CORPORATE SOCIAL AND ENVIRONMENTAL SUSTAINABILITY: A CONCEPTUAL FRAMEWORK

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Abstract:
Extant research that examines drivers of corporate sustainability has largely relied on viewpoints derived from singular theoretical frameworks. One outcome of this has been a continued ambiguity about the relative importance of the various factors that drive organizations towards sustainability.

The central argument of this paper is that for complex phenomenon such as corporate sustainability a more elaborate framework, which draws across multiple theoretical insights, is needed. Through integrating perspectives from four distinct theoretical viewpoints (stakeholder, resource dependence, institutional, and resource based theories) – this paper develops such a holistic framework.

Keywords: Resource dependence, stakeholder, institutional, resource based

Introduction
Governments and societies throughout the world are increasingly calling on businesses to be environmentally and socially responsible, and many businesses appear to be responding to this call (Lubin & Esty, 2010). This inclusion of social and environmental sustainability in the business agenda has also resulted in enhanced academic attention. Thus, in the last two decades, a growing number of academic studies have focussed on examining various aspects of corporate sustainability (for example, Banerjee, 2003; Bansal, 2005; Collins, Lawrence, Pavlovich, & Ryan, 2007; Bendell & Kearins, 2005; Dunphy, Griffiths, & Benn, 2007; Hart, 2007; Madsen, 2009; Waddock & McIntosh, 2009). While these studies have added considerably to our understanding of corporate sustainability, researchers have however yet to reach a definitive conclusion regarding the relative importance of the various factors that can drive organizations towards sustainability (Delmas & Montes-Sancho, 2010; Kassinis & Vafeas, 2006; Russo & Harrison, 2005)

One explanation for this ambivalence is that researchers have used an either/or approach to theoretical frameworks while examining drivers of corporate sustainability. Researchers have thus been guided by either stakeholder theory (Christmann, 2004; Eesley & Lenox, 2006; Henriques & Sadorsky, 1996), or institutional theory (Bansal & Clelland, 2004; Hoffman, 1999; King, Lenox, & Teralaak, 2005), or by the perspectives from the resource based view (RBV) (Aragon-Correa & Sharma, 2000; Christmann, 2000; Hart & Ahuja, 1996; Klassen & Whybark, 1999; Russo & Fouts,

1 In this paper sustainability, unless otherwise qualified refers to social and environmental sustainability.
1997), or the resource dependence perspectives (Kassinis & Vafeas, 2006; Rowley & Moldoveanu, 2003; Sharma & Henriques, 2005).

One limitation of being guided by a singular theoretical perspective is that the enquiry will of necessity, be constrained and scoped in accordance with the prescriptions of the given framework (Oliver, 1991, 1997). While a singular framework might be suitable for examining linear relationships, however, for complex phenomenon such as corporate sustainability (which is characterized by radical uncertainty - Perman, Ma, McGilvray, & Common, 2003), decision making involves an interplay between multiple determinants, which may not necessarily be captured and explained by a singular theoretical framework (Delmas & Montes-Sancho, 2010). Thus, for complex phenomenon that are characterized by manifold motivations, researchers have called for more elaborate conceptual framework that draw across multiple theoretical lenses (Aguilera, Rupp, Williams, & Ganapathi, 2007; Campbell, 2007).

This paper contributes towards closing this gap. It integrates perspectives from four distinct theoretical viewpoints (stakeholder, resource dependence, institutional, and resource based theories). Each of these theoretical perspectives, when considered in isolation is unable to provide a strong theoretical foundation for examining the drivers of corporate sustainability (Table 1). However, combining perspectives from these distinctive theoretical viewpoints will allow researchers to draw upon multiple lenses. This will enable an in-depth and comprehensive examination of the drivers of corporate sustainability.

The paper is organized as follows; it commences with a discussion of how stakeholder and resource dependence theories together, can provide a starting point for identifying stakeholders that can potentially leverage business organizations into being environmentally and socially responsive. However, organizations are not just beholden to stakeholders who control resources; their policies also result from a desire to confirm and to seek social approval and legitimacy. This desire for legitimacy has its roots in institutional theory and this leads to perspectives from institutional theory.
being incorporated into the framework. However, while institutional theory explains legitimacy driven acceptance of socially sanctioned sustainability norms, it does not explain why firms in a given industry, facing similar institutional pressures might choose to react differently to social and environmental issues. This is where the resource based view (RBV) - with its focus on costly-to-copy, firm specific, internal resource (as factors that differentiate the strategic choices of a firm) - enters the framework and helps explain how firms break free of institutional influences.

The major contribution of this paper thus lies in combining the insights from the RBV (regarding the significance of internal resources) with the importance of the role of external stakeholder (from resource dependence and institutional theories). The paper integrates these insights to develop a holistic framework for anchoring an enquiry into the drivers of corporate social and environmental responsiveness.

### Stakeholder Theory and Corporate Social and Environmental Sustainability

Freeman (1984, p. 46) defines stakeholders as “any group or individual who can affect or is affected by the achievement of the organization’s objectives”. Stakeholder theory, especially in its instrumental variation2 (Berman, Wicks, Kotha, & Jones, 1999; Freeman, 1999; Jones, 1995; Jones & Wicks, 1999) suggests that organizations are driven to environmentally and social sustainable due to pressures from stakeholders. Stakeholder theory can thus provide a useful starting point for anchoring an enquiry into corporate sustainability practices. However, the broad inclusiveness of stakeholder theory makes it difficult to determine which stakeholders (amongst the many possible – ‘can affect or be affected by’) are genuinely important in influencing an organization’s social and environmental sustainability practices (Mitchell, Agle, & Wood, 1997). In an attempt to resolve the issue of ‘who or

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2 According to Donaldson and Preston (1995), stakeholder theory can be understood on the basis of instrumental, normative and descriptive justifications. In its instrumental form stakeholder theory identifies the link between stakeholder management and the achievement of organizational objective (such as growth, profits, reputation management, etc). In its normative form the theory is used as a moral or philosophical guide to corporate function (stakeholders have a right to be treated as an end in itself and not as a means towards some other end). In its descriptive aspect stakeholder theory is used to describe and explain corporate characteristics.
what really counts’ (Freeman, 1994, p. 411) stakeholders have been classified as primary or secondary, based upon their importance to an organization (Clarkson, 1995). However, the value of this to both research and practice is limited. This is because stakeholder attributes are neither in a steady state nor an objective reality; instead they are socially constructed and variable (Mitchell et al., 1997). Stakeholder importance is thus transitory and subject to change. Pressures from stakeholders who were considered secondary in the past (such as environmental groups, scientific agencies like the Intergovernmental Panel on Climate Change (IPCC) have now become significant catalysts for social and environmental changes in many organizations (Anderson, 2005; Hart & Sharma, 2004). Thus classifying stakeholders as primary and secondary is tenuous; the status can be attained or lost.

In attempting to apply a sorting logic to this transitory nature of stakeholder importance, Mitchell et al. (1997) proposed that stakeholders with power, legitimacy and urgency will be regarded as important by managers of a firm. This seminal work helps unpack stakeholder saliency and allows stakeholders to be grouped according to the attributes that they possess (in terms of power, urgency and legitimacy). Thus on one end there are definitive stakeholders (who have all three attributes) and on the other extreme are non stakeholders (who lack all three attributes). A range of stakeholder saliency can be observed in between these extremes (depending on the type and number of attributes possessed by any given stakeholder; thus for example, dormant stakeholders – such as retrenched employees - may have power (as they can engage in potential lawsuits), but currently may have neither legitimacy nor urgency; dangerous stakeholder, such as terrorist groups, may have power and urgency but no legitimacy).

However, despite this very beneficial saliency mapping, the dynamics by which stakeholders gain (or lose) the attributes of power, urgency and legitimacy remains unclear (e.g. when and how can a dormant stakeholder become a dangerous or definitive stakeholder). What further complicates the issue of stakeholder salience is Rowley’s (1997) research which suggests that stakeholders concerns do not present themselves in a ordered dyadic relationship between individuals stakeholder and a focal organization; instead managers are confronted with simultaneous influences of multiple
stakeholders many of whom are interdependent and acting in collusion with each other to achieve their own ends (Rowley, 1997). Resource dependence theory can help unpack the dynamics of stakeholder salience and interdependence.

**Resource Dependence Theory and Corporate Social and Environmental Sustainability**

Drawing from resource dependence theory (Pfeffer & Salancik, 1978), Frooman (1999) argues that the more dependent an organization is on a stakeholder for critical resources, the greater the extent to which that stakeholder can influence the firm’s response. It is this dependence of organizations on stakeholders for critical resources that gives stakeholders leverage over organizations and creates differentials among stakeholders. To assist managers with the process of identifying stakeholder salience, Frooman (1999) has organized stakeholder influences into four strategies (withholding, usage, direct and indirect).

The first two strategies (withholding and usage) involve the extent of firm-stakeholder interdependence. A withholding strategy will be used when stakeholders have absolute discretion over allocation of resources. The stakeholder can walk out of the relationship with no harm to itself. Stakeholders can thus withhold critical resources needed by a firm with the intention of making the firm change its behaviour. One example of this is the consumer boycotts of Shell in the 1990’s involving the Brent Spar and the Ogoni controversies. The consumer boycott led Shell to redefine its mission worldwide to include environmental and human rights concerns (Shell, 2007; Shell (Nigeria), 2007a, 2007b). Withholding strategies can thus be used when the balance of resource dependence favours the stakeholder.

A usage strategy on the other hand is used when there is a mutual dependence between the firm and the stakeholder (the welfare of each is linked to the other). In a usage strategy, stakeholders therefore do not withhold outright but attach conditions for the continued use of a resource (e.g. Mattel toys had to attach more stringent requirements for quality control on their suppliers in China, after lead was detected in paint used for children’s toys (Mattel Toys, 2007).
The next set of strategies involves pathways (direct and indirect) used for influencing a firm. Direct strategies are used when the stakeholder has enough influence over the firm to manipulate the flow of resources by itself (through withholding or by usage) without assistance from other stakeholders. For example governments can cancel the ‘license to operate’ (Elkington, 1997) or attach stringent conditions, if firms violate the conditions of their license. Indirect influence pathways are employed when a stakeholder has little or no control over firm resources and thus has limited influence over a firm. The stakeholder can then choose to act through other influential stakeholders who act as allies by manipulating the flow of resources (again through withholding or usage). The purpose of adding the ally is to shift the balance of the power towards the weaker stakeholder. An example of this is social activist groups acting through mobilizing consumers to boycott Nike sweat shop products. These four strategies result (Table 2) in the following matrix (Frooman, 1999).

Applying the resource based logic to corporate social and environmental practices provides a theoretical rationale for understanding stakeholder saliency and provides a basis for understanding how ‘secondary’ stakeholders can become important catalysts for driving corporate social and environmental sustainability. Monsanto’s withdrawal from genetically modified (GM) foods presents an interesting example of resource dependence dynamics at work. Protests by millions of small farmers in India (traditionally considered fringe or secondary stakeholders) in combination with NGOs who leveraged the consumer fear for GM foods are reported to be instrumental in forcing Monsanto to withdraw from its multibillion genetically modified seed business (Hart & Sharma, 2004). Resource dependence theory thus helps researchers and managers understand the processes by which stakeholders can gain the resources and networks required to acquire power, legitimacy and urgency and thereby become catalyst of change.

Organizations however are not just beholden to stakeholders who control resources. As DiMaggio and Powell (1983, p. 150) point out ‘organizations compete not just for resources and customers but also
for institutional legitimacy’. Organizations as social actors thus do not always act as rational profit maximizers; their policies also result from a desire to confirm and to seek social approval and legitimacy (Myers & Rowan, 1977; Oliver, 1991; Scott, 1987). This desire for legitimacy has its roots in institutional theory.

Institutional Theory and Corporate Social and Environmental Sustainability

Institutional theory emphasizes the social context in which firms operate and explains the role of institutions (e.g. governments, professional associations, media and public opinion) in shaping organizational responses (DiMaggio & Powell, 1983; Myers & Rowan, 1977; Scott, 1987, 1995). Institutional theory explains how pressures from these social institutions become ‘institutionalized’ and accepted as given over a period of time (Myers & Rowan, 1977; Oliver, 1991; Scott, 1987). Through adhering to commonly accepted and institutionalized norms organizations seek to obtain social approval and legitimacy and failure to conform to critical institutional norms can threaten an organization’s legitimacy and survival (DiMaggio & Powell, 1983; Myers & Rowan, 1977; Oliver, 1991).

DiMaggio and Powell (1983) attribute the reason for certain norms gaining institutional acceptance to the tendency of organizations (in a given organizational field) to move towards isomorphism. Isomorphism results in an “inexorable push towards homogenization” (DiMaggio & Powell, 1983, p. 1480). Institutional theory thus suggests that through adopting institutionalized social and environmental norms (which have penetrated the social contexts and are seen as intractable) organizations seek social approval and legitimacy. According to DiMaggio and Powell (1983) coercive, mimetic and normative pressures push organizations towards homogenous responses. These three pressures provide a theoretical grounding for understanding legitimacy driven drivers of organizational environmental and social practices.

Coercive pressures stem from political influence. Thus the existence of a common legal environmental framework affects all organizations in a given field similarly and leads to homogeneity
in organizational responses. For example most countries have regulations regarding the specific types and quantities of contaminants that businesses can discharge. Failure to conform attracts fines and penalties and threatens the firm’s legitimacy. Coercive regulatory pressures, thus over a period of time lead to isomorphic and institutionalized responses, wherein all firms comply with the regulatory discharge requirements.

Another source of isomorphism is mimetic pressure. Mimicry results when organizations operate under conditions of uncertainty. Organizations tend to mimic other more successful and legitimate organizations when there is uncertainty in the business environment. Thus uncertainty resulting from poorly understood environmental challenges is a powerful institutional driver for isomorphism (DiMaggio & Powell, 1983). Environmental and social risks are not yet fully understood by the entire spectrum of organizations (Porter & Reinhardt, 2007). Under such conditions of uncertainty (what policies and technologies should be employed, should an organization aim for leadership position on climate change or wait and watch …etc) organizations tend to model their sustainability practices after other organizations who are perceived to be more legitimate or successful (DiMaggio & Powell, 1983). An increasing number of multinationals thus now have sustainability reports, whereas only a handful of them reported on their sustainability practices only a decade earlier (Rondinelli & Berry, 2000). In doing so organizations are attempting to gain legitimacy through mimicking the organizations deemed to be social and environmental leaders (Lubin & Esty, 2010).

The third basis for isomorphism is normative pressures. The normative basis is associated with professionalization. Professionalization stems from the fact that most managers at a given level have commonalities based on similar educational qualifications and through socialization in common professional associations. This makes the managers similar, “to the point that individuals who make it to the top are virtually indistinguishable” (DiMaggio & Powell, 1983, p. 153). Moreover the mobility of managers through turnover and head hunting further ensures that these managers “drawn from the common pool of universities and filtered on a common set of attributes” (DiMaggio & Powell, 1983, p. 153) will respond to problems and policies in a similar way leading to normatively sanctioned
isomorphism. In the context of social and environmental management, this points to the fact that in a given organizational field since most of the senior managers dealing with social and environmental issues might have similar educational qualifications, attend same or similar professional workshops, courses, and will be members of similar professional bodies and industry associations, etc, - their responses to sustainability problems will be dictated by common normative guides. They will thus develop a similar understanding of issues surrounding social and environmental sustainability (Cramer, 2005; Jennings & Zandbergen, 1995). Thus to a certain extent professionalization leads managers to have a shared world view of socially sanctioned legitimacy and to that extent results in isomorphic responses to social and environmental challenges.

Based on the above discussion research into drivers of corporate sustainability can thus be further informed by the perspectives gained from the institutional lens. Incorporating these perspectives allow researchers to account for the role of institutions in driving corporate environmental and social responsiveness.

**INSERT FIGURE 2 HERE**

However, within an institutional framework firms aim to ‘meet not exceed’ (Bansal & Clelland, 2004, p. 94) established norms. Hence, institutional theory cannot explain why organizational responses to sustainability challenges are not always constrained by the ‘iron cage’ (DiMaggio & Powell, 1983, p. 147) of institutionalized norms. Research suggests that firms operating in similar social regulatory and public policy environments vary in their social and environmental strategies (Aragon-Correa, 1998; Hart & Ahuja, 1996; Russo & Fouts, 1997). Even in a single industrial context where organizations face very strong and similar institutional pressures, organizational responses to social and environmental challenges may vary from substantive to symbolic practices (Delmas & Montes-Sancho, 2010). Thus while institutional theory explains legitimacy driven acceptance of socially sanctioned sustainability norms, it does not explain why firms in a given industry facing similar institutional pressures might choose to react differently to social and environmental issues (Sharma & Vredenburg, 1998).
What about the Role of Firm Specific Factors

Summarizing the above discussion, combining perspectives from stakeholder, resource dependence and institutional lenses provides a theoretical basis for understanding drivers of corporate sustainability, but only insofar as the drivers are explained by a firm’s resource dependence or its search for legitimacy. These three theories however, essentially focus on forces that lie beyond the organizational boundaries (Hoffman, 1999). They ignore the dynamics happening inside the black-box; the firm. It must be pointed out that these theories do not completely rule out internal pressures (for example, employees) but as discussed above their explanatory capabilities fall short of explaining why firms with similar kinds of employees (institutional) and with similar level of dependence on employees (resource dependence) might choose different social and environmental strategies. The resource based theory, with its focus on costly-to-copy, firm specific, internal resource as factors that differentiate the strategic choices of a firm, helps explain the above dilemma.

Resource Based Theory and Corporate Social and Environmental Sustainability

Penrose’s seminal work (1959) guided early resource based researchers who focussed on the valuable and inimitable internal resources of a firm as a source of securing competitive advantage (Grant, 1991; Hamel & Prahalad, 1994; Wernerfelt, 1984). The Resource Based View (RBV) combines the analysis of resource based competencies rooted inside a firm with the external analysis of the business environment. According to (Collis & Montgomery, 1995, p. 120) “the RBV inextricably links a company’s internal capabilities (what it does well) and its external environment; what the market demands and what competitors offer”. Thus through combining the internal and the external analysis, the RBV offers a very useful perspective for strategic management research (Bansal, 2005; Barney, 1991; Hart, 1995; Ketchen, Hult, & Slater, 2007; Klassen & Whybark, 1999; Oliver, 1997; Russo & Fouts, 1997; Sirmon, Hitt, & Ireland, 2007).

According to resource based view (Barney, 1991, 2001; Conner, 1991; Grant, 1991; Oliver, 1997; Sirmon et al., 2007; Wernerfelt, 1984), resources which are valuable, rare, imperfectly imitable, and non-substitutable, can lead to the development of internal competencies which when, applied to the
appropriate external environment, can secure competitive advantage. According to Barney (1991) these resources can be physical resources, human capital resources and organizational resources. Having valuable resources is however, a necessary but not a sufficient condition for securing a competitive edge. Firms have to continuously evaluate choices regarding resource employment with respect to the external environment (Collis & Montgomery, 1995).

Major transformations are now occurring in the business environment due to the constraints imposed and opportunities offered by the changes in the natural and social environment (Hoffman, 2007; Porter & Reinhardt, 2007; Schwartz, 2007). Under these conditions of flux, resource and capability development in organizations is also being driven by the need to adapt to these changes in the natural environment (Nidumolu, Prahalad, & Rangaswami, 2009). Hart’s (1995) expansion of the resource based theory to include the challenges posed by sustainability (in form of the NRBV - the natural resource based view, allows us to examine the role of firm specific factors in driving corporate social and environmental responsiveness.

The natural resource based view has thus been developed on the premise that businesses will be now increasingly constrained by sustainability risks and opportunities (Hart, 1995). According to Hart (1995, p. 991) “competitive advantage in the coming years will be rooted in capabilities that facilitate environmentally and socially sustainable economic activity”. Drawing from the resource based view Hart (1995) contends that to be able to develop a successful sustainability strategy, firms need resources that are valuable, non substitutable and difficult to replicate.

Social and environmental capabilities resulting from these resources can be difficult to replicate either because they are tacit (skill based and people intensive or accumulated through experience) or socially complex (such resources depend on large number of people or teams engaged in coordinated activity). In response to the challenges posed by sustainability, Hart (1995) offers a range of interrelated strategies ranging from proactively decreasing pollution to a visionary commitment to sustainable development. The choice of the strategy that the firm can or will actually adopt will in turn be
dependent on the resource endowments of that firm (Nidumolu, Prahalad, & Rangaswami, 2009). Thus according to NRBV firms will differ in their environmental and social strategies depending on the disparity in the organizational resources that they can marshal. The stress in NRBV is on the significance of the internal organizational resources and characteristics in influencing corporate sustainability. The inclusion of NRBV in the framework allows researchers to investigate the role of internal organizational resources and characteristics in influencing corporate social and environmental responsiveness.

**INSERT FIGURE 3 HERE**

**Conclusion**

In conclusion, combining the insights gained from the NRBV (regarding the significance of internal resources) with the importance of the role of external stakeholder (from resource dependence and institutional theories) allows the development of holistic framework for anchoring an enquiry into the drivers of corporate social and environmental responsiveness. Such a framework will allow researchers to conduct an in-depth enquiry into the factors that can propel business organizations to be environmentally and socially sustainable. To borrow Porter and Reinhardt’s (2007) terminology such a framework permits an exploration with both “inside out” (understanding the impact of firm’s resources on corporate environmentalism) and “outside in” focus (how external factors impact a firm’s corporate environmentalism).

Uncovering and testing these relationships, using such a comprehensive framework will have clear benefits not only in furthering research knowledge but also for both policy makers and managers. Thus research based on this framework can, for example, help policy makers in gaining a better understanding of the institutional areas that need to be strengthened to assist further adoption of social and environmental sustainability. Similarly managers can gain a better and more comprehensive understanding of the stakeholders that seek their organization to be more sustainable. It will also allow them to reflect on how they can leverage their internal competencies, to achieve greater sustainability. Overall, this framework will allow researchers, organizations and policy makers, to better analyse and deal with the risks posed by and opportunities offered by sustainability.
Table 1 Limitations of singular theoretical frameworks in guiding research in corporate sustainability

<table>
<thead>
<tr>
<th>Theoretical perspective</th>
<th>Contribution to framework</th>
<th>Issues the theory is ambivalent about</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stakeholder theory</td>
<td>Pressure from stakeholders can contribute towards corporate sustainability.</td>
<td>What are the mechanisms that govern stakeholder salience?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>This is where resource dependence theory informs stakeholder theory.</td>
</tr>
<tr>
<td>Resource dependence theory</td>
<td>Stakeholder salience can in part be explained on the basis of a firm’s dependence on stakeholders for critical external resources.</td>
<td>Firms however compete not only for resources but also for legitimacy.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Inputs from institutional theory provide a framework for understanding legitimacy drivers.</td>
</tr>
<tr>
<td>Institutional theory</td>
<td>Explains how desire for social legitimacy leads firms to conform to institutionalized sustainability norms.</td>
<td>Does not explain why firms facing similar institutional pressures differ in their sustainability strategies.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Resource based view addresses this issue.</td>
</tr>
<tr>
<td>Resource based theory</td>
<td>Focuses on the role of internal resources of a firm as a source for differentiating social and environmental strategies.</td>
<td>Resource based view does not explicitly focus on the “outside in” determinants.</td>
</tr>
</tbody>
</table>

The combined perspectives from the above four theoretical perspectives can provide a holistic explanation of the external (institutional and resource dependence factors) and the internal (resource based) dynamics.
Table 2 Resource dependence dynamics (based on Frooman, 1999).

<table>
<thead>
<tr>
<th>Is the firm dependent on the social stakeholder?</th>
<th>Is the social stakeholder dependent on the firm?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
</tr>
<tr>
<td>Yes</td>
<td>Stakeholder power (direct-withholding strategy) 1</td>
</tr>
<tr>
<td>(For example, consumers of multinational products who can easily switch brands without any real loss to themselves; for example between Nike shoes and Adidas shoes)</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>Low interdependence (indirect-withholding strategy) 2</td>
</tr>
<tr>
<td>(An example of this can be environmental NGO’s acting through alliances with consumers. Thus the NGOs themselves may not have the requisite power, but can incite consumers against the ‘guilty’ organization.)</td>
<td></td>
</tr>
</tbody>
</table>
What drives organizations to be socially and environmentally responsible?

Stakeholder theory provides an initial anchor (stakeholders with power legitimacy and urgency can drive organizations to be socially and environmentally responsive)

Resource dependence theory helps unpack how stakeholders gain the resources required to access these attributes (power, legitimacy and urgency)

Figure 1: Role of stakeholder and resource dependence theories in informing the drivers of corporate social and environmental responsiveness
Figure 2: Incorporating institutional explanations of corporate social and environmental responsiveness

Stakeholder theory provides an initial anchor (stakeholders with power, legitimacy, and urgency can drive organizations to be socially and environmentally responsive).

Resource dependence theory helps unpack how stakeholders gain the resources required to access these attributes (power, legitimacy, and urgency).

Institutional theory helps account for the role of institutions in driving corporate environmental and social responsiveness.

What drives organizations to be socially and environmentally responsible?
Figure 3 Holistic conceptual framework using multiple theoretical lenses

**Stakeholder Theory**
Stakeholders with power legitimacy and urgency can drive organizations to be socially and environmentally responsive

**Resource dependence theory**
Who are the stakeholders with power, legitimacy and urgency and through what pathways do they attain these attributes?

**Institutional theory**
What is the role of institutional stakeholders in driving corporate environmentalism?

**Corporate social and environmental sustainability**

**Resource based theory**
What is the role of factors internal to firm in influencing the adoption of corporate environmental responsiveness?
References


