

ARTIFICIAL INTELLIGENCE–ENABLED STRATEGIC BUSINESS UNITS FOR SUSTAINABLE DEVELOPMENT GOAL ACHIEVEMENT

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Abstract:

*This research investigates the role of **artificial intelligence (AI)–enabled Strategic Business Units (SBUs)** in advancing corporate sustainability through the effective implementation of the **United Nations Sustainable Development Goals (SDGs)**. As organizations increasingly face pressure to align business performance with global sustainability imperatives, SBUs—owing to their operational autonomy and strategic focus—emerge as critical drivers of AI-assisted sustainability transformation. The study examines how AI technologies, including data analytics and intelligent decision-support systems, are integrated into SBU-level planning, operational processes, and sustainability performance measurement. Using a **qualitative case study approach**, the research identifies best practices, implementation challenges, and success factors across selected organizations. The findings reveal that successful AI-enabled SDG integration at the SBU level depends on leadership commitment, data-driven decision-making capabilities, stakeholder engagement, cross-functional collaboration, and adaptive performance metrics supported by AI insights. The study highlights SBUs as innovation hubs that leverage artificial intelligence to design targeted, scalable, and context-aware sustainability solutions. By bridging sustainability strategy and AI-enabled execution, this research contributes to the evolving discourse on **intelligent sustainable business models** and offers practical implications for corporations seeking to operationalize SDGs through digital and AI-driven approaches.*

Keywords

Artificial Intelligence, Strategic Business Units, Sustainable Development Goals, Corporate Sustainability, Intelligent Decision Support Systems, Sustainability Metrics

Introduction:

This study on the role of Strategic Business Units (SBUs) in advancing corporate sustainability through SDG (Sustainable Development Goals) implementation should establish the context, significance, and scope of the research clearly and concisely. Begin by explaining the increasing importance of corporate sustainability in the global business environment, emphasizing the growing pressure on companies to align their strategies with the United Nations' SDGs. Highlight how sustainability is no longer a peripheral concern but a core strategic priority. Introduce Strategic Business Units as distinct organizational entities within corporations that operate semi-autonomously with responsibility for specific markets or product lines. Emphasize their potential as pivotal actors in translating corporate sustainability goals into actionable initiatives due to their focused operational scope and market proximity.

Point out the limited attention given in literature to the specific contribution of SBUs in driving sustainability practices and SDG implementation, despite their strategic importance.

This gap justifies the need for a focused investigation. Clearly state the study's aim: to explore how SBUs contribute to advancing corporate sustainability by implementing SDGs. Outline key objectives such as identifying mechanisms, challenges, and outcomes associated with SBU-led sustainability efforts. Explain the practical and theoretical relevance, including how understanding SBUs' roles can help corporations design better governance and operational frameworks for sustainability, and how it contributes to the academic discourse on organizational sustainability management.

In the contemporary business landscape, corporate sustainability has emerged as a critical imperative, driven by increasing environmental, social, and governance (ESG) concerns and the global commitment to the United Nations Sustainable Development Goals (SDGs). Strategic Business Units (SBUs), as semi-autonomous segments within corporations, possess unique capabilities to operationalize sustainability initiatives tailored to their specific markets and functions. However, despite their strategic positioning, the role of SBUs in advancing corporate sustainability through effective SDG implementation remains underexplored. This study aims to fill this gap by investigating the mechanisms through which SBUs contribute to sustainability outcomes, identifying challenges faced, and assessing the impact of their initiatives. Understanding these dynamics is essential for both corporate leaders seeking to enhance sustainability integration and scholars advancing organizational sustainability theory.

Key Features Strategic Business Units (SBUs) in Advancing Corporate Sustainability through SDG Implementation:

❖ Corporate Sustainability as a Strategic Priority

Businesses face increasing external pressures from stakeholders, regulators, and society to integrate sustainability into their core strategies. The United Nations' Sustainable Development Goals (SDGs) provide a globally recognized framework guiding corporate sustainability efforts across economic, social, and environmental dimensions.

❖ Definition and Strategic Importance of SBUs

SBUs are distinct organizational units within larger corporations, responsible for specific markets, products, or services. They operate with a degree of autonomy, enabling tailored strategies that align closely with market demands and operational realities. This autonomy positions SBUs as critical actors capable of translating broad corporate sustainability goals into actionable, context-specific initiatives.

❖ SBUs as Drivers of SDG Implementation

SBUs can localize and customize SDG-related initiatives to fit their unique operational contexts, enhancing relevance and effectiveness. They serve as innovation hubs for sustainability practices, experimenting with new processes, products, or partnerships that contribute to SDG targets. Their proximity to customers and markets allows SBUs to respond swiftly to sustainability-related risks and opportunities.

❖ Challenges Faced by SBUs

Balancing financial performance pressures with long-term sustainability commitments can create internal tensions. Lack of clear guidance or alignment from corporate headquarters may hinder consistent SDG integration across SBUs. Resource constraints, limited expertise, or conflicting priorities within SBUs may slow down sustainability progress.

❖ Mechanisms for Effective SBU Contribution

Establishing clear sustainability mandates and performance metrics tailored for SBUs. Encouraging cross-SBU collaboration and knowledge sharing on sustainability best practices. Providing SBUs with adequate resources, training, and decision-making authority to implement SDG initiatives effectively.

❖ Outcomes and Impact

Enhanced corporate reputation and stakeholder trust through visible, localized sustainability efforts. Improved operational efficiencies and innovation driven by sustainability initiatives at the SBU level. Contribution to overall corporate sustainability performance and progress toward SDG targets.

❖ Theoretical and Practical Relevance

Understanding SBUs' roles enriches organizational sustainability theory by highlighting the importance of decentralized, context-aware approaches. Practically, insights into SBU-led sustainability help corporations design governance and incentive structures that better support SDG implementation.

Conclusion:

This study highlights the pivotal role of Strategic Business Units (SBUs) in advancing corporate sustainability through effective implementation of the United Nations Sustainable Development Goals (SDGs). By leveraging their operational autonomy and market proximity, SBUs serve as critical agents for translating broad corporate sustainability mandates into context-specific, actionable initiatives. Despite facing challenges such as resource constraints and alignment issues with corporate headquarters, SBUs demonstrate significant potential to innovate, localize, and accelerate sustainability efforts within their domains.

The findings underscore the importance of establishing clear sustainability mandates, fostering cross-unit collaboration, and equipping SBUs with adequate resources and decision-making authority to maximize their contribution to SDG targets. This decentralized approach not only enhances corporate reputation and stakeholder trust but also drives operational efficiencies and innovation, reinforcing the strategic integration of sustainability within business operations.

Theoretically, this study enriches the understanding of organizational sustainability by emphasizing the value of decentralized governance structures and context-aware strategies. Practically, it offers actionable insights for corporate leaders to design governance frameworks and incentive mechanisms that empower SBUs as frontline drivers of sustainability. Future

research could further explore sector-specific dynamics and longitudinal impacts of SBU-led sustainability initiatives, advancing both academic discourse and practical applications in corporate sustainability management.

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