Entrepreneurship and Innovation
2025, VOL. 9, NO. 5, 47-50
DOI: 10.47297/wspeiWSP2516-253510.20250905

Exploring Sustainable Management Models in Business Administration: Incorporating Green Development Concepts

Haoyu Wang

Woosong University, Daejeon, 34606, Republic of Korea

ABSTRACT
Climate change is forcefully rewriting the rules of global business competition, transforming once-marginalized green imperatives into decisive factors shaping corporate core competitiveness. This paper delves into the disruptive impact of green development on the foundational principles of traditional enterprise management. It demonstrates that green principles not only profoundly reshape the value orientation of corporate strategy but also compel traditional linear management models—rooted in short-term profit—to undergo structural upgrades. However, core obstacles have emerged during implementation, including strategic cognitive limitations, severe mismatches between existing operational systems and green development requirements, and deep-seated resistance rooted in rigid organizational cultures and incentive mechanisms. To overcome these bottlenecks, this paper develops an integrated management response framework. Its core logic centers on substantively anchoring environmental, social, and governance (ESG) factors within the decision-making core of corporate long-term development strategies.

KEYWORDS
Green development philosophy; Business administration; Sustainable management model; Model exploration

1 Introduction

Human civilization is profoundly transformed by decarbonization and the circular economy. The impact of this green revolution extends far beyond mere technological upgrades or energy transitions; it fundamentally reconfigures the rules governing economic and social operations, reshaping national macro-development trajectories and corporate micro-decision-making logic with unprecedented depth. Traditional business management models, rooted in bureaucratic structures and scientific management principles, have primarily focused on efficiency enhancement and profit maximization. However, within the complex context of intensifying resource and environmental constraints, increasingly diverse stakeholder demands, and rising sustainability requirements, this traditional approach's limitations and inherent inadequacies have become fully apparent. A review of current research hotspots in management studies clearly shows that the focus has shifted from early normative debates about whether enterprises should bear social responsibilities to practical challenges: how to effectively and fundamentally integrate green development concepts into strategic formulation and daily operational models. The underlying logic of this profound transformation lies in the evident diminishing returns of fragmented, reactive environmental measures. Achieving genuine sustainability necessitates a systemic, profound evolution of corporate management systems—from strategic foundations to operational processes and cultural roots.

2 Theoretical logic of green development and corporate sustainable management

2.1 The core guidance of green development principles for corporate sustainability management

The essence of green development principles lies in reconstructing a dynamic equilibrium among economic growth, community inclusion, and ecological resilience. When these principles permeate the microstructure of corporate management, they trigger a disruptive evolution of organizational value [1]. This forces managers to break free from the one-dimensional constraints of financial metrics, constructing an integrated value field where economic, social, and natural capital mutually transform. Its operational paradigm imposes rigid imperatives: economic value creation must absolutely prioritize resource consumption thresholds and environmental carrying capacity red lines; decision matrices must incorporate non-monetary variables like employee quality of life, community development rights, and consumer health safety; innovation resources should be allocated toward green technology chains with ecological benefits, renewable energy networks, and closed-loop material metabolism systems. This signifies that green development has transcended the patchwork revisions of traditional management theory, evolving into a fundamental operating system that reshapes the ethical legitimacy of enterprises and secures societal value recognition.

2.2 Systemic challenges to traditional business management models

The deep integration of green development principles poses a comprehensive systemic challenge to traditional business management models rooted in industrial economic logic. At the strategic management level, the singular goal of shareholder value maximization is overturned by the complexity of multidimensional sustainability considerations. At the production and operations level, resource-intensive, high-emission linear models face pressure for technological and process reengineering to transition toward resource circularity and emission minimization. At the supply chain management level, procurement systems driven solely by cost and efficiency must evolve into responsible chains with penetrative environmental and social oversight capabilities. At the marketing level, traditional strategies reliant on stimulating excessive consumption must yield to sustainable approaches that promote transparency and advocate green lifestyles. At the human resources level, single-dimensional economic incentive models fail to meet the need for substantively integrating green performance into employee evaluation and development. These intertwined challenges profoundly disrupt traditional management paradigms' organizational inertia and operational foundations.

2.3 The intrinsic logic of building long-term competitive advantage through integration

The core strategic significance of integrating green development concepts with business management is establishing an intrinsic evolutionary logic for building sustainable, long-term competitive advantages. This logic manifests primarily through synergistic pathways for constructing multiple advantages: On the cost advantage dimension, clean production and energy efficiency optimization directly reduce resource consumption and compliance costs; On the differentiation advantage dimension, developing green products/services and building responsible brands effectively align with emerging sustainable consumption demands, creating market premiums and enhancing talent attraction; On the innovation-driven dimension, environmental regulations and sustainable development goals act as key catalysts compelling green technological innovation and breakthroughs in business models, possessing strategic potential to open new market spaces; on the risk management dimension, proactively addressing transformation and physical risks stemming from climate change and resource scarcity significantly enhances the operational resilience and adaptive foundations of enterprises facing an uncertain future [2]. This logic profoundly reflects the fundamental shift in corporate value pursuit—from maximizing shareholder financial returns to achieving synergistic coexistence among economic resilience, social value, and ecological health.

3 Practical challenges in integrating green development concepts into business management

3.1 Strategic misalignment causes disconnect between green principles and development goals

Significant cognitive biases among corporate management regarding green development principles constitute the primary obstacle to practical integration, directly leading to a profound disconnect between strategic declarations and actual practices. Green concepts are often narrowly interpreted as compliance costs or public welfare burdens in response to external pressures, rather than strategic opportunities for creating intrinsic value. This entrenched misunderstanding fuels the common phenomenon of "suspension" in sustainability strategies. While companies may produce high-standard sustainability reports, core investment decisions, resource allocation, and product development remain dominated by short-term financial return logic. Green development goals are not genuinely integrated into top-level decision-making agendas, often confined to symbolic responsibilities handled by marginalized functional departments, failing to become the overarching principle guiding resource allocation. Green investments are often the first to be cut when facing short-term performance pressures. This disconnect between strategic intent and operational practice is fundamentally a barrier to deeply embedding green development.

3.2 Traditional operational systems struggle to support green transformation

Even when companies possess strategic intent for transformation, long-established traditional operational structures often pose significant resistance. Core technologies, specialized equipment, established processes, and entrenched mindsets optimized for large-scale linear production are highly compatible with traditional rapid mass production logic. Yet they struggle to support the technical complexity and management model iterations required for green circular transformation. Implementing cleaner production and resource recycling at the production end typically demands substantial technical upgrades and equipment investments. These expenditures are often shelved or rejected because their extended payback periods and indirect benefits prove difficult to quantify within traditional financial models. Management upgrades to achieve green penetration in the supply chain require systematic assessment, capacity building, and continuous monitoring of environmental and social responsibilities across extensive supplier networks. This complex system's operational costs and management burdens far exceed the capacity limits of traditional supply chain management frameworks focused solely on cost efficiency. Consequently, advanced strategic orientations often stall at the execution level due to the lack of a compatible operational support system.

3.3 Lagging organizational culture and performance evaluation mechanisms

Implementing any management philosophy ultimately depends on shifts in organizational members' perceptions and behavioral habits. However, the prevailing cultural DNA and performance evaluation mechanisms, deeply rooted in short-term economic gain orientation, present significant resistance. When organizational culture prioritizes scale expansion and growth efficiency at any cost, sustainable development principles struggle to translate into employees' daily conscious actions. Managers and employees often perceive environmental performance management as an additional burden that detracts from core business performance [3]. The primary pressure stems from misaligned incentive structures among key stakeholders. Suppose promotion opportunities and bonus allocations for production facility managers and procurement decision-makers remain solely tied to immediately controllable metrics—such as manufacturing costs or savings in procurement expenditures—while remaining disconnected from achievements in energy conservation, emissions reduction, or supply chain social responsibility performance. In that case, the system fundamentally undermines their motivation to drive green transformation. This dual misalignment between incentive structures and cultural orientation leads to environmental protection requirements being systematically marginalized at the execution level .

4 Pathways to building corporate sustainable management models integrated with green development principles

4.1 Establishing a top-level strategic framework guided by green development

Achieving the intrinsic integration of green development principles with core business strategies hinges on overcoming strategic disconnection and establishing the guiding role of these principles. This requires senior management to substantively embed stakeholder responsibilities and sustainability commitments within mission statements and vision documents [4]. More fundamentally, it necessitates systematically and scientifically restructuring core strategic planning processes. This involves deeply integrating sustainability objectives with financial goals through holistic thinking, ensuring all major strategic decisions undergo comprehensive environmental and social impact assessments to identify potential risks and transformation opportunities fully. To guarantee transformational effectiveness, robust sustainability governance mechanisms must be concurrently established. This includes creating cross-functional committees directly overseen by core decision-makers or granting the Chief Sustainability Officer substantive authority over resource allocation and execution oversight. This enables hierarchical decomposition of green objectives, effective cascading of responsibilities, and alignment with budgetary support.

4.2 Reshaping green operational processes across the entire value chain

The key to strategic implementation lies in reengineering green operational models throughout all value chain segments. During R&D and design phases, eco-design principles must be fully integrated, proactively coordinating resource and environmental impacts across the product lifecycle from the conceptual stage. Procurement and supply chain operations require establishing a responsibility management system covering supplier vetting, capacity building, and collaborative innovation to drive green transformation within the supplier network. Manufacturing requires continuous investment in clean production technologies and intelligent system upgrades. Process optimization should systematically reduce energy consumption, material usage, and emission intensity while actively exploring internal resource recycling pathways. At the customer interface, transparent product environmental information and advocacy for responsible consumption should be provided. A robust closed-loop recycling and reuse system must be established to achieve sustainable development balance across the entire chain—from raw material sourcing to end-of-life recovery.

4.3 Cultivating a green culture and innovating performance evaluation systems

Institutionalizing green development principles at the organizational behavior level requires dual transformation through cultural and institutional tools. Cultural cultivation requires management to demonstrate through exemplary actions the non-negotiable status of sustainability. Through company-wide education, promotion of best practices, and innovation incentives, sustainable thinking is shaped into an intangible norm embedded in organizational identity and daily decision-making. More critically, a systematic restructuring of the performance evaluation system is implemented [5].

Quantified environmental, social, and governance (ESG) targets are formally integrated into the evaluation dimensions for departments and employees, granting them equal mandatory force and incentive weight alongside financial metrics. For instance, setting quantifiable environmental performance benchmarks for key functional departments and directly linking achievement levels to compensation, bonuses, and promotion pathways creates a strong correlation. Organizations can achieve a fundamental shift in behavioral patterns by transforming sustainable behaviors into tangible value-generating factors.

5 Conclusion

The deep integration of green principles with business management rapidly compresses enterprises' margin for error in survival, directly anchoring the baseline for future development quality. This fundamental restructuring of management logic compels companies to break free from the historical shackles of an efficiency-first paradigm. They must instead build a comprehensive, sustainable governance framework spanning strategic anchoring, operational implementation, and organizational DNA. The cognitive blind spots, systemic resistance, and institutional inertia currently exposed in enterprises are the focal points for breaking through the management paradigm. Ultimately, those who achieve this breakthrough will gain the privilege of sustained competitive advantage for the future and lead the reconstruction of the core of business civilization. This will drive the comprehensive coupled evolution of inclusive growth engines, systemic risk-resilient frameworks, and ecologically sustainable pathways.

About the Author

Haoyu Wang, PhD candidate (Class of 2023), Research Focus: Business Management.

References

[1] Wang Yajia. Pathways for Integrating Green Development Concepts into Corporate Business Management [J]. Investment and Cooperation, 2025, (05): 121-123.
[2] Peng Sijin. Development Trends and Management Model Innovation in Corporate Business Administration [J]. Vitality, 2024, (22): 190-192.
[3] Li Li, Luo Yi. Reform Exploration and Practice of Integrating Green and Low-Carbon Concepts into the Teaching System of Business Administration Programs at Local Business Colleges: A Case Study of Guizhou Business College [J]. Journal of Higher Education, 2025, 11(12): 122-125.
[4] Cheng Fang. Innovative Teaching Design for Green Business Administration Courses in the Context of Ecological Civilization: An Evaluation of "Green Management" [J]. Applied Chemistry, 2023, 52(12): 3494.
[5] Li Jing. Improving the Investment Structure of Green Funds [N]. China Securities Journal, 2024-03-04 (A04).