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RESEARCH PAPER

An empirical analysis on sustainable start-up: Embedding Environmental, Social and Governance (ESG) into high growth business strategy

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ABSTRACT

Goal: The paper aims to explore when, why and how the enterprises can incorporate ESG strategies that will help them in value formation and meeting the expectation of stakeholders. Moreover, with the help of quantitative data, we have analyzed the effect of ESG on high-growth business strategy.

Method: A quantitative study was conducted for the test of hypothesis for which the data of 174 respondents was collected with the assistance of a self-administered questionnaire. The information was gathered from the IT companies of different states of India, and for the analysis of data, Correlation and multiple regression was employed with the help of SPSS.

Result: The analysis of data has concluded that incorporating ESG from starting itself as a high growth strategy will give a huge boom to the young companies to establish themselves well and have a successful starting. It can be done through starting from the basics, Strengthening the core and Communicating the efforts. All three factors, environment, social, and governance, positively influence the growth strategies of young companies. Moreover, the governance factor was the strongest analyst of growth strategies in young companies, which means that the governance factor greatly influences the growth strategies of young companies.

Limitations: The current study is specifically concentrated in India. It is consisted of three variables of ESG where more variables can be included in the scale for increasing the credibility of the scale in the future.

Practical implications: The study will help the industries, especially young companies, focus on the ESG concerns as these factors are highly influential for the success and growth of the companies from starting. It has highlighted the easy integration of ESG from starting and embraces the idea of re-evaluating and redefining the strategies and functioning activities to progress and endure profitability.

Originality: The study discusses the integration of ESG in young companies from the initial phase of the business, that is, a different from the past studies. Moreover, this is the first study in India concerning the given topic.

Keywords: Sustainability; Corporate governance; Environment factor; Economic factor and social factor.

INTRODUCTION

"Sustainability development means to have a social, economic and environmental development in such a way that it fulfills the need to present generation and that too without compromising with the future generation needs. For doing so, businesses play an essential role (Baumgartner & Rauter, 2017). "Sustainable development provides a general framework to tackle an organization's social and environmental problems by permitting the advancement of resolutions that discloses these challenges (Seuring & Gold, 2013).

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According to Ernst & Young, "Young businesses are highly navigated with challenges carried in by technology, society, globalization, and consumer behavior where embedding ESG factors as their core strategy can help them bring long-term corporate value" (Kalia & Tyagi, 2021). Sudden disruptions caused by novel coronavirus have caused a great disturbance in the environment and have affected the companies, topographies and working models. These factors have an indirect implication on supply chains and travel worldwide. Therefore, in this crucial time, a translucent organization has been able to redesign and readjust well. This highlights why ESG is essential for business growth (Tyagi, 2021).

Incorporating ESG in organizations has gained consideration since the 1990s (Inderst & Stewart, 2018). However, the previous research is mostly preoccupied with analyzing the arthritic association between CSR and financial performance (Clementino & Perkins, 2021; Cho et al., 2019;Galant & Cadez, 2017; Awaysheh et al., 2020). The current paper studies a different set of challenges that have not received any attention till now, i.e., (a) when, why and how the enterprises can incorporate ESG strategies that will help them in value formation and meeting the expectation of stakeholders; (b) the effect of ESG on high-growth business strategy. Rankings provided by ESG give a few equivalent data sources on an extensive range of CSR activities (Crane et al., 2019). These rankings may be anticipated to undertake substantial strategic implications to companies, particularly by manipulating how main onlookers remark, value, and participate with them (Barnett & Leih, 2018). Most of these participants are those stakeholders who most often use ESG data to administer the sustainable and moral conduct of an organization in which they are planning to finance (van Duuren et al., 2016; Amel-Zadeh and Serafeim, 2018). Evaluating an organization's response helps create a better understanding of how the exterior assessments outline business decision-making and achievement in the range of ESG (Chrun et al., 2016). It is essential to have a good understanding of organizational response as it highlights the sustainable inferences of the increasing amount of wealth being capitalized after considering ESG aspects (Amel-Zadeh and Serafeim, 2018). Because of this demand, the organizations which deliver sustainability reporting have been maximized. In 2019, more than 500 index organizations printed this sustainability statement (Rabaya & Saleh, 2021).

The sustainability statement creates a relationship between organizations' sustainability efforts and reputation, influencing an organization's growth (Bernardi & Stark, 2018). The involvement made by the company in the ESG practices helps them enhance their stakeholder participation (De Falco et al., 2018). Hence, ESG plays a vital role in forming a firm's tactic (Aboud & Diab, 2018). Our paper aims to incorporate the ESG factors into a high-growth business strategy for young organizations because present sustainability strategies will replicate how businesses will operate tomorrow (Holt & Whelan, 2021). For doing so, we need to start from the very initial stage, which is to conduct a materiality valuation. It is an extensively used method that helps young organizations develop their ESG priorities by understanding the most important elements. It recognizes the significant extent of overlay between value formation and society and the environment (Madison & Schiehll, 2021).

System thinking is an improved technique to understand social, ecological, and economic environment difficulties (Wang et al., 2011). A composite suitability system is formed by interacting factors that act as per the governing apparatuses (Colding, 2014). With the help of this system thinking, the organizations can easily identify the areas that are appropriate enough to take the optimistic changes and the areas which are suspectable (Williams et al., 2017). Therefore, embedded assessment of ESG with the system thinking will help the organizations to the limits of systematic growth within the organizational restrictions, with limited possessions and with the reliance of business on nature, humanity and environment (Winn and Pogutz, 2013; Olivier, 2021; Mio et al., 2022).

According to green BIZ, younger companies have a lesser ecological effect than the more well-known ones; hence, they should not ignore climate change and energy use challenges (Ellis et al., 2021). Extending this line of argument to study the implementation of ESG from the starting of a young company in a way through which it will automatically be proven as a high growth business strategy to them. Sustainability development gives no strong supervision concerning how, when and why the sustainable strategies should be employed. Therefore, the current study focuses closely on this gap in research to determine the effect of ESG on high growth strategy in the context of Indian companies. There are previous studies which are focusing on the ESG performance, measurement, and valuation (Mansouri & Momtaz, 2022); ESG compliant with Patent utilization (Jacob & Arcot, 2023); Socio-economic and legal factor influencing ESG principles (Kosorukova et al., 2023) and such more paper, which are not discussing the concept of incorporating ESG into start-ups with the help of which the young companies can reduce their risk and help them attract the investors. For achieving the same, the initial part of the study gives a transitory discussion of the adoption of ESG into high growth strategy, and for the accomplishment of the second part of the study, a conceptual framework has been prepared including the three factors of ESG; environment, social and governance and their effects have been noted in determining the high growth business strategy. Therefore, the paper aims to explore when, why and how the enterprises can incorporate ESG strategies that will help them in value formation and meeting the expectation of stakeholders. Moreover, it will help the industries, especially young companies, focus on the ESG concerns as these factors are highly influential for the success and growth of the companies from starting. The study will also highlight the easy integration of ESG from starting and embraces the idea of re-evaluating and redefining the strategies and functioning activities to progress and endure profitability.

LITERATURE REVIEW

Integrating ESG into the high growth strategy

"As early inclusion of ESG in organizations is increasing; hence ESG framework will surely play a vital role in the value formation and long-term business growth" (Kalia & Tyagi, 2021). The environmental factor is crucial for any organization operating worldwide, regardless of its sustainability journey (Flavelle, 2020). To advance an ecological strategy that fits appropriately for an organization's business model, gauge and stakeholders' hopes, the company should start by measuring their carbon footprints, which will provide them a reference point to make knowledgeable pronouncements, obligations, savings, and functioning deviations while moving ahead once the company will analyze their carbon footprint than they can easily make strategies to meet a determined environmental-based commitment (Hyman, 2020).

Moreover, the advent of covid-19 increasing the hypes of the ongoing social equality movement has placed companies into the limelight on how corporations are obligated to address the social factor of ESG framework in their organization, especially in the case of young people companies (Pinckney and Rivers, 2020). Past studies have shown that various and comprehensive teams are beneficial for companies, yet organizations fail to create an organizational culture where a workforce enjoys equal prospects (BSR, 2020). According to BSR, businesses should implement unbiassed and comprehensive practices from the starting only by ensuring no biasness on gender, language, and pay equality for detailed job descriptions (Washington, 2021).

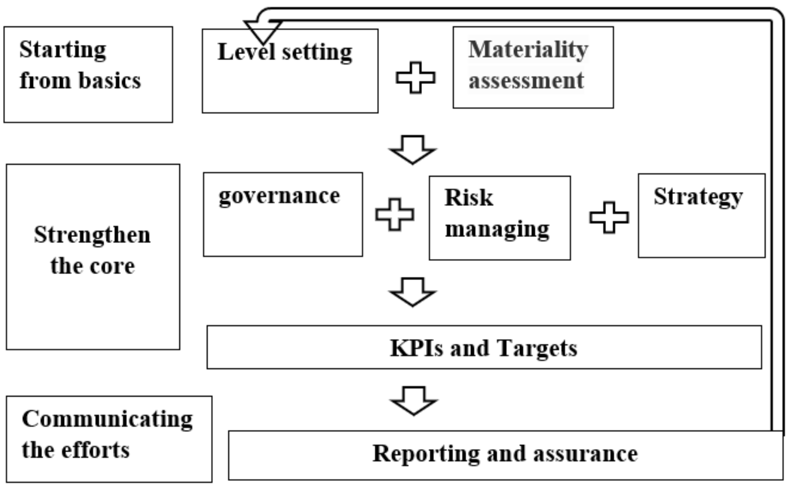

Figure 1 - Framework for incorporating ESG into firms' growth strategies
Source: Henisz et al., 2019.

Furthermore, the high growing organizations grow with a very high-speed forgetting about the governance erections and strategic tactics for handling the problems related to ESG issues and probably lack resources with dedicated staff (Laksmana et al., 2014). Therefore, to establish an ESG governance erection, the organization should start with its team members. The appointment of a senior supervisor helps support and create awareness about firms' cases for addressing material ESG problems, which are vital for acquiring resources and understanding the assistance of activity over time (Armstrong, 2020). For this, a cross-functional approach can be adopted through which supervisors can engross with different organization units from any department and confirm collective possession and administration of ESG problems that are most probably interconnected. Moreover, the organizations need to share transparently about their company's ESG journey to date on their websites, starting from the highlighted sections and then gradually to move towards strong reporting contexts to recognize gauges to practice after reporting annual development on the business's substantial ESG problems.

Incorporating ESG concerns into firms' strategies helps them consolidate the top companies for inclinations and identify the ESG risk in value chains and processes. Figure 1 is a stepwise guide that will help young companies to adopt or incorporate ESG in their organization easily and effectively.

Step–1 start from the basics

Phase-1 The companies should start by setting a ground where an organization and its stakeholders agree on the integration of ESG and by generating a sense of resolution in the organization, which will help them integrate ESG and the long-term value of an organization (Parker, 2021).

Phase-2 In this second phase of materiality, the companies should recognize, prioritize, and authenticate the utmost material ESG problems and focus on the optimal use of resources to reduce wastage (Jebe, 2019).

Step-2 Strengthen the core

Phase-1 In this phase, the company should strengthen its BOD lapse, practical management and enduring discussion on ESG areas (Tang, 2019).

Phase-2 The young company highly risks adjoining for which the organization should integrate an organized method to recognize, evaluate and respond to ESG associated risk in organizational activities (Dorfleitner et al., 2015).

Phase-3 This phase of ESG generates discussion about the ESG strategy, which classifies that by a predominant mission and vision of an organization and integrating ESG into tactical planning, the organization strengths the easy and swift integration of ESG (Sciarelli et al., 2021).

Key performance areas and targets will aid in estimating and measuring ESG performance to improve ESG performance over time (KPMG, 2021).

Step-3 Communicating the efforts

Reporting and assurance is the final step of incorporating ESG in the organization, which requires a transparent revelation of the organization's performance, vision and strategy through various communication stations (Atan et al., 2016). Moreover, the organizations should involve a third party to execute a self-governing declaration on the report of ESG. This will create confidence among stakeholders about the credibility of the company and ESG data (Raimo et al., 2021).

THEORETICAL FRAMEWORK AND HYPOTHESES DEVELOPMENT

According to Ielasi et al., (2020), "an organization's risk statistics and return are affected by ESG screening and rebalancing. The ESG rebalancing is effective and efficient for a "value" portfolio, and ESG screening increases the risk modification performance, i.e., "growth" strategy, to the highest level." "The ESG activities done by an organization positively impact the economic growth of an organization, and it highlights a strong association between ESG activities and the economic growth of a firm" (Tarmuji et al., 2016). Similarly, Buallay, (2019) in his study, has concluded that "ESG significantly impacts an organization's market, operational and financial performance in manufacturing industries." Lokuwaduge & Heenetigala, (2017) "have argued that the key to improving the organization's environmental strategy and sustainable growth. He concluded that ESG reporting rules are extremely inclined by ESG reporting incentives and specifies the assortment in reporting of ESG and comparability of ESG tactical performance." Nalwanga, (2020) have concluded that "companies that integrate ESG values in their organization establish high financial performance and growth." Moreover, "there is a significant relationship between companies' return on investment and equity and ecological accountability performance" (Lee et al., 2016). The review of studies specifies that the ESG in organizations adds to the value of the firm growth and strategy in different forms, and disclosure of ESG increases the trust of their stakeholders. Therefore, integrating ESG from starting itself will help the young companies benefit from the initial phase by incorporating ESG into a high growth strategy. This will not only help them to start virtuous but will also help in their future growth.

The present study aims to validate the integration of ESG into a high growth strategy for young companies in Indian reference by employees working in different sectors of industries considering Environmental, Social and governance as the major factors. In a further study, we will check the effect of ESG on the high growth strategy. "Environmental issues are stakeholders' major concern and inclination to solve environmental problems" (Diamantopoulos et al., 2003), and proenvironmental behavior often indulges in morality (De Groot & Steg, 2009). Many studies have been conducted before which have highlighted the environment-related concerns of an organization and highlighted the benefits of ESG in increasing firms' value and growth. However, this study examines this integration of ESG in firms from a new perspective: sustainability from the start, which means when a company is young.

The following section will describe all the above constructs along with their respective hypothesis:

"The E factor of ESG reflects how an organization will perform as an agent of nature. The S factor accomplishes the associations among the companies' stakeholders and the society where it functions. The G factor deals with organization management, audits, internal controls and shareholders rights (Silver et al., 2021)."

Environmental

There are many "E" initiatives that businesses can support, but the most popular ones are: preventing animal abuse, minimising the impact of products and packaging, minimising carbon emissions, minimising harm to biodiversity and ecology, and assuring a responsible environmental footprint (Zaccone & Pedrini, 2020). According to Dubini, (1989) to start "a firm, there are three diverse types of apparent environments: Generous environment, which is categorized by resourceful set-ups, reputable principal markets and the accessibility of inducements to start a firm; Supportive environment, in which formation of set-ups precisely meant for inspiring new companies; Spare environment that lacks in both capital and set-ups accessibility." Garrido-Vega et al., (2021) research have concluded that "there is the significant impact of environment on business strategies and performance." Moreover, Gotschol et al, (2014) have determined that "a better management of environment leads to better economic performance in long-term; and also, the performance of an organization increases if they reinvest in advanced value grown with the help of environmental managing in green policies and activities." Prior research has shown that using aggressive and specialised tactics boosts the likelihood of early survival in the majority of environmental situations (Romanelli, 1989). According to Schick et al.'s (2002) research, organisations encounter numerous issues during the initial stages of their development. The pursuit of environmentally friendly company practises is hampered by a variety of market circumstances, banks, and business advisors. Therefore, environmental conditions have a significant impact on how start-up enterprises plan to grow.

Thus, the proposed hypothesis is:

H1: Environmental factor has a favourable impact on start-ups enterprises' growth strategy.

Social

"The word "social," or "S," refers to the company's societal responsibility. The most popular "S" activities that businesses can undertake include the following: defending and advancing equal opportunity, combating child labour, involving stakeholders, upholding diversity, and safeguarding human rights" (Zaccone & Pedrini, 2020). "Social factor in an organization is essential for young businesses success" (Birley & Stockley, 2017). The term "social score" refers to a system of assessments that takes into account consumer behaviour and product response, as well as other social issues like as charitable giving, business ethics, and human rights compliance (Almeyda & Darmansya, 2019). "A reputation of a firm is socially complex that is the outcome of visions and observations of the stakeholders that are connected to our business" (Taghian et al., 2015). "The social factor of ESG is difficult to define, but it highly influences the faith, assurance and attachment of stakeholders on an organization" (GRESB, 2021). The society component was the only one of the ESG activity recognition variables that positively (+) affected the innovation-oriented culture (Jin & Kim, 2022). Moreover, company value can be increased through reduced company risk if there is a greater CSP (corporate social performance) and, more specifically, a stronger performance in the social dimension (Sassen et al., 2016). Any organisation hoping to stay competitive must comprehend the social variables that influence business strategy and propel accomplishment (Belas et al., 2020). Thus, it is advantageous for startups to include the social component in their strategy.

Thus, the proposed hypothesis is:

H2: Social factor has a favourable impact on start-ups enterprises' growth strategy.

Governance

The word "governance," which begins with the letter "G," refers to governance that upholds stakeholders' rights and obligations. It covers committee organisation, whistleblower protection, codes of conduct, standards of behaviour, and equitable compensation guidelines in addition to bribery and corruption prevention (Zaccone & Pedrini, 2020). In the context of the ESG framework, governance can be defined as a collection of integrated processes, systems, and structures that enable a business to flourish. Corporate governance primarily pertains to the managerial positions that oversee and administer the firms (Almeyda & Darmansya, 2019). According to Cadbury, (1992), the company's poor governance leads to a definite fall of various companies. "It is related with the firmness of united action on a particular problem between different stakeholders and the settlement of dispute among firms' claim holders (Jacoby et al., 2019)." "The benefits of corporate governance can help the organizations and countries to transform more towards betterment" (Mallin, 2016). In creative organisational cultures, relationship-oriented culture was positively (+) impacted by governance factor (Jin & Kim, 2022).Companies' officials should consider the consequences of the governance factor's substantial correlation with performance when deciding how useful it is to use ESG data (Nalwanga, 2020). As a result, start-ups benefit from using governance factors in their strategies. Moreover, it is important for founders and early investors in startups and scale-ups to understand that corporate governance is a continual process that will assist a company's strategic decision-making process and oversight, ultimately contributing to the long-term value enhancement of the organisation (Burt, 2022).

Thus, the proposed hypothesis is:

H3: Governance factor has a favourable impact on start-ups enterprises' growth strategy.

High Growth strategy factor

"An organization's plan for overcoming obstacles both present and future in order to achieve its expansion goals is known as its growth strategy. Increasing revenue and market share, purchasing assets, and enhancing the company's offerings are a few examples of growth strategy objectives" (Gartner, 2023). A customised ESG strategy will improve the organization's ESG performance through meaningful interactions with employees, stakeholders and partners (Almeyda & Margarita, 2023).To effectively manage risks, obtain a competitive edge, draw in investors and talent, adhere to regulatory requirements, spur innovation, and generate long-term value, it is imperative to integrate ESG elements into your broader company plan (Liang et al., 2022).

CONCEPTUAL FRAMEWORK

The hypothesized conceptual model is represented in Figure 2.

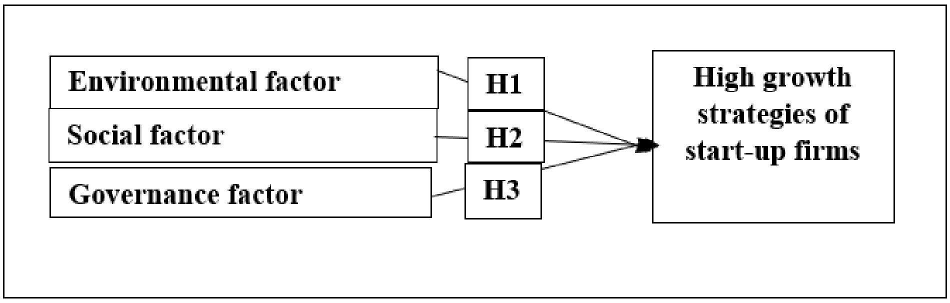

Figure 2 - Hypothesized Conceptual Model

RESEARCH METHODOLOGY

Ethical Consideration

The respondent's identity in the current paper was guaranteed to be anonymous. The first question in the survey, "Are you willing to take the survey?," asked respondents if they were willing to do so once they had read the full paper.

Sample Description

The survey research approach is employed in the current study to collect data from the personnel working in India's private IT companies. Particularly, they are the managers and middle-level staff who belong to different industrial sectors. IT companies are regarded as highly technology oriented and labour intensive as well, which has a significant influence on ESG factors. Furthermore, the data is gathered from companies like Infosys, Wipro, Tata Consultancy Services, HCL Technologies, Tech Mahindra etc. The primary study is done to test the hypothesis, and the data is collected with the help of convenience sampling. This approach was chosen because it offers several advantages for high-quality research and is the most appropriate methodology for data collecting when the sample size is large. It is a method adopted by a researcher when they want to collect the data at their convenience within the stipulated period. It also helps them collect the data easily and effectively (Bell et al., 2022). Furthermore, SPSS software (Statistical Package For The Social Sciences) was used to analyse the data.

The questionnaire was distributed among 218 respondents via email, LinkedIn and other social networking sites (Instagram and facebook), out of which responses from 174 complete questionnaires were received. The final data analysis excluded the 44 remaining unfinished questions. As a result, 174 questionnaires were taken into account during the data analysis procedure, as indicated in table 1.

Table 1 - Description of the sample presented in the paper

Variable	Category	Frequency	percentage
Gender	Male	134	77.0
	Female	40	23.0
	Total	174	100.0
Age	18-25	32	18.4
	26-30	77	44.3
	31-40	42	24.1
	41-50	19	10.9
	51 above	4	2.3
	Total	174	100.0
Educational Qualification	Elementary school	14	8.0
	Junior school	11	6.3
	High school	11	6.3
	Intermediate	21	12.1
	Graduate	55	31.6
	Postgraduate	27	15.5
	Diploma	30	17.2
	Others	5	2.9
	Total	174	100.0

Sample Size determination

The sample size was determined using the formula:

$$For\ Finite\ Population: n! = \frac{n}{1 + \frac{Z^2 \times p(1-p)}{\epsilon^2\ N}}$$

Where, Z score is indicated by Z

Margin of error is indicated by ∈

Population size is indicated by N

Population proportion is indicated by P

Non-probability convenience sampling is used to collect the data. In this, the population proportion was 50% with the z score of 95 % (Confidence level). The margin of error is of 5% of the surveyed value and the population size was 500. Hence, the results indicated the total of 218 respondents as a sample size out of which 174 complete questionnaire was received. The research had difficulties during the data gathering stage because the data was gathered during the epidemic, which is why it was done through an online survey. The research has the limitations of receiving fewer replies, being restricted to an online survey, and being performed across India at various IT companies using convenience sampling.

Questionnaire Construction

A self-administered online questionnaire was prepared and was divided into four sections, and each section consisted of five questions representing constructs for each segment. The first three sections represented the independent factors ESG, i.e., environment (EF1-EF5), social (SF1-SF5) and governance (GF1-GF5) and the last five factors represented the dependent factor high growth strategies in young companies (HG1-HG5). The reliability test was conducted to confirm the scale's validity, and the output received was good enough to conduct the study. The survey items in this study were measured using a five-point Likert scale ranging from strongly disagree to strongly agree on a scale of 1 to 5 (1-highly disagree, 2- disagree, 3-netural, 4-agree, 5-highly agree). Male respondents made up 76.9% of the total, while female respondents made up 23.1%.

DATA ANALYSIS AND OUTCOMES

Correlation and Descriptive Analysis

In the first half of Table 1 of the descriptive statistics and correlation analysis, the descriptive statistics of constructs in the study are discussed, including the individual mean and standard deviation. The respondents have shown the greatest positive concern about the environment factor (M=16.95), whereas they have shown the lowest concern about the governance factor (M=15.78). The second half of the table discusses the correlation analysis among the constructs. According to the findings, all hypothesized connections were statistically significant at the P0.01 level, implying that EF (r = 0.619, p, 0.001), SF (r =0.602, p, 0.01), and GF (r =0.753, p, 0.001) were positively connected with high growth strategies of new businesses. "Correlation coefficient should not go beyond 0.8 in order to avoid multicollinearity (Field, 2005)." The greatest correlation coefficient in table 1 is .775, which is less than 0.8, indicating no multicollinearity between the components.

Table 2 - **Correlation is significant at the 0.01 level (2-tailed)

	Mean	Std. Deviation	EF	SF	GF	HG
E	16.95	4.305	1	.775**	.578**	.619**
S	16.04	5.056	.775**	1	.608**	.602**
G	15.78	3.551	.578**	.608**	1	.753**
HG	18.76	4.160	.619**	.602**	.753**	1

Scale Reliability

Table 2 shows the scale's validity. The Cronbach's alpha value for all 20 items on the scale is 0.925, higher than the preferred score of 0.70, indicating that the scale is stable and constant enough to carry the study (Cavana, et al., 2001). Moreover, the cronbach's alpha value for E factor is 0.782; S factor is 0.815; G factor is 0.713; and HG factor is 0.884.

Table - 3

	Cronbach's Alpha	N of Items
Overall items	.925	20
E factor	0.782	5
S factor	0.815	5
G factor	0.713	5
HG factor	0.884	5

Factor analysis and scale validity

In order to determine a measure's factor structure and assess its internal reliability, exploratory factor analysis (EFA) is typically employed (Fontaine, 2005). It is utilised for both exploring the phenomenon' underlying theoretical structure and condensing data into a smaller collection of summary variables. It serves the purpose of determining the respondent-variable relationship's structural composition (Siegling et al., 2015). Therefore, Table 3 of factor analysis is used to know the validity of all 20 items in the scale through extracting the principal components with the help of varimax rotation. The Kaiser-Meyer-Olkin (KMO) value of all 20 items together was 0.911, more than the threshold value of 0.5 (Field, 2005). The KMO value of each construct separately was also more than the threshold value, as shown in table 3 below.

Bartlett's test signifies the significant results for the current study with $\chi 2= 2415.213$ (p-value < 0.005). As a result, the KMO value of 0.911 and the significance of Bartlett's approve the factor analysis' adequacy for the presented data.

The size of each factor's factor loading is sorted. According to Mertler & Vannatta, (2016), "factors with eigenvalue below one should be omitted and factor loading less than 0.5 will be eliminated" (Ofori et al., 2018). The eigenvalue of each construct is more than 1.0, and the cumulative percentage is also more than 50 percent which is good. The cumulative variance explained by the items altogether is 68 percent which is good for study.

Table 4 - Factor Analysis

Variables	Scale items	Factor Loading	Eigen Values	KMO	Percentage of variance
	.852	2.894	.799		
Environmental Factor **Social Factor** **Governance factor** EF1 Is there an environmental policy in place that outlines specific pledges and goals for reducing the company's environmental footprint?				57.876 64.745 53.272	
EF2 Is there any chemical or hazardous substance used or present on the premises, as well as storage and management arrangements?					
.107					
EF3 Is the corporation tracking and reporting carbon and other greenhouse gas (GHG) emissions like methane and nitrous oxide?	.913				
EF4 Is there an environmental induction/training program for employees and senior management?	.864				
EF5 Is the company involved in any major projects or initiatives to improve environmental performance, standards, or compliance, such as waste/energy projects?	.760				
SF1 Is there an H&S policy in place that has been approved by the CEO or someone in a similar position?	.441	3.237	.823		
SF2 Is the company keeping track of occurrences and accidents?	.852				
SF3 Does the company have any serious social-related complaints/claims actions associated with employees or key stakeholders over the last three years, such as customers or suppliers?	.878				
SF4 Do you have an anti-discrimination policy in place?	.913				
SF5 Is there a responsible purchasing policy/Code of Conduct for suppliers in place at the company?	.844				
GF1 How would you rank the company's and its activities' corporate governance?	.242	2.664	.766		
GF2 Rate how diversity is taken into consideration when appointing members?	.692				
GF3 Did the organization have any past issues concerning illegal practices?	.791				
GF4 Is there a code of ethics in place at the company?	.900				

GF5 Is there a policy for employees who want to blow the whistle on the company?	.831				
High growth strategies for young companies	HG1 Did your think implementing ESG from starting will increase the growth opportunities for young companies?	.814	3.415	.789	68.298
	HG2 Does implement ESG from starting to encourage customers to identify the young companies' products and purchase them?	.817			
	HG3 Do you think young companies will get partnerships as a joining force from already well-established businesses if they implement ESG in their business from starting?	.857			
	HG4 Do you think employees will feel more engaged and attracted to the young organization if they have already established well-framed ESG policies?	.813			
	HG5 Do you think an already established ESG policy will help young companies seek opportunities from outside countries?	.831			

MULTIPLE REGRESSION ANALYSIS

When a researcher wishes to examine the effects of two or more independent factors on one dependent variable, they use multiple regression. The current study has three independent variables and one dependent variable. As a result, the hypothesis was tested using the multiple regression test. "Relative to the regression line, a point's residual in a regression model indicates its distance. The purpose of residuals in a residual analysis is to evaluate a statistical hypothesis. In the event if the residuals are distributed randomly, the model is deemed to be well-fit. Histograms, boxplots, and Q-Q plots of the residuals are plotted using graphic methods, and their comparison with a normal distribution is done" (Jarque & Bera, 1987). The bell shape of the histogram and the dots on the line of the Q-Q plot signify that the data is normally distributed. Therefore, we can conclude that the data is valid and can be used for the research.

To check the multicollinearity among the forecasted variables, VIF and tolerance were checked. The same revealed that the tolerance indicator for EF, SF, and GF is larger than 0.1, and their VIF value is less than 10. As a result, the findings imply no concern with multicollinearity among the variables (Schabenberger & Gotway, 2017). Because the significant value for all three factors is 0.000, which is less than 0.05, we can conclude that the independent variables EF, SF, and GF positively correlate with the dependent factor HG. Therefore, the research results signify that environmental factor are positively associated with young companies' high growth strategies; hence, hypothesis 1 is supported. The social factor is also positively associated with the high growth strategies of young companies; hence, hypothesis 2 is also supported.

Moreover, the governance factors also have a lower significance value than 0.05, which recommends that it is positively associated with high growth strategies of young companies; hence, hypothesis 3 is also supported. Therefore, the analysis of table 4 (A) has signified that the environment, social, and governance positively influence the growth strategies of young companies. The following multiple regression equation was created using the SPSS output:

Growth strategies of young companies = 3.384 + 0.222 (Environmental factor) + 0.062 (Social factor) + 0.673 (Governance factor)

Table 5 (A) - Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.385	.964		3.512	.001		
	E	.222	.074	.229	2.998	.003	.382	2.618

	S	.062	.065	.075	.957	.040	.362	2.766
	G	.673	.071	.575	9.430	.000	.602	1.661
a. Dependent Variable: GH								

The Unstandardized Beta Coefficient values between the variables have signified that the hypothesis ranges from the weakest relationship of 0.062 (among SF and HG) to the toughest relationship of 0.673 (among GF and HG). Therefore, we can conclude that the Governance factor is the most influential in affecting the high growth strategies of young companies. The environmental factor is ranked second (0.222) in influencing the high growth strategies of young companies, while the social factor is the least influencing. Moreover, the data of Standardized Coefficients describes the concentration between factors.

Factors are ranked accordingly based on concentration: Governance factor (0.575), environmental factor (0.229) and social factor (0.075). Therefore, we can conclude that the governance factor is the most powerful in influencing the high growth strategies of young companies.

Table 5 (B) - Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.787[a]	.620	.613	2.587	.620	92.415	3	170	.000
a. Predictors: (Constant), GF, EF, SF									
b. Dependent Variable: GH									

Table-4 (B) depicts that the R square is .620 or 62 percent. This outcome means that the independent variables (EF, SF, GF) describe the variation in the dependent variable by 62 percent, which is good for study.

Table 5 (c) - ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1855.881	3	618.627	92.415	.000[b]
	Residual	1137.981	170	6.694		
	Total	2993.862	173			
a. Dependent Variable: GH						
b. Predictors: (Constant), GF, EF, SF						

Table 4 (C) indicates that the study F-test value is.000, which is less than the 0.05 significant limit. As a result, we can conclude that the independent and dependent variables have a substantial association.

RESULT OF HYPOTHESES AND DISCUSSION

Table 5 sums up the findings of hypothesis testing.

Table - 6

Hypothesized relationship	Estimate	p-value	Decision
E → HG	.222	.003	SUPPORTED
S → HG	.062	.040	SUPPORTED
G → HG	.673	.000	SUPPORTED

Organisations are under increasing pressure from their stakeholders to implement proactive strategies that address ESG risks and opportunities as part of their business plans. Incorporating ESG from the beginning as a high growth strategy would therefore give emerging companies a great boost to establish themselves successfully and have a good start. The incorporation of ESG in young organisations is thus covered by the current research. Real gains from executing a thorough ESG approach should eventually outweigh any risks. Start-ups who adopt new technologies early on will have an advantage over their rivals in terms of business and collaboration potential. By growing strong and resilient, they will be able to lower the possibility of losing the company. In order to gain and keep the trust and confidence of clients, investors, and partners, promoters of startups, CFOs, and board members may be encouraged to implement a standard ESG plan as soon as possible.

ESG factor integration in organisations is not a novel idea. There is a tonne of literature available in the research repository that discusses different organisational areas along with ESG factors, such as ESG impacting investment (Puzzonia, 2018), ESG start-ups with information sharing and investment performance (Xue et al., 2019), potential of ESG investment in early stage (Germann, 2021), ESG creating value (Henisz et al., 2019), Green start-ups in India (Bhatnagar et al., 2022) and numerous other studies that do not emphasise the need of incorporating ESG considerations into start-up businesses, which will aid them in lowering uncertainty, attracting investors, and developing high-growth strategies for the expansion and development of their young company.

The results of this study indicate that all three ESG factors have a positive and significant influence on the expansion strategies of start-up companies. Young enterprises' growth plans were strongest analysed by the governance component, indicating that this element has a significant impact on these strategies. Along with environmental factors, the study has drawn attention to the discussion of social and governance factors as playing a crucial role in the development of the business, particularly in the initial phase. Governance factor was found to have a highly influencing role in the growth of young businesses. Young organisations should therefore give each of the three considerations equal weight. The ESG disclosure improves the organisations' credibility and results in gaining the stakeholders' trust from the very beginning of the business. As a result, businesses should develop strategies to integrate ESG-based work cultures from the beginning of their operations and to foster a sense of accountability that motivates stakeholders to develop a sense of loyalty for your company. The research will also instruct new companies on how to incorporate ESG into their operations and why it is important to do so.

CONCLUSION

In recent years, not just internationally but also in India, the role of ESG (Environmental, Social, and Governance) imperatives has increased significantly. Entrepreneurs in India are thinking more and more about how ESG concepts should be included into their company plans in order to promote sustainable growth, employee welfare, reduce risks, and satisfy stakeholders' changing expectations. Long-term benefits that the business would experience from using the ESG framework.

The results in the present study has also indicated that three factors, environment, social, and governance, positively influence the growth strategies of young companies. Moreover, the governance factor was the strongest analyst of growth strategies in young companies, which means that the governance factor greatly influences the growth strategies of young companies. However, "a lower carbon footprint, increased support for energy efficiency, and decreased waste production will lower the company's operating costs. When a company adopts an ESG framework, investors will place a higher value on it because it will make the business more financially successful and sustainable over the long run. By improving the company's reputation, lowering reputation, legal, and regulatory risks, and transforming the business into something that benefits society as a whole, investors can profit from their investments.

IMPLICATION OF THE STUDY

For industries and businesses

The use of ESG in organizations is quickly increasing, as ESG elements play a critical role in strengthening a company's long-term value. The priorities of stakeholders can be achieved only when the organizations will connect their priorities and long-term value with the ESG program. Moreover, we must have noticed that incorporating ESG in organizations is gratifying. Therefore, the study will help the industries, especially young companies, focus on the ESG concerns as these factors are highly influential for the success and growth of the companies from starting. The study has highlighted the easy integration of ESG from starting and embraces the idea of re-evaluating and redefining the strategies and functioning activities to progress and endure profitability. The paper has emphasized the possible integration of ESG into a high-growth business strategy for young companies by sighting material ESG risk and prospects, enhancing the brand value among stakeholders, enhancing relations with shareholders, and creating differentiation through ESG integration from the initial phase of business.

For academicians and researchers

The studies will add to the existing literature for the researchers and academicians/students who study the environment, social and governance-related problems as "the effect of ESG in decision making is the major relevant topic in today's financial world" (Syed, 2017).

For government

The paper has highlighted the importance of ESG for young companies, which will make the government and other legal, regulatory bodies put ESG again into consideration by framing and redesigning the guidelines and principles for the establishment of young businesses by making ESG a mandatory guideline for them from the initial phases of the business itself. ESG framing for young companies will also help the government enhance the economy's growth by minimizing the chances of business failures and oversights.

For stakeholders and investors

The representation of thought for integration and improvisation of ESG practices in young organizations requires the major contribution of investors, financial institutions, stakeholders, and policymakers that will help the industries frame ESG policies and practices. The efforts at the global level are required to confirm that ESG practices will develop in such a manner that it sustains the investor's confidence and market honesty. In this regard study will create an awareness and discussion on solutions related to the integration of ESG in young organizations and ESG investing concerning transparency and reliability.

LIMITATIONS AND FUTURE SCOPE

The current study is specifically concentrated in India and is based on small sample size.. Therefore, a broader study can be done by widening the scope of the study to different countries with a larger sample size for more accurate results. The present study consisted of three variables of ESG where more variables such as worldwide reporting inventiveness and carbon revelation schemes can be included in the scale for increasing the credibility of the scale in the future. These variables can also be taken as a mediating variables in the future studies to check their indirect effect on high growth strategies of the start-ups. For this researchers can analyse the the data using smart PLS software. Moreover, the research had difficulties during the data gathering stage because the data was gathered during the epidemic, which is why it was done through an online survey. The research has the limitations of receiving fewer replies, being restricted to an online survey, and being performed across India at various IT companies using convenience sampling.

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