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The Influence of *Green Recruitment* and ESG Commitment on Employee Quality Through Talent Attraction in the IMIP Area

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Abstract

This study aims to investigate the effect of *Green Recruitment and Environmental, Social, and Governance (ESG)* Commitment on Employee Quality with Talent Attraction as an intervening variable in Indonesia Morowali Industrial Park (IMIP), a large nickel industrial area in Indonesia. This study involved 74 HR (*human resources*) department employees in IMIP's recruitment and talent unit, selected using *stratified random sampling.* A descriptive quantitative approach was used. Data were analyzed using path analysis, multiple regression, and the Sobel test after being collected through a *Google Form questionnaire* . The results showed that *Green Recruitment* and ESG Commitment had a significant effect on Employee Quality, with a direct effect of 89.3%. However, when Talent Attraction was used as a mediating variable, the effect of *Green Recruitment* and ESG Commitment on Employee Quality increased to 90.8%, indicating the significant role of this intervening variable. The results support the Resource-Based View (RBV) and Signaling Theory, which assert that strong *Green Recruitment practices* and ESG Commitment serve as positive signals for companies to attract quality talent and improve their employee quality. This study helps develop sustainability-focused human resource management strategies in the industrial estate sector.

Keywords: Green_Recruitment; ESG_Commitment; Employee_Quality; Talent_Attraction; IMIP.

1. Introduction

Employee performance assessment is crucial because it can serve as the basis for decision-making regarding development, rewards, and work system improvements [1]. Performance assessments are conducted not only to assess work results but also the processes, attitudes, and competencies demonstrated in carrying out tasks [2], in order to determine the extent of HR's contribution. According to [2], HR performance is a key factor that must be considered because it is directly related to organizational effectiveness. Therefore, Human Resources are a crucial component of an organization in determining the success of achieving its goals.

In the modern industrial era, the need for a qualified workforce is increasingly pressing, especially in large industrial areas like the Indonesia Morowali Industrial Park (IMIP). As Indonesia's largest nickel production center, IMIP requires workers who are not only experienced but also oriented toward sustainability to support the growth of a competitive and environmentally friendly industry.

One relevant strategy to address these needs is Green Recruitment, a recruitment approach that emphasizes environmentally friendly practices and considers candidates with a concern for sustainability principles [3]. [4] explain that this process involves selecting individuals with

environmental awareness and prioritizing individuals with a strong commitment to sustainable practices. Therefore, implementing a green recruitment strategy is a crucial step for companies in increasing their competitiveness amidst increasing global demands for sustainability. Green Recruitment practices are implemented through various means, such as using environmentally conscious messages in job advertisements, utilizing digital platforms to reduce paper use, and selecting candidates with sustainability values [5]; [6]; [7]. This strategy is believed to strengthen a company's competitiveness, as employees with environmental awareness tend to be more loyal, motivated, and contribute to achieving the company's sustainability goals [5]

Just as companies do things that are good for the environment, engaging in environmental responsibility is a way to make the company look good from the customer's perspective [8]. Basically, ESG is an important framework that shifts attention from financial aspects to the company's environmental impact, social responsibility, and governance system [3]. Furthermore, job seekers are increasingly attracted to companies that consistently demonstrate a commitment to Environmental, Social, and Governance (ESG). ESG reflects a company's commitment to environmental sustainability, social contributions, and good governance practices. ESG commitments enhance a company's reputation in the eyes of investors and potential employees [9]. For example, millennials and Gen Z are more likely to work for companies that prioritize work-life balance and diversity. They are also more likely to work for companies that care about their employees' mental and physical health and provide opportunities for them to grow professionally in a friendly environment [10]. In fact, a global report in 2025 showed that more than 60% of young millennial and Gen Z talents would prefer to work for companies with strong ESG programs because they are perceived as aligned with their personal values [11]. Therefore, through the perception of company attractiveness, ESG has a direct impact on employee quality. Furthermore, organizational culture influences how attractive potential employees are. When choosing a workplace, prospective employees consider many things. They not only consider how much compensation is offered, but also whether the company's culture and values align with their personal values and desires. [4], [12]

Talent attraction, or talent retention, is a crucial factor in this situation. Companies with green recruitment practices and strong ESG commitments will have a positive employer brand, which will make them more attractive to qualified candidates.

The Importance of Green Recruitment and Green HRM Practices on Employee Performance. found that Green Recruitment , carried out by companies, significantly improves employee performance [13]. Research by [6] also confirmed that green recruitment methods , especially those supported by green training, can improve employee performance. However, this research is still limited to the direct impact on employee performance and does not examine the overall quality of employees.

On the contrary, research has shown that an organization's commitment to Environmental, Social, and Governance (ESG) improves the organization's image and attracts the attention of investors and potential employees. [14] showed that an environmentally oriented ESG strategy

can increase a company's attractiveness in the eyes of job applicants. [15] Some even found that ESG commitment can increase employer attractiveness, which in turn helps companies attract top talent. However, the context of heavy industry, such as the IMIP region in Indonesia, remains understudied, as most of this research has been conducted in the service and financial sectors of developed countries.

When examining the relationship between Green Recruitment and ESG commitments on employee quality in a heavy industry sector like IMIP, the role of employee attractiveness as an intervening variable remains understudied. However, research has shown that company attractiveness is a critical component in attracting and retaining top talent.

2. Methodology

This type of research is descriptive quantitative research, which aims to present an objective picture of a phenomenon based on numerical data without examining the relationships or influences between variables. The research will be conducted in the IMIP industrial area and will begin in September 2025. The study will involve all 280 staff from the Indonesian Recruitment HR Unit at Morowali Industrial Park.

sampling method used was stratified random sampling. This method is simple: first, all members of the population are divided into several groups or strata based on certain characteristics, such as gender, age, or education. After that, a random sample is taken from each group according to the required number. This ensures that all groups are represented, and the research results are more accurate and reflect the actual situation. Slovin's theory was used to determine the sample in this study, and the formula n = N / (1 + (N * e²)).

$$n=\frac{N}{1+N(e)^2}$$

$$n=\frac{280}{1+280(0,1)^2}$$

$$n=\frac{280}{1+280(0,01)}$$

$$n=\frac{280}{1+2,8}$$

$$n=\frac{280}{3,8}$$

=73.6 = 74 respondents

The calculation yielded 73.6, which was rounded up to 74 respondents. In this study, questionnaire distribution was conducted using Google Forms for greater practicality, efficiency, and ease of direct contact with respondents.

Data collection technique

A questionnaire was used to collect data in the field by distributing it through Google Forms. This method was chosen because it is more practical, easily accessible to respondents,

and allows researchers to collect large amounts of data quickly and efficiently. The research instrument was designed using a Likert scale measurement model, where respondents were asked to provide answers according to their level of agreement. The scale used included options ranging from strongly disagree, disagree, agree, to strongly agree, making it easier for researchers to gauge respondents' attitudes, perceptions, and opinions regarding the statements posed.

Data Analysis Techniques

The data obtained from the field were then analyzed using the multiple linear regression method using the SPSS version 22 application. With the SPSS application, the calculation process becomes easier, faster, and more accurate so that the analysis results can provide a clear picture of the relationship between variables in the study.

3. Results and Discussion

3.1 Results

Multiple regression analysis was used to measure the impact of ESG and *Green Recruitment commitments* on employee quality through talent attraction in the IMIP region. The results of the multiple linear regression analysis showed the following results.

Multiple Linear Regression Test

Regression Equation Results Regarding the Influence of *Green Recruitment* and ESG Commitment on Employee Quality Through Talent Attraction in the IMIP Area

Table 1. Multiple Regression Test X1,X2 To Y

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	13.238	.266		49.776	.000
	GREEN RECRUITMENT	.052	.009	.061	5.987	.000
	KOMITMEN ESG	.832	.008	1.008	98.903	.000

a. Dependent Variable: Employee Quality

Table 2. Multiple Regression Test X1,X2 To Z

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	17.439	.252		69.221	.000
	GREEN RECRUITMENT	1.000	.007	.979	136.439	.000
	ESG COMMITMENT	.317	.012	.193	26.891	.000

a. Dependent Variable: Talent Attractiveness (or Talent Attraction Power)

Based on this table, the values obtained from table I are then entered into the regression equation as follows :

$$Y=\beta 0 + \beta_1 X_1 + \beta_2 X_2 + e$$

$$Y= 13{,}230 + 0.052\ X_1 + 0.832\ X_2 + e$$

1. Equation I above can be interpreted using the constant 13.230, which shows that the employee quality score (y) is 13.230 if the *Green Recruitment* (X1) and ESG Commitment (X2) variables each have a value of 0 (constant)
2. Regression coefficient of *Green Recruitment variable* X1 has a regression coefficient of 0.052, which indicates that if other variables are held constant, the score of the employee quality variable (y) will increase by 0.025 .
3. The regression coefficient for the ESG Commitment variable (X2) is 0.832, meaning that if the ESG Commitment value increases by one point, while other variables remain constant, the employee quality value (Y) also increases by 0.832 points. Therefore, the higher the ESG commitment, the better the employee quality.

And table II above, the results obtained are entered into the following equation:

$$Y=\beta 0 + \beta_1 X_1 + \beta_2 X_2 + e$$

$$Y= 17{,}439 + 1{,}000\ X_1 + 0.317\ X_2 + e$$

1. From the second equation above, several things can be understood, such as the constant 17.439, which shows that the Talent Attraction (Z) score is 17.439 if *the Green Recruitment* (X1) and ESG Commitment (X2) variables each have a value of 0 (constant).
2. The regression coefficient of the *Green Recruitment variable* (X1) is 1,000, which means that if the Green Recruitment variable score increases by one unit, then the Talent Attraction variable score (Z) will increase by 1,000.
3. The regression coefficient of the ESG Commitment variable (X2) is 0.317, which indicates that if the ESG Commitment variable score increases by one unit, then the Talent Attraction variable score (Z) will increase by 0.317 .

Anova Test (F Test)

The ANOVA test (F test) is used to determine whether all independent variables have an influence on the dependent variable simultaneously or together in regression research.

Table 3. Anova Test On Variables X1 And X2 On Y Mediated By Variable Z

Annova[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	830.003	3	276.668	1055.118	.000[b]
	Residual	1.835	70	.026		
	Total	831.838	73			

a. Dependent Variable: Employee Quality
b. Predictors: (Constant), Talent Attractiveness, Green Recruitment, ESG Commitment

Based on the data above, several conclusions can be drawn as follows:

F table = F (k,nk-1)
= 4; 74 -4-1
= 4; 71
= 2.50
Based on the results in Table III, it can be seen that the variables Green Recruitment (X1) and ESG commitment (X2) together have a significant influence on employee quality (Y) through talent attraction (Z) as a mediating variable. This is indicated by the calculated F value of 10,555.118, which is higher than the F table of 2.50, and the significance value of 0.000, which is below the 0.05 limit.

Mediation Analysis Test

1. The effect of X1 on Y

The test results show that the significance value of variable X1 is 0.000, which means it is smaller than the 0.05 limit. In other words, variable X1 is proven to have a direct and significant influence on variable Y, so that the higher the value of X1, the more significant the impact on increasing the value of Y.

2. The effect of X2 on Y

Based on the test results that have been carried out, the sig value obtained for variable X2 is 0.000, which is smaller than 0.05, which means that variable X2 has a significant direct influence on variable Y, so that every increase in X2 will have a real impact on increasing Y.

3. The effect of X1 on Z

Statistical tests show that the significance value of variable X1 is 0.000, less than 0.05. This means that variable X1 has been proven to have a direct and significant influence on variable Z, so that changes in X1 will have a real impact on Z.

4. The effect of X2 on Z

The significance value of variable X2 is 0.000, which is less than 0.05. This means that variable X2 has a direct and significant influence on variable Z, so that any increase in X2 will have a real impact on Z.

5. The effect of Z on Y

The test results show that the significance value of variable Z is 0.069, exceeding the 0.05 threshold. Therefore, it can be concluded that variable Z has not been proven to have a direct, significant effect on variable Y. In other words, changes in Z do not automatically bring about clear changes in Y.

6. The effect of X1 on Y through Z

The direct effect of X1 on Y is 0.061. Meanwhile, the indirect effect is obtained by multiplying the beta of X1 on Z by the beta of Z on Y, which is 0.979 × 0.011 = 0.010. So, the total effect of X1 on Y is 0.061 + 0.010 = 0.071. From this result, it can be seen that the indirect effect of X1 on Y is much smaller than its direct effect. This means that X1 influences Y more directly than through other variables.

7. The effect of X2 on Y through Z

The direct effect of X2 on Y is 1.008. Meanwhile, the indirect effect is calculated by multiplying the beta of X2 on Z by the beta of Z on Y, which is 0.093 × 0.011 = 0.002. So the total effect of X2 on Y is 1.008 + 0.002 = 1.01. From this, it is clear that the indirect effect of X2 on Y is much smaller than its direct effect. This means that the main role of X2 in influencing Y occurs more directly.

Determination Test (R^2)

From the results of the determination test, the direct influence of X1 and X2 on Y produces an R Square value of 0.893. This means that approximately 89.3% of changes in Y can be explained by X1 and X2, while the remaining 10.7% is influenced by other factors not included in this study. When tested again by adding the variable Z as an intermediary, the R Square value increases to 0.908. This means that with the presence of Z, the ability of X1 and X2 to explain changes in Y increases to 90.8%, while the remaining approximately 9.2% is still influenced by other factors outside the research model.

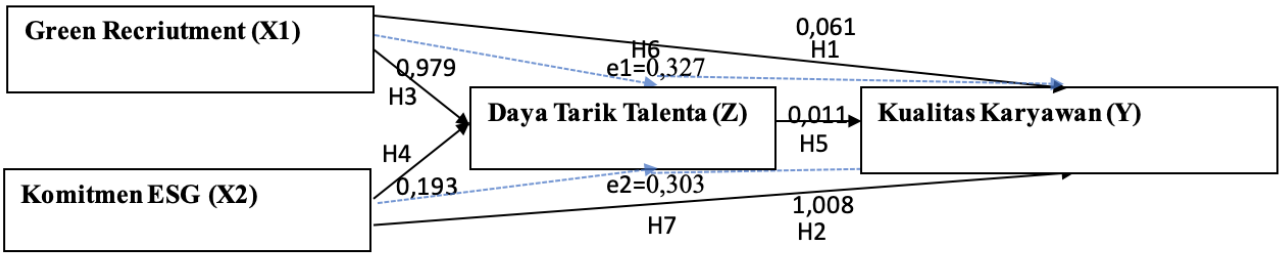

Figure 1. *Path* Analysis

Based on the data above, the path analysis test is as follows:

Calculating the First Model Path Coefficients

1. From the Coefficients table, it can be seen that the significance value of X1 = 0.000 and X2 = 0.000. Because the numbers are smaller than 0.05, it means that both variables (X1 and X2) really have a strong and significant influence on Y.
2. In the Model Summary table, the R Square value is 0.893. This means that approximately 89.3% of the change in Y can be explained by X1 and X2, while the remaining 10.7% is influenced by other factors not included in this study. Meanwhile, the e1 value can be found using the formula e1 = √(1-0.893) = 0.327.

Calculating the Path Coefficients of the Second Model

1. Based on the results of the Coefficients table in regression model II, it can be seen that X1 and X2 have a significant influence on Y because the significance value is 0.000, less than 0.05. Meanwhile, variable Z has a significance value of 0.069 which is greater than 0.05, so it can be concluded that Z does not have a significant effect on Y.
2. From the Model Summary table, the R Square value obtained is 0.908. This indicates that the combination of X1, X2, and Z can explain changes in Y by 90.8%, while the remaining 9.2% is influenced by other factors not discussed in this study. Meanwhile, the e2 value $\sqrt{(1-0{,}908)}$is 0.303 .

3.2 Discussion

This study focuses on the influence of Green Recruitment and ESG commitment on employee quality by considering the role of talent attraction in the IMIP region. The results of the hypothesis test indicate that X1 (Green Recruitment) and X2 (ESG Commitment) both have a significant influence on employee quality, because the significance value is 0.000 (less than 0.05). When tested again by including variable Z (talent attraction) as an intermediary, the results

remain significant. This means that the influence of X1 and X2 on Y can also occur through the mediation of Z.

From the determination test, the direct influence of X1 and X2 on Y yielded an R Square value of 0.893. This means that approximately 89.3% of employee quality can be explained by Green Recruitment and ESG commitment, while the remaining 10.7% is influenced by other factors. When Z is included, the R Square value increases to 0.908. In other words, X1 and X2 can explain up to 90.8% of employee quality, while the remaining 9.2% comes from other factors outside this research model.

These results support the Resource-Based View (RBV) and Signaling Theory, where Green Recruitment and ESG commitment can be positive signals that attract top talent while improving employee quality. Green Recruitment helps companies recruit environmentally conscious workers, thus aligning with the company's long-term goals. However, the path test results show that Z (talent attraction) itself does not significantly influence employee quality, as its significance value is 0.069 (greater than 0.05). This finding aligns with Pavlović's (2019) research, which states that company attractiveness is insignificant on employee retention, and Al Aina & Atan's (2020) research, which found that talent attraction and retention have no effect on an organization's long-term performance. Therefore, it can be concluded that talent attraction does not have a significant direct influence on employee quality.

Even though an organization tries to make prospective employees feel attractive, it doesn't necessarily affect the quality of the employees hired. While talent attraction attracts more candidates to apply, other factors such as training, competency development, leadership, work culture, and performance appraisal systems determine the quality of employees after they join. Another study by Al Aina, R., & Atan, T. (2020) showed that talent attraction and talent retention do not impact the long-term performance of an organization.

In other words, these findings suggest that success in improving human resource quality cannot be measured solely by talent attraction; even if a company can attract a large number of candidates, employee quality will not significantly improve without effective human resource management at the later stages. Therefore, a company's brand strategy must be aligned with its employee development strategy after recruitment.

The results of the path analysis conducted in this study indicate that Green Recruitment (X1) and ESG commitment (X2), mediated by talent attraction (Z), have a significant influence on employee quality (Y). This is evidenced by the coefficient of determination (R2) of 90.8%, indicating that the combination of these three variables is almost entirely responsible for the difference in employee quality. It is then explained that Green Recruitment is an environmentally friendly recruitment strategy and builds a positive reputation for the company. A recruitment process that emphasizes sustainability can attract employees with high environmental awareness, which will ultimately make employees more committed and able to improve the quality of work. In addition, it is proven that a company's commitment to ESG (Environmental, Social, and Governance) is very important for fostering employee trust and loyalty. Companies that are

strongly committed to aspects of sustainability, social care, and good governance will more easily build a healthy, ethical, and productive work environment. The organization's human resources will be better, and its reputation will increase.

Talent is a crucial factor in mediation. Research shows that Green Recruitment practices and ESG commitments indirectly improve employee quality by making companies more attractive as desirable workplaces. Companies with strong sustainability strategies and ESG commitments tend to be perceived as contemporary, responsible, and visionary. This makes companies more attractive to top talent, which in turn leads to better employee quality. Therefore, this study provides empirical evidence that improving employee quality is not only determined by internal factors such as training and compensation, but is also influenced by Green Recruitment strategies , ESG commitments, and the company's success in attracting quality talent. It is hoped that companies that can combine these three elements will excel in future business competition that demands sustainability and social responsibility, especially in the industrial sector.

The results align with the Resource-Based View (RBV) perspective, which emphasizes that human resources are strategic, rare, valuable, and difficult-to-imitate assets. Green recruitment and ESG commitments help organizations acquire talent with unique skills while aligning with sustainability values, thereby continuously improving employee quality [7]

4. Conclusion

The purpose of this study was to examine how Green Recruitment and ESG commitment affect employee quality by incorporating talent attraction as a mediating variable in IMIP. The results showed that Green Recruitment and ESG commitment have a significant direct influence on employee quality, amounting to 89.3% . However, the talent attraction variable (Z) did not significantly influence employee quality. Interestingly, when the influence of Green Recruitment and ESG commitment was mediated by talent attraction, the magnitude of the influence increased to 90.8% . This indicates that although talent attraction does not have a direct influence, its presence can still strengthen the influence of both variables on employee quality.

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