English Version

Against the backdrop of globalisation and escalating environmental challenges, governments and enterprises are increasingly turning to Environmental, Social, and Governance (ESG) practices as a means of balancing economic growth with sustainable development. ESG encompasses environmental protection, social responsibility, and corporate governance. As the concept of sustainability continues to gain traction, ESG performance has increasingly become a critical indicator of corporate competitiveness. Accordingly, the primary objective of this study is to examine the impact of the various dimensions of ESG performance on corporate competitiveness, with a particular focus on the mediating role of green innovation. The study further explores the moderating effect of environmental regulation on the relationship between ESG performance and green innovation. The sample comprises non-financial listed companies in China. The empirical models include Pooled Ordinary Least Squares (POLS), Fixed Effect Model (FEM), and Random Effect Model (REM), with robustness checks conducted using the two-step System Generalised Method of Moments (GMM) estimation. The findings reveal that both environmental and social performance positively contribute to corporate competitiveness, primarily by promoting green innovation. In contrast, governance performance is found to have a detrimental effect on competitiveness. Furthermore, the results indicate that environmental regulation significantly moderates the relationship between ESG performance and green innovation. The key policy implication of this research is that firms should prioritise improvements in environmental and social performance while mitigating the adverse effects of governance practices on competitiveness. Simultaneously, policymakers should enhance the ESG regulatory framework and strengthen the enforcement of environmental regulations.

Bahasa Malaysia Version

Dengan latar belakang globalisasi dan cabaran alam sekitar yang semakin meningkat, kerajaan dan syarikat semakin cenderung kepada amalan Alam Sekitar, Sosial dan Tadbir Urus (ESG) sebagai satu pendekatan untuk mengimbangi pertumbuhan ekonomi dengan pembangunan lestari. ESG merangkumi perlindungan alam sekitar, tanggungjawab sosial, dan tadbir urus korporat. Seiring dengan peningkatan kesedaran terhadap kelestarian, prestasi ESG kini menjadi penunjuk penting kepada daya saing korporat. Sehubungan itu, objektif utama kajian ini adalah untuk menilai kesan pelbagai dimensi prestasi ESG terhadap daya saing korporat, dengan memberi tumpuan khusus kepada peranan pengantaraan inovasi hijau. Kajian ini turut meneroka kesan pengubahsuaian peraturan alam sekitar terhadap hubungan antara prestasi ESG dan inovasi hijau. Sampel kajian terdiri daripada syarikat tersenarai bukan kewangan di China. Model empirikal yang digunakan merangkumi Pooled Ordinary Least Squares (POLS), Model Kesan Tetap (FEM), dan Model Kesan Rawak (REM), dengan semakan kekukuhan dijalankan menggunakan kaedah anggaran dua langkah Sistem Generalised Method of Moments (GMM). Dapatan kajian menunjukkan bahawa prestasi alam sekitar dan sosial masing-masing memberi sumbangan positif terhadap daya saing korporat, terutamanya melalui galakan terhadap inovasi hijau. Sebaliknya, prestasi tadbir urus didapati memberi kesan negatif terhadap daya saing. Selain itu, hasil kajian juga menunjukkan bahawa peraturan alam sekitar

memainkan peranan penting sebagai pemboleh ubah pengubah hubungan antara prestasi ESG dan inovasi hijau. Implikasi dasar utama kajian ini ialah syarikat perlu memberi keutamaan kepada penambahbaikan prestasi alam sekitar dan sosial serta mengurangkan kesan negatif amalan tadbir urus terhadap daya saing. Pada masa yang sama, pembuat dasar disarankan untuk memperkukuh rangka kerja pengawalseliaan ESG dan memperhebat penguatkuasaan peraturan alam sekitar.