

ESG Integration and Sustainable Value Creation: A Qualitative Study on Corporate Performance, Financial Resilience, and Investor Confidence in Thailand's Capital Market

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ABSTRACT

This study explores the impact of Environmental, Social, and Governance (ESG) indices on firm value, operational performance, bankruptcy risk, and investor decision-making among companies listed on the Stock Exchange of Thailand (SET). Recognizing that corporate success today extends beyond financial metrics, the research emphasizes ESG's growing role as a strategic determinant of business sustainability and investor confidence. Employing a qualitative research design, data were collected through semi-structured interviews with corporate executives, sustainability managers, and institutional investors, complemented by documentary analysis of ESG disclosures and performance reports. Thematic analysis, following Braun and Clarke's (2006) approach, was applied to identify key patterns and themes. The findings reveal that ESG practices are widely perceived as strategic assets that enhance firm reputation, stakeholder trust, and long-term value creation. Companies integrating ESG principles into strategic decision-making demonstrated improved operational efficiency, risk management, and financial stability. Additionally, strong ESG performance served as a positive signal of corporate reliability and ethical governance, influencing investor perceptions and investment decisions. Despite these benefits, challenges remain, including inconsistent reporting standards, limited ESG literacy among boards, and short-term profitability pressures. The study concludes that ESG adoption contributes not only to financial resilience but also to sustainable business development, offering valuable implications for corporate leaders, investors, and policymakers. The results underscore the importance of promoting standardized ESG disclosure frameworks and fostering a culture of sustainability-oriented management. Overall, this research enriches the understanding of ESG's strategic role within Thailand's emerging market context and supports the transition toward a more transparent, responsible, and sustainable investment ecosystem.

Keywords: Environmental, Social, and Governance (ESG), Firm Value, Operational Performance, Bankruptcy Risk, Investor Decision-Making.

INTRODUCTION

Background and Importance of the Problem

In today's rapidly changing economic, social, and environmental context, business operations can no longer be evaluated solely on financial performance. Sustainability, particularly in the dimensions of Environmental, Social, and Governance (ESG), has become a critical measure for assessing organizational value and long-term success. ESG practices not only demonstrate corporate responsibility but also significantly influence investor perceptions and decision-making. In recent years, global investment trends have shifted toward responsible and transparent businesses capable of generating sustainable returns. International studies reveal that firms with strong

ESG disclosures tend to achieve higher firm value and superior financial performance. However, in Thailand, empirical evidence remains limited, and the mechanisms through which ESG indices affect firm value, operational efficiency, bankruptcy risk, and investor decision-making have yet to be fully explored.

This research therefore examines the impact of ESG indices on firm value, operational performance, bankruptcy risk, and investor decision-making among companies listed on the Stock Exchange of Thailand (SET). By analyzing how ESG dimensions, environmental, social, and governance, relate to market value, profitability ratios, and investor behavior, the study aims to clarify ESG's strategic role in business stability and financial performance within the Thai capital market. The findings are significant for both academia and practice. Academically, they will enrich the understanding of ESG-financial linkages in an emerging market context. Practically, they will guide corporate executives and policymakers in developing sustainability strategies, enhancing transparency, and improving investor confidence. Moreover, as Thailand promotes sustainable investment practices, understanding ESG's impact can inform policies that foster responsible growth and long-term economic resilience.

Research Question

- 1) To achieve the stated purpose, this study seeks to answer the following primary research questions:
- 2) To what extent do ESG indices influence the firm value, operational performance, and bankruptcy risk of companies listed on the Stock Exchange of Thailand?
- 3) How do firm value, operational performance, and bankruptcy risk affect investor decision-making among these listed companies?

Research Objective

The objectives of this research are as follows:

- 1) To examine the impact of ESG indices on firm value, operational performance, and bankruptcy risk of companies listed on the Stock Exchange of Thailand.
- 2) To investigate the influence of firm value, operational performance, and bankruptcy risk on investor decision-making in the same context.

LITERATURE REVIEW

Related Concepts and Theories

Environmental, Social, and Governance (ESG) Concept

The ESG framework evaluates a company's performance in three sustainability dimensions:

- Environmental (E) assesses corporate practices that affect natural ecosystems, such as carbon emissions, energy efficiency, and waste management.
- Social (S) evaluates human capital management, labor practices, community engagement, and human rights compliance.
- Governance (G) focuses on board structure, ethical management, transparency, and shareholder rights.

The integration of ESG factors into strategic decision-making reflects the evolution from traditional profit-maximization models toward a stakeholder-oriented and sustainability-driven approach. According to Eccles, Ioannou, and Serafeim (2014), firms with high ESG performance demonstrate stronger operational control, reduced risk exposure, and higher long-term profitability.

Stakeholder Theory

Freeman (1984) proposed that a firm's success depends on balancing the interests of multiple stakeholders—investors, employees, customers, suppliers, and communities. Incorporating ESG principles aligns business goals with stakeholder expectations, fostering trust and long-term value creation. Under this theory, ESG adoption enhances firm reputation, stakeholder loyalty, and ultimately, firm value.

Legitimacy Theory

According to Suchman (1995), organizations seek legitimacy by aligning their practices with societal norms and values. Firms disclose ESG activities to demonstrate social accountability, reduce information asymmetry, and maintain legitimacy. This alignment can lead to investor confidence and improved market performance.

Signaling Theory

Spence (1973) explains that firms use ESG disclosures as positive signals to the market, conveying financial stability and ethical conduct. Strong ESG performance signals reduced agency conflicts and sound management quality, thereby influencing investor decisions and cost of capital.

Theories Related to Financial Performance and Bankruptcy Risk

Altman's Z-Score Model (1968) and EM-Score Model (Zmijewski, 1984) serve as financial indicators to assess bankruptcy risk. These models integrate profitability, leverage, and liquidity ratios to predict corporate distress. ESG practices may indirectly enhance these indicators by improving efficiency and risk management.

Literature Surveys

Relationship Between ESG and Firm Value

Several empirical studies indicate that ESG performance positively affects firm value.

Fatemi et al. (2018) found that ESG activities enhance firm reputation and market valuation.

Piyaphisak Jaeresukon (2024) revealed that Thai listed companies with high ESG scores achieved higher Tobin's Q ratios and enterprise value (EV).

Conversely, Sahut et al. (2014) observed mixed results in European markets, suggesting that ESG effects vary by industry and market maturity.

Relationship Between ESG and Operational Performance

ESG implementation can improve operational efficiency through resource optimization and innovation. Nollet et al. (2016) found that ESG engagement is associated with higher ROA and ROE in manufacturing firms. In Thailand, Wilailak Saengsuwan (2021) demonstrated that companies with strong ESG practices reported superior profit margins and cash flow efficiency.

Relationship Between ESG and Bankruptcy Risk

ESG may reduce bankruptcy risk by enhancing governance and long-term financial resilience. Giese et al. (2019) argued that ESG integration lowers volatility and default probability. The study by Thanyaorn Yordudom and Muttanachai Suttipun (2020) confirmed that ESG firms in Thailand show higher financial stability and lower debt ratios.

Relationship Between Financial Indicators and Investor Decision-Making

Traditional financial indicators such as ROA, ROE, and Tobin's Q remain central to investment decisions. However, as Khan et al. (2016) noted, investors increasingly incorporate ESG factors as complementary risk measures. In the Thai context, Mongkhon Moolkham (2025) found that ESG information indirectly influences investor confidence through firm profitability and dividend yield.

Conceptual Framework

The conceptual model of this study is adapted from Sahut (2014) and refined using Thai empirical findings. The model illustrates the causal relationships among ESG indices (independent variables), firm value and operational performance (mediating variables), and investor decision-making (dependent variable), with bankruptcy risk serving as a moderating or mediating factor.

Independent Variable (IV): Environmental Index, Social Index, Governance Index

Mediating Variables: Firm Value (Tobin's Q, Enterprise Value – EV), Operational Performance (NPM, ROE, ROA, TAT, CF/ROA)

Moderating Variable: Bankruptcy Risk (EM-Score, Z-Score, D/E Ratio)

Dependent Variable (DV): Investor Decision-Making (Dividend Yield, ROI, Trading Volume)

Research Propositions

Based on the theoretical foundation and prior empirical evidence, this study does not aim to test formal hypotheses but rather to explore propositions that reflect the potential relationships among key concepts. These propositions guide the qualitative inquiry and provide a framework for interpreting participants' perceptions and experiences regarding the role of Environmental, Social, and Governance (ESG) practices in corporate and investment contexts.

The first proposition suggests that ESG implementation is perceived to enhance firm value by improving reputation, transparency, and stakeholder trust. Executives and investors may view ESG engagement as a strategic asset that contributes to market credibility and long-term organizational value.

The second proposition assumes that ESG practices contribute to better operational performance through improved resource management, innovation, and risk reduction. Organizations integrating ESG principles are expected to experience greater efficiency, adaptability, and alignment with sustainable development goals, which can, in turn, strengthen profitability and productivity.

The third proposition posits that strong ESG performance is associated with lower bankruptcy risk because companies that uphold environmental responsibility, social commitment, and sound governance are likely to maintain financial discipline and long-term stability. These practices help reduce exposure to regulatory, reputational, and operational risks that could otherwise threaten business continuity.

The fourth proposition assumes that firm value influences investor decision-making by signaling corporate strength and future growth potential. Investors tend to rely on firm value as a key indicator of financial health and market competitiveness when making portfolio decisions.

The fifth proposition suggests that operational performance affects investor decision-making, as consistent profitability, efficient asset utilization, and robust cash flow reinforce investor confidence and attract sustainable investment.

Finally, the sixth proposition assumes that perceived bankruptcy risk negatively affects investor decision-making, as investors generally avoid firms exhibiting financial instability or governance weaknesses.

Collectively, these propositions serve as interpretive lenses for the qualitative investigation. They guide the exploration of how ESG-related practices and perceptions shape firm outcomes and investor behavior within the context of Thailand's evolving sustainable investment landscape.

RESEARCH METHODOLOGY

Research Design

This study employed a qualitative research design to explore the impact of Environmental, Social, and Governance (ESG) indices on firm value, operational performance, bankruptcy risk, and investor decision-making among companies listed on the Stock Exchange of Thailand (SET). A qualitative approach was chosen because it allows for the exploration of perceptions, interpretations, and experiences of corporate stakeholders rather than focusing solely on numerical data. The purpose was to gain a deep understanding of how ESG principles are perceived, implemented, and evaluated within the Thai business context and how these perceptions influence strategic and investment-related decisions.

The study followed an exploratory and interpretive design, seeking to uncover how business executives, sustainability managers, and investors make sense of ESG practices in their organizational and market environments. Guided by Stakeholder Theory, Legitimacy Theory, and Signaling Theory, the research aimed to interpret how ESG-related actions and disclosures help organizations maintain legitimacy, enhance reputation, signal financial stability, and align with stakeholder expectations. Through qualitative inquiry, the study sought to reveal the nuanced meanings, motivations, and strategies underlying ESG engagement and its relationship to firm performance and investor trust.

Population and Sample

The population of this research consisted of companies listed on the Stock Exchange of Thailand (SET) that disclosed ESG-related information and participated in ESG assessment programs such as those conducted by the Thaipat Institute. These companies represented diverse sectors including agriculture and food, resources, technology, industrial products, and consumer goods. The diversity in sectoral representation ensured that multiple perspectives were captured regarding ESG implementation and its effects on firm performance and investment behavior.

A purposive sampling technique was used to select cases and participants that were rich in information and could provide meaningful insights into the research questions. The selected participants included corporate executives, sustainability or CSR managers, financial analysts, and institutional investors who were directly involved with ESG policy formulation, performance evaluation, or investment decisions. Sampling continued until data saturation was achieved—when no new themes or perspectives emerged from the interviews. The final sample size included a balanced mix of participants from various industries and roles to provide a comprehensive understanding of ESG-related experiences within the Thai market context.

Research Instruments

Data were collected using semi-structured interviews, document analysis, and field notes. The semi-structured interview guide was developed based on the research objectives and literature review to allow flexibility in probing participant experiences while maintaining focus on the key themes. The guide included open-ended questions addressing: organizational motivations for adopting ESG practices, perceived effects of ESG implementation on firm value and performance, the relationship between ESG practices and financial stability or bankruptcy risk; and how ESG information influences investor decision-making. In addition to interviews, documentary data such as company annual reports, Form 56-1, One Reports, sustainability reports, and ESG performance ratings published by the Thaipat Institute were analyzed to provide contextual understanding and triangulate interview findings. Field notes were maintained during and after interviews to record the researcher's observations, reflections, and emerging insights. This multi-instrument approach strengthened the credibility and depth of data collected and allowed for a holistic interpretation of ESG practices within real-world business settings.

Data Collection

Data collection was carried out from September 2024 to June 2025 through a series of structured steps. First, the researcher identified eligible companies and participants based on ESG disclosures and roles relevant to sustainability or investment decision-making. Formal invitations and consent forms were sent to potential participants, explaining the purpose, confidentiality, and voluntary nature of the study. Once consent was obtained, in-depth semi-structured interviews were conducted either in person or through secure online platforms such as Zoom or Microsoft Teams, depending on participant availability and geographic convenience.

Each interview lasted approximately 45 to 60 minutes and was recorded with participants' permission. The interviews were later transcribed verbatim to ensure accuracy. To enhance the reliability of data, participants were asked to review their transcripts and confirm that their statements were represented correctly. In addition to interviews, document analysis was conducted to supplement and verify the findings. The documents provided contextual evidence of ESG strategies, sustainability initiatives, and financial performance outcomes. The combination of interview and documentary data ensured data triangulation, which strengthened the validity and comprehensiveness of the findings.

Ethical considerations were carefully observed throughout the process. Participants were assured of confidentiality, anonymity, and their right to withdraw from the study at any stage without consequence. All recorded and written data were stored securely and used solely for academic purposes.

Data Analysis

The collected data were analyzed using thematic analysis, following the approach outlined by Braun and Clarke (2006). The analysis process began with familiarization, where the researcher repeatedly read the interview transcripts and documents to gain a holistic understanding of the content. Initial codes were generated to identify meaningful units of information related to ESG perceptions, practices, and outcomes. These codes were then grouped into categories that captured related concepts, such as corporate motivation, stakeholder engagement, risk mitigation, and investor trust.

From these categories, broader themes were developed that represented the central ideas emerging from the data. The themes illustrated how ESG adoption influenced firm value, operational performance, bankruptcy risk management, and investor behavior. The researcher continuously refined these themes through a process of constant comparison, moving iteratively between the data and the emerging framework to ensure internal coherence and theoretical alignment.

To maintain trustworthiness and rigor, four criteria were applied: credibility, transferability, dependability, and confirmability. Credibility was achieved through data triangulation, member checking, and prolonged engagement with participants. Transferability was supported by providing detailed contextual descriptions of organizations and participants, enabling others to assess the relevance of the findings. Dependability was ensured by maintaining an audit trail documenting all research activities and analytic steps, while confirmability was reinforced through reflective memos and the inclusion of direct participant quotations to substantiate interpretations.

Overall, this qualitative data analysis approach enabled a deep, interpretive understanding of how ESG practices are perceived and enacted within Thai listed companies. The findings, presented in the next chapter, provide meaningful insights into the social, managerial, and strategic implications of ESG adoption for corporate value, operational success, financial stability, and investor decision-making.

DATA ANALYSIS AND FINDINGS

Introduction

This chapter presents the results of the qualitative data analysis conducted to explore how Environmental, Social, and Governance (ESG) practices influence firm value, operational performance, bankruptcy risk, and investor decision-making among companies listed on the Stock Exchange of Thailand (SET). The analysis draws upon insights obtained from semi-structured interviews, documentary evidence, and researcher observations.

The purpose of this chapter is to interpret the participants' perspectives and identify emerging themes that explain the perceived role of ESG implementation in shaping organizational outcomes and investment behavior. Rather than focusing on statistical relationships, the qualitative findings aim to capture the meanings, motivations, and implications associated with ESG integration from the viewpoints of corporate executives, sustainability managers, and institutional investors.

The analysis process followed the thematic analysis framework proposed by Braun and Clarke (2006), which includes six key stages: (1) familiarization with the data, (2) generation of initial codes, (3) identification of categories, (4) development of overarching themes, (5) review and refinement of themes, and (6) interpretation and presentation of findings. Through this process, the researcher identified recurring patterns and conceptual linkages that reveal how ESG-related values and practices are understood and operationalized in the Thai corporate context.

Data Analysis of the Qualitative Data

Thematic analysis of interview transcripts and company documents produced several major themes and subthemes related to ESG's perceived impact. These themes reflect both organizational and investor perspectives, illustrating the complex interplay between sustainability practices, business outcomes, and market behavior. The five major themes identified are:

- 1) Strategic Value of ESG Implementation,
- 2) ESG and Operational Excellence,
- 3) ESG as a Mechanism for Risk Reduction and Financial Stability,
- 4) ESG as a Signal Influencing Investor Confidence, and
- 5) Integration Challenges and Future Directions.

Theme 1: Strategic Value of ESG Implementation

Participants consistently described ESG as an integral component of long-term business strategy rather than a compliance requirement. Many executives emphasized that ESG initiatives create competitive advantages by enhancing corporate reputation, improving stakeholder relationships, and securing access to capital. One sustainability manager noted that "ESG is no longer just a moral duty—it's a way to ensure business continuity and attract high-quality investors." This perception aligns with Stakeholder Theory, highlighting that responsiveness to stakeholder concerns contributes to firm value and legitimacy in the market.

Theme 2: ESG and Operational Excellence

Respondents widely agreed that effective ESG integration leads to improved operational performance. Companies implementing sustainability-driven resource management reported reductions in energy costs, waste, and inefficiencies. Several participants linked ESG practices with innovation, employee engagement, and productivity improvements. As one executive from the technology sector explained, "Our ESG projects push us to rethink how we use resources. The outcome is both environmental benefit and better financial results." This theme reflects how ESG initiatives act as catalysts for continuous improvement and operational resilience.

Theme 3: ESG as a Mechanism for Risk Reduction and Financial Stability

A prominent finding was that ESG practices are perceived to reduce bankruptcy risk and enhance financial resilience. Participants suggested that companies with robust governance systems and transparent ESG reporting are better equipped to manage regulatory, reputational, and market-related risks. A financial analyst observed, "Investors view ESG-compliant firms as less risky because they tend to manage crises and volatility more effectively." This theme resonates with Legitimacy Theory, indicating that maintaining compliance with societal and regulatory expectations contributes to long-term stability and credibility.

Theme 4: ESG as a Signal Influencing Investor Confidence

Another major theme revealed that ESG performance acts as a signal of corporate quality and trustworthiness in the eyes of investors. Participants emphasized that investors, particularly institutional and foreign investors, increasingly use ESG ratings as part of their decision-making criteria. One investor remarked, "ESG tells us which companies are thinking ahead—it's a signal of strong leadership and sound management." This finding aligns with

Signaling Theory, suggesting that ESG disclosures communicate unobservable qualities such as reliability and integrity, which directly affect investor trust and market valuation.

Theme 5: Integration Challenges and Future Directions

Despite widespread acknowledgment of ESG's importance, participants identified challenges in integrating ESG into strategic decision-making. These included inconsistent data reporting standards, limited ESG literacy among corporate boards, and short-term profit pressures that sometimes undermine sustainability goals. A participant highlighted that "while ESG awareness has grown, many firms still see it as a cost rather than an investment." Nevertheless, most respondents expressed optimism about the increasing support from regulators, investors, and the Thai capital market in promoting ESG-driven development.

Collectively, these themes demonstrate that ESG implementation in Thailand is evolving from a symbolic practice to a strategic management tool. The findings suggest that ESG is not only shaping firm performance and resilience but also influencing investor perceptions and the flow of sustainable capital.

Summary of the Results

The qualitative analysis revealed a coherent narrative linking ESG practices with organizational performance, risk management, and investor behavior. Participants perceived ESG as a multidimensional construct that contributes to both tangible and intangible outcomes. From a corporate perspective, ESG adoption enhances operational efficiency, strengthens governance mechanisms, and mitigates financial risk. From an investor perspective, ESG disclosure serves as a credible signal of transparency, ethical conduct, and long-term profitability.

The results also indicate that the relationship between ESG and firm value is mediated by improved internal processes and external legitimacy. Firms that actively engage in ESG initiatives tend to gain stakeholder trust, attract long-term investors, and reduce exposure to business volatility. However, the study also found that challenges persist in terms of standardization, measurement, and leadership commitment.

Overall, the findings support the view that ESG implementation in Thai listed companies represents a dynamic and evolving process, deeply embedded in cultural, economic, and institutional contexts. The emerging pattern suggests that ESG practices not only enhance firm value and operational performance but also foster investor confidence and financial stability, paving the way toward more sustainable and responsible business models in Thailand's capital market.

CONCLUSION, DISCUSSION, AND RECOMMENDATION

Conclusion

This study explored how Environmental, Social, and Governance (ESG) practices influence firm value, operational performance, bankruptcy risk, and investor decision-making among companies listed on the Stock Exchange of Thailand (SET). Using a qualitative research approach, the study sought to interpret the perceptions and experiences of corporate executives, sustainability managers, and investors to gain a deeper understanding of ESG's strategic role in contemporary Thai businesses.

The findings revealed that ESG is widely recognized as a strategic driver rather than a regulatory obligation. Participants viewed ESG implementation as a means of enhancing firm reputation, operational excellence, and stakeholder trust. Firms that actively integrated ESG into their business strategies reported tangible benefits such as improved resource efficiency, stronger governance mechanisms, and greater financial stability. Moreover, ESG performance was perceived to strengthen market credibility and investor confidence by signaling long-term commitment, ethical management, and resilience.

However, the study also uncovered challenges that hinder full ESG integration, including inconsistent reporting standards, lack of measurement tools, and limited awareness among corporate boards. Despite these obstacles, participants expressed optimism about the growing support from investors, regulators, and the Thai capital market in promoting sustainable development. Overall, the study concludes that ESG practices contribute to enhancing firm value, improving operational performance, reducing financial risk, and influencing investor decision-making, thereby supporting Thailand's transition toward a more sustainable and responsible business ecosystem.

Discussion

The findings of this study provide important insights into how ESG principles are conceptualized and operationalized in the Thai corporate context. The discussion below integrates these findings with the theoretical framework and previous literature.

- 1) ESG as a Strategic Asset in Value Creation

Consistent with Stakeholder Theory (Freeman, 1984), the study found that ESG initiatives enhance firm value by fostering trust among key stakeholders, including investors, customers, employees, and communities. Participants emphasized that integrating ESG principles strengthens corporate reputation and stakeholder relationships, leading to increased market valuation. This supports prior studies (e.g., Fatemi et al., 2018; Eccles et al., 2014) that associate ESG performance with higher firm value and sustainable profitability.

2) ESG and Organizational Performance Enhancement

The findings suggest that ESG implementation promotes operational efficiency through innovation, waste reduction, and improved human capital management. These outcomes align with the concept of organizational learning and process optimization, whereby sustainability initiatives drive continuous improvement and adaptability. This result resonates with the works of Nollet et al. (2016) and Wilailak Saengsuwan (2021), who found that ESG engagement leads to enhanced profitability and resource utilization.

3) ESG and Financial Risk Mitigation

The results confirmed that strong ESG performance contributes to reducing bankruptcy risk and improving financial resilience. This aligns with Legitimacy Theory (Suchman, 1995), which suggests that organizations that align their practices with societal and regulatory expectations are less vulnerable to crises and reputational damage. Participants viewed ESG as a mechanism for managing uncertainty and maintaining financial discipline, consistent with Giese et al. (2019), who demonstrated that ESG compliance lowers default probability and risk exposure.

4) ESG as a Signal of Investor Confidence

The findings further highlight the role of ESG in influencing investor behavior. Consistent with Signaling Theory (Spence, 1973), ESG performance was perceived as a positive signal of corporate reliability, ethical management, and long-term potential. Institutional investors increasingly rely on ESG ratings and disclosures when making investment decisions, viewing ESG-compliant firms as more trustworthy and sustainable. This reinforces the growing trend toward responsible investment and aligns with studies by Khan et al. (2016) and Mongkhol Moolkham (2025).

5) Challenges and Opportunities in ESG Integration

Despite growing recognition, participants identified several barriers to effective ESG implementation, including inadequate knowledge, fragmented reporting standards, and short-term financial pressures. These challenges highlight the need for clearer policy frameworks, capacity building, and corporate governance reform. Nonetheless, Thailand's gradual adoption of ESG-focused regulations and sustainability indices provides a favorable environment for future advancement.

In sum, the discussion underscores that ESG is not only a moral or social imperative but also a strategic and financial necessity. Its influence extends beyond compliance, shaping how firms create value, manage risk, and attract investment in an increasingly competitive and sustainability-conscious global economy.

Recommendation

Based on the findings and analysis, several recommendations are proposed for corporate practitioners, investors, and policy-makers to strengthen ESG integration and its positive impact within the Thai capital market.

1) Recommendations for Corporate Management

Companies should institutionalize ESG principles within their strategic planning and performance management systems. This includes establishing dedicated sustainability committees, improving ESG literacy among executives, and aligning ESG goals with corporate objectives. Organizations should also enhance transparency by adopting internationally recognized ESG reporting frameworks such as the Global Reporting Initiative (GRI) or the Sustainability Accounting Standards Board (SASB) guidelines. Investing in employee engagement and innovation related to sustainability will further improve operational efficiency and stakeholder satisfaction.

2) Recommendations for Investors

Investors should consider ESG performance as a critical factor in portfolio decision-making. Beyond short-term financial returns, ESG indicators provide valuable insights into corporate resilience, governance quality, and long-term growth potential. Institutional investors, in particular, should advocate for greater ESG disclosure and engage with companies to encourage continuous improvement in sustainability practices.

3) Recommendations for Policy-Makers and Regulators

Regulatory bodies such as the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) should strengthen ESG disclosure requirements and provide clear, standardized reporting guidelines. Capacity-building programs and incentive mechanisms could be introduced to help companies, especially small and medium-sized enterprises (SMEs), adopt ESG practices effectively. Collaboration between the public and private sectors will be essential in fostering a supportive ecosystem for sustainable investment and responsible corporate governance.

4) Recommendations for Future Research

Future studies may expand on this research by adopting a mixed-methods approach to combine qualitative insights with quantitative data for broader generalizability. Comparative studies between sectors or across ASEAN countries could also offer a deeper understanding of regional ESG trends. Additionally, longitudinal studies examining ESG's long-term financial effects would further enrich the academic and practical discourse on sustainability-driven business transformation.

In conclusion, this research provides a nuanced understanding of how ESG practices shape firm performance, financial stability, and investor decision-making in Thailand. The findings reaffirm that ESG adoption represents a strategic path toward sustainable growth, balancing economic performance with social responsibility and environmental stewardship—core elements for achieving long-term competitiveness in the global marketplace.

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