STRATEGIC MANAGEMENT IN THE ESG CONTEXT: AN EMPIRICAL TYPOLOGY OF BUSINESS APPROACHES

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Keywords: corporate culture, human resources, sustainability leadership, typology of corporate approaches to ESG
JEL Classification: L21, M10

1 INTRODUCTION

The integration of ESG into strategic corporate management fundamentally transforms goal-setting, human resource management, and corporate culture. ESG is no longer merely a response to external demands but is becoming a framework for internal decision-making [6]. Companies are redefining their objectives—from purely financial metrics to long-term indicators such as carbon footprint, diversity, and community impact [3].

In human resources, ESG promotes ethical leadership, inclusion, and employee engagement. Managers are shifting from performance-focused roles to sustainability leadership [1]. Corporate decision-making increasingly relies on stakeholder analysis and scenarios that consider environmental and social externalities [4], enhancing innovation capacity and the development of sustainable products [8].

Top management is beginning to use non-financial metrics to evaluate performance, including supply chain sustainability, leadership ethics, and human capital development [5]. ESG also influences marketing—consumers, especially younger generations, prefer brands that reflect their values and are willing to pay more for ethical products [7].

Authentic ESG communication strengthens reputation and customer loyalty, while greenwashing can lead to a loss of trust [2]. ESG thus becomes not only part of brand identity but also a competitive advantage. Companies are considering sustainability throughout the supply chain—from partner selection to logistics [9].

ESG is currently transforming strategic management into a tool for creating long-term value that includes not only profit but also societal and environmental impact.

2 METHODOLOGY

The aim of our research was to assess the degree of ESG integration into corporate strategic management and to identify typologies of corporate approaches to ESG through a quantitative survey and cluster analysis. The research focused on how companies plan ESG goals, incorporate them into corporate culture, decision-making processes, and human resource management, and how ESG affects their business models and stakeholder relationships coming from a sample of 87 companies in the Czech Republic.

https://doi.org/10.11118/978-80-7701-073-3-0009

3 RESULTS

Using cluster analysis (K-means clustering), four typical approaches to ESG were identified, differing in preparedness, motivation, and strategic integration:

- **Cluster 1 – Internal Motivation, Low Preparedness**
  Companies in this segment have a positive attitude toward ESG and some internal motivation. ESG is part of the corporate culture, but legislative preparedness and strategic integration into products and services are lacking. Reporting is weak, and third-party verification is minimal. Nevertheless, companies report reputational benefits.
- **Cluster 2 – ESG as Compliance**
  Companies are highly prepared for legislative requirements (e.g., CSRD), implementing ESG formally—reporting, training, auditing. ESG is not seen as a competitive advantage but as a necessary obligation. Motivation is primarily external, focused on regulatory compliance.
- **Cluster 3 – ESG as Comprehensive Strategy**
  This segment shows the highest level of strategic ESG integration. Companies adapt products to ESG requirements, have established internal processes, training, and reporting. ESG is perceived as costly but as a long-term investment. The approach is proactive, stakeholder-oriented, and focused on reputation and innovation.
- **Cluster 4 – Market-Driven Actors**
  Companies use ESG as a response to market demand. They adapt products, communicate ESG values, and build their brand. ESG is not systematically embedded in management, and reporting is weaker. Motivation is commercial rather than regulatory or value--driven.ESG brings reputational and customer benefits but lacks deeper integration.

4 CONCLUSION

Cluster analysis reveals that corporate approaches to ESG in strategic management are heterogeneous. While some companies fully integrate ESG as a strategic tool, others perceive it only as a regulatory obligation or marketing instrument. The level of preparedness, motivation, and systemic integration varies significantly by company size, sector, and internal engagement.

The research confirms that ESG is becoming not only a tool for regulatory compliance but also a strategic element influencing innovation, stakeholder management, and reputation. Companies with deeper ESG integration show higher customer trust, better access to financing, and greater preparedness for future legislative developments. In contrast, companies with formal or reactive approaches risk reputational damage and loss of business opportunities.

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