

Strategic Integration of Green Management from Compliance to Competitive Advantage

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Abstract

This research focuses on the green management practices that are employed when organizations begin the journey from regulatory adherence to gaining a sustainable competitive advantage. Even though complying with environmental regulations is a necessity in the fields of energy, emissions, waste, and conservation of resources, organizations are being pressured to apply green management practices in a “beyond the fence” manner when the organizations are concerned with the prevention of liability and the legal aspects of managing green resources. Utilizing the available literature on sustainability strategy and management, the research defines green management practices as the ability to function as a system at the strategic, tactical, and operational levels and as a multidimensional system. It is posited in this study that if integrated properly, green management practices would change the value of a proposition in products, processes, and services in return for the economic, environmental, and social benefits of the organization. It has been pointed out in this study the great need to develop applicable frameworks that would integrate compliance-based green management practices with value-creating initiatives. This would allow organizations to address the concerns and expectations of stakeholders while improving the organization’s performance. This study enhances the understanding of how organizations can incorporate sustainability into their core business strategies and decision-making processes by transforming green management from a compliance cost to a strategic differentiation advantage.

Keywords: Green Management; Environmental Compliance; Sustainable Competitive Advantage; Sustainability Strategy; ESG Integration; Strategic Management; Corporate Environmental Responsibility

1. Introduction

Contemporary organizations must manage competing stakeholder demands for economic, environmental, and social value. Consequently, they face dual challenges: complying with green regulatory frameworks and harnessing green management as a source of tactical and operational advantage (Sinan Effendi, 2010). Regulatory compliance remains unavoidable for buildings, land use, water consumption, energy consumption, hazardous material management, emissions, packaging, transportation, recycling, and waste. To justify sustaining green initiatives, decision-makers must anticipate market rewards that materially change product, process, and service value propositions. Consequently, organizations require

frameworks to seamlessly guide and integrate green compliance and advantage-generating processes across strategic, tactical, and operational levels.

Green management encompasses activities conserving the environment and rehabilitating damage done by humanity (Martusa, 2013). Despite its legitimate treatment as a risk, the responsibility for caretaking is not nicely aligned with corporate value generation. Any firm capable of addressing the wider set of economic, ecological, and social impacts deserves careful attention. Today's regulatory environment urges corporations to conduct themselves with a degree of sensitivity to each pillar of sustainability—even if merely to comply with stated regulations.

2. Theoretical Foundations of Green Management

Green management has become a fundamental environmental strategy for various organizations pursuing sustainability efforts. Approximately 85% of corporations in the United States produce sustainability reports, with organizations introducing sustainability metrics for investment decisions due to business risks exceeding \$1 trillion annually (Martusa, 2013). However, even organizations reporting on environmental sustainability continue complying with obligatory regulations, discounting ancestral systems and attempting to maximize bottom lines instead. This situation creates a disconnect between legal compliance and value assessment within modern organizations. Green management incorporates environmentally friendly practices incorporated into strategies to distinguish factors applicable across value chains and encourage broader engagements.

The academic literature on green management appears fragmented and heterogeneous across distinct fields, limiting scholars' ability to analyze a singular aspect extensively. Frameworks, models, and system metrics exist but are not assembled, complicating retrieval and restricting information assessment. The subject has become increasingly popular and diffuses knowledge on institutionalism—conducted at varied scales, and organizational legitimacy. Existing research solutions and compliance components remain thoroughly examined, yet sustainable competitive advantage requires more endeavor. With various drivers considered before and obligation adherence assumed sufficient, increasing organizations have made strategic green management conducting with core responsibilities. (Malik, Ali, Latan, & Chiappetta Jabbour, 2023).

2.1. Definitions and Scope

Green management encompasses the management of an organization in a manner that focuses primarily on reducing the overall environmental impact of such an organization. Correspondingly, sustainability denotes the ability of an organization to meet the needs and desires of both the present and future generations (Martusa, 2013). Within the broader scope of green management, a number of other concepts abound. Among such concepts, green productivity refers to the combination of increased productivity and reduced ecological impact, sustainable development signifies an approach to innovation centred on social equity, economic growth, and ecological integrity, and green supply chain management emphasizes improving supply chain performance while reducing negative ecological consequences (Sidhu, 2015).

Green management is scattershot throughout contemporary organizations. Rather than representing a discrete functional area such as human resources (HR), operations, or finance, green management constitutes a characteristic that permeates the entire organization and each of its constituent functions. Consequently, the implementation of green management initiatives may occur at the operational level in supply chain management (e.g. green purchasing, product recall, material re-use, waste disposal etc.), within the organization's

offerings architectural structure (e.g. e-communications, web-based services, and product delivery vehicles) or across multiple functions in many variations. Such initiatives offer a wide range of capabilities encompassing cleaner production, operational strategy, and resource-circular economy and provide consumers with added value through improved health, transparency, low carbon, reduced information asymmetry, and convenient accessibility across several platforms for the organization's products and services. (Wu & Tham, 2023).

2.2. Evidence-Based Frameworks

Green management, sustainability, environmental management, and other related terms describe a shift in focus within organizations. The aim is to create products and deliver services that meet the needs of consumers while considering the future impact of production on society and the environment. Green management spans management practices, strategies, operational issues, and specific policies. It encompasses a range of activities such as green marketing, product design and development, green supply chain management, and participation in industry collaborative programmes for resource conservation and pollution reduction. The focus on green management comes from the increasing public awareness and social concern of global issues such as climate change, pollution, and the depletion of natural resources. Companies are known to face increasing pressures from key stakeholders such as governments, non-governmental organizations, and consumers. The governmental regulations pertaining to social equity, such as public procurement rules and restrictions on child labor, are also on the rise (Yu, Chavez, & Feng, 2017). Such developments have contributed to the growing popularity of environmental management systems (EMS), global reporting initiatives, and sustainable design standards.

2.3. Stakeholders and Institutional Pressures

The activity of the modern corporation is closely tied to the sustainable development of society; therefore, the significance of corporate environmental strategy and environmental management system has become increasingly paramount. The consequence of human actions on the environment is alarming; organizations now face severe scrutiny and pressure from an environmentally conscious public. Stakeholders and institutional pressures have a significant and observable impact on the environmental strategy of organizations. Implementation of pro-environmental practices is frequently initiated by both external compulsory or market-driven influences and internal voluntary incentives. Understanding the nature of stakeholder influence and the ethical, social, and risk factors critical in the environmental decision-making process plays an immensely important role in the formulation of a successful and conscientious environmental strategy. (Marrucci, Daddi, & Iraldo, 2023).

Stakeholder pressure, mobilized through the mechanism of institutional theory, drives organizations toward pro-environmental practices by pressuring them to undertake practices transparently addressed in corporate social responsibility reports. Various layers of background pressure exist, including compulsory external influences from legal and regulatory requirements and voluntary economic-related pressures from market-driven forces within stakeholders. Normative and cognitive layers further elucidate pro-environmental ISR under pressure (Betts, Wiengarten, & Tadisina, 2015). An additional impact is provided through the lens of environment-oriented management training on practitioners. Modified regulatory and technological risk perception, as well as ethical integrity toward the public under external pressure, also play integral roles towards awareness-raising and execution (Sharfman, Shaft, & Tihanyi, 2004).

Corporations are subject to the pressures of decreasing global resources, increasing threats toward the sustainability of living beings, and the demands for underlying issues, such

as climate change. Pressure to actively engage in environmental sustainability alongside the drive for economic competition has intensified. Implementation of an effective environmental management system arises as a strategy against these pressures, often exhibiting both market-driven reasoning and ethically motivated voluntary initiatives toward society. Enacting voluntary environmental practices not required by stakeholders through institutional theory unveils a parallel spectrum of pressure, classifying the push toward awareness-raising on environmental issues, support measures to governmental provisions, affective practices toward nature, and the institutional necessity in developing with the global trend (Gunaratne & Lee, 2019).

3. Green Management as Compliance Mechanism

To delineate the dominant role of compliance in green management, the analysis begins with regulatory drivers, certification schemes, and other institutional pressures influencing firms' decisions and operations. Three sets of factors need to be evaluated. First, scrutiny of regulatory drivers considers the stringency and convergence of regulations at national and global levels, alongside the influence of widely adopted reporting standards and certification schemes such as ISO 14001. Second, risk mitigation and accountability are examined, emphasizing disclosure practices, governance outcomes, and stakeholder pressures, particularly the key role of capital-market stakeholders in determining the adoption and enhancement of reporting practices. Third, the prevalence of accountability mechanisms, transparency requirements, and stakeholder scrutiny is assessed, with particular attention to the range of external and internal accountability structures and the integration of sustainability with mechanisms—including corporate governance codes, board composition, and other accountability and control systems—that limit the extent of discretion exercised by managers. (Pereira, Silva, & Hendry, 2023).

Compliance with mandatory and self-regulatory environmental standards constitutes a significant impetus for green management practices. Compliance with governmental regulations remains a primary driver of a broad range of green practices—green purchasing, product recovery, eco-design and/or cleaner production, eco-labeling, green disposal, and eco-industrial development. Industrial firms are subject to stringent, formal environmental requirements, normative rules, fines, and restrictions—at both national and global levels. For example, the chemical and petrochemical sectors, which commonly employ toxic substances and generate hazardous wastes, as well as manufacturing activities that result in bulky by-products, sometimes face costly treatment and disposal practices. Therefore, compliance becomes a critical motivation for adoption of environmental standards and other codes and regulations. Such standards create normative pressures that may automatically trigger sound environmental decisions and commitments. However, the impact of compliance with governmental regulations can be insignificant for several sectors. Manufacturing chemicals and commercial agents, which do not produce environmental risks, report low levels of compliance and forced motivation (Martusa, 2013).

A variety of governmental regulations play an influential role in stimulating environmental management practices. Stringency of environmental regulatory requirements at both national and international levels correlates positively with the adaptation of firm-specific environmental standards by businesses. Mandated environmental performance incentives that accompany the formulation of a new order, updated policy, or new international protocol exert substantial influence on the uptake of self-rule corporate eco-standards (Li, Rasool, Cavus, & Shahid, 2024).

3.1. Regulatory Drivers and Standards

The impact of sustainability on business has gained increasing attention in recent years. Although much of the debate has been around “green washing,” the notion that organizations use rhetoric or false claims to create a false impression and thus willfully deceive stakeholders, managing and mitigating environmental challenges through effective “green management” has become a very relevant battlefield for companies to engage in (Sidhu, 2015).

Green management is a systematic approach toward minimizing the waste of resources while preserving the environment. It covers a wide spectrum of initiatives such as reducing energy, carbon, and water footprints; improving air quality; optimizing delivery routes; and several others. It can be analyzed based on regulatory compliance and competitive advantage. Organizations apply green management mainly for compliance purposes to adhere to government laws, regulations, and policies. Measures that are costly to implement, in the absence of regulations, are not taken. In many companies, regulations still drive the majority of green management initiatives, and few companies capture competitive advantage based on stakeholders’ awareness of their initiatives. (Opoku, 2025).

3.2. Risk Mitigation and Reporting

Green management initiatives increasingly aim to mitigate risks stemming from regulatory and non-compliance drivers. Such initiatives can take various forms and remain necessary even when firms only engage in compliance activities (Nuñez, 2017). However, they add less distinctive value when mainly focused on compliance or responses to external pressures perceived as significantly impacting stakeholder perceptions. Such limited implementation that still retains some strategic relevance marks the transitional phase of green management compliance. Evaluation of sustainability reporting practices can characterize the transitional phase of green management as a compliance mechanism. Scope, accountability, and disclosure quality remain critical aspects for firms reporting on sustainability—and therefore influence the extent to which organizations extract strategic value from their subsequent green management initiatives.

3.3. Accountability and Transparency

Businesses in contemporary society are subject to increasing accountability for their impacts on the environment, which leads to scrutiny of organizational policies, decisions, and actions by stakeholders such as consumers, investors, employees, and regulators. During strategic planning and organization of green management initiatives, firms often strive to demonstrate their commitment to sustainability. Transparency involves providing accessible information about relevant objectives, initiatives, and achievements, ideally supported by metrics that facilitate stakeholders’ ability to evaluate performance and verify compliance. Consequently, reporting by the organization concerning its sustainable practices, policies, and impacts typically takes the form of environmental or sustainability reports. An emphasis on accountability therefore relates closely to potential for green management to constitute a compliance–risk mitigation mechanism and moves organizations toward the objective of deriving competitive advantage from sustainability (Sinan Effendi, 2010).

Transitional accountability for reporting on sustainability initiatives manifests itself through diverse requirements, depending on the specific context of the organization. The degree of disclosure determined necessary through internal governance systems often extends beyond the compulsory stipulations established by regulatory authorities. The extent to which a firm chooses to comply with voluntary guidelines and non-obligatory frameworks (e.g., the Global Reporting Initiative and the Carbon Disclosure Project) subsequently conveys

important information about commitment to and progress on sustainability objectives. The degree to which the organization is vested in, or concerned about, associated scrutiny, either pre- or post-commitment to sustainability standards, further shapes the nature of voluntary disclosures. (Li Z. , 2023).

4. From Compliance to Competitive Advantage

Green initiatives often manifest as compliance with regulations, standards, and certifications, with no visible connection to performance. For instance, a global review of corporate sustainability reporting (Li, Rasool, Cavus, & Shahid, 2024) shows a migration from qualitative narrative disclosures to detailed quantitative data collection aligned with Guidelines from the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the Taskforce for Climate-related Financial Disclosures (TCFD). Reporting quality has improved, the number of organizations disclosing climate-related information has tripled, and alignment with GRI standards is still the most prevalent. Nonetheless, many firms fail to realize tangible benefits from such information, and the stake continues to rise.

The analysis suggests that advancing from compliance-oriented to strategically aligned green management creates the opportunity for competitive advantage. This transition requires several adjustments. Green initiatives should instead be chosen for their alignment with core capabilities, competitive positioning, or strategic intent, facilitating their capture of associated economic, performance, and commercial value. (Adio, Ajitrotutu, Olayiwola, Erinjogunola, & Sikhakhane-Nwokediegwu, 2025).

4.1. Strategic Alignment with Core Capabilities

Only compliance-oriented green management (GM) initiatives fail to create an authentic value proposition or to seize market opportunities as sustainability concerns escalate across diverse stakeholder groups. By contrast, the transition to green competitive advantage directly addresses changing stakeholder expectations while simultaneously amplifying value creation. The process involves a strategic shift in GM alignment from regulatory compliance to core capabilities—ensuring that green initiatives harmonize with the organization's predominant strategic goals and relevant capabilities (Li, Rasool, Cavus, & Shahid, 2024). Such alignment facilitates the identification of potential competitive advantages associated with green investments. Complementarities—such as linking product innovation, resource efficiency, and energy cost reduction to sustainability measures—establish positive reinforcement among green initiatives and strategic objectives, while trade-offs highlight areas of potential strategic conflict.

Integrating green investments into already established business strategies and models increases the likelihood of realizing competitive gain, feedback on either performance or managerial attention, and evidence that firms can competitively signal green prestigious investments to stakeholders. In many instances, firms succeed in using sustainability measures to communicate substantive shifts in market positioning, branding, and reputations to diverse stakeholders, including customers, suppliers, funding partners, and regulatory agencies. Regulatory audits, contracts, and guidelines become less stringent for firms demonstrating significant funding support for sustainability or undertaking green investments linked to innovation and new product development. Green performance signaling, therefore, enhances investor confidence, capital market access, and financing conditions. (Li, Xu, & Ramanathan, 2022).

4.2. Innovation, Efficiency, and Cost Reduction

Investing in sustainability drives innovation, efficiency, and cost reduction. Investments

in sustainability can lead to greater efficiency, increased automation, process innovation, and improved products (Martusa, 2013). Following institutional pressures and stakeholder expectations, some organizations go beyond compliance and proactively embrace sustainability. Focusing on sustainability issues such as climate change, waste management, and water scarcity can stimulate breakthroughs in managerial or marketing innovation, product design or engineering, process technology, and supply chain improvement, generating value through the development of new products, services, or entire market segments.

Supporting regulatory compliance and eco-efficiency, green initiatives targeting energy use and carbon footprints can yield significant cost reductions that enhance competitiveness at the business level. Green initiatives aligned with energy conservation and fossil-fuel substitution can simultaneously reduce greenhouse-gas emissions and lessen corporate exposure to volatile fuel prices, economies, related investment risks, and geopolitics. Quantifying these potential gains can help articulate the business value of pursuing sustainability initiatives and align them with corporate strategic intent. (Tazhibekova & Shametova, 2025).

4.3. Market Positioning and Reputation

Exposure of unexpected environmental impacts of operations has coincided with the rise of green management, triggering the perception that sustainable practices are valuable for reputational capital. Brand awareness, market positioning, and reputation are increasingly relevant for strategic purposes (Duanmu, Bu, & Pittman, 2018). Consumer responses to environmental practices—spanning from supportive to retaliatory—must be weighed against specific sector practices when formulating decisions (Chang & , 2011). During the decade preceding COVID-19, companies pursuing sustainability initiatives witnessed lower declines in stock values attributable to the pandemic, securing stakeholder trust and reinforcing the long-standing perception of their credibility; companies that commanded global leadership accolades in sustainability similarly benefited from enhanced valuation during the opening months of the pandemic. Initiating investment under tense conditions—such as widespread financial uncertainty, consumer economic downturns, and customer preference realignments—signals to broader stakeholder audiences that responsible and responsive management practices are established at the executive tier, fostering competitive advantage (Navaratne & Oyakhilome Anthony, 2023). Such impressions can play a pivotal role in decreasing funding frictions and enhancing capital accessibility.

4.4. Investor Confidence and Access to Capital

Firms with superior green performance signal a lower exposure to environmental risk and liability, fostering confidence among financial stakeholders, and enhancing investment ratings and access to capital (Ahmad, Ikram, Farooq Rehan, & Ahmad, 2022). Environmental risk represents an array of concerns for firms, particularly those engaged in extractive industries. The depletion of natural resources is a growing area of focus, especially in climate and biodiversity negotiations. After many years of discussions, stakeholders remain uncertain as to what constitutes a sustainable level of resource extraction—from carbon and phosphate to water and timber. Such uncertainty leads investors to gauge a firm's capacity for environmental stewardship (Henisz, 2016).

5. Implementation Pathways for Contemporary Organizations

Driving the sustainability agenda represents an immense challenge and opportunity for companies globally, yet to comprehend why many organizations mired in compliance and risk mitigation still struggle to capture value, it is instructive to step back and consider the rationale for pursuing green management in the first place. Why is it even a suitable area of focus? What underlying stakeholder expectations, regulatory pressures, or competitive

dynamics warrant attention? For organizations not keen to engage for the sake of reputational or ethical considerations, what specific advantages can accrue? An institutional theory lens proves useful to delineate these dimensions, alongside selected institutional logics in the construction of a value-focused narrative. Through these mechanisms, strategic integration resonating with profitability becomes plausible.

Contemporary organizations have already invested without a return in governance structures, dedicated teams, performance metrics, disclosure, and compliance-level practices controlling risk and reputation. Boards and executive teams already understand support need not default to the coveted but elusive “compliance to competitive advantage” positioning and can transparently accord strategic receipts. The evolution of disclosure and conduct that enables sustainability to enter the value proposition equals a fundamental ground-up engagement. Stakeholder inquiries about the organization’s impact and conduct during the pandemic and climate crises have plummeted worldwide. Legitimacy behavior on organized crime, corruption and political engagement surged. The dimension now becomes company specific, side-stepping all the organizational changes discussed to pinpoint the desired building blocks. (Martusa, 2013)

5.1. Governance and Leadership Commitment

Green management initiatives require strong governance structures and systems to oversee and coordinate activities. They also need board members with a high level of commitment to green management, reflected in their actual behaviour. Strong leadership commitment is fundamental to the success of green management initiatives (Brauer, 2011). Efforts to improve accountability for targets, commitments, or resource allocation are complex but fundamental. Defining the roles and procedures for overseeing board member commitment is necessary in order to link governance structures with leadership commitment.

5.2. Resource Allocation and Capability Building

The initial implementation of green management may require organizations to reallocate resources toward capital projects, technology upgrades, or workforce training and development, or to build green capabilities through partnerships with specialized firms (Li, Rasool, Cavus, & Shahid, 2024). These decisions often depend on the level of sophistication of green management in the organization and the types of capabilities that are already available, so sequencing and priority areas may vary (Martusa, 2013). Organizations should develop partnerships and engage external parties as needed to facilitate their transition; such collaboration can promote access to diverse knowledge and skills or provide opportunities to share investment and jointly develop capabilities.

5.3. Measurement, Metrics, and Targets

Many contemporary organizations strive to become ever more green-oriented, but often without purpose, lucidity or consistency. A systematic review reveals that enhancement of corporate green performance fundamentally requires a transition from compliance-focused to competitive-advantage-driven green management. Consequently, the remaining research questions explicitly target the means to favour compliance-competitive-advantage transition and the particular requirements to apply compliance-competitive-advantage insights: (1) What implementation pathways and forms of strategic integration facilitate the comprehensive uptake of competitive-advantage-driven green-management practices across industries? and (2) In which contexts may compliance-competitive-advantage insights be relevant? (Shaikh, et al., 2026); (AL-Shboul, 2023)

Contemporary organizations should consider systematic frameworks, metrics, and formalized targets to monitor green-management efficacy that goes beyond compliance.

Contingent on industry context, a strategic inquiry commends the selective introduction of supplementary forms of green practice across the value chain according to existing incentives and competencies, prioritizing integration to ensure cohesive coordination of action (Li, Rasool, Cavus, & Shahid, 2024). Efforts to build capabilities for greener product development and shape a greener sequence of knowledge management constitute particularly impactful provisions.

5.4. Change Management and Organizational Culture

Communication fosters core understanding and shapes how people perceive issues. For this reason, communication is helpful in the process of implementing change. Organizations should convey the rationale for going green, its benefits, and the broad scope of the change initiative. Resistance often arises from worrying about workload or loss of status associated with a green transformation. Addressing these concerns is essential to keeping employees engaged (Jacobs, 2018).

Decisions about how to implement change, what to measure, and how to collect data inevitably reflect underlying values. Yet tracking too many things can dilute focus, while neglecting others conveys a message that those activities are unimportant. Therefore, the metrics considered and the decisions made regarding them shape the culture of an organization.

6. Industry Variations and Contextual Considerations

Various industries and contextual factors affect the transition from a compliance-focused to competitive advantage-oriented green management. The nature of engagement in manufacturing—and its related supply chain activities—demands significant consideration of green management investments, leading strategies to decarbonization, supply chain engagement, and logistics optimization. The service sector and other knowledge-driven businesses are similarly influenced by growth in green management discourse: the design of service offerings, indirect emissions from upstream and downstream activities, flexibility around investments, and intangibility of assets and human capital drive the transition. The information technology and communication (ICT) industry experiences significant regulatory scrutiny regarding broader sustainability, energy efficiency, and waste issues; corporate customers increasingly demand the green management of data center sectors, software lifecycle, cloud services, and equipment. The green management domain remains highly contextualised. Multinational firms face complexities around the transfer and localisation of practices and systems; compliance with cross-jurisdictional regulations further complicates integration. (Ujam, 2025).

6.1. Manufacturing and Supply Chains

Decarbonization, supplier engagement, and logistics optimization form strategic priorities for organizational green management in manufacturing and supply-chain sectors. Manufacturing accounts for almost 90% of net annual greenhouse gas emissions and over a third of global energy demand (Ahmad, Ikram, Farooq Rehan, & Ahmad, 2022). The intensifying pressure for Industry 4.0 transformation and circular economy adaptation augments sustainability imperatives across the value chain. Accordingly, the integration of green management into design, production, distribution, and after-sales processes complements information technology and digitalization initiatives. To mitigate substantial supply-chain carbon footprints, organizations need to actively engage suppliers and joint-develop sustainability protocols at the materials-design, production, and logistics levels. Logistics, including transportation and layout planning, accounts for a significant share of total emissions, further stimulating the transition from compliance to competitive advantage

along a wider industry spectrum (Martusa, 2013).

6.2. Services and Knowledge Economies

In contrast to manufacturing and supply chain industries, service and knowledge-based segments such as banking, hospitality, healthcare, education, and media predominantly rely on the development and transfer of intangible assets rather than material products (Aithal & Jeevan, 2016). Service-related activities tend to have corresponding products with substantial environmental footprints, yet knowledge-based business models, by definition, involve little if any physical transfer of tangible goods. In addition, a growing subset of service providers, including health, education, tourism, and financial sectors, maintains that their activities contribute to sustainability and quality of life. Consequently, green management has been viewed as less critical among services and knowledge organizations, with broader implications for strategic alignment and reporting practices.

Nevertheless, awareness is mounting that green management initiatives can support sustainability, provide societal benefits, and enhance business performance even in service or knowledge-intensive contexts. The evolution of service economies, shifting toward experience-oriented consumption, is providing further impetus to pursue green management. Educational establishments, coaching entities, healthcare providers, and banks, for example, are increasingly leveraging green management both to fulfil social responsibilities and to capture additional value for their offerings.

6.3. Information Technology and Digital Sustainability

Digital technologies fuel the growth of the global economy yet are significant contributors to climate change. The IT sector consumes 10-15% of global energy; data centres alone account for 1-3% of total worldwide electricity consumption, with energy usage projected to 10-20% of total demand by 2030. Multi-tier supply chains, virtual product updates, cloud computing platforms, and pervasive connectivity amplify the challenge of simultaneously offering uninterrupted services and improving sustainability. Employing green management-oriented mindset and leveraging the unique characteristics of the sector would benefit firms and the broader ecosystem. Green practices shorten the software life cycle, promoting simplification, avoidance, and debundling of information technology. Offsetting carbon emissions from cloud services would enhance digital sustainability. (Cheekatamarla, 2024).

6.4. Global versus Local Contexts

Corporations face mounting pressure to satisfy multiple stakeholders as green transition accelerates globally. Stakeholder needs for value creation differ across jurisdictions and depend on cross-border applicability of green management processes that arise from local contexts. Businesses operating in countries governed by extensive or emergent environmental legislation must navigate compliance-driven or innovative business models, respectively. Approaches, applicable across manufacturing and digital sectors, specify legislative options for organizations situated in less-stringent environments; methods for addressing supply chains with suppliers located in low-regulation territories; and frameworks for evaluating and augmenting extended producer responsibility under circular economy objectives (Sharfman, Shaft, & Tihanyi, 2004); methods for addressing supply chains with suppliers located in low-regulation territories; and frameworks for evaluating and augmenting extended producer responsibility under circular economy objectives (Martusa, 2013).

7. Policy Implications and Governance Implications

In addition to the organization-level green management framework, public policy design, corporate governance and board engagement, as well as multistakeholder partnerships

are critical to incentivizing corporate sustainability at system level. Sustainable practices of the private sector support national goals on climate change, environmental protection, and ecosystem restoration, while a functioning market economy delivers public desires such as job creation, investment return, technology innovation, and service quality. Furthermore, corporate disclosure on environmental performance and nondisclosure receives wide international attention and diverse appeals. Governments need to design regulations that swiftly reduce corporate emissions, address market failure, and encourage industrial-energy structure transformation to create high-quality green supply chains, support precision decarbonization, stimulate investment in low-carbon technology innovation, and maximize the socio-economic development co-benefits. Supervisory institutions need to build an effective monitoring framework to track, assess, and supervise corporations' environmental actions. To achieve a long-term decoupling of economic growth from resource depletion, industry systems need to establish a gradual sequence of administrative measures that facilitate first green compliant practice implementation, then green capability-sequence enhancement, followed by green performance-indicator and impact-improvement evaluation (Anbarasan, 2018).

7.1. Policy Design for Enhanced Corporate Sustainability

Sustainability was highlighted as a multi-functional and multi-stakeholder advantage requiring collaborative efforts among the government, private sectors, and community sectors (Anbarasan, 2018). To achieve more effective sustainability, policy formulation should tackle the misalignment between corporate sustainability milestones and corporate predicaments, which paralysed the need for corporate sustainability. Beyond the environmental concerns, addressing the nation-wide sustainability obstacles has vital implications on firm's sustainability actions, resulting in better corporate sustainability practices. Hence policy design requires some factors to achieve better effect. Policy should refrain from conflicting with existing milestone-setting from industrial level and should leverage align to reinforce confidence. Furthermore, policy should be consistent with nation-wide milestones. With regards to sustainability, majority of the business models are more compatible with objectives declared on circular economy rather than carbon peak and carbon neutral targets.

Governing corporate sustainability requires sophisticated design of institutional mechanisms, elevating from outsiders' discretion into board's autonomous commitment. Introducing equipped operation guidelines mapping non-discriminated information along the whole chain of value-adding factory-level operation holds larger relevance for sustainability impacts appraisal. Such governing mechanism to fulfill operational alignment from general source to specific product and market category in communicating variety of sustainability tracks extending from pre-manufacturing to post-consumer phases matters for fostering concern from capital market on long-time exclusive sustainability. (Ludwig & Sassen, 2022).

7.2. Corporate Governance and Board Oversight

The governance of organizations increasingly reflects their ethical and social responsibilities. As an aspect of their growth, practices of corporate governance are gradually being modified. Contemporary organizations revising their governance structures toward sustainability differ in the time frames of their approaches. These organizations may either be in the initial stages, attempting to comply with environmental laws and regulations emerging across the globe, or shifting to the strategic level of corporate governance to gain competitive advantages or secure subsistence. In contemporary organizations, an integrated corporate governance system supports the transition of green management from compliance to competitive advantage (Taylor III & Kay, 2010); (Moussa, et al., 2020).

7.3. Public-Private Partnerships and Collaborative Ecosystems

Many contemporary organizations tend to assign governance responsibilities relating to green management to either a chief sustainability officer (CSO) or an environmental, social, and governance (ESG) committee at the highest level of responsibility, often reporting directly to the chief executive officer (CEO) and board of directors. These governance entities generally oversee the delivery of specific green initiatives, framed as an investment opportunity. Some organizations even adopt a formal board-level ESG oversight structure as the highest governance mechanism and accountability body for the implementation of green actions (Laura Burghard, 2018).

Public-private partnerships (PPPs) have emerged as a more flexible, innovative means to facilitate environmental governance targeted at sustainable development. A wide variety of global agendas call for collaboration between and between government, business, and civil society (Frenova, 2016). Multi-stakeholder agreements can aggregate voluntary commitments towards shared objectives. Coalitions create synergies among diverse competencies and resources. Organizations subscribing to such arrangements can signal leadership and commitment to sustainability while reducing individual risk. Collaboration can accelerate the transition to greener practices through shared learning and collective measures across entire sectors or systems.

8. Conclusion

Motivated by the ongoing discussions on corporate sustainability and observing organizations and executives addressing climate change through various strategic options, an exploratory study investigates how organizations can transition their green-management approach. The focus lies on those that regard compliance-related efforts as a mere cost; they often implement just enough to avoid repercussions and subsequently miss associated value opportunities. The strategic relevance of green management depends on its alignment with an organization's inventory of capabilities and resources, the strategic behaviours it fosters, and the tide of externally driven change that affects those behaviours. Achieving a transition enables organizations to pursue advantageous green-management measures that are also aligned with their strategic intent (Kopp, 2021).

The research follows a qualitative interpretive approach, drawing on academic literature, sustainability reports, and KPMG's Global CEO Perspectives Survey (2020) examining executives' thoughts on climate change. Strategic choices widen considerably when a transition to a consideration of competitive advantage occurs (Edvardsson, & Enquist, 2019). Organizations further see value in scenarios whereby proactive industry leadership facilitates green management—and views the net-zero-transition imperative as likely to require fundamental change in how they operate (Salam, 2023). Exploring an organization's principal strategic behaviours facilitates a transition from compliance to competitive advantage. Green management thus provides an additional lens through which to scope, analyse, and address strategic intent. Current attention to green management focuses heavily on compliance-related mechanisms and provisions; organizations can widen their consideration to set a broader range of behaviour-shaping opportunities and identify accompanying measures to secure value streams. Substantial opportunity for positive value-realization—de-coupled from compliance-related stipulations—remains available, and investigating the organisation's principal operating behaviours and underlying capabilities further enriches the assessment of competitiveness and incentivisation while simultaneously elevating the focal level of inquiry from product-centric matters to the organisation (Martusa, 2013).

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