

bradscholars

Stakeholder green pressure and enviropreneurial marketing: Insights from Japanese SMEs

Item Type	Article
Authors	Trivedi, Rohit;Patel, J.;Fukukawa, K.
Citation	Trivedi R, Patel J and Fukukawa K (2025) Stakeholder green pressure and enviropreneurial marketing: Insights from Japanese SMEs. Business Strategy and the Environment. 34(2): 2485-2510.
DOI	https://doi.org/10.1002/bse.4110
Rights	© 2024 The Author(s). Business Strategy and the Environment published by ERP Environment and John Wiley & Sons Ltd. This is an open access article under the terms of the Creative Commons Attribution License, which permits use, distribution and reproduction in any medium, provided the original work is properly cited.
Download date	2025-07-16 07:15:15
Link to Item	http://hdl.handle.net/10454/20195

RESEARCH ARTICLE OPEN ACCESS

Stakeholder Green Pressure and Enviropreneurial Marketing: Insights From Japanese SMEs

Rohit H. Trivedi¹  | Jayesh Patel² | Kyoko Fukukawa³

¹Faculty of Management Law and Social Sciences, University of Bradford, Bradford, UK | ²Department of Management, Ganpat University-V. M. Patel Institute of Management, Mehsana, Gujarat, India | ³School of Business Administration, Hitotsubashi University Business Administration, Kunitachi, Tokyo, Japan

Correspondence: Rohit H. Trivedi (r.trivedi1@bradford.ac.uk)

Received: 26 April 2023 | **Revised:** 21 October 2024 | **Accepted:** 4 December 2024

Keywords: environmental commitment | environmental orientation | enviropreneurial marketing | firm performance | stakeholder pressure

ABSTRACT

Despite the recent growth in research on analysing the influence of stakeholders' green pressure on firm performance, our understanding of the subject seems limited, especially regarding the positive and negative influence of many internal and external stakeholders and the mediating roles of environmental orientation and commitment. Analysing primary data from 317 Japanese SMEs, we found that environmental orientation has negative while environmental commitment positively influences firm performance. Besides, the findings also show that green pressure from regulators, competitors, non-governmental organisations (NGOs) and employees significantly influences the market and financial performance, followed by a discussion of relevant theoretical and practical implications.

1 | Introduction

Over the past few decades, environmental preservation has become a plugging public challenge (Becker and Shadbeigian 2008), compelling firms across the globe to adopt green business practices to reduce negative environmental footprints (Ahmad 2015; Velte 2023). The traditional belief that environmental concerns would negatively affect firm performance (Judge and Krishnan 1994), as firms need to invest more than the usual amount of resources to act proenvironmentally, needs reexamination (Shu et al. 2020). Instead, with increasing technological advancement and a growing environmental consciousness among stakeholders, adopting proenvironmental strategies that lead to long-term economic gain is well-accepted (Góes et al. 2023; Jugend et al. 2024; Ortiz-Avram, Ovcharova, and Engelmann 2023). Due to market-based incentives, corporate attitudes have shifted from regulation-driven to value-accretive adoption of environmental management practices (Anton, Deltas, and Khanna 2004).

Chamorro, Rubio, and Miranda (2009) opined that proenvironmental management practices could be an important business strategy resulting in improved performance. Besides, a growing body of research in the last two decades endeavoured to understand stakeholder pressure influencing the adoption of green business practices across industries (C. Leonidou, Katsikeas, and Morgan 2013; Sahoo 2023). The firms are under growing pressure from external stakeholders like competitors, industry bodies, customers, regulators and community groups to implement sustainable business practices (Ainin, Naqshbandi, and Dezdard 2016; Ashton, Russell, and Futch 2017). It has been often found that competitive pressure to launch a new line of proenvironmental products, stricter policy from various regulatory bodies concerning environmental preservation and heightened pressure from different environmental activist groups pushes businesses to imbibe environmental friendly business practices (Aykol and Leonidou 2015). In a similar vein, adopting the resource-based view (RBV), extant research has discussed several a set of internal stakeholders; for instance, employee pressure

This is an open access article under the terms of the [Creative Commons Attribution](https://creativecommons.org/licenses/by/4.0/) License, which permits use, distribution and reproduction in any medium, provided the original work is properly cited.

© 2024 The Author(s). *Business Strategy and the Environment* published by ERP Environment and John Wiley & Sons Ltd.

for environmental preservation, collaboration with suppliers to develop and implement environment-friendly practices (Atkins and Lowe 1994; Becker and Shadbegian 2008) and development of innovative new environmental friendly products to capture the growing market of environment-friendly consumers are pushing companies to go green (Becker and Shadbegian 2008). These internal and external stakeholders are believed to be key determinants for adopting environmentally friendly business practices, leading to enhanced firm performance.

To help elucidate the underlying mechanism of stakeholder green pressure, we rely on the seminal work conceptualising enviropreneurial marketing (EM) by Menon and Menon (1997) and corporate environmentalism by Banerjee (2002), taking environmental orientation (EO) and commitment of a firm as key factors mediating relationships between stakeholders' green pressure and firm performance (Baker and Sinkula 2005). EM, underpinned by the resource theory and natural resource-based view (Hart 1995), is conceptualised by Menon and Menon (1997, 54) as 'the process for formulating and implementing entrepreneurial and environmentally beneficial marketing activities with the goal of creating revenue by providing exchanges that satisfy a firm's economic and social performance objectives' and considers EO and commitment as key factors shaping firm performance. EM posits that when companies engage in environmentally positive activities, customers may reward the company through loyalty and increased patronage, which should increase market and financial performance (Richey et al. 2014; Song-Turner and Polonsky 2016). EM decisions create long-term, corporate-wide activities for environmental sustainability (Charter and Polonsky 2017, 167; Yuan et al. 2023). However, a firm might emphasise green orientation but lack strategic implementation, resulting in greenwashing (Pizzetti, Gatti, and Seele 2021; Wu, Zhang, and Xie 2020). Hence, building upon the concept of EM, Banerjee (2002, 181) propounded the concept of corporate environmentalism as '... organisation-wide recognition of the legitimacy and importance of the biophysical environment in the formulation of organisation strategy, and the integration of environmental issues into the strategic planning process'.

An in-depth literature review (see Table 1) suggests that the majority of past studies have focused on specific stakeholders' green pressure as a unidimensional factor influencing firm performance (e.g., Adomako et al. 2022; Shahzad et al. 2024). Although some of the previous studies focused on more than one stakeholder (e.g., Baah et al. 2021 integrated organisational and regulatory pressure; Singh et al. 2022 studied the effects of regulatory and community pressure), albeit piecemeal, limiting theory advancement and practice development. This study develops and empirically validates a holistic framework that links myriad external and internal stakeholders' green pressure (i.e., employee, NGO, supplier, industry, regulator, customer and competitor) as a key antecedent affecting SMEs' financial and marketing performance mediated via firm-level strategic EO and commitment.

In addition, we also explore two contextual elements—country (i.e., Japan) and corporate size (i.e., SMEs). Japan is known to be a significant player in the world economy as well as a significant contributor to CO₂ emissions for many decades.

Investigating drivers of green management in the Japanese context has several practical and theoretical implications. Fujii and Kanehara (2013), in their comparative study between the United States and Japan focusing on environmental management, affirmed that socio-political backgrounds vary between countries and influence priorities within corporate strategies and environmental management activities. Corporate governance in Japan is recognised as a stakeholder-oriented model (similar to those in continental Europe and other Asian countries), as opposed to emphasising shareholder value (the Anglo-Saxon model seen in the United States and United Kingdom) (Zhang et al. 2022). In Japan, corporate governance focuses on cultivating relationships and addressing the needs of all stakeholders, including employees, customers and suppliers, rather than just shareholders. Conversely, the Anglo-Saxon model, prevalent in countries such as the United Kingdom and the United States, emphasises shareholder value above all else, often prioritising the enhancement of market value and shareholder returns, sometimes at the expense of other stakeholders (Sugeno 2023).

In line with the stakeholder model, Japanese firms are encouraged to reflect the interests of employees and other closely related stakeholders in their practices. Kimata and Itakura (2013) surveyed 260 manufacturers in the Japanese province of Shikoku and found that external pressures, including national and local regulations, community demands and customer demands, tend to drive environmental activities. It is also argued that a broader stakeholder focus can lead to more comprehensive sustainability practices that consider environmental and social impacts beyond immediate financial returns (Onbuddha and Ogata 2024), promoting a shift from the shareholder model to the stakeholder model.

However, this stakeholder-focused approach has long attracted criticism for integrating various stakeholders' interests into corporate practices, potentially slowing decision-making and limiting adaptability and competitiveness (Sugeno 2023), and Japanese corporate governance has been the centre of this criticism. Indeed, recent reforms in Japan have aimed to strengthen shareholder engagement to improve corporate efficiency and innovation (Miyajima 2021). Considering the advantages and disadvantages of these corporate governance models, particularly in pursuing more environmentally sound practices, there is a call for efforts to reform corporate governance in Japan to balance the traditional stakeholder model with increased shareholder engagement, creating a hybrid model that seeks to enhance both social responsibility and economic dynamism (Miyajima 2021; Sugeno 2023). The current state of the Japanese business environment thus presents an ideal condition for investigating various stakeholders' pressures in the context of EM. There is still an apparent dearth of empirical studies examining which internal and external stakeholders play a stronger or weaker role in driving EM (Aggarwal 2023), leading to enhanced performance of Japanese firms.

As discussed earlier, the other important contextual element includes corporate size (Bouguerra et al. 2022), specifically SMEs (Kumar, Batra, and Boesso 2021; Schaper 2002). As Darcy et al. (2014, 399) opine, 'the unique characteristics of the SME require existing organisational sustainability models to be revisited to take cognisance of the particular context and circumstances in

TABLE 1 | Stakeholder pressure and firm performance—key results of empirical studies.

Study	Key research question	Study setup	Independent variables	Dependent variables	Key findings
Kassinis and Vafeas (2006)	Stakeholder pressure and environmental performance	Chemical, metal and electric utilities in USA	Community and regulatory pressure	Environmental performance	Positive relationship between community stakeholder pressures and environmental performance
Lin and Sheu (2012)	Institutional theory, green supply chain management and firm performance	USA and Taiwan-based manufacturing firms in the electronics industry	Coercive, normative and mimetic pressure	Manufacturing performance	Institutional pressure positively affects green supply chain management, leading to improved organisational performance
Zhu, Sarkis, and Lai (2013)	Institutional pressure, internal and external green supply chain management and firm performance	Chinese manufacturing firms	Institutional pressure, internal and external green supply chain	Environmental, economic and operational performance	Institutional pressure affects internal green supply chain management leading to economic performance
Schmidt, Foerstl, and Schaltenbrand (2017)	Contingent natural resource-based view and stakeholder theory	Germany, Austria and Switzerland companies	Green supply chain pressure	Market performance and financial performance	Green SCM affects market and financial performance positively
Baah et al. (2021)	Stakeholder pressures and adoption of green production practices	Ghanaian manufacturing firms	Organisational stakeholder and regulatory pressure	Financial performance	Regulatory and organisational stakeholder pressures positively influence the adoption of green production practices and firm performance
Singh et al. (2022)	Stakeholder pressure, green dynamic capabilities and green innovation	UAE manufacturing firms	Stakeholder pressure (regulatory and community)	Firm performance	Stakeholder pressure influences green dynamic capability, green innovation and firm performance
Adomako et al. (2022)	Effect of stakeholder green pressure on eco-product innovation and new product performance	Ghanian and Vietnamese SMEs	Stakeholder green pressure	New product performance	Effect of stakeholder green pressures on new product performance is mediated via eco-product innovation

(Continues)

TABLE 1 | (Continued)

Study	Key research question	Study setup	Independent variables	Dependent variables	Key findings
Sahoo (2023)	Impact of stakeholder pressure and green data analytics on firm's environmental performance	Manufacturing firms in India	Green data analytics and stakeholder pressure	Environmental performance	Stakeholder pressure indirectly influences firm's environmental performance via green knowledge management and technological innovativeness
Shahzad et al. (2024)	Relationship between stakeholder pressure and environmental performance (EP) mediated by environmental reputation, social reputation, virtual CSR and green credit.	Pakistani manufacturing firms	Stakeholder pressure	Environmental performance	Environmental reputation and virtual CSR negatively moderate the relationship between stakeholder pressure and environmental performance
Jugend et al. (2024)	Institutional pressures and the adoption of circular economy	Brazilian firms	Institutional pressure	Market performance	Positive effect of institutional pressure on firm performance

which such firms operate'. In the case of Japan, literature focusing on the sustainability practices of firms has largely focused on large corporates (e.g., Eweje and Sakaki 2015; Hosoda and Suzuki 2015; Kobayashi, Eweje, and Tappin 2018). Fujii and Kanehara (2013) found that the larger the Japanese manufacturing firm, the more advanced their environmental initiatives; this possibly alludes to the fact that environmental management depends on both resources and competence. SMEs are limited to such passive initiatives due to a lack of human and material resources and information (Endo 2006; Horiuchi and Mukai 2006). Against this background, there exists very limited empirical evidence concerning Japanese SMEs' sustainability practices (Eweje 2020). Since SMEs are considered the backbone of all economies and dominate the business sectors of several countries, including Japan, there have been increasing calls for more research on SMEs' environmental and social sustainability practices. Sun, Watanabe, and Fujita (2010) noted that many Japanese SMEs have followed the requirements of their business partners or have taken only limited measures within the scope of regulatory compliance, preventing further development of green management.

On the other hand, Jabbour and Puppim-de-Oliveira (2011) studied 12 SME clusters in Brazil and Japan and found that the Japanese cluster has more proactive environmental governance than the Brazilian, still hampered by environmental knowledge. Oe and Yamaoka (2020) interviewed 24 Japanese SME owners to study entrepreneurial values, which lead to sustainable business behaviour and uncovered three values underlying their sustainable business behaviour, namely, emotional attachment, pride and non-economic values with Sanpo-yoshi (good in three directions: suppliers, customers and community). Overall, Goydke (2016, 48) asserts: '... little attention has been paid to Japan's small- and medium-sized companies ... and especially to family businesses, although SMEs, which are in most cases family-owned, constitute 99.7 per cent of the total of 4.3 million Japanese enterprises'. Moreover, given that SMEs in Japan (the number of employees from 20 plus to 300, corporate capital of 300 million yen) account for over 68% of the total workforce at the time of the 2016 census and 53% of gross value added at the time of 2015 census (METI 2021), understanding the drivers of their green management is critically important.

Overall, this study attempts to explore various internal and external stakeholder pressures holistically rather than in a piecemeal fashion and examines the mediating role of EO and commitment and consequent effects on Japanese SMEs' market and financial performance. This study offers interesting contributions to the stakeholder pressure and EM literature. First, taking cues from EM (Menon and Menon 1997) and corporate environmentalism (Banerjee 2001, 2002), we explore mediating effects of EO and commitment of SMEs on firm performance, which help explain the responsibility of a business to adopt green management practices without compromising long-term business performance. Second, with increased awareness and sensitivities towards the environment, this study also helps senior-level management of an SME in making key business decisions to drive the adoption of environmentally friendly business practices in various departments and, at the same time, augment financial and market performance. Finally, this study calls to make EM actionable for SMEs by identifying the determinants and mechanisms through which it results in superior firm performance.

2 | Theory and Hypotheses

We build the theoretical framework using EM and corporate environmentalism to explain the mechanism underpinning the stakeholders' green pressure affecting firm performance. Specifically, we integrate the stakeholder theory to understand key stakeholders' green pressure (Henriques and Sadorsky 1999; Xie, Abbass, and Li 2024). Before about four decades, the pressure from regulation and consumer movement was largely responsible for pushing firms to account for environmental impact as one of the key factors in decision-making, leading to the formulation of relevant business strategies (Fischer and Schot 1993; Kitching, Hart, and Wilson 2015). Initially, most firms perceived environmental concerns as problems that impose constraints rather than an opportunity to create competitive advantage (Buchholz 1991). According to Kirkpatrick (1990), several businesses attempted to integrate environmentalism into their core business strategies, leading to a new strategic environmentally positive paradigm called EM. EM integrates social performance goals, corporate EOs and a firm's strategic decision-making to create a competitive advantage in the free market enterprise (Menon and Menon 1997).

The proactive adoption of EM helps firms gain key organisational resources to translate into unique organisational capabilities that determine a firm's competitiveness (Baker and Sinkula 2005). One of the core guiding philosophies of EM is that the environmental imperatives focus on market opportunities rather than management or business constraints, leading to stronger firm performance (Jaini and Hussin 2019; Menon and Menon 1997; Miles and Covin 2000). Secondly, EM falls within the societal marketing concept and the corporate social performance (Cronin et al. 2011). Thirdly, it is argued that multiple internal and external stakeholders would influence a firm's EM (Chabowski, Mena, and Gonzalez-Padron 2011; Chan, He, and Wang 2012; Nguyen and Adomako 2022). Fourth, it is posited that EM leads to positive reactions and customer patronage over a more extended period, resulting in a strong competitive advantage that leads to improved firm performance (Yuan et al. 2023). Lastly, EM emphasises two key dimensions, EO and environmental commitment, which reflect the knowledge and active assimilation of proenvironmental strategies with equal consideration for all key stakeholders.

Subsequently, Banerjee (2002) built upon the EM and introduced the concept of corporate environmentalism that integrates environmental concerns into a firm's decision-making process. Built upon the strong foundation of the stakeholder theory (Parmar et al. 2010), corporate environmentalism considers various stakeholders of a firm (e.g., employees, customers, the local community, government agencies, public interest groups and competitors). It imbibes their views in strategic decision-making, leading to firm performance, as well as relations with key internal and external stakeholders. Corporate environmentalism focuses on two key aspects: corporate EO and environmental strategy focus. Here, EO is the recognition by managers of the importance of environmental issues facing their firms. In contrast, environmental strategy focus relates to managers' perceptions of stakeholders and the extent to which environmental issues are integrated with a firm's strategic plans (Banerjee, Iyer, and Kashyap 2003).

2.1 | EO

EO refers to 'the recognition by managers of the importance of environmental issues' businesses face in their day-to-day operations (Banerjee, Iyer, and Kashyap 2003, 106). Banerjee (2002) explained that EO should be integrated into mission statements with internal and external focus. The company's ethics, values and standards for integrating environmental issues are reflected in the internal focus, while their relationships with stakeholders in the form of environmental demands are reflected in their external EO (Banerjee, Iyer, and Kashyap 2003). Extending this, Gabler, Richey, and Rapp (2015) discussed internal EO resembling proenvironmental culture and external EO akin to the theorisation of organisational climate. Firms with high EO shall possess the required intangible resources influencing business performance (Ge and Ding 2005). Indeed, it has been argued that incorporating EO into various business functions helps achieve superior firm performance (Amankwah-Amoah, Danso, and Adomako 2019; Guo et al. 2023).

Morgan and Piercy (1998) propounded that EO relates to market and financial performance (i.e., performance outcomes), explaining the measures to achieve a more significant portion of the market and worthy financial returns, respectively. When EO is enhanced, it increases financial performance due to increased savings, reduced cost of operations and improved operating conditions (Bagur-Femenias, Llach, and del Mar Alonso-Almeida 2013). Further, Menguc and Auh (2005) explained how a firm's EO enhances business performance, underlined explicitly by higher return on assets. Empirical evidence also highlights that firms with EO demonstrate improved financial returns across multiple parameters (Helmig, Spraul, and Ingenhoff 2016; Orlitzky, Schmidt, and Rynes 2003). Melnyk, Sroufe, and Calantone (2003) studied perceptual measures of corporate financial performance by interviewing managers of manufacturing firms, yielding similar results.

Recently, Danso et al. (2020) presented empirical support from Ghanaian SMEs validating the link between EO and financial performance. Concerning market performance, Menguc and Ozanne (2005) found that higher EO enhances market share for manufacturing companies. On the other hand, Wahba (2008) measured higher market valuation as a reflection of stronger EO. Kimata and Itakura (2013) found that proenvironmental culture would positively influence a firm's financial performance, albeit in the Japanese context. We therefore suggest the following:

H1a. *EO positively influences the firm's market performance.*

H1b. *EO positively influences the firm's financial performance.*

2.2 | Environmental Commitment (EC)

EC is 'an extent to which a company integrates ecological issues into its business strategy to reduce the harmful effects of its business-related activities on the natural environment' (Hirunyawipada and Xiong 2018, 22). Dangelico, Pujari, and Pontrandolfo (2017) have argued that EC continuously pushes firms to reinvent their operations with green practices, adopt an environmentally friendly marketing mix and develop

eco-sensitive business models, thereby improving firm performance. Baker and Sinkula (2005) showed that EC as EM strategy improves new product success and market share, that is, market performance outcomes. On the other hand, C. Leonidou, Katsikeas, and Morgan (2013) noted no significant effect of green marketing commitment on sales volume and market share. Keszey (2020) recently outlined a positive link between EC and market performance.

Interestingly, while some studies have reported positive (Clarkson et al. 2011; Zhu and Sarkis 2004), others found mixed effects of EC and financial performance (measured in ROA, stock returns, pre-tax profits, Tobin's Q) (Jayachandran, Kalaignanam, and Eilert 2013; King and Lenox 2001; López-Rodríguez 2009). Hirunyawipada and Xiong (2018) empirically established the positive effect of EC on higher near-term firm profitability. Pursuant to the ongoing discussion and recent evidence, we posit the following:

H2a. *Environmental commitment positively influences firm's market performance.*

H2b. *Environmental commitment positively influences firm's financial performance.*

2.3 | Stakeholders' Green Pressure, EM and Firm Performance

According to Polonsky (1995, 33), 'Stakeholder theory centers around how firms take into account its relationship with specific stakeholder groups, as it sets corporate direction and formulate its strategies'. It advances explicitly the understanding of the management's responsibility towards the stakeholders (Freeman 2010). In the past, the theory has been used to explain the translation of stakeholder pressure into motivation to adopt appropriate business practices (Eesley and Lenox 2006), which helps firms to create value for all stakeholders (Crilly 2011; Devinney, McGahan, and Zollo 2013). The tenants of the stakeholder theory have long asserted how corporate strategies designed to incorporate stakeholders' perspectives lead to improved business performances (Banerjee, Iyer, and Kashyap 2003; Corazza et al. 2023). Still, there are very few empirical evidence that links stakeholders' pressures in an EM context (Coddington 1993; Polonsky 1995).

It has often been argued that SMEs must honour their commitments, including environmental preservation, to all the key internal and external stakeholders (Singh et al. 2022). Stakeholder environmental pressure has been identified as the key driver of a firm's adoption of EM strategy (Carmona-Moreno, Céspedes-Lorente, and De Burgos-Jiménez 2004). For instance, it has been observed that both manufacturing and service businesses are rapidly adopting myriad environmental friendly business practices (Connelly, Ketchen, and Slater 2011), such as green supply chain management in line with their EO and EC (Sarkis, Gonzalez-Torre, and Adenso-Diaz 2010). As outlined in the subsequent discussion, past studies investigating stakeholder green pressure have conveniently focused only on a few key stakeholders, ignoring the integrative role of multiple internal and external stakeholders jointly in influencing business performance.

Further, there is a complete dearth of empirical evidence on integrating such varied stakeholders' green pressure with a theoretical unpinning from the EM strategy lens. In line with the stakeholder theory, stakeholder green pressure leading to the adoption of EM that ultimately influences business performance could be better understood by the actions of organisational (industry, suppliers, competitors and employees), governmental (regulator) and community stakeholders (customer, NGO) (Steurer et al. 2005). We formulate stakeholder-specific hypotheses based on relevant previous studies but with limited empirical insights from Japan.

2.3.1 | Industry Green Pressure

Firms are inevitably bound by the larger industry environment in which they operate. Often, the industry as a whole feels constant pressure to address plaguing environmental issues such as climate change (Wright and Nyberg 2017). Focusing on industry dynamics helps firms formulate environmental compliance strategies aligned with industry peers, thereby continuously improving green practices. Notably, intraindustry homogeneity arises due to the sharing of information sources, technologies, knowledge networks, opportunities for innovation and shared EO (Leiponen and Drejer 2007). Further, it may also be noted that a firm's EO is shaped partially due to some common industry practices, such as pollution control, waste clean-up and effluent treatment (Banerjee, Iyer, and Kashyap 2003). Consequently, industry green pressure could be understood as an essential pressure point that could act as one of the primary driving forces for the firm to adopt eco-friendly business strategies.

The pressure from the industry effectively pushes firms to practise higher environmental proactivity in line with industry norms (González-Benito and González-Benito 2006), reflecting their EO. Further, the greening of the industry with increasing proenvironmental pressure forces businesses to innovate and differentiate themselves from competitors (Liston-Heyes and Vazquez Brust 2016), which eventually results in greater business endeavours demonstrating environmental commitment. We therefore suggest the following:

H3a1. *EO positively mediates the impact of industry green pressure on firm's market performance.*

H3a2. *EO positively mediates the impact of industry green pressure on firm's financial performance.*

H3b1. *EC positively mediates the impact of industry green pressure on firm's market performance.*

H3b2. *EC positively mediates the impact of industry green pressure on firm's financial performance.*

2.3.2 | Regulatory Green Pressure

Regulation refers to a 'sustained and focused control exercised by a public agency over activities that are valued by a community' (Selznick 1985). Past studies have paid significant attention to regulatory pressures, compelling firms to comply with

established environmental legislation (González-Benito and González-Benito 2006; Kassinis and Vafeas 2006). The pressure from the regulatory environment to be green has been paramount, enhancing businesses' intensity to adopt EM strategies (Fronzel, Horbach, and Rennings 2008). For example, national regulations drive firms to be environmentally conscious, as reported in the United States, Japan and Germany (Popp 2006). The government regulates and scrutinises the firms' environmental practices regularly, facilitating the adoption of EM (Sarkis, Gonzalez-Torre, and Adenso-Diaz 2010).

The regulatory pressure forces businesses to translate their enhanced EO in their core disciplines through 'continuous integration', 'reconfiguration' and acquisition of 'green dynamic resources' (Dangelico, Pujari, and Pontrandolfo 2017). In the context of the United States, Banerjee, Iyer, and Kashyap (2003) presented empirical evidence suggesting that regulatory forces influence firms' EO. We argue that government stakeholder pressure positively influences the firms' absorptive capacity, as environmentally oriented firms proactively renew their resources/capabilities to adopt the latest green practices and technologies to comply with evolving regulatory standards (Aboelmaged and Hashem 2019; Bello-Pintado, Machuca, and Danese 2023; Singh et al. 2020). For example, Spanish pulp and paper firms adopted cleaner technologies owing to tightened regulatory pressure (del Río González 2005).

Regulation on environmental disclosure has the potential to reshape business green practices that include reporting of third parties (Monsma and Buckley 2003). Further, Xing et al. (2019) provided empirical evidence suggesting that stringent environmental regulation increases firms' commitment to the environment. To cope with regulatory pressure, firms could also look to accentuate their commitment and resources towards fulfilling their responsibility with respect to environmental preservation. Therefore, we argue that regulatory pressure positively influences firms' EO and EC, leading to higher financial and market performance.

H4a1. *EO positively mediates the impact of regulatory green pressure on firm's market performance.*

H4a2. *EO positively mediates the impact of regulatory green pressure on firm's financial performance.*

H4b1. *EC positively mediates the impact of regulatory green pressure on firm's market performance.*

H4b2. *EC positively mediates the impact of regulatory green pressure on firm's financial performance.*

2.3.3 | Customer Green Pressure

Another important stakeholder outlined in past literature is the customers whose increasing concern for environmental preservation gets reflected in demand for more green products or activism, forcing the firm to act in an environmentally friendly manner (Banerjee, Iyer, and Kashyap 2003). Consumer pressure pushes firms to practise EM by projecting a green brand image and launching environmentally friendly products while actively

pursuing green consumers as an important target segment (Peretz, Bohm, and Jasienczyk 1997). Customer green pressure is considered one of the most important stakeholder pressures experienced by firms because if they fail to act, it will immediately result in reduced customer demand (Pekovic, Rolland, and Gatignon 2016).

When examining the effect of customer green pressure on EO, Yalabik and Fairchild (2011) evidenced that customers can drive the environmental innovation of a firm. In manufacturing, Hanim Mohamad Zailani et al. (2012) stated that customer pressure forces firms to act more environmentally oriented in practising ecodesign. Further, it may be noted that for EC, customer green pressure drives industrial firms to adhere to and implement corporate social responsibility (Helmig, Spraul, and Ingenhoff 2016). Du, Zhang, and Feng (2018) provided how green consumer integration helps firms to be more environment-committed in the form of being proactive in achieving green innovation performance. We, therefore, argue that customer green pressure positively influences both the EO and EC of firms, leading to improved market and financial performance.

H5a1. *EO positively mediates the impact of customer green pressure on firm's market performance.*

H5a2. *EO positively mediates the impact of customer green pressure on firm's financial performance.*

H5b1. *EC positively mediates the impact of customer green pressure on firm's market performance.*

H5b2. *EC positively mediates the impact of customer green pressure on firm's financial performance.*

2.3.4 | Competitor Green Pressure

Within an industry, competitive dynamics could significantly influence a firm's motivation, awareness and ability to take action, shaping strategic decision-making to defend/improve competitive position (Fouskas and Drossos 2010; Smith, Ferrier, and Ndofor 2005). As competitive actions within a given context become visible and threatening, firms are expected to adopt more aggressive responses to maintain their market position (Ramaswamy, Gatignon, and Reibstein 1994). Using the lens of the Schumpeterian view of competition, a firm's adoption of green practices could reflect its competitive responses to rivals (Hofer, Cantor, and Dai 2012; Schumpeter 2002). Apple Corporation, for example, started displaying their manufacturers' carbon emissions within the environmental disclosures after they found that one of its key competitor's (i.e., Dell's) disclosure practices (Hofer, Cantor, and Dai 2012). It has also been claimed that due to competitive pressure, Apple was compelled to discontinue using polyvinyl chloride and brominated flame retardants, which are considered environmentally hazardous (Burrows 2009). As there is scant attention paid to competitive pressure in green business practices literature (Dai, Montabon, and Cantor 2014), it has been included in this study to deepen our understanding and provide empirical evidence that is still lacking. We propose

that EM mediates the relationship between competitor green pressure and firm performance.

H6a1. *EO positively mediates the impact of competitor green pressure on firm's market performance.*

H6a2. *EO positively mediates the impact of competitor green pressure on firm's financial performance.*

H6b1. *EC positively mediates the impact of competitor green pressure on firm's market performance.*

H6b2. *EC positively mediates the impact of competitor green pressure on firm's financial performance.*

2.3.5 | Employee Green Pressure

Although internal, employees are also important stakeholders who could exert significant pressure on their employers to adopt environmentally friendly business practices (Cantor, Morrow, and Montabon 2012; McKeiver and Gadenne 2005). For instance, in a highly dynamic and competitive environment, employees could initiate or recommend environmental management activities to strengthen their employers' existing environmental practices (Daily and Huang 2001). In the past, it has been opined that employees play an effective role in greening the business with various initiatives and actions (Nejati, Rabiei, and Chiappetta Jabbour 2017). According to Sarkis, Gonzalez-Torre, and Adenso-Diaz (2010), employee green pressure could play an important role as internal stakeholders shape the existence of a firm. It has also been argued that employees often understand their employers' capabilities and strategic objectives better than outside stakeholders, augmenting the process and their role in greening the business (Baah et al. 2021).

Despite the wide acceptance of greening human resource functions (Papadas et al. 2019), little attention has been paid to understanding the influence of employees' green pressure on EM and firm performance. Employees with enriched environmental knowledge and motivation (Jabbour, Santos, and Nagano 2010) could play a pivotal role in augmenting a firm's overall EO and EC. Employees with high proenvironmental attitudes tend to exert severe pressure on the firm to adopt proenvironmental initiatives, reflecting thereby their ECs in the form of voluntary engagements, such as pollution prevention, green supply chain management or waste reduction (Sarkis, Gonzalez-Torre, and Adenso-Diaz 2010; Shubham, Charan, and Murty 2018) leading to better firm performance. Based on this understanding, we posit the following:

H7a1. *EO positively mediates the impact of competitor green pressure on firm's market performance.*

H7a2. *EO positively mediates the impact of competitor green pressure on firm's financial performance.*

H7b1. *EC positively mediates the impact of competitor green pressure on firm's market performance.*

H7b2. *EC positively mediates the impact of competitor green pressure on firm's financial performance.*

2.3.6 | NGO Green Pressure

NGOs are advocated as external stakeholders to any business, including environmental groups, media, social organisations and civic bodies (Fu et al. 2023; Hoffman 2000). As per Van der Laan et al. (2008), NGOs can influence a firm's business activities and strategic decision-making, albeit over a longer period. Further, NGOs' pursuit of goal attainment from the firms in the vicinities varies depending on the context, such as the livability quality of the firm's neighbourhood, fresh air, less noise pollution and reduced waste disposal (Bremmers et al. 2007). Therefore, NGOs can pressure firms to display higher EO rather than solely craving profit and economic wealth.

Interestingly, some studies have argued that NGOs may not actually be in a position to command firms to take a specific proenvironmental direction directly, but often, they work on mobilising the attention of firms to environmental issues (Berrone et al. 2013; Mir and Feitelson 2007), which in turn, could eventually help enhance the firm's EM efforts. Kitsis and Chen (2021) opined that the pressure from environmental groups and NGOs impels manufacturing firms to become more environmentally committed to consuming fewer natural resources with less pollution emission and increased recycling. Similarly, we argue that NGOs' green pressure positively influences EM, potentially leading to better firm performance.

H8a1. *EO positively mediates the impact of NGO green pressure on firm's market performance.*

H8a2. *EO positively mediates the impact of NGO green pressure on firm's financial performance.*

H8b1. *EC positively mediates the impact of NGO green pressure on firm's market performance.*

H8b2. *EC positively mediates the impact of NGO green pressure on firm's financial performance.*

2.3.7 | Supplier Green Pressure

In an attempt to reduce sources of pollution and waste generation across the supply chain, several firms have begun to adopt and extend their green supply chain initiatives, both upstream and downstream (Jayaraman 2006; Lin and Sheu 2012). The pressure within the supply chain to cope with environmental legislation has been paramount, forcing all members to adopt environmental marketing practices. Many firms work within an environment that includes pressures from their suppliers, compelling them to adopt green initiatives (Canning and Hanmer-Lloyd 2001). It has also been observed that many suppliers tend to implement environmental practices aligned with environmental management system certifications that specifically signal the EC across the upstream within a supply chain (González-Benito and González-Benito 2008).

Concerning SME manufacturing, Gadenne, Kennedy, and McKeiver (2009) established the direct influence of suppliers' green pressure on firms' environmental attitudes. Empirical evidence also suggests that suppliers' pressure to adopt environmental management systems influences a firm's commitment to protecting the environment (Christmann 2004; Qi, Zhao, and Sheu 2011; Zhu, Sarkis, and Lai 2013). We therefore suggest the following:

H9a1. *EO positively mediates the impact of supplier green pressure on firm's market performance.*

H9a2. *EO positively mediates the impact of supplier green pressure on firm's financial performance.*

H9b1. *EC positively mediates the impact of supplier green pressure on firm's market performance.*

H9b2. *EC positively mediates the impact of supplier green pressure on firm's financial performance.*

Based on the previous discussions, nine hypotheses were proposed and presented in Figure 1.

3 | Methods

3.1 | Data and Sample

We tested our hypotheses using a sample of Japanese SMEs with less than ¥300 million annual turnover and full-time employees ranging from 20 to 300. These criteria align with extant literature within the Japanese context (Anderson and Eshima 2013;

Lu and Beamish 2001). As the participants were from Japan, the original questionnaire was translated into Japanese using the back-translation technique (Brislin 1970) through a professional translation agency. Six hundred fourteen questionnaires were distributed to the employees of the screened and selected SMEs using a Japanese professional data collection agency. Finally, 317 usable responses were retained for the analysis, representing a valid response rate of 51.6%. Respondents took approximately 15 min to complete the survey.

The respondents' profile (Table 2) is as follows: gender distribution among these 317 employees was more or less equal (i.e., about 53% men, $n=169$, while about 47% women). Regarding age, 45% of employees were 31–55 years ($n=144$). Education-wise, about 31% of respondents finished schooling ($n=98$), and 54.9% ($n=174$) completed an undergraduate degree. Twenty-eight percent of respondents ($n=89$) had less than 10 years of work experience with their current organisation. Out of 317, seven were non-executive officers (i.e., unit/sectional managers, factor/plant managers), two corporate advisors and one auditor. The rest (307) are all executive decision-makers whose titles vary from one to another, including the representative director, managing director, chief executive officer, president and vice president.

3.2 | Measures and Bias

For data collection, we used a structured questionnaire as an instrument. Existing scales were adopted to operationalise all measures used, with anchors as *strongly disagree* (1) and *strongly agree* (5). Regulatory and customer pressures with five items each were used from a study by Banerjee, Iyer, and Kashyap (2003).

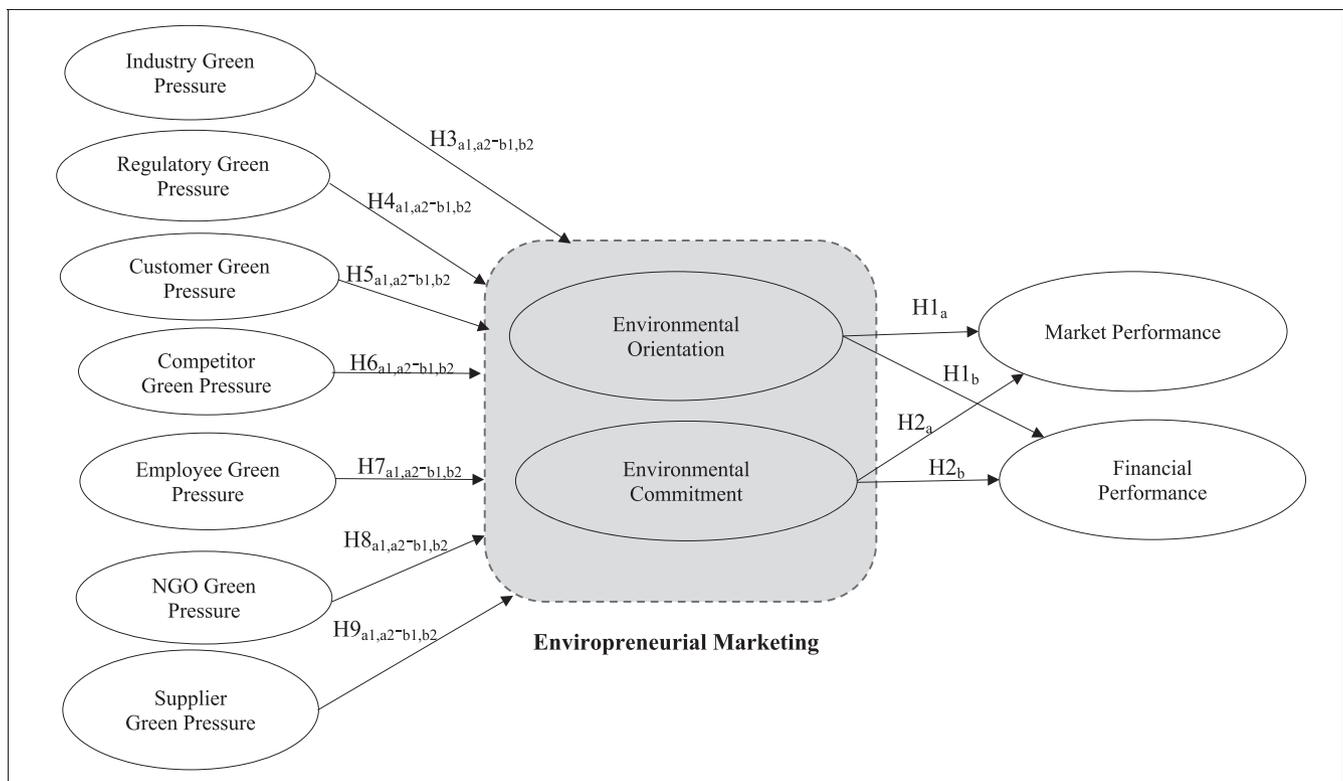


FIGURE 1 | Research model.

TABLE 2 | Sample descriptives.

Variables	Category	Frequency	%
Age	Less than 55	144	45
	55–70	151	48
	71 years and above	22	7
Gender	Male	169	53
	Female	148	47
Education	Primary/secondary school	98	31
	Undergraduate	174	55
	Postgraduate	45	14
Work experience	Less than 10 years	89	28
	10–20 years	85	27
	21–30 years	66	21
	31–40 years	58	18
	More than 41 years	19	6

L. Leonidou et al. (2015) referred to adapting and modifying the four-item scale of competitive pressure in line with the research context. The NGO pressure scale was adopted and modified from Harangozó and Zilahy (2015) with three items. Employee green pressure was measured using six items adopted and modified by Bobby Banerjee (2001). The scale measuring industry pressure consisting of five items was developed for this study based on the work of Khidir ElTayeb, Zailani, and Jayaraman (2010). Seven items of the supplier pressure scale were adapted from Pujari, Wright, and Peattie (2003). Based upon Fraj-Andrés, Martínez-Salinas, and Matute-Vallejo (2009), EO (five items) was measured; environmental commitment (seven items) was adopted from Menguc and Ozanne (2005). Financial (four items) and market performance (five items) scales were adopted from Judge and Douglas (1998) and Homburg, Workman, and Jensen (2002), respectively.

Furthermore, five control variables were included in the research model. Firm size was operationalised as the logarithm transformation (LT) of the number of full-time employees, and firm age as the LT of total years since its inception. A dummy variable was used to measure industry, with dichotomous categories: manufacturing (0) and otherwise (1). Employee education was controlled as 1 (less than high school), 2 (high school), 3 (university diploma), 4 (bachelor's degree) and 5 (master's degree and above).

Harman (1976) single-factor test was applied by performing exploratory factor analysis (EFA) in SPSS. Unrotated EFA was run on stakeholder pressure, EO, environmental commitment, financial performance and market performance. The single factor that emerged explained the variance of 44.87% (< 50% threshold of the cut-off) (Podsakoff et al. 2003). Then, a marker variable test was carried out (Williams, Hartman, and Cavazotte 2010). We employed a theoretically unrelated construct (years of work experience in the current company) and found that the pattern of bivariate correlations remains unchanged. The model with

the marker variable was observed to have a worse fit than the original model, indicating that common method bias does not influence our findings. The results clearly express the absence of any threat of CMB in the data. Admittedly, full collinearity tests were also suggestive through computing variance inflation factors (VIFs) for each construct (Kock 2015). As reflected, all the VIF values were less than 3.3, indicating that CMB is not a significant concern for this study.

3.3 | Analysis

Structural equation modelling (SEM) was utilised for analysing data as it can include the measurement error and estimate latent constructs from measured variables for complex or multilevel models (Stein, Morris, and Nock 2012). Two steps were used to execute the SEM procedure: confirmatory factor analysis (CFA) for the measurement model and path analysis for the structural model.

4 | Results

4.1 | Measurement Model

CFA was performed to assess the fitness of the measurement model through AMOS 26. Maximum likelihood method was considered for estimating parameters that yields model-fit statistics. The fit statistics of the conceptual model were within the acceptable limit: $\chi^2_{(1007)} = 2892.018$; $\chi^2/df = 2.102$ (between 2 and 5); CFI = 0.917 (> 0.9); IFI = 0.92 (> 0.9); and root-mean-square-error-of-approximation = 0.059 (< 0.08) (Hair et al. 1998). Moreover, the Cronbach alpha and composite reliability values for each construct were calculated (Table 2), which were well above the threshold value of 0.7 (Cronbach 1951; Nunnally 1982). The scales were internally consistent and reliable. Convergent validity was achieved through a recommended approach of

Bagozzi and Yi (1988) suggesting that all AVE values were above 0.5. Table 3 explained that the square root of AVE for each construct was above squared interconstruct correlations (Fornell and Larcker 1981). This indicates the achievement of discriminant validity (Table 4).

4.2 | The Structural Model

The testing of causal hypotheses was done with the structural path coefficients presented in Table 5. The fit statistics of the structural model were well within the acceptable limits (Hair et al. 1998): $\chi^2_{(1714)} = 4985.255$; $\chi^2/df = 2.909$ (between 2 and 5); CFI = 0.904 (> 0.9); IFI = 0.911 (> 0.9); and root-mean-square-error-of-approximation = 0.063 (< 0.08). With regards to the structural path coefficients (Table 5), EO has a negative link with firms' market ($\gamma = -0.799$, $p < 0.001$) and financial performance ($\gamma = -0.830$, $p < 0.001$), resulting in the rejection of H1_a and H1_b. On the other hand, EC seemed to positively affect firms' market ($\gamma = 0.771$, $p < 0.001$) and financial performance ($\gamma = 0.840$, $p < 0.001$), resulting in the acceptance of H2_a and H2_b.

In H3_{a1} and H3_{a2}, we proposed that EO mediates a positive, indirect linkage between industry pressure and firms' market and financial performance. However, the statistical significance of mediating effects for both dependent variables was observed as non-significant; hence, both hypotheses were rejected. Similarly, H3_{b1} and H3_{b2} were also rejected, as we observed that the mediating effect of EC between industry pressure and firms' market and financial performance is statistically non-significant.

In H4_{a1} and H4_{a2}, we proposed that EO mediates the positive, indirect linkage between regulatory pressure and firms' market and financial performance. However, both hypotheses were rejected, as significant but negative linkages were observed. On the other hand, H4_{b1} and H4_{b2} were supported, as we observed that the mediating effect of EC between regulatory pressure and firms' market and financial performance is positively significant (market performance: $ab = 1.233$, $p < 0.01$; 95% CI [1.250, 13.531]; financial performance: $ab = 1.344$, $p < 0.01$; 95% CI [1.211, 12.587]). For H5_{a1} and H5_{a2}, EO failed to mediate customer pressure to market performance. Further, EC also found an insignificant mediator in customer pressure to market performance; thus, both H5_{b1} and H5_{b2} were rejected.

In H6_{a1} and H6_{a2}, we proposed that EO mediates the positive, indirect linkage between competitive pressure and firms' market and financial performance. However, both hypotheses were rejected, as we observed significant but negative linkages. Interestingly, H6_{b1} and H6_{b2} were supported with significant positive mediating effect of EC between NGO pressure and firms' market and financial performance (market performance: $ab = 0.779$, $p < 0.05$; 95% CI [1.101, 10.931]; financial performance: $ab = 0.849$, $p < 0.05$; 95% CI [1.054, 11.062]). We also found that the mediating effect of EO between NGO pressure and market as well as financial performance was both negative and significant, resulting in the rejection of H7_{a1} and H7_{a2} (market performance: $ab = -1.551$, $p < 0.01$; 95% CI [-16.545, -1.561]; financial performance: $ab = -1.691$, $p < 0.01$; 95% CI [-15.334, -1.506]) thereof. On the other hand, H7_{b1} and H7_{b2} were both supported with positive and significant mediating effects of

environmental commitment between NGO pressure and firms' market as well as financial performance (market performance: $ab = 1.547$, $p < 0.05$; 95% CI [1.591, 15.845]; financial performance: $ab = 1.607$, $p < 0.05$; 95% CI [1.474, 14.036]).

We proposed in H8_{a1} and H8_{a2} that EO mediates the positive, indirect linkage between employee pressure and firms' market and financial performance, but both hypotheses were rejected as we observed significant but negative effects. However, H8_{b1} and H8_{b2} were supported with a positively significant mediating effect of environmental commitment between employee pressure and firms' market as well as financial performance (market performance: $ab = 0.637$, $p < 0.05$; 95% CI [1.069, 6.382]; financial performance: $ab = 0.694$, $p < 0.01$; 95% CI [1.077, 6.019]). Lastly, for H9_{a1} and H9_{a2}, EO failed to mediate supplier pressure to market performance. Environmental commitment was also found to be an insignificant mediator for supplier green pressure to market performance, leading to the rejection of H9_{b1} and H9_{b2}. The analytical results supported the proposed model with an explanatory power of 71.3%.

4.3 | Control Variables

We used a set of control variables that could affect the degree of relationship between EM and firm performance. In the model, firm size, firm age, industry type, employee experience and employee education as older firms with larger size are inclined to invest more in EM, resulting in higher commitment for resources to improve EO, commitment, market performance and financial performance. Therefore, these variables were imputed as control variables. Employees with higher education and experience within a firm would embrace more commitment towards the environment and are more committed to attaining higher financial and market performance.

Table 5 reports all the results. The effect of firm size on EC, market performance and financial performance is positive and significant. Firm age is significant and negative for EC and insignificant for other variables (EO, market and financial performance). Employee experience is also significant and positive for EC and insignificant for other variables. Industry type negatively influences the market and financial performance of the firm. All the control variables were insignificant for the firm's EO.

5 | Discussion

The study explored the multidimensional relationships between myriad internal and external stakeholder pressure and firm performance mediated via EO and EC, providing much needed empirical evidence to the EM, corporate environmentalism and stakeholder theory. In the extant literature, it was observed that research on the extent to which many internal and external stakeholders jointly drive marketing and financial firm performance remained unexplored. Further, although Menon and Menon (1997) propounded the concept of EM strategy, for more than two and a half decades, empirical investigation connecting both positive and negative effects of varied stakeholders on firm performance mediated by a firm's EO and EC remained unexplored.

TABLE 3 | Construct reliability and convergent validity.

Constructs	Items	Average variance extracted (AVE)	Composite reliability	Cronbach alpha (α)	Factor loadings	t-Value
Industry pressure	Successful firms in my firm's industry adopt green management practices	0.688	0.917	0.929	0.805	—
	Big firms in my firm's industry adopt green management initiatives				0.900	22.224
	Green management business practices are currently adopted by a large number of organisations in my industry				0.830	17.332
	There is a general belief in my firm's industry that green business practices have benefits that outweigh their costs				0.740	13.422
	In my firm's industry, there is a general belief that green business practices are the best way to achieve business objectives				0.864	15.671
Regulatory pressure	Regulation by government agencies has greatly influenced our firm's strategy	0.642	0.899	0.888	0.891	—
	Stricter environmental regulation is a major reason why our firm is concerned about its impact on the environment				0.693	13.136
	Our industry is forced to comply with strict environmental regulation				0.802	14.189
	Environmental legislation can affect the continued growth of our firm				0.819	13.799
	Tougher environmental legislation is required so that only firms that are environmentally responsible will survive and grow				0.790	13.110
Customer pressure	Our customers are increasingly demanding environmentally friendly products and services	0.607	0.879	0.859	0.855	—
	Our customers are more concerned towards product price rather than environmental friendliness				0.795	16.283
	Our customers expect us to be environmentally friendly				0.887	20.404
	Our customers feel that environmental protection is a critically important issue facing the world				0.380	6.818
	We plan to increase our customer base by providing environmentally friendly products and services				0.860	19.458

(Continues)

TABLE 3 | (Continued)

Constructs	Items	Average variance extracted (AVE)	Composite reliability	Cronbach alpha (α)	Factor loadings	t-Value
Competitor pressure	Because of the high competitive intensity in the marketplace, our firm is bound to adopt environmentally friendly practices	0.760	0.927	0.922	0.878	—
	Because of a large number of competitors, our firm actively practices environmental practices					
NGO pressure	To create competitive differentiation, we have adopted and promoted environmentally friendly business practices	0.790	0.919	0.899	0.885	22.113
	To outperform our competitors, we seek to adopt green management practices					
Employee pressure	With increasing pressure from NGOs, we are directed to adopt more environmentally friendly business practices	0.734	0.943	0.940	0.881	—
	Our firm has developed cooperative alliances with NGO to adopt/develop environmentally friendly business practices					
Employee pressure	Increased environmental awareness created by NGOs has influenced us to adopt green management practices	0.734	0.943	0.940	0.881	—
	We conduct special training programmes on environmental issues for employees					
Employee pressure	We offer rewards/recognition to employees who develop new environmental ideas	0.734	0.943	0.940	0.819	19.345
	Cross-functional team members are continuously encouraged to act environmentally friendly					
Employee pressure	We circulate newsletter communicating our environmental actions to all employees	0.734	0.943	0.940	0.891	23.053
	We make concerted efforts to make every employee understand the importance of environmental preservation					
Employee pressure	An individual's environmental performance has a definite effect on his/her performance appraisal	0.734	0.943	0.940	0.835	17.235

(Continues)

TABLE 3 | (Continued)

Constructs	Items	Average variance extracted (AVE)	Composite reliability	Cronbach alpha (α)	Factor loadings	t-Value
Supplier pressure	In our firms, key suppliers are involved in facilitating the development of environmentally friendly practices	0.773	0.960	0.956	0.906	—
	Environmental information is shared and exchanged with key component suppliers					
	In supplier's selection, the adoption of environmentally friendly practices is an important criterion				0.862	22.195
	We urge/pressure suppliers to take environmental action					
	Joint R&D projects with key suppliers are undertaken to measure environmental impact of product materials/components				0.864	22.488
	In purchasing, our firm requires suppliers to provide certification of testing for green product					
	Our firm has specific environmental standards for evaluating our suppliers				0.852	21.526
	Environmental issues are very relevant to the major functions of our firm					
Environmental orientation	We try to promote environmental preservation as a major goal across all departments	0.712	0.925	0.916	0.863	—
	Environmental preservation is a high-priority activity in our firm					
	Preserving the environment is a central corporate value in our firm				0.878	20.403
	Our firm strives for an image of environmental responsibility					
Environmental commitment	Our firm has committees dedicated to dealing with environmental issues	0.583	0.904	0.907	0.746	15.999
	Our firm has a formal plan for dealing with environmental issues					
	Our firm attempts to reduce the use of environmentally dangerous products				0.885	24.221
	Our firm emphasis on energy-saving practices					
	Our firm emphasis on water-saving practices				0.540	10.523
	Our firm organises environmental preservation activities periodically					
	Our firm has a long-term environmental approach				0.572	11.404
					0.656	13.741
					0.861	22.506
					0.826	20.516

(Continues)

TABLE 3 | (Continued)

Constructs	Items	Average variance extracted (AVE)	Composite reliability	Cronbach alpha (α)	Factor loadings	t-Value
Financial performance	Average return on investment over the past 5 years	0.781	0.934	0.922	0.834	—
	Average profit growth over the past 5 years				0.905	21.034
	Average growth of sales over the past 5 years				0.954	21.002
	Average return on equity over the past 5 years				0.835	17.917
Market performance	Average market share growth over the past 5 years	0.725	0.929	0.928	0.910	—
	Average sales volume growth over the past 5 years				0.889	26.835
	Average sales value growth over the past 5 years				0.945	25.506
	Average product price increase over the past 5 years				0.749	16.042
	Average increase in new products over the past 5 years				0.743	17.589

We reported results that evidenced that the mediation effect of EM was significant in translating stakeholder pressure to firm performance. We also found that stakeholder pressure does not uniformly affect firm performance positively or negatively but depends greatly on the firm's EO and EC. Surprisingly, an SME's performance was positively influenced by EC but negatively influenced by EO. One of the plausible reasons for the negative influence of EO on firm performance could be mimicking behaviour due to competitive pressure and fear of missing out accompanied by the limited abilities of SMEs to create green organisational capabilities owing to resource constraints (Keszei 2020). Secondly, in line with previous literature focusing on greenwashing, SMEs could also portray a positive green corporate image with selective disclosures and environmental practices without a complete negative revelation, leading to adverse firm performance. In the recent past, it was observed that greenwashing has negative effects on the environmental performance (Santos, Coelho, and Marques 2024), firm performance (Li et al. 2023), brand reputation and word-of-mouth behaviour (Sajid et al. 2024), stock return (Birindelli, Chiappini, and Jalal 2024), corporate reputation and credibility (Keilmann and Koch 2024), and employee turnover (Robertson, Montgomery, and Ozbilir 2023). In effect, we provide concrete evidence to corporate environmentalism literature highlighting the legitimacy aspect of environmental protection and show that any greenwashing attempt by SMEs could lead to negative firm performance.

The findings contribute to the literature on stakeholder and firm performance in the following ways. First, firms adopt the EM strategy in response to external and internal stakeholders' pressure that influences their market and financial performance. Thus, firms aiming to improve performance should calibrate internal and external stakeholder pressure and craft well-thought environmental strategies that could boost market and financial performance. This is particularly important when multiple stakeholders influence the firm's EM strategies simultaneously. Moreover, we contribute to the burgeoning corporate environmentalism literature by holistically integrating and empirically measuring stakeholders' positive and negative effects, providing evidence of greenwashing by SMEs, and yielding important insights that the extant literature has not yet considered. This study thereby broadens our understanding of the link between stakeholder pressure, EM and firm performance, particularly concerning SMEs in developed economies that are often identified as the biggest contributors to environmental degradation. Besides, we also contribute to the stakeholder theory by establishing the crucial role of important stakeholders, such as regulators, competitors, NGOs and employees, suggesting that the environmental strategy of an SME should acknowledge the critical role of these stakeholders and imbibe their views in co-creating environmental strategies that will be beneficial to the firm over a longer period. With this, we also demonstrate that other stakeholders like industry, customers and suppliers play a much benign role, albeit suggest providing an equal voice to them considering evolving competitive dynamics.

Beyond the theoretical contribution, the findings can guide owners and managers of SMEs, especially in developed countries, in managing stakeholder green pressure. Our results

TABLE 4 | Discriminant validity of scales.

	Regulatory pressure	Industry pressure	Customer pressure	Competitor pressure	NGO pressure	Employee pressure	Supplier pressure	Environmental orientation	Environmental commitment	Financial performance	Marketing performance
Regulatory pressure	0.802										
Industry pressure	0.621	0.830									
Customer pressure	0.640	0.584	0.779								
Competitor pressure	0.726	0.665	0.738	0.872							
NGO pressure	0.782	0.642	0.535	0.751	0.889						
Employee pressure	0.584	0.640	0.617	0.693	0.668	0.856					
Supplier pressure	0.563	0.579	0.651	0.653	0.584	0.797	0.879				
Environmental orientation	0.602	0.460	0.708	0.673	0.468	0.569	0.603	0.844			
Environmental commitment	0.617	0.495	0.647	0.692	0.524	0.723	0.714	0.759	0.763		
Financial performance	0.128	0.102	0.193	0.185	0.080	0.191	0.175	0.207	0.306	0.884	
Market performance	0.087	0.060	0.189	0.166	0.021	0.148	0.175	0.224	0.283	0.842	0.851

Note: Diagonal values in bold show $\sqrt{\text{AVE}}$.

TABLE 5 | Multilevel path analysis.

Paths	Environmental orientation		Environmental commitment		Market performance		Financial performance	
	Estimate (SE)	t-Values	Estimate (SE)	t-Values	Estimate (SE)	t-Values	Estimate (SE)	t-Values
Controls								
Firm size ^a	-0.002 (0.032)	-0.066	0.158 (0.034)***	4.627	0.117 (0.057)*	2.005	0.116 (0.052)*	1.997
Firm age ^a	-0.072 (0.095)	-1.923	-0.123 (0.100)***	-3.615	0.105 (0.158)	1.884	0.080 (0.145)	1.430
Employee experience ^a	0.026 (0.031)	0.686	0.073 (0.033)*	2.131	-0.016 (0.048)	-0.292	-0.007 (0.052)	-0.121
Industry	0.048 (0.121)	1.286	0.043 (0.128)	1.270	-0.138 (0.184)*	-2.486	-0.163 (0.201)*	-2.964
Employee education	0.005 (0.032)	0.138	0.017 (0.034)	0.512	0.032 (0.049)	0.584	-0.002 (0.053)	-0.036
Main effects								
Industry pressure	-0.167 (0.101)	-1.742	-0.205 (0.122)*	-2.105	—	—	—	—
Regulatory pressure	1.606 (0.299)***	6.490	1.6 (0.367)***	6.292	—	—	—	—
Customer pressure	-0.605 (0.192)***	-3.563	-0.690 (-0.239)***	-3.902	—	—	—	—
Competitor pressure	1.014 (0.194)***	5.756	1.011 (0.236)***	5.612	—	—	—	—
NGO pressure	1.936 (0.321)***	6.616	2.014 (0.398)***	6.607	—	—	—	—
Employee pressure	0.621 (0.153)***	4.069	0.826 (0.190)***	5.198	—	—	—	—
Supplier pressure	0.316 (0.126)*	2.494	0.313 (0.152)*	2.429	—	—	—	—
Environmental orientation	—	—	—	—	-0.799 (0.222)***	-16.613	-0.830 (0.201)***	-16.162
Environmental commitment	—	—	—	—	0.771 (0.170)***	17.539	0.840 (0.156)***	17.622
Specific indirect effects			Estimate		CI lower end		CI upper end	
Industry pressure → environmental orientation → market performance		H3 _{a1}	0.133		-0.551		2.295	
Industry pressure → environmental orientation → financial performance		H3 _{a2}	0.138		-0.471		2.017	
Industry pressure → environmental commitment → market performance		H3 _{b1}	-0.158		-2.514		0.388	
Industry pressure → environmental commitment → financial performance		H3 _{b2}	-0.172		-2.343		0.339	

(Continues)

TABLE 5 | (Continued)

Specific indirect effects	Estimate	CI lower end	CI upper end
Regulatory pressure → environmental orientation → market performance	H4 _{a1} -1.282**	-13.198	-1.654
Regulatory pressure → environmental orientation → financial performance	H4 _{a2} -1.332**	-11.704	-1.540
Regulatory pressure → environmental commitment → market performance	H4 _{b1} 1.233**	1.250	13.531
Regulatory pressure → environmental commitment → financial performance	H4 _{b2} 1.344**	1.211	12.587
Customer pressure → environmental orientation → market performance	H5 _{a1} 0.484	-0.461	6.940
Customer pressure → environmental orientation → financial performance	H5 _{a2} 0.503	-0.386	6.246
Customer pressure → environmental commitment → market performance	H5 _{b1} -0.532	-7.305	0.129
Customer pressure → environmental commitment → financial performance	H5 _{b2} -0.580	-6.983	0.073
Competitor pressure → environmental orientation → market performance	H6 _{a1} -0.810*	-11.729	-1.346
Competitor pressure → environmental orientation → financial performance	H6 _{a2} -0.842*	-10.851	-1.218
Competitor pressure → environmental commitment → market performance	H6 _{b1} 0.779*	1.101	10.931
Competitor pressure → environmental commitment → financial performance	H6 _{b2} 0.849*	1.054	11.062
NGO pressure → environmental orientation → market performance	H7 _{a1} -1.551**	-16.545	-1.561
NGO pressure → environmental orientation → financial performance	H7 _{a2} -1.691**	-15.334	-1.506
NGO pressure → environmental commitment → market performance	H7 _{b1} 1.547**	1.591	15.845

(Continues)

TABLE 5 | (Continued)

Specific indirect effects	Estimate	CI lower end	CI upper end
NGO pressure → environmental commitment → financial performance	1.607**	1.474	14.036
Employee pressure → environmental orientation → market performance	-0.496*	-5.345	-0.429
Employee pressure → environmental orientation → financial performance	-0.515*	-4.742	-0.392
Employee pressure → environmental commitment → market performance	0.637*	1.069	6.382
Employee pressure → environmental commitment → financial performance	0.694**	1.077	6.019
Supplier pressure → environmental orientation → market performance	-0.253	-3.396	0.452
Supplier pressure → environmental orientation → financial performance	-0.263	-3.075	0.394
Supplier pressure → environmental commitment → market performance	0.241	-0.357	3.387
Supplier pressure → environmental commitment → financial performance	0.263	-0.297	3.192

* $p < 0.05$.** $p < 0.01$.*** $p < 0.001$.

†Logarithm transformation of original values.

Note: Standardised coefficients are shown.

Abbreviation: CI = confidence interval.

imply that EC is an important enabler of channelling stakeholders' green pressure on performance. Therefore, SMEs should focus on building green organisational capabilities and shaping their environmental values into green products/services. SMEs' EM strategies should focus on strengthening EC as one of the most valuable capabilities that offer sustainable competitive advantages such as green product launches and cost leadership. Policymakers should also foster the culture of EC by developing a policy framework that incentivises SMEs' EC through green absorbing capacity with rewards in the form of economic incentives such as tax credits and subsidies.

This study explains that SME owners and managers shaping a firm's EC are likely to achieve higher market and financial performance by not providing equal focus on all the key stakeholders, as they may have varied expectations, but rather handling each stakeholder in a calibrated manner keeping in mind firm's EM strategies. The result advances the importance of strategic prioritisation, improving the stakeholder–firm performance relationship in a new light. Lastly, stakeholder pressure forces SME owners and managers to adopt environmentally friendly operations that may shape EO. However, the lack of strict implementation of environmental policies could lead to greenwashing. This calls for more collaboration between regulatory bodies, NGOs and special interest groups, which can be crucial for translating stakeholder pressure to firm performance through EC.

Specifically, advanced-economy SMEs intending to augment market or financial performance while balancing environmental responsibilities, keeping stakeholder expectations in mind, could use our findings to understand and develop stakeholder management strategies. Overall, the applicability of research findings and the environment of Japanese SMEs show that our study is in a good position to deepen theoretical and practical knowledge of the conditions under which stakeholder pressure can positively or negatively affect firm performance.

6 | Limitations and Directions for Future Research

It is important to consider this study's limitations while interpreting the findings and developing relevant corporate EM strategies to bolster firm performance. First, we used a sample of Japanese SMEs. Thus, the results should be assessed considering a developed economy with a unique, well-acknowledged cultural context that may not be directly attributable to a firm from a developing country. We suggest that future researchers look at the relationships from an emerging economy perspective, where firms may have very different stakeholder pressures, providing unique insights on how the results differ with a change in country contexts. Second, the study specifically focused on SMEs; thus, the findings may not be strictly applicable to a larger firm with more resources, enabling them to manage stakeholder pressures very differently. Third, future studies could also take a multidimensional view and test the effects of internal and external EO on firm performance separately. In addition, scholars could also check the potential impact of top management commitment on internal and external

EO as suggested by Banerjee, Iyer, and Kashyap (2003). Fourth, reliance on perceptual measures (e.g., market and financial performance) may have caused specific biases, and further researchers may use objective measures to rate firms' business performance compared vis-à-vis key competitors to confirm study findings. Further, future studies could also account for different contextual influences, such as stage of economic growth, cultural variation, political issues and social factors as potential moderators, extending the findings of this study with richer insights.

References

- Aboelmaged, M., and G. Hashem. 2019. "Absorptive Capacity and Green Innovation Adoption in SMEs: The Mediating Effects of Sustainable Organisational Capabilities." *Journal of Cleaner Production* 220: 853–863. <https://doi.org/10.1016/j.jclepro.2019.02.150>.
- Adomako, S., C. Simms, D. Vazquez-Brust, and H. T. T. Nguyen. 2022. "Stakeholder Green Pressure and New Product Performance in Emerging Countries: A Cross-Country Study." *British Journal of Management* 34: 299–320. <https://doi.org/10.1111/1467-8551.12595>.
- Aggarwal, D. 2023. "How Enviropreneurial Marketing Research Evolved Overtime: A Bibliometric Analysis From 1999 to 2021." *African Journal of Economic and Sustainable Development* 9, no. 2: 87–100. <https://doi.org/10.1504/ajesd.2023.129019>.
- Ahmad, S. 2015. "Green Human Resource Management: Policies and Practices." *Cogent Business & Management* 2, no. 1: 1030817.
- Ainin, S., M. M. Naqshbandi, and S. Dezdar. 2016. "Impact of Adoption of Green IT Practices on Organizational Performance." *Quality & Quantity* 50, no. 5: 1929–1948.
- Amankwah-Amoah, J., A. Danso, and S. Adomako. 2019. "Entrepreneurial Orientation, Environmental Sustainability and New Venture Performance: Does Stakeholder Integration Matter?" *Business Strategy and the Environment* 28, no. 1: 79–87. <https://doi.org/10.1002/bse.2191>.
- Anderson, B. S., and Y. Eshima. 2013. "The Influence of Firm age and Intangible Resources on the Relationship Between Entrepreneurial Orientation and Firm Growth Among Japanese SMEs." *Journal of Business Venturing* 28, no. 3: 413–429. <https://doi.org/10.1016/j.jbusvent.2011.10.001>.
- Anton, W. R. Q., G. Deltas, and M. Khanna. 2004. "Incentives for Environmental Self-Regulation and Implications for Environmental Performance." *Journal of Environmental Economics and Management* 48, no. 1: 632–654.
- Ashton, W., S. Russell, and E. Futch. 2017. "The Adoption of Green Business Practices Among Small US Midwestern Manufacturing Enterprises." *Journal of Environmental Planning and Management* 60, no. 12: 2133–2149.
- Atkins, M., and J. Lowe. 1994. "Stakeholders and the Strategy Formation Process in Small and Medium Enterprises." *International Small Business Journal* 12, no. 3: 12–24. <https://doi.org/10.1177/0266242694123001>.
- Aykol, B., and L. C. Leonidou. 2015. "Researching the Green Practices of Smaller Service Firms: A Theoretical, Methodological, and Empirical Assessment." *Journal of Small Business Management* 53, no. 4: 1264–1288.
- Baah, C., D. Opoku-Agyeman, I. S. K. Acquah, et al. 2021. "Examining the Correlations Between Stakeholder Pressures, Green Production Practices, Firm Reputation, Environmental and Financial Performance: Evidence From Manufacturing SMEs." *Sustainable Production and Consumption* 27: 100–114. <https://doi.org/10.1016/j.spc.2020.10.015>.

- Bagozzi, R. P., and Y. Yi. 1988. "On the Evaluation of Structural Equation Models." *Journal of the Academy of Marketing Science* 16, no. 1: 74–94.
- Bagur-Femenias, L., J. Llach, and M. del Mar Alonso-Almeida. 2013. "Is the Adoption of Environmental Practices a Strategic Decision for Small Service Companies?" *Management Decision* 51, no. 1: 41–62. <https://doi.org/10.1108/00251741311291300>.
- Baker, W. E., and J. M. Sinkula. 2005. "Environmental Marketing Strategy and Firm Performance: Effects on New Product Performance and Market Share." *Journal of the Academy of Marketing Science* 33, no. 4: 461–475. <https://doi.org/10.1177/0092070305276119>.
- Banerjee, S. B. 2001. "Managerial Perceptions of Corporate Environmentalism: Interpretations From Industry and Strategic Implications for Organizations." *Journal of Management Studies* 38, no. 4: 489–513.
- Banerjee, S. B. 2002. "Corporate Environmentalism: The Construct and Its Measurement." *Journal of Business Research* 55, no. 3: 177–191.
- Banerjee, S. B., E. S. Iyer, and R. K. Kashyap. 2003. "Corporate Environmentalism: Antecedents and Influence of Industry Type." *Journal of Marketing* 67, no. 2: 106–122. <http://journals.ama.org/doi/abs/10.1509/jmkg.67.2.106.18604?code=amma-site>.
- Becker, R. A., and R. J. Shadbegian. 2008. "The Green Industry: An Examination of Environmental Products Manufacturing." US Census Bureau Center for Economic Studies Paper No. CES-WP-08-34.
- Bello-Pintado, A., J. A. D. Machuca, and P. Danese. 2023. "Stakeholder Pressures and Sustainability Practices in Manufacturing: Consideration of the Economic Development Context." *Business Strategy and the Environment* 32, no. 7: 4084–4102. <https://doi.org/10.1002/bse.3355>.
- Berrone, P., A. Fosfuri, L. Gelabert, and L. R. Gomez-Mejia. 2013. "Necessity as the Mother of 'Green' Inventions: Institutional Pressures and Environmental Innovations." *Strategic Management Journal* 34, no. 8: 891–909. <https://doi.org/10.1002/smj.2041>.
- Birindelli, G., H. Chiappini, and R. N.-U.-D. Jalal. 2024. "Greenwashing, Bank Financial Performance and the Moderating Role of Gender Diversity." *Research in International Business and Finance* 69: 102235. <https://doi.org/10.1016/j.ribaf.2024.102235>.
- Bobby Banerjee, S. 2001. "Corporate Environmental Strategies and Actions." *Management Decision* 39, no. 1: 36–44. <http://www.emeraldinsight.com/doi/pdfplus/10.1108/EUM0000000005405>.
- Bouguerra, A., M. Hughes, M. S. Cakir, and E. Tatoglu. 2022. "Linking Entrepreneurial Orientation to Environmental Collaboration: A Stakeholder Theory and Evidence From Multinational Companies in an Emerging Market." *British Journal of Management* 34, no. 1: 487–511. <https://doi.org/10.1111/1467-8551.12590>.
- Bremmers, H., O. Omta, R. Kemp, and D.-J. Haverkamp. 2007. "Do Stakeholder Groups Influence Environmental Management System Development in the Dutch Agri-Food Sector?" *Business Strategy and the Environment* 16, no. 3: 214–231. <https://doi.org/10.1002/bse.480>.
- Brislin, R. W. 1970. "Back-Translation for Cross-Cultural Research." *Journal of Cross-Cultural Psychology* 1, no. 3: 185–216. <https://doi.org/10.1177/135910457000100301>.
- Buchholz, R. A. 1991. "Corporate Responsibility and the Good Society: From Economics to Ecology." *Business Horizons* 34, no. 4: 19–32. <https://link.gale.com/apps/doc/A11000521/AONE?u=anon-afc5ecb8&sid=googleScholar&xid=8a61f6cb>.
- Burrows, P. (2009). "Apple launches major green effort." *Business Week* (2009, September 24). <https://www.bloomberg.com/news/articles/2009-09-24/apple-launches-major-green-effort#xj4y7vzkg>.
- Canning, L., and S. Hanmer-Lloyd. 2001. "Managing the Environmental Adaptation Process in Supplier–Customer Relationships." *Business Strategy and the Environment* 10, no. 4: 225–237. <https://doi.org/10.1002/bse.291>.
- Cantor, D. E., P. C. Morrow, and F. Montabon. 2012. "Engagement in Environmental Behaviors Among Supply Chain Management Employees: An Organizational Support Theoretical Perspective." *Journal of Supply Chain Management* 48, no. 3: 33–51.
- Carmona-Moreno, E., J. Céspedes-Lorente, and J. De Burgos-Jiménez. 2004. "Environmental Strategies in Spanish Hotels: Contextual Factors and Performance." *Service Industries Journal* 24, no. 3: 101–130. <https://doi.org/10.1080/0264206042000247786>.
- Chabowski, B., J. Mena, and T. Gonzalez-Padron. 2011. "The Structure of Sustainability Research in Marketing, 1958-2008: A Basis for Future Research Opportunities." *Journal of the Academy of Marketing Science* 39, no. 1: 55–70. <https://doi.org/10.1007/s11747-010-0212-7>.
- Chamorro, A., S. Rubio, and F. J. Miranda. 2009. "Characteristics of Research on Green Marketing." *Business Strategy and the Environment* 18, no. 4: 223–239.
- Chan, H. K., H. He, and W. Y. C. Wang. 2012. "Green Marketing and Its Impact on Supply Chain Management in Industrial Markets." *Industrial Marketing Management* 41, no. 4: 557–562. <https://doi.org/10.1016/j.indmarman.2012.04.002>.
- Charter, M., and M. J. Polonsky. 2017. *Greener Marketing: A Global Perspective on Greening Marketing Practice*. New York: Routledge.
- Christmann, P. 2004. "Multinational Companies and the Natural Environment: Determinants of Global Environmental Policy." *Academy of Management Journal* 47, no. 5: 747–760. <https://doi.org/10.5465/20159616>.
- Clarkson, P. M., Y. Li, G. D. Richardson, and F. P. Vasvari. 2011. "Does It Really Pay to Be Green? Determinants and Consequences of Proactive Environmental Strategies." *Journal of Accounting and Public Policy* 30, no. 2: 122–144. <https://doi.org/10.1016/j.jaccpubpol.2010.09.013>.
- Coddington, W. 1993. "Environmental Marketing's New Relationship With Corporate Environmental Management." *Environmental Quality Management* 2, no. 3: 297–302. <https://doi.org/10.1002/tqem.3310020310>.
- Connelly, B., D. Ketchen, and S. Slater. 2011. "Toward a 'Theoretical Toolbox' for Sustainability Research in Marketing." *Journal of the Academy of Marketing Science* 39, no. 1: 86–100. <https://doi.org/10.1007/s11747-010-0199-0>.
- Corazza, L., D. Cottafava, D. Torchia, and A. Dhir. 2023. "Interpreting Stakeholder Ecosystems Through Relational Stakeholder Theory: The Case of a Highly Contested Megaproject." *Business Strategy and the Environment* 33, no. 3: 2384–2412. <https://doi.org/10.1002/bse.3601>.
- Crilly, D. 2011. "Predicting Stakeholder Orientation in the Multinational Enterprise: A Mid-Range Theory." *Journal of International Business Studies* 42, no. 5: 694–717. <https://doi.org/10.1057/jibs.2010.57>.
- Cronbach, L. J. 1951. "Coefficient Alpha and the Internal Structure of Tests." *Psychometrika* 16, no. 3: 297–334.
- Cronin, J. J., J. S. Smith, M. R. Gleim, E. Ramirez, and J. D. Martinez. 2011. "Green Marketing Strategies: An Examination of Stakeholders and the Opportunities They Present." *Journal of the Academy of Marketing Science* 39, no. 1: 158–174. <https://link.springer.com/content/pdf/10.1007%2Fs11747-010-0227-0.pdf>.
- Dai, J., F. L. Montabon, and D. E. Cantor. 2014. "Linking Rival and Stakeholder Pressure to Green Supply Management: Mediating Role of Top Management Support." *Transportation Research Part E: Logistics and Transportation Review* 71: 173–187. <https://doi.org/10.1016/j.tre.2014.09.002>.
- Daily, B. F., and S.c. Huang. 2001. "Achieving Sustainability Through Attention to Human Resource Factors in Environmental Management." *International Journal of Operations & Production Management* 21, no. 12: 1539–1552. <https://doi.org/10.1108/01443570110410892>.
- Dangelico, R. M., D. Pujari, and P. Pontrandolfo. 2017. "Green Product Innovation in Manufacturing Firms: A Sustainability-Oriented

- Dynamic Capability Perspective.” *Business Strategy and the Environment* 26, no. 4: 490–506. <https://doi.org/10.1002/bse.1932>.
- Danso, A., S. Adomako, T. Lartey, J. Amankwah-Amoah, and D. Owusu-Yirenkyi. 2020. “Stakeholder Integration, Environmental Sustainability Orientation and Financial Performance.” *Journal of Business Research* 119: 652–662. <https://doi.org/10.1016/j.jbusres.2019.02.038>.
- Darcy, C., J. Hill, T. J. McCabe, and P. McGovern. 2014. “A Consideration of Organisational Sustainability in the SME Context.” *European Journal of Training and Development* 38, no. 5: 398–414. <https://doi.org/10.1108/EJTD-10-2013-0108>.
- del Río González, P. 2005. “Analysing the Factors Influencing Clean Technology Adoption: A Study of the Spanish Pulp and Paper Industry.” *Business Strategy and the Environment* 14, no. 1: 20–37. <https://doi.org/10.1002/bse.426>.
- Devinney, T. M., A. M. McGahan, and M. Zollo. 2013. “A Research Agenda for Global Stakeholder Strategy.” *Global Strategy Journal* 3, no. 4: 325–337. <https://doi.org/10.1111/j.2042-5805.2013.01066.x>.
- Du, L., Z. Zhang, and T. Feng. 2018. “Linking Green Customer and Supplier Integration With Green Innovation Performance: The Role of Internal Integration.” *Business Strategy and the Environment* 27, no. 8: 1583–1595. <https://doi.org/10.1002/bse.2223>.
- Eesley, C., and M. J. Lenox. 2006. “Firm Responses to Secondary Stakeholder Action.” *Strategic Management Journal* 27, no. 8: 765–781. <https://doi.org/10.1002/smj.536>.
- Endo, M. 2006. “Environmental Management of Small and Medium-Sized Enterprises.” *Small Business Quarterly Journal* 1: 8–18.
- Eweje, G. 2020. “Proactive Environmental and Social Strategies in a Small- to Medium-Sized Company: A Case Study of a Japanese SME.” *Business Strategy and the Environment* 29, no. 7: 2927–2938. <https://doi.org/10.1002/bse.2582>.
- Eweje, G., and M. Sakaki. 2015. “CSR in Japanese Companies: Perspectives From Managers.” *Business Strategy and the Environment* 24, no. 7: 678–687. <https://doi.org/10.1002/bse.1894>.
- Fischer, K., and J. Schot. 1993. *Environmental Strategies for Industry: International Perspectives on Research Needs and Policy Implications*. Washington, DC: Island Press.
- Fornell, C., and D. F. Larcker. 1981. “Evaluating Structural Equation Models With Unobservable Variables and Measurement Error.” *Journal of Marketing Research* 18, no. 1: 39–50. <https://doi.org/10.2307/3151312>.
- Fouskas, K. G., and D. A. Drossos. 2010. “The Role of Industry Perceptions in Competitive Responses.” *Industrial Management & Data Systems* 110, no. 4: 477–494. <https://doi.org/10.1108/02635571011038981>.
- Fraj-Andrés, E., E. Martínez-Salinas, and J. Matute-Vallejo. 2009. “Factors Affecting Corporate Environmental Strategy in Spanish Industrial Firms.” *Business Strategy & the Environment* 18, no. 8: 500–514. <https://doi.org/10.1002/bse.611>.
- Freeman, R. E. 2010. *Strategic Management: A Stakeholder Approach*. Cambridge: Cambridge University Press.
- Frondel, M., J. Horbach, and K. Rennings. 2008. “What Triggers Environmental Management and Innovation? Empirical Evidence for Germany.” *Ecological Economics* 66, no. 1: 153–160. <https://doi.org/10.1016/j.ecolecon.2007.08.016>.
- Fu, J. S., K. R. Cooper, D. Woo, and M. Kwestel. 2023. “Beyond Stakeholder Management: Organizational Listening for Nonprofit Stakeholder Engagement.” *Nonprofit and Voluntary Sector Quarterly* 53, no. 4: 841–865. <https://doi.org/10.1177/08997640231201068>.
- Fujii, H., and T. Kanehara. 2013. “Environmental Management of Japanese and US Manufacturing Companies and Its External Factors.” *Soshiki Kagaku* 46, no. 4: 83–101.
- Gabler, C. B., R. G. Richey, and A. Rapp. 2015. “Developing an Eco-Capability Through Environmental Orientation and Organizational Innovativeness.” *Industrial Marketing Management* 45: 151–161. <https://doi.org/10.1016/j.indmarman.2015.02.014>.
- Gadenne, D. L., J. Kennedy, and C. McKeiver. 2009. “An Empirical Study of Environmental Awareness and Practices in SMEs.” *Journal of Business Ethics* 84, no. 1: 45–63.
- Ge, G. L., and D. Z. Ding. 2005. “Market Orientation, Competitive Strategy and Firm Performance.” *Journal of Global Marketing* 18, no. 3–4: 115–142. https://doi.org/10.1300/J042v18n03_06.
- Góes, H. A. d. A., G. Fatima, R. d. O. Santos Jhunior, and J. M. G. Boaventura. 2023. “Managing for Stakeholders Towards Corporate Environmental Sustainability.” *Corporate Social Responsibility and Environmental Management* 30, no. 4: 1561–1572. <https://doi.org/10.1002/csr.2448>.
- González-Benito, J., and Ó. González-Benito. 2006. “A Review of Determinant Factors of Environmental Proactivity.” *Business Strategy and the Environment* 15, no. 2: 87–102. <https://doi.org/10.1002/bse.450>.
- González-Benito, J., and Ó. González-Benito. 2008. “A Study of Determinant Factors of Stakeholder Environmental Pressure Perceived by Industrial Companies.” *Business Strategy and the Environment* 19, no. 3: 164–181. <https://doi.org/10.1002/bse.631>.
- Goydke, T. 2016. “Japanese Family Businesses.” In *Routledge Handbook of Japanese Business and Management*, 48–58. London: Routledge.
- Guo, H., M. Dong, C. Tsinopoulos, and M. Xu. 2023. “The Influential Capacity of Carbon Neutrality Environmental Orientation in Modulating Stakeholder Engagement Toward Green Manufacturing.” *Corporate Social Responsibility and Environmental Management* 31, no. 1: 292–310. <https://doi.org/10.1002/csr.2570>.
- Hair, J. F., W. C. Black, B. J. Babin, R. E. Anderson, and R. L. Tatham. 1998. *Multivariate Data Analysis*. Vol. 5. Upper Saddle River, NJ: Prentice Hall.
- Hanim Mohamad Zailani, S., T. K. Eltayeb, C. C. Hsu, and K. Choon Tan. 2012. “The Impact of External Institutional Drivers and Internal Strategy on Environmental Performance.” *International Journal of Operations & Production Management* 32, no. 6: 721–745. <https://doi.org/10.1108/01443571211230943>.
- Harangozó, G., and G. Zilahy. 2015. “Cooperation Between Business and Non-Governmental Organizations to Promote Sustainable Development.” *Journal of Cleaner Production* 89: 18–31. <https://doi.org/10.1016/j.jclepro.2014.10.092>.
- Harman, H. H. 1976. *Modern Factor Analysis*. Chicago and London: University of Chicago Press.
- Hart, S. L. 1995. “A Natural-Resource-Based View of the Firm.” *Academy of Management Review* 20, no. 4: 986–1014. <https://doi.org/10.5465/amr.1995.9512280033>.
- Helmig, B., K. Spraul, and D. Ingenhoff. 2016. “Under Positive Pressure: How Stakeholder Pressure Affects Corporate Social Responsibility Implementation.” *Business & Society* 55, no. 2: 151–187. <https://doi.org/10.1177/0007650313477841>.
- Henriques, I., and P. Sadorsky. 1999. “The Relationship Between Environmental Commitment and Managerial Perceptions of Stakeholder Importance.” *Academy of Management Journal* 42, no. 1: 87–99.
- Hirunyawipada, T., and G. Xiong. 2018. “Corporate Environmental Commitment and Financial Performance: Moderating Effects of Marketing and Operations Capabilities.” *Journal of Business Research* 86: 22–31. <https://doi.org/10.1016/j.jbusres.2018.01.002>.
- Hofer, C., D. E. Cantor, and J. Dai. 2012. “The Competitive Determinants of a Firm’s Environmental Management Activities: Evidence From US Manufacturing Industries.” *Journal of Operations Management* 30, no. 1: 69–84. <https://doi.org/10.1016/j.jom.2011.06.002>.

- Hoffman, N. P. 2000. "An Examination of the "Sustainable Competitive Advantage" Concept: Past, Present, and Future." *Academy of Marketing Science Review* 4, no. 2000: 1–16.
- Homburg, C., J. P. Workman, and O. Jensen. 2002. "A Configurational Perspective on Key Account Management." *Journal of Marketing* 66, no. 2: 38–60. <https://doi.org/10.1509/jmkg.66.2.38.18471>.
- Horiuchi, K., and T. Mukai. 2006. *Practical Environmental Management Theory: A Strategic Approach*. Tokyo, Japan: Toyo Keizai.
- Hosoda, M., and K. Suzuki. 2015. "Using Management Control Systems to Implement CSR Activities: An Empirical Analysis of 12 Japanese Companies." *Business Strategy and the Environment* 24, no. 7: 628–642. <https://doi.org/10.1002/bse.1896>.
- Jabbour, C. J. C., and J. A. Puppim-de-Oliveira. 2011. "Barriers to Environmental Management in Clusters of Small Businesses in Brazil and Japan: From a Lack of Knowledge to a Decline in Traditional Knowledge." *International Journal of Sustainable Development & World Ecology* 19, no. 3: 247–257. <https://doi.org/10.1080/13504509.2011.634929>.
- Jabbour, C. J. C., F. C. A. Santos, and M. S. Nagano. 2010. "Contributions of HRM Throughout the Stages of Environmental Management: Methodological Triangulation Applied to Companies in Brazil." *International Journal of Human Resource Management* 21, no. 7: 1049–1089. <https://doi.org/10.1080/09585191003783512>.
- Jaini, A., and N. Hussin. 2019. "Towards Developing a Framework of Enviropreneurial Marketing Strategy for SMEs in Malaysia." *International Journal of Academic Research in Business and Social Sciences* 9, no. 9: 348–358. <https://doi.org/10.6007/IJARBS/v9-i9/6300>.
- Jayachandran, S., K. Kalaignanam, and M. Eilert. 2013. "Product and Environmental Social Performance: Varying Effect on Firm Performance." *Strategic Management Journal* 34, no. 10: 1255–1264. <https://doi.org/10.1002/smj.2054>.
- Jayaraman, V. 2006. "Production Planning for Closed-Loop Supply Chains With Product Recovery and Reuse: An Analytical Approach." *International Journal of Production Research* 44, no. 5: 981–998. <https://doi.org/10.1080/00207540500250507>.
- Judge, W. Q., and T. J. Douglas. 1998. "Performance Implications of Incorporating Natural Environmental Issues Into the Strategic Planning Process: An Empirical Assessment." *Journal of Management Studies* 35, no. 2: 241–262. <https://doi.org/10.1111/1467-6486.00092>.
- Judge, W. Q., Jr., and H. Krishnan. 1994. "An Empirical Investigation of the Scope of a Firm's Enterprise Strategy." *Business & Society* 33, no. 2: 167–190.
- Jugend, D., P. C. Fiorini, P. L. Fournier, H. Latan, C. J. Chiappetta Jabbour, and J. A. A. Scaliza. 2024. "Industry 4.0 Technologies for the Adoption of the Circular Economy: An Analysis of Institutional Pressures and the Effects on Firm Performance." *Journal of Environmental Management* 370: 122260. <https://doi.org/10.1016/j.jenvman.2024.122260>.
- Kassinis, G., and N. Vafeas. 2006. "Stakeholder Pressures and Environmental Performance." *Academy of Management Journal* 49, no. 1: 145–159.
- Keilmann, J., and T. Koch. 2024. "When Environmental Claims Are Empty Promises: How Greenwashing Affects Corporate Reputation and Credibility." *Environmental Communication* 18, no. 3: 266–284. <https://doi.org/10.1080/17524032.2023.2267782>.
- Keszey, T. 2020. "Environmental Orientation, Sustainable Behaviour at the Firm-Market Interface and Performance." *Journal of Cleaner Production* 243: 118524. <https://doi.org/10.1016/j.jclepro.2019.118524>.
- Khidir ElTayeb, T., S. Zailani, and K. Jayaraman. 2010. "The Examination on the Drivers for Green Purchasing Adoption Among EMS 14001 Certified Companies in Malaysia." *Journal of Manufacturing Technology Management* 21, no. 2: 206–225. <https://doi.org/10.1108/17410381011014378>.
- Kimata, A., and H. Itakura. 2013. "Influence Mechanism of Organizational Culture in Environmental Management." *Soshiki Kagaku* 47, no. 2: 59–69.
- King, A. A., and M. J. Lenox. 2001. "Does It Really pay to Be Green? An Empirical Study of Firm Environmental and Financial Performance: An Empirical Study of Firm Environmental and Financial Performance." *Journal of Industrial Ecology* 5, no. 1: 105–116.
- Kirkpatrick, D. 1990. "Environmentalism: The New Crusade." *Fortune* 121, no. 4: 44–51.
- Kitching, J., M. Hart, and N. Wilson. 2015. "Burden or Benefit? Regulation as a Dynamic Influence on Small Business Performance." *International Small Business Journal* 33, no. 2: 130–147. <https://doi.org/10.1177/0266242613493454>.
- Kitsis, A. M., and I. J. Chen. 2021. "Do Stakeholder Pressures Influence Green Supply Chain Practices? Exploring the Mediating Role of Top Management Commitment." *Journal of Cleaner Production* 316: 128258. <https://doi.org/10.1016/j.jclepro.2021.128258>.
- Kobayashi, K., G. Eweje, and D. Tappin. 2018. "Employee Wellbeing and Human Sustainability: Perspectives of Managers in Large Japanese Corporations." *Business Strategy and the Environment* 27, no. 7: 801–810. <https://doi.org/10.1002/bse.2032>.
- Kock, N. 2015. "Common Method Bias in PLS-SEM: A Full Collinearity Assessment Approach." *International Journal of e-Collaboration (IJeC)* 11, no. 4: 1–10. <https://doi.org/10.4018/ijec.2015100101>.
- Kumar, K., R. Batra, and G. Boesso. 2021. "Difference in Stakeholder Engagement Approach of Small & Medium Enterprises and Large Companies and Its Performance Implications." *Corporate Social Responsibility and Environmental Management* 28, no. 3: 992–1001. <https://doi.org/10.1002/csr.2100>.
- Leiponen, A., and I. Drejer. 2007. "What Exactly Are Technological Regimes?: Intra-Industry Heterogeneity in the Organization of Innovation Activities." *Research Policy* 36, no. 8: 1221–1238. <https://doi.org/10.1016/j.respol.2007.04.008>.
- Leonidou, C., C. Katsikeas, and N. Morgan. 2013. "'Greening' the Marketing Mix: Do Firms Do It and Does It Pay Off?" *Journal of the Academy of Marketing Science* 41, no. 2: 151–170. <https://doi.org/10.1007/s11747-012-0317-2>.
- Leonidou, L., T. Fotiadis, P. Christodoulides, S. Spyropoulou, and C. Katsikeas. 2015. "Environmentally Friendly Export Business Strategy: Its Determinants and Effects on Competitive Advantage and Performance." *International Business Review* 24, no. 5: 798–811. <https://doi.org/10.1016/j.ibusrev.2015.02.001>.
- Li, W., W. Li, V. Seppänen, and T. Koivumäki. 2023. "Effects of Greenwashing on Financial Performance: Moderation Through Local Environmental Regulation and Media Coverage." *Business Strategy and the Environment* 32, no. 1: 820–841. <https://doi.org/10.1002/bse.3177>.
- Lin, R.-j., and C. Sheu. 2012. "Why Do Firms Adopt/Implement Green Practices?—An Institutional Theory Perspective." *Procedia-Social and Behavioral Sciences* 57: 533–540.
- Liston-Heyes, C., and D. A. Vazquez Brust. 2016. "Environmental Protection in Environmentally Reactive Firms: Lessons From Corporate Argentina." *Journal of Business Ethics* 135, no. 2: 361–379. <https://doi.org/10.1007/s10551-014-2473-4>.
- López-Rodríguez, S. 2009. "Environmental Engagement, Organizational Capability and Firm Performance." *Corporate Governance: The International Journal of Business in Society* 9, no. 4: 400–408.
- Lu, J. W., and P. W. Beamish. 2001. "The Internationalization and Performance of SMEs." *Strategic Management Journal* 22, no. 6–7: 565–586. <https://doi.org/10.1002/smj.184>.
- McKeiver, C., and D. Gadenne. 2005. "Environmental Management Systems in Small and Medium Businesses." *International Small*

- Business Journal* 23, no. 5: 513–537. <https://doi.org/10.1177/0266242605055910>.
- Melnyk, S. A., R. P. Sroufe, and R. Calantone. 2003. “Assessing the Impact of Environmental Management Systems on Corporate and Environmental Performance.” *Journal of Operations Management* 21, no. 3: 329–351.
- Menguc, B., and S. Auh. 2005. “A Test of Strategic Orientation Formation Versus Strategic Orientation Implementation: The Influence of Tmt Functional Diversity and Inter-Functional Coordination.” *Journal of Marketing Theory and Practice* 13, no. 2: 4–19. <https://doi.org/10.1080/10696679.2005.11658540>.
- Menguc, B., and L. K. Ozanne. 2005. “Challenges of the “Green Imperative”: A Natural Resource-Based Approach to the Environmental Orientation–Business Performance Relationship.” *Journal of Business Research* 58, no. 4: 430–438.
- Menon, A., and A. Menon. 1997. “Enviropreneurial Marketing Strategy: The Emergence of Corporate Environmentalism as Market Strategy.” *Journal of Marketing* 61: 51–67.
- METI. 2021. “Issues Surrounding the Business Environment for SMEs and Related Measures.” <https://www.mlit.go.jp/kankocho/iinkai/content/001444297.pdf>.
- Miles, M. P., and J. G. Covin. 2000. “Environmental Marketing: A Source of Reputational, Competitive, and Financial Advantage.” *Journal of Business Ethics* 23, no. 3: 299–311. <https://doi.org/10.1023/A:1006214509281>.
- Mir, D. F., and E. Feitelson. 2007. “Factors Affecting Environmental Behavior in Micro-Enterprises: Laundry and Motor Vehicle Repair Firms in Jerusalem.” *International Small Business Journal* 25, no. 4: 383–415. <https://doi.org/10.1177/0266242607078583>.
- Miyajima, H. 2021. “Crucial Viewpoint on Corporate Governance: Developing a “New Japanese Model”.” <https://www.rieti.go.jp/en/papers/contribution/miyajima/10.html>.
- Monsma, D., and J. Buckley. 2003. “Non-Financial Corporate Performance: The Material Edges of Social and Environmental Disclosure.” *University of Baltimore Journal of Environmental Law* 11: 151.
- Morgan, N. A., and N. F. Piercy. 1998. “Interactions Between Marketing and Quality at the SBU Level: Influences and Outcomes.” *Journal of the Academy of Marketing Science* 26, no. 3: 190–208. <https://doi.org/10.1177/0092070398263002>.
- Nejati, M., S. Rabiei, and C. J. Chiappetta Jabbour. 2017. “Envisioning the Invisible: Understanding the Synergy Between Green Human Resource Management and Green Supply Chain Management in Manufacturing Firms in Iran in Light of the Moderating Effect of Employees’ Resistance to Change.” *Journal of Cleaner Production* 168: 163–172. <https://doi.org/10.1016/j.jclepro.2017.08.213>.
- Nguyen, N. P., and S. Adomako. 2022. “Stakeholder Pressure for Eco-Friendly Practices, International Orientation, and Eco-Innovation: A Study of Small and Medium-Sized Enterprises in Vietnam.” *Corporate Social Responsibility and Environmental Management* 29, no. 1: 79–88. <https://doi.org/10.1002/csr.2185>.
- Nunnally, J. C. 1982. “Reliability of Measurement.” In *Encyclopedia of Educational Research*, vol. 4. New York.
- Oe, H., and Y. Yamaoka. 2020. “How to Enhance Sustainability Goals Implementation in Business Behaviour: A Lesson From Discussions With Japanese Small and Medium-Sized Enterprises.” *Social Business* 10, no. 3: 281–304. <https://doi.org/10.1362/204440820X16003501529194>.
- Onbuddha, R., and S. Ogata. 2024. “The Influence of Stakeholder on a Company’s Sustainable Practice: Insights From the Japanese Perspective.” *Journal of Cleaner Production* 436: 140402. <https://doi.org/10.1016/j.jclepro.2023.140402>.
- Orlitzky, M., F. L. Schmidt, and S. L. Rynes. 2003. “Corporate Social and Financial Performance: A Meta-Analysis.” *Organization Studies* 24, no. 3: 403–441. <https://doi.org/10.1177/0170840603024003910>.
- Ortiz-Avram, D., N. Ovcharova, and A. Engelmann. 2023. “Dynamic Capabilities for Sustainability: Toward a Typology Based on Dimensions of Sustainability-Oriented Innovation and Stakeholder Integration.” *Business Strategy and the Environment* 33, no. 4: 2969–3004. <https://doi.org/10.1002/bse.3630>.
- Papadas, K.-K., G. J. Avlonitis, M. Carrigan, and L. Piha. 2019. “The Interplay of Strategic and Internal Green Marketing Orientation on Competitive Advantage.” *Journal of Business Research* 104: 632–643. <https://doi.org/10.1016/j.jbusres.2018.07.009>.
- Parmar, B. L., R. E. Freeman, J. S. Harrison, A. C. Wicks, L. Purnell, and S. d. Colle. 2010. “Stakeholder Theory: The State of the Art.” *Academy of Management Annals* 4, no. 1: 403–445. <https://doi.org/10.5465/19416520.2010.495581>.
- Pekovic, S., S. Rolland, and H. Gatignon. 2016. “Customer Orientation and Organizational Innovation: The Case of Environmental Management Practices.” *Journal of Business & Industrial Marketing* 31, no. 7: 835–848. <https://doi.org/10.1108/JBIM-11-2015-0228>.
- Peretz, J. H., R. A. Bohm, and P. D. Jasiencyk. 1997. “Environmental Policy and the Reduction of Hazardous Waste.” *Journal of Policy Analysis and Management* 16, no. 4: 556–574. <https://onlinelibrary.wiley.com/doi/abs/10.1002/%28SICI%291520-6688%28199723%2916%3A4%3C556%3A%3AAID-PAM3%3E3.O.CO%3B2-F>.
- Pizzetti, M., L. Gatti, and P. Seele. 2021. “Firms Talk, Suppliers Walk: Analyzing the Locus of Greenwashing in the Blame Game and Introducing ‘Vicarious Greenwashing’.” *Journal of Business Ethics* 170, no. 1: 21–38. <https://doi.org/10.1007/s10551-019-04406-2>.
- Podsakoff, P. M., S. B. MacKenzie, J.-Y. Lee, and N. P. Podsakoff. 2003. “Common Method Biases in Behavioral Research: A Critical Review of the Literature and Recommended Remedies.” *Journal of Applied Psychology* 88, no. 5: 879–903.
- Polonsky, M. J. 1995. “A Stakeholder Theory Approach to Designing Environmental Marketing Strategy.” *Journal of Business & Industrial Marketing* 10, no. 3: 29–46. <http://www.emeraldinsight.com/doi/pdfplus/10.1108/08858629510096201>.
- Popp, D. 2006. “International Innovation and Diffusion of air Pollution Control Technologies: The Effects of NO_x and SO₂ Regulation in the US, Japan, and Germany.” *Journal of Environmental Economics and Management* 51, no. 1: 46–71. <https://doi.org/10.1016/j.jjeem.2005.04.006>.
- Pujari, D., G. Wright, and K. Peattie. 2003. “Green and Competitive Influences on Environmental New Product Development Performance.” *Journal of Business Research* 56, no. 8: 657–671. [https://doi.org/10.1016/s0148-2963\(01\)00310-1](https://doi.org/10.1016/s0148-2963(01)00310-1).
- Qi, Y., X. Zhao, and C. Sheu. 2011. “The Impact of Competitive Strategy and Supply Chain Strategy on Business Performance: The Role of Environmental Uncertainty.” *Decision Sciences* 42, no. 2: 371–389.
- Ramaswamy, V., H. Gatignon, and D. J. Reibstein. 1994. “Competitive Marketing Behavior in Industrial Markets.” *Journal of Marketing* 58, no. 2: 45–55. <https://doi.org/10.1177/002224299405800204>.
- Richey, R. G., Jr., C. F. Musgrove, S. T. Gillison, and C. B. Gabler. 2014. “The Effects of Environmental Focus and Program Timing on Green Marketing Performance and the Moderating Role of Resource Commitment.” *Industrial Marketing Management* 43, no. 7: 1246–1257.
- Robertson, J. L., A. W. Montgomery, and T. Ozbilir. 2023. “Employees’ Response to Corporate Greenwashing.” *Business Strategy and the Environment* 32, no. 7: 4015–4027. <https://doi.org/10.1002/bse.3351>.
- Sahoo, S. 2023. “Assessing the Impact of Stakeholder Pressure and Green Data Analytics on firm’s Environmental Performance—Understanding the Role of Green Knowledge Management and Green Technological Innovativeness.” *R&D Management* 54, no. 1: 3–20. <https://doi.org/10.1111/radm.12602>.
- Sajid, M., K. A. Zakkariya, N. M. Suki, and J. U. Islam. 2024. “When Going Green Goes Wrong: The Effects of Greenwashing on Brand

- Avoidance and Negative Word-of-Mouth.” *Journal of Retailing and Consumer Services* 78: 103773. <https://doi.org/10.1016/j.jretconser.2024.103773>.
- Santos, C., A. Coelho, and A. Marques. 2024. “The Greenwashing Effects on Corporate Reputation and Brand Hate, Through Environmental Performance and Green Perceived Risk.” *Asia-Pacific Journal of Business Administration* 16, no. 3: 655–676. <https://doi.org/10.1108/APJBA-05-2022-0216>.
- Sarkis, J., P. Gonzalez-Torre, and B. Adenso-Diaz. 2010. “Stakeholder Pressure and the Adoption of Environmental Practices: The Mediating Effect of Training.” *Journal of Operations Management* 28, no. 2: 163–176. <https://doi.org/10.1016/j.jom.2009.10.001>.
- Schaper, M. 2002. “Small Firms and Environmental Management: Predictors of Green Purchasing in Western Australian Pharmacies.” *International Small Business Journal* 20, no. 3: 235–251. <https://doi.org/10.1177/0266242602203001>.
- Schmidt, C. G., K. Foerstl, and B. Schaltenbrand. 2017. “The Supply Chain Position Paradox: Green Practices and Firm Performance.” *Journal of Supply Chain Management* 53, no. 1: 3–25.
- Schumpeter, J. A. 2002. “The Economy as a Whole: Seventh Chapter of the Theory of Economic Development.” *Industry and Innovation* 9, no. 1/2: 93–145.
- Selznick, P. 1985. “Focusing Organizational Research on Regulation.” *Regulatory Policy and the Social Sciences* 1, no. 1: 363–367.
- Shahzad, M. F., S. Xu, X. An, M. Asif, and M. A. Haider Jafri. 2024. “Effect of Stakeholder Pressure on Environmental Performance: Do Virtual CSR, Green Credit, Environmental and Social Reputation Matter?” *Journal of Environmental Management* 368: 122223. <https://doi.org/10.1016/j.jenvman.2024.122223>.
- Shu, C., J. Liu, M. Zhao, and P. Davidsson. 2020. “Proactive Environmental Strategy and Firm Performance: The Moderating Role of Corporate Venturing.” *International Small Business Journal* 38, no. 7: 654–676. <https://doi.org/10.1177/0266242620923897>.
- Shubham, P. Charan, and L. S. Murty. 2018. “Organizational Adoption of Sustainable Manufacturing Practices in India: Integrating Institutional Theory and Corporate Environmental Responsibility.” *International Journal of Sustainable Development & World Ecology* 25, no. 1: 23–34. <https://doi.org/10.1080/13504509.2016.1258373>.
- Singh, S., M. Del Giudice, C. Chiappetta Jabbour, H. Latan, and A. S. Sohal. 2022. “Stakeholder Pressure, Green Innovation, and Performance in Small and Medium-Sized Enterprises: The Role of Green Dynamic Capabilities.” *Business Strategy and the Environment* 31, no. 1: 500–514. <https://doi.org/10.1002/bse.2906>.
- Singh, S. K., M. D. Giudice, M. Nicotra, and F. Fiano. 2020. “How Firm Performs Under Stakeholder Pressure: Unpacking the Role of Absorptive Capacity and Innovation Capability.” *IEEE Transactions on Engineering Management* 1-12: 3802–3813. <https://doi.org/10.1109/TEM.2020.3038867>.
- Smith, K. G., W. J. Ferrier, and H. Ndofor. 2005. “Competitive Dynamics Research.” In *The Blackwell Handbook of Strategic Management*, 309–354. London: Blackwell Publishers. <https://doi.org/10.1111/b.9780631218616.2006.00012.x>.
- Song-Turner, H., and M. Polonsky. 2016. “Enviropreneurial Marketing in Greening Corporate Activities.” *European Business Review* 28, no. 5: 506–531. <https://doi.org/10.1108/eb-12-2014-0087>.
- Stein, C. M., N. J. Morris, and N. L. Nock. 2012. “Structural Equation Modeling.” In *Statistical Human Genetics: Methods and Protocols*, edited by R. C. Elston, J. M. Satagopan, and S. Sun, 495–512. Totowa, New Jersey: Humana Press. https://doi.org/10.1007/978-1-61779-555-8_27.
- Steurer, R., M. E. Langer, A. Konrad, and A. Martinuzzi. 2005. “Corporations, Stakeholders and Sustainable Development I: A Theoretical Exploration of Business–Society Relations.” *Journal of Business Ethics* 61, no. 3: 263–281. <https://doi.org/10.1007/s10551-005-7054-0>.
- Sugeno, S. 2023. “Stakeholders vs Shareholders: The Clash of Corporate Governance Models in Japan’s Fujitec Ltd. and Oasis Management Showdown.” *AIB Insights* 23, no. 4: 1–6. <https://doi.org/10.46697/001c.84002>.
- Sun, Y., M. Watanabe, and T. Fujita. 2010. “Empirical Study on Drivers of Green Supply Chain Management in Small and Medium-Sized Enterprises, Japan.” *Papers on Environmental Information Science* 24: 183–188.
- Van der Laan, G., H. Van Ees, and A. Van Witteloostuijn. 2008. “Corporate Social and Financial Performance: An Extended Stakeholder Theory, and Empirical Test With Accounting Measures.” *Journal of Business Ethics* 79: 299–310.
- Velte, P. 2023. “Sustainable Board Governance and Environmental Performance: European Evidence.” *Business Strategy and the Environment* 33, no. 4: 3397–3421. <https://doi.org/10.1002/bse.3654>.
- Wahba, H. 2008. “Does the Market Value Corporate Environmental Responsibility? An Empirical Examination.” *Corporate Social Responsibility and Environmental Management* 15, no. 2: 89–99.
- Williams, L. J., N. Hartman, and F. Cavazotte. 2010. “Method Variance and Marker Variables: A Review and Comprehensive CFA Marker Technique.” *Organizational Research Methods* 13, no. 3: 477–514. <https://doi.org/10.1177/1094428110366036>.
- Wright, C., and D. Nyberg. 2017. “An Inconvenient Truth: How Organizations Translate Climate Change Into Business as Usual.” *Academy of Management Journal* 60, no. 5: 1633–1661. <https://doi.org/10.5465/amj.2015.0718>.
- Wu, Y., K. Zhang, and J. Xie. 2020. “Bad Greenwashing, Good Greenwashing: Corporate Social Responsibility and Information Transparency.” *Management Science* 66, no. 7: 3095–3112. <https://doi.org/10.1287/mnsc.2019.3340>.
- Xie, J., K. Abbass, and D. Li. 2024. “Advancing Eco-Excellence: Integrating Stakeholders’ Pressures, Environmental Awareness, and Ethics for Green Innovation and Performance.” *Journal of Environmental Management* 352: 120027. <https://doi.org/10.1016/j.jenvman.2024.120027>.
- Xing, X., T. Liu, J. Wang, L. Shen, and Y. Zhu. 2019. “Environmental Regulation, Environmental Commitment, Sustainability Exploration/Exploitation Innovation, and Firm Sustainable Development.” *Sustainability* 11, no. 21: 6001.
- Yalabik, B., and R. J. Fairchild. 2011. “Customer, Regulatory, and Competitive Pressure as Drivers of Environmental Innovation.” *International Journal of Production Economics* 131, no. 2: 519–527. <https://doi.org/10.1016/j.ijpe.2011.01.020>.
- Yuan, M., X. Wang, H. Lin, H. Wu, M. Yu, and X. Chen. 2023. “Crafting Enviropreneurial Marketing Through Green Innovation: A Natural Resource-Based View.” *IEEE Transactions on Engineering Management* 1-10: 4548–4557. <https://doi.org/10.1109/tem.2023.3237758>.
- Zhang, L., X. Zhang, J. An, W. Zhang, and J. Yao. 2022. “Examining the Role of Stakeholder-Oriented Corporate Governance in Achieving Sustainable Development: Evidence From the SME CSR in the Context of China.” *Sustainability* 14, no. 13: 8181. <https://www.mdpi.com/2071-1050/14/13/8181>.
- Zhu, Q., and J. Sarkis. 2004. “Relationships Between Operational Practices and Performance Among Early Adopters of Green Supply Chain Management Practices in Chinese Manufacturing Enterprises.” *Journal of Operations Management* 22, no. 3: 265–289.
- Zhu, Q., J. Sarkis, and K.-h. Lai. 2013. “Institutional-Based Antecedents and Performance Outcomes of Internal and External Green Supply Chain Management Practices.” *Journal of Purchasing and Supply Management* 19, no. 2: 106–117. <https://doi.org/10.1016/j.pursup.2012.12.001>.