

Businesses Going Green: An Analysis of the Factors that Motivate Firms to Adopt Environmentally Friendly Practices

--Emma Currin--



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ABSTRACT

In general, businesses are increasingly putting substantial weight on adapting their practices in order to become more environmentally friendly. This article aims to discover the primary factor motivating this shift. Current scholarship, when read together, suggests that there is no one answer, but rather that businesses are motivated by a combination of complying with laws and regulations, being a responsible corporate citizen and gaining an advantage that will result in increased profitability. This article explores why a company may be motivated by each of these three factors to adopt environmentally friendly practices and explains how these factors are interrelated. A content analysis of shareholder reports from various companies on the 2010 Dow Jones Sustainability Index (DJSI) is conducted and analyzed to determine what it is CEOs are saying about their sustainable efforts, then the reasons for variance among these responses are examined.

Introduction

Throughout the past few decades, the world has witnessed such environmental catastrophes as the Union Carbide disaster in Bhopal, India; the nuclear crisis in Chernobyl, USSR; the warehouse fire of a chemical manufacturer at Basel, Switzerland; the oil spill by the *Exxon Valdez* off the coast of Alaska, USA; and many others (Quazi, Khoo, Tan, & Wong, 2001). These disasters have raised global concerns regarding corporations' impact on the environment and thus have generated a widespread interest in learning how to prevent them. More recently, society faced one of the greatest disasters of all time: the BP oil spill in the Gulf of Mexico in 2010. During the three-and-a-half-month spill, nearly five million barrels of oil leaked before experts could finally begin to assess the extent of environmental destruction, and it appears that this incident will have a devastating impact on the Gulf for years to come (National Commission, 2011). A significant common denominator of these tragedies is that they were caused by the failures of a corporation to ensure the safety of its practices and to appreciate the potential it has to create irreparable harm.

As a result of the relatively recent man-made disasters, the public has observed an increasing number of companies demonstrating their individual efforts to become more environmentally friendly. Consumers typically see these efforts demonstrated with such phrases as "100% natural" and "made with [some percent] recycled material" stamped across products. Some firms will invest the time and resources necessary to meet the standards of a number of third-party organizations in order to gain permission to use their eco-labels. Energy Star, USDA Organic, Green Seal Certified, WaterSense, Design for the Environment and Forest Stewardship Council are just a few of the most commonly seen eco-labels in the United States. All of the firms utilizing these eco-labels must have fulfilled the sustainable requirements set forth by each labeling organization. For example, a manufacturer of faucets or toilets wishing to place a WaterSense label on its products must first establish a WaterSense partnership agreement with the Environmental Protection Agency (EPA), and then the company must have a licensed certifying member of the EPA inspect its products to determine whether or not they conform to the detailed set of criteria for that class of products (EPA, 2012). What is their primary motivation for doing this? Have companies finally started to realize their current and potential impacts on the world, or is this just another marketing scheme in an attempt to tap into an environmentally aware customer base?

The purpose of this analysis is not to degrade environmentally friendly efforts by firms, but rather to explore their motivations for adopting such sustainable initiatives. Current research suggests that businesses are motivated to adopt environmentally friendly practices by a combination of legal requirements, corporate social responsibility and gaining some sort of economic advantage such as reduced costs, increased market share and similar financial benefits. Determining what it is that contributes to a firm's decision-making process can have several positive implications. It may help a firm to address the changing needs of an evolving society, the government to propose relevant and effective legislation, and consumers to understand their role in the business process more accurately.

The present study first presents a review of the relevant literature on motivations in adopting sustainable behaviors, summarizing with key hypotheses that were tested using a content analysis. The research methodology is described, and the analytical process is discussed. Finally, results are presented along with a prediction of future implications.

Literature Review

Scholars suggest a number of motivational forces that impact the sustainability efforts of companies. While not all authors agree on one set of factors, three influential motivational factors have been frequently mentioned. The first of these is basic legal compliance. The second factor suggests that businesses adopt these practices because executives feel it is the responsible thing to do. The third, and most frequently mentioned, factor is in support of the business case. The phrase “business case” refers to the notion that companies will ultimately do what is good for business in terms of competitive advantages and financial opportunities. A business case for sustainable development is “not about producing less, but producing better; not about consuming less, but consuming differently . . . and not about improving the environment alone, but about improving quality of life” (Young, 2006, p. 1443). Being motivated by a business advantage suggests that firms will only implement environmentally friendly, or “green,” practices if these changes help increase revenue and reduce costs. This is demonstrated in the net income portion of a firm’s income statement, otherwise known as the bottom line. When a company addresses all of these factors, it can be said that it is concerned with the “triple bottom line,” which takes into account social, environmental and financial responsibilities (Norman & Macdonald, 2004).

Hendry and Vesilind (2005) argue that companies motivated by ethical concerns are morally admirable since the motivation is not selfish. However, by applying Kohlberg’s theory of moral development, these authors suggest that businesses will not be able to reach this stage of moral consideration until they have a financially stable foundation. Kohlberg’s theory of moral development describes the progression of motivations for people’s actions: a person will first act solely to seek personal achievement and to avoid punishment, then will consider the consequences of actions on his/her peers and surrounding community, and lastly will be deterred from producing negative actions purely out of a concern for the benefit of society in general. Kohlberg’s theory of moral development as applied to a firm’s decision to “go green” is provided in [Figure 1](#) (Hendry & Vesilind, 2005, p. 257).

This application of Kohlberg’s theory of moral development suggests that companies will adopt green practices at all stages; however, a firm will only choose to exhibit corporate social responsibility once its legal and financial obligations have been fulfilled. Although not working simultaneously, it is proposed by this application that a firm can be motivated to adopt sustainable practices by all three factors: legal compliance, corporate social responsibility, and economic advantage.

1.0 Legal Compliance

The first noteworthy factor derived from the research analyzes the influence of laws and regulations regarding business practices and the environment. A firm is typically regulated by its incorporating government as well as by non-governmental bodies. In the United States, the EPA and Presidential Executive Orders contain the greater part of the authority to legally bind a firm to federal standards. The EPA, along with its formulation of regulations like the Clean Water Act and Clean Air Act during the 1960s and 1970s, helped to fortify the objectives of such non-governmental organizations (NGOs) as Greenpeace, the Natural Resources Defense Council and the Environmental Defense Fund. While NGOs cannot legally enforce their recommendations to businesses, these organizations are successful in influencing the practices of firms in a number of ways, including gaining support for such actions by consumers and lobbyists. The Coalition for Environmentally Responsible Economics was created in the wake of the *Exxon Valdez* oil spill in 1989 and produced a set of principles, originally known as the Valdez Principles, by which companies should abide. The tenth principle makes this coalition meaningful by requiring participating firms to submit a standardized environmental report each year (Hendry & Vesilind, 2005). This has furthered the Global Reporting Initiative, a framework that sets up globally accepted reporting procedures, by urging companies to make performance information available to the public. The International Standards Organization (ISO), a non-governmental international organization, created the ISO14000, which is a set of standards for management and products that also “covers environmental management systems, environmental auditing and related investigations, environmental labeling and declarations, environmental performance valuations, and life-cycle assessment” (Hendry & Vesilind, 2005, p. 253).

Businesses are analyzed with respect to these regulations and recommendations to determine how these factors influence a firm’s decision-making process regarding the environment. Arnold and Whitford (2006) discuss at length the use of such environmental management systems as ISO14001, which provides a firm’s managerial staff with a systematic approach for identifying and continually improving its environmental impact. These authors suggest that businesses should regulate themselves since current regulatory agencies do not have the resources available to keep up with changing materials and practices being used by corporations. Ord (2009) touches on this issue by suggesting that third-party initiatives, including the Dow Jones Sustainability Act, the Carbon Disclosure Project and the Greenhouse Gas Protocol Corporate Reporting & Accounting Standard, are promising because they aim to increase transparency and credibility of firms. Nonetheless, it remains difficult to tell which companies are truly adopting these initiatives because many reporting practices like those listed above are voluntary, and companies may choose what information they disclose.

Another problem regarding this issue is that regulation will not have universal compliance since domestic environmental laws vary between nations, and there is no international governing body to enforce consistently the same laws. Furthermore, it is suggested that there is not a significant push for businesses to comply with the policies that are currently in place because regulation entities are restrained in their monitoring and enforcement activities due to a lack in fiscal resources (Lyon & Maxwell, 2008). Bernhagen (2008) provides the reader with various limitations to International Environmental Agreements depending upon environmental,

economic, political and social impacts. Financial and technological resources along with adequate infrastructure may not be available to some firms operating within certain regions. Also, businesses located in areas with political and social instability have issues other than long-term environmental impacts that require immediate attention. Bansal and Roth (2000) agree with Clapp (2005) in stating that businesses adhere to regulations for such practical reasons as avoiding sanctions, bad publicity, fines and penalties, punitive damages, clean-ups, discontented employees and other risks. Bansal and Roth (2000), in their analysis of eco-friendly corporations, reported that “one respondent identified the purpose of compliance initiatives by saying, ‘I know our [environmental] policy is just a piece of paper. It is just for making stakeholders nice and warm and cuddly’” (p. 727).

Corporate Social Responsibility

Another theme found in current research explores whether or not it is possible for businesses to adopt green practices simply because it is the right or responsible thing to do. Some authors argue that businesses can adopt environmentally friendly practices as a way of being socially responsible. However, others argue this is done with some goal in mind of gaining a competitive advantage. Environmental corporate social responsibility is defined as “environmentally friendly actions not required by law, also referred to as going beyond compliance, the private provision of public goods, or voluntarily internalizing externalities” (Lyon & Maxwell, 2008, p. 240-1). Lyon and Maxwell break down corporate social responsibility (CSR) into strategic CSR, which increases profits, and altruistic CSR, which is derived from moral considerations. The authors agree that this distinction is made because there would be little to discuss if the only firms analyzed were those that were motivated to be responsible solely due to ethical concerns.

The increasing pressure exerted by outsiders urging firms to become more socially responsible is analyzed by giving special notice to NGOs and their influential efforts, which include boycotts, media attention and endorsements. Since “55 percent of Americans trust NGOs,” while “less than 30 percent trust CEOs of major corporations,” firms have a substantial interest in submitting to the practices supported by non-governmental organizations because it gives them increased legitimacy (Lyon & Maxwell, 2008, p. 251). Supply and demand forces are also analyzed to determine the impact of key players within the market. Buyers, investors and employees are continuing to show a strong desire to work with companies that are socially responsible. In fact, a survey of recent Cornell University graduates “found that many are willing to accept substantially lower salaries from firms engaged in socially responsible activities” (p. 244). Transnational corporations need to pay close attention to their supply chains, since they “are typically under pressure from their stakeholders to adopt specific CSR principles and policies” (Sarkis, Ni, & Zhu, 2011, n.p.). As a way of responding to customer needs, corporations have required their suppliers in developing countries to adopt sustainable practices as well in order to continue doing business with them.

Kolk and Tulder (2010) argue that there is a need for firms to be socially responsible when considering legal and financial obligations. They suggest that CSR helps firms to respond to the demands of their stakeholders and in return gives these firms a competitive advantage. Brown and Flynn (2008) agree that the role of stakeholders is ever increasing, and businesses should see

CSR as an opportunity to advance while doing good deeds simultaneously. Okereke (2007) also agrees with the above proposals but takes another approach in justifying this position by stating that the reason businesses take green action is not out of concern for the environment, but rather as a way to gain “cheap” popularity. By this, he means that although firms may look like they are being socially responsible, their primary motivation for doing so is for the desirable image gained.

In an opposing example of why businesses would voluntarily demonstrate their level of CSR, Li-Wen (2010) cites the current conditions in China and discusses how corporate social responsibility is critical to the success of a company as well as to humankind. Chinese companies in particular are motivated by the health risks and potential protests due to China’s current level of pollution. Since environmental regulations in China have not yet caught up to the massive economic growth the country has experienced, this situation demonstrates how a firm can act out of moral obligation first. This particular example suggests that companies are motivated by ensuring the happiness and safety of the population in order to make it feasible to continue operations. In support of this view, Lyon and Maxwell (2008) discuss how a firm is still considered to be socially responsible by adhering to voluntary agreements, even if it is foreseen that these practices will inevitably become law. For those firms operating in China that have yet to adopt altruistic CSR practices as described above, the recent institutional pressures from government entities, industries, communities, media, NGOs and unions will have a strong influence in firms adopting strategic CSR practices in the years to come (Sarkis, Ni, & Zhu, 2011).

Economic Advantage

The third and most frequently addressed question posed by researchers is whether or not businesses implement green practices with the sole purpose of increasing net income, or the bottom line. There is a recurring argument within this topic stating that although businesses are motivated by making money, implementing sustainable practices also allows for companies to be ethically responsible. This argument proposes that even if companies are motivated by financial means, other stakeholders, like customers and the natural environment, are able to benefit as well. Kolk and Tulder (2010) argue that businesses can increase their profits by complying with current laws and regulations and by obtaining corporate social responsibility strategies. Hendry and Vesilind (2005) state how lowering energy expenses increases profitability and how this leaves opportunity for improved customer relations and reputation. Okereke (2007) cites motivations and drivers to adopt sustainable practices—all of which relate to the focus on making money. These include such outcomes as increasing profits, establishing credibility in regards to policy development, satisfying fiduciary obligations, avoiding risks associated with climate change and gaining consumer trust and loyalty. He claims that a company can be ethical so long as it does not hurt the firm’s bottom line. Bansal and Roth (2000) discuss how businesses can gain a competitive advantage through sustainability by gaining market share. Companies can gain a greater share by appealing to environmentally conscious consumers, experiencing cost reduction through efficiencies and becoming a global leader as a first mover of sustainable practices and setting the standard for other firms. They state that businesses will

adopt sustainable practices regardless of the good it causes *only* if it is beneficial to the bottom line.

Dahl (2010) discusses the marketing technique of “greenwashing” and how the phrase “environmentally friendly” is taken advantage of in order to attract a large segment within the market of eco-friendly consumers. It is argued that the benefits of changing products, processes and brand image to be more environmentally friendly outweigh the costs of doing so (Chen, 2007). Hendry and Vesilind (2005) argue that in accepting the view of economist Milton Friedman that “[t]he one and only social responsibility of business [is] to use its resources and engage in activities designed to increase its profits” (p. 254), adopting sustainable practices is acceptable in this case. Heinkel, Kraus and Zechner (2001) argue that because firms act in ways that maximize share price, they would consider reforming to non-polluting technologies if neutral investors switched to being green investors and only invested in acceptable firms. While some green technologies increase sales and others reduce costs, those “that not only yield increased sales but at the same time decrease expenses are the perfect recipes for the adoption of green practices by a company whose primary driving forces are financial concerns” (Hendry & Vesilind, 2005, p. 255).

It is evident that there are multiple ways in which businesses can capitalize on their efforts to become more sustainable, so it was hypothesized that a close analysis of selected firms would reveal that most firms mention all three motivations when discussing why environmentally friendly practices were implemented. Due to differing levels of development among nations, it was also hypothesized that firms within highly developed nations would cite CSR more often than those in developing nations. Finally, it was hypothesized that firms in industries with a more direct connection to consumers would identify CSR as a motive more often than those in other industries.

Methodology

This research was compiled from an extensive literature view that was gathered through the use of various databases and scholarly, peer-reviewed journals. The majority of authors reviewed were current or former university professors from around the world specializing in the fields of management, marketing, public administration, sustainable management, environmental engineering, international relations and law. In addition to scholarly articles, media sources were also utilized in order to explore some of the current issues regarding firms and their interactions with the natural environment. A number of companies were examined further using their websites, press releases and company profiles from online databases in order to gain a deeper understanding of companies’ motivations to “go green.”

In order to test the findings of scholars, a content analysis of shareholder reports was conducted in order to determine what it is that firms describe as their motivations to “go green.” The first step in this process involved the 2010 Dow Jones Sustainability Index (DJSI) since this list includes the top 10% of the leading sustainable firms out of 2500 of the world’s largest firms on the Dow Jones Stock Market Index. This list is updated annually based upon a corporate sustainability assessment, which involves long-term economic, environmental and social aspects.

Since these firms are already identified as those that are the most environmentally responsible, these are the ones used to conduct the content analysis. The motivations as to why sustainable practices were implemented as stated by these firms will be more evident than those from firms lacking an emphasis on sustainability.

The firms were then organized by nation and industry so that a few firms from each category were selected for comparison purposes. Since companies operating within different nations and industries have varying circumstances, the motivations between firms may differ. It is likely that firms headquartered within developed nations have greater access to financial and technological resources needed in order to develop and implement sustainable practices than those in developing nations do. Furthermore, the firms in highly developed nations are likely under greater scrutiny by consumers and governmental bodies to adapt to social change.

A chart was then created to organize firms included on the DJSI (see [Figure 2](#)). Ten firms were selected representing six nations (Norway, Australia, United States of America, India, South Africa and Thailand) and six industries (basic materials, oil and gas, industrials, financials, consumer goods and technology). Nations were selected by utilizing the Human Development Index (HDI) to determine which firms on the DJSI were most and least developed. The HDI measures a nation's health, education and living standards in order to develop a statistic representing a nation's social and economic development. Industries were selected based upon whether they involve a large or small amount of direct contact with consumers. Firms represented within these categories were then randomly selected. This analysis is limited to only 10 of the 325 firms present on the DJSI.

From here, a content analysis of each of the firm's letters to its shareholders was conducted. In these letters, companies defend their reasons for implementing certain practices to their shareholders. This analysis was performed by going through the specified firms' letters to shareholders and coding the document to determine which words and phrases would count when identifying a firm's motivating factors. Such phrases as "in order to" and "in response to" aided in determining when a motivational factor was present. Simply stating that a firm adopted a sustainable practice was not counted in the analysis because it did not explain *why* it was implemented. A motivating factor for legal compliance would state, for example, "in response to" a certain law. Motivating factors for corporate social responsibility were found when firms mentioned the need to be a good corporate citizen, to preserve the environment for future generations and to minimize their environmental impacts. When drivers like strategic opportunities, profitability, competitiveness and economic progress were mentioned, they each counted towards the motivational factor of gaining a business advantage. The total number of times each factor was mentioned within each letter was then divided by the total number factors mentioned in order to derive a percentage of motivation that could be attributed to each type of factor mentioned by firms.

After completing the content analysis of the letters to shareholders, the hypotheses were tested. First, it was predicted that, regardless of country or industry, each firm analyzed would include each of the three motivating factors previously identified by scholars in their research. The second prediction was that firms in developed nations would focus more on corporate social

responsibility than those in developing nations because those in developed nations are more likely to have the knowledge and resources to pursue CSR practices. The third prediction was that firms operating in industries with more direct customer interactions would state that they were more focused on corporate social responsibility than firms in other industries because these firms with direct consumer interaction have a stronger need to satisfy their final customers.

Findings

Current scholarship has attempted to demonstrate how a particular factor can influence a firm's desire to adopt environmentally responsible practices. Although previous scholars have been successful in arguing how each motivational force exists within the corporate world, these factors should not be considered independent of one another. Whereas most authors have attempted to argue how one motivation has more influence than another, it seems evident that all three factors studied here play a substantial role in business decisions. While it is true that businesses must maintain their primary focus on what will ensure their continuing existence, a firm can no longer afford to neglect the needs of any of its stakeholders.

As noted previously, the analysis of motivations is somewhat limited due to the lack of enforcement of international environmental laws. Those laws that are in place are not strongly enforced and all other regulations remain voluntary. Due to a lack of corporate transparency and unreliable reporting in the international arena, it is also difficult to determine which corporations are actually adhering to these laws and which ones merely claim to do so.

The argument made for financial gain as a motivator is only upheld if a firm is able to successfully increase revenue, decrease costs or both. If neither of these criteria is met, then a firm will either be motivated to adopt environmentally friendly practices through legal compliance or out of a sense of moral obligation to be socially responsible.

After conducting a content analysis of letters to shareholders, it was found that overall, 14.7% of motivational factors spoke to legal compliance, 47.7% referred to corporate social responsibility, and 37.6% were attributed to some sort of business-related advantage. These findings differed slightly depending upon the development of the nation in which firms were headquartered and the type of industry in which a firm operated. While all firms emphasized CSR, business advantage, then legal compliance in this order regardless of national development levels, the amount of emphasis on each factor varied. While firms in developed nations attributed 9.1% of their reasoning to adopt sustainable practices to legal compliance, 18.6% of the reasoning mentioned by firms in developing nations involved the first factor of abiding by laws and regulations. Those in developed nations also tended to cite the need to be socially responsible at a higher rate than those in developing nations did. When analyzing the differences between industries, it was found that firms operating in industries with direct consumer involvement (consumer goods, financial and technology) devoted 10% more of their reasoning behind adopting sustainable practices to corporate social responsibility than those with indirect consumer involvement did (this includes basic materials, industrials, and oil and gas industries). A complete list of calculations and results for each firm can be found in [Table 1](#). [Figure 3](#) demonstrates the number of motivations mentioned by all firms together. Percentages were also

derived to portray the differences among nations ([Figures 4.1 and 4.2](#)) and industries ([Figures 5.1 and 5.2](#)).

Conclusions

Drawing from the existing scholarship, it can be determined that businesses are motivated to adopt environmentally friendly practices by a combination of factors including legal requirements, ethical considerations and financial benefits.

The findings proposed in this discussion are helpful in offering a general explanation as to why any firm would want to become more green. However, these conclusions were derived from research that did not take any other factors into consideration. In order to further evaluate the adoption of environmental policies on corporations, a few distinctions should be made since companies vary in their size and scope. First, firms can be analyzed on their size. What is good for a multinational corporation may not be feasible for a small, family-owned business. Second, businesses can also be broken apart based upon their geographic segments. Environmental policies differ from region to region and thus not every firm around the globe will be motivated in the same way. A third means by which companies can be examined is through their product offerings. Although each industry allows for ecological improvements to be made in some way, the ability of a manufacturing company to “go green” is going to be far different from that of a technology company, for example. Different industries may also be under stricter scrutiny than others by the public simply due to the nature of particular products.

Knowing what influences companies to become more responsible regarding the natural environment is becoming of increasing importance to a number of stakeholders. Businesses can benefit from understanding the strategic decision-making process when it comes to adapting practices for a number of reasons. By becoming more environmentally friendly, firms may be able to reduce costs by means of reducing waste and increasing efficiencies. Although the implementation of some environmentally friendly policies can have high initial costs, firms will be able to make up for this by avoiding fines and lawsuits associated with negative environmental impact. Additionally, firms are better able to position themselves within their industry by improving brand image, thus gaining an advantage in market share. Since a corporation’s primary obligation is to maximize shareholder wealth, investors can also gain from sustainable practices. When firms begin to adopt environmentally friendly practices, they typically like to make this known to the general public. As firms become more transparent in their practices, consumers are able to make more informed decisions about from whom they want to make purchases. Local and international regulatory institutions may also benefit by experiencing decreased resistance to the adoption of environmental policies. Furthermore, consumers are able to put pressure on those firms that do not currently possess responsible practices similar to those of their competitors. It goes without saying the natural environment also benefited from the adoption of such practices with a decrease in pollution as well as the preservation of resources and habitats.

FIGURES

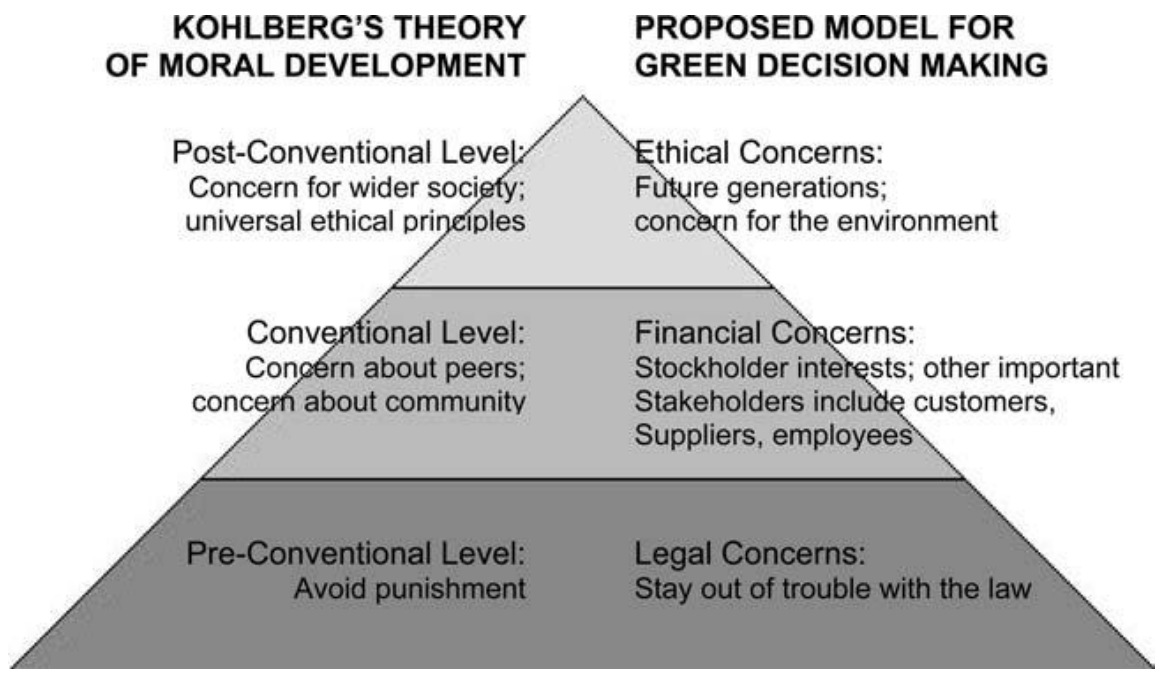


Figure 1—(Source: Hendry & Vesilind, 2005)

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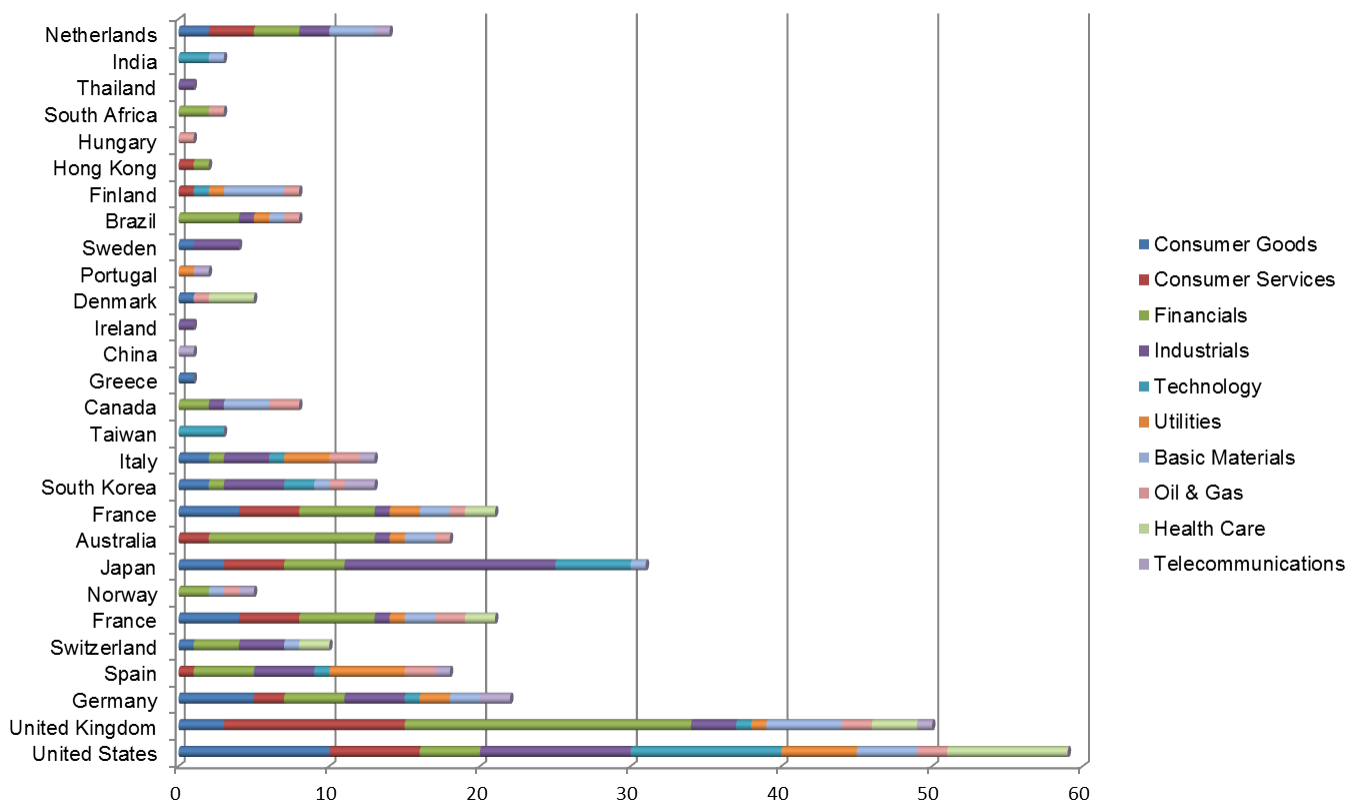
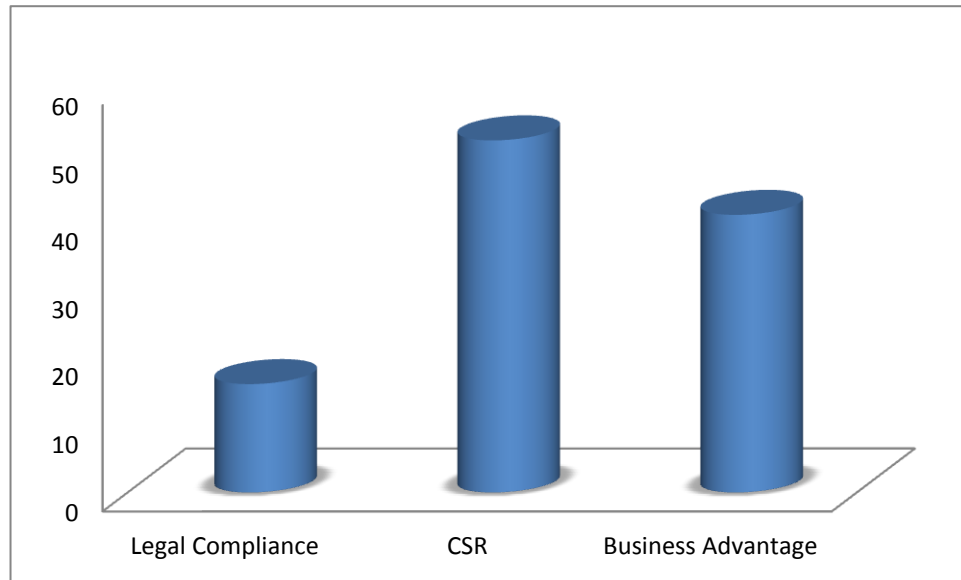


Figure 2: Firms Included on Dow Jones Sustainability Index by Country and Industry.

The chart above organizes all of the firms included within the Dow Jones Sustainability Index (DJSI) from the year 2010. The DJSI includes the top 10% of the leading sustainable firms out of 2500 of the world's largest firms on the Dow Jones Stock Market Index. This chart includes 325 countries including representation from 27 nations across 9 industries.

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**Figure 3: Motivations, Including All Firms--
Percentage of Incidences:**

Legal Compliance: $16/109 = 14.7\%$

Corporate Social Responsibility: $52/109 = 47.7\%$

Business Advantage: $41/109 = 37.6\%$

(109 is the total number of motivating factors by every firm combined)

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Figures 4.1 and 4.2: Motivations Dependent Upon National Development

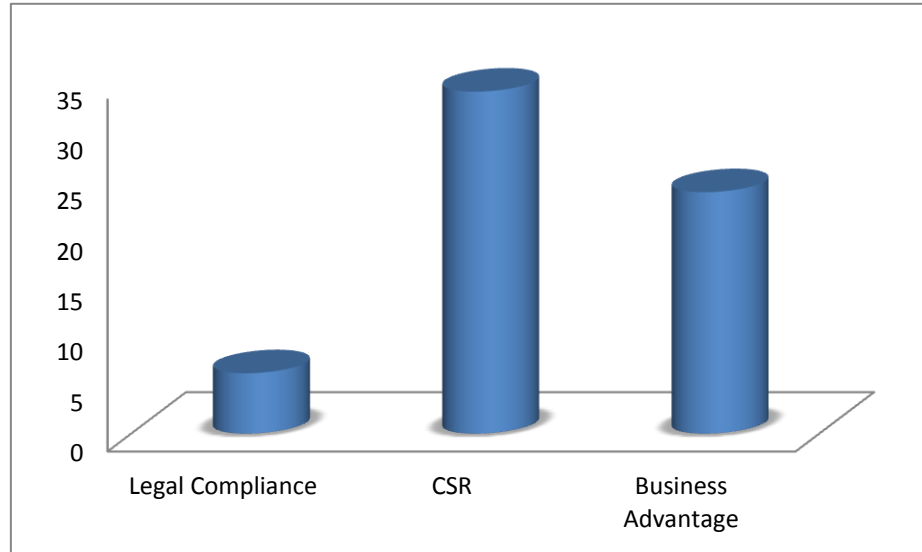


Figure 4.1: Developed Nations (Norway, Australia, United States):

Legal Compliance: $6/66 = 9.1\%$

Social Responsibility: $34/66 = 51.5\%$

Business Advantage: $24/66 = 36.4\%$

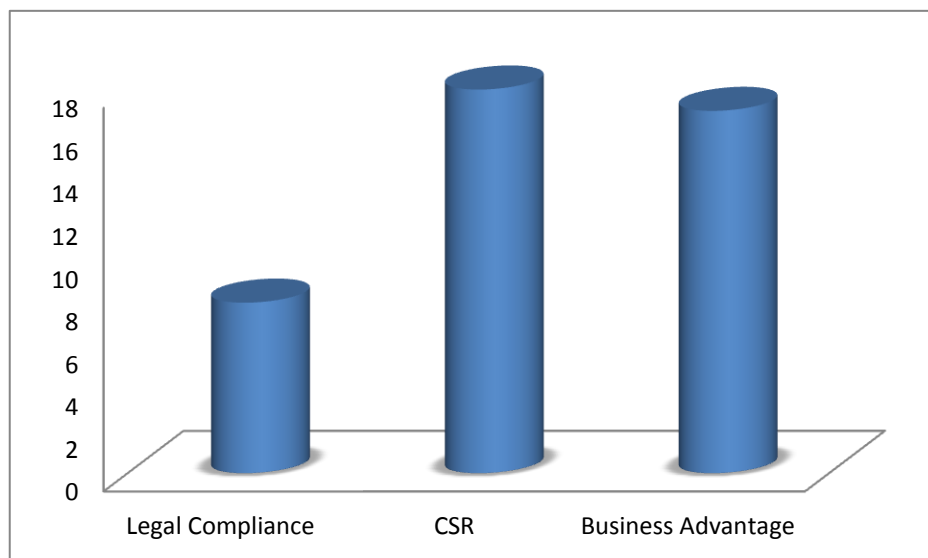


Figure 4.2 Developing Nations (India, South Africa, Thailand):

Legal Compliance: $8/43 = 18.6\%$

Corporate Social Responsibility: $18/43 = 41.9\%$

Business Advantage: $17/43 = 39.5\%$

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Figures 5.1 and 5.2: Motivations Dependent Upon Type of Industry

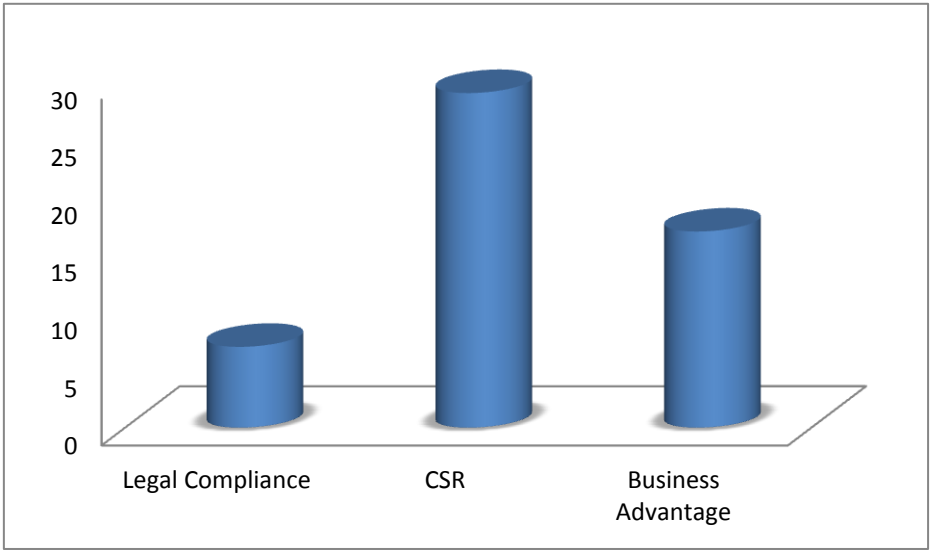


Figure 5.1: *Direct Consumer Involvement (financials, consumer goods, technology):*

Legal Compliance: $7/53 = 13.2\%$
Social Responsibility: $29/53 = 54.7\%$
Business Advantage: $17/53 = 32.1\%$

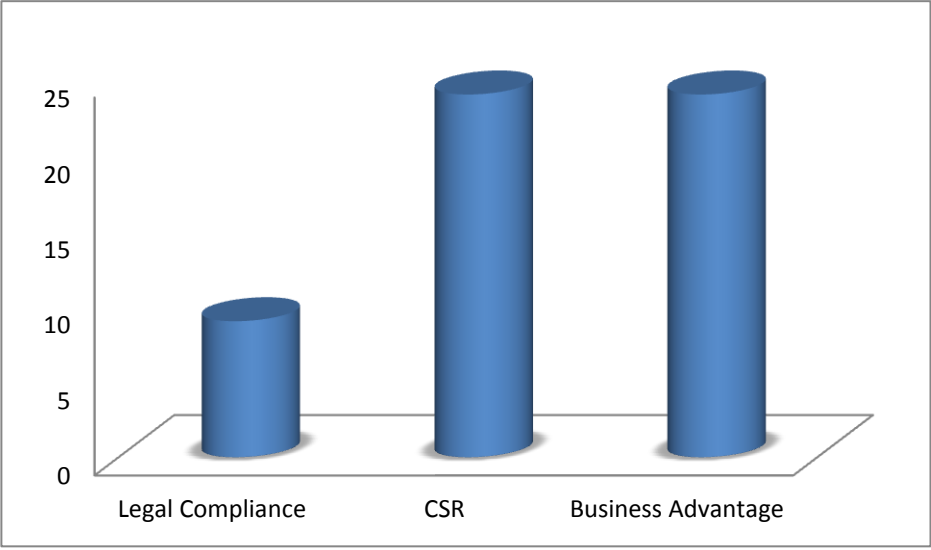


Figure 5.2: *Indirect Consumer Involvement (basic materials, oil & gas, industrials):*

Legal Compliance: $9/57 = 15.8\%$
Social Responsibility: $24/57 = 42.1\%$
Business Advantage: $24/57 = 42.1\%$

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TABLES

Company	Legal Compliance	Corporate Social Responsibility	Business Advantage
Norsk Hydro Norway – basic materials	2 – 8.7%	10 – 43.5%	11 – 47.8%
Statoil Asa Norway – oil & gas	2 – 18.2%	5 – 45.5%	4 – 36.4%
Transurban Group Australia – industrials	1 – 20%	2 – 40%	2 – 40%
Stockland Australia – financials	1 – 12.5%	5 – 62.5%	2 – 25%
Dell, Inc. United States – technology	0 – 0%	5 – 55.6%	4 – 44.4%
Whirlpool Corporation United States – consumer goods	2 – 20%	7 – 70%	1 – 10%
Wipro Ltd. India – technology	3 – 21.4%	7 – 50%	4 – 28.6%
Investec Ltd. South Africa – financials	1 – 9.1%	4 – 36.4%	6 – 54.5%
Sasol Ltd. South Africa – oil & gas	3 – 30%	3 – 30%	4 – 40%
Siamcement PCL Thailand – industrials	1 – 12.5%	4 – 50%	3 – 37.5%

Table 1: Content Analysis Results

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