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The Impact Mechanism and Implementation Path of Green Human Resource Management on the ESG Performance of Enterprises

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Abstract. In the context of the comprehensive green transformation of economic and social development and the significant attention paid by the capital market to ESG values, relying on the internal human resource system to drive the sustainable development of enterprises has become an important research topic. Based on the stakeholder theory, this paper selects green human resource management and the ESG performance of enterprises as the research objects, and uses the mechanism analysis method to explore the intrinsic relationship between the two. The research findings show that green human resource practices can enhance the environmental performance, social performance, and governance performance of enterprises through three paths, and the effect is constrained by industry and property rights characteristics. It also proposes implementation paths such as establishing a hierarchical and classified green training system and improving the green performance assessment and incentive mechanism. This paper expands the research boundary of ESG influencing factors from the perspective of micro internal human resource management and provides references for enterprises to optimize their green human resource systems and implement sustainable development strategies.

Keywords: Green Human Resource Management, ESG performance, Enterprise sustainable development, Social Responsibility

1. Introduction

The report of the 20th National Congress of the Communist Party of China clearly states that promoting the green and low-carbon development of the economy and society is a key link for achieving high-quality development. The "14th Five-Year Plan" further continues the strategic orientation of synergistic improvement of pollution reduction and carbon emission reduction, proposing to accelerate the comprehensive green transformation of economic and social development. Under this policy orientation, the business operation paradigm has also undergone profound changes, shifting from solely pursuing economic benefits to taking into account environmental responsibility, social responsibility, and long-term value creation. Human resources are the most proactive strategic resource within an enterprise [1], and the green transformation of the enterprise cannot be achieved without the collaborative efforts of all employees. Traditional human

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resource management, due to the lack of institutional design for ecological value embedding, is difficult to adapt to the actual needs of the above-mentioned changes, and green human resource management has emerged [1]. This management paradigm, through measures such as green recruitment and green training, strengthens employees' green mindfulness and green self-efficacy, and utilizes this positive psychological resource to shape individual attitudes and behaviors, thereby helping the enterprise meet the requirements of green sustainable development [2, 3]. As the attention of the capital market, government departments, and the public to the sustainable development performance of organizations has increased day by day, environmental, social, and governance performance (ESG) has become the core standard for measuring the long-term value and social responsibility of enterprises. Studies have shown that actively fulfilling ESG responsibilities can convey positive signals about the enterprise's commitment to sustainable development and risk management capabilities, helping to win market trust, establish a good image, and have a positive impact on enterprise value [4]. How to effectively enhance the enterprise's ESG performance through optimizing internal human resource management practices has become an important issue of concern for the business community and the academic community.

This study focuses on the relationship between green human resource management and the ESG performance of enterprises, aiming to explore how green human resource management affects the ESG of enterprises, clarify the specific mechanisms of its effects in the three dimensions of environment, society, and governance, and further indicate feasible measures for enterprises to build and improve their green human resource management systems and enhance ESG performance. In terms of theoretical significance, this study, starting from the micro-level of green human resource management practices, helps expand the research boundaries of the factors influencing ESG performance from an internal management perspective. Secondly, this paper deepens the understanding of the economic and social consequences of green human resource management by analyzing the specific paths of influence. In terms of practical significance, this study can provide specific guidance for enterprises to integrate green sustainable development concepts into human resource management. Moreover, the research conclusions can also provide references for relevant departments to improve guiding and incentive policies, promoting the coordinated development of enterprise micro-management and the macro sustainable development goals of society.

2. Review of domestic and international research status and theoretical foundation

2.1. Literature review

Green human resource management is a type of human resource management that supports and complements the implementation of an enterprise's green strategy, enabling the enterprise to gain competitive advantages. It can bring about comprehensive benefits including economic, social, and ecological benefits, achieving the sustainable development of both the enterprise and its employees [5]. Tang Guiyao et al. [1] reviewed relevant literature and empirical research frameworks on green human resource management worldwide, and constructed corresponding theoretical models based on the effects produced by specific management activities. They divided practice into five modules: green recruitment, training, performance, compensation, and employee participation, and pointed out that it could enhance the sustainable competitive advantage of the enterprise [5]. Zhou Jinfan and Zhang Guanglei [2] used the questionnaire survey method and relied on the self-determination theory to empirically discover that green human resource management could drive voluntary and task-oriented employee green behaviors through autonomy and control motivation. Zhang Zhe et al. [6] used multi-period superior-subordinate paired questionnaire data and revealed from the resource

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conservation theory that green human resource management could form resource gains and promote green behaviors. Jiang Xiuzhen et al. [7] constructed a chain mediating model through enterprise data research to verify that green human resource management could sequentially promote green product innovation and corporate social responsibility to improve the overall sustainable development performance.

As a standardized evaluation system for measuring the sustainable operation and comprehensive responsibility fulfillment of enterprises, ESG includes three core dimensions: environment, society, and governance. Existing literature mostly focuses on its causes and economic consequences. Wen Hao et al. [4] empirically tested the data from A-share companies from 2015 to 2022 and confirmed that enterprises fulfilling ESG could enhance enterprise value through intangible assets as an intermediary. Zhai Shengbao et al. [8] through the research of A-share listed enterprises from 2015 to 2020, confirmed that media attention could force enterprises to improve the quality of ESG disclosure, constituting an important external driving factor. Tian Maifei et al. [9] from the perspective of executive characteristics, found that CEOs with high reputation were more inclined to promote ESG investment. Fu Hongyong et al. [10] through the construction of a static game model, found that in a certain extent, retailers fulfilling social responsibility was conducive to improving the efficiency of carbon auditing. Shi Jinyan and Deng Mengzhu [11] through multiple regression and response surface analysis, pointed out that the consistency degree of corporate social responsibility between the two enterprises in the merger and acquisition positively improved the merger and acquisition performance.

2.2. Theoretical foundation

The stakeholder theory posits that an enterprise is a collection of various entities such as shareholders, employees, the government, and consumers, who have formed a set of contracts. The business activities must take into account the legitimate demands of all parties [12]. Research has confirmed that as the core stakeholder of an enterprise, the level of employee rights protection directly positively affects corporate social responsibility and value creation [13]. Zhu Weidong et al. [14] further pointed out that the labor-capital symbiotic relationship formed by employees and shareholders, etc., as stakeholders, has a strong influence on the value increment and sustainable ability of the enterprise. Guo Xinyu et al. [15] extended this theory to ESG research, stating that the essence of an enterprise's environment and social responsibility is a comprehensive carrier that responds to the demands of stakeholders. Enterprises need to respond to the demands of stakeholders such as employees, shareholders, the government, and the public. Green human resource management can stimulate employees' environmental behaviors, improve employee rights protection and corporate responsibility fulfillment, and is one of the ways to respond to demands and enhance the ESG performance of the enterprise. Therefore, this paper selects the stakeholder theory as the basis to explain the specific impact mechanism of green human resource management on the ESG performance of the enterprise.

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3. The mechanism of green human resource management on the ESG performance of enterprises

3.1. Green human resource management enhances the environmental performance of enterprises

Through the dual paths of green recruitment screening and green training empowerment, enterprises enhance employees' awareness of green responsibilities, laying a cognitive foundation for the improvement of their environmental performance. The research by Jiang Xiuzhen et al. shows that the correlation coefficient between green human resource management and employees' green values is 0.836. It can be seen that the more specific and complete the green training and other practices implemented by the organization are, the higher the employees' awareness of environmental protection responsibility will be. According to the ESG report disclosed by Zhongshun Jierou in 2025, it carried out 797 rounds of green training that year. The well-designed training and related systems help employees gain a more comprehensive, objective and profound understanding of the enterprise's environmental responsibility. The annual employee ESG awareness survey of this enterprise shows that 90% of its employees can list more than three ESG actions, and their performance in recognizing ESG responsibilities has significantly improved.

The enterprise promotes employees' green behaviors through green performance evaluations and other means, forming an incentive loop. The enterprise can design reward and punishment mechanisms to guide employees to actively save energy, participate in garbage classification, etc., thereby reducing resource consumption and environmental pollution in the production and operation process. The 2025 Sustainable Development Report of Beijing International Human Capital Group Co., Ltd. shows that it incorporated the goal of reducing unit revenue energy consumption by 5% and increasing waste resource utilization rate by 10% into the performance of the brand promotion department and the trade union, using phased acceptance statistics and review and assessment, and ultimately achieved an employee green office participation rate of 92% and a 18% increase in the waste resource utilization rate of its subsidiaries. It can be seen that by refining green human resource management into specific indicators or plans included in the assessment system, it is conducive to driving individuals to practice green behaviors.

3.2. Green human resource management improves corporate social performance

Green human resource management emphasizes the importance of employees' health, safety, and working environment, as well as safeguarding their rights and occupational health. The green employment system can encourage employees to engage in work in a better and more positive state, thereby enhancing the corporate social performance. Qianhong Pharmaceutical has designed employee rights policies based on the concept of full-cycle protection and shared development outcomes: including but not limited to investing over one million yuan in online and offline training, and establishing permanent full-time psychological counseling services, etc. According to the 2025 rating results of Huazheng Index, Qianhong Pharmaceutical received an A rating, ranking in the top 20% among 266 A-share listed pharmaceutical companies in the industry.

Green human resource management encourages enterprises to establish regular channels for environmental protection and public welfare participation, promoting the construction of corporate social responsibility culture from the top. Individuals are the smallest execution units for corporate social responsibility, and by encouraging employees to participate in public welfare activities, community services, and environmental protection projects, enterprises can achieve the connection

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between individual actions and social responsibility, creating a favorable cultural atmosphere. The "China Private Enterprise Social Responsibility Report (2025)" released by the All-China Federation of Industry and Commerce shows that the 33,988 sample enterprises participating in the assessment have provided incentives and conditions for employees to participate in green practices by setting up special funds and conducting distinctive public welfare activities. Among them, 4,676 enterprises were included in the green manufacturing list, and 16,597 enterprises participated in public welfare and charity undertakings, integrating the green development concept and public welfare commitment into the corporate culture.

3.3. Green human resource management enhances corporate governance performance

Based on job responsibilities and performance rewards, enterprises can strengthen internal supervision and ensure the implementation of responsibilities, translating environmental and social responsibilities into specific individual tasks, thereby reducing environmental short-sightedness and responsibility shirking among management levels. The "China Listed Company ESG Management Risk Yearbook 2025" released by the Southern Weekend China Corporate Social Responsibility Research Center shows that 43.7% of the sample enterprises have chosen to link ESG performance with the compensation of directors and senior executives; 75% of the sample enterprises have established ESG, social responsibility or sustainable development-related committees, and 41% of the sample enterprises have formulated special plans for ESG, CSR, and sustainable development.

By establishing green training records, green performance files, and employee participation mechanisms, enterprises can enhance management transparency and standardization, improve internal processes, reduce information asymmetry, and comply with the requirements of disclosure norms for governance dimensions. In 2025 A-share listed companies, the proportion of those choosing to disclose relevant information or issue ESG reports reached 46.58%. In the reports, enterprises present the ESG governance structure, clarify relevant performance design, employee management, division of responsibilities and supervision functions, etc., to win the trust of investors.

3.4. The differences in the impact of green human resource management on corporate ESG performance

Due to the different pollution attributes and business characteristics of industries, the degree and dimensions of the impact of green human resource management on ESG vary significantly. The pressure for environmental governance in high-pollution industries is particularly prominent, and green human resource practices mainly act on the environmental dimension. The Shanghai Securities Research Institute's "Analysis and Summary of ESG Information Disclosure of A-share Listed Companies in 2024" indicates that for important negative indicators such as waste emissions in the environmental dimension, the disclosure rates of traditional high-pollution industries such as chemical products, electrical equipment, machinery manufacturing, and metal and mining are ranked among the top three. Conversely, the environmental impact of light-asset service industries is relatively weak, and the value of green human resources is concentrated on the social and governance dimensions.

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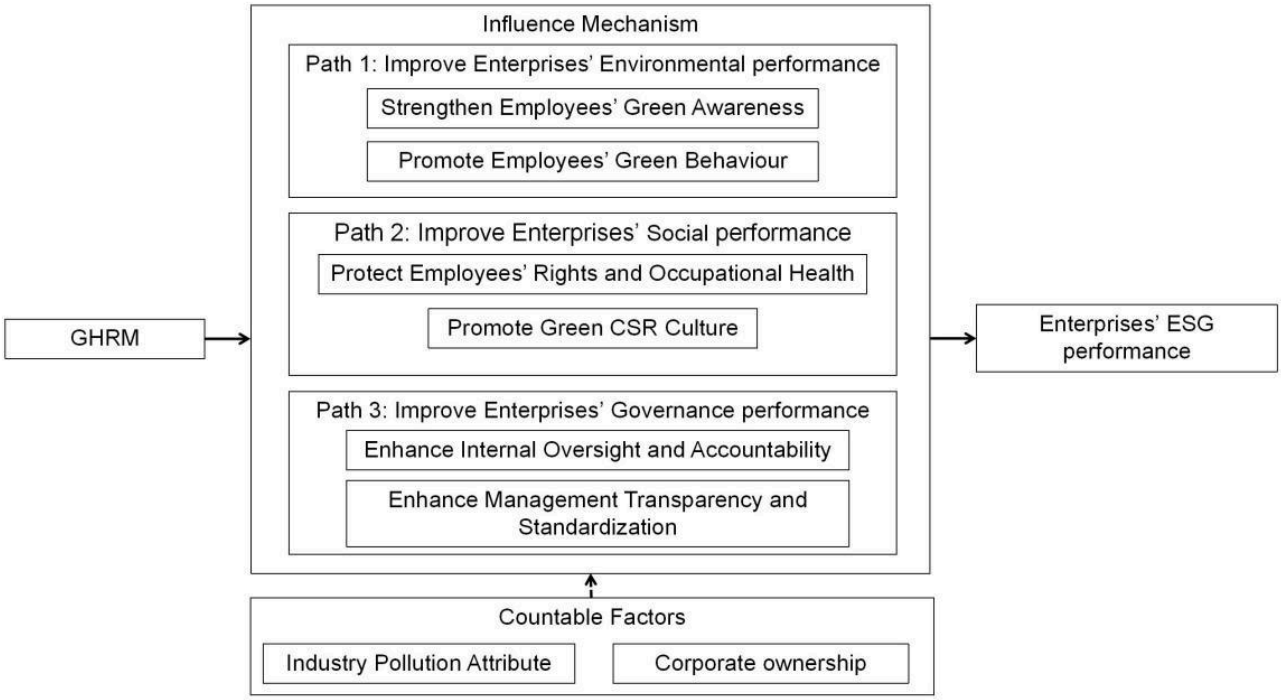

Figure 1. The path mechanism diagram of how GHRM affects the ESG performance of enterprises

For enterprises with different property rights, the driving logic and intensity of green human resource management vary. Based on policy and social responsibility orientation, the implementation of green human resource systems in state-owned enterprises is more mandatory and leading. While private enterprises mainly rely on market reputation incentives and focus more on the transformation of the operational value of green management. According to an open survey by Xinhuanet, as of September 2024, the ESG report disclosure rate of listed companies controlled by central state-owned enterprises reached 99.6%, and nearly 90% of them clearly designated the department responsible for ESG work. A number of outstanding exemplary cases of responsibility fulfillment have emerged. It can be seen that for state-owned and central enterprises, their ESG performance not only responds to the concerns of stakeholders but also assumes a leading role within the industry.

4. Implementation path for enterprises to enhance ESG performance through green human resource management

4.1. Shaping a green concept-oriented top-level strategy

The primary prerequisite for implementing green human resource management is to break down the management barriers that separate human resource management, ESG strategies, and organizational development goals. Enterprises should incorporate green human resource development into the top-level planning, clearly defining the core responsibilities of the human resources department in environmental governance, employee rights protection, and internal governance supervision. Avoiding the fragmentation and short-termization of green practices.

Specifically: First, the human resources department can collaborate crosswise with the ESG specialized committee established by the board of directors, combining industry pollution

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characteristics and enterprise conditions to formulate differentiated human resource strategies. For example, high-emission manufacturing enterprises can focus on implementing relevant management practices to reduce resource consumption and control pollution emissions, prioritizing the improvement of environmental dimensions; while light-asset service industries can focus on employee rights protection, the creation of public welfare environmental projects, etc., to strengthen their competitiveness in the social and governance aspects. Second, enterprises (especially private enterprises) should fully consider relying on policy guidance and then formulate or optimize their own green human resource management strategies, planning green management schemes based on long-term business benefits. Unify the green orientation throughout the recruitment, training, and performance processes, promoting the simultaneous advancement of environmental responsibility, employee rights, and internal supervision goals, and addressing root causes of management issues such as environmental short-sightedness and responsibility shirking.

4.2. Establish a hierarchical and categorized green training system

Numerous existing practices have demonstrated that green training is one of the effective paths for shaping employees' green values and improving the environmental and social responsibility performance of enterprises. Enterprises can establish a systematic and position-based green training mechanism to enhance employees' understanding and reflection on relevant knowledge, skills, and responsibilities.

Specifically: First, build a comprehensive basic green training system, targeting all employees to popularize general content such as energy conservation, low-carbon emission reduction, occupational health protection, and public welfare social responsibility, cultivating a unified green-oriented value cognition among all employees, promoting employees to actively practice green daily behaviors such as garbage sorting, and at the same time, through psychological counseling and labor protection-related training, safeguarding employees' rights and interests, and enhancing the enterprise's operational efficiency and social performance. Second, implement customized position-specific training, focusing on pollution reduction and waste resource utilization practical methods for front-line production employees; for management personnel, conduct education on ESG governance framework establishment, green performance control, and executive rights and responsibilities supervision, so that different employees fully understand and master their corresponding ESG responsibilities and performance skills, laying a good foundation for the implementation of enterprise public welfare projects, environmental protection renovations, and internal supervision.

4.3. Improve the green performance assessment and incentive mechanism

Green performance assessment is a key entry point for driving individuals to implement green behaviors and improving internal governance. Enterprises need to integrate ESG sub-indicators into the overall performance assessment system and provide diversified incentives to form a closed-loop management system.

Specifically: Firstly, in the design of assessment indicators, the three-dimensional goals of environment, society, and governance should be decomposed to each department and position, and different weights should be assigned based on business attributes. For example, in energy-intensive and high-pollution industries, the weights of environmental indicators such as energy consumption control and waste disposal should be increased; in labor-intensive and technology-intensive service industries, the proportion of social and governance indicators such as employee rights protection,

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public welfare participation, and information disclosure should be increased. At the same time, the performance of ESG duties should be included in the performance assessment of directors and management, and the compensation of managers should be tied, forcing managers to actively implement environmental and social responsibilities, strengthen internal supervision, and optimize the governance level of the enterprise. Secondly, a hierarchical green incentive mechanism should be established to provide various incentive methods such as material rewards, promotion preferences, and special honorary recognition for employees and departments that carry out energy-saving renovations, green technological innovations, public welfare volunteer services, and the implementation of ESG management in a standardized manner. This will continuously mobilize the internal motivation of employees to actively participate in green practices, stabilize and continuously improve the enterprise's resource control effectiveness, public welfare fulfillment level, and internal governance standardization.

4.4. Improve the green performance assessment and incentive mechanism

A smooth mechanism for employee participation can link individual actions with the enterprise's environmental and social responsibility initiatives. Enterprises can establish diverse platforms for employee participation, expand the channels through which green human resource management can influence ESG performance.

Specifically: First, make full use of both online and offline channels. Set up an online platform for soliciting green suggestions, encouraging employees to submit proposals related to energy conservation and consumption reduction, office optimization, and improvement of employee benefits. Form employee volunteer groups offline, encouraging them to participate in community environmental protection and public welfare assistance activities. During the offline implementation process, continuously adjust and optimize the practice plans, targets, and procedures based on the online solicited content, forming a virtuous cycle. Second, establish cross-departmental green project teams, thereby encouraging employees who have a thorough understanding of the enterprise's actual situation to organize activities, allocate resources, and make green practices more feasible. At the same time, the team should pay attention to organizing green performance records and activity documents formed during the employee participation process, providing support and endorsement for improving enterprise ESG information disclosure, enhancing management transparency, and optimizing business governance performance.

5. Conclusion

5.1. Core research findings

This paper, based on the theory of stakeholders, analyzes the intrinsic relationship between green human resource management and the ESG performance of enterprises. Green human resource management, through management practices such as green training and green performance incentives, positively enhances the overall ESG performance of enterprises. The specific impact mechanisms can be divided into the following three aspects: Firstly, by strengthening employees' green responsibility awareness and promoting the optimization of the enterprise's environmental performance through employee green behaviors; Secondly, by relying on improving employees' rights and occupational health protection and cultivating a social responsibility culture to improve the enterprise's social performance; Thirdly, by relying on strengthening internal supervision and responsibility implementation, enhancing management transparency and standardization to improve

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the enterprise's governance level. Moreover, these impact mechanisms have heterogeneity. Factors such as industry pollution attributes and enterprise property rights nature will change the strength of the effect of green human resource management on the ESG performance of enterprises.

5.2. Research limitations and future prospects

This study has two notable limitations: Firstly, the entire paper mainly focuses on theoretical mechanism deduction and industry logic analysis, without extensively utilizing panel data of listed companies and enterprise paired survey questionnaires for quantitative empirical tests. The mathematical results are relatively lacking in support. Secondly, this paper mainly analyzes the overall impact of green human resource management on the ESG performance of enterprises, without differentiating the differentiated impacts of various practices such as green recruitment and green training. Future research can collect long-term panel data of A-share listed companies, conduct multiple regression, and test for mediating and moderating effects, to quantitatively identify the causal relationship between the two. Additionally, future research can further analyze the chain mediating transmission paths such as employee green behavior and green technological innovation, or expand the variables such as regional environmental regulation intensity and executives' green cognition to further refine the comparative analysis of the impact mechanisms in different situations and enrich the understanding of the relationship between the two.

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