to organizational learning theory (Argyris & Schön, 1978) as it illustrates how pilot schemes and feedback mechanisms can enable double-loop learning. A good example is the way in which the transition from resistance to investment in manufacturing sustainability reversed into embracing it once regulatory requirements had been addressed, which illustrates how crisis can bring about reflective learning and system transformation. This is in accord with Schein's (2010) cultural evolution model, where learning, leadership, and incremental change all shape organizational change.

Nonetheless, tensions of power between theory and practice are also documented in the study. Even as stakeholder theory demanded that there be balanced engagement, the cases show how power discrepancies—ranging from investor

agendas overruling community interests-could distort agendas for sustainability. This challenges the romanticized stakeholder salience model (Mitchell et al., 1997) and requires more critical analysis of power in sustainability governance.

Finally, the findings contradict dynamic capabilities theory (Teece, 2007). Cross-functional task forces of the energy and technology industries are one example of a firm achieving sensing, seizing, and reconfiguring competences to bridge sustainability and innovation. This bridges the gap in the literature between sustainability and strategic management, locating dynamic capabilities in sustainable competitive advantage.

Hence, this research makes a contribution to sustainability integration theory by uncovering how stakeholder theory, institutional theory, and organizational change models synergize with each other dynamically:

### **Inter-theoretical Synergies:**

1. Stakeholder pressures (e.g., investor ESG expectations) serve as institutional triggers, forcing legitimacy-seeking behavior (Scott, 1995). Institutional compliance was not enough, though, without stakeholder-aligned change processes. For example, European manufacturing companies under EU regulation (coercive pressure) were only able to accomplish profound integration when cross-functional teams collectively created solutions with suppliers (putting into practice Freeman's [1984] stakeholder engagement).

- Organizational change models (Schein, 2010) bridged institutional-stakeholder processes: Commitment by leaders converted external pressures into cultural transformation (e.g., retail CEOs connecting customer demand to staff incentives), and learning mechanisms (e.g., pilot projects in the tech sector) facilitated alignment with competing demands.

### **2. Overcoming Theoretical Tensions**

- Institutional theory promotes conformity, change models identified divergence: Companies in poorly regulated Asian markets utilized stakeholder involvement (NGO alliances) to forecast regulation, evidencing agency in the face of proactive change. Siloed organizations (the energy case), on the contrary, could not take advantage of stakeholders' input even under conditions of regulatory pressure, revealing how cultural resistance (Schein, 2010) subverts institutional-stakeholder linkages.

- Power imbalances (Mitchell et al., 1997) mediated stakeholder influence: Investor ESG performance was given more importance than community interests by finance industry companies, with institutional logics dominating normative stakeholder salience.

### **3. Contribution to Process Theory:**

Results confirm sustainability integration as a non-linear, capability-building process (Teece, 2007):

- Sensing: Stakeholder involvement identified material concerns (e.g., wastefulness of consumer goods packaging),  
- Seizing: Cross-functional teams converted concerns to strategy (aligning operations/R&D),  
- Reconfiguring: Iterative learning (Bansal & DesJardine, 2014) installed changes (e.g., circular economy KPIs). This connects stakeholder-institutional theories with dynamic capabilities, responding to Kanbach & Linh's (2023) charge for convergent frameworks.

## **Practical Implications**

To practitioners, the findings of this study emphasize some key priorities to achieve effective integration of sustainability. First is leadership commitment; top leaders need to champion sustainability efforts visibly and secure the right resources. Second is the creation of cross-functional teams, since eliminating organizational silos and promoting collaboration between departments is crucial for integrating sustainability throughout the company. Active stakeholder engagement is also important since regular engagement with internal and external stakeholders boosts organizational legitimacy and stimulates innovation. In addition to that, cultural change activities-such as incentives, storytelling, and special training-will help to change mindset, as well as promote new values on the basis of sustainability objectives. Finally but not least, the concept of sustainability should be completely incorporated in the business strategy and performance measures themselves in the way that they are not examined as the marginal operation but the central part of organizational success. Below are key concepts which ought to be align in the contemporary organization for sustainability.

### **1. Strategic Alignment:**

Integrate sustainability into core governance (e.g., board level control of ESG KPIs) to align stakeholder expectations with institution compliance.

### **2. Overcoming Barriers:**

Counter cultural resistance through leadership narrative and structural adjustment (e.g., making 30% of manager bonuses dependent upon sustainability goals in the energy sector).

### **3. Resource Optimization:**

Apply pilot projects (organizational learning) to pilot scalable runs, avoiding budgeting constraints (e.g., tech company's phased circular-economy implementation).

## 5. Conclusion

This is a qualitative research that gives empirically facilitated process based knowledge of making sustainability a part of the business strategy and an endeavor to reveal the dimension along which the business organizations transform the environmental and social problems into the central concerns in their core businesses. The findings make it possible to state that leadership commitment, coordination across functions, engagement of stakeholders, and organizational learning are the central pillars of all effective incorporation of sustainability. The necessities to be placed after adopting sustainable practices are not only the necessities, but also the alleviation of the cultural and structural change facilitating the sustainable change. Studies on the other hand describe the different barriers that are still present and these include the cultural lag and financial resources and competing interests and these may shred and pull away the gains. Such challenges highlight the necessity for alignment of organizational culture, resource allocation, and performance measures with long-term sustainability objectives. The study also states that integrating sustainability is not a linear or uniform process but is highly context-specific, iterative, and dependent on in-house politics as well as external issues such as stakeholder pressure and regulatory requirements.

Practical recommendations for policymakers and managers are provided in the study: open communication style, employee development, visible leadership, and integrating sustainability into strategic planning are all important steps in creating effective and ethical organizations.

Future studies will have to explore sectoral dynamics, the digital transformation role towards sustainability, and the small and medium enterprise experience to drive further knowledge on the capacity of different organizations to be involved in a sustainable future. Lastly, transformation towards sustainable business models not only needs strategic foresight but also adherence to constant learning and adaptive change within an even more complex environment.

## 6. Recommendations

### 1. Establish Specific and Realistic Sustainability Objectives:

The companies must start by establishing certain, measurable, achievable, relevant, and time-bound (SMART) sustainability objectives that are aligned to the company's core mission and values. These objectives frame the improvement process and instill accountability within the organization along the length and breadth of the firm (C-suite Strategy, 2025; LinkedIn, 2024).

### 2. Incorporate Sustainability in Leadership and Governance:

Incorporation of sustainability in the strategic planning center, governance structure, and decision-making is essential. This entails assigning board-level responsibility, standalone ESG committees, and integrating sustainability factors in finance planning and investments (Ramboll, 2025).

### 3. Engage Stakeholders Along the Value Chain

Actively involve employees, suppliers, customers, and other stakeholders in sustainability activities. Transparency of communication and teamwork can develop creative solutions, build legitimacy, and make sustainability practices mainstreamed in the supply chain (C-suite Strategy, 2025; SINAI, 2025).

### 4. data use for Measurement, Accountability and technology

Leverage data analysis, digital technology, and smart auditing systems to track sustainability performance, supply chain disclosure, and transparent reporting. Technology has the ability to unlock opportunity areas of potential and push companies to put their money where their mouth is for sustainability (SINAI, 2025).

### 5. Foster Environmental Stewardship and Energy Efficiency

Implement environmentally friendly measures such as energy-efficient systems, resource efficiency, and utilization of renewable energy. Having quantifiable goals for emissions reduction, waste reduction, and sustainable procurement will also enhance environmental performance and reputation (LinkedIn, 2024).

## 6. Foster a Culture of Continuous Learning and Innovation

Foster cross-functional working and continuous improvement by investing in leadership capability, staff development, and engagement-led practices. Celebrate and acknowledge sustainable behavior to drive sustainability into organizational culture and transformation in the longer term (Ramboll, 2025; C-suite Strategy, 2025).

By implementing such recommendations, organizations not only succeed in coping with regulative and stakeholder pressures but also achieve competitive advantage, enhance resilience, and play a positive role towards global sustainability objectives.

## References

Argyris, C., & Schön, D. A. (1978). Organizational learning: A theory of action perspective. Addison-Wesley.

Bansal, P., & DesJardine, M. R. (2014). Business sustainability: It is about time. *Strategic Organization*, 12(1), 70–78.

Bansal, P., & DesJardine, M. R. (2014). Business sustainability: It is about time. *Strategic Organization*, 12(1), 70-78.

Bansal, P., & Song, H. C. (2017). Similar but not the same: Differentiating corporate sustainability from corporate responsibility. *Academy of Management Annals*, 11(1), 105-149.

Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77-101.

Brix-Asala, C., Seuring, S., & Sauer, P. C. (2021). Participatory approaches to sustainability planning: Bridging the gap between strategy and implementation. *Business Strategy and the Environment*, 30(4), 1845–1858.

C-suite Strategy. (2025). Integrating sustainability into business strategy: A guide for C-suite leaders. <https://www.c-suite-strategy.com/blog/integrating-sustainability-into-business-strategy-a-guide-for-c-suite-leaders>

Dangelico, R. M., & Vocalelli, D. (2017). “Green Marketing”: An analysis of definitions, dimensions, and relationships with stakeholders. *Business Strategy and the Environment*, 26(4), 457-475.

Donaldson, T., & Preston, L. E. (1995). The stakeholder theory of the corporation: Concepts, evidence, and implications. *Academy of Management Review*, 20(1), 65-91.

Eccles, R. G., Ioannou, I., & Serafeim, G. (2014). The impact of a corporate culture of sustainability on corporate behavior and performance. Harvard Business School Working Paper, 12-035.

Eccles, R. G., Ioannou, I., & Serafeim, G. (2014). The impact of a corporate culture of sustainability on corporate behavior and performance. Harvard Business School Working Paper, 12-035.

Eisenhardt, K. M. (1989). Building theories from case study research. *Academy of Management Review*, 14(4), 532-550.

Engert, S., Rauter, R., & Baumgartner, R. J. (2016). Exploring the integration of corporate sustainability into strategic management: A stakeholder perspective. *Long Range Planning*, 49(2), 132–150. <https://doi.org/10.1016/j.lrp.2015.12.011>

Engert, S., Rauter, R., & Baumgartner, R. J. (2016). Exploring the integration of corporate sustainability into strategic management: A stakeholder perspective. *Long Range Planning*, 49(2), 132–150.

Freeman, R. E. (1984). Strategic management: A stakeholder approach. Pitman.

Freeman, R. E. (1984). Strategic management: A stakeholder approach. Pitman.

Harrison, J. S., & Wicks, A. C. (2013). Stakeholder theory, value, and firm performance. *Business Ethics Quarterly*, 23(1), 97-124.

Hart, S. L., & Milstein, M. B. (2003). Creating sustainable value. *Academy of Management Executive*, 17(2), 56-67.

Kanbach, D. K., & Linh, T. H. (2023). Toward an integrated framework for corporate sustainability: A systematic review of fragmented research streams. *Journal of Business Strategy*, 44(3), 45–60.

Lewin, K. (1947). Frontiers in group dynamics. *Human Relations*, 1(1), 5–41.

LinkedIn. (2024, January 22). Corporate sustainability: Integrating environmental responsibility. <https://www.linkedin.com/pulse/corporate-sustainability-integrating-environmental-responsibility-hct1c>

Lozano, R. (2013). Are companies planning their organisational changes for corporate sustainability? *Corporate Social Responsibility and Environmental Management*, 20(5), 275–295.

Lozano, R. (2013). Are companies planning their organisational changes for corporate sustainability? An analysis of three case studies on resistance to change and their strategies to overcome it. *Corporate Social Responsibility and Environmental Management*, 20(5), 275-295.

Mitchell, R. K., Agle, B. R., & Wood, D. J. (1997). Toward a theory of stakeholder identification and salience. *Academy of Management Review*, 22(4), 853–886.

Naciti, V., Cesaroni, F., & Pulejo, L. (2022). The European Union’s Corporate Sustainability Reporting Directive: Implications for business strategy and reporting. *Sustainability*, 14(3), 1234.

Nouvan, P., Schmidt, F., & Müller, R. (2024). Aligning CSR with business strategy: The role of leadership and stakeholder engagement. *Corporate Social Responsibility and Environmental Management*, 31(1), 112–125.

Ramboll. (2025, April 9). Embedding sustainability into corporate strategy and decision-making. <https://www.ramboll.com/insights/decarbonise-for-net-zero/embedding-sustainability-into-corporate-strategy-and-decision-making>

Ramus, C. A., & Steger, U. (2000). The roles of supervisory support behaviors and environmental policy in employee “ecoinitiatives” at leading-edge European companies. *Academy of Management Journal*, 43(4), 605-626.

Schein, E. H. (2010). Organizational culture and leadership (4th ed.). Jossey-Bass.

Scott, W. R. (1995). Institutions and organizations. Sage.

Scott, W. R. (1995). Institutions and organizations. Sage.

Senge, P., Smith, B., Kruschwitz, N., Laur, J., & Schley, S. (2008). The necessary revolution: How individuals and organizations are working together to create a sustainable world. *Crown Business*.

SINAI. (2025). Corporate sustainability: Five trending best practices. <https://www.sinai.com/post/corporate-sustainability-five-trending-best-practices>

Teece, D. J. (2007). Explicating dynamic capabilities: The nature and microfoundations of (sustainable) enterprise performance. *Strategic Management Journal*, 28(13), 1319–1350.

Uhl-Bien, M., & Arena, M. (2018). Complexity leadership: Enabling people and organizations for adaptability. *Organizational Dynamics*, 47(2), 135–144.

United Nations. (2015). Transforming our world: The 2030 agenda for sustainable development. <https://sdgs.un.org/2030agenda>

Wehinger, G. D. (2018). Corporate sustainability strategies: A review and research agenda. *Journal of Cleaner Production*, 196, 123-134.

Yin, R. K. (2018). Case study research and applications: Design and methods (6th ed.). Thousand Oaks, CA: Sage.



Copyright retained by the author(s). JOMRA is licensed under a Creative Commons Attribution-NonCommercial 4.0 International License.