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Par

José MAILLET

Corporate Environmentalism in Advanced and Emerging Markets:

Stakeholders, Environmental Orientation and Environmental Strategy across Multinational Corporations in India and France

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Rapporteurs avant soutenance :

Andrew Gershoff	Professeur étranger, McCombs School of Business
Pierre Valette-Florence	Professeur des Universités, Université Grenoble Alpes

Composition du Jury :

Président :	Michelle Bergadaà	Professeur des Universités, Université de Genève
Examinateurs :	Andrew Gershoff	Professeur étranger, McCombs School of Business
	Pierre Valette-Florence	Professeur des Universités, Université Grenoble Alpes
	Nicolas Antheaume	Professeur, Université de Nantes
Dir. de thèse :	André Sobczak	Professeur, Audencia Business School
Co-dir. de thèse :	Judy K. Frels	Professeur étranger, Université du Maryland

Abstract

What drives multinational corporations to adopt environmental orientation and strategy? Do these factors differ between emerging and advanced markets and between industrial sectors? This research uses stakeholder theory and extends the corporate environmentalism concept to answer these questions and to describe and analyze the process by which firms integrate environmental concerns into their orientation and strategy. Five antecedents drive corporate environmentalism: public concern, regulatory forces, competitive advantage, shareholder concern and top management commitment. Two moderators are proposed: market type, advanced or emerging, and industry type. An exploratory analysis was conducted to develop testable hypotheses. A survey of 409 executives in India and France confirmed the moderating effect of market type on the relationship between the five antecedents and the environmental orientation and strategy of the firm. Top management commitment mediates the effect of competitive advantage on internal environmental orientation in French firms, whereas is has no effect in Indian firms. The moderating effect of industry type revealed that people concern has a significant effect on environmental orientation in high and moderate environmental impact industries. Theoretical and methodological contributions presented imply strategic and practical applications for companies and managers and public policy decision makers.

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Introduction and Outline

Two hundred years after the beginnings of massive industrialization and the first steam locomotive, the model of development of contemporary societies remains the same: humans build machines and transform raw materials that enable them to shape the world according to their needs and aspirations, to have more free time to create, undertake, develop their capabilities (Sen 1985). Despite this apparent similarity, everything changed in two hundred years. Humanity has grown from about one billion in 1800 to more than 7.5 billion in 2017 (UNCTAD 2017). The deep poverty rate - less than $ 1.90 per day (World Bank 2015) - has fallen from 41.9% in 1981 to 10.7% of the world's population in 2013 (World Bank 2015) and consequently many countries pulled themselves out of poverty to become emerging economies, such as China, India, Brazil and many others. This combined increase in population, per capita consumption and the internationalization of trade have enabled many companies to develop internationally to the point of becoming huge and powerful industrial conglomerates with intercontinental branches.

Nevertheless, this global economic boom creates several problems, particularly in the environmental field.

On the one hand, the increase in the number of inhabitants and their level of consumption exert a growing pressure on the natural environment through the increased exploitation of natural resources. While the extraction of raw materials for human activities was marginal at the beginning of the industrial era, it has become increasingly significant to the point of questioning for some forty years the viability of the dominant economic model based on unrestricted growth limit, despite the amount of natural resources given once and for all (Meadows 1972). The ambition of feeding eleven billion people in 2100 (UNCTAD 2017) and offering them the material level of advanced markets is thus confronted with physical limits linked to the finite quantity of natural resources that can be extracted in nature to be transformed. The peak of global production of some non-renewable natural resources (on the scale of human time), such as oil, appears to be imminent, or even already reached, according to some studies ("Transport energy futures: long-term oil supply trends and projections" 2009).

On the other hand, human activities are exerting increasing pressure on ecosystems through deforestation, urbanization, pollution of aquatic areas, greenhouse gas emissions into the atmosphere. These global changes question the long-term consequences for ecosystems and for human societies (IPCC 2013).

Section 1 - The Study in Context

From a traditional economic perspective, the natural environment is dissociated from the economic field: environmental costs are treated as externalities and should not interact directly with business whose responsibility is only to "increase its profits" (Friedman 1970). Such neoclassical economic theories show weaknesses when it comes to conceptualizing corporate environmentalism. Several studies have helped to reassess this neoclassical economic approach and have discussed the emergence of new paradigms such as the ecocentric paradigm and the paradigm of sustainable development (Gladwin et al., 1995, Purser et al. 1995, Shrivastava 1995a). As such, environmental impacts and the associated costs are rarely borne by the companies and, therefore, these costs are not accounted for and are simply referred to as externalities. Petulla (1980) shows that governments often attempt to measure the cost of environmental degradation in order to pass on the cost to businesses in the form of taxes.

Nevertheless, a growing number of financial institutions such as the World Bank are taking very seriously the economic consequences of environmental degradation and consequently climate change. Nicholas Stern, former senior vice president of the World Bank from 2000 to 2003, issued a report in 2007 alerting the major economic consequences of global warming from 2°C to 3°C. In 2013, the update of his research led him to acknowledge that he had underestimated the colossal economic costs of global warming: "I got it wrong on climate change - it's far, far worse". The Guardian, 2013). Jim Yong Kim, the current president of the World Bank, has given priority to fighting climate change (World Bank 2017).
In the same vein, the IPCC, an UN agency responsible for "appraising scientific, technical and socio-economic information concerning the risk of man-made climate change", published a report in 2007 and showed that the last 150 years of industrial development have generated planetary environmental disorders, the long-term consequences of which are still largely unpredictable (IPCC, 2007).
These above-mentioned institutional reports (Word Bank, IPCC, NASA) over the past several decades raised worldwide environmental awareness. This awareness infused at several levels in societies. It not only affects both states and their political actors, but it also has an impact on

the private sector, non-governmental organizations, civil society and the public. There are a multitude of ways to analyze and to respond to these environmental issues. This can be done through major international agreements, such as the United Nations Framework Convention on Climate Change (UNFCCC) or the Conference of the Parties (COP). These environmental issues can also be addressed by observing civil society and the non-governmental organizations involved in addressing these issues. Another possibility of observation and analysis is to construe what is happening in terms of environmental management within companies. Indeed, for global economic players such as multinational corporations, these short- and medium-term risks have a direct impact on the company's environmental orientation and environmental strategy. In the early 2000s, only a dozen Fortune 500 companies published a report on sustainable development or corporate social responsibility. They are today a large majority (Waghorn, 2017).

Nevertheless, the definition of corporate environmentalism must be questioned. What is a so-called environmental performance and how is it measured? The methodologies used to measure the environmental impacts of firms are complex and sometimes contradictory (Smeets, Weterings, and others 1999). A first reason for this complexity lies in the great diversity of the industrial sector and its ramifications throughout most of human activities. Where does the environmental impact of companies begin and end? A second reason is the lack of a common denominator that can be easily interpreted to effectively measure a company's environmental performance (Gallopin 1996; Hammond and World Resources Institute 1995).
Given the complexity, diversity and global nature of the environmental challenges faced by multinationals, it is important to understand how top managers articulate the complex link between the physical environment (the planet) and their own business. It is also important to understand what drives environmental practices at the heart of companies. What are the factors driving the company towards environmental management practices? On what basis are the resulting environmental strategies developed?

This research is based precisely on this last aspect. It aims to carry out an in-depth reflection on the environmental managerial practices in companies and on the managers' perceptions of their own practices. The process to which these environmental measures are implemented is also analyzed.

The significant development of a number of major emerging markets in recent decades also encourages multinational corporations to widely invest these new markets. Faced with sluggish growth in Western countries, many multinational corporations develop their activities in emerging countries to conquer these new growth markets. Under certain conditions, these investments contribute directly to the economic development of these emerging areas (World Bank 2011) but they raise the question of the environmental impact and of the long-term sustainability of such activities (Stiglitz 1974). Therefore, this research also seeks to compare corporate environmentalism from advanced economies and emerging economies to measure the gaps, if any.

Section 2 - Scope of the Study

The main objective of the study is to analyze how business corporations manage their relationships with the natural environment and to identify what factors influence the choice of such corporate environmental strategies. This research also aims to understand how industry type and market type influence such strategies. The empirical findings will provide practical and strategic information to managers and public policy officials.

More specifically, the study aims to:

1. Analyze managerial perceptions of corporate environmentalism. In other words, this project research aims to describe and analyze the process by which firms integrate environmental concerns into their decision making,
2. Measure how much top management commitment mediates public concern, regulatory forces, competitive advantage and shareholders and to measure how much these variables are moderated by industry type and market type,
3. Provide estimates of corporate environmental orientations and strategies in various industrial sectors,
4. Identify corporate environmentalism drivers in both emerging markets and advanced markets

Section 3 – Research Question and Objective

From the previous section, we can therefore summarize the questions that initiated this research: What drives corporate environmentalism of multinational corporations? What factors influence firms to adopt corporate environmentalism? What are the differences between corporate environmentalism in emerging markets and in advanced markets? What are the differences in terms of corporate environmentalism between the different industrial sectors? To answer these questions, this research is based on three objectives:

Objective 1: Operationalize the concept of corporate environmentalism and test it through a wide variety of multinational corporations.

Based on a review of the literature, this research project discusses the concept of corporate environmentalism which is the recognition of the importance of environmental issues facing the firm and the integration of those issues into the firm's strategic plans (Banerjee 2003).

This corporate environmentalism concept is discussed through its two related themes called "corporate environmental orientation" and "corporate environmental strategy". More specifically, environmental orientation is defined as "the recognition by managers of the importance of environmental issues facing their firms" (Banerjee 2003). Environmental strategy is "the extent to which environmental issues are integrated with a firm's strategic plans" (Banerjee 2003). This concept is not new as there is already an existing measurement scale for corporate environmentalism (Banerjee 2003). However, the core concept needs adjustments to fit with our research which makes a focus on emerging and advanced markets, which implies cross-cultural changes and a different construction of corporate environmentalism antecedents.

Objective 2: Compare multinational corporations' corporate environmentalism in advanced markets and emerging markets

The assessment of the environmental impacts of multinational corporations has been widely debated since the 1970s (Levy 1995). However, the massive development of multinational corporations in emerging markets and higher expectations of various stakeholders -customers, local communities, environmental interest groups- in terms of sustainable development / social responsibility (Dawkins and Lewis 2003) give a new relevance to the topic and encourage firms to consider ecological impacts in their decision-making (Berry & Rondinelli, 1998; Bucholz. 1991; Lawrence, 1995). This research aims to understand what drives environmental orientation and environmental strategy in multinational corporations and to compare the results between advanced markets and emerging markets.

Objective 3: Compare multinational corporations' corporate environmentalism in high environmental impact sectors and moderate environmental impact sectors

The aim of this third objective is to evaluate if the antecedents that drive corporate environmentalism affect all industries equally. In the case of this research, companies were classified into two categories. The first group includes companies that represent a low environmental risk, the second group includes companies with high environmental risk. This ranking was decided on the basis of the analysis of four major differences, which we will describe below: level of public concern, tightness of environmental regulations, amount of pollution generated and risks of environmental degradation.

Finally, we will step back from all the theories and contributions presented, in order to model the concept of corporate environmentalism. This will allow us to compare and put in parallel environmental management practices in various industrial sectors and in various countries with different levels of economic development.

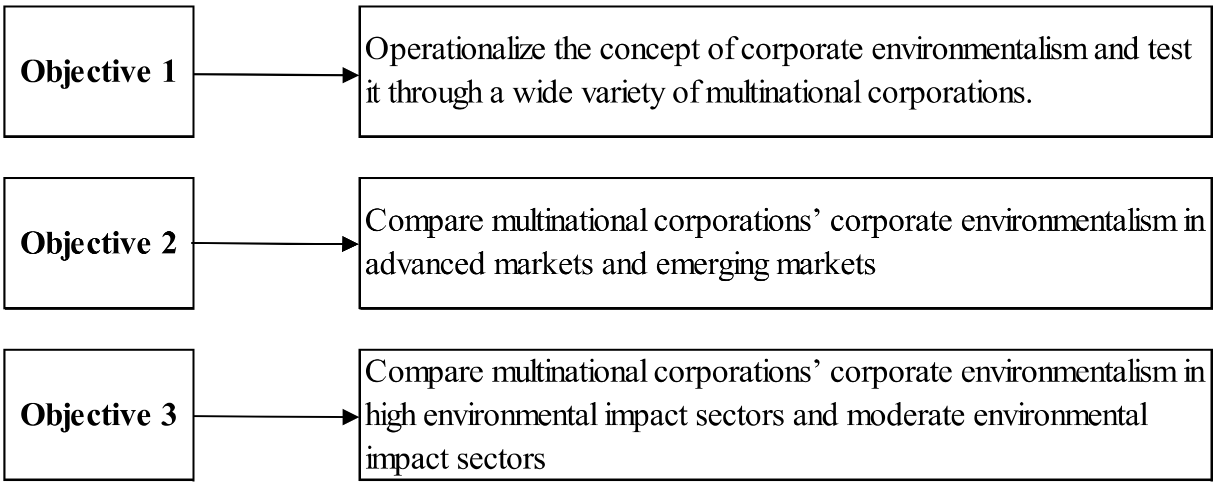

Figure 1: Presentation of Research Objectives

Figure 1 shows that our doctoral work aims to study the main antecedents that drive corporate environmentalism and to observe the differences of the corporate environmentalism concept in the high environmental impact companies and the moderate environmental impact companies, as well as in emerging markets and advanced markets.

Therefore, we formulate the research problem as follows: **what are the antecedents governing corporate environmentalism and to what extent is it influenced by industry type and market type?**

Section 4 – Research Design

To answer our research question, this thesis document is organized in two complementary parts: the first part, theoretical, will address all the concepts essential to the understanding of the research problem and the elaboration of the research hypotheses that derive from previously established objectives.
Through the second part, empirical, we will first focus on the improvement of the measurement scale dedicated to the corporate environmentalism moderated by industry type and market type. After determining the appropriate methodologies, we will test the different hypotheses, in order to obtain results, inputs, limits and future paths of research.

In the first part, we will examine the concept of corporate environmentalism and present the explanatory variables that define it *(Chapter 1)*. We will then discuss the moderating effects generated by the type of industry and by the type of market on corporate environmentalism *(Chapter 2)*.
The first chapter sets out the definitions, introduces the concept of multinational corporations as well as the internal and external forces that govern their environmental actions. Through this review of literature, we seek to identify our first objective, namely the study of the environmental practices of multinational corporations and the evolution of the concept of corporate environmentalism from its creation to today.
In the second chapter, we will describe this concept by performing two multi-group analyzes. We will observe the moderating effects of market type and the industry type. We will then try to answer the second objective of this research, which is to compare the corporate environmentalism differences in emerging markets and advanced markets.
We will then shift our angle of observation in order to meet the third objective of analyzing the differences that exist in corporate environmentalism according to the type of companies. These companies will be categorized into two groups: high-risk environmental companies and moderate-risk companies.

In the third chapter, we will expose the various variables of the research model and then we will relate them within a conceptual model, before developing the research hypotheses.

Throughout the second part, called empirical, we will study the various concepts, materialized by scales of measurement, in order to bring out the relations of cause and effect. In the first place, we will run an exploratory analysis and present the results of the qualitative interviews (*Chapter 3*). Secondly, we will present a conceptual model before developing the research hypotheses *(Chapter 4).* Thirdly, we will refine the scale of measurement of the concept of corporate environmentalism and we will model the relationships between the different concepts, using the XLSTAT software *(Chapter 5).* The ultimate goal of this research work is to study the previously mentioned moderating effects on corporate environmentalism and to test the research hypotheses. Finally, we will examine the results in order to identify theoretical and managerial implications *(Summary and Implications).* Figure 2 schematizes the development of the thesis.

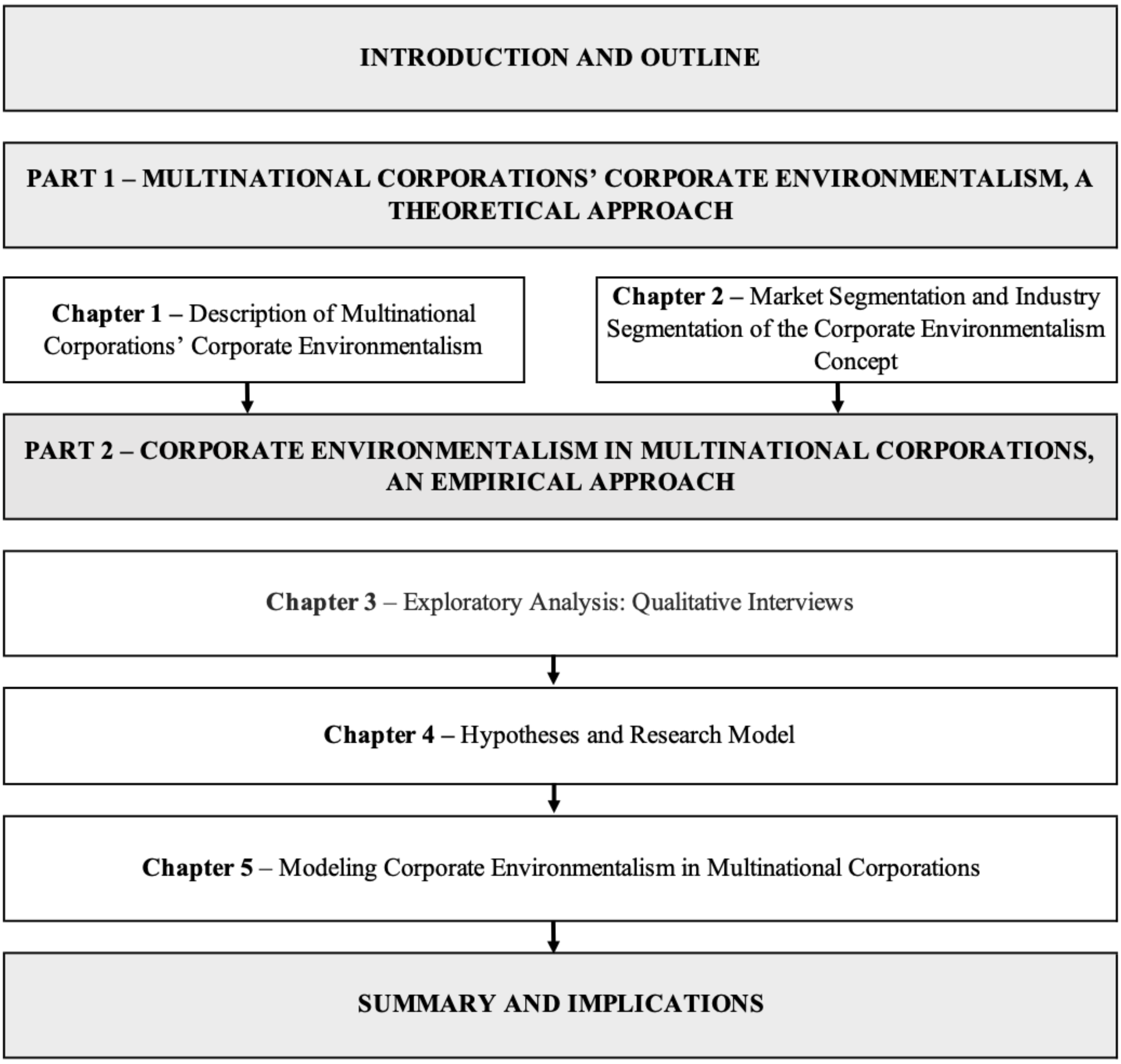

Figure 2 : Thesis Flow

Part 1 – Multinational Corporations' Corporate Environmentalism, a Theoretical Approach

Part 1 Introduction

This first part aims to define the concept of corporate environmentalism as well as the antecedents that characterize it. Two major components will be presented to describe the corporate environmentalism concept: “environmental orientation”, which is the recognition by managers of the importance of the environmental problems generated by the activities of their companies and “environmental strategy” which translate into the implementation of strategic plans to address environmental problems.

Although the corporate environmentalism concept is not new (Banerjee 2002; Banerjee, Iyer, and Kashyap 2003), the context in which we position this research leads us to modify and to introduce new parts to the previous concept, adapted to our object of study. Thus, throughout this theoretical part, we will endeavor to describe the concept of corporate environmentalism in relation to the particular context in which this research is located. After studying the mechanisms and theories describing this concept for multinational corporations, we will discuss the two aspects of our research problem, namely the effects of corporate environmentalism according to industry type and market type *(Chapter 2 - The Effect of Market Type and Industry Type on Multinational Corporations' Corporate Environmentalism).* We will then propose a literature review on both subjects.

PART 1 – MULTINATIONAL CORPORATIONS' CORPORATE ENVIRONMENTALISM, A THEORETICAL APPROACH

Chapter 1 – Description of Multinational Corporations' Corporate Environmentalism

Chapter 2 – The Effect of Market Type and Industry Type on Multinational Corporations' Corporate Environmentalism

Figure 3: Part 1 Flow

Chapter 1 – Description of Multinational Corporations' Corporate Environmentalism

In the first chapter, we will try to present the general framework of the corporate environmentalism concept and more precisely the five backgrounds that constitute it. These five antecedents are called people concern, regulatory forces, competitive advantage, shareholders and top management commitment. Corporate environmentalism will be analyzed and defined through the prism of multinational corporations and their environmental practices. After defining the corporate environmentalism concept *(Section 1: Multinational Corporations' and Environmental Concerns: A Constant Evolution)*,, delimiting its attributes and circumscribing its scope *(Section 2: Multinational Corporations' Corporate Environmentalism Definition)*, we will try to explain the external and internal factors that push multinational corporations to act of a certain way *(Section 3: Explanatory Variables of the Corporate Environment Concept)*. Figure 4 shows the path of this first chapter.

Chapter 1 – Description of Multinational Corporations' Corporate Environmentalism

Section 1: Multinational Corporations' and Environmental Concerns: A Constant Evolution

Section 2: Multinational Corporations' Corporate Environmentalism Definition

Section 3: Explanatory Variables of the Corporate Environmentalism Concept

Figure 4: Chapter 1 Flow

Section 1: Multinational Corporations' and Environmental Concerns: A Constant Evolution

1. Evolution of Multinational Corporations' Discourse and Actions

Since the Second World War, multinational corporations from advanced markets have significantly expanded their activities in developing countries. During the 1970s, there was a parallel emergence of both the first social movements for the protection of the environment and the first academic studies on multinational corporations' environmental impacts in developing countries. Several themes were discussed concerning the highly polluting companies established in emerging countries. Among these researches, we find academic works adopting a transnational vision of the concept, as in the case of the pollution haven hypothesis (Leonard 1984, 1988; Pew Research Center for the People and the Press 2008, 2009)

During the 1980s, a number of U.S. hazardous American industries migrated to Mexico, which was considered as an emerging market, because of a reinforcement of North American environmental legislation (Tolba 1980). Castleman (1979) has shown that some multinational companies with high levels of hazardous waste have relocated in emerging countries in order to escape the legal constraints of their country of origin. More recent studies have converged on this observation (Korten 2001). Nevertheless, this "pollution haven hypothesis" is not yet fully validated, has there is no significant link between increased foreign direct investment in emerging markets and the tightening of environmental standards and environmental taxes in developed countries represented by companies (Taylor 2005).

Thus, the amount of taxes created to fight against the pollution does not seem to cause an effect of migration of polluting industries to developing countries. Although Chinese provinces with low environmental regulations attract the most polluting foreign firms, most of these firms come from Hong Kong, Macao and Taiwan, and not from the more industrialized countries such as the United States, Europe or Still Japan (Dean, Lovely, and Wang 2009). Two reasons might explain this result. First of all, highly polluting industries are statistically less labor intensive and more capital-intensive than the least polluting industries, which makes the argument for offshoring with labor costs less relevant (Grether and Melo 2003). Secondly, polluting industries have a very limited mobility insofar as their production facilities are very expensive to dismantle and displace (Ederington, Levinson, and Minier 2005).

Other studies have established a relationship between foreign direct investment in developing countries and the level of pollution in these (Wheeler 2001). Other studies have also focused on the analysis of technological risks that may harm the natural environment (Shrivastava 1987). These studies emerged following the 1984 Indian Bhopal disaster. This disaster occurred as a result of the explosion of a subsidiary of the US company Union Carbide, producing pesticides and causing the death of more than 7,000 inhabitants living near the factory (Madhya Pradesh Government 2012).

The literature shows that the analysis of corporate environmentalism is divided into two schools: one group first analyzes the external factors contributing to the corporate environmentalism concept, another group focuses more on internal factors. Research carried out in the 1980s often concluded that multinational corporations were in contradiction with the development objectives of developing countries (Brown et al. 1993; Richter 2002). Several official reports, such as the OECD Guidelines for Multinational Enterprises (OECD 1976) or the United Nations Code of Conduct for Transnational Corporations (UNCTC 1976), describe the inevitable opposition between the business objectives of multinational enterprises and the development objectives of host countries. This so-called conflict of interest and mistrust vis-à-vis multinational enterprises must be placed in a context of recent post-colonial independence after the Second World War, when great attention was paid to the risks of recolonization through business investments in developing countries (Jenkins 1987; Leys 1996).

However, the late 1980s marked a break with the conflicting and suspicious tone of previous reports and research, which then moved to a neutral and more conciliatory tone (Brown et al. 1993). The 1980s, marked by the collapse of Soviet communism and the unrestrained expansion of world capitalism, were also characterized by the introduction of the concept of sustainable development, formalized by the publication of Our Common Future Report of the Brundtland Commission (WCED 1987). The popularization of this concept and its introduction into the common discourse gradually supplemented the presumption of conflict and incompatibility between multinational companies and respect for the environment in developing and emerging countries (Brown et al. 1993). In 1992 in Rio de Janeiro, the Earth Summit, which resulted in a plan of action for the 21st century voted by 178 Heads of State, recognized the role of companies in protecting the environment (UNCED 1992). Multinational corporations have begun to be part of the solution for the development of the poorest economies. In some developing countries, industrialization was so rapid and massive that public institutions were unable to cope with the growing environmental issues that industrialization created. Lack of financial resources, lack of data and technical expertise on measuring social and environmental impacts, and weak environmental remedies make developing and emerging countries highly dependent on enterprises' environmental decisions (Petkova et al. 2002; Rosen et al. 2003). In line with Agenda 21, this win / win proposition has led to the emergence of new terms such as "corporate environmentalism", "corporate social responsibility", "public-private partnership", "co-regulation" or cooperation between MNCs and developing and emerging countries (Brown et al. 1993). Concepts such as eco-efficiency (Schmidheiny 1992) also have emerged, and the debate on corporate social responsibility has gradually matured (Carroll 1999).

However, the literature is not unanimous on the virtuous dimension of the self-corporate environmental management. Some authors reveal the anecdotal and largely inadequate nature of the measures put in place by multinational corporations (Greer and Bruno 1997; Tokar 1997; Utting 2002). Other research shows the weaknesses of environmental measures taken by companies when they are not accountable (Bendell 2004; Clapp 1998; FoEI2001; Newell 2001; O'Rourke 2003). Richter (2002) states that the legislation allows for more effective environmental management than the one based solely on corporate responsibility. Direct foreign responsibility for environmental concerns, requiring the multinational corporations' headquarters to better control their subsidiaries' corporate environmentalism, is also proposed as an effective solution to limit the environmental impacts associated with industries (Ward 2001; Newell 2001). Much research has also revealed the intense lobbying work carried out by multinational corporations with all their stakeholders in order to increase their power and influence in society (Hamann and Acutt 2003; Idemudia 2007; Levy and Newell 2002).

2. *Evolution of Governance*

In parallel with the phase of globalization in the 1980s and the above-mentioned change in multinational corporations' discourse and actions, the concept of governance has gradually entered the managerial language (Jordan 2008; Rhodes 1996). Governance encompasses both state institutions such as government, but also non-state bodies. In this it differs from the term of government which focuses mainly on the institutions and the actions of the state (Lemos and Agrawal 2006; Rosenau 1995). Corporate governance is often influenced by external actors such as the state, civil society or the market that regulate commercial activity, but there are also mixed methods in which the management of the company is shared with all stakeholders (Lemos and Agrawal 2006).

Environmental governance, which has emerged more recently, aims to analyze and create norms to change the interaction between humans and the environment (Glasbergen 1998) to influence social and environmental changes (Jordan 2008). For Levy and Newell (2005), the concept of environmental governance refers to "the broad range of political, economic, and social structures and processes that shape and constrain actors' behaviour towards the environment". This environmental governance, especially at the corporate level, is constantly evolving (Brown et al. 1993; Howes, Skea, and Whelan 1997), both internally (Prakash 2000) and externally with different stakeholders (Hoffman 2001).

In general, environmental governance studies focus on the corporate environmental performance in advanced markets where there is free trade, democratic governments, and evolving environmental regulations. Nevertheless, a growing number of research papers focus on environmental governance in developing countries (Perkins 2007).

Section 2: Multinational Corporations' Corporate Environmentalism Definition

Although the relationship between business activities and the natural environment has been studied for many years and in different fields of research (Adler 1995; Carson 1962; Menon and Menon 1997; Shrivastava 1995), the analysis of managerial changes needed to consider the natural environment in business activities is more recent (Hart 1997; Starik and Rands 1995). Three complementary parts are put forward in order to respond to the same objective: understanding what the corporate environmentalism concept is. The first subsection deals with the main definitions and attributes of the corporate environmentalism concept: through the literature review, different attributes emerge, allowing us to adopt an exhaustive definition of the corporate environmentalism model. In the second subsection, we present the core concepts environmental orientation and environmental strategy that rule corporate environmentalism. Finally, we describe recent research that has led to the evolution of the corporate environmentalism concept.

1. Definition and Attributes of Corporate Environmentalism

Corporate environmentalism is about integrating the principles of sustainable development into business activities. Sustainable development refers to "a development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs" (Bruntland Report 1987). Corporate sustainability, by extrapolation, is the capacity of an enterprise to maintain economic prosperity in the context of environmental responsibility and social stewardship (Sahay 2004). But the definition of what constitutes legitimate environmental business practices has been widely discussed since the rise of environmental movements in the 1970s. Corporate environmentalism is a transverse activity that varies according to the sector of activity, the structure of enterprises and the context in which the firm operates. It can be defined as the set of actions carried out by companies that involve themselves massively or symbolically in order to improve their environmental performance (Mason 2005). Even if the meaning of corporate environmentalism has been challenged by several academic works over the past forty years (Hoffman 2001a; Howes, Skea, and Whelan 1997; Prakash 2000), it is now a very advanced and wide research topic.

This study draws upon the corporate environmentalism concept: "Corporate environmentalism is the organization-wide recognition of the legitimacy and importance of the biophysical environment in the formulation of organization strategy, and the integration of environmental issues into the strategic planning process" (Banerjee 2002).
Multinational corporations' corporate environmentalism can be influenced by many players. The most influential among them are governments, competing companies, customers, environmental activists belonging to non-governmental organizations, shareholders or industry associations (Delmas and Toffel 2004; Hoffman 2001b; Lober 1996).

There is a wide variety of organizations with respect to multinational corporations. Some companies like Sodexo see themselves as a "Group" of companies, operating in more than 80 countries around the world. Other multinational corporations like Apple have a very centralized organization where subsidiaries have a very limited room to maneuver. A distinction can be drawn between operations in the host country and those carried out externally. Some multinational corporations are of the "integrated" type, that is to say that the whole of their organization rests on a common basis. Other multinationals have a decentralized mode of operation and therefore differ per the specificity of each market and country (Bartlett and

Goshal 1989; Prahalad and Doz 1987; Westney 1993). However, multinational corporations are often faced with very different and more or less stable policies depending on the host countries, forcing them to operate multiple and sometimes contradictory internal organizational movements (Westney 1993).

This operational complexity of multinational corporations, linked to their implementation in several host countries, has been the subject of several studies (Delmas and Toffel 2004; Hillman and Wan 2005). Other researches have examined the relationship between the subsidiaries and the parent company and the related concept of "institutional duality" when the company is facing internal organizational rivalries (Kostova and Roth 2002). Delmas and Toffel (2004) develop a model that explains how institutional pressures to influence the company's environmental performance are moderated by the characteristics of parents and subsidiaries of multinational corporations.

Corporate environmentalism is made of two components. The first one is called *environmental orientation*: it is "the recognition by managers of the importance of environmental issues facing their firms." The second component is the *environmental strategy*: it is the integration of these environmental issues into strategic plans. *Corporate environmentalism* is "the recognition of the importance of environmental issues facing the firm and the integration of those issues into the firm's strategic plans" (Banerjee, Iyer, and Kashyap 2003).
Per the authors, corporate environmentalism has both internal and external components: internal environmental orientation represents the values, standards of ethical behavior and commitment dedicated to environmental protection by companies. External environmental orientation of the company refers to aspects of environmental policy affecting relationships with external groups such as financial or stakeholder communities.

Based on the work of Schendel and Hofer (1979), Banerjee, Iyer, and Kashyap (2003) state that corporate environmentalism is defined by three levels:

1 / corporate level: at this level the strategy is to engage the company in business that are aligned with the strategic objectives of the company.

2 / Business level: this level is where most environmental strategies are adopted. It works on product differentiation and is looking for niche markets.

3 / Functional level: this level is to modify operational procedures in various functions such as advertising or sales. Here we find environmental strategies at the functional level.

But only focusing the business strategy on environmental policy without considering the strategic implementation at any levels may lead to practices of "Green Washing" (Entine 1995).

1.1 Corporate Environmentalism and Environmental Marketing Strategies

Before the 1970s, the natural environment did not have significant impact on marketing strategies. Environmental regulations in the 1950s and 1960s were in general perceived as weak, they were not supported by penalties and they were relegated to local and state agencies with little federal oversight (Davies and Davies 1975).
The assessment of the environmental impact of multinational corporations as been widely debated since then (Levy 1995), but the massive development of multinational corporations in emerging markets and higher expectations of stakeholders in sustainable development and social responsibility give a new relevance to the topic. the concept of corporate environmentalism as it is defined today was inspired by the resource-based theory from the 1980s and then by the natural-resource-based theory in the 1990's, briefly exposed below.

The Resource-Based Theory
The resource-based theory of the firm integrates environment and sustainability, so called "resource" into management theories. Wernerfelt (1984) states that valuable, costly-to-copy firm resources and capabilities are the more efficient solutions for sustainable competitive advantage. Based on Wernerfelt research, Barney (1991) examines the link between firms' resources and sustained competitive advantage. Before Barney, a sustained competitive advantage was defined as a competitive advantage that could be maintained for a long period of calendar time (Porter 2004). Barney does not refer to a longer period of calendar when he uses the concept of sustained competitive advantage. Per him, a competitive advantage is sustained "only if it continues to exist after efforts to duplicate that advantage have ceased" (p102). The author defines four empirical indicators of the potential of firm resources to generate sustained competitive advantage: value, rareness, imitability, and substitutability.

The Natural-Resource Based Theory

Inspired from the "resource-based" view of the firm, Hart (1995) The author defines four empirical indicators of the potential of firm resources to generate sustained competitive advantage: value, rareness, imitability, and substitutability. The author states that the physical environment in a physical and natural meaning, which has so far had an external influence on the process and content of business decisions, occupies on the contrary a central place in the marketing and the management strategy.

Hart so created a "natural-resource-based view of the firm" which suggests that businesses must embrace and internalize the tremendous challenge created by the natural environment: Enterprises could adopt pollution prevention in order to lower costs or to gain leading positions through product stewardship. Businesses through properly designed environmental standards can trigger innovations that lower the total cost of a product or improve their value (Hart 1995).

1.2 Expansion of the Corporate Environmentalism Concept

Hoffman (2001b) identifies four institutional periods in the Corporate environmentalism history in industrialized countries. First there was the so called Industrial environmentalism in the 1960s: governmental regulations and environmental activism were not yet developed. Environmental issues (mainly air and water pollution) were treated as routine problems. During the 1970s appeared the term of Regulatory environmentalism which was related to the creation of the first environmental departments at the corporate level to manage the first state rules and sanctions. Environmentalism as Social responsibility in the 1980s was the next step of corporate environmentalism.

The growing number of activists and environmental organizations began to challenge firms directly through boycotts and legal actions. In response, firms expanded their environmental departments and tried to establish a better relationship with the public. Corporate environmentalism then moved to Strategic environmentalism: faced with new pressures from investors or competitors, firms expanded their environmental department staffs and started to be more proactive in their environmental efforts and tried to improve at the same time environmental efficiencies and environmental benefits.

Corporate Social Responsibility

Corporate environmentalism is often related to the concept of "corporate social responsibility". There is some confusion as how to define precisely this concept but there is a consensus that corporate social responsibility is made of five dimensions (Dahlsrud 2008) that go beyond the social aspects. First, there is the environmental dimension which is related to the natural environment. The social dimension is the integration of social concerns in business operations. The economic dimension is related to the goal for firms of preserving their profitability. The stakeholder dimension is about how organizations interact with their employees, suppliers, customers and communities. The last dimension is the voluntariness dimension which correspond to the actions that go beyond legal obligations and that are based on ethical values. The corporate environmentalism concept shares some aspect of the corporate social responsibility concept, but its scope is narrowed to the environmental aspects.

Literature about corporate social responsibility in developed countries is vast, but there are only few academic articles about corporate social responsibility in the developing countries. This limited understanding of corporate social responsibility in the developing economies poses a pressing challenge for both the international community and academics. (Li et al. 2010). From an academic perspective, corporate social responsibility scholars are faced with the challenge of determining what factors influence firms in the emerging economies to act in a socially responsible way (Li et al. 2010) and with the challenge of understanding to what extent multinational corporations struggle against sustainable development measures.

Two diametrically opposed schools of thought clash about it. On the one hand, researchers such as Wharhust and Bridge (Warhurst and Bridge 1997) showed that in the case of mining, foreign investment combines productivity gains and improved environmental management, especially in the areas of water pollution, land and ecosystems. This type of virtuous circle was measured by Garcia-Johnson (Garcia-Johnson 2000) in mining production in Mexico and Brazil. By transferring home country technologies, multinational corporations export a part of their environmental practices in developing countries and contribute to improving environmental practices in the host country.

On the other hand, although it is recognized that multinational corporations have the tools to reduce their environmental impact and even if, as explained above, heavily polluting industries do not necessarily migrate to countries with lower environmental constraints, significant increase in the volume of production linked to their presence in emerging countries is putting increased pressure on the environment (Taylor 2005).

1.3 Different Definitions of Corporate Environmentalism

Mintzberg (Mintzberg 1994) defines corporate environmentalism as “a pattern in action over time intended to manage the interface between business and the natural environment.” Sharma (Sharma 2000) describes corporate environmentalism as “outcomes in the form of actions firms take for regulatory compliance and to those they take environmental impacts of operations.” Maxwell, Lyon, and Hackett (2000) describe corporate environmentalism as “environmentally beneficial actions undertaken by corporations that go beyond what is required by law”.
According to Banerjee (Banerjee 2002), environmental responsibility includes two dimensions: environmental orientation and environmental strategy. The environmental orientation is the recognition by the business managers of the environmental damage generated by their businesses. The environmental strategy is the integration within the corporate strategy of the environmental damage generated by the business.

2. ***Environmental Orientation and Environmental Strategy as Core Concepts of Corporate Environmentalism***

According to Banerjee (2002), the concept of corporate environmentalism is divided into two sub-groups called “environmental orientation” and “environmental strategy.”
Environmental orientation is “the recognition by managers of the importance of environmental issues in their firms” (Banerjee, Iyer, and Kashyap 2003). This environmental orientation is itself divided into two categories that are the “internal environmental orientation” and the “external environmental orientation.”

The internal environmental orientation corresponds to the internal values of the company, to the consideration of the environmental impacts by assessing future corporate activities including investments and projects (Zeffane 1994), to the internal rules concerning the ethical behaviors, or to the degree of company's commitment to environmental issues in order to reduce the impact of populations on ecosystems (Shrivastava 1995a).

The external environmental orientation is the managers' perception of stakeholders and the willingness to respond to stakeholders' interests and expectations. This perception and related actions can be interpreted in different ways: one can see the will to act in favor of the protection of the environment for the future generations, in the logic of solving the conceptual division between humankind (and its organizations) and the remainder of the natural world (Gladwin, Kennelly, and Krause 1995). One can also see in these managers a desire to be responsible to various communities and to the society by integrating environmental concerns when developing marketing policies and practices (Menon and Menon 1997). More simply, one can see the need for these managers to improve the company's image with the public and the different stakeholders (Hart 1995).

The second subgroup of the corporate environmentalism concept is the environmental strategy. The environmental strategy reflects the integration of the environmental problems that a company faces into a strategic planning process (Banerjee 2002). This environmental strategy is itself divided into two parts, which are called "environmental corporate strategy" and "environmental marketing strategy". Among the environmental corporate strategies, we find, for example, strategies for entering new markets, the choice of locations for businesses, technological choices to reduce the pollution generated by production tools, waste management or choices regarding research and development investments (Banerjee 1999). The degree of integration of these strategies within companies depends directly on the level of integration of the environmental concerns within the corporate strategic planning process of the companies (Banerjee, Iyer, and Kashyap 2003). The more these strategies are integrated, the more the environmental practices are effective. Environmental marketing strategies correspond to the degree of willingness of companies to target the environmentally conscious consumer segment. This results in the development of products and services with lower environmental impact and their related marketing strategies.

The table below summarizes the structure of the corporate environmentalism concept:

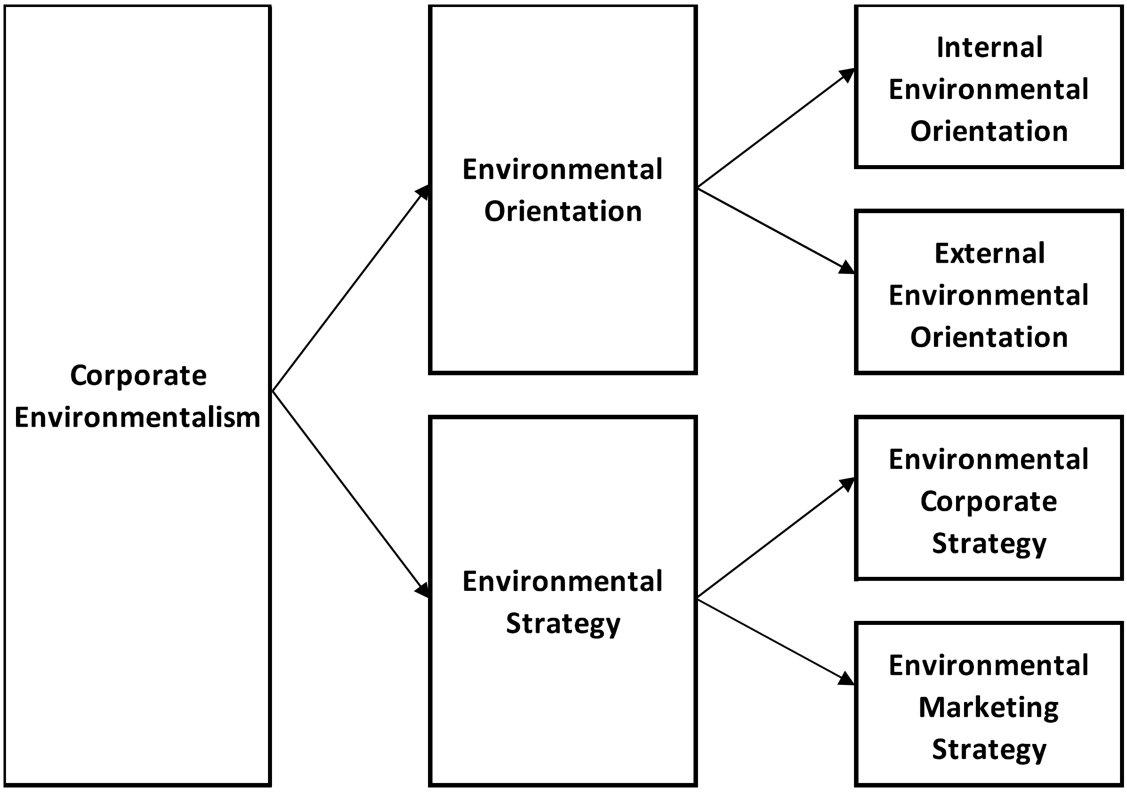

Figure 5: Environmental Orientation and Environmental Strategy as Core Concepts of Corporate Environmentalism

After bringing out the theories that are at the origin of the corporate environmentalism concept, we have been able to synthesize the characteristics of corporate environmentalism in general and more specifically of multinational corporation's corporate environmentalism. The framing of corporate environmentalism and the analysis of its evolution contribute to a better understanding of the environmental orientation and environmental strategy implemented within multinational corporations and allow to establish a first perimeter of our research.

Throughout this doctoral work, we will study the internal environmental orientation, external environmental orientation, environmental corporate strategy, environmental marketing strategy implemented in multinational corporations. This first section leads to the conclusion that it would be appropriate to analyze the variables that govern the corporate environmentalism concept, in the light of the stakeholder theory. Therefore, the next section of this research *(Section 3: Explanatory Variables of the Corporate Environment Concept)* aims to identify and to explain the corporate environmentalism explanatory variables. Thereafter, we can identify the internal and external forces exerted on the corporate environmentalism concept.

Section 3: Explanatory Variables of the Corporate Environmentalism Concept

What factors lead firms to adopt corporate environmentalism? Bansal and Roth (Bansal and Roth 2000) identified three drivers that likely lead to corporate ecological responsiveness: 1/Legitimation towards the public or environmental interest groups, 2/Competitiveness and 3/Top management initiative due to ethical concerns. Previous studies already identified several motives for corporate environmentalism like competitive advantage, regulatory compliance, stakeholder pressures, or top management ethical concerns (Dillon and Fischer 1992; Lampe, Ellis, and Drummond 1991; Lawrence 1995; Vredenburg and Westley 1993; Winn 1995).
But to respond more specifically to this question - what factors lead firms to adopt corporate environmentalism? -, Banerjee, Iyer, and Kashyap (2003) mixed the stakeholder theory with a political-economic framework. The following part explains these concepts and the reasons that led the authors to combine these two approaches.

1. Stakeholder Theory

The stakeholder theory has been the subject of many books and peer reviewed articles. Literature is vast, and an exhaustive review of stakeholder theory is beyond the scope of this research. Literature does not seem to lead to consensus on constitutes a “legitimate” stakeholder (Donaldson and Preston 1995). Research has sought to define and refine the concept of stakeholder management (Freeman 1984; Freeman and Evan 1990) and to analyze stakeholder relationships (Clarkson 1995; Mitchell, Agle, and Wood 1997). Other studies have observed how the relationship between the firm and its stakeholders is organized (Maranville 1989; Preston and Sapienza 1990; Westley and Vredenburg 1991).

In recent decades, the “stakeholder” concept has gone beyond the academic world and has become central to business. Yet there is no common consensus as to what the concept of a stakeholder means (Miles 2012). The stakeholder theory is a important basis for this research as it is used to identify environmental stakeholders for the corporate environmentalism concept. The stakeholder theory was designed to show how the value-creation process works in the business (Freeman 1984). Stakeholders are individuals or groups. They are human beings and not products, or assets, or accounts.
For any business to be successful, the company must create value for customers, suppliers, employees, communities and financiers – shareholders, banks and other people with money. These stakeholders cannot be looked in isolation. Freeman states that their interest must go together and the job of a manager or an entrepreneur is to figure out how the interest of customers, suppliers, communities, employees and financiers go in the same direction.

Stakeholders can be defined as “any group or individual who can affect or is affected by the achievement of a corporation's objectives” (Freeman 1984:46). Any group that can affect a company must be taken into consideration by the firm. This very wide definition of stakeholders defines them as those groups that can almost always affect or be affected by.
Several definitions of what is a stakeholder exist in the academic literature (Miles 2011), yet the nature of what is a stakeholder remains highly contested (Miles 2012). Freeman recognizes that the number of stakeholder groups can vary across contexts, but he distinguishes two categories of stakeholders. Primary stakeholders are customers, suppliers, employees, communities, and shareholders -financiers. These stakeholders are almost part of the business activity of the firm as they interact very frequently. Secondary stakeholders like government,

media, non-governmental organizations, interest groups, environmentalists or critics are important because they can affect how a firm creates value for customers, suppliers, employees, communities and shareholders but they are often less likely to affect how a firm create value for customers, suppliers, employees, communities and shareholders.

The stakeholder theory is the idea that each one of these groups is important to the success of a business. Freeman states that featuring out whether their interest go into the same direction is what the managerial task and the entrepreneurial task is all about (Freeman, Harrison, and Wicks 2007).

According to Freeman, a widespread idea is that business and ethics are an oxymoron, that these two words are in contradiction and don't go together. Per the author, when managers start thinking about stakeholders, then they realize that stakeholders turn out to be not products, not accounts, not assets, not liabilities, but human beings. Stakeholders cannot be only considered as externalities. They are not just some role but actual people: customers are not only customers, they are customers with names and faces, and companies don't just provide them with products. Their products and services come with a promise (Freeman, Harrison, and Wicks 2007).
Freeman states that the stakeholder theory is a way to put business and ethics together: once managers begin thinking about stakeholders, the link between business and ethics becomes obvious (Freeman, York, and Stewart 2008).

Environmental stakeholders
Stakeholders can have a significant impact on corporate performance. In fact, corporate performance relies on differences in strategies designed to satisfy multiple stakeholders (Freeman 1999; Henriques and Sadorsky 1999). Firms that conform to environmental stakeholder demands tend to have better financial results than those that neglect the environmental expectations of their stakeholders (Dögl and Behnam 2015). A reason for this is that satisfied stakeholders reduce the probability of organizational failure (DiMaggio and Powell 1983) and thus can enhance financial performance (Wahba 2008; King and Lenox 2002).
As mentioned in the first section of this chapter, to be successful, a firm cannot ignore the physical constraints of the natural environment (Hart 1995) and the defenders of the environment that take various forms. If we focus on these environmental stakeholders, they are

individuals or groups that can affect or be affected by the achievement of a firm's environmental goals (Henriques and Sadorsky 1999).

Based on this definition, regulators, community members, organizational members and the media are potential environmental stakeholders (Henriques and Sadorsky 1999):

- Regulators can be institutions and/or organizations in charge of enforcing compliance towards environmental requirements. These regulatory forces are an important antecedent to corporate environmentalism.
- Community members, also called community stakeholders can be non-governmental organizations or other environmental lobbies which are able to raise public awareness and to mobilize public opinion. Corporate environmental orientation is directly influencing the way the firm responds to its stakeholders. That is why public concern is considered as an important antecedent to corporate environmentalism
- Organizational members can be shareholders, employees, customers and other members who have an influence and an interest in the corporation's activity.
- About the media, there are not any specific antecedent representing them for this research. In fact, it is hard to isolate the influence of the media because of their pervasive nature (Banerjee, Iyer, and Kashyap 2003). Moreover, the media are often used by other stakeholders to advance their agendas. Consequently, the media, due to its transversal integration, cannot be perceived as a separate stakeholder.

Stakeholders also need to access and to get the attention of top management to influence a firm's strategy (Agle, Mitchell, and Sonnenfeld 1999). So, top management has a double moderating role:

1. Top management is a key antecedent which influences corporate environmentalism directly (their position as top managers gives them the power to orientate corporate environmentalism),
2. It helps modify the influence of other stakeholders.

In this research, the stakeholder theory helped to identify five important antecedents to corporate environmentalism. These antecedents are called people concern, regulatory forces, competitive advantage, shareholders, and top management commitment. They will be presented in the following part.

2. ***External Forces***

If we keep the stakeholder theory in mind, we can identify external forces, internal forces, and hybrid forces that are both internal and external to the firm. In this subsection, we will describe the variables that are external to firms but that influence their corporate environmentalism. We will observe the effects of people concern, then the effects of regulatory forces on multinational corporations' corporate environmentalism.

2.1 People Concern

2.1.1 Evolution of people concern for the environment

The following chapter is an overview of the concept of people concern for the environment since its emergence in the 1970s.

People concern for the environment emerged with the introduction of the first green marketing theories in the early 1970s (Polonsky and Rosenberger 2001) and people concern for environmental pollution was first observed by Murch (1971) who evaluated the public awareness of environmental problems at different levels. The survey showed that most people believed that pollution is a significant problem. However, less than a 50% of the community surveyed appeared willing to accept some personal responsibility for these problems and willing to contribute their efforts and their resources to solve them. The survey also revealed there was a willingness to believe in a solution to environmental problems, but people did not have a clear idea of what the solution could be. Murch suggested some guidelines for the future strategy of groups that could be interested in affecting public attitudes and behavior toward the environment.

Kinnear, Taylor and Ahmed (1974) brought a new definition of the so called "ecologically concerned consumer." It is an individual who adopts a consistent purchasing behavior in line with the conservation of ecosystems. According to the authors, the concept of ecological concern is a) a buyer's attitude that must express concern for ecology, and b) a purchasing behavior that is consistent with maintenance of the ecology system. However, a consumer can purchase in an ecologically concerned manner without being aware that he is doing an ecological act. For the authors, "the level of ecological concern a person demonstrates will be a function of both his attitudes and his behavior".

The survey showed that an ecologically concerned segment may exist in a size large enough to warrant business exploitation: “marketing to this segment by changing existing products or introducing new ones may represent a new market opportunity for many firms”. Thus, the authors show that an ecological marketing, non-existent at that time (1974) might meet the expectations of customers who feel ecologically concerned and who are waiting for more ecological products.
Between 1980 and 1990, people concern about the environment became increasingly important (Roper Organization 1990) but it peaked in 1991 and then stabilized at a new plateau which was higher than in any previous decade (Stisser 1994). In 1993, the environmental movement seemed to be somewhere at the midpoint of the life cycle: despite stabilization in environmental people concern and a decline of acute concern, behavior was still growing, especially in the areas of recycling and community activism.

In 1999, 87% of American adults felt “concerned” about the condition of the environment in the United States, and 44% felt “very concerned” (Roper Organization 1999). The same year, 50% of Americans claim to look for environmental labels and to switch brands based on environment-friendliness (Phillips 1999). Ottman (1996), showed a few years earlier that customers do penalize firms that violate environmental laws. However, Roper's “1998 Green Gauge Report” found that both the activists and the unconcerned by environmental issues admit they are not willing to pay a premium for greener goods (Roper Starch Worldwide 1998).

Per Stisser (1994), the 1990s have been an important period for changes in the public's attitudes toward business and the environment. There was the raise of a worldwide people concern on the environment. In 1990, the company SC Johnson commissioned the first large-scale survey (Roper Organization 1990) measuring both green attitudes and behavior among American customers. In 2011, the company commissioned a new study conducted by GfK (Gesellschaft für Konsumforschung), which absorbed the Roper Organization) based on the 1990’s survey and included questions from the original 1990 research (GfK 2011). According to the survey results, “knowledge about environmental issues and problems is on the rise and Americans are less likely to be confused over what is good and bad for the environment”. In the 1990s, up from about five in ten American people interviewed said they know a lot or a fair amount about environmental issues and problems. This score was about seven in ten in 2011.

The survey also showed that in 2011, Americans downplayed the role of the individual in protecting the environment. In 2011, Americans were more likely to say they could "do a little" across a number of environmental problems like air and water pollution and fewer Americans said they could do "a lot" or "nothing". In sum, in 2011, fewer Americans where likely to say they could take big steps to protect the environment, but more were inclined to say they can at least take small steps.

Between the 2008 crisis and 2012, concerns about jobs and the economy have overshadowed environmental issues (Scruggs and Benegal 2012). To highlight this analysis, the Pew Research Center for the People and the Press conducts numerous studies of public opinion in the US. Every year, the Pew investigates US environmental concerns and compare them to economic concerns. For as long as the Pew has investigated, economic interest has always been dominant and far superior to environmental concerns and became higher during the economic crisis: in January 2008, for 75% of respondents, the economy was their main concern (Pew Research Center for the People and the Press 2008), while in 2009, this figure rose to 85% (Pew Research Center for the People and the Press 2009). In 2013, it increased further, crossing the 86% mark. If we compare these results to those related to the environment, from 2008 to 2013, "improving the job situation" increased from 61 to 79%, while "dealing with global warming" and "protecting the environment" decreased from 35 to 28% and 56 to 52%, respectively.

If we focus only on climate change, which represents one of the most famous topics for environmental concern, many major surveys converged to the same evidence: the American people concern about climate change has declined dramatically in 2008-2012 (Jowit 2010; Kaufman 2010; Pew Research Center for the People and the Press 2008, 2009; Saad 2009) despite a higher level of knowledge of these problems (Weber and Stern 2011). This decline in public concern about climate change was better explained by unemployment than by "climategate", negative media coverage, partisanship, or recent weather (Scruggs 2012). Since 2012, public concern for the environment has increased again and has even surpassed the previous record of 2007 (Saad 2017).

Faced with the random evolution of people concern, firms tend to change their corporate orientation and strategy to improve their environmental image for the stakeholders (Birch and Moon 2004; Lenssen and Al. 2007). Also, the management of environmental costs does not only improve operational and financial performance, it can also lead to improvements in the health of employees and local communities, enhancing the image of the company as a desirable employer and corporate citizen (Berry and Rondinelli 1998).

2.1.2 People Concern: Customers and Citizens

People concern is composed of customers and citizens. A distinction is made between local citizens and world citizens. Banerjee, Iyer, and Kashyap (2003), proposed a model to describe corporate environmentalism in which Public Concern was an important antecedent in firms' adoption of corporate environmentalism. This antecedent was representing the public has a homogenous category, which was consistent with the field of research: the U.S market.

In our research, public concern is too restrictive. We modified this antecedent to fit our expectations and called it "People Concern" for the environment. People concern is meant to compare corporate environmentalism in emerging markets and in advanced markets. The literature in the following section will show that a distinction must be drawn between customers, local citizens and world citizens. This distinction was not existing in the previous definition of public concern. In our model, people concern becomes a latent variable. It becomes a formative construct, as there is no convergent validity throughout these three new constructs (customers, local citizens, and world citizens).

Customers

A customer is commonly defined as a party that receives or consumes goods or services and has the ability to choose between different products and suppliers.

The terms "customer" and "consumer" are almost identical. The distinction lies in the use that is made of the good purchased. Consumers are the end customers of the product or service purchased, while customers may be middlemen who purchase products or services for resale (Investopedia).

For Peter Drucker (1954), the purpose of a company is to create customers who must be found outside the business itself, in society, since a business enterprise is an organ of society. A customer is a party that receives or consumes goods or services and has the ability to choose between different products and suppliers. Customers are vital to the business and their needs have to come first because a company cannot survive without them. This analysis counteracts the neoclassical economists' view that the main purpose of a business is to maximize profits (Friedman 1970). Friedman states that corporations exist entirely for the benefit of their shareholders and that managerial considerations of other stakes or stakeholders is a clear depletion.

Customers are external stakeholders because even though they affect the day to day running of the business, they do not work within the business. For Drucker (Destination Innovation 2012) "customers have the highest influence on […] businesses because without them the businesses wouldn't exist." Customers have an interest in a company because they want to buy their products and services. Companies have an interest in customers because they need customers to buy their products and services so that they can make money.

Citizens

Businesses' social performance have been framed as "corporate citizenship", which means caring about their employees, suppliers, the environment, customers etc. as an integral part of their business mission (Carroll 1998). Corporate citizenship involves the social responsibility of businesses and the extent to which they meet legal, ethical and economic responsibilities, as established by shareholders.

For the purpose of this research, the word "Citizen" is narrowed to the non-consumers like community stakeholders or companies' neighbors. The term "citizens" often refers to that of "communities." The term community has no precise definition, but a consensus emerges that it is composed of three dimensions: geography, identity and social interaction (Hillery 1955; Lee 1983). Dunham, Freeman, and Liedtka (2006) propose four categories of communities that interact with businesses:

- Location communities or local citizens. These are populations geographically close to the infrastructures and activities of the company.
- Communities of interest. These are groups that share a common goal determined by a particular program. In the previous examples, communities of interest had a common interest in preserving the environment near oil companies.
- Virtual defense groups. They are similar to communities of interest to the extent that they share a common goal. But it is generally a broader interest (like for example stopping deforestation around the world) and involves mobilizing people to participate in less specific events such as anti-globalization protests during G-20 Summits. These

virtual defense groups are mainly made of world citizens who don't face direct problems.

- Communities of practice. These are professional working groups whose members share a common identity and mutual obligations.

To the extent that this research is done both in an advanced market and in an emerging market, and because environmental problems generated by a firm in one part of the world do not directly affect citizens living on the other side of the globe a distinction is made between local citizens and world citizens.

Local citizens

Local citizens are individuals or communities who live near the company. They are not necessarily opposed or informed of the practices of neighboring companies, but Dunham, Freeman, and Liedtka (2006) explain that "when relationships between the corporation and the community of place become contentious, the task of evaluating moral claims and developing appropriate responses to community stakeholder groups can be complex and confusing". In the case of a conflict situation between multinational corporations and local communities, there is a consensus among scholars, executives, activists, and community leaders to incite companies to become more accountable for the impact of their activities on external stakeholders (Calavano 2008). In fact, companies are more inclined to become good citizens with healthy links to the local communities, because they have an interested in a successful relationship. However, companies' first priorities remain either shareholders (Friedman 1970) or customers (Drucker 1954).

Tensions between multinational companies and the local citizens are regularly featured in economic press reviews. An example of this is the protests of indigenous communities against the Newmont oil company in Indonesia in 2006. Newmont was accused of illegally dumping mining waste into the sea near the fishing and diving community (Perlez 2006).

Another example lies in the province of Napo in Ecuador. In 2006, massive demonstrations were orchestrated by local people to denounce the environmental degradation inflicted on tropical forests by the oil company Occidental Petroleum. A few months later, the French oil company Perenco, located in the province of Orellana, still in Ecuador, was the object of massive blockades, with more than 20,000 demonstrators denouncing the environmental destruction caused by the multinational oil.

These actions by local citizens on multinational companies are not without consequences for the targeted companies. In the three examples above, the offending companies saw their production stopped for several weeks and faced severe financial and reputational consequences. These companies were forced to pay damages to local populations and to Indonesian and Ecuadorian states that had been forced to manage these conflicts and to declare a state of emergency. Businesses finally had to commit to taking important steps to reduce the environmental damage they had caused. These examples are not isolated cases, they reveal that ignoring conflicts with local citizens can put companies at financial and reputational risks, especially those with a high environmental impact (Calvano 2008).

World citizens

By contrast with local citizens, world citizens are not directly geographically concerned by environmental issues generated by firms because they don't leave near the company. World citizens may have a neutral opinion or no opinion about a particular foreign company. They are not necessarily invested in actions against multinational corporations' environmental practices and therefore they don't interact with firms. When they do, they can be community stakeholders, like activists or virtual defense groups, as described by Dunham, Freeman, and Liedtka (2006). Like local communities, world citizens share a common environmental goal but it is generally a broader interest which is not directly related to the place in which they live.

Among other actions carried out by NGOs, Greenpeace's 2010 campaign against Nestlé and its KitKat is a good example of how world citizens can have an influence on multinational corporations' environmental practices. KitKat bars were accused by Greenpeace to be made from palm oil coming from primary Indonesian forests, and thus the firm was suspected to contribute directly and heavily to deforestation. A counter-advertisement of a few minutes created by the non-governmental organizations and broadcasted on YouTube became viral in a matter of hours, provoked outrage among citizens around the world and generated strong turbulence within Nestlé headquarters, which had to respond to this crisis by putting in place effective countervailing measures. Faced with huge criticism, the Swiss agri-food group made the decision to change supplier (Steel 2010) and to buy 100% certified sustainable oil from 2015 (Lefebvre 2015).

In sum, people concern is an external economic force by being customers demanding eco-friendly products. It is also an external political force exerted by community stakeholders like local or world citizens, communities of interest or activists. People concern is an antecedent to corporate environmentalism in so far as it can influence firms: in response to people concern, multinational corporations might try to improve their green image, or to develop environmental strategies to target green customers (Banerjee 2002).

2.2 Regulatory Forces

From a corporate perspective regulation consists of rules aimed at preventing misconduct by businesses and other organizations. They are enforced by specialized government agencies (Coglianese and Kagan 2007). The ‘‘market failure’’ theory of regulation states that government regulation is necessary when markets fail to provide the information needed by individuals to protect themselves from harm and injustice (Thornton and al. 2008).
Even if the environmental regulation by governments of the economic activity is not new, it has massively grown since the twentieth century in most economically advanced countries due to technological and economic change and political demands for protection against the risks of industrial activity (Coglianese and Kagan 2007).

Environmental regulations in the 1950s and 60s were not supported by penalties and were relegated to local and state agencies with little oversight (Davies and Davies 1975). The growth of penalties, fines, and legal costs has strengthened the importance for companies of respecting environmental legislation (Cordano 1993). While in 1970, there were about 2000 environmental rules and legal regulations in the U.S., this number went up to 100.000 at the late 1990s (Berry and Rondinelli 1998). Consequently, adopting proactive environmental management strategies is a way to become more efficient and competitive in such a legal context (Berry and Rondinelli 1998). It is a way for firms to avoid expensive capital refits such as penalties by keeping ahead of environmental legislation (Lampe and al. 1991).

Clinton and Gore (1995) wrote a report that contained a comprehensive set of twenty-five “High Priority Actions” aimed at improving the existing regulatory system:

> *“We have learned that the American people are deeply committed to a healthy environment for their children and communities. We have learned that pollution is often a sign of economic inefficiency and business can improve profits by*

> *preventing it. We have learned that better decisions result from a collaborative process with people working together, rather than from an adversarial one that pits them against each other. And we have learned that regulations that provide flexibility—but require accountability—can provide greater protection at a lower cost."*

These regulatory actions stated by Clinton and Gore provided some support for innovations in compliance strategies and established several agencies–industry partnerships. However, in most cases the EPA's bureaucratic culture and its inability to delegate authority to regulated parties limited reinvention (Rosenbaum 2000).

Eisner (2004) explores the impact of environmental regulations on corporate environmentalism: results show that domestic regulations have a positive impact on the control of the behavior of domestic facilities. However, it does not have a significant impact on the behavior of foreign subsidiaries. According to the author, this is of concern for three reasons:

1/ Global environmental dilemmas like global climate change have become increasingly problematic,

2/ There are few international governmental institutions able to enforce a regulation on environmental performance,

3/ Many developing countries that are hosts to U.S. subsidiaries have weak environmental policies and therefore they generate opportunities for firms to produce without having to make investments in pollution control. Eisner states that a regulatory system based on the idea that pollution stops at the nation's borders will be unable to deal with the new generation of global environmental issues.

3. ***Internal Forces***

After analyzing the effects of the two external forces acting on multinational corporations' corporate environmentalism, we aim to describe in this subsection the effects of the internal forces on corporate environmentalism. We will observe the effects of competitive advantage then the effects of top management commitment on multinational corporations' corporate environmentalism.

3.1 Competitive Advantage

A competitive advantage exists when competitors are not able to replicate and/or to acquire the competitive strategies executed by the company (Coyne 1986; Barney 1991). When a firm's culture is valuable, unique, and imperfectly imitable, then this culture can provide sustainable competitive advantages (Porter 2008). A competitive advantage is a condition under which a company occupies some niche positions where it can gain the sustainable benefits (Porter 1980) and where its competitors cannot stay (Porter and Van der Linde 1995).

Value, rareness, inimitability, and unsubstitutability are the resources companies should exploit to gain competitive advantages (Learned 1969; Porter 1981). In the early 1980s, Porter reinforced the idea that the role of corporations was to transform costs into profits by identifying opportunities for innovation (Porter 1980). Productivity is the key element for companies to be more efficient and to gain competitiveness.

3.1.1 Competitive Advantage, Theory and Practice

In the mid-1990s Porter and Van der Linde then raised the idea that waste must be considered as an inefficient and counterproductive use of resources: companies should focus on "resource productivity" through materials savings, optimization of process yields and better utilization of by-products to be more competitive (Porter and Van der Linde 1995). In their view, companies would only need to find hidden opportunities to profit from environmental investments and eventually transform such investments into sources of competitive advantage.

Through a proactive and tight environment management, enterprises may create competitive advantages including cost reduction, revenue enhancement, supplier ties, quality improvement, competitive edge, reduction of liabilities, increase of social and health benefits, positive public image, and creation of new product markets (Shrivastava 1995).

Strategists and organizational theorists show how environmentally oriented resources and capabilities can yield sustainable sources of competitive advantage (Peng and Lin 2007). For example, Porter and Van der Linde showed that environmental regulations and popular environmentalism modified the competitive rules and patterns for corporations. According to the authors, corporations that are widely investing in green innovation should obtain the advantage from differentiation and low-cost which can even change the existing competitive rules.

Porter and Van der Linde (1995) and Shrivastava (1995) argued that a corporate environmental management and green innovation can not only reduce production waste and increase productivity but also have a positive impact on corporate images. It also offers the opportunity to generate higher margins by selling green products at higher prices and to develop new markets. At last, engaging in green innovation environmental management has a positive influence upon corporate competitive advantages (Berry and Rondinelli 1998).

Reinhart (1998) also perceived that a product differentiation through environmental practices might be a key to success. In Reinhardt's view, "environmental policy, like other aspects of corporate strategy, needs to be based in the economic fundamentals of the business: the structure of the industry in which the business operates, its position within that structure, and its organizational capabilities." According to him, the question was not anymore "whether or not" but "when" corporations would be able offset the costs of environmental investments.

By the end of the 1990s, authors like Hawken and al. (1999) moved from the resource productivity paradigm to a more technical perspective: they showed that there was a huge potential for companies that were willing to use eco-design and eco-efficiency measures into their business activities. Other researchers like King and Lenox (2001), Vagner and al. (2003) confirmed this idea of the emergence of new business practices based on environmental investments. Aragón-Correa and Sharma (2005) made an overview of the influences of corporate environmental management in the competitiveness of corporations.

Rosen (2001) explains that in the early 2000s, a change in corporate environmental management appeared. Before this period, business was perceived as being caught in the middle of a war between regulators and environmentalists. Traditional managers' perception was that environmental protection was peripheral if not a major threat to the challenge of every corporation: maximizing corporate advantage in the increasingly competitive global market place. Firm's environmental performance improvements were perceived as a matter of regulatory institutions that was mainly an economic extra cost and legal and political complications to the corporate bottom line.

Rosen explains that business actors progressively questioned these assumptions. A new generation of top managers started to recognize the link between superior environmental performance and competitive advantage by reducing waste and managing environmental risk effectively. Top managers realized that such actions increase efficiency, reduce costs and prevent the company against environmental liabilities. Senior executives also realized that it was “in their firm's strategic self-interest to identify and find ways to embrace the business opportunities inherent in taking a constructive approach to solving society's mounting environmental problems” and “to turn environmental problems into strategic opportunities” (Rosen 2001).

Economic opportunities can also drive corporate ecological responsiveness. By intensifying production processes, firms reduce their environmental impacts while simultaneously lowering the costs of inputs and waste disposal (Cordano 1993; Lampe and al. 1991; Porter and van der Linde 1995). Since the last 1990s, multinational corporations have started to recognize the link between superior environmental performance and competitive advantage by reducing waste and managing environmental risk effectively. Such actions increase efficiency, reduce costs and prevent the company against environmental liabilities (Rosen 2001).

Even if the above literature review shows that businesses pursuing green management activities could both improve financial performance and non-financial performance, some empirical studies tend to counterbalance the previously mentioned academic researches. Let’s take an example from the ISO14001 certificate (International Organization for Standardization).

ISO 14001-certified facilities reduce their pollution emissions more than non-certified facilities, but the certificate does not necessarily offer a competitive advantage. Link and Naveh (2006) show that even if business performance is not harmed, achieving improvement in environmental performance as result of ISO 14001 implementation does not lead to better business performance.
Even worse, if there is no clear evidence that the economic impact of ISO 14001 certification is negative for more polluting and more internationalized firms, ISO 14001 certification has a negative effect on the market value of less polluting and less internationalized firms (Cañón-de-Francia and Garcés-Ayerbe 2009). These results are however in contradiction with other studies. For example, Orsato (2006) showed that for some firms, better utilization of resources may pay-off environment-related investments. And for others, obtaining ISO 14001

certification or having some eco-labeled products can be the best way of pursuing competitive advantage.

3.1.2 Competitive Advantage and Green Innovation

Cost factors associated with waste disposal, or reductions in material usage forces firms to modify their behavior (Azzone and Manzini 1994). Corporate environmental management and green innovation can reduce production waste, increase productivity and offer the opportunity to sell green products at relatively high prices and to develop new markets (Porter and Van der Linde 1995; Shrivastava 1995).

Companies pioneering in the green product innovation can obtain the competitive advantages and enable them to sell their environmental technologies or services, to improve their corporate images and even to create new markets (Chen, Lai, and Wen 2006). Green process innovation can also result in cost reduction for companies (Chang 2011). For example, previous literature argues that pollution is the concrete evidence of inefficient uses of resources (Porter and Van der Linde 1995; Chen, Lai, and Wen 2006).

Investing more resources in green process innovation can not only minimize production waste, but also enhance resource efficiency. Companies can adopt green process innovation to enhance resource productivity -through material saving, waste recycling, energy decreasing…- and to raise their manufacturing efficiency and productivity such that they can obtain low cost advantage (Chen 2008). Green process innovation can not only prevent costly pollution; it can also reduce resource expense and overall cost (Orsato 2006; Berrone 2009).

Banerjee (2002) showed that competitive advantages vary across industries. In the medium environmental impact (MEI) sector, because regulations are few and strategic options many, firms can derive competitive advantage through corporate environmentalism. In contrast, firms in the high environmental impact (HEI) sector may experience cost savings initially but they cannot sustain the competitive advantage because regulations tend to level the playing field very soon (Sharma and Vredenburg 1998). Given the relatively high visibility of environmental issues in the HEI sector, responding to environmental concerns is an imperative and not a matter of strategic choice.

3.2 Top Management Commitment

Top management commitment is as a strong internal political force that can enhance corporate environmentalism (Drumwright 1994; Starik and Rands 1995). Top management team members are key factors to encourage firms to assess their environmental impact (Andersson and Bateman 1996); Lawrence 1995; Winn 1995), so as company values (Buchholz 1993).

Top managers have regularly played a role in the development and implementation of environmental management strategies (Starik and Rands 1995).

The business sector of the company also influences top management's direct involvement in environmental issues. For example, this involvement is higher when corporations perceive regulations as a major threat or if their customers are so-called eco-friendly customers (Banerjee 1998; Coddington 1993).

There are two ways for the top management to demonstrate its commitment to environmentalism. The first solution for the company is appointing senior managers aimed at overseeing the firm's environmental orientation and strategies. The second option is to involve directly members of the top management in environmental issues facing their firms (Coddington 1993). This direct involvement promotes a corporate atmosphere conducive to policy implementation and, when backed with adequate incentives for employees, leads to improved environmental performance (Banerjee, Iyer, and Kashyap 2003).

Very often, top management will lobby or try to create alliances with governmental agencies in defining future regulations that will potentially impact the business. In other cases, firms try to establish partnerships with other companies or with nonprofit organizations to modify their industry in a manner beneficial to their own business (Banerjee, Iyer, and Kashyap 2003).

4. ***Shareholders***

Shareholders represent a separate category that cannot be categorized as a purely external or purely internal force. This subsection attempts to present and define the shareholders as a predictor of the corporate environmentalism concept.

Shareholders are a protean category whose structure varies greatly from company to company. Shareholders are stakeholders to the extent that they have a direct or indirect interest in the business of the firm. Shareholders may be physical persons, governments, investment funds, insurance companies, pension funds or banks. The proportions between these different groups vary over time. For example, the proportion of pension funds in total global shareholders decreased from 28% in 1992 to 8% in 2012, following the subprime crisis (Observatoire de l'Epargne Européenne and INSEAD 2013).

This explanatory variable of the corporate environmentalism concept is both an external and an internal force. By definition, a shareholder is a physical or moral person that holds one or more shares in a private corporation (Fontinelle 2003). For example, they may be employees of the company when they hold part of the shares of their company. In this case, these employees, also shareholders of their own company, constitute an internal force.
However, the majority of the shareholders are outside the company and therefore represent an external force. This is especially true as they are legally liable for the debts of the corporation (Velasco 2006). This latter point makes them appear more as investors by their capital inflows than as owners of the business from which they are legally separate.

There is a widespread perception within both academics and professionals that corporate social responsibility remains a concept that falls outside the field of finance and accounting (Freeman and Werhane 2010). At the academic level, Friedman's contribution in particular, for which "the social responsibility of business is to increase its profits" (Friedman 1970) helped to exclude from the scope of analysis of the shareholders the environmental responsibility. Nevertheless, the last decade has seen the "(re) birth of social disclosures [...] and sustainability reporting" (Deegan 2004: 91).
Several research works conclude to a correlation between sustainability and financial performance (Etzion 2007; Margolis and Walsh 2003; Orlitzky, Schmidt, and Rynes 2003). Other studies have shown that shareholders are increasingly interested in environmental information and in environmental practices of companies (Solomon and Solomon 2006) and that, due to a greater stock market awareness, corporate social responsibility is on the verge of a major change towards a substantial and sustained improvement in quality and quantity (Friedman and Miles 2001). Other studies have shown that individual shareholders react to environmental information in investment decision-making when this is provided (Holm and Rikhardsson 2008; Milne and Chan 1999; Milne and Patten 2002).

In order to meet these new requirements, annual sustainability reports now often refer to corporate accountability (Deegan 2004) and the number of companies reporting their

environmental actions has increased (O'Dwyer and Owen 2005). For example, the number of US companies in the top 100 that publish corporate responsibility reports increased from 37 in 2005 to 74 in 2008 (KPMG International 2008).
There is also a consensus among Chief Executive Officers (CEOs) of Global Fortune 500 companies: most of them believe that, in a near future, environmental credibility will be one of the key elements that will influence corporate liability and will be almost as important as financial credibility (Brady 2004). Furthermore, Solomon and Solomon (2006) provide evidence that corporate social, ethical and environmental (SEE) disclosure addressed by companies to their shareholders is evolving into a sophisticated process and is starting to play an important role in the decision-making process (Solomon and Solomon 2006).

In France in 2007, a major turning point was made at the level of measuring the environmental impacts of companies. The "Grenelle de l'Environment", formalizing 238 environmental commitments and the Grenelle 1 (République Française 2009) and Grenelle 2 (République Française 2010) laws corresponding to its implementation, have forced multinational companies that have a subsidiary in France to produce an annual extra-financial reporting based on corporate social responsibility. The energy transition laws passed in 2015 also reinforced this reporting obligation (République Française 2015). In particular, article 173 of the 2015 extended to institutional investors the obligation to publish information on how they consider ESG criteria in their investment policy, and the means implemented to contribute to the energy and ecological transition.
Furthermore, since the incorporation of the European directive on extra-financial reporting into French law ((République Française 2017), the Bank of France has seen major progress of corporate social responsibility reporting and changes in shareholders' behavior on environmental expectations (Banque de France 2017). The French institution observes that communication and corporate transparency have been strengthened, both in terms of the impact of business activities on climate change and in terms of companies' societal commitments and actions. These laws have had the effect of encouraging companies to be more accountable to shareholders by producing more reliable and transparent financial information (Freeman and Werhane 1999). Shareholders see in a company that does not comply with the Grenelle laws a risk that their investment falls, either because of a lack of public image linked to a poorly accepted practice (Hart 1995), or because of non-anticipated environmental compliance

obligation (Maxwell, Lyon, and Hackett 2000) that might lead to additional costs related to this non-anticipation.

Chapter 1 Conclusion – Description of Multinational Corporations' Corporate Environmentalism

In this chapter, we described the concept of corporate environmentalism and drew its outlines. In order to better understand our problematic, we discussed the concept of environmental marketing strategies and measured their rapid evolution during the last decades. We focused on describing five antecedents to corporate environmentalism, that means the variables which characterize the corporate environmentalism concept, in light of the stakeholder theory.

Two major components were presented to describe the corporate environmentalism concept: "environmental orientation", which is the recognition by managers of the importance of the environmental problems generated by the activities of their companies and "environmental strategy" which translate into the implementation of strategic plans to address environmental problems.

We also made a distinction between variables representing external forces and variables representing internal forces exerted on firms. We identified people concern and regulatory forces as external forces. People concern is about individuals and the way they influence corporate environmentalism. People concern is made of three groups:

- The first one concerns customers, whose environmental expectations can be reflected in their consumption patterns of products and services made by companies.
- The second group concerns local citizens. They are not necessarily consumers, but their close proximity to firms can lead them to take a vigilant stance towards them and potentially harm businesses that cause environmental damage.
- The last group represents world citizens. As their name implies, they do not live in the immediate vicinity of the targeted company, but they can still have a strong influence on companies' environmental practices, in particular by denouncing practices that they consider harmful to the environment and by exposing companies to the risk of depreciating their public image.

We also identified internal forces, namely competitive advantage and the top management commitment. The competitive advantage can encourage companies to develop their corporate environmentalism. This competitive advantage can be achieved through several actions, such as for example the reduction of raw material waste to cut initial costs, or the sale of environmentally responsible products and services capable of attracting a growing share of consumers sensitive to the environmental cause.

Top management commitment also plays an important role in the deployment of corporate environmentalism. Without impetus from the top management, the academic literature shows that it is complicated for a company to adopt a transversal approach of corporate environmentalism and there is a risk, in the absence of a homogeneous strategy, to drift towards green washing.

Lying between an internal force and an external force, shareholders constitute the last explanatory variable of the corporate environmentalism concept. We saw that shareholders represent an external force, because they are not responsible for the debts of the firms in which they invest. But since this category may also include employees who are shareholders of their own company, it becomes complicated to consider this antecedent to corporate environmentalism as a purely external force.

As a first step in our research, we studied the explanatory variables of the concept of corporate environmentalism in order to answer the first research objective. The empirical study will also cover this aspect by relying on a scale of measurement of these variables of the corporate environmentalism concept (see Chapter 4).

Chapter 2 – The Effect of Market Type and Industry Type on Multinational Corporation's Corporate Environmentalism

The first chapter presented and defined the concept of corporate environmentalism. Chapter 2 aims to observe how market type and industry type moderate corporate environmentalism in multinational corporations.

First, we will identify and compare corporate environmentalism characteristics in both emerging markets and advanced markets. The massive development of multinational corporations in emerging markets gives a new relevance to the corporate environmentalism concept and encourages firms to consider ecological impacts in their decision-making (Berry and Rondinelli 1998; Bucholz. 1991; Lawrence 1995).
First, we will describe what drives corporate environmentalism in multinational corporations and we will compare the results between advanced markets and emerging markets (Section *1: Market Type, a Cross Cultural Moderator).* Second, we will describe market type effects on corporate environmentalism's five antecedents, namely people concern, regulatory forces, competitive advantage, shareholders and top management commitment *(Section 2. Market Type Effects on Corporate Environmentalism's Antecedents).* Third, we will explain the choice of France as an advanced market and India as an emerging market (Section *3: Advanced markets and Emerging Markets: The Choice of France and India).* Fourth and last, we will describe the second moderator of the corporate environmentalism concept: Industry type We aim to evaluate if the explanatory variables that drive corporate environmentalism affect all industries equally. In the case of this research, companies were classified into two categories. The first group includes companies that represent a low environmental risk, the second group includes companies with high environmental risk. This ranking was decided on the basis of the analysis of four major differences, which we will describe below: level of public concern, tightness of environmental regulations, amount of pollution generated and risks of environmental degradation (Section *4: Industry Type: High Environmental Impact and Moderate Environmental Impact Industries)*.

Figure 6 shows the sections of this chapter.

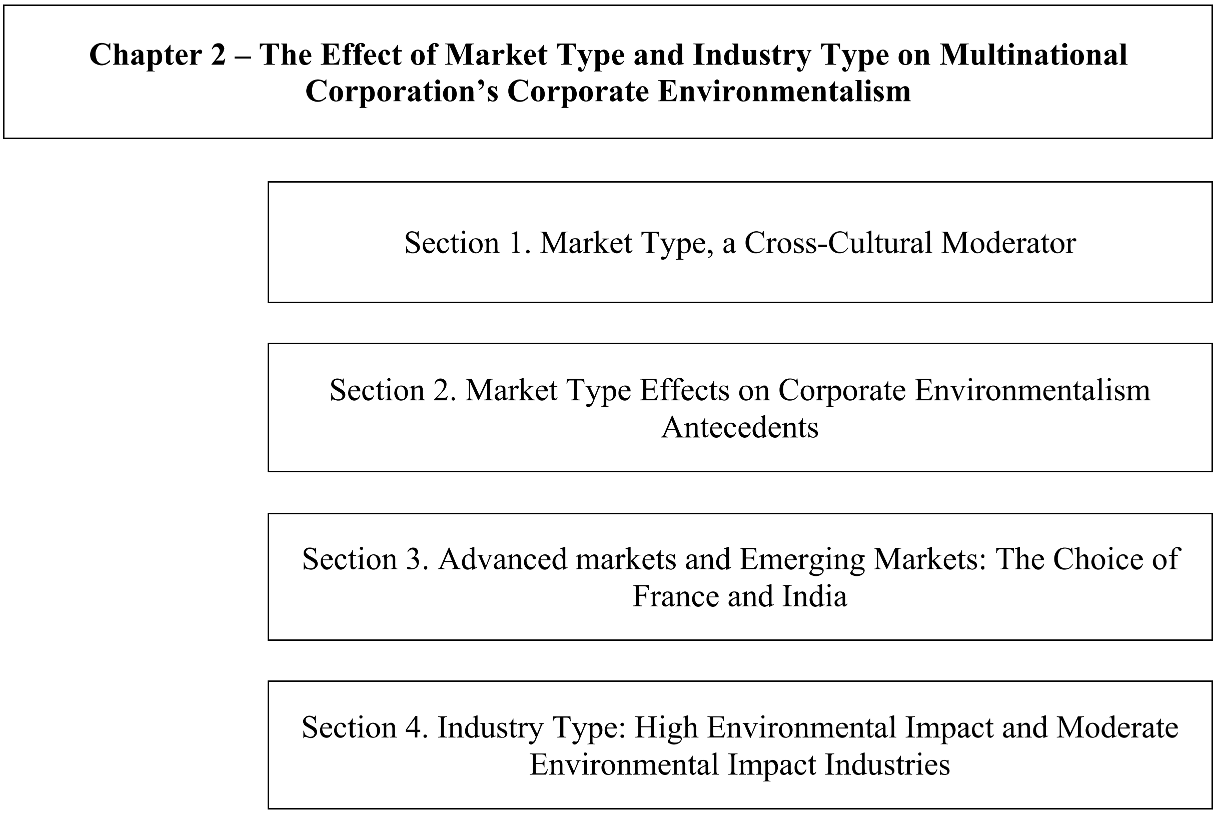

Figure 6: Chapter 2 Flow

Section 1: Market Type, a Cross-Cultural Moderator

In this part, we will observe the differences between emerging markets and advanced markets in the light of the corporate environmentalism concept. The corporate environmentalism concept has been widely studied in advanced markets over the last two decades, but we find less studies and academic articles about corporate environmentalism in emerging markets. This part aims to fill this gap by comparing corporate environmentalism of multinational corporations in emerging markets and advanced markets.

Historically, in advanced markets, issues such as product safety or environmental pollution, brought to the surface public debates and pressure to regulate this sector (Marlin and Marlin 2003). It forced firms in advanced markets to behave socially responsibly to avoid the risk of enduring public outrage. Firms in emerging countries today face similar issues, with China and India in the spotlight of both academic studies and the popular newspapers (Lattemann et al. 2009).

A growing number of emerging market firms are showing extraordinary competitiveness in advanced markets and raise the interest of both media and academia (Stucchi 2012). Some of them are challenging competitors from advanced markets (The Economist 2010), and are developing significant technological, organizational and strategic innovations (Gaur and Kumar 2010; Mathews 2006). While in 1990 foreign direct investment (FDI) flowing into emerging markets was $ 36 billion, it reached a new high of $ 752 billion in 2015, 9% more than in 2014 (UNCTAD 2017)

Emerging countries in the Asian region, with an inward FDI exceeding $ 500 million, have become the largest recipient of FDI in the world. Through liberalization and globalization, multinationals are undoubtedly the most important players in this gigantic development of the world economy (IMF 2016).

An important motivation for emerging markets' firms to realize outward foreign direct investments (OFDI) in advanced markets is to access advanced knowledge and capabilities available in these advanced markets, in order to improve the technological and innovative capabilities of the parent companies in emerging markets (Chen, Li, and Shapiro 2012; Deng 2009; Luo and Tung 2007; Makino, Lau, and Yeh 2002; Mathews and Zander 2007; Rui and Yip 2008).

However, this massive development, particularly in emerging markets, generates social and environmental problems that expose companies to problems such as “reputational capital” or the difficulty of obtaining “social license to operate” in these markets (Ruggie 2008; Joyce and Thomson 2000). Facing these issues, Garcia-Johnson (2000) shows that a “voluntary corporate environmentalism” which comes from advanced markets is being exported to developing countries by multinational corporations. Other researches explain that foreign companies’ concern to ensure a reliable level of transaction with host countries generates new frameworks and sets standards of what constitute a legitimate environmental behavior of firms (O'Connor and Hallowes 2002; Ward 2001).

Several applied research studies have been conducted on these issues (Davis and Marquis 2005; Wicks and Freeman 1998), but these studies generally don’t address the problem via corporate environmentalism drivers as a whole; they analyze a single facet such as self-regulation by multinational corporations (e.g. Christmann and Taylor 2001). While corporate environmentalism drivers in advanced markets have been widely analyzed, described and prescribed (Banerjee, Iyer, and Kashyap 2003; Hoffman 1999; Kagan, Gunningham, and Thornton 2003), little research has been conducted in emerging markets, except by academics like Garcia-Johnson (2000) and Christmann (2004).

Although advanced markets and emerging markets have a significant number of criteria in common, they are different in many ways. The following section will describe these markets and present their respective characteristics.

1. Multiple Indicators to Define Emerging Markets and Advanced Markets

The terms “advanced markets”, or “advanced economies” are used by the International Monetary Fund to describe developed countries. There is currently no established and accepted numerical convention to determine whether an economy is advanced or not. A consensus is adopted to describe advanced economies such as those with both a high per capita gross domestic product and a very advanced degree of industrialization. Nevertheless, to better distinguish advanced markets from emerging markets, several other indicators were used. The following subsection will present it.

Ben Bernanke, Federal Reserve Chairman noted that there is no single agreed-upon definition of emerging markets but “generally speaking, emerging market economies are defined as those economies in the low- to middle-income category that are advancing rapidly and are integrating with global capital and product markets” (Bernanke 2011).

GDP as the only criterion

The border between emerging and advanced economies is not clearly defined. It fluctuates according to the institutes in charge of observing them and according to the indicators used to classify the countries. For example, the United Nations recognizes that there is no established convention for distinguishing between “developed” and “developing” countries.

The United Nations clearly identifies a group of developed countries based on economic conditions well above the world average but does not differentiate for countries that do not fall into this category (UNCTAD 2017). This group of “developed” countries is made up of Japan in Asia, Canada and the United States in North America, Australia and New Zealand in Oceania, and finally Europe.

In the United Nations ranking above, measuring the level of development of an economy is based solely on the calculation of GDP per capita. Nevertheless, the United Nations does not set a precise threshold for classifying one economy or country in one category rather than the other. It therefore does not always provide quantified answers about its choice to qualify certain regions as “developed” or “developing”.

What level of GDP to consider?

The United Nations example alone shows the difficulty of classifying countries based on the unique GDP criterion. If economies with GDP per capita greater than $ 40,000 are a consensus and are clearly considered advanced markets, the separation into two or more groups and the thresholds for classifying countries are debated. Some institutes such as the IMF or the World Bank consider that a GDP per capita of about $ 12,000 is sufficient to attribute the developed country status (World Bank 2018b, World Economic Outlook 2017), while others do not consider that a country is developed if its GDP per capita is less than $ 25,000 (Dover and Mobius 2016).

GDP and geography

On the same principle of analyzing only the economic conditions of the countries, the WESP report (WESP 2018) for its part identifies three distinct groups: developed economies, economies in transition and developing economies. The composition of these groups is supposed to reflect the basic economic conditions of these countries. Nevertheless, many countries, especially those with economies in transition, have characteristics that make it difficult to rank in one group or another. Therefore, since 2014, the WESP report uses location criteria to include countries in a particular group: for example, the proximity of a country in transition with a group of "major developed economies" may encourage authors of the report to give to this "neighbor" the status of developed economy (WESP 2014).

As we have just seen, GDP per capita is not a sufficient indicator to clearly distinguish between emerging and advanced economies. Nevertheless, this indicator remains highly observed by investors for whom a high GDP per capita is synonymous with high purchasing power and therefore profitable commercial transactions. Even if the frontier between emerging markets and advanced markets is unclear, investors remain mostly hooked on this simple indicator which allows easy comparison between countries. But this indicator used in isolation is not without weaknesses, in particular because it does not systematically represent the living conditions of the inhabitants, especially when there are substantial income disparities (Cubeddu et al. 2014).

GDP and wealth inequality

The IMF has therefore changed its criteria. The institute created a new indicator aimed at considering wealth inequalities between the inhabitants. It led the IMF to classify the United Arab Emirates in the category of emerging countries, while the GDP per capita ranks among the highest in the world (IMF 2014). This downgrade is due to the very strong inequalities that exist throughout the country in which a majority of the population has a standard of living close to that of the inhabitants of emerging countries with a much lower GDP per capita.

GDP and the use other financial indicators

The financial reports published by the MSCI are based on several criteria for measuring the level of development of a country. The ranking of countries is established by measuring the level of economic development via Gross National Income (GNI) per capita as published by the World Bank.

The MSCI also analyzes the size and liquidity of the country's stock markets. The MSCI crosses these two first indicators with the level of accessibility of the country's markets for foreign investors: what are the limits of foreign ownership and what is the level of capital flow restrictions in the country observed? These three factors combined provide a better measurement and classification of emerging markets and advanced markets. This measurement system excludes, for example, South Korea from the circle of advanced markets. Indeed, Korea meets the criteria of economic development and liquidity offering the status of developed country, but the country does not meet the criteria of accessibility of its markets to foreign investors (MSCI 2012).

Human Development Index (HDI): a more accurate indicator for measuring differences between countries

In the developed market economy countries, sometimes called Northern countries as opposed to the Southern countries, the majority of the population has access to all vital needs: drinking water, food, health, decent housing and education. When all these basic conditions are met, GDP per capita remains a relevant indicator for measuring differences in living standards. But the HDI gives a finesse of additional analysis because it provides information on individual or collective well-being; it does not only assess economic output, even if it comes into consideration.

The HDI was developed in 1990 by Indian economist Amartya Sen and Pakistani economist Mahbub Ul Haq. For both Amartya Sen and UNDP, development is defined as a process of expanding the choice of people, the "capabilities" that the unique analysis of GDP per capita does not measure (Sen 1985).

The Human Development Index (HDI) is an indicator used to measure the human development rate of each country in the world. It is a statistical indicator created by the United Nations Development Program (UNDP) in 1990. The HDI is said to be "composite" because it is based on three criteria: it includes the previously mentioned GDP per capita, but it also includes the life expectancy at birth and the level of education of children aged 15 and more. More specifically, the HDI measures:

1- Health and longevity (measured by life expectancy at birth), which indirectly reflect the satisfaction of the essential material needs mentioned above,
2- Knowledge or level of education, based on the average length of schooling of adults and the expected duration of schooling for school-aged children, reflecting the satisfaction of intangible needs such as the ability to participate in decision-making at the workplace or in society,

3- Gross per capita income in purchasing power parity to encompass elements of quality of life that are not described by the first two indices, such as mobility or access to culture.

In 2010, the HDI became the IHDI, the Human Development Index adjusted for Inequality. This is the HDI indicator weighted by a measure of inequality. IHDI is supposed to measure the real level of human development, taking into account inequalities, while the HDI can be seen as a "potential" human development index, ie the maximum level of IHDI that could be achieved in the absence of inequality ((United Nations and Development Program 2010), therefore getting closer to Amartya Sen's concept of capabilities (Sen 1985).

2. ***Advanced Markets Specificities***

As explained in the previous section, when it comes to classifying countries according to their level of development, there is no criterion (either grounded in theory or based on an objective benchmark) that is **generally accepted (Nielsen 2011). However, even if creating two or more separate groups might lead to conceptual issues, there are pragmatic differences between low income and high countries that cannot be ignored. Let's compare for example France and India in terms of standard of living, life expectancy and other indicators.**

With a GDP per capita of Int$43.550 in 2017 (IMF 2017), France standard of living differs significantly from India whose GDP per capita is Int$7.174. In 2015, regarding life expectancy, a new-born baby could expect to live **in France 82,4 years old, whereas in India it is statistically expected to live 68,3 years old (World Health Organization 2015).**
Virtually all adults in France are literate whereas in India, 72.1% of the adult population is literate (Huebler and Lu 2013). Even if there is no consensus for a clear cut between advanced countries and emerging countries, such social and economic differences between France and India are strong enough to characterize France as an advanced market and India as an emerging market.

Although we cannot refer to norms, advanced markets are characterized by superior level of living, as described by the Report on International Definition and Measurement of Standards and Levels of Living (United Nations 1954). The report explains that levels of living are mostly made of health, nutrition, housing, employment, education. Sen’s humanistic approach argues that development expands freedom and gives people wider choices and opportunities, which he called “capabilities” (Sen 1985).

In 2016, India was home to 194.6 million undernourished people and 38.7 percent of children under 5 were chronically malnourished (World Food Programme 2016). Looking at the Global Hunger Index, which ranks countries according to multiple indices about hunger and undernutrition, India is ranked among the countries where problems are “Serious” (Global Hunger Index 2017). 21% of children in India suffer from wasting. Only three other countries in this year’s Global Hunger Index - Djibouti, Sri Lanka, and South Sudan - have data or estimates showing child wasting above 20 percent during the 2012-2016 period (Global Hunger Index 2017).
India has recently launched two national programs - the Integrated Child Development Services and the National Health Mission- that address nutrition, but they are too recent to show significant results (Kim et al. 2017)

The above-mentioned data shows the important differences between the two countries, one which is unanimously classified as emerging country (India) and another which is unanimously considered as an advanced country. GDP per capita is six times higher in France than in India, give much stronger opportunities to people to raise their capabilities (Sen 1999). People are expected to live 14 years longer in France than in India. UNESCO does not measure the literacy rate in France because it is too close to 100%.
The World Food Programme does not even make any calculation in France and in other advanced markets because hunger and undernutrition are at levels too low to be considered. These problems exist in France and in other advanced economies, but they remain marginal compared to India and other emerging economies. These examples show that prosperity in advanced markets have repercussions on many levels: education, food in abundance for almost every people, better infrastructures for everyone, like running water, electricity grid, paved roads… In sum, better overall living conditions.
Advanced markets also differ from emerging markets in terms of safety. Even if there are exceptions, road accidents tend to slowly decrease in Europe and North America, but most developing and emerging countries face a worsening situation with the increased mobility of people and goods (Jacobs and Palmer 1996).

If we look at the Global Peace Index created by the Institute for Economics and Peace, six of the ten safest countries in the World are European countries. The four others -Iceland, New Zealand, Canada and Japan are undoubtedly advanced markets. Except for Bhutan and Hungary, eighteen of the twenty safest countries in the world have a GDP per capita above Int$20 000 (World Bank 2018b) which clearly classifies them as advanced economies.

Advanced economies also tend to have a high level of industrial development, skilled employees, tight security regulations, high standards of accounting. The Fragile States Index created a methodology based on several indicators to measure countries' level of fragility. The ranking is based on state legitimacy, public services, economic decline, demographic pressures, external intervention, human rights and rules of law. The 20 most stable countries are well established advanced markets with a GDP per capita above Int$20 000 (The Fund For Peace 2018).

3. ***Emerging Markets Specificities***

Historically, the terminology "emerging markets" appeared in the 1980s. It was first used by the World Bank economist Antoine Van Agtmael (1984), during the period of international stock market expansion. This "emerging markets" terminology was used to describe the rapid progress made in some developing countries. Nevertheless, even today, the definition of an emerging market remains vague and makes it difficult to distinguish precisely between "emerging markets", "developing markets" and "developed markets."

Emerging economies are distinguished from developing ones by their more advanced levels of infrastructure, by the institutional and regulatory stability of government agencies, and by the liberalization and internationalization of capital and goods flows (EUROSIF Emerging Markets 2010). Emerging markets can be defined as follows: "Emerging market country is a society transitioning from a dictatorship to a free-market-oriented-economy, with increasing economic freedom, gradual integration with the Global Marketplace and with other members of the GEM (Global Emerging Market), an expanding middle class, improving standards of living, social stability and tolerance, as well as an increase in cooperation with multilateral institutions" (Kvint 2010).

Simon (1997) summarized the concept and listed what he found as the most important features characterizing the emerging countries:

A/ The small size of the economy,

B/ GNP/Capita much lower than in developed countries,

C/ A reduced opening for accepting foreign investors,

D/ A high volatility of the exchange rate which implies greater risk in trading,

E/ A fast increase process.

Another characteristic of emerging countries concerns the environmental impacts that are generated by economies with extremely fast transitions. Even if the simplistic view of associating developing economies with pollution is reductive, there are nevertheless main trends that deserve to be described (Cordero, Roth, and Da Silva 2005).

For developing countries, and especially for those whose economic growth is very rapid, the success of a transition from an agricultural society to an industrial society is also frequently a source of scarcity of natural resources and ecological disorders.

3.1 Natural Resources Pressure in Emerging Markets

First, economic growth is faster in emerging markets than in advanced markets (World Bank 2018b) and worldwide poverty rates dropped from 43% to 21% between 1990 and 2010 thanks to this robust growth (World Bank 2018c).

However, growth at any cost can generate problems like overexploitation of natural resources and environmental pollution (Stocker, Dahe, and Plattner 2013). Rapid growth in emerging markets does not only carry social progress and growing middle class, it also generates environmental challenges. Excessive resource exploitation, land disturbances and potential pollution jeopardize economic viability in many regions (EUROSIF 2010). Furthermore, living standards improvements are combined with a rapid population growth which put added strain on available natural resources, which could, in turn, constrain market growth or business performance (EUROSIF 2010).

Consequently, environmental pressure and more generally sustainability issues become more significant.

3.2 Toward a Sustainable Economic Model

While developed countries have been able to expand their economy without any restriction during the twentieth century, making the choice of today's growth over future sustainability will only make human and ecological challenges even more severe and difficult to address later (Stocker, Dahe, and Plattner 2013).

3.3 Environmental, Social and Governance (ESG) Issues

Some emerging economies are characterized by a limited transparency in governance and other sustainability issues and the integration of ESG criteria is generally lower in emerging than in developed markets (World Bank 2011).

3.3.1 Environmental Issues

42% of emerging market firms support environmental commitments in the form of policies or statements, but they remain weaker on implementation and progress tracking compared to what is observed in advanced markets (EUROSIF 2010). For example, regarding the key topic of climate change, a survey based on the answers of 800 emerging countries' companies showed that only 29% of these firms took part in the reporting initiative (Price Waterhouse Coopers 2010).

However, the survey reveals that some Asian companies from Korea or Taiwan perceive environmental certifications (e.g. ISO 14001) as an important strategy to obtain a competitive advantage and to improve their reputation.

Finally, pressure on emerging market firms will probably grow in the future, particularly in fast-growing emerging economies such as India or China as these countries already started to play a bigger role in the international climate change regime.

3.3.2 Social Issues

Despite common characteristics in emerging countries such as growth and inclusion in the global economy (Vercueil 2015), income inequality within countries in this group is greater than that in OECD countries and have grown over the last twenty years. The BRICS have therefore become more unequal. The only exception is Brazil, a country that has made significant progress in reducing inequality (Porras 2015)

3.3.3 Governance Issues

Governance in companies from emerging countries is often characterized by a culture of former

state-owned companies, concentrated shareholder structures and limited or weakly enforced regulations (EUROSIF 2010). Environmental regulatory forces and the enforcement of these regulations are significantly lower in emerging markets than in western economies.
Despite a recent improvement in the level of corporate disclosure on sustainability issues in emerging markets, it remains, on average, below the standards displayed in developed countries (EUROSIF 2010).

Section 2: Market Type Effects on Corporate Environmentalism Antecedents

As we have just seen, advanced markets and the emerging markets, although difficult to separate precisely, especially for the intermediate economies, each bring together countries with different typologies. The following part will focus on presenting how corporate environmentalism might differ in each market.

1. People Concern

1.1 Individuals

Facing massive environmental challenges such as polluted cities, contaminated water or eroded soils, there is an increasing demand for environmental protection in emerging markets (Dogl Behnam 2015), but environmental problems are not perceived in the same way in all countries (Vicente-Molina, Fernández-Sáinz, and Izagirre-Olaizola 2013). People concern for the environment is also high in advanced market, Diamantopoulos et al. (2003) explains that within Western culture, there is a widespread acceptance of environmental responsibility. In these advanced markets, intense coverage and political attention to green issues make environmental concern becoming "the socially accepted norm'' (Schwepker and Cornwell 1991, p. 85).
In emerging economies such as Chile, Chilean business students tend to express higher levels of awareness of environmental problems, a greater sense of obligation to protect the environment, and stronger intentions to engage in pro-environmental behavior than business students in the U.S, an advanced market (Cordano et al. 2010). Vicente-Molina, Fernández-Sáinz, and Izagirre-Olaizola (2011) show that the rapid industrialization and the growing environmental pressure exerted in Brazil and Mexico by rapid growth seem to raise public environmental awareness.

Environmental concern is related to age and to the level of education. People concern for the environment increases with age, both in advanced markets and in emerging markets. In China, Zhao et al. (2014) showed that older consumers are more likely to engage in using and recycling behaviors. This result in an emerging market is consistent with other studies made in advanced markets: positive relationship between age and behavior was found in the UK (Diamantopoulos et al. 2003), in the USA (Roberts 1996; Samdahl and Robertson 1989).

Zilahy and Huisingh (2009) found that education was one of the key drivers of high levels of environmental concern and behavior. Furthermore, Diamantopoulos et al. (2003) stated that the higher level of education tends to score high on all components of the green consumption domain, namely knowledge, attitudes and perceived effectiveness.
Higher education leads to a better awareness of the potential environmental damage, and thus leads to a higher concern about environmental quality and a higher environmentally responsible behavior (Lozano 2006; Olli, Grendstad, and Wollebaek 2001). More highly educated individuals possess a higher level of environmental knowledge and seem to better understand complex environmental issues (Zhao et al. 2014), which is translated into pro-environmental behavior (Schlegelmilch, Bohlen, and Diamantopoulos 1996).

If we look at individual's environmental actions, Cordano et al. (2010) consider pro-environmental behavior to be influenced by environmental beliefs, which differ from one culture to another. Sustainable consumption behavior has been observed by academics in various markets and through different aspects, such as green consumption behavior in China (Wang et al. 2013) or domestic energy saving behavior household in UK (Barr, Gilg, and Ford 2005) or in Australia (Gadenne et al. 2011).
Kennedy et al. (2009) described the "environmental values-behaviour (EVB) gap" which translates into the fact that individual's pro-environmental behavior is influenced by the quality and availability of community environmental services (Kennedy et al. 2009). In the same vein, pro-environmental behaviors like recycling are also more frequent when people have access to recycling programs (Derksen and Gartrell 1993). Environmental products' availability is also an important criterion in encouraging people to buy green products (Vicente-Molina, Fernández-Sáinz, and Izagirre-Olaizola 2013).

1.2 Communities

Focusing on people concern and more specifically on communities, civil society plays an important role in organizing and arbitrating the environmental practices of multinational corporations. This "community-driven regulation" played a leading role in multinational corporations' corporate environmentalism and have influenced governments (Agyeman 2002; Agyeman, Bullard, and Evans 2003; Bullard and Johnson 2000; Cock 2004; Lund-Thomsen 2005; O'Rourke 2003).

The concept of environmental justice, defined by Bullard and Johnson (2000) as the "fair treatment and meaningful involvement of all people regardless of race, colour, national origin, or income with respect to the development, implementation, and enforcement of environmental laws, regulations and policies" was first used to describe the poor communities' activism in the United States. This concept was then spread to other communities from emerging countries (Walker and Bulkeley 2006), especially in the poorest communities in these countries, forcing businesses and governments to take community complaints into account (Newell 2005).

Several studies have described this concept of environmental justice in different emerging and developing countries. This is the case, for example, of the work carried out by O'Rourke (2002), which presents a case study in Vietnam, a country where several environmental measures to reduce industrial pollution have been put in place, following complaints generated by members of the community. However, the author points out contrasting results because of the difficulty for the government to combine industrial development and the environmental constraints that this industrialization generates.

Other research has shown that the effectiveness of environmental justice and its effects on the multinational corporations' corporate environmentalism was underpinned by the strength of the anti-globalization social movements present in that country and by the pressure exerted by non-governmental organizations on governments (Lund-Thomsen 2005), or by the level of independence, influence and appropriation of the subject by the media (Barnett 2003). Nevertheless, the effectiveness of environmental justice can also be achieved by means of discussion and collaboration rather than through channels of confrontation or systematic opposition. As discussed in Chapter 1 Section 2, there are collaborative relationships between businesses, governments and communities. These cooperative approaches are defined by the concepts of “corporate social responsibility”, “stakeholder involvement”, or “corporate citizenship” (Matten and Crane 2005; Moon, Crane, and Matten 2005; Zadek 2001).

Some research highlights the importance of Good Neighbour Agreements (GNAs) and partnerships with local communities when establishing a new high environmental impact business (Illsley 2002; Lewis and Henkels 1996). Nevertheless, these winning relationships are frequently questioned by academic research, which raises the question of who benefits from this shared governance: “governance for what and for whom?” (Jordan 2008). Some researchers have concluded that increasing corporate social responsibility gradually improves state-managed environmental development policies (Newell and Frynas 2007).

In conclusion, we have seen that different strategies are adopted by the communities to modify the multinational corporations’ corporate environmentalism. These strategies take the form of cooperation but also of more frontal and vindictive actions. Different studies on the subject provide an overview of existing approaches, but do not allow for systematization of approaches and, for each situation, do not explain which method is the most legitimate, effective and equitable (Adger et al. Al. 2003, Newell 2005).
The other deficiency in these studies relates to the populations observed. Most studies analyze the strong contrasts between the poorest communities on the one hand and the most powerful multinational corporations on the other (Garvey and Newell 2005; Muthuri 2008), abandoning the analysis in the emerging countries of the upper classes, a socio-professional category which may have a strong influence on the corporate environmentalism of the company in which it works. Jenkins (2000) also shows that the observed communities are often those that have suffered the greatest environmental damage following major industrial disasters or because of an extremely rapid development of industrial activities. The author shows that these communities have therefore set up very important collective actions that do not necessarily represent the investment of all the communities of the emerging countries.

2. ***Regulatory Forces***

Environmental regulations, both in emerging and advanced markets, contribute significantly to improving corporate environmentalism (Hoffman 2001a; Jenkins 2000; Kagan, Gunningham, and Thornton 2003). However, environmental regulations come in different forms, ranging from unilateral and binding regulation to the establishment of voluntary regulations or agreements negotiated between enterprises and governments.

This second form of regulation, more flexible and co-constructed with state-owned enterprises and institutions, has developed particularly in advanced markets since the 1980s (Carter 2001; Fiorino 2006; Gouldson and Murphy 1998; Jordan 2008; Jordan, Wurzel, and Zito 2005). In an emerging market like India, environmental damage related to pollution is estimated to cost $14 billion annually (Dögl and Behnam 2015). Faced with these major environmental problems and the huge costs that are needed to mitigate them, many emerging countries have implemented environmental policies regarding air and water pollution as well as waste disposal to enhance environmental protection (Managi and Jena 2008).

However, environmental improvements at the corporate level are not only achieved through regulations, whether unilateral or multilateral. There are other environmental performance drivers such as corporate environmentalism, which is the result of the interaction between regulation, market pressures on the company, local and national environmental activism and corporate environmental management (Kagan, Gunningham, and Thornton 2003).

Several research works have been carried out to compare unilateral regulations on one side and voluntary or self-regulatory initiatives on the other (Utting 2002). Sometimes when regulations enforcement shows weaknesses, these regulations may have limited or unequal effects on pollution prevention and control (Jenkins 2000). Other research shows that there are limits to the inclusion and implementation of voluntary agreements in both developed and developing countries (Darnall and Sides 2008; Utting 2002).

Environmental regulation instruments therefore vary according to the context in which they are set up and, as a rule, a mix of several regulatory tools is needed to achieve effective environmental measures (Potoski and Prakash 2004; Stavins 2003). The vast majority of studies related to environmental policies have the advanced markets for observation field. Utting (2002) questions the possibility of transferring and reproducing all environmental management tools from developed countries to developing and emerging economies. In response to this question, the work of Blackman and Afsah (2004) show that for some developing countries such as Indonesia, some of the solutions chosen were specifically created according to the national context.

Nevertheless, some research shows that strong inequalities in environmental performance persist between emerging markets and advanced markets (Perkins 2007) and that firm-based environmental norms and standards, while being more and more global, are still implemented differently among countries (Garcia-Johnson 2000). The global influence of corporate environmentalism does exist, but the adoption and implementation of internationally certifiable standards and norms such as ISO14001, vary by markets and subsidiaries (Garcia-Johnson 2000). Acutt et al (2004) show evidence of weaknesses in the harmonization of global standards in chemistry multinational corporations, leading to poorer environmental performance in emerging markets such as Mexico or South Africa.
If we look at India, since 2010, Indian government policies have turned up the pressure on business compliance through several new regulations (Jayanti and Rajeev Gowda 2014). In 2011, National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business were released. These governmental guidelines enforced the largest hundred companies in India to publicly disclose their sustainability initiatives. Companies in the energy-intensive sectors were also required to comply with an energy-efficiency programme launched by the Bureau of Energy Efficiency.

Furthermore, a recent overhaul of India’s corporate law requires large businesses to devote 2% of their profits to corporate social responsibility (Balch 2016). These examples highlight the rapid evolution of regulatory forces in India and more widely in emerging markets. Financial performance and sustainability cannot be separated anymore, and companies have to adapt to the rapid legal changes enforces by goverments.

In summary, the evolution of international environmental standards and norms is playing an increasingly significant role on companies, particularly those in the high environmental impact sector, such as petrochemicals. However, several studies show that there are still significant variations between countries and in particular between advanced markets and emerging markets, thus undermining the multinational corporations’ discourse of homogenization of their environmental practices and challenging the effectiveness of their self-regulation practices.

3. ***Competitive Advantage***

Competitive advantage is a powerful economic force that influences corporate environmentalism (Lee and Green 1994; Taylor 1993). By developing new products that are less environmentally damaging, firms can take advantage of the growing market for environmental goods and services (Dechant and Altman 1994), both in advanced markets and in emerging markets. However, while significant cost advantages can result from corporate environmentalism (see chapter 1 section 2), the relationship between corporate environmentalism and economic performance is more complex: making environmental improvements does not systematically provide a company's increase in efficiency (Walley and Whitehead 1994; Hart and Ahuja 1996).

In diverse manufacturing industries, higher levels of environmental regulation might lead to competitive advantage as these regulations serve as barriers to new firm entry (Dean and Brown 1995). While emerging markets like India are developing tougher environmental laws (See Chapter 2 Section 1), pollution prevention limits the costs of compliance with environmental regulations (Smith 1991; Taylor 1993). It requires firms to adapt rapidly in order to comply, but it also offers them a new competitive advantage: it becomes harder for foreign companies with lower corporate environmentalism to access these stricter emerging markets.

In general, emerging markets are lagging behind developed economies in environmental stewardship (Jayanti and Rajeev Gowda 2014), but pressures related to resource depletion, as well as popular movements aimed at preserving the environment, have created opportunities for innovation and enabled companies to embark on the challenge of sustainability in emerging markets (Jayanti and Rajeev Gowda 2014).
In order for companies to be able to make green investments, government expenditure needs to shift away from activities that waste, overuse or degrade environmental assets. Otherwise, such a "disabling" environment makes green investments less competitive for companies (OECD 2012).

Corporate environmentalism also allows companies to gain a competitive advantage by significantly reducing costs in the long run or by differentiating products and services (Porter and van der Linde 1995). If we look at India, large industrial conglomerates have taken up the challenge to innovate for sustainability. For example Godrej and Boyce Company is involved in reducing the environmental impact of its operations. The firm provided training to one million people under 25 for skilled employment, with the aim of producing environmentally superior products (Wyeth 2013).

In emerging markets, sustainability managers often take a bootstrap approach by starting small and scaling up (Jayanti and Rajeev Gowda 2014). This technique of small steps can be exemplified with the case of the Indian company Shree Cement. Seeking to reduce its electricity needs to a bare minimum - a valuable resource in India - the company began with minor and localized changes in some of its cement plants. Gradually, these small changes added up to an impressive EBITDA margins of 39% in the mature cement industry (Haanaes, Jurgens, and Rangan 2013), thus offering a significant competitive advantage.

Cost savings through energy reduction or waste management are common concerns, both in advanced markets and in emerging markets. In fact, significant cost advantages can come from environmental improvements such as superior waste management or use of cheaper recycled raw materials (Roome 1992; Taylor 1993). It is even more valid in emerging markets where the access to natural resources is often critical or unstable -frequent power outages, weak water infrastructures…-, and where an efficient corporate environmental strategy might lead to substantial competitive advantage (Aragón-Correa and Sharma 2005).

4. ***Shareholders***

Rather than being specific to advanced markets or emerging markets, the positive impact of corporate social responsibility regulations on shareholder depends on the level of corporate social responsibility institutional reforms. As we saw previously (Chapter 1, Section 3, Part 4), several research works established a link between corporate sustainability and financial performance (Etzion 2007; Margolis and Walsh 2003; Orlitzky, Schmidt, and Rynes 2003).
Dögl and Behnam (2015) showed that firms that meet environmental stakeholders demands have better financial results than those that neglect their stakeholders' environmental expectations.

Therefore, stakeholders' satisfaction enhances financial performance (Wahba 2008; King and Lenox 2002) and allows shareholders to have significantly better returns on investment. Other studies have shown that individual shareholders react to environmental information in investment decision-making when this is provided (Holm and Rikhardsson 2008; Milne and Chan 1999; Milne and Patten 2002). So, one can conclude that shareholders react positively to corporate social responsibility announcements.

If we look at corporate social responsibility institutional reforms, which push firms to adopt corporate environmentalism when these reforms become laws, they have a more significant impact during the late phase of their implementation, when they are about to be enforced (Arya and Zhang 2009).
By contrast in the early stages of corporate social responsibility reforms, there is a high level of ambiguity associated with new corporate social responsibility laws and firms tend to remain passive. In the late phase corporate social responsibility institutional reforms, firms become more and more proactive, they begin to participate in interorganizational communities and reinforce their corporate environmentalism. A sort of taken-for-granted definition of compliant behavior emerges (Edelman and Suchman 1997).

Multinational corporations operating in different nations are embedded in distinct institutional environments and experience different degrees of coercive pressures to engage in corporate social responsibility (Maignan and Ralston 2002). These firms benefit from the experience of countries were regulations are tighter and might be able to adapt rapidly to these new corporate social responsibility institutional reforms. Aguilera et al. (2007) show that governments that enact corporate social responsibility laws are effective in establishing social expectations about responsible corporate behavior and in promoting the idea that corporations play an important role in addressing social problems.
Arya and Zhang (2009) argue that during the early phase of institutional reforms, uncertainty regarding the impact of such initiatives will lead investors to react negatively to corporate social responsibility announcements. However, as institutions evolve, “shifting societal views of the corporate role in addressing social problems increases the likelihood that investors will interpret corporate social responsibility announcements as a move in a desirable direction” (Arya and Zhang 2009).

In some emerging economies, where corporate social responsibility laws are almost inexistent, firms are unlikely to invest in corporate social responsibility reforms and to adopt corporate environmentalism at the same pace as in countries where reforms are more advanced. It is also likely that the efforts of early corporate social responsibility adopters “will be largely symbolic in nature” (Arya and Zhang 2009).

When emerging countries are entering in the late phase of corporate social responsibility institutional reforms, then organizations try to understand what the new regulations will require, and they start planning actions to take.

Most of developed economies have already enacted specific corporate social responsibility regulations (Buhmann 2006). Except from few emerging economies like South Africa, there are a lot of disparities in emerging markets' institutional environment as governments introduce a variety of new laws (Chung and Beamish 2005; Dieleman and Sachs 2008).

This heterogeneity makes it difficult to draw a line between advanced markets and emerging markets

In most advanced markets, corporate social responsibility institutional implementation is already established, and capital markets are viewed to be important pressure points for corporate social action (Arya and Zhang 2009). Emerging markets need to be analyzed on a case-by-case basis because the market value of corporate social responsibility varies as institutions evolve (Arya and Zhang 2009). The authors show that in economies with less advanced corporate social responsibility regulations, "the ambiguity of new laws and skepticism about their value initially limit the incentives that capital markets can create for corporate social responsibility initiatives. However, once normative and cognitive beliefs come to be institutionalized, corporate virtue is rewarded by capital markets" (Arya and Zhang 2009).

5. ***Top Management Commitment***

Previously, we saw that differences between advanced markets and emerging markets in terms of corporate environmentalism are often related to the degree of implementation of corporate social responsibility in national regulations. We saw that this degree of implementation has a direct impact on shareholders behavior. Regardless of market type, to deploy effectively corporate environmentalism, the role of top management is critical (Colwell and Joshi 2013) because it can make the resource allocation and deployment decisions that are necessary to make changes (Bansal and Roth 2000; Ginsberg 1994; González-Benito and González-Benito 2010; Oliver 1997).

Both top managers from advanced markets and emerging markets acknowledge the importance of environmental issues generated by firms' activities. However, environmental responsibility in emerging markets is less embedded in corporate strategies, less pervasive, and less politically rooted than in most high-income countries from the Organisation for Economic Co-operation and Development (OECD) (Prašnikar et al. 2010). In 2010, Slovenia was a country in transition, lying between emerging markets and advanced markets. At that time, none of the observed manufacturing companies had exhibited qualities attributed to fully advanced corporate environmentalism, like one can find in more advanced markets (Prašnikar et al. 2010), but most environmentally advanced firms were those with the most effective top management involvement (Prašnikar et al. 2010).

Several studies show evidence that corporate social responsibility practices in emerging markets relies on top managers' beliefs and values (Jamali and Mirshak 2007; Moon and Shen 2010) and that top management commitment to the environment can moderate the relationship between institutional pressures and corporate environmental responsiveness (Colwell and Joshi 2013).

Although top managers are obviously in the best position to influence corporate social responsibility initiatives and strategies, relatively few studies have examined the link between top management commitment and actual corporate social responsibility behavior (Yin 2017).

In emerging countries like China for example, during the last decade, governments have been promoting corporate social responsibility as a social legitimacy rebuilding lever (Moon and Shen 2010; See 2009). Businesses in emerging markets, just like in advanced markets, are increasingly forced to be not only competitive but also environmentally and socially accountable (Gao 2009; See 2009; Yin and Zhang 2012).

Earnhart, Khanna, and Lyon (2014) show that top management commitment to the environment is higher when government environmental laws are tighter and greater enforced, when there is for example permit issuance and higher pollution emission charge rates. And when top management commitment to the environment is high, firms adopt a greater responsiveness to institutional pressures (Colwell and Joshi 2013). Top managers in these emerging markets have sensed the necessity of integrating corporate social responsibility practices into strategic planning, in hope for achieving potential global competitive edge, government recognition, and/or obtaining competitive advantage (Gugler and Shi 2009).

Also, top management commitment to the environment is higher when firms are multinational corporations with a foreign ownership and when they sell products and services in other countries, thus facing foreign customer pressure (Earnhart, Khanna, and Lyon 2014). Top managers in multinational corporations that do business internationally are more likely to acknowledge the value of achieving higher social and environmental standards than local and national firms (Yin 2017), as these standards are a prerequisite for license to operate or sell in developed countries (Bansal 2005).

Top managers also consider that these higher social and environmental standards are required to anticipate normative pressures exerted by international customers (Christmann and Taylor 2001). Also, firms from emerging markets operating or selling in international markets are more likely to leverage total management knowledge acquired in the global market and develop a set of best practices based on their collective learning (Strike, Gao, and Bansal 2006) and then implemented by top managers in multinational corporation's subsidiaries.

Section 3: Advanced Markets and Emerging Markets, the choice of France and India

The choice of India and France was made for two reasons. First, they have similarities. From an economic perspective, India and France have a similar GDP. In 2016, France was the sixth largest economy by nominal GDP with 2400 billion of US$ while India was the seventh largest economy with approximately 2250 billion US$ (IMF 2016; World Bank 2016). From a business perspective, it means that they share a similar industrial apparel and many multinational corporations located in one country often are in the other. Therefore, France and India host many domestic and foreign multinational corporations, which was a prerequisite for our research design.

Second, these countries have differences in terms of economic strength (Alden et al. 2013) and thus represent differing positions on an economic development and cultural continuum (Özsomer 2012). Even if their national GDP are similar, GDP per capita is very different and has many consequences. In 2017, the GDP per capita of France was around 45.470 international dollars while the Indian one was around 7.780 international dollars (International Monetary Fund 2018). Studies have reported distinct differences between consumers from emerging and developed countries and from different cultural contexts (Alden, Steenkamp, and Batra 1999;

Batra et al. 2000; Michael Burgess and Steenkamp 2006). Therefore, our selection enables us to compare the results for each country and to generalize observations (Özsomer 2012).

1. Advanced Markets: The Choice of France

We chose France because the country falls into the category of advanced markets in every way. From a financial perspective, the size and liquidity of the country's stock markets, or the level of accessibility of the country's markets for foreign investors make France a developed market (MSCI 2012). The country has both a high per capita gross domestic product and a very advanced degree of industrialization. Received Foreign Direct investment in France is the eighth most important in the world, with a stock of FDI at home of 1.124.000 million of USD (CIA World Factbook 2016) resulting in the hosting of many multinational corporations.

France is also considered by the United Nations to be part of the so called "group of developed countries" (UNCTAD 2017). With a GDP per capita of $43.550 in 2017 (IMF 2018), France's economy and standard of living are well above the IMF or World Bank criteria that consider that a GDP per capita of about $ 12,000 is sufficient to attribute the developed country status (World Bank 2018c, World Economic Outlook 2017).
Furthermore, its proximity with a group of "major developed economies" like Germany, Belgium, Switzerland, Italy or Spain reinforces its status of developed economy (WESP 2014), with high purchasing power and therefore profitable commercial transactions.

Wealth inequalities between the inhabitants are reasonably low, which means that a majority of the population has a decent standard of living. Looking at the Human Development Index, the majority of the French population has access to all vital needs: drinking water, food, health, decent housing and education. These living conditions offer French people higher "capabilities" (Sen 1985) than in countries with a lower Human Development Index. Life expectancy at birth in this country is 82,4 years old, among the top ten in the world (World Health Organization 2015).

If we look at the Fragile States Index which measures state legitimacy, public services, economic decline, demographic pressures, external intervention, human rights and rules of law, France is among the twenty most stable countries in the world (The Fund For Peace 2018), the latter being al advanced economies.

France also lies in the advanced market category in the light of what intuitions do not measure. For example, UNESCO does not measure the literacy rate in France because it is too close to 100%, which means that virtually all adults in France are literate.
In the same way, the World Food Programme does not make any calculation in France and in other advanced markets because hunger and undernutrition are at levels too low to be considered, even if they exist and if they are frequently under the fire of criticism (Droit 2015; Libération 2014; Rembaut 2012).

2. *Emerging Markets: The Choice of India*

The choice of an emerging market as a field of observation was not by chance. Very few studies explore "the perceptions of consumers in emerging markets about products made in other emerging markets" (Sharma 2011, p. 2). In this case, India has many characteristics that we find in emerging markets previously defined and might be an interesting country for a comparison between advanced markets and emerging markets.

Among the emerging markets, the so-called BRICS countries, acronym for Brazil, Russia, India, China and South Africa, have become the largest and most powerful emerging economies in terms of global GDP, rising from 8% of global GDP in 2000 to 21.5 % In 2014 (WorldBank 2016). With 1311 million people (World Bank 2018c), India is an absolutely major player among these emerging markets. Its population, which accounts for 18% of the world's population in 2015 (World Bank 2016) and its fast-growing economy, ranks among the leading emerging economies, challenging China in terms of population and GDP.

In the early 1990s, India embarked on a wide-ranging economic reform process, with the liberalization and opening up of entire sectors of its economy (Surat and Dalbir 2016). During the year 2000, the country experienced sustained growth, with record levels in 2004 (8.4%) 2007 (9.6%) and 2008 (8.7%) (World Bank 2016). After a slowdown between 2011 and 2014 due to the global economic crisis, the pace of growth has rebounded in 2013-2014 (6.9%) to reach 7.3% in 2015 (World Bank 2016).

Despite these significant developments, India remains in many respects an emerging country. The level of GDP per capita remains low, placing India in the 123rd position in 2017 (IMF

2017). Despite the emergence of a middle class, which in 2016 represented about 20% of the Indian population (NCAER 2016), a large part of the population lives below the World Bank's poverty line of $1.25 per day at Purchasing Power Parity (PPP).
This poverty rate has changed little over the last decade, moving from 34% in 1994 to 29.5% in 2014 (Reserve Bank of India 2016). Faced with strong inequalities and in the light of the various worldwide institutes of observation (IMF 2018; World Bank 2018a, UN), India remains an emerging country in its own right, both economically and in terms of living conditions of its inhabitants.

Economic liberalization and the opening to international trade which began in 1991 have encouraged foreign investment. Indeed, since its opening on the international markets, India has become a major emerging power in which a very large number of multinationals have been established.

Section 4: Industry Type: High Environmental Impact and Moderate Environmental Impact Industries

After studying the effects of market type on multinational corporations' corporate environmentalism *(Chapter 2, Section 2),* we will deal in this section with the variations in terms of corporate environmentalism according to the type of industry. We aim to evaluate if the antecedents that drive corporate environmentalism affect all industries equally.

To do so, we created two industrial groups on the basis of existing research (Banerjee, Iyer, and Kashyap 2003). Four major differences are used to classify industries, namely level of public concern, tightness of environmental regulations, amount of pollution generated and risks of environmental degradation.
The measurement of the effects of industry type on the multinational corporations' corporate environmentalism will be addressed in the empirical part.

By testing industry type as a moderator, the goal is to understand if the five antecedent -people concern, regulatory forces, competitive advantage, shareholders and top management commitment- affect all kind of industries equally. Fiorino (1996) shows that for an effective national environmental regulation, governments should adopt a sector-based approach, which means considering particular characteristics of an industry sector or facility.

Industries can be segmented according to many different criteria, such as legal structure, level of concentration, barriers to entry and exit, level of infrastructure deployment, competitive intensity… Banerjee, Iyer, and Kashyap (2003) identified four major dimensions that helped them dichotomize multinational corporations according to their environmental impact. These four dimensions are:

- <u>Amount of pollution</u>. There are differences from one industry another. If we look at the level of toxicity generated by firms, The Toxic Release Inventory examines which sectors contributed the most to production-related waste (US EPA 2018). Chemical industries are frequently considered to be the biggest polluters (Bhupendra and Sangle 2016; Hoffman 1999; Ochsner 1998).
- <u>Level of public concern</u>. This one varies according to industry type. The more firms generate pollution, the more they are under scrutiny by the public (Banerjee, Iyer, and Kashyap (2003). For example, consulting firms are less scrutinized than industries in the chemical sector.
- <u>Stringency of environmental regulations</u>. The more industries are generating pollution, the more they are regulated by government laws and monitored by independent institutions. For that reason, the cost of compliance is significantly higher (Jaffe and Palmer 1997; Lanjouw and Mody 1996).
- <u>Environmental liability risks</u>. They greatly vary from one industry to another. For example, smokestack industries that face greater environmental liability risks (Banerjee, Iyer, and Kashyap (2003). As an example, SEVESO European Directives require all member states of the European Union to identify industrial sites with major hazard risks and to maintain a high level of prevention.

Banerjee, Iyer, and Kashyap (2003) categorized firms into seven industries: services, consumer products, foods, pharmaceuticals, utilities, manufacturing and chemicals. The authors then grouped companies into two subcategories on the basis of the four dimensions mentioned previously. These two subcategories make a distinction between Moderate Environmental Impact [MEI] firms on one hand, and High Environmental Impact [HEI] firms on the other hand. Services, consumer products and foods' companies are categorized into the High

Environmental Impact sector. Pharmaceuticals, utilities, manufacturing and chemicals' companies compose the High Environmental Impact sector.

The following table summarize these two subcategories:

High Environmental Impact group	**Moderate Environmental Impact group**
Pharmaceuticals	Services
Utilities	Consumer products
Manufacturing	Chemicals
Chemicals	

Table 1: Industries dichotomization on the basis of their environmental impact

Chapter 2 Conclusion – Market Segmentation and Industry Segmentation of the Corporate Environmentalism Concept

To better understand our problematic, our research focused on the moderating effects of market type and industry type. In this chapter, we aimed to evaluate if the antecedents that drive corporate environmentalism affected all markets and all industries equally.

Regarding market type, we made a distinction between emerging markets and advanced markets. While we found that there is currently no established and accepted numerical convention to determine whether an economy is advanced or not, we referred to several indicators such as GDP per capita, geography, wealth inequality, Human Development Index (HDI) to make a distinction between those two markets.

We also used theoretical concepts such as capabilities (Sen 1985) and academic definitions ((Kvint 2010; Simon 1997; Van Agtmael 2007) to precisely define advanced markets and emerging markets.

Then we highlighted specificities of both markets regarding multinational corporations' environmental activities and more precisely regarding their corporate environmentalism. We observed market type effects on corporate environmentalism antecedents:

- <u>People concern</u>. Environmental problems are not perceived identically in all markets and cultures (Cordano et al. 2010; Vicente-Molina, Fernández-Sáinz, and Izagirre-Olaizola 2013). Pro-environmental behaviors are more likely to be adopted in markets that offer a wide variety of environmental products (Vicente-Molina, Fernández-Sáinz, and Izagirre-Olaizola 2013) and reliable community environmental services (Kennedy et al. 2009). Pro-environmental behaviors are often associated with a higher level of education (Diamantopoulos et al. 2003).
- <u>Regulatory forces</u>. Environmental legislation, both in emerging and advanced markets, contribute significantly to improving corporate environmentalism (Hoffman 2001a, Jenkins 2000, Kagan et al. 2003). However, environmental regulations vary according to the market in which they are set up (Potoski and Prakash 2004; Stavins 2003).

- Competitive advantage. We showed that higher levels of environmental regulation often found in advanced markets (Jayanti and Rajeev Gowda 2014), might lead to competitive advantage as these regulations serve as barriers to new firm entry (Dean and Brown 1995). These environmental improvements can provide significant cost advantages (Roome 1992; Taylor 1993).
- Shareholders. We saw that shareholders' response to corporate environmentalism depends on the level and progress of corporate social responsibility institutional reforms (Arya and Zhang 2009; Edelman and Suchman 1997). These reforms vary greatly between advanced markets and emerging markets.
- Top management commitment. We showed that both top managers from advanced markets and emerging markets acknowledge the importance of environmental issues generated by firms' activities (Prašnikar et al. 2010). Top management commitment to the environment is higher when government environmental laws are tighter and better enforced (Earnhart, Khanna, and Lyon 2014). It is also higher when multinational corporations havea foreign ownership and sell products and services in other countries (Earnhart, Khanna, and Lyon 2014).

We then explained the choice of France and India, respectively defined as an advanced and an emerging country on the basis of the definitions set out in Part 1.

Last, we presented industry type as a moderator to corporate environmentalism. We relied on a study from Banerjee, Iyer, and Kashyap (2003) to classify companies into seven industries: services, consumer products, foods, pharmaceuticals, utilities, manufacturing and chemicals. Then four major dimensions were used to evaluate multinational corporations' environmental impact and to dichotomize them into two categories, namely Moderate Environmental Impact [MEI] industries and High Environmental Impact [HEI] industries. The four major criterions to assess firms' environmental impact are:

- Amount of pollution, which differs from one industry another. Several reports show that chemical industries are highly polluting industries with a heavy ecological footprint while services firms, while not being environmentally neutral are considered to have a lighter environmental impact.
- Level of public concern. The more firms generate pollution, the more they are scrutinized by the public

- Stringency of environmental regulations. The more industries pollute, the more they are regulated by government laws and face higher costs of compliance (Jaffe and Palmer 1997; Lanjouw and Mody 1996).
- Environmental liability risks which vary greatly from one industry to another.

As a first step in our research, we studied market type and industry type effects on corporate environmentalism in order to meet the first research objective. The empirical study also recovers this aspect through exploratory interviews that will control the effects of these two moderators.

PART 2 – Corporate Environmentalism in Multinational Corporations, an Empirical Approach

Part 2 Introduction

Despite the high level of research around the concept of corporate environmentalism, a thorough search of the literature shows that few academic research has been conducted jointly in India and France. Research on corporate environmentalism and more broadly on corporate social responsibility was first conducted in advanced markets such as the US (e.g. Banerjee 1999; Banerjee, Iyer, and Kashyap 2003), Germany (e.g. Schaltegger and Figge 2000) or Australia (e.g. Wilmshurst and Frost 2000; Zeffane, Polonsky, and Medley 1994). It is only more recently that a growing number of studies on this topic are focusing on emerging markets (e.g. Earnhart, Khanna, and Lyon 2014; Küskü 2007; Prašnikar et al. 2010).
Some works have adopted a transnational vision and analyzed both advanced markets and emerging markets, but most of the time they deal with only one aspect of the corporate environmentalism concept, like regulations (e.g. Castleman 1979; Korten 2001; Taylor 2005; Tolba 1980) or shareholders (e.g. de Villiers and van Staden 2010).

We chose to approach corporate environmentalism more broadly, and to enhance existing frameworks in order to compare two countries with different characteristics: India as an emerging market and France as an advanced market. To validate the relevance of our new model, we first conducted an exploratory research with working employees with a broad knowledge of their firms' corporate environmentalism. So, regarding the empirical study, we chose to conduct qualitative interviews with high ranking top managers working in multinational corporations and doing business both in the advanced markets and in emerging markets. These exploratory interviews with managers who have a transverse vision of the company, are intended to refine the research hypotheses.
Due to the multitude of industrial sectors, we chose three companies from three different sectors:

1. BNP Paribas, an international banking group, present on five continents and the eighth largest bank worldwide (Mehmood 2017),
2. Sodexo, an international food services and facilities management company, ranked as one of the world's largest multinational corporations (Euromonitor 2018),
3. Carrefour Group, one of the largest hypermarket chains and grocery store in the world (Ranking the Brands 2018).

In this second part dedicated to the empirical study, we will first present the results of these qualitative interviews (Chapter 3 - Exploratory Analysis: Qualitative Interviews). Then, supported by the literature review (Chapters 1 and 2) and our interviews (Chapter 3), we will present the different stages of creation of our research model and the hypotheses (Chapter 4 – Hypotheses and research Model). In Chapter 5 (Modeling Corporate Environmentalism in Multinational Corporations), we will start by presenting the methodology used for data collection. Then we will discuss the reliability and validity of the measurement scales used in our research and discuss the adjustment and results of the model. We will therefore respond to the assumptions presented in Chapter 4 while discussing the possible managerial and theoretical implications arising from our research. Figure 7 illustrates the course of this second part.

Part 2 – Corporate Environmentalism in Multinational Corporations: an Empirical Approach

Chapter 3 – Exploratory Analysis: Qualitative Interviews

Chapter 4 – Hypotheses and research model

Chapter 5 – Modeling Corporate Environmentalism in Multinational Corporations

Figure 7: Part 2 flow

Chapter 3 - Exploratory Analysis: Qualitative Interviews

In this chapter, we will explore managers' perceptions of the corporate environmentalism at work in their multinational corporations. To this end, we will try to test a number of items for subsequent use in the development of a future measurement scale (Chapter 4 Section 2: Measurement Scales' Choices). First, we will briefly present the protocol of the qualitative study that we conducted, then we will present the main results. The detailed methodology applied for these interviews will be presented later in Chapter 5 (Section 1).

Chapter 3 - Exploratory Analysis: Qualitative Interviews

Section 1- Protocol for Qualitative Interviews

Section 2- Findings of Qualitative Depth Interviews

Figure 8 : Chapter 3 Flow

Section 1: Protocol for Qualitative Interviews

This study is based on both a qualitative and a quantitative approach. The first step was to conduct exploratory interviews with senior executives of multinational companies based in both advanced and emerging markets. These preliminary interviews were conducted with a double perspective. The first one was focused on the items which measure the constructs. The goal was to collect managerial perceptions to improve items, to remove or to generate new ones. The second aim of these interviews was to assess if the pre-conceived constructs fully captured all elements that drive corporate environmentalism.

Interviews were conducted in the first half of 2015 with top managers by telephone from their respective corporate offices. These managers were informed in advance about the purpose of these phone calls: it was to discuss the survey according to their field oriented perspective. Current measures of constructs have been sent to each manager via email before the meeting.

Each interview lasted between one hour and one hour and thirty minutes. To avoid translation bias, the interviews were conducted in English despite the French nationality of each manager interviewed. This has not been a particular problem as these managers are used to working in an international context and therefore use English on a daily basis.
The three selected companies do business in three different sectors. The first company was a service company, namely a bank ranked among the first ten worldwide banks. The second company was a French food services and facilities management company, also ranked among the biggest worldwide companies in its sector. The firm is one of the world's largest multinational corporations, with 420,000 employees located in 80 countries through around 35,000 sites. The third and last company was a French multinational retailer. It is one of the largest hypermarket chains in the world with close to 1,600 hypermarkets at the end of 2015.

Respondents were selected for their top-level positions and for their transversal knowledge regarding their firms' orientations and strategies. They received by email a week before the interview the list of items supposed to be used for the survey. A list of questions was attached to this email. Respondents were asked to read both the items list and the questions list:

- "What does this item mean to you?"
- "How much is this item relevant for your company's business activity?"
- "On a scale from 1 to 10, how qualified do you feel to answer properly the question behind this item?"
- "Would you recommend another way of writing this item?"

During the interviews, despite being known by respondents, each item was first read by the interviewer. Then respondents were asked to reply to the questions. After that time, a general comment was proposed by the interviewer to let respondents speak freely and to add something that might not have been part of the questions.
The second part of the interview was an open conversation to let managers explain freely what should be added, what should be emphasized or diminished. They generally spent some time describing the big picture of their company's corporate environmentalism.

These interviews proved to be essential to validate the conceptual framework and to validate the measurement variables. These interviews also revealed new measurement variables that had not been suggested by previous research. These findings provided information needed to complete the conceptual model of this research, and it reinforced measurements and constructs by giving an opportunity to test hypotheses, elaborate new ones, explore the data, collect new data or modify variables (Hoaglin, Mosteller, and Tukey 1983). In-depth interview protocol and transcription methodology are detailed in chapter 5 (Section 1).

Section 2: Findings of Qualitative In-Depth Interviews

1. BNP Paribas

The first interview was conducted with S. Fischer, Head of Environment and extra financial accountability at BNP Paribas in 2016. BNP Paribas is a French international banking group with a presence in 75 countries. The group is listed on the first market of Euronext Paris and is also included in the French CAC 40 index. With both a retail banking section and investment banking operations, the bank is present on five continents and is the eighth largest bank worldwide (Mehmood 2017). The goal of this interview was to evaluate if the financial sector was relevant for this research: how do banks integrate environmental issues in their business? In what measure do banks integrate environmental issues into their strategic processes?

Fischer states that the financial sector is "the last sector that has understood that there are many environmental stakes." According to him, about a decade ago, these environmental stakes were not very high in the banks' agendas. It was easier to finance kind of everything and it is only since a few years ago that some environmental, social and governance criteria have been set.

1.1 People Concern

How important is BNP PARIBAS to protecting the environment? How does the company position itself on this aspect in relation to its stakeholders? Fischer first explains that the variety of stakeholders is too broad to make a homogeneous group and to address a single answer. Among the company's most influential stakeholders, he distinguishes three groups: individual customers, corporate customers and funds.

- Individual and corporate customers: from his understanding, advanced markets' customers are concerned about wealth management, which is related to environmental issues- and the environment itself. In emerging markets, it depends on how the country is economically advanced. China is already very concerned about environmental issues at stake in the country. According to the huge economic growth, it is not possible anymore to avoid environmental concerns. Fischer says that India for example is not facing yet this problem, at least not as much as China is.

- Fund owners and asset owners: Fischer explains that beyond profitability, there is a rising movement toward environmental protection and more generally Environmental, Social and Governance (ESG) criteria. Fischer gives an example of a global alliance of investors on climate change called the Montreal Pledge where funds commit themselves to measure and monitor their CO2 impact.

1.2 Regulatory Forces

Fischers states that regulatory forces have a great influence on environmental policy. He gives the example of France where big companies are obliged to report on an annual basis on environmental issues and environmental impact. This mere obligation to report has definitely led BNP Paribas to build a strong environmental reporting process within the whole group and to put in place an action plan to reduce its environmental impact.

Fischer also explains that banks have an interest in going beyond legislation. If they want to be resilient, they have to make sure that the business model of what they are financing is strong. And beside this of course if they want to avoid reputational risk, if they want to make it in a responsible manner and if they want to be proud of that, definitely they have to look beyond mere regulation.

This is a way in which BNP Paribas tries to address the differences between regulatory forces in different markets. Fischer explains: “we are one bank and yes, we are wide, we are worldwide, a reputational risk or a credit risk in India has the same effect than another one in America or in Italy. So, we have to think worldwide in the same way.”

1.3 Competitive Advantage

Per Fischer, environmental orientation and strategy do not lead necessarily and directly to a competitive advantage. Regarding the coal-fired power plants that BNP Paribas has decided not to finance, this is a competitive disadvantage. The bank has lost many deals because of its “best energy efficiency technology” criteria. However, according to Fischer, it is possible to see this issue the opposite way and say that BNP Paribas has not taken an environmental risk (which means credit risk) by financing this kind of coal-fired power plants (CFPP). Because on the day that a carbon tax exists or on the day that the price of coal is getting much higher because of the integration of externalities, then there might be a problem for banks that adopted a less stringent business model and that agreed to finance less energy efficient power plants. In that case, it is a disadvantage in the short-term but a potential advantage in the long-term.

Fischer explains that competitive advantage is sometimes much more visible. For example, BNP Paribas has set up in France a joint venture with Electricité De France (EDF), the French government provider of electricity. EDF is focused on identifying, financing and achieving energy efficiency projects in housings. This joint venture is called “Domofinance,” and since its beginning BNP Paribas has financed around 4000 energy efficiency works in France. This is typically a competitive advantage because the bank seized the opportunity of one environmental issue -the need for energy efficiency in buildings- to build a competitive offer to its clients. In that case, business oriented toward the environment is a good opportunity to develop offers, to develop some competitive advantage and to generate a portfolio of investment resilient to future potential environmental issues.

1.4 Top Management Commitment

Since a few years, BNP Paribas has developed an internal mechanism called ISIS. It means “International Sustainability and Incentive Scheme”: it is a compensation mechanism, a bonus, and it indexes an important part of the bonus of the 5000 top managers of the groups to corporate social responsibility Key Performance Indicators (KPIs). There are nine corporate social responsibility KPIs related to the four pillars of BNP’s strategy: environmental issues, social issues, civic issues and economic issues. These nine KPIs index a part of the bonus of the 5000 top managers of the group. Fischer considers this mechanism to be a “perfect and precise way to introduce corporate social responsibility into the strategy of the group”.

2. ***Sodexo***

The second interview was conducted with E. Galland, Projects Deployment Manager - Sustainable Development at Sodexo. Sodexo is a French food services and facilities management company. It is one of the world's largest multinational corporations, with 420,000 employees from 130 nationalities. The group owns 34,000 sites implemented in 80 countries.

Sodexo’s main activities are self-service food services and integrated facilities management such as reception, concierge, cleaning (Sodexo 2017).

The purpose of this interview is to evaluate how corporate environmentalism is apprehended at Sodexo. How does the firm integrate environmental issues into its strategic processes? How well is the survey adapted to such a big MNC from the service sector? What hypotheses could be improved, added, removed?

2.1 Rating Agencies

“What gets measured get managed,” state Dillenburg et al. (2003). The authors show that reliable and recognizable environmental performance measurement such as the Dow Jones Sustainable Index affects corporate behavior by promoting principled business leadership. However, other academic research tends to minimize the influence of such ratings on the external marketing strategy. Scalet and Kelly (2010) analyzed 60% of the Fortune Global 250 firms, which was representing 160 companies in 2008. The study aimed to understand the impact of corporate social responsibility ratings on the behavior of individual corporations. Results show that corporate social responsibility ratings “do little to encourage firms to acknowledge and address problems related to their social and environmental performance”.
Specific ratings appear not to have “a widespread effect of influencing firms to acknowledge negative corporate social responsibility events and publicly present plans and actions to address them.” The authors conclude that whether firms are well or poorly rated, “they appear to focus on and publicly discuss their [positive] corporate social responsibility activities.”
Regarding Sodexo, Galland explains that, as well as for regulatory forces, rating agencies drive Sodexo’s environmental orientation and strategy. Rating agencies do not represent a group itself into the survey but many questions are linked to them especially into the External Environmental Orientation: “Our firm strives for an image of environmental responsibility” or “Our firm's responsibility to its customers, stockholders, and employees is more important than our responsibility toward environmental preservation” (reverse question). Galland’s message is interesting because it raises the fact that back in 2002, when Banerjee’s research was conducted, rating agencies where not as vivid and influential as they are today: in the last two decades, there has been a pronounced growth of corporate social responsibility rating agencies that assess corporations based on their social and environmental performance (Scalet and Kelly 2010).

Galland gives the example of the Dow Jones Sustainable Index, one of the most well-known indices. Galland says that “this [index] drives the way we develop our actions around sustainability.” These rating agencies have a great influence on Sodexo’s management: “The decisions from the Top Management are made according to the concerns of these rating agencies: we have feedbacks every year from these rating agencies to know what we could improve, to know what we did wrong this year in one area, because we are evaluated on all the sustainable development areas. This is really important for us and this is critical, I think, in the way big companies evolve in corporate social responsibility”.

2.2 Public Concern

Galland makes a distinction between consumers (people) and business clients (firms). Consumers come directly in Sodexo’s restaurants to have lunch whereas business clients are companies or administrations to which Sodexo sells services and provides lunches to their employees.

According to her in Sodexo’s sector, environmental issues do not especially come first in final consumers’ requests but business clients, particularly when those clients are big companies, are more concerned about the environment: “they have a very ambitious sustainable development strategy as well and they want Sodexo to support and to help them achieve their own objectives. So, in that case, our clients would be very concerned and sometimes this is key in the contract as well.”

Sodexo is present worldwide and Galland makes a distinction in term of environmental concern from one country to another. But rather than a specific advanced markets’ concern versus a specific emerging markets’ concern, Galland explains that “there are differences between emerging and industrial countries but also among industrial countries, from one culture to another.” She observes a lot of differences between European countries: “In the Nordics for example we see that there is a big concern for the environment.” Galland states that the more we go south, the less people are concerned about environmental issues.

Growing concern for the environment: Galland explains that Sodexo’s concern for environmental issues has grown for the last decade: “Six years ago we were two people in the development team of Sodexo. Now we are ten in the Central Department and we have more than a hundred-people working in the world on this aspect”. According to her, like rankings and regulatory forces, the growing public concern for the environment also has an impact on Sodexo's corporate environmentalism.

2.3 Regulatory Forces

Galland states that regulatory forces don't have an impact on the way Sodexo defines its orientation and its strategy but it has an impact on the way to "consolidate information, present information, be more accurate to gather proofs." In France for example, the Grenelle 2 law pushed Sodexo to reinforce extra financial reporting, through a yearly audit plan. However, during the interview, Galland admitted that sometimes regulatory forces pushes Sodexo to adapt its environmental orientation: in France and in the Nordics for example, Galland explains that within two years, the company will have an obligation to recover organic waste in all the sites, which is not always the case today. So of course it will have an impact on operational aspects but not really on the strategy: we are already concerned and we have established a very ambitious plan." But Galland explains that however, sometimes regulatory forces, but also rankings or rating agencies have an impact on their strategy: "for example we didn't have a carbon target before but because we were ranked badly and because we know that the rating agencies are expecting us to have more defined and classified targets, then we pursued that work." In other words, Galland explains that regulatory forces do not completely change Sodexo's strategy: as an example, the firm was already committed to reduce its carbon emissions, but right after this statement, the firm was not equipped to assess its carbon footprint. Regulatory forces and mandatory reporting pushed Sodexo to find partners to assess this strategy: "Six years after we have made a lot of progress, we are now more aware and we have the WWF helping us."

However, Galland asks herself about what has an impact on what: "The strategy will evolve but it is not specifically because of regulations. It is because we have made progress, because of the work we have done, because of the WWF support, because of the efforts we have made to improve ourselves that the strategy will evolve. But it is difficult to really analyze what impacted what… It is a combination of everything I think. It is the top management evolving in the way they see the sustainable development, it is the public and the clients' demands, it is a combination of all, I think."

2.4 Competitive Advantage

- *Going beyond environmental legislation, a competitive advantage:* Galland explains that anticipation is an advantage because "when the legislation arrives, we are ready." Being a step ahead of regulatory forces avoid the stressful change in a very short period of time. According to Galland, it is real competitive advantage because "it takes time to make things move. It is better to be ready" before a new legislation happens. Galland states that it is particularly true for big companies like Sodexo because they need to report their actions.

- *Winning new contracts:* From a commercial perspective Galland explains that "it has happened that we won a contract because we had such an ambitious and developed sustainable development strategy and that was one of the aspects they took into account."

- *Stimulating innovation*: Galland states that effective environmental orientation and strategy offer "a very strong competitive advantage for many companies, mainly because being environmental minded helps innovate, and innovation is a way to distinguish from competitors."

- *Long-term and short-term added value:* Galland also states that adopting environmental orientation and strategy do not only produce long-term effects. There are also short-time returns on investment. She gives the example of Sodexo's worldwide food waste program: the company developed some processes and some tools to reduce food waste all over the supply chain. "We see the immediate effect results in terms of carbon impact but also in terms of financial aspects because food waste is money waste". "Because we are able to reduce the food waste we reduce our impact on the environment, we are more responsible, and […] we see immediate results."

2.5 Top Management Commitment

Galland explains that top management commitment is a key factor for environmental orientation and strategy. She said about executive managers that "if they don't want to invest or if they don't want to dedicate people working on that topic, then nothing will happen."
Some top managers are not committed to environmental preservation. Galland explains that it is then more difficult to adopt environmental strategies. "But year after year I think most of the top management of the company is now aware that environmental protection means long-term

return on investment. Thanks to that it is obviously easier to have top managers embarking in the journey".

2.6 Internal Environmental Orientation

Galland explains that Sodexo's employees want to do meaningful business. Most of them are very involved in the environmental orientation of the firm. "We want our employees to be ambassadors of our strategy so we really encourage people to engage, we give them the chance to launch initiatives in the waste area because this is where we are the most advanced." Sodexo organizes every year an event called "Waste Less Week". It is a contest created to encourage employees "to be innovative, to be creative and to launch actions in their sites to engage the consumers and clients in the food waste reduction process". Galland explains that employees are extremely motivated by the topic and very creative. "being a responsible company, having a lot of awards in that area and leading the industry in that aspect is something that makes our employees proud. Our employees are really at the center of our strategy and […] we want them to be the ambassadors so we really put a focus on that."

2.7 Market Type and Environmental Corporate Strategy

Initially, Galland states that Sodexo uses the same roadmap for every country: "the strategy is the same for all the countries" because "it is easier to implement and to deploy into countries." However, she explains later that there are effectively some differences from one country to another due to two reasons.

First, Galland admits that it really depends on the presence or absence of a manager dedicated to sustainable development. "When there is a change in the organization, when some people go, unfortunately there is less engagement because there is no one to coordinate."

Second, Galland recognizes that it is easier to deploy Sodexo's environmental strategy "in the countries where we have some regulations or culture or framework." This last sentence validates the idea that "market type" -emerging market versus advanced market- should be used as a moderator in the model. Do the five antecedents (Public Concern, Regulatory Forces, Competitive Advantage, Top Management Commitment and Shareholder Concern) affect all markets equally? Galland's explanation show several differences from on market to another.

2.8 Environmental Marketing Strategy

The environmental aspects of Sodexo's products and services are not systematically emphasized in the firm's ads: "in our restaurants we have some offers that put an emphasis on that but some others don't. It is not systematic." Also, because Sodexo is mainly a B2B company, it does not invest a lot in advertising campaigns. "We really want the message come from our people."

Regarding the environmental marketing communication, Galland explains that there is sometimes a distinction between advanced markets and emerging markets: "it is true that in some emerging countries we don't put an emphasis on [environmental issues] because it is not a primary concern of our customers."

3. ***Carrefour***

The third interview was conducted with two corporate social responsibility managers from the French firm Carrefour. This company is a French multinational retail corporation. It is one of the largest hypermarket chains and grocery store in the world (around 1,600 hypermarkets), the second largest retail group in the world in terms of revenue, and the second in profit. Walmart come first in terms of revenue and profit. The firm is established in more than 30 countries on every continent.

The purpose of this interview is to evaluate how corporate environmentalism is extended at Carrefour. How does the firm integrate environmental issues into its strategic processes? What tools does the firm use to develop a worldwide environmental strategy? How well is the survey adapted to a hypermarket chain?

The two corporate social responsibility managers, A. Grossmith and S. Pin, shared the time speaking. Grossmith is Pin's manager and both are working in the global corporate social responsibility team that is dealing with sustainable development projects at a group level. Their team's topics are linked to the strategy of Carrefour and are focused on three main areas.

- The first one is waste: Pin states that the team is committed to fight against every type of waste, food waste, energy, and water waste, all along the supply chain.
- The second one is biodiversity: the team finds ways to lower the impact of the firm on biodiversity and carbon emission through agricultural practices, refrigerating agents and

garbage management. The team is also working against deforestation and for reasonable fishing.
- The third topic is about communicating and discussing environmental issues with stakeholders.

Pin explains that within Carrefour there are different teams in working on sustainable development and social issues. There is a team at the corporate level – Grossmith and Pin's team - that defines the global corporate social responsibility strategy and shares it to its investors. Carrefour also has different business units in different countries. Some of them are working specifically on sustainable development like in France for example, but this is not the case in every country. When there is no specific corporate social responsibility team, employees who are dealing with environmental projects are operational people from quality and purchase departments. Regarding the French corporate social responsibility team, it coordinates and organizes actions which are then implemented by people who are not specifically working on environmental and social aspects. These employees integrate it in their daily job. The corporate social responsibility team's mission is then to make sure that employees implement the corporate social responsibility strategy at an operational level. Internationally, Carrefour is organized as follows: "We have a corporate social responsibility team at the group level but we also have corporate social responsibility managers in the countries. This is a transversal organization with key contacts within specific directions. For instance, there will be someone specialized in corporate social responsibility within the logistic team, same within the product team, and then we have also corporate social responsibility managers within the country." As explained above, targeted people may vary from one country to another.

3.1 Public Concern

Carrefour has a decentralized strategy. In other words, Grossmith explains that she doesn't know well how it is working in specific countries. She feels that the competence and the knowledge of a specific market cannot be at corporate level. It must be at the national level. Grossmith gives the example of Genetically Modified Organisms (GMOs). She explains that there is a very high concern in France but less so in Brazil. Another example is the deforestation: Brazilian clients are very sensitive to this issue. It is regularly part of the democratic debate whereas in France, customers are less concerned. As a consequence, Carrefour doesn't apply the same strategy in those different countries.

Despite those examples, Grossmith confesses that she is not able to have precise idea about public concern because Carrefour doesn't make any global corporate social responsibility surveys. She does not have data about public concern in specific countries due to Carrefour's decentralization strategy.

3.2 Half a Decentralized corporate social responsibility Strategy…

She claims that Carrefour's corporate social responsibility strategy must be defined by each country according to the local network. "This is something we really want. We want the shops and the stores to be very adapted to the local context. We don't want to implement something that is implemented at the corporate level and that is not adapted on the ground."

The only information Carrefour's corporate social responsibility global team gathers regarding corporate social responsibility actions is what comes through the annual report delivered by every country: "Each country has the responsibility to implement these actions. They define their own action plans; we just collect the results. Every country is responsible on how it wants to work."

3.3 …Half a Global corporate social responsibility Strategy

Nevertheless, there are some global initiatives like the "no wastage program". For this specific work stream Carrefour gathered a special committee in charge of monitoring the progress of this action plan. "This is organized at group level; it is global but the committee is allowed to dive in the details of each country. So we follow the group performance but we also follow each country's performance."

3.4 Regulatory Forces

Grossmith explains that in her team some people are working on compliance with regulation and some other people anticipate the regulation. However, while Carrefour does take future regulation into account, Grossmith claims that Carrefour's corporate social responsibility strategy is not focused on actual legislation, it goes beyond compliance. "Sometimes [regulation] can push us to work faster on the subject."

3.5 Beyond Regulatory Forces Because of Public Concern

Further on that subject, Grossmith explains that corporate social responsibility strategy is sometimes more driven by public concern than by regulatory forces: "On GMOs we have been working on a non GMOs threat level. It enables to explain to our clients that the animals are not fed with GMOs. We have been producing this level before the regulation was adopted in France: the regulation was adopted after our action."

3.6 Competitive Advantage

At first, Pin explains clients expect some environmental guaranties: "when we claim that the product has an advantage, yes, it can be a purchase criterion for our customers".

Nevertheless, she states that on many environmental projects, "the aim is not to increase our advantage right now, it is a long term vision on how we can continue to use natural resources in the long term. When projects are long-term, you can't really measure the competitive advantage right now. It is something we will see in the future".

One of Banerjee's questions is: "Our firm has realized significant cost savings by experimenting with ways to improve the environmental quality of our products and processes." Carrefour does not have a specific research team dedicated to more environmental products and processes. It is partly due to the fact that the company relies on suppliers, it does not produce what it sells. When needed, the firm relies on external experts. The competitive advantage that can be obtained by having more environmental products and processes is really depending on Carrefour's suppliers.

3.7 Top Management Commitment

Grossmith explain that Carrefour's environmental strategy is generally driven by the CEO: "The "No wastage program" was initiated by our CEO […], it was really built-up between CEO and top directors and then it was implemented with a specific action plan designed by each country. It was really the impulsion of our CEO." Carrefour has a specific organization to allow this leadership. The CEO is leading a committee named "Committee for Quality and Sustainable Development".

3.8 Internal Environmental Orientation

The internal environmental orientation is first driven in every country by corporate social responsibility managers dedicated to implement sustainability within the organization. Their goal is to ensure that "everyone is connected and everyone is working in the same direction".

“At our firm, we make a concerted effort to make every employee understand the importance of environmental preservation.” This question, coming from Banerjee’s article, is highlighted by Grossmith: “There is communication to everyone on a broader scale: people could receive information within their own specialty. For instance, if you are a baker within Carrefour, you will receive information about the “No wastage program” within your own management”. She also says that there is “a broader media communication internally: it could be our newsletter, it could be our internal website”.

3.9 External Environmental Orientation

Carrefour’s external environmental orientation is co-created with a stakeholder panel, with external people like investors, NGOS, administrations, and with whoever is interested by the issue covered. A special team is dedicated to create this group that will be working on the external environmental orientation of the firm.

3.10 Environmental Marketing Strategy: An Adaptive Communication

Carrefour adopts different kinds of communication according to its public. “We adapt our speech for our different audience because we do not speak in the same way to a client and then to an investor and then to an NGO. You have to be understood by everyone”.

3.11 Ads and Marketing Actions

Regarding the advertising campaign, Carrefour creates environmental ads and communications dedicated to customers. For example, every year, the firm launches an operation on responsible fishing that is named “Les Jours Bleus”. “It is always at the same period and it is an association of different companies to communicate on sustainable fishing and to raise the awareness of consumers on the subject. Carrefour and MSC (editor’s note: Marine Stewardship Council, a certification program which aims to encourage sustainable fishing practices) are united to deliver a global message.”
Another example of this environmental marketing strategy is the European week on the waste reduction: “In our stores, there were information for our customers. We have also information on organic products.” Grossmith concludes the interview by saying that there are many operations in Carrefour stores which enable the firm “to be close to our customers and to link the message with the products they can find”.

Chapter 3 Conclusion – Exploratory Analysis: Qualitative Interviews

In addressing the theoretical notions related to corporate environmentalism in multinational corporations both in emerging markets and advanced markets (Part 1), we have noticed the lack of studies on the subject and the lack of scales dedicated to top managers in advanced markets and emerging markets.

Thus, it has been essential to measure managers' perception about environmental practices at work in their multinational corporation, both in an advanced market and in an emerging market. Consequently, we conducted in-depth interviews to measure managers 'perception of corporate environmentalism.

In order to avoid the interferences related to a misunderstanding of the subject by the managers interviewed, we were interested only in top managers, C-level and above, having a transverse vision of their company. Three top managers from different sectors were interviewed:

- S.Fischer, BNP PARIBAS, Head of Environment and extra financial accountability
- Galland, SODEXO, Projects Deployment Manager - Sustainable Development
- Grossmith and S. Pin, CARREFOUR, top managers in the global corporate social responsibility team

The implications of these interviews are presented in the next chapter. We will explore how these interviews and the literature review inform our model and help us building our hypotheses. We will develop a conceptual model with various variables expected to influence the corporate environmentalism model. The assumptions arising from the literature review and the assumed relationships between constructs will also be presented.

Chapter 4 – Hypotheses and research Model

The theoretical model proposed by Banerjee, Iyer, and Kashyap (2003) served as the basis for the final questionnaire. The items generated for this model have already been validated theoretically and empirically (Banerjee 2002; Banerjee, Iyer, and Kashyap 2003), allowing us to build upon a reliable frame. However, this model only partially answers our research question, mainly because it does not allow us to compare the perceptions of managers from different countries, which has many implications. The original model was created to compare companies from the same country, in this case the United States. But the literature review carried out during the theoretical approach (Part 1: Multinational Corporations' Corporate Environmentalism, to Theoretical Approach) as well as the results obtained during the analysis of the exploratory interviews showed us that important evolutions had to be made to the initial model to meet our goal of comparing corporate environmentalism between advanced markets and emerging markets and India.

People Concern

The first change noted by the literature review and confirmed by the interviews concerns the refinement of the variable "Public Concern" which becomes "People Concern" (chapter 1 Section 2). The series of questions initially asked for "the public" in general were not precise enough in our model because they were referring to a category that contained multiple stakeholders. Thus, we replicated these questions but specified three different potential stakeholders for "local citizens", "world citizens" and "customers".

Shareholder Concern

The second major change concerns the addition of questions about shareholders and their impact on environmental orientation and environmental business strategy. The literature has shown that shareholders represent an external force with a growing interest in corporate environmental management, just as people concern. And literature also showed that like the people concern variable, shareholders are individuals or groups of individuals who influence corporate environmentalism. To measure shareholder concern, we included items used for the people concern variable by adapting them to the shareholders.

These changes, together with an increased number of questions related to the effects of each variable in advanced markets on emerging markets and the effects of each variable in emerging markets on advanced markets, made it necessary to check the overall comprehension and acceptability of the questionnaire before officially launching it.

After discussing corporate environmentalism, its evolution and the forces that govern it, we have investigated the effects of its segmentation through market type and industry type (*Chapter 2 – The Effect of Market Type and Industry Type on Multinational Corporations' Corporate Environmentalism Concept*). Thus, we have perfected a theoretical model and highlighted two moderators which seem to be able to offer a new understanding of the concept of corporate environmentalism.

In this chapter, we will attempt to mobilize several measures and to rally certain theories, in order to propose a conceptual model that best responds to our research questions. Chapter 4 will therefore be devoted to the conceptual model and the research hypotheses (*Section 1: Proposition of a Conceptual Model and Formulation of Research Hypotheses*) as well as to the scales of measurement (*Section 2: Measurement Scales' Choices*) (c.f.
Figure 9: Chapter 4 Flow).

Chapter 4 – Hypotheses and Research Model

Section 1 - Proposition of a Conceptual Model and Formulation of Research Hypotheses

Section 2 - Measurement Scales' Choices

Figure 9: Chapter 4 Flow

Section 1: Proposition of a Conceptual Model and Formulation of Research Hypotheses

After presenting the different concepts used in our research (see Chapters 1 and 2), we will describe in this section the model that answers our research questions. Thus, we will first present the different parts of the model as well as the first underlying assumptions, then we will expose the hypothesized relationships between the various constructs studied.

1. ***Presentation of the Conceptual Model***

Our research includes different concepts that revolve, as presented in the previous section *(see Chapter 1, Section 2),* around five antecedents and four dependent variables:

1.1 Antecedents

The conceptual model of this research is designed to identify what factors drive the environmental orientation and strategy of multinational corporations. Based on the stakeholder theory (Freeman 1999) and on previous research on corporate environmentalism (Banerjee, Iyer, and Kashyap 2003), five antecedants influence corporate environmentalism:

1. People concern. It is made of customers, local citizens and world citizens. Customers refer to individuals who buy firms' products and services. Local citizens live near firms. They are non-consumers and can be community stakeholders or companies' neighbors. World citizens are not directly geographically concerned by environmental issues generated by firms because they don't live near the company.
2. Regulatory forces. Regulation consists of rules aimed at preventing misconduct by businesses and other organizations. They are enforced by specialized government agencies (Coglianese and Kagan 2007). Environmental regulations and their associated costs of compliance vary from one industry to another (Banerjee, Iyer, and Kashyap 2003). and from one market to another (Castleman 1979; Korten 2001; Leonard 1984 1988; Tolba 1980).
3. Competitive advantage. It is a strong economic force which is obtained when firms occupy some niche positions where they can gain sustainable benefits (Porter 1980) and where their competitors cannot stay (Porter and Van der Linde 1995). Research indicates that competitive advantage influences corporate environmentalism (Lee and Green 1994; Taylor 1993).

4. Top management commitment. Top management team members are key factors to encourage firms to assess their environmental impact (Andersson and Bateman 1996); Lawrence 1995; Winn 1995), and to enhance corporate environmentalism (Drumwright 1994; Starik and Rands 1995).

The relationship between these four independent variables and environmental orientation and environmental strategy has been extensively described in several marketing studies, in particular by Banerjee, Iyer, and Kashyap (2003): the combination of these variables constitutes the basis of the corporate environmentalism concept. Top management commitment influences corporate environmentalism, but it also mediates the effects of all other variables (Banerjee, Iyer, and Kashyap 2003).

In addition, as studied in chapter 1 section 3, this research considers the influence of shareholders on corporate environmentalism:

5. Shareholder concern. Shareholders are individual or institutional entities that hold one or more shares in a private corporation (Fontinelle 2003). Since a growing number of studies show that sustainability has a positive effect on financial performance (Etzion 2007; Margolis and Walsh 2003; Orlitzky, Schmidt, and Rynes 2003), individual shareholders tend to react to environmental information in investment decision-making when this is provided (Holm and Rikhardsson 2008; Milne and Chan 1999; Milne and Patten 2002), thus influencing corporate environmentalism.

1.2 Dependent variables

The five above-mentioned antecedents influence the corporate environmentalism concept which is made of internal and external environmental orientation, and of environmental strategy, at a corporate level and a marketing level. These four dependent variables are described as follows:

- Internal environmental orientation. It represents firms' internal values and commitment to environmental protection.
- External environmental orientation. It refers to the aspects of firms' environmental orientation that have an impact on their relationships with external stakeholders.
- Environmental corporate strategy. It represents strategies for entering new markets, for defining plant locations, waste management or choices regarding research and development investments

- Environmental marketing strategy. It corresponds to the degree of willingness of companies to target the environmentally conscious consumer segment.

Firms’ overall environmental orientation aggregates internal and external environmental orientation. Environmental orientation is described as “the recognition by managers of the importance of environmental issues in their firms” (Banerjee, Iyer, and Kashyap 2003) and the consideration of the environmental impacts by assessing future corporate activities including investments and projects (Zeffane 1994).

Environmental corporate strategy and environmental marketing strategy are grouped and represent firms’ overall environmental strategy, which reflects the integration of the environmental problems facing a company into a strategic planning process (Banerjee, Iyer, and Kashyap 2003).

These core concepts of corporate environmentalism -environmental orientation and environmental strategy- are both influenced by people concern, regulatory forces, competitive advantage, shareholders and top management commitment.

Figure 10 summarizes the conceptual model of corporate environmentalism.

Figure 10: Corporate Environmentalism: Antecedents and Influence of Industry Type and Market Type

2. ***Hypothesized relationships***

In the previous sub-section, we presented the different constructs mobilized in our research, namely the five antecedents and the four dependent variables that constitute the corporate environmentalism concept. This sub-section will be devoted to the analysis of the conceptual model, the development and the theoretical justification of the research hypotheses.

2.1 Industry as a Moderator

This first paragraph aims at describing industry type and its moderating effect on corporate environmentalism. There are many ways to categorize industries. For this research, industries have been split through the scope of their environmental impact. Industry type is therefore dichotomized into High Environmental Impact (HEI) and Moderate Environmental Impact (MEI). This choice is made because literature shows that there are significant differences along four dimensions: amount of pollution, level of people concern, stringency of environmental regulations, and environmental liability risks (See Chapter, 2 Section 4).

For the first dimension, literature shows that pollution and firm's toxicity differs from one industry to another (Levy 1995; Ochsner 1998; Hoffman 1999). On the high environmental impact side, chemical, petroleum and mineral extraction and processing MNCs tend to be large polluters due to their size and predominance in pollution-intensive sectors (Levy 1995). Second, people concern for the environment varies from one industrial sector to another: high environmental impact industries, like chemicals, are more scrutinized than "cleaner" ones, like consulting (Banerjee, Iyer, and Kashyap 2003). Third, there are tighter regulations for high environmental impact industries than for cleaner ones and therefore the cost of compliance is significantly higher (Jaffe and Palmer 1997; Lanjouw and Mody 1996).

The fourth and last dimension involved into the moderating role of industry is the environmental litigation: pollution-intensive industries that face greater environmental liability risks and consequently they are disproportionately and increasingly affected by environmental cases filed in the courts (Hoffman 1999; Banerjee, Iyer, and Kashyap 2003). These four dimensions justify testing the moderating role of industry.

> H1: Industry type will moderate the influence of people concern, regulatory forces, competitive advantage, shareholders, and top management commitment on environmental orientation and environmental strategy.

2.2 Market as a Moderator

Welford (2004) revealed differences between Indian and European corporate social responsibility practices: he established a link between the development of social and environmental responsibility and the economic development of countries. A year later, Welford (2005) concluded in another article that "firms in developing countries adopt corporate social responsibility less than their counterparts in the developed world."

In 2010, Li et al. (2010) found similar results and showed that corporate social responsibility and environmental practices are more established in developed-country firms, but they are more and more important for firms in the developing countries. Li et al. agree with Banerjee's corporate environmentalism model (Banerjee, Iyer, and Kashyap 2003) but they show that market type can also be a relevant moderator. On one hand, they recognize the relevance of industry type in corporate environmentalism: "Industries in the manufacturing sector, which face more environmental, labor, and societal pressures, are more likely than companies in other sectors to address corporate social responsibility issues in their *corporate* communications" (Li et al. 2010).

But on the other hand, the authors argue that country-level explanations which we could call market type, "are more powerful than industry-level explanations. In this regard, we can say that corporate social responsibility, including environmental aspects is better explained by knowing the country in which a firm resides rather than knowing to which industry the firm belongs."

Literature also shows that pollution and firms' toxicity differ from one market to another. Taylor (2005) explains that when countries differ only in human capital levels, it generates the so-called Pollution Haven Hypothesis: a movement leads to the relocation of high environmental impact production from the high-income, tight environmental regulation country to the low-income, lax environmental regulation country. Pollution rises in the lax regulation country and falls in the tight regulation country.

This research shows that corporate environmentalism differs from one market to another. Consequently, "Market Type" is added to Banerjee, Iyer, and Kashyap (2003)'s original model as a second moderator.

H2: Market type will moderate the influence of people concern, regulatory forces, competitive advantage, shareholders, and top management commitment on environmental orientation and environmental strategy.

2.3 People Concern for the Environment

Banerjee, Iyer, and Kashyap 2003 defined the public concern as a homogenous category. For this research, we modified this driver and named it people concern (see chapter 1 section 3). As a reminder, people concern is made of three groups which are:

- Customers, whose environmental expectations can be reflected in their consumption patterns of products and services made by companies.
- Local citizens, whose proximity to firms can lead them to take a vigilant stance towards multinational corporations and potentially harm businesses that cause environmental damage.
- World citizens. These people do not live in the immediate vicinity of the targeted company, but they can still have a strong influence on companies' environmental practices, by denouncing practices that they consider harmful to the environment and by exposing companies to the risk of depreciating their public image.

People concern for the environment is one of the most powerful drivers of corporate efforts to reduce pollution (Ashford 1993; Dillon and Fischer 1992; Levy 1995; Rappaport and Flaherty 1992; Williams, Medhurst, and Drew 1993). Concern for the environment remains high on the public agenda and has been so since the late 1980s (The Roper Organization 1990).
Large firms are more scrutinized by individuals and communities and therefore they are more likely to experience greater external pressure (Levy 1995; Williams Medhurst, and Drew 1993)". In line with this statement, Zyglidopoulos (2002) states that multinational corporations must have "higher standards for social and environmental responsibility than national companies because they are subject to the additional pressure of stakeholders from foreign countries".

According to Banerjee, Iyer, and Kashyap (2003), this pressure can impact corporate environmentalism in two ways: "First, firms may present a green image to indicate their responsiveness to public concern, and second, firms could develop environmental strategies to target green consumers" (Banerjee, Iyer, and Kashyap 2003). Lichtenstein, Drumwright, and

Braig (2004) show that: “A corporation’s socially responsible behavior can positively affect consumers’ attitudes toward the corporation.”
People concern for the environment is both an external political force exerted by stakeholders (environmental activists, NGOs) and an external economic force represented by customers demanding environmentally friendly products.

Multinational corporations’ leadership position makes them more targeted by social and environmental activists (Rowley and Berman 2000). Consequently, Summers Raines (2002) shows that multinational corporation’s primary motivation for environmental management is “being a good neighbor” and being trusted by the public. Profit-related motivation comes after. Baron (2003) states that many companies have amended their environmental practices in response to environmental group pressures like Mitsubishi with the use of old-growth forest products. Henriques and Sardosky (1996) also explain that groups pressure push companies to adopt environmental plans. “

H3.1: People concern will be positively related to internal environmental orientation.
H3.2: People concern will be positively related to external environmental orientation.
H4.1: People concern will be positively related to environmental corporate strategy.
H4.2: People concern will be positively related to environmental marketing strategy.

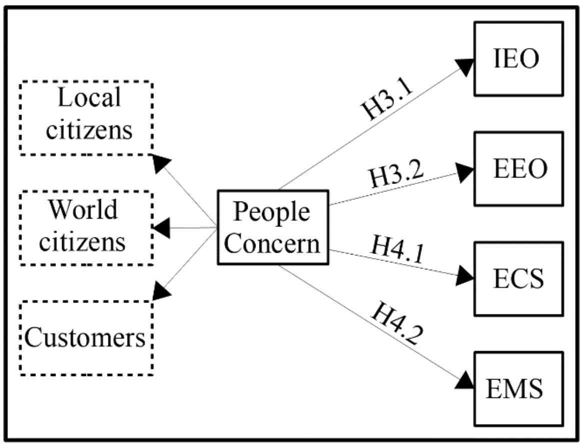

Figure 11: People Concern Effects on Environmental Orientation and Environmental Strategy

2.3.1 People concern in Advanced and Emerging Markets

In general, communities with larger minority population, lower incomes and less education face a greater exposure to toxic emission (Arora and Cason 1999; Brooks and Sethi 1997). These communities are more commonly found in emerging markets (Anderson, Markides, and Kupp 2010). However, recent research found that there is a growing concern for the environment in emerging markets, particularly in Brazil, Russia, India, China, and South Africa, also called the BRICS (Delay 2012). The Carbon Trust (2012) shows that a switchover from a traditional perspective is happening: "young urban-based people in China are more concerned about brands reducing their impact on the environment than their counterparts in the United States and the United Kingdom."

Multinational corporations increasingly include the environmental and social benefits of their products in their communications. Surf Excel Quickwash TV advertising in India, for example, showed a social activist talking about saving water (Dickinson and Cole 2012). According to the 2012 Edelman Trust Barometer (2012), 72% of their Indian respondents consider that companies should be involved in reducing social and environmental problems.

In recent years, there has been a drastic increase in health and product safety issues associated with products from emerging economies (Li et al. 2010). In 2015, the European Commission alerted its EU members about the potential risks of 2000 different products coming from emerging markets, where 1700 of them were ranked as "dangerous" (Bogdanich and Hooker 2007). Harmful toys, outdated baby milk, poisonous pharmaceutical products or clothes containing heavy metals have regularly created shock waves through public opinion in advanced markets (Bogdanich and Hooker 2007).

Maxwell, Lyon, and Hackett (2000) indicate that higher environmental interest group membership levels, mainly based in advanced markets, "indicate a greater propensity to use these organizations to lobby for more stringent regulations and drives firms to self-regulate", even in emerging markets.

Christman and Taylor (2001) found that customers in developed countries have influenced Chinese companies to improve their environmental compliance. Li et al. (2010) explain that if there is negative perception because of several firms' environmental strategies, this can affect other companies in the same country: "This not only has caused concern in the international community but has also negatively impacted the image of the country of origin and the corporate reputation of the firms that reside there".

H3.1.1: The effect of people concern on internal environmental orientation will be greater in advanced markets than in emerging markets.

H3.2.1: The effect of people concern on external environmental orientation will be greater in advanced markets than in emerging markets.

H4.1.1: The effect of people concern on environmental corporate strategy will be greater in advanced markets than in emerging markets.

H4.2.1: The effect of people concern on environmental marketing strategy will be greater in advanced markets than in emerging markets.

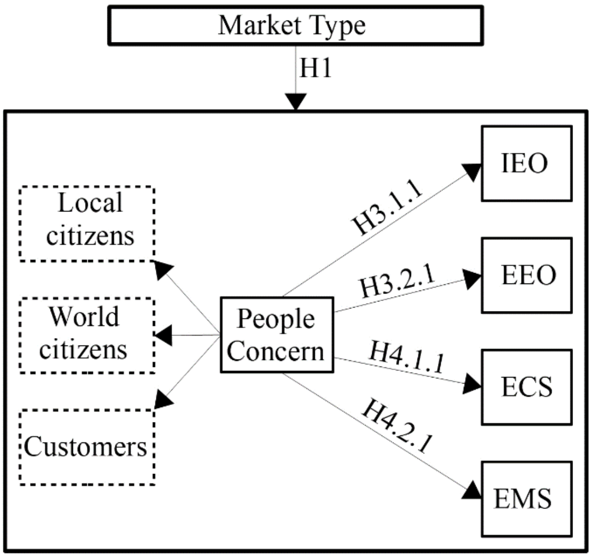

Figure 12: People Concern Effects on Environmental Orientation and Environmental Strategy Moderated by Market Type

2.3.2 People concern in High Environmental Impact and Moderate Environmental Impact Sectors

Higher environmental impact firms are also more scrutinized by the public. Industries from the manufacturing sector which produce rubber, metal, or plastics goods tend to generate greater amounts of hazardous waste than other industries (Peretz et al. 1997) and therefore, people concern for the environment might be more prevalent in such industries (Stisser 1994)".

H3.1.2: The effect of people concern on internal environmental orientation will be greater in the high environmental impact sector than in the moderate environmental impact sector.

H3.2.2: The effect of people concern on external environmental orientation will be greater in the high environmental impact sector than in the moderate environmental impact sector.

H4.1.2: The effect of people concern on environmental corporate strategy will be greater in the high environmental impact sector than in the moderate environmental impact sector.

H4.2.2: The effect of people concern on environmental marketing strategy will be greater in the high environmental impact sector than in the moderate environmental impact sector.

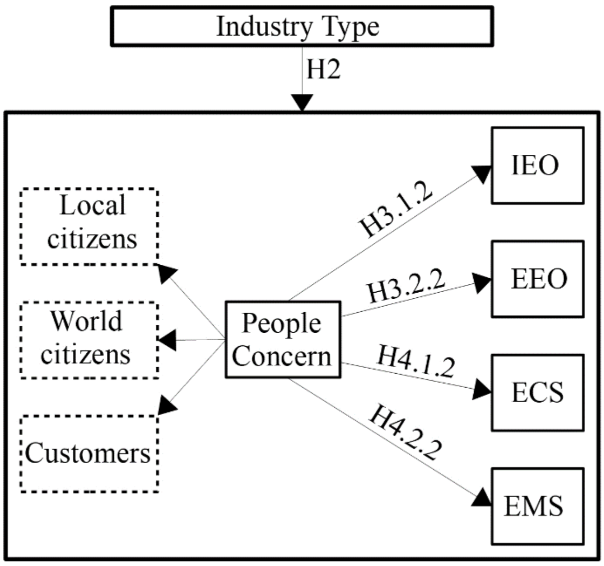

Figure 13: People Concern Effects on Environmental Orientation and Environmental Strategy Moderated by Industry Type

2.4 Regulatory Forces

Regulators are important stakeholders that exert external political and economic forces on the firm (Banerjee, Iyer, and Kashyap 2003). In response to these pressures, firms are proactively managing environmental impacts (Eisner 2004). Regulations on packaging content, product formulation or distribution channels have greatly influenced business strategies (Banerjee, Iyer, and Kashyap 2003; Green Market Alert 1993; McCrea 1993; Ottman 1993). Ochsner (1998) found that environmental legislation is "the most important incentive for developing pollution prevention strategies".

H5.1: Regulatory forces will be positively related to internal environmental orientation.

H5.2: Regulatory forces will be positively related to external environmental orientation.

H6.1: Regulatory forces will be positively related to environmental corporate strategy.

H6.2: Regulatory forces will be positively related to environmental marketing strategy.

Regulatory Forces in Advanced and Emerging Markets

Firms in advanced markets are more severely regulated than their counterparts in emerging markets, so the cost of compliance is significantly higher (Abdulai 2006). But pressure on emerging market companies will probably get higher in the near future, "particularly in fast-growing countries like India and China as these countries are starting to play a bigger role in the international climate change regime." (EUROSIF 2010).

Taylor (2005) created the "pollution haven hypothesis": the reinforcement of environmental legislation in advanced markets pushes some companies to leave these markets for emerging markets.

Abduai (2006) explains that due to their urgent need for employment opportunities, "low-income countries are often compelled to set lax environmental standards to attract foreign investors". This problem, coupled with the high costs of conforming to the more stringent environmental standards in the advanced world, means that "developing countries are likely to remain the "havens" of the pollution-intensive industries of the multinational firms of the developed world" (Abdulai 2006).

Korten (1997) explains that economic globalization "has greatly expanded opportunities for the rich to pass their environmental burdens to the poor by exporting both wastes and pollution factories".

Dasgupta et al. (2001) shows that environmental performance "is strongly associated with income per capita, freedom of property and (in small samples) measures of regulatory efficiency." According to the author, general environmental legislation is already common worldwide, "although detailed rules and regulations are still far from universal. In many developing countries, enforcement of environmental laws has been hampered by inadequate staffing and funding" (Dasgupta et al. 2001).

H5.1.1: The effect of regulatory forces on internal environmental orientation will be greater in advanced markets than in emerging markets.

H5.2.1: The effect of regulatory forces on external environmental orientation will be greater in advanced markets than in emerging markets.

H6.1.1: The effect of regulatory forces on environmental corporate strategy will be greater in advanced markets than in emerging markets.

H6.2.1: The effect of regulatory forces on environmental marketing strategy will be greater in advanced markets than in emerging markets.

Regulatory Forces in High Environmental Impact and Moderate Environmental Impact Sectors

Banerjee, Iyer, and Kashyap (2003) also explains that environmental regulations and the associated compliance costs vary from industry to industry. For example, heavy industries face stricter legislation than others because of their greater environmental risks and liabilities (Hoffman 1999; Ochsner 1998). Therefore, we expect type of industry to moderate the influence of regulations on corporate environmentalism.

H5.1.2: The effect of regulatory forces on internal environmental orientation will be greater in the high environmental impact sector than in the moderate environmental impact sector.

H5.2.2: The effect of regulatory forces on external environmental orientation will be greater in the high environmental impact sector than in the moderate environmental impact sector.

H6.1.2: The effect of regulatory forces on environmental corporate strategy will be greater in the high environmental impact sector than in the moderate environmental impact sector.

H6.2.2: The effect of regulatory forces on environmental marketing strategy will be greater in the high environmental impact sector than in the moderate environmental impact sector.

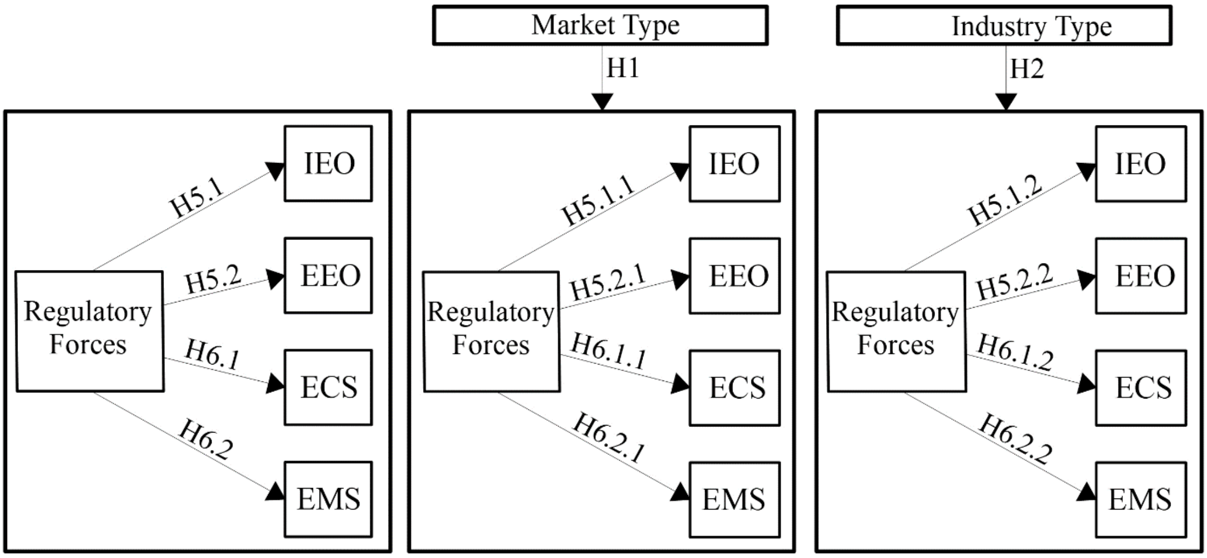

Figure 14: Regulatory Forces Effects on Environmental Orientation and Environmental Strategy Without Moderation, Moderated by Market Type and Moderated by Industry Type

2.5 Competitive Advantage

Environmental and social corporate initiatives can become key success factors and can lead to competitive advantages (Lichtenstein, Drumwright, and Braig 2004). Corporate environmentalism offers competitive advantage by significantly lowering costs in the long run or helping differentiate products and services (Porter and van der Linde 1995). Also, the performances of the green product innovation and environmental process innovation are positively correlated to the corporate competitive advantage (Chen, Lai, and Wen 2006).

H7.1: Competitive advantage will be positively related to internal environmental orientation.

H7.2: Competitive advantage will be positively related to external environmental orientation.

H8.1: Competitive advantage will be positively related to environmental corporate strategy.

H8.2: Competitive advantage will be positively related to environmental marketing strategy.

2.5.1 Competitive Advantage in Advanced and Emerging Markets

Most of the studies mixing competitive advantage and sustainable development have been conducted in developed countries (Ottaman 1993; Peattie 2001). Regarding advanced markets, there is consensus that engaging in green innovation environmental management has a positive influence upon corporate competitive advantages (Porter and Van der Linde 1995; Shrivastava 1995; Berry and Rondinelli 1998).

In India, Saxena and Khandelwl (2010) demonstrated that people are having increasingly high concern about environmental protection and are willing to consume those products which are environmentally friendly. The authors observe that there is a progressive shift in the consumer preferences and they conclude by explaining that companies which target these customers will enjoy sustainable competitive advantage, as “in future more and more consumers will prefer green products as they don’t mind paying little extra (appropriate) price for green products” (Saxena and Khandelwl 2010).

While advanced markets already explored niche green segments, India is experiencing a transition in terms of environmental expectations and offers many opportunities for firms to obtain a competitive advantage. For example, seeking to reduce its electricity consumption to a bare minimum - a valuable resource in India - the Indian company Shree Cement made significant changes in some of its cement plants. These changes added up to an impressive EBITDA margins of 39% in the mature cement industry (Haanaes, Jurgens, and Rangan 2013), thus offering a significant competitive advantage. We propose the following assumptions:

> H7.1.1: The effect of competitive advantage on internal environmental orientation will be greater in emerging markets than in advanced markets.
>
> H7.2.1: The effect of competitive advantage on external environmental orientation will be greater in emerging markets than in advanced markets.
>
> H8.1.1: The effect of competitive advantage on environmental corporate strategy will be greater in emerging markets than in advanced markets.
>
> H8.2.1: The effect of competitive advantage on environmental marketing strategy will be greater in emerging markets than in advanced markets.

2.5.2 Competitive Advantage in High Environmental Impact and Moderate Environmental Impact Sectors

Competitive advantage varies across industrial sectors. In the high environmental impact sector, regulations are so high that it is difficult for firms to obtain significant competitive advantage. Stringent regulations tend to overshadow the potential cost savings obtained thanks to a specific competitive advantage (Sharma and Vredenburg 1998). In fact, regulations make it difficult to move from compliance to competitive advantage. By contrast, in the moderate environmental impact sector, there are fewer environmental regulations than in the high environmental impact sector, and it offers firms many opportunities to generate competitive advantage through corporate environmentalism (Banerjee, Iyer, and Kashyap 2003). There is room to innovate and create competitive advantage through environmental orientation and environmental strategy.

Sarmento and Duarte (2004) show that most of the polluting firms that are investing to protect the environment are those that include environmental facts (accidents) in their accounts, with the aim of raising their public image rather than obtaining a competitive advantage.

> H7.1.2: The effect of competitive advantage on internal environmental orientation will be greater in the moderate environmental impact sector than in the high environmental impact sector.
>
> H7.2.2: The effect of competitive advantage on external environmental orientation will be greater in the moderate environmental impact sector than in the high environmental impact sector.
>
> H8.1.2: The effect of competitive advantage on environmental corporate strategy will be greater in the moderate environmental impact sector than in the high environmental impact sector.
>
> H8.2.2: The effect of competitive advantage on environmental marketing strategy will be greater in the moderate environmental impact sector than in the high environmental impact sector.

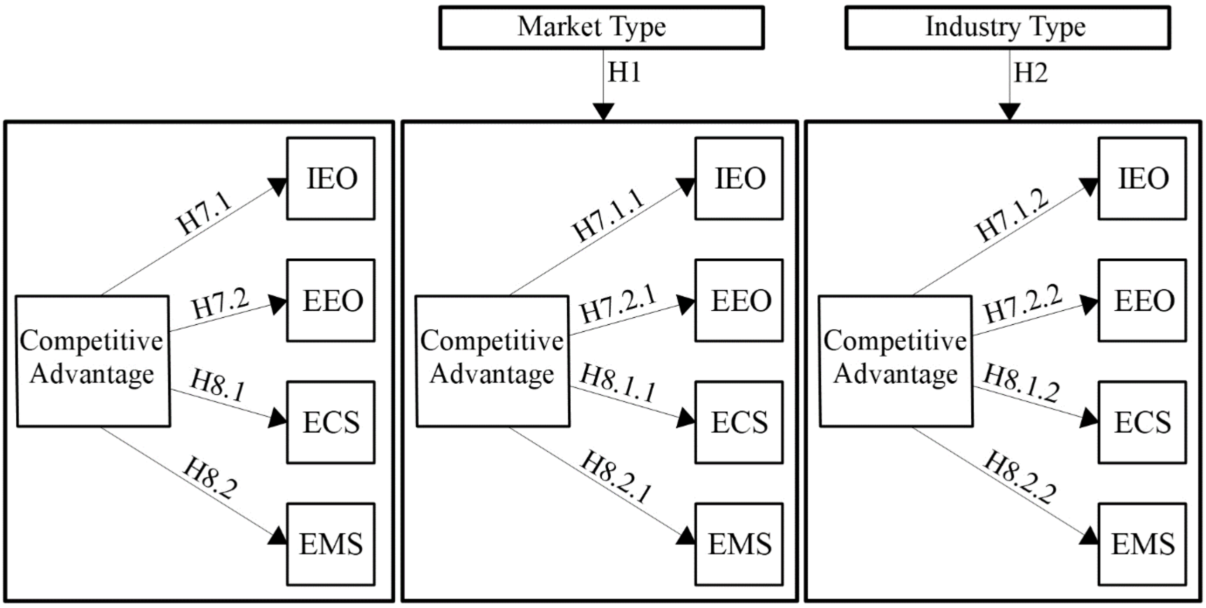

Figure 15: Competitive Advantage Effects on Environmental Orientation and Environmental Strategy Without Moderation, Moderated by Market Type and Moderated by Industry Type

2.6 Shareholder Concern

Schaltegger and Figge (2000) show that the effect of corporate environmental protection on shareholder value is determined by the way corporate environmental management is practiced. There is a growing literature linking sustainability and financial performance (Etzion 2007; Margolis and Walsh 2003; Orlitzky, Schmidt, and Rynes 2003). Shareholders are increasingly interested in firms' environmental information and practices (Solomon and Solomon 2006), and they react to environmental information in investment decision-making when this is provided (Holm and Rikhardsson 2008; Milne and Chan 1999; Milne and Patten 2002). To meet these shareholders' expectations, the number of multinational corporations reporting their environmental actions has increased (O'Dwyer and Owen 2005). For example, while only 37 TOP100 US companies published a corporate social responsibility report in 2005, there were 74 companies three years later (KPMG International 2008) even though governmental requirements for this type of reporting did not change during this period.

H9.1: Shareholder concern will be positively related to internal environmental orientation.

H9.2: Shareholder concern will be positively related to external environmental orientation.

H10.1: Shareholder concern will be positively related to environmental corporate strategy.

H10.2: Shareholder concern will be positively related to environmental marketing strategy.

Shareholders in Advanced and Emerging Markets

Shareholders react to environmental information in investment decision-making when this is provided (Holm and Rikhardsson 2008; Milne and Chan 1999; Milne and Patten 2002). Most of developed economies have already enacted specific corporate social responsibility regulations (Buhmann 2006) and imposed multinational corporations to publish corporate social responsibility reports (e.g. République Française 2009).

Except from a few emerging economies like South Africa, there are a lot of disparities in emerging markets' reporting requirements (Chung and Beamish 2005; Dieleman and Sachs 2008) and fewer companies publish corporate social responsibility reports. For example, in the clear majority of Africa's countries, corporate social responsibility is still in its infancy and is often regarded with suspicion as an agenda of advanced markets imposed on emerging economies (Visser and Tolhurst 2017). In emerging markets with less advanced corporate social responsibility regulations like South Africa, "the ambiguity of new laws and skepticism about their value initially limit the incentives that capital markets can create for corporate social responsibility initiatives. However, once normative and cognitive beliefs come to be institutionalized, corporate virtue is rewarded by capital markets" (Arya and Zhang 2009).

H9.1.1: The effect of shareholders on internal environmental orientation will be greater in advanced markets than in emerging markets.

H9.2.1: The effect of shareholders on external environmental orientation will be greater in advanced markets than in emerging markets.

H10.1.1: The effect of shareholders on environmental corporate strategy will be greater in advanced markets than in emerging markets.

H10.2.1: The effect of shareholders on environmental marketing strategy will be greater in advanced markets than in emerging markets.

Shareholders in High Environmental Impact and Moderate Environmental Impact Sectors

We have seen that for the moderate environmental impact sector, firms have more opportunities to obtain a competitive advantage through corporate environmentalism (Banerjee, Iyer, and Kashyap 2003), thus being more profitable and raising their market-share value (Roy 1999). In the high environmental impact sector, the phenomenon is more complex. A "shareholder-value-oriented" approach to environmental management is required (Schaltegger and Figge 2000, p. 40). For example, in the case of a pollution prevention strategy, only a corporate environmental strategy in line with shareholder values will be acknowledged and valued by stakeholders.

> H9.1.2: The effect of shareholders on internal environmental orientation will be greater in the moderate environmental impact sector than in the high environmental impact sector.
>
> H9.2.2: The effect of shareholders on external environmental orientation will be greater in the moderate environmental impact sector than in the high environmental impact sector.
>
> H10.1.2: The effect of shareholders on environmental corporate strategy will be greater in the moderate environmental impact sector than in the high environmental impact sector.
>
> H10.2.2: The effect of shareholders on environmental marketing strategy will be greater in the moderate environmental impact sector than in the high environmental impact sector.

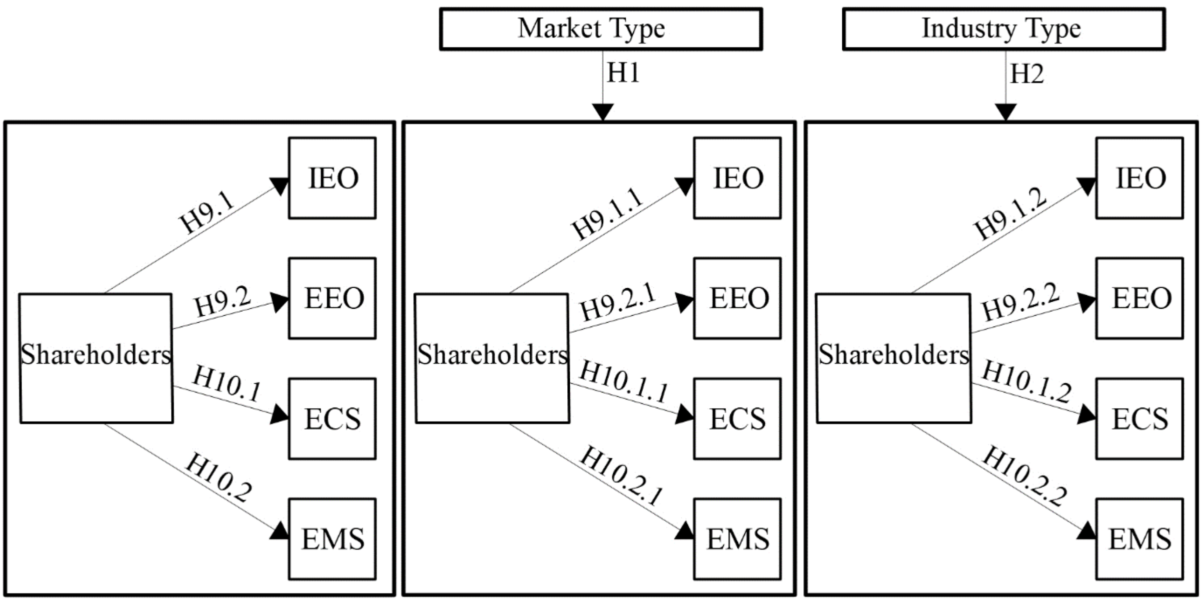

Figure 16: Shareholders Effects on Environmental Orientation and Environmental Strategy Without Moderation, Moderated by Market Type and Moderated by Industry Type

2.7 Top Management Commitment

Top management motivation and commitment is an organizational variable that can influence environmental practices and performance (Cebon 1993; Dillon and Fischer 1992; Rappaport and Flaherty 1992; Levy 1995). Top management's implication in environmental issues is more prevalent in firms that perceive regulations as a major threat (Banerjee 1998) or whose customers come from environmentally friendly segments (Coddington 1993).

There are generally two ways for the top management to demonstrate its commitment to environmentalism:

1. The top management team hires a senior manager who will be responsible for overseeing the firm's environmental orientation and strategies (Banerjee, Iyer, and Kashyap 2003),
2. The top management team itself is directly involved in environmental issues facing the corporation (Coddington 1993),
3. In many cases, the top management team lobbies or builds alliances with governmental agencies in writing regulations that will eventually affect their business (Banerjee, Iyer, and Kashyap 2003). In other cases, multinational corporations create partnerships with other businesses or nonprofit organizations to modify their industry in a manner beneficial to their own business (Banerjee, Iyer, and Kashyap 2003).

A famous example is Coca-Cola and its contested water management in some developing regions, particularly in India. Accused by the NGO "India Resource Center" of creating serious environmental damage, Coca-Cola had to invest heavily to fight against the image of a polluting firm: several cleaning operations were undertaken, and a partnership with Coca-Cola top managers and the World Wildlife Fund (WWF 2013) was created. This resulted in enhancing Coca-Cola's image and market share in the competitive soft drink market (Biddle 1993).

Consequently, we propose these hypotheses:

H11.1: Top management commitment will be positively related to internal environmental orientation.

H11.2: Top management commitment will be positively related to external environmental orientation.

H12.1: Top management commitment will be positively related to environmental corporate strategy.

H12.2: Top management commitment will be positively related to environmental marketing strategy.

Top Management Commitment in Advanced and Emerging Markets

The importance of environmental issues generated by firms' activities is acknowledged by managers from both advanced markets and emerging markets. However, Earnhart, Khanna, and Lyon (2014) show that top management commitment to the environment is higher when government environmental laws are tighter and more strongly enforced, which is the case in most advanced markets. Prašnikar et al. (2010) found that environmental responsibility in emerging markets is less embedded in corporate strategies than in most advanced markets.

H11.1.1: The effect of top management commitment on internal environmental orientation will be greater in advanced markets than in emerging markets.

H11.2.1: The effect of top management commitment on external environmental orientation will be greater in advanced markets than in emerging markets.

H12.1.1: The effect of top management commitment on environmental corporate strategy will be greater in advanced markets than in emerging markets.

H12.2.1: The effect of top management commitment on environmental marketing strategy will be greater in advanced markets than in emerging markets.

H11.1.2: The effect of top management commitment on internal environmental orientation will be greater in the high environmental impact sector than in the moderate environmental impact sector.

H11.2.2: The effect of top management commitment on external environmental orientation will be greater in the high environmental impact sector than in the moderate environmental impact sector.

H12.1.2: The effect of top management commitment on environmental corporate strategy will be greater in the high environmental impact sector than in the moderate environmental impact sector.

H12.2.2: The effect of top management commitment on environmental marketing strategy will be greater in the high environmental impact sector than in the moderate environmental impact sector.

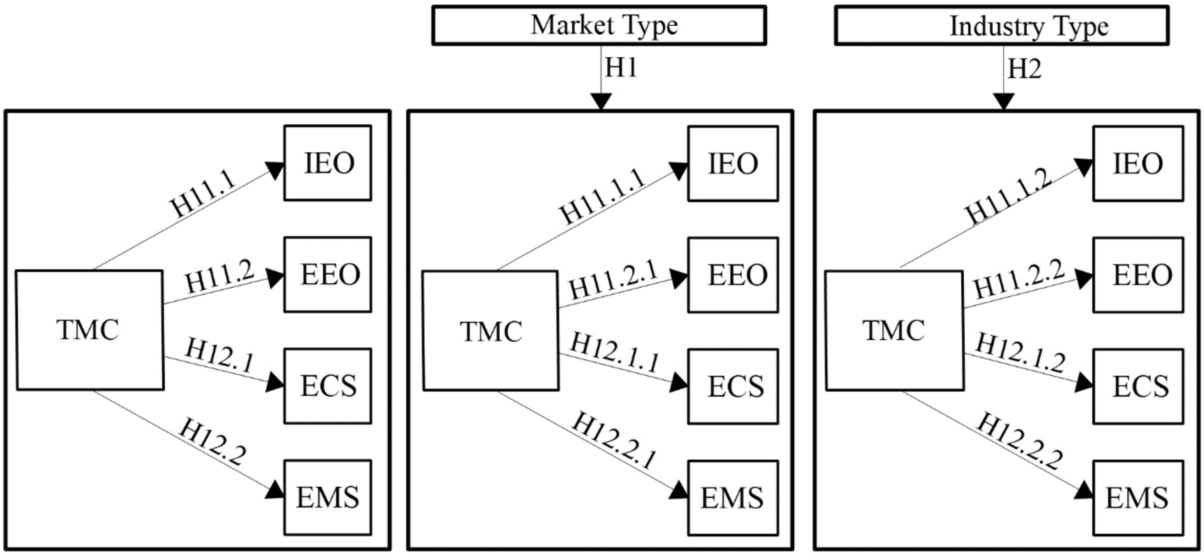

Figure 17: Top Management Commitment Effects on Environmental Orientation and Environmental Strategy Without Moderation, Moderated by Market Type and Moderated by Industry Type

Top Management Commitment as a mediator

Top management exerts a strong influence on corporate environmentalism. It also mediates the effect of people concern, regulatory forces, competitive advantage and shareholders by deciding which stakeholders will influence the firm's strategy (Mitchell, Agle, and Wood 1997). As an example, a marketing manager might be able to reshape a product to make it more environmentally friendly, but if public awareness gets higher and if this awareness attracts top management's attention, it might lead to a modification of corporate environmental strategy, such as developing and marketing environmentally friendly products (Banerjee, Iyer, and Kashyap 2003).

People concern can also be instrumental in chief executive officers' development of policy guidelines on environmentally friendly purchasing practices (Drumwright 1994). Environmental regulatory forces also have an impact on top management's actions (Agle, Mitchell, and Sonnenfeld 1999) and pushes the firm to focus on pollution prevention rather than on mere compliance (Buchholz 1993).

H13.1: Top management commitment will mediate the effect of people concern on internal environmental orientation.

H13.2: Top management commitment will mediate the effect of people concern on external environmental orientation.

H14.1: Top management commitment will mediate the effect of people concern on environmental corporate strategy.

H14.2: Top management commitment will mediate the effect of people concern on environmental marketing strategy.

H15.1: Top management commitment will mediate the effect of regulatory forces on internal environmental orientation.

H15.2: Top management commitment will mediate the effect of regulatory forces on external environmental orientation.

H16.1: Top management commitment will mediate the effect of regulatory forces on environmental corporate strategy.

H16.2: Top management commitment will mediate the effect of regulatory forces on environmental marketing strategy.

H17.1: Top management commitment will mediate the effect of competitive advantage on internal environmental orientation.

H17.2: Top management commitment will mediate the effect of competitive advantage on external environmental orientation.

H18.1: Top management commitment will mediate the effect of competitive advantage on environmental corporate strategy.

H18.2: Top management commitment will mediate the effect of competitive advantage on environmental marketing strategy.

H19.1: Top management commitment will mediate the effect of shareholders on internal environmental orientation.

H19.2: Top management commitment will mediate the effect of shareholders on external environmental orientation.

H20.1: Top management commitment will mediate the effect of shareholders on environmental corporate strategy.

H20.2: Top management commitment will mediate the effect of shareholders on environmental marketing strategy.

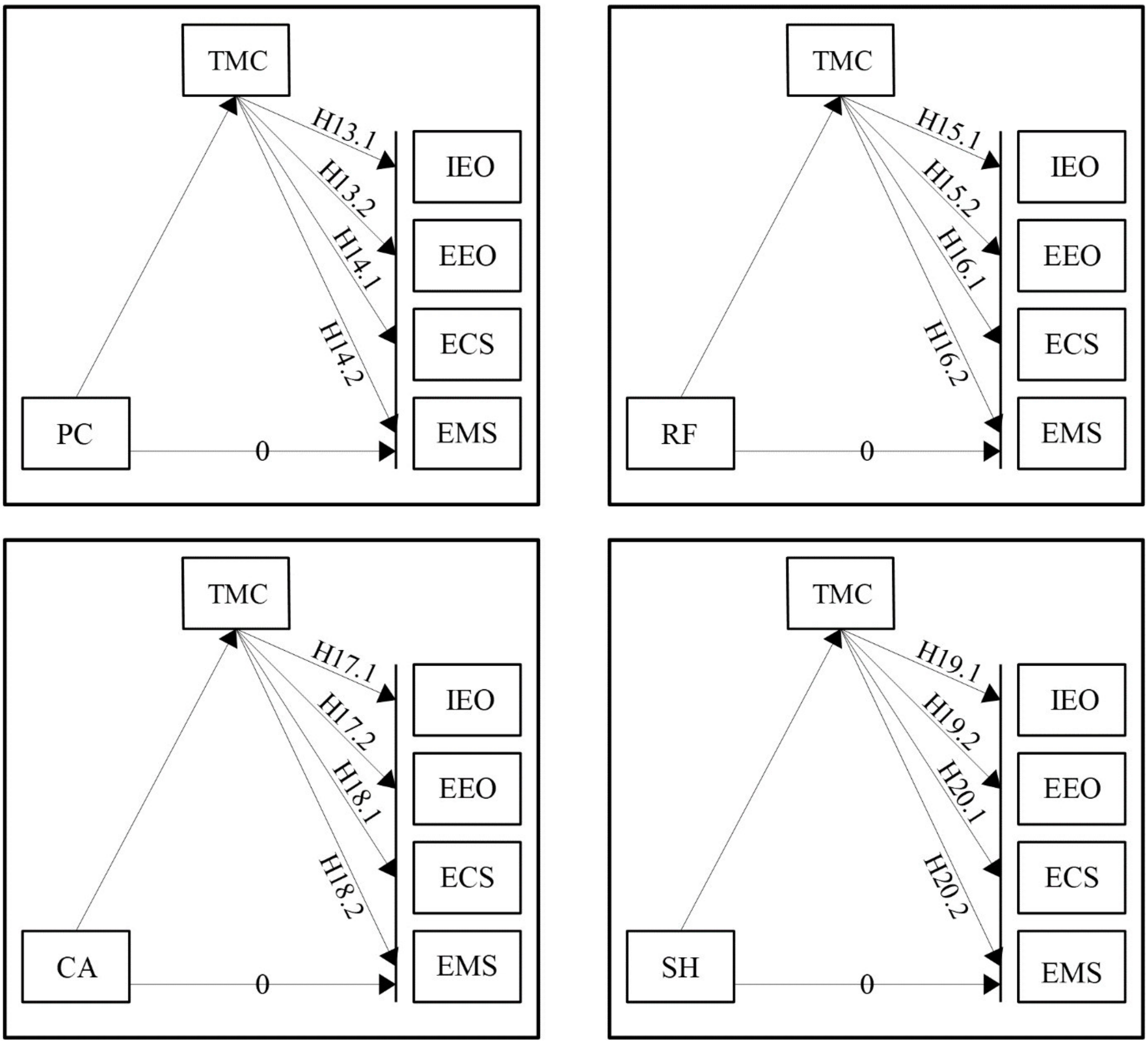

Figure 18: Top Management Commitment Mediation Effects on Environmental Orientation and Environmental Strategy Without Moderation, Moderated by Market Type and Moderated by Industry Type

Top Management Commitment mediating effects in Emerging and Advanced Markets

We saw in the previous paragraph that top management mediates the effect of people concern, regulatory forces and competitive advantage by acknowledging and recognizing the more salient, legitimate, or powerful stakeholders (Mitchell, Agle, and Wood 1997). We also highlighted that top management commitment to the environment is higher when government environmental laws are tighter and greater enforced (Earnhart, Khanna, and Lyon 2014), which is the case of most advanced markets, and that environmental responsibility in emerging markets is less embedded in corporate strategies than in most advanced markets (Prašnikar et al. 2010). By combining these three assertions, we can argue that since top management commitment to the environment is often higher in advanced markets and that environmental responsibility is more integrated into a strategic process, the mediating effects of people concern, regulatory forces, competitive advantage, and shareholders will be stronger in advanced markets.

> H21.1: The effect of people concern on top management commitment will be greater in advanced markets than in emerging markets.
>
> H22.1: The effect of regulatory forces on top management commitment will be greater in advanced markets than in emerging markets.
>
> H23.1: The effect of competitive advantage on top management commitment will be greater in advanced markets than in emerging markets.
>
> H24.1: The effect of shareholders on top management commitment will be greater in advanced markets than in emerging markets.

Top Management Commitment mediating effects in Moderate Environmental Impact and High Environmental Impact Sectors

Pressure exerted by people concern for the environment has a strong influence on CEOs who manage high environmental impact industries (Banerjee, Iyer, and Kashyap 2003) because people concern for the environment varies with the perceived amount of environmental problems prevalent in an industry (Peretz, Bohm, and Jasienczyk 1997). Consequently, the effect of people concern on top management might be greater in the HEI sector.

In general, chemical industries and other high environmental impact industries spend more on regulatory compliance than firms in MEI sector and they are also more likely to be subject to legislation (Hoffman 1999; Ochsner 1998). Consequently, the effect of regulatory forces on top management will have a more significant impact on the HEI sector than on the MEI sector. The impact of competitive advantage on corporate environmentalism will be mediated by top management and will vary with industry (Banerjee, Iyer, and Kashyap 2003). In fact, when comparing companies from MEI and HEI sectors, firms from the last-mentioned sector have fewer options because they are more severely regulated: managers have less opportunities to differentiate and to obtain a competitive advantage. That is why the effect of competitive advantage on top management will be greater in the MEI sector.

> H21.2: The effect of people concern on top management commitment will be greater in the moderate environmental impact sector than in the high environmental impact sector.
> H22.2: The effect of regulatory forces on top management commitment will be greater in the moderate environmental impact sector than in the high environmental impact sector.
> H23.2: The effect of competitive advantage on top management commitment will be greater in the moderate environmental impact sector than in the high environmental impact sector.
> H24.2: The effect of shareholders on top management commitment will be greater in the moderate environmental impact sector than in the high environmental impact sector.

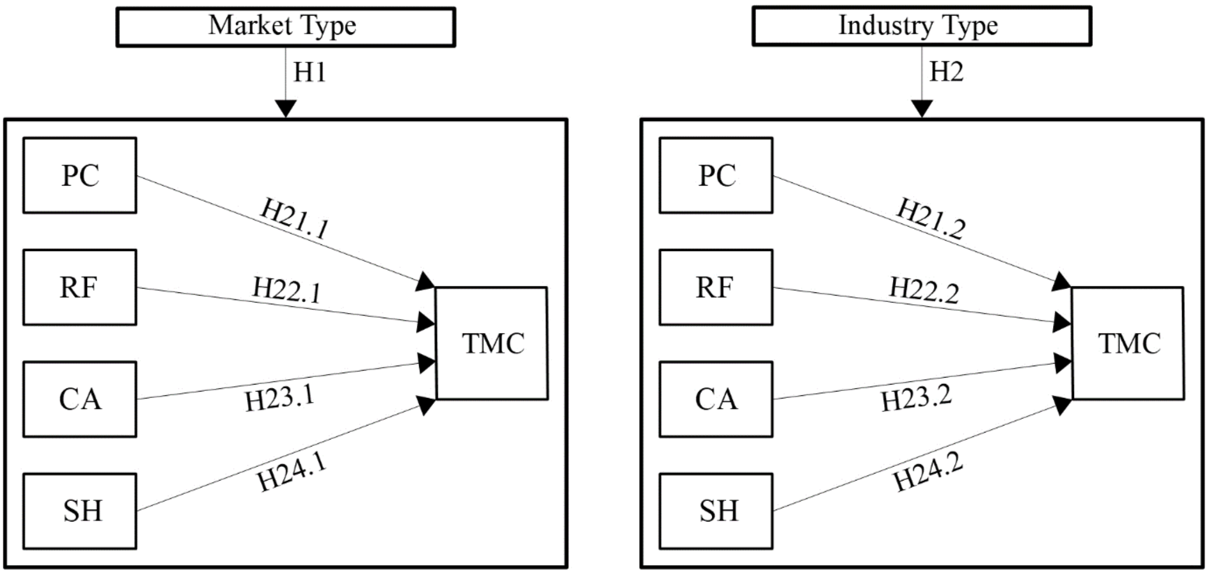

Figure 19: Independent Variables Effects on Top Management Commitment Moderated by Market Type and Industry Type

2.8 Environmental Orientation on Environmental Strategy

"Organizational learning about environmentalism occurs in the collective consciousness of a firm, and over time, the resultant knowledge is fused and internalized within the corporate values and beliefs" (Banerjee, Iyer, and Kashyap 2003). When this environmental knowledge is inoculated within a firm's standard operating procedures, then environmental values eventually begin to influence a firm's strategies (Mintzberg 1994). For example, in Accor Hotels, the CEO Sébastien BAZIN chairs a committee on environmental responsibility called Planet21 that sets standards used to audit performance on water consumption and CO2 emissions (Le Bolzer 2016). Then the following hypothesis emerges: environmental orientation will positively influence environmental strategies, though its influence will vary with industry. The effect of all antecedents, that is, people concern, regulations, and top management commitment, will be more acutely felt by firms in the HEI sector, and therefore the effect of environmental orientation on environmental strategy will be greater in the HEI sector than in the MEI sector.

> H25.1: Internal environmental orientation will be positively related to environmental corporate strategy.
>
> H25.2: internal environmental orientation will be positively related to environmental marketing strategy.
>
> H26.1: External environmental orientation will be positively related to environmental corporate strategy.
>
> H26.2: External environmental orientation will be positively related to environmental marketing strategy.

2.9 Environmental Orientation on Environmental Strategy in advanced and Emerging Markets

Environmental orientation is the recognition by managers of the importance of environmental issues facing their firms and environmental strategy is the integration of the acknowledged issues into a firm's strategic plan (Banerjee, Iyer, and Kashyap 2003). While both top managers from advanced markets and emerging markets acknowledge the importance of environmental issues generated by firms' activities, Prašnikar et al. (2010) found that environmental responsibility in emerging markets is less embedded in corporate strategies than in most advanced markets. Therefore, we hypothesize that in emerging markets environmental orientation has a more tenuous effect on environmental strategy than in advanced markets. We also hypothesize that the effect of environmental orientation on environmental strategy will vary with industry.

H25.1.1: The effect of internal environmental orientation on environmental corporate strategy will be greater in advanced markets than in emerging markets.
H25.2.1: The effect of internal environmental orientation on environmental marketing strategy will be greater in advanced markets than in emerging markets.
H26.1.1: The effect of external environmental orientation on environmental corporate strategy will be greater in advanced markets than in emerging markets.
H26.2.1: The effect of external environmental orientation on environmental marketing strategy will be greater in advanced markets than in emerging markets.
H25.1.2: The effect of internal environmental orientation on environmental corporate strategy will be greater in in the moderate environmental impact sector than in the high environmental impact sector.
H25.2.2: The effect of internal environmental orientation on environmental marketing strategy will be greater in in the moderate environmental impact sector than in the high environmental impact sector.
H26.1.2: The effect of external environmental orientation on environmental corporate strategy will be greater in in the moderate environmental impact sector than in the high environmental impact sector.
H26.2.2: The effect of external environmental orientation on environmental marketing strategy will be greater in in the moderate environmental impact sector than in the high environmental impact sector.

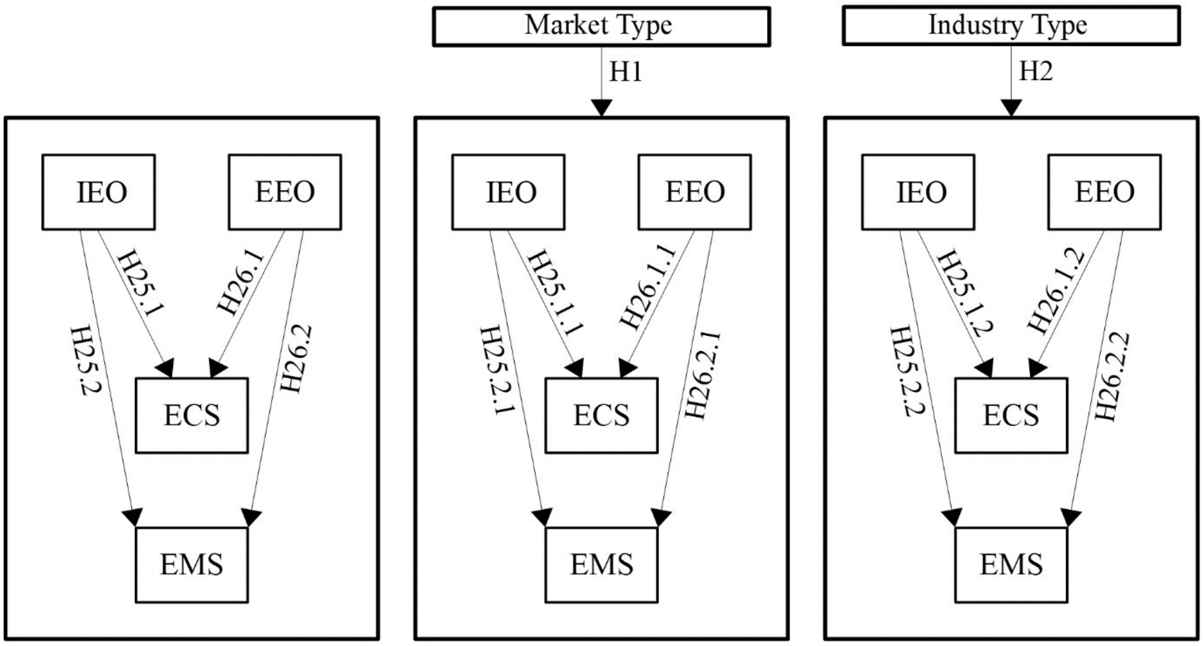

Figure 20: Environmental Orientation Effects on Environmental Strategy Without Moderation, Moderated by Market Type and Moderated by Industry Type

2.10 Regulatory Forces in Advanced Markets on Emerging Markets

Finally, we propose two hypotheses about the cross-market effects of regulatory forces in advanced markets, on environmental orientation and environmental strategy in emerging markets. While environmental regulations are less stringent in emerging markets (Earnhart, Khanna, and Lyon 2014), multinational corporations that do business internationally are more likely to acknowledge the value of achieving higher social and environmental standards in emerging markets than their local counterparts (Yin 2017), as these standards are a prerequisite for license to operate or sell in developed countries (Bansal 2005) where environmental regulations are more stringent.

H13: Regulatory forces in advanced markets are positively related to environmental orientation in emerging markets.

H14: Regulatory forces in advanced markets are positively related to environmental strategy in emerging markets.

Section 2: Measurement Scales' Choices

Throughout this section, we will try to list all the variables mobilized in the research model, based on the concepts studied in the previous chapters (see Chapters 1 and 2). In the first place, it seems important to identify the different antecedents that drive environmental orientation and environmental strategy since they are considered an important consequence of corporate environmentalism. In a second place, we will set out a specific antecedent and a central concept in the decision of environmental orientation and environmental strategy, namely top management commitment as mediator. Finally, we will present the four dependent variables, namely internal environmental orientation, external environmental orientation, environmental corporate strategy and environmental marketing strategy.

1. ***Four Antecedents to Environmental Orientation and Environmental Strategy***

1.1 People Concern

The word "people" refers to individuals or organizations who are concerned about the multinational corporation's activity whether they are customers or not. This public is divided into four categories which are:

- Local citizens: they represent individuals, organizations, and press who are not necessarily customers, but who live in the same country as the respondents' subsidiary.

Variable	Items
Local Citizens	The local public feels that environmental protection is a critically important issue facing the world today
	The local public is very concerned about environmental destruction
	The local public is more worried about the economy than about environmental protection
	The local public expects our firm to be environmentally friendly
	The local public is increasingly demanding environmentally friendly products and services

Table 2: Local Citizens Items

- International citizens: they are individuals, organizations and press who are not necessarily customers, but who live everywhere EXCEPT in the country of the respondent's subsidiary.

Variable	Items
World Citizens	The international public feels that environmental protection is a critically important issue facing the world today The international public is very concerned about environmental destruction The international public is more worried about the economy than about environmental protection The international public expects our firm to be environmentally friendly The international public is increasingly demanding environmentally friendly products and services

Table 3: World Citizens Items

- Local and international customers: they are business customers or individual customers who are based in the same or in a country different from the respondent's subsidiary.

Variable	Items
Customers	Local customers feel that environmental protection is a critically important issue facing the world today
	Local customers are more worried about the economy than about environmental protection
	Local customers expect our firm to be environmentally friendly
	Local customers are increasingly demanding environmentally friendly products and services
	Our international customers feel that environmental protection is a critically important issue facing the world today
	Our international customers are more worried about the economy than about environmental protection
	Our international customers expect our firm to be environmentally friendly
	Our international customers are increasingly demanding environmentally friendly products and services

Table 4: Customers Items

1.2 Regulatory Forces

These items aim to understand the influence of government regulations on company's environmental strategy. Items integrate the word "subsidiary" which is referring to the local branch or local office of the multinational corporation, whether it is a joint-venture, a local office or a wholly-owned subsidiary.

Variable	Items
Regulatory Forces	Regulation by our country's government agencies has greatly influenced our subsidiary's environmental strategy
	Environmental legislation can affect the continued growth of our subsidiary
	Stricter environmental regulation in our country is a major reason why our subsidiary is concerned about its impact on the environment
	Tougher environmental legislation is required so that only subsidiaries that are environmentally responsible will survive and grow
	Our subsidiary's environmental efforts can help shape future environmental legislation in our industry
	Our industry is faced with strict environmental regulation from our government

Table 5: Regulatory Forces Items

1.3 Competitive Advantage

Variable	Items
Competitive Advantage	Being environmentally conscious can lead to substantial cost advantages for our subsidiary
	Our subsidiary has realized significant cost savings by experimenting with ways to improve the environmental quality of our products and processes
	By regularly investing in research and development on environmentally clean products and processes, our subsidiary can be a leader in the market
	Our firm can enter lucrative new markets by adopting environmental strategies
	Our subsidiary can increase market share by making our current products more environmentally friendly
	Reducing the environmental impact of our subsidiary's activities will lead to a quality improvement in our products and processes

Table 6: Competitive Advantage Items

1.4 Shareholders

Variable	Items
Shareholders	Our shareholders feel that environmental protection is a critically important issue facing the world today
	Our shareholders are very concerned about the destruction of the environment
	Our shareholders are more worried about the economy than about environmental protection
	Our shareholders expect our firm to be environmentally friendly
	Our shareholders are increasingly demanding environmental reports and actions

Table 7: Shareholders Items

2. ***Top Management Commitment, Fifth Antecedent and Mediator***

Top Management refers to the top management from the multinational corporation and not from the subsidiary. Items are meant to reveal the influence of headquarters' top managers on environmental orientation and strategy at the subsidiary level.

Variable	Items
Top Management Commitment	The top management team in our MNC is committed to environmental preservation Our MNC's environmental efforts receive full support from our top management Our MNC's environmental strategies are driven by the top management team

Table 8: Top Management Commitment Items

3. ***Environmental Orientation and Environmental Strategy***

3.1 Internal Environmental Orientation

Variable	Items
Internal Environmental Orientation	Environmental issues are not very relevant to the major function of our subsidiary At our subsidiary, we make a concerted effort to make every employee understand the importance of environmental preservation We try to promote environmental preservation as major goal across all departments within our subsidiary Our subsidiary has a clear policy statement urging environmental awareness in every area of operations Environmental preservation is high priority activity in our subsidiary Preserving the environment is a central corporate value in our subsidiary

Table 9: Internal Environmental Orientation Items

3.2 Internal Environmental Orientation

Variable	Items
External Environmental Orientation	The environment does not currently affect our subsidiary's business activity
	The financial well-being of our subsidiary does not depend on the state of the environment
	In our subsidiary, environmental preservation is largely an issue of maintaining a good public image
	Our subsidiary's responsibility to its customers, stockholders, and employees is more important than our responsibility toward environmental preservation
	Environmental preservation is vital to our subsidiary's survival
	Our subsidiary has a responsibility to preserve the environment
	Our subsidiary strives for an image of environmental responsibility

Table 10: External Environmental Orientation Items

3.3 Environmental Corporate Strategy

Variable	Items
Environmental Corporate Strategy	Our subsidiary has integrated environmental issues into our strategic planning process
	In our subsidiary, quality includes reducing the environmental impact of products and processes
	At our subsidiary, we make every effort to link environmental objectives with our other corporate goals
	Our subsidiary is engaged in developing products and processes that minimize environmental Impact
	Environmental protection is the driving force behind our subsidiary's strategies
	Environmental issues are always considered when we develop new products
	Our subsidiary develops products and processes that minimize environmental impact

Table 11: Environmental Corporate Strategy Items

3.4 Environmental Marketing Strategy

Variable	Items
Environmental Marketing Strategy	We emphasize the environmental aspects of our products and services in our subsidiary's ads
	Our subsidiary's marketing strategies for our products and services have been considerably influenced by environmental concerns
	In our subsidiary, product-market decisions are always influenced by environmental concerns
	We highlight our commitment to environmental preservation in our subsidiary's ads

Table 12: Environmental Marketing Strategy Items

Chapter 4 Conclusion – Hypotheses and Research Model

Our work is part of a post-positivist logic and is accompanied by a hypotheticodeductive approach. Reflecting this epistemological positioning, this thesis work follows a traditional pattern: after having defined the various concepts related to our research questioning (Chapters 1 and 2), we have focused in this chapter on presenting the research model, theoretical assumptions and measurement scales used for each concept.

Thus, we have presented a conceptual model structured around three sub-parts. These parts were structured so as to reveal our research hypotheses:

1. Five antecedents to corporate environmentalism:
   - People concern, which is made of local citizens, world citizens, and customers,
   - Regulatory forces,
   - Competitive advantage,
   - Shareholders,
   - Top management commitment which plays a mediating role between the four independent variables (people concern, regulatory forces, competitive advantage, shareholders) and the environmental orientation and environmental strategy of the firm.

2. A corporate environmentalism concept built around environmental orientation which is the recognition by managers of the importance of environmental issues facing their firms, and environmental strategy, which is the integration of these environmental issues into strategic plans. We saw that environmental orientation and environmental strategy are made of two sub-categories:
   - Internal environmental orientation,
   - External environmental orientation,
   - Environmental corporate strategy,
   - Environmental marketing strategy.

3. Two moderators to the corporate environmentalism concept:
   - Market type, with India as an emerging market and France as an advanced market,
   - Industry type, with a classification of companies according to the degree of impact on the natural environment of each industrial activity.

This third chapter proposed an integrating model that encompasses all these aspects of the corporate environmentalism concept. We aspired to model the concept of corporate environmentalism and to test it through two moderators, namely market type and industry type.

In the next part, we will compare our hypotheses and our research model with the results of a quantitative study by questionnaire. Consequently, we place ourselves in a hypotheticodeductive posture, since it is a matter of observing and measuring relationships between constructs in order to confront them with theoretical contributions. However, the expected results will not only serve to validate existing theories as assumed by the hypothetical-deductive approach. Our research aspires to propose research avenues not yet explored and to enrich the existing academic knowledge and study the corporate environmentalism concept.

In order to test the hypotheses presented previously, we will mobilize all the constructs of corporate environmentalism within a single integrating model (Chapter 5- Modeling Corporate Environmentalism in Multinational Corporations). Thus, we will be able to discuss the results in order to identify the main theoretical and managerial orientations.

Chapter 5 - Modelling corporate environmentalism in multinational corporations

This chapter looks at the adequacy of the measures used in the survey, before examining the results. Thus, there will be at first a focus on the methodology employed for the research. Then we will describe the scales of measurement before examining the global model. *Section 1* will therefore be devoted to the validation of measurement scales, which means in this case the study of the validity and reliability of the measurements. *Section 2* will be devoted to studying the quality of the research model and the main results. Section 3 will focus on the two multigroup analyzes including market type and industry type. In section 4, research hypotheses will be then tested, followed by the discussion of the results. Figure 21 illustrates the flow of this chapter.

Chapter 5- Modelling Corporate Environmentalism in Multinational Corporations

Section 1 - Measurement and construct of corporate environmentalism

Section 2 - Global Model and Research Results

Section 3- Multigroup Analysis and Research Results

Section 4 - Discussion of the Results

Figure 21: Chapter 5 flow

Section 1 – Measurement and construct of corporate environmentalism

To correctly analyze the corporate environmentalism concept enhanced for the purpose of this research, it is important to test the model towards multinational corporations doing business in both advanced markets and emerging markets. To our knowledge, only the study initiated by (Baughn and McIntosh 2007) conducts a comparative study between advanced markets and emerging markets by measuring the social and environmental aspects of corporate social responsibility. Nevertheless, the authors do not present extended instruments of measurement of the corporate environmentalism concept as it is described by Banerjee, Iyer, and Kashyap (2003) and refined in our research.

In this chapter, we will present the methodology and the tools used for measuring managers' perceptions of corporate environmentalism in advanced markets and emerging markets. We applied the Churchill paradigm approach (1979), in order to obtain a coherent and applicable scale (see Figure 22).

The approach of the Churchill paradigm has been very often used by marketing researchers (Amine 1993, Bearden and Netemeyer 1999, Evrard, Pras, and Roux 2003, Perrien, Chéron, and Zins 1984). Evrard, Pras, and Roux (2003) present a simplified approach, that is applicable to marketing problems (see Figure 22).

1	**SPECIFICATION OF THE DOMAIN OF THE CONSTRUCT**
2	**EXPLORATORY PHASE** - Generating a sample of items - Collecting data - Purifying measures
3	**VALIDATION PHASE** - Assessing reliability - Assessing validity of the construct - Analyzing internal consistency - Measuring relationships with other measures: - Discriminant validity and convergent validity: Confirmatory Factor Analysis (CFA) - Nomological validity - Developing norms: scores repartition

Figure 22: Synthetic Churchill Paradigm inspired by Evrard et al. (2003)

Based on Churchill's paradigm, three steps are thus identified by Evrard, Pras, and Roux (2003). These steps relate the main phases of the construction of a measurement scale:

• **Step 1: Specification of The Domain of the Construct:** The first stage of the Churchill's research paradigm is to define the study's conceptual framework and the study's main concepts related to this framework.

Throughout the first part of this doctoral work (*chapters 1 and 2*) it has been developed a theoretical reflection on the factors that influence corporate environmentalism in multinational corporations and how these factors have a different influence in emerging markets and in advanced markets. This is a fundamental step to meet the first objective of this research, namely: observing what drives corporate environmental orientation and corporate environmental strategy in different markets.

• **Step 2: Exploratory Phase:** based on qualitative techniques like interviews, the goal is first to create a certain number of items on the topic. Secondly, this list of items is purified via multiple exploratory factor analyzes.

This exploratory phase thus comprises two successive and complementary steps. At first, a qualitative study is developed with the aim of testing existing items and generating new ones related to managers' perceptions of corporate environmentalism (Chapter 3 and chapter 5 section1). Secondly, a pre-testing quantitative study is run to reduce the number of items and to keep those that best measure the concept (Chapter 5 Section 1).

- **Step 3: Validation Phase:** the last stage of the construction of a measurement scale is done by conducting a new survey to ensure that the scale identified in step 2 (Exploratory phase) represents correctly the concept. Then, the reliability and the validity of the measurement construct are analyzed.

The validation phase (Chapter 5 Section 1) therefore offers the ability to verify the relevance of the measure.

The following paragraph details the methodology used for step 2 and step 3 of the previously described Churchill paradigm (see Figure 22).

1. Exploratory phase

During this phase, interviewing top managers offered the opportunity to test our items and to generate new ones. A pre-testing quantitative survey was then launched to purify the measure. This paragraphs presents the two aspects of this exploratory phase.

1.1 Protocol for qualitative interviews

1.1.1 In-Depth Interview Protocol

The duration of each interview was one to two hours and the information returned by each interviewee was collected in two stages:

- During the interview: by taking note of the main ideas, the gestures and the tone of the respondent,
- After the interview: thanks to a tape recorder which was subsequently re-recorded in order to transcribe all the elements covered.

The individual semi-directive interviews carried out within the framework of this research revolve around the following four phases (Giannelloni and Vernette 2001). The maintenance guide presented in the appendix (see appendix) is also based on these same steps:

A - Introduction Phase

This important phase of the interview creates a climate of trust and addresses the interviewee's concerns and favorite subjects in order to avoid falling back into these “shelter territories” during the interview (Giannelloni and Vernette 2001). For the introductory phase, we ask each manager interviewed to introduce himself and describe the department to which he is attached within his company.

B - Centering the Subject

After the introduction phase, some time was spent to place the study in the context and to explain what distinguishes academic research from a marketing or business survey. This pedagogical explanation was necessary because these managers are over solicited by every kind of survey agency. This phase must be carried out in a gentle and pedagogical way; it is essential that each interviewed manager feels confident. To achieve this, they have been told that the goal was not to run an evaluation of their firms’ corporate environmentalism but to help us measure the accuracy of each question and to eventually suggest new ones: according to their own business sector, what is relevant in each section of the survey? What could be dropped or modified? What could be added?

C - Deepening Phase

In this phase, the real objective is to evaluate the level of understanding of the managers interviewed with regard to the questions likely to be asked in the final survey. After raising managers' awareness of our research theme, we get to the heart of the matter by analyzing each of the questions that could be used in the final survey. For each interview, the questions were asked in the same order:

i. Public Concern,
ii. Regulatory Forces,
iii. Competitive Advantage,
iv. Shareholder Concern,
v. Top Management Commitment,
vi. Internal Environmental Orientation,
vii. External Environmental Orientation,
viii. Environmental Corporate Strategy,

ix. Environmental Marketing Strategy.

For each of these eight sections, time was spent to let managers give examples and new ideas that they might have forgotten to mention. Despite a structure organized by blocks of questions, the interviewed managers regularly replied to several sections at a time. The process of their reflections has not always followed the order of questions. However, we did not force managers to follow this path rigorously. The semi-directive approach of these interviews makes it possible to bring out new ideas that would probably not have been revealed using an overly structured interview process.

D - Conclusion Phase

After having widened all the themes that could inform us about the final questions envisaged, we let the managers take a step back on all the questions they were asked: some time was offered to add any kind of comments, to leave a global feedback of the survey, to raise new ideas and suggestions, to make general or specific comments.

It is interesting to note that after each interview, when the microphone was turned off, the three managers confessed that it was a very uncommon yet exciting exercise; it offered them a time they usually don't take to step back and to think about their daily and long-term actions.

1.1.2 Transcription Methodology

What level of contextual detail was used to interpret data? Transcribing audible data into written form is an interpretive process which involves making judgments (Bailey 2008). It is particularly complex to find the good balance between an absolute literal transcription and a very neat transcription. A more literal spelling is difficult to read and runs the risk of portraying respondents as inarticulate and/or uneducated (Duff and Roberts 1997) whereas a cleaner transcription might hide important information given by oral expression.

Generally, the level of communication of these managers was strong. They are used to speak in front of an assembly, to be recorded while they give a speech, to structure their thought in order to deliver a straight answer. These abilities reduced the necessity to remove too many "parasitic" words in order to write a comprehensive transcription. The initial message was already clean enough to be transcribed with a limited filtering criterion. However, the third interview with Carrefour managers was difficult to transcribe because of a lot of interfering noise. Two small sections were not transcribed because of this problem.

1.2 Pre-testing of the Quantitative Survey

The addition of variables to the original model (see Chapter 4) generated an increase in the number of items. Although these new items share similarities with the original ones, the structure of the questionnaire changed greatly, in particular because it now involved a large number of filter items that needed to be well interpreted by respondents. For example, the distinction between local citizens and world citizens required special attention when drawing up the questionnaire. These two subgroups of people concern should be clearly explained so that respondents understand that these sets of questions, despite their similarities, target different populations.

Another point of vigilance concerned the proposed separation between advanced markets and emerging markets. The literature shows how difficult it is to create a separate border in these two categories of markets. To clarify the situation, we included in the survey a list that we state to be advanced markets, allowing managers to immediately know which countries we were referring to for advanced markets.

To validate the final survey, five professors from Audencia faculty, ten Ph.D. students and ten French and four Indian top managers were solicited to fill in the survey, to control for the overall coherence and to ensure that the required information was always understandable and exhaustive. The analysis and treatment of all comments made by these testers led to a final version of the survey, ready to be distributed to the top managers concerned.

The survey is based on Rensis Likert (1932)'s theoretical concepts: a "Likert scale" with seven steps was used for most of the questions of the survey. Respondents were asked to give their point of view about affirmative sentences, from "strongly disagree" to "strongly agree" in a scale of seven grades.

The analysis of the quantitative data is based on structural equation modeling (SEM) which includes mathematical models, statistical analysis and computer algorithms. structural equation modeling is a powerful tool able to analyze relationships between unobservable variables or "latent variables" and observable variables (Hancock and Schoonen 2015)

2. ***Validation Phase: Quantitative Survey***

After the validation of the survey, the third phase of the research was to collect quantitative data from 410 senior executives of multinational corporations from both emerging and advanced markets working in both high environmental impact and moderate environmental impact industries. This survey included the variables uncovered by previous research and by the qualitative interviews.

2.1 Demand Effect

Conducting international business research poses greater challenges than studies done in a single culture country (Sivakumar and Nakata 2001). Past reviews have shown that methodological problems can arise in the cross-cultural literature (Nasif et al. 1991; Schöllhammer 1994). The effect of culture in influencing and explaining behavior in social systems has been analyzed by many sociological, anthropological and psychological literatures (e.g. (Hofstede 1980; Inkeles and Levinson 1969; Parsons, Shils, and Smelser 1965). Hofstede (1980, p25) defines culture as “the collective programming of the mind which distinguishes the members of one human group from another.” Through his research, Hofstede has focused on describing the structural elements that constitute culture, such as behaviors in work situations in organizations and institutions (Gray 1988).

Following Hofstede methodology and through extensive cross-cultural surveys, psychologists collected data about 'values' from multinational corporations’ employees in fifty countries. Statistical and cluster analysis revealed four societal value dimensions that could be used to represent a common structure in cultural systems and to position countries: individualism, power distance, uncertainty avoidance, and masculinity. Hofstede (1984, p84) described these four dimensions as follows:

> *Individualism versus Collectivism*: Individualism stands for a preference for a loosely knit social framework in society wherein individuals are supposed to take care of themselves and their immediate families only. Its opposite, Collectivism, stands for a preference for a tightly knit social framework in which individuals can expect their relatives, clan, or other in-group to look after them in exchange for unquestioning loyalty (it will be clear that the word 'collectivism' is not used here to describe any particular political system). The fundamental

issue addressed by this dimension is the degree of interdependence a society maintains among individuals. It relates to people's self-concept: 'I' or 'we'.

Large versus Small Power Distance: Power Distance is the extent to which the members of a society accept that power in institutions and organizations is distributed unequally. This affects the behavior of the less powerful as well as of the more powerful members of society. People in Large Power Distance societies accept a hierarchical order in which everybody has a place which needs no further justification. People in Small Power Distance societies strive for power equalization and demand justification for power inequalities. The fundamental issue addressed by this dimension is how a society handles inequalities among people when they occur. This has obvious consequence for the way people build their institutions and organizations.

Strong versus Weak Uncertainty Avoidance: Uncertainty Avoidance is the degree to which the members of a society feel uncomfortable with uncertainty and ambiguity. This feeling leads them to beliefs promising certainty and to maintaining institutions protecting conformity. Strong Uncertainty Avoidance societies maintain rigid codes of belief and behavior and are intolerant towards deviant persons and ideas. Weak Uncertainty Avoidance societies maintain a more relaxed atmosphere in which practice counts more than principles and deviance is more easily tolerated. The fundamental issue addressed by this dimension is how a society reacts on the fact that time only runs one way and that the future is unknown: whether it tries to control the future or to let it happen. Like Power Distance, Uncertainty Avoidance has consequences for the way people build their institutions and organizations.

Masculinity versus Femininity: Masculinity stands for a preference in society for achievement, heroism, assertiveness, and material success. Its opposite, Femininity, stands for a preference for relationships, modesty, caring for the weak, and the quality of life. The fundamental issue addressed by this dimension is the way in which a society allocates social (as opposed to biological) roles to the sexes.

Hofstede's cross-cultural research raises the question of the repeatability of a questionnaire survey conducted in two culturally distinct countries: if there are cultural differences between Indian and French managers, to what extent do these cultural differences influence their responses? Several arguments can be used to answer this crucial question.

First, despite cultural differences between France and India, these two countries share many similarities: the organization Hofstede Insight, created in 2017 and supported by Hofstede himself, measures the four above-mentioned societal value dimensions in many countries. Regarding France versus India, France is a more individualist country than India, but India is not purely collectivist: it has both collectivistic and individualist traits. In France, subordinates normally pay formal respect and show deference to their boss, but behind his/her back they may do the opposite of what they promised to do, as they may think that they know better (Hofstede Insights 2018). In India, the employer/employee relationship is one of expectations based on expectations: employees are expected to act in accordance to the greater good of their firm (Hofstede Insights 2018).
Hofstede Insights also shows that both India and France score high on the masculinity versus femininity dimension. It indicates that the society has a masculine culture, driven by competition, achievement and success, with success being defined by the winner / best in field. Power distance is almost identical in both countries. The number of hierarchical levels within firms is higher than in Germany or in United Kingdom and the power is more centralized.

Second, other research suggests that managerial differences between India and advanced markets are tenuous. Neelankavil, Mathur, and Zhang (2000) show that the recent history of India has led to the adoption of multiple managerial practices from advanced markets. The authors state that India has considerable Western influences in managerial philosophy: modern Indian management practices evolved from the British system prior to India's independence. Other researchers describe similar practices in the "management agency system" since independence (e.g., Bhagwati and Padma, 1970; Jones, 1989)".

Third, a growing number of research seems to indicate that "the importance of national culture in cross cultural management is diminishing" (Mellahi 2001) and that the world is moving towards a single, global management culture that is basically western, and more specifically, American (Barnet and Cavanaugh, 1994; Featherstone, 1990; Hannerz, 1990; Pickholz, 1988). Mathur, Zhang, and Neelankavil (2001) shows that Indian managers were found to be "more similar to their US counterparts than their Chinese counterparts", in particular because India and the US share similar political systems, because there is some commonality in their managerial philosophies.

The conjunction of 1/cultural similarities between France and India (Hofstede Insights), 2/the resemblance in managerial practices in India and in advanced markets, and 3/the rise of a global management culture, allow us to consider that the top managers interviewed in these two countries respond in a similar way to our survey, which avoids having to adjust the results obtained. Nevertheless, given the political correctness of being green (Banerjee, Iyer, and Kashyap 2003), there is a risk of social desirability bias. To avoid it, the survey is more focused on environmental strategy than on environmental statements.

2.2 Data Collection Procedure and Response Rate

The multinational corporations in advanced markets and emerging markets were surveyed through online questionnaires realized with Free Online Survey. Key players include Chief Executive Officers (CEOs), Corporate Social Responsibility managers, top managers, and other C-level and above managers, all working in multinational corporations, at the company's headquarters or in a subsidiary. The willingness to respond to the questionnaire and to provide quantitative information on corporate environmental orientation and strategies differed significantly between the contacted persons. Finally, the information obtained from these managers was analyzed and processed, compared and cross-analyzed with information obtained from the literature review.

Response Rate

This study focuses on companies with 500 and above employees. Scales to measure corporate environmental orientation and corporate environmental strategy have been tested in an email survey of C-level and above managers. The survey has been carried out in France and in India. Managers from other advanced markets and other emerging markets have also been solicited but they only served to validate the two proposed market categories and were not included into the final sample.

Since it is impossible to collect all data on a subject and explore every facet of it, this research is consequently narrowed in scope and subject to limitations. Respondents were selected from three databases.

First, we used the services of a private company called FrescoData. FrescoData is a US company which provide email lists, marketing lists and data-driven solutions for consulting and marketing companies, academics or individuals. The firm owns a global database of over 100 million business contacts from 40 million companies in 60 countries. After filtering, the firm was able to provide 20.500 email addresses from Indian C-level and above top managers working in 500+ employees firms. An email including a link to the survey was sent to these managers. Two weeks after, reminder email was sent.
Among the 20.000 targeted managers, 1.120 opened the link attached to one of the two mail messages, 157 filled in partly or completely the survey. After analyzing the responses of the 157 managers who answered the questionnaire, 137 were removed because of partial information. At the end, only 20 of them could be kept. This response rate of 0.1% represented a total sample size and a response rate that could not be used. Thus, another method was needed.

Second, since many top managers use Twitter services, we had the idea to contact a selection of Indian top managers. We asked them to share with us the e-mail addresses of the members of their network. In order to limit the legitimate resistance to the dissemination of private information, we have given great importance to explaining the non-financial, anonymous and scientific nature of this request. Four Indian managers were contacted, first via Twitter and then by phone for three of them. All three agreed to send their contact book on condition that their name not be broadcast. Among the contacts obtained, 350 met the criteria level of employment and firm size. 110 managers answered the questionnaire and 47 could be kept after checking that the questionnaires had been completed correctly. With a conversion rate of 13.4%, this relationship network approach has shown a much higher efficiency than the approach used with FrescoData.

Third, we used Audencia corporate and Alumni database. Although it is a database similar to that used with Fresco, each of the contacts had a relationship of trust with the sender of the email: Audencia. Indeed, this database contains only contacts that have been one way or another in connection with Audencia. We were careful to mention the link between this questionnaire survey and the school, known by all the managers on the list.

We had access to a file containing contact information for approximately twelve thousand managers. For each member of this list, information about country of residence, name and size of the firm in which he/she is employed, and the position within the firm were provided. Members were filtered by nationality, and then by job position. We had then to extract only C-level managers and above, on the basis of their job positions and nationality. Seven thousand contacts met the criteria of the survey. None were Indian. Of these seven thousand French managers interviewed, 1250 responded to the survey, either completely or partially. After removing all questionnaires that were partially answered, or when Job Title or Business Category were incorrectly fulfilled or when there were significant inconsistencies, we kept answers from 342 French managers, which gives a conversion rate of 4.9%.

The addition of these three data collection methods allowed us to obtain comprehensive data for 342 French top managers and 67 Indian top managers, for a total of 409.

While not ideal for a survey of this length and complexity, we determined that using appropriate statistical techniques like the Partial List Squares Structural Equation Modelling (PLS-SEM) method (Tenenhaus 2008, Reinartz, Haenlein, and Henseler 2009, Hair, Ringle, and Sarstedt 2013), tentative results could be explored.

2.3 Respondent Profiles

As in Banerjee, Iyer, and Kashyap's original research (2003), firms were not specifically targeted based on their market type, which resulted in response from a wide range of market sectors. However, to be able to run comparisons between industry types, each respondent was asked to report his firm's business area. This information was used to generate respondents' profiles. Results show that the proportion of French managers working in High Environmental Impact companies is very close to that found among Indian managers.

Table 13 summarizes the distribution of French and Indian managers in terms of the industry type of the companies in which they work:

Market	Frequency	Percentage
France		83.6
Moderate Environmental Impact Industries	221	
High Environmental Impact Industries	121	
India		16.4
Moderate Environmental Impact Industries	42	
High Environmental Impact Industries	25	

Table 13: Respondents' Category

Regarding managers' positions held in the company, we asked for open-ended responses. Therefore, job titles have been coded. Table 14 lists the diversity of the profiles interviewed, after coding:

Job title	Frequency	Percentage
Corporate Planner, Business Manager, Business Development Manager, Division Manager, Director — Corporate Planning, Vice President — Finance, Vice President — Accounting, Associate Director — Strategic Planning, Financial Analyst, Business Manager Vice President — Quality,	111	27.1
Contract Manager, Director — Engineering, Senior Program Manager, Operations Director, Director — Economic Planning, Project Manager, Director — TQM, Corporate Technical Director, Director — Technology, Operations Research Manager, R&D Manager, Design manager, Purchasing Manager, Vice-President — Manufacturing, General Manager	73	17.8
President, CEO, Managing Director, Regional Director	55	13.4
Corporate Social Responsibility Manager, Environmental Marketing Manager, Environmental Risk manager, Director — Environmental Affairs, Manager — Environmental Compliance, Director — Environmental Strategy, Director — Environmental, Health and Safety, Environmental manager, Manager — Recycling, Manager — Safety and Training, Director — Corporate Environmental Affairs, Manager — Environmental Stewardship, Environmental Communications Manager	52	12.7
Market Research Manager, Director — Marketing Research, Senior Market Research Manager, Manager — Test Marketing, Marketing Manager, Director — Marketing, Marketing Communications Manager, Advertising Manager	41	10
Sales Manager	24	5.9
Human Resources Manager	20	4.9
Product Manager	17	4.2
Vice-President, Marketing and Sales	16	3.9

Table 14 : Respondent Job Titles

2.4 Company Profiles

Firms have been divided into seven industries (Banerjee, Iyer, and Kashyap 2003): services (47%), manufacturing (25%), consumer products (11%), foods (7%), utilities (5%), pharmaceuticals (3%) and utilities (3%). Then, firms where then divided into two groups: High Environmental Impact firms and Moderate Environmental Impact firms.

The first group includes manufacturing, chemicals, pharmaceuticals, and utilities' firms. The second group contains services, consumer products, and foods' companies. This repartition is consistent with that proposed by the U.S. agency Census Bureau (2005).

Table 15 below shows the distribution of industries between High Environmental Impact sector and Moderate Environmental Impact sector. We find that Manufacturing and Services together represent 71% of the sample:

Industry	Frequency	Percentage
High Environmental Impact Industry		
Manufacturing	101	24.7
Utilities	20	4.9
Pharmaceuticals	14	3.4
Chemicals	11	2.7
Moderate Environmental Impact Industry		
Services	191	46.7
Consumer Products	43	10.5
Foods	29	7.1

Table 15: Business Category

Conclusion – Section 1

In addressing the theoretical notions related to corporate environmentalism in multinational corporations both in emerging markets and advanced markets (Part 1), we have noticed the lack of studies on the subject and the lack of scales dedicated to top managers in advanced markets and emerging markets.

Thus, it has been essential to measure managers' perception of the environmental practices at work in their multinational corporation, both in an advanced market and in an emerging market. Consequently, we had to develop and refine the measurement scale of the corporate environmentalism concept. In order to avoid the interferences related to a misunderstanding of the subject by the managers interviewed, we were interested only in top managers, C-level and above, having a transverse vision of their company. The target interviewed had to be of French or Indian nationality and had to work in a company with more than 500 employees.

In this research, we generated items related to two new independent variables, namely people concern and shareholders, and we described the method used to measure the corporate environmentalism concept in advanced markets and emerging markets. This measure was developed according to the paradigm of Churchill (1979) by following the following phases:

1. *Conceptual domain:*

The search field of this study was previously defined in the theoretical part (see Chapter 1 and Chapter 2)

2. *Exploratory phase:*

The exploratory phase consists of two stages, namely (1) the generation of items and (2) the refinement of the measurement. Through the literature and through qualitative interviews, we were able to produce and to teste a number of items reflecting people concern and shareholders, two added variables to the corporate environmentalism model. Finally, five items were selected for people concern. They were replicated for the three constructs of this variable: customers, local citizens and world citizens. Regarding shareholders, five items were also selected.

3. *Validation phase:*

During the validation phase, we then submitted these items to a test population in order to construct an adapted questionnaire for subsequent quantitative analysis.

In the next section, we will describe the validity and reliability of the measurements used in this research.

Section 2. Validity and reliability of the measurements

The choice of measurements was not made randomly. The aim was to use scales that proved their validity and reliability in specific contexts and cultures (see Chapter 2, Section 3). The purpose of this section is to ensure the accuracy of these measures within the framework of the research theme. It should be recalled that the survey was addressed to Indian and French managers, hence the need is to ensure that the application of measurement scales works well in this multicultural context.

In this section, there will be first a presentation of the unidimensional scales and then a presentation of the multidimensional measurements. It should be noted that the same Likert scale (7 steps from "strongly agree" to "strongly disagree") was used for all measures, to facilitate the understanding and administration of the questionnaire with respondents. For modeling, the Partial Least Squares (PLS) method of the XLSTAT software was used, with a bootstrap procedure (Chin 1998, Eforn and Tibshirani 1993).

The default number of bootstrap resamples suggested by the software is 100. However, literature suggests that higher number such as 200 may lead to more reasonable standard error estimates (Tenenhaus et al. 2005). To match with these recommendations, the number of resamples has been set to 250 iterations. The PLS method has been used in this research because it offers the possibility, among other things, to overcome the constraints of multi-normality (Tenenhaus et al. 2005).

1. ***First order constructs' reliability and validity***

First, reliability was tested using the Joreskog Rhô which has the advantage of being less sensitive to the number of items. It is also more suited to the methods of structural equations. Regarding the convergent validity, it is necessary to consider the variance shared between each variable (or factor in the case of second order structures and more), hence the use of the indicator AVE (Average Variance Extracted, i.e., the average of variance extracted) in PLS results.

$$AVE = \frac{\sum \lambda_i^2}{\sum \lambda_i^2 + \sum_i var(\varepsilon_i)}$$

Equation 1: Average Variance Extracted

From Table 16, we can see that all measurements have an AVE greater than 0.5 and a Joreskög rho greater than 0.8, which is in line with academic recommendations (Fornell and Larcker 1981; Wetzels, Odekerken-Schröder, and Van Oppen 2009). We can therefore confirm the reliability and the convergent validity of the first-order measurement scales: the measurement indicators are strongly correlated with the constructs they are supposed to measure in the model.

First order variables	**Reliability (Jöreskog's rhô)**	**Convergent Validity (AVE)**
Local Citizens	.885	.660
World Citizens	.927	.762
Customers	.905	.761
Regulatory Forces	.867	.686
Competitive Advantage	.902	.607
Shareholders	.941	.801
Top Management Commitment	.954	.873
Internal Environmental Orientation	.961	.831
External Environmental Orientation	.851	.655
Environmental Corporate Strategy	.961	.778
Environmental Marketing Strategy	.951	.829

Table 16: First order constructs' reliability and validity

On the other hand, it should be ensured that the scales used have a weak link with the other constructs, hence the interest in discriminating validity. This is verified: the mean of the variance extracted (AVE) is greater than the squares of the correlations between constructs (see Table 17). It can be said that the scales used in the model measure only what they are supposed to measure (Peter and Churchill 1986).

	Local Citizens	World Citizens	Custo-mers	CA	Share-holders	TMC	IEO	EEO	ECS	EMS	RF
Local Citizens	**1**										
World Citizens	.225	**1**									
Customers	.491	.200	**1**								
CA	.136	.216	.251	**1**							
Shareholders	.138	.101	.179	.244	**1**						
TMC	.055	.053	.110	.191	.436	**1**					
IEO	.089	.122	.219	.351	.433	.533	**1**				
EEO	.113	.154	.206	.384	.276	.283	.492	**1**			
ECS	.120	.164	.269	.447	.388	.478	.732	.588	**1**		
EMS	.100	.113	.215	.322	.261	.294	.452	.416	.561	**1**	
RF	.115	.071	.130	.240	.155	.127	.218	.273	.283	.249	**1**
Mean Communalities (AVE)	**.660**	**.762**	**.761**	**.607**	**.801**	**.873**	**.831**	**.655**	**.778**	**.829**	**.686**

Table 17: Discriminant validity of First-Order Measurement Scales

This table shows that the discriminant validity of the first-order measurement scales is assured since the average of the variance extracted (AVE) is greater than the squared correlations between constructs.

2. *Second Order Constructs' Reliability and Validity*

For second order structures, the measurements of reliability and convergent validity are based on the factor weights derived from PLS (named "path coefficient"). As for the first order variables, the reliability and the convergent validity are confirmed (see Table 18): AVE is greater than 0.50 and a Joreskog rhô greater than or equal to 0.80 (Fornell and Larcker 1981; Wetzels, Odekerken-Schröder, and Van Oppen 2009).

Second Order Variable	**Reliability (Jöreskog's rhô)**	**Convergent Validity (AVE)**
People Concern	.876	.503

Table 18: Second order construct's reliability and validity

As for the first order constructs, the discriminant validity is also verified for the second order scale, namely People Concern, since the average of the variance extracted (AVE) is superior to the squared correlations between its three constructs, local citizens, world citizens and customers.

	PC	CA	SH	TMC	IEO	EEO	ECS	EMS	RF	Mean Communalities (AVE)
PC	**1**	.291	.199	.102	.201	.229	.261	.201	.150	**.503**

Table 19: Discriminant validity of the second-order measurement scale

The fit of the model was assessed using the Goodness-of-Fit Index (GFI), Adjusted Goodness-of-Fit Index (AGFI), standardized root Mean Square Residuals (RMR), Normed Fit Index (NFI), and Comparative Fit Index (CFI).

Section 3. Global Model and Research Results

While *Section 1* is devoted to the validation of the measurement scales, this section analyzes and refines the model as a whole. The first step in this process consists in making sure that the overall model is adjusted before proceeding with the analysis of the results. Then, the research hypotheses will be tested and theoretical and managerial implications will be presented in this section.

1. ***Global Model Adjustment***

As a reminder, the final study is based on an online survey fulfilled by 409 managers. The results were later analyzed using the partial least squares (PLS) approach.

On one hand, unlike LISREL models based on the analysis of covariance structures (CSA), the PLS approach is particularly suited to complex models (Tenenhaus et al. 2005). This matches easily with the proposed integrated model which is distinguished by its complex relations: it is a question of going beyond the study of only one or two variables, and certain mediating variables such as “Top management commitment” are multidimensional.

On the other hand, the PLS approach has several advantages since it does not require the independence of variables and is not sensitive to multicollinearity problems (Chin 2010). Testing of moderator variables is also possible using multi-group analyzes with permutation testing (Chin and Dibbern 2010; Eberl 2010).

An overall adjustment indicator called the Goodness of Fit (GoF) index is also available. Proposed by Tenenhaus et al. (2005), the GoF corresponds to the geometric mean of the communalities and to the average regression factor (Duarte and Raposo 2010). It is represented as follows:

$$GoF = \sqrt{\overline{Communality} * \overline{r^2}}$$

Equation 2: Goodness of Fit

This Goodness of Fit measure makes it possible to evaluate the overall quality of the model, both at the level of the measurement model and at the level of the structural model. It is relative to the predictive performance of the model and is located on a scale from zero to one. There is no threshold that mentions whether the model should be accepted or rejected. However, the closer the GoF is to 1, the better the model is considered to be performing. Table 20 shows the absolute GoF and relative GoF values for the research model. These same indicators after bootstrapping are also mentioned, as well as their confidence intervals. As a reminder, the bootstrap was performed on 250 samples, following Tenenhaus et al. (2005) recommendation.

	GoF	GoF (Bootstrap)	Standard error	Critical ratio (CR)
Absolute	.671	**.670**	.019	35.971
Relative	.917	**.905**	.017	53.912
Outer model	.998	**.994**	.017	60.071
Inner model	.919	**.910**	.006	145.830

Table 20: Model Adjustment Indicators

Firstly, it is interesting to observe that the absolute GoF is equivalent to its bootstrap estimate, which reflects the stability of our model. Secondly, the values of the relative GoF before and after bootstrapping are also roughly equivalent, which reveals a great stability of the dataset.
The absolute GoF after bootstrap is .670, while the relative GoF which is supposed to reveal the true maximum value of the GoF- is .905. This value is used to certify that the overall model is of good quality. In this respect, the GoF of the structural model (.910) contributes both to the predictive performance of the global model and to the GoF of the measurement model (.994). Relative GoF and those based on internal and external models are very high and tend to translate a good quality fit from the model to the data.

2. ***Research Hypotheses Testing***

The purpose of this section is to present the results of the research hypothesis tests proposed previously (*see Chapter 4, Section 1*). The assumptions will be accepted or refuted based on the significant relationships provided by PLS, based on the structural coefficients which are significant at $p < .05$ (5%)

The organization of this part will follow a slightly different path as the one developed during the presentation of the model. Rather than observing the effects of each antecedent on all dependent variables to which it is connected, we will analyze here the effects of all antecedents on each dependent variable. This organization offers the possibility to observe and compare the R^2 contribution of each path.

Thus, an interpretation of each of the sub-models will be proposed, followed by a suggestion of a transversal reading of the results.

2.1 Standardized Parameter Estimates

This sub-section will observe the paths of the four antecedents (people concern, regulatory forces, competitive advantage, and shareholders) on top management commitment and then the hypotheses linking the five antecedents people concern, regulatory forces, competitive advantage, shareholders and top management commitment to internal environmental orientation, external environmental orientation, environmental corporate strategy, and environmental marketing strategy. Last, this sub-section will analyze top management commitment as mediator.

2.1.1 Five Antecedents to Environmental Orientation

Table 21 shows that all hypothesized relationships between the five antecedents and the internal environmental orientation are significant. All paths are kept in the estimated model. When we look at R^2 contribution, the direct effect of top management commitment on internal environmental orientation is high with 50.20% of the extracted variance. It means that among these antecedents, top management commitment is the most important antecedent to firms' internal environmental orientation, followed by competitive advantage (R^2 contribution =20.02%) and then shareholders (R^2 contribution =17.46%). Public concern and regulatory forces are less significant, but they slightly contribute to internal environmental orientation.

Structural Path	R^2	Path coefficient	Path coefficient (Bootstrap)	Pr > |t|	Hypothesis Test	Final Path Coefficient (Bootstrap)
H3.1: PC → IEO	4.99%	.072	.138	.047	Selected	.133
H5.1: RF → IEO	7.33%	.101	.116	.004	Selected	.115
H7.1: CA → IEO	20.02%	.221	.282	.000	Selected	.280
H9.1: SH → IEO	17.46%	.175	.194	.000	Selected	.200
H11.1: TMC → IEO	50.20%	.456	.491	.000	Selected	.492

Table 21: Structural Coefficients and Significance Tests Regarding the Five Antecedents on Internal Environmental Orientation

Next, we examine the relationship between the five antecedents and firms' external environmental orientation (Table 22). We see that competitive advantage greatly influences the external environmental orientation (R^2=35.95%). This is in line with Porter and van der Linde (1995)'s findings: corporate environmentalism offers competitive advantage by "significantly lowering costs in the long run or helping differentiate products and services." People concern, regulatory forces and top management commitment also have an influence the external environmental orientation. Only the path from shareholders to external environmental orientation shows weaknesses (significance test is 9,8%). Therefore, H9.2 is rejected.

Structural Path	R^2	Path coefficient	Path Coefficient (Bootstrap)	Pr > |t|	Hypothesis Test	Final Path Coefficient (Bootstrap)
H3.2: PC → EEO	12.06%	.131	.204	.002	Selected	.224
H5.2: RF → EEO	20.73%	.208	.200	.000	Selected	.204
H7.2: CA → EEO	35.95%	.308	.325	.000	Selected	.336
H9.2: SH → EEO	8.04%	.081	.075	.098	Rejected	
H11.2: TMC → EEO	23.21%	.231	.195	.000	Selected	.233

Table 22: Structural Coefficients and Significance Tests Regarding the Five Antecedents on External Environmental Orientation

2.1.2 Seven Antecedents to Environmental Strategy

Table 23 shows the effects of all antecedents on environmental corporate strategy. People concern, regulatory forces competitive advantage, top management commitment and environmental orientation have a significant effect on environmental corporate strategy. Shareholders' significance test is above 5% (p=68%). Therefore H10.1 is rejected. It should be noted that both internal and external environmental orientation have a strong explanatory power on environmental corporate strategy, with R^2 contributions respectively at 48.51% and 21.4%. It reveals the mediating effect of environmental orientation on environmental strategy and it is consistent with the theory which states that when environmental values are integrated within firms' standard operating procedures, then these values can influence firms' strategies (Mintzberg 1994).

Structural Path	**R^2**	**Path coefficient**	**Path coefficient (Bootstrap)**	**Pr > |t|**	**Hypothesis Test**	**Final Path Coefficient (Bootstrap)**
H4.1: PC → ECS	3.48%	.056	.096	.037	Selected	.097
H6.1: RF → ECS	4.42%	.066	.071	.012	Selected	.069
H8.1: CA → ECS	11.30%	.137	.170	.000	Selected	.166
H10.1: SH → ECS		-.013	-.016	.680	Rejected	
H12.1: TMC → ECS	10.89%	.134	.140	.000	Selected	.135
H25.1: IEO → ECS	48.51%	.466	.454	.000	Selected	.454
H26.1: EEO → ECS	21.40%	.227	.269	.000	Selected	.268

Table 23: Structural Coefficients and Significance Tests Regarding the Five Antecedents on Environmental Corporate Strategy

In Table 24, we summarize the effects of all antecedents on environmental marketing strategy. Regulatory forces, competitive advantage and environmental orientation have a significant effect on environmental marketing strategy. The significance test has values greater than 5% for people concern, shareholders and top management commitment's paths on environmental corporate strategy. We rejected H4.2 and H10.2, but we decided to keep H12.2 because the significance test is above 5% but under 10%, and after testing the hypothesis with the final model, H12.2 score is improved and stabilizes at 6%. We therefore accept hypothesis H12.2 and retain this relationship with precaution.

Table 24 also shows that R^2 contributions for internal environmental orientation and external environmental orientation totalize more than 60% which is coherent with the mediating effect of the environmental orientation on the environmental strategy of the firm.

Structural Path	R^2	Path coefficient	Path coefficient (Bootstrap)	Pr > |t|	Hypothesis Test	Final Path Coefficient (Bootstrap)
H4.2: PC → EMS	5.91%	.070	.135	.094	Rejected	
H6.2: RF → EMS	12.01%	.131	.147	.002	Selected	.155
H8.2: CA → EMS	12.26%	.118	.152	.014	Selected	.181
H10.2: SH → EMS		.009	.007	.846	Rejected	
H12.2: TMC → EMS	9.06%	.089	.103	.086	Selected	.102
H25.2: IEO → EMS	34.38%	.282	.292	.000	Selected	.305
H26.2: EEO → EMS	26.38%	.225	.275	.000	Selected	.290

Table 24: Structural Coefficients and Significance Tests Regarding the Five Antecedents on Environmental Marketing Strategy

2.1.3 Four Antecedents to Top Management Commitment

In this section we observe the structural paths connecting the four antecedent variables -people concern, regulatory forces, competitive advantage and shareholders- to top management commitment (Table 25). These paths are not hypothesized but they need to be monitored prior to analyze the mediating effects of top management commitment.

The test of these links under XLSTAT revealed the existence of a non-significant relationship since the significance tests is superior to 5% ($p > 5\%$): people concern doesn't seem to influence top management commitment. By contrast, when we look at R^2 contribution, shareholders' influence on top management commitment is high with 82.04% of the extracted variance. It means that among these antecedents, shareholders are the most important contributors to top management commitment, followed by competitive advantage (R^2 contribution =11.48%= and then regulatory forces (R^2 contribution =6.48%).

Structural Path	R^2	Path coefficient	Path coefficient (Bootstrap)	Pr > |t|	Hypothesis Test	Final Path Coefficient (Bootstrap)
H21: PC → TMC		-.045	-.076	.328	Rejected	
H22: RF → TMC	6.48%	.085	.086	.051	Selected	.083
H23: CA → TMC	11.48%	.136	.163	.006	Selected	.141
H24: SH → TMC	82.04%	.578	.609	.000	Selected	.600

Table 25: Structural Coefficients and Significance Tests Regarding the Four Antecedents on Top Management Commitment

2.2 Significant paths

The following part will first show a graphic representation of all the significant paths revealed previously. Then a synthetic table will summarize the selected and rejected hypotheses and a final figure will show all significant paths and their respective bootstrapped value.

2.2.1 Graphic Representation

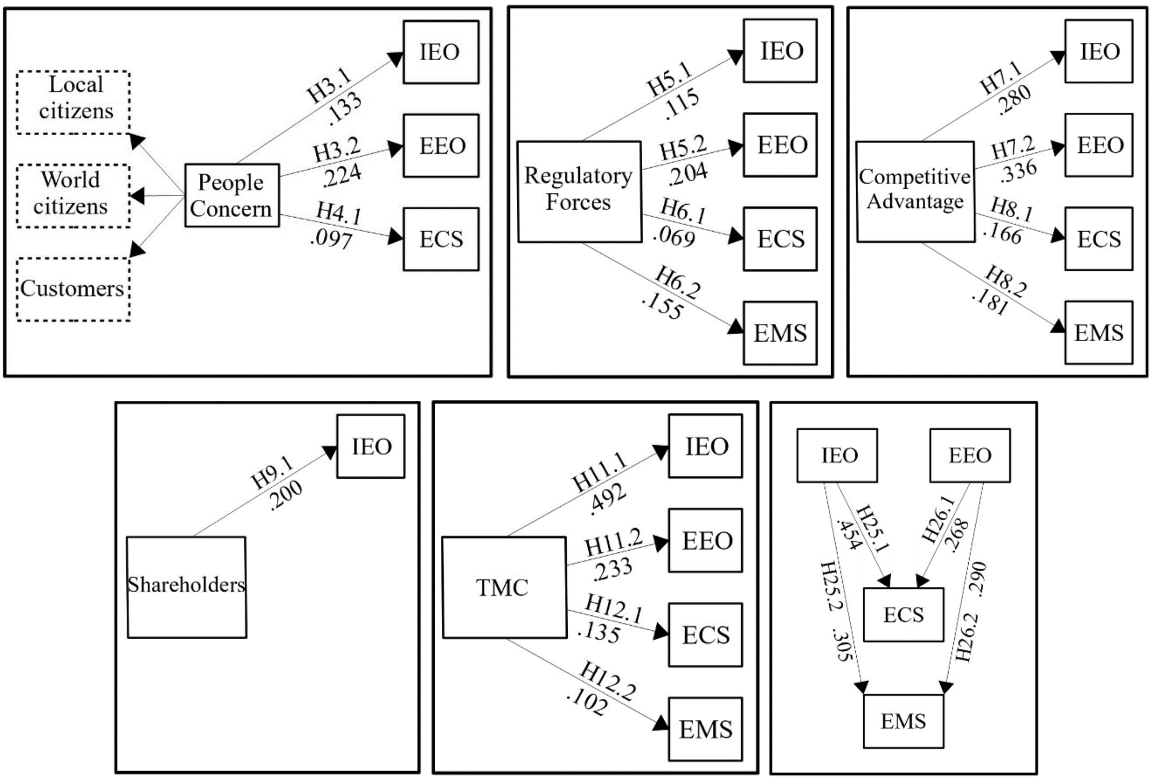

Figure 23: Significant Paths of the Five Antecedents on Environmental Orientation and Environmental Strategy

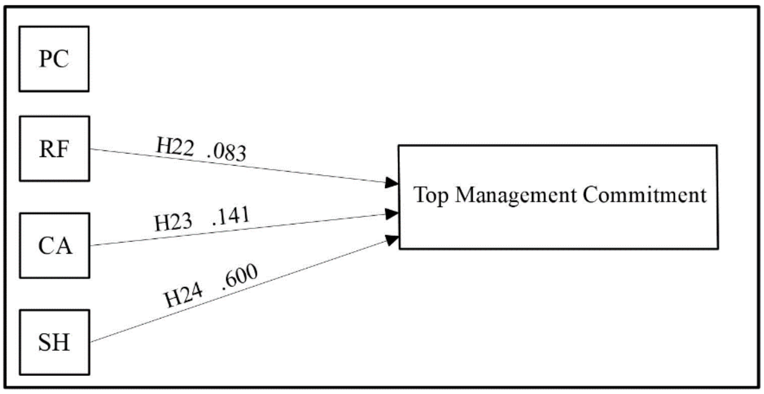

Figure 24: Significant Paths from Independent Variables to Top Management Commitment

2.2.2 Summary of Research Hypotheses

The first part of this section presents a synthesis of the research hypotheses. The next part analyzes the adequacy between the initial research hypotheses and the results.

Structural Path	Research hypothesis	Hypothesis Test
H21: PC → TMC	H21: People concern will be positively related to top management commitment	Rejected
H3.1: PC → IEO	H3.1: People concern will be positively related to internal environmental orientation	Selected
H3.2: PC → EEO	H3.2: People concern will be positively related to external environmental orientation	Selected
H4.1: PC → ECS	H4.1: People concern will be positively related to environmental corporate strategy	Selected
H4.2: PC → EMS	H4.2: People concern will be positively related to environmental marketing strategy	Rejected
H22: RF → TMC	H22: Regulatory forces will be positively related to top management commitment	Selected
H5.1: RF → IEO	H5.1: Regulatory forces will be positively related to internal environmental orientation.	Selected
H5.2: RF → EEO	H5.2: Regulatory forces will be positively related to external environmental orientation	Selected
H6.1: RF → ECS	H6.1: Regulatory forces will be positively related to environmental corporate strategy	Selected
H6.2: RF → EMS	H6.2: Regulatory forces will be positively related to environmental marketing strategy	Selected
H23: CA → TMC	H23: Competitive advantage will be positively related to top management commitment	Selected
H7.1: CA → IEO	H7.1: Competitive advantage will be positively related to internal environmental orientation	Selected
H7.2: CA → EEO	H7.2: Competitive advantage will be positively related to external environmental orientation	Selected
H8.1: CA → ECS	H8.1: Competitive advantage will be positively related to environmental corporate strategy	Selected
H8.2: CA → EMS	H8.2: Competitive advantage will be positively related to environmental marketing strategy	Selected

Table 26: Summary of Structural Paths

Structural Path	Research hypothesis	Hypothesis Test
H24: SH → TMC	H24: Shareholders will be positively related to top management commitment	Selected
H9.1: SH → IEO	H9.1: Shareholders will be positively related to internal environmental orientation	Selected
H9.2: SH → EEO	H9.2: Shareholders will be positively related to external environmental orientation	Rejected
H10.1: SH → ECS	H10.1: Shareholders will be positively related to environmental corporate strategy	Rejected
H10.2: SH → EMS	H10.2: Shareholders will be positively related to environmental marketing strategy	Rejected
H11.1: TMC → IEO	H11.1: Top management commitment will be positively related to internal environmental orientation	Selected
H11.2: TMC → EEO	H11.2: Top management commitment will be positively related to external environmental orientation	Selected
H12.1: TMC → ECS	H12.1: Top management commitment will be positively related to environmental corporate strategy	Selected
H12.2: TMC → EMS	H12.2: Top management commitment will be positively related to environmental marketing strategy	Selected
H25.1: IEO → ECS	H25.1: Internal environmental orientation will be positively related to environmental corporate strategy	Selected
H25.2: IEO → EMS	H25.2: internal environmental orientation will be positively related to environmental marketing strategy	Selected
H26.1: EEO → ECS	H26.1: External environmental orientation will be positively related to environmental corporate strategy	Selected
H26.2: EEO → EMS	H26.2: External environmental orientation will be positively related to environmental marketing strategy	Selected

Table 26: Summary of Structural Paths

People Concern

We predicted that people concern would be positively related to environmental orientation. Indeed, we found that H3.1: PC → IEO and H3.2: PC → EEO were significant. We also predicted that people concern would be positively related to environmental strategy (H4.1 and H4.2). It appears to be true for environmental corporate strategy but not for environmental marketing strategy: H4.2: PC → EMS is not significant. The direct effect of people concern on top management commitment (H21) is not significant.

Regulatory Forces

We predicted that regulatory forces would have a significant influence on environmental orientation (H5.1 and H5.2) and environmental strategy (H6.1 and H6.2). Results show that it is true for the four paths. H6.1: RF → ECS is less significant but sufficient to be retained with a path coefficient of 0.071. The direct effect of regulatory forces on top management commitment (H22) is also significant.

Competitive Advantage

All predicted hypotheses about competitive advantage were supported. Competitive advantage influences environmental orientation (H7.1 and H7.2) and environmental strategy constructs (H8.1 and H8.2). The direct effect of competitive advantage on top management commitment (H23) is also significant.

Shareholders

Except on external environmental orientation (H9.2), shareholder as an antecedent has neither a significant influence on internal environmental orientation (H9.1) nor on environmental strategy (H10.1 and H10.2). However, the direct effect of shareholders on top management commitment (H24) is significant.

Environmental orientation

We predicted that environmental orientation would influence environmental strategy (H25.1, H25.2, H26.1 and H26.2). All paths were highly significant, thus confirming our hypotheses.

Top Management Commitment Direct Effects

Paths coefficients from top management commitment to environmental orientation and environmental strategy are all significant (H11.1, H11.2, H12.1 and H12.2) but H12.2: TMC → EMS' significance test is 6% which is slightly above the maximum expected (5%).

2.3 Mediating Effects

The following table lists all the direct and indirect effects that exist in the final model. The mediation effects generated by top management commitment, internal environmental orientation and external environmental orientation are summarized in the table below to deliver a comprehensive reading.

		Effects		
Antecedent	**Environmental Construct**	**Direct**	**Indirect**	**Total**
PC*	IEO	.133	.000	.133
	EEO	.224	.000	.224
	ECS	.097	.000	.097
	EMS	.000	.000	.000
PC**	ECS	.097	.120	.217
	EMS	.000	.106	.106
RF*	IEO	.115	.042	.157
	EEO	.204	.020	.224
	ECS	.069	.011	.080
	EMS	.155	.008	.163
RF**	ECS	.069	.142	.212
	EMS	.155	.122	.276
CA*	IEO	.280	.069	.350
	EEO	.336	.033	.369
	ECS	.166	.019	.185
	EMS	.181	.015	.196
CA**	ECS	.166	.277	.443
	EMS	.181	.227	.409
SH*	IEO	.200	.295	.495
	EEO	.000	.140	.140
	ECS	.000	.081	.081
	EMS	.000	.062	.062
SH**	ECS	.000	.343	.343
	EMS	.000	.253	.253
TMC***	IEO	.492	-	.492
	EEO	.233	-	.233
	ECS	.135	.286	.421
	EMS	.102	.217	.319

Table 27: Direct, Indirect and Total Effects of People Concern, Regulatory Forces, Competitive Advantage, Shareholders and Top Management Commitment on Environmental Orientation and Environmental Strategy

** Indirect effects are mediated by top management commitment*
*** Indirect effects are mediated by top management commitment and environmental orientation*
**** Indirect effects are mediated by environmental orientation*

Top Management Commitment Mediating Effects

Table 27 aggregates bootstrapped coefficients from the final model (last column from Table 21 to Table 24) and shows the indirect effects of the five antecedents on environmental orientation and environmental strategy. Except for people concern mediated by top management commitment, we report indirect effects for all significant relationships between the four antecedents and environmental orientation and environmental strategy. This result clearly shows the mediation effect played by top management.

The indirect effects of people concern on environmental orientation and environmental strategy mediated by top management commitment only have a zero value. This is since the people concern effect on top management commitment was refuted in the original assumptions (see Table 26), thereby removing the mediation effect of top management commitment in such configuration. However, we find mediation effects from people concern to environmental strategy: the direct effect of people concern on environmental corporate strategy is smaller than the sum of the indirect effects related to the two mediators: internal environmental orientation and external environmental orientation.

Even more pronounced, the direct people concern path on environmental marketing strategy is null, while the indirect effects of people concern mediated by internal environmental orientation and external environmental orientation are significant on environmental marketing strategy.

We observe a similar pattern for the antecedent shareholders. Only one of the four hypotheses linking shareholders to environmental orientation and environmental strategy constructs was retained (see Table 26). Therefore, Table 27 shows only one direct effect of shareholders on internal environmental orientation. But the indirect effects are all significant and reveal the mediating effects of top management commitment and environmental orientation.

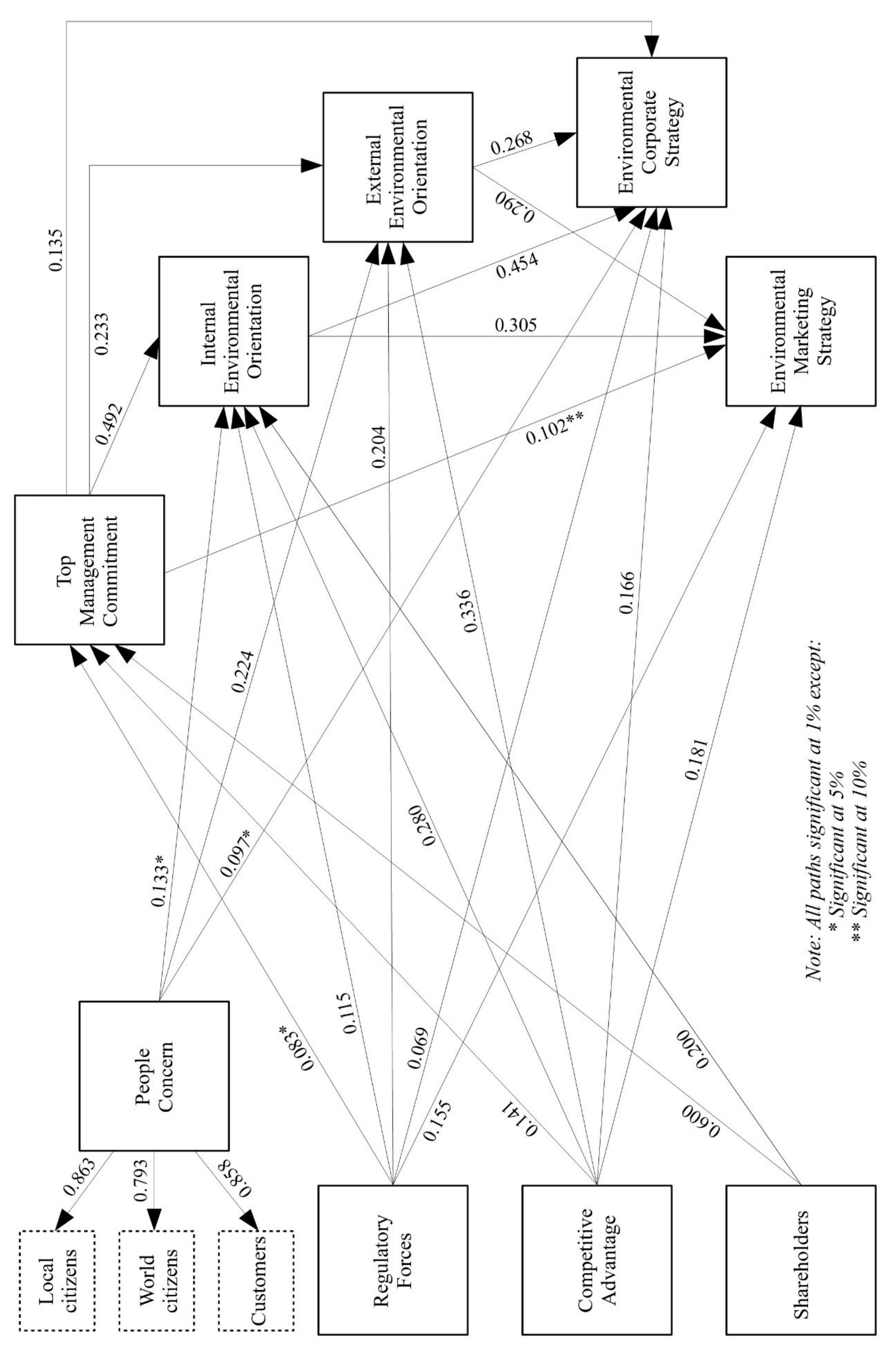

Figure 25: PLS Structural Modeling with Significant Relationships

Section 3. Multigroup Analysis and Research Results

The first multi-group analysis will deal with the comparison between managers in France and India. The second multi-group analysis will focus on comparing high-risk and low-risk firms. The two sections will be structured as follows: first, an analysis of the standardized parameters will be presented. Secondly, we will present a table summarizing the mediating effects. Finally, a synthetic drawing will present the significant paths in each of the groups. A discussion of the outcomes will follow for each group.

1. Market Type as a Moderator

The multigroup analysis was performed with XLSTAT 2017. The sample is made of:

- 342 respondents who work in a multinational corporation or in a subsidiary base in France.
- 67 respondents who work in a multinational corporation or in a subsidiary base in India.

Despite a relatively small Indian sample, PLS-SEM can deliver robust estimations and relevant statistical power when used with small sample sizes (Tenenhaus 2008, Reinartz, Haenlein, and Henseler 2009, Hair, Ringle, and Sarstedt 2013). The PLS-SEM approach delivered statistically significant results. To verify the accuracy of the results, Table 28 reports paths coefficients, R^2 and permutation test (p) for all hypotheses.

1.1 Standardized parameter Estimates

Structural Path		Path Coefficient IN	FR	*p*
→ TMC	R^2	49.00%	46.20%	
	RF	**-.187**	**.136**	**.010**
	CA	.260	.127	.416
	SH	.533	.598	.614
→ IEO	R^2	68.40%	63.30%	
	PC	**-.096**	**.195**	**.099**
	RF	-.003	.114	.287
	CA	**.544**	**.232**	**.020**
	SH	.311	.181	.396
	TMC	**.173**	**.529**	**.040**
→ EEO	R^2	61.40%	53.80%	
	PC	.068	.254	.317
	RF	**-.059**	**.233**	**.010**
	CA	**.774**	**.265**	**.010**
	TMC	.084	.230	.168
→ ECS	R^2	84.80%	82.20%	
	PC	.100	.096	.911
	RF	.014	.071	.574
	CA	.319	.159	.248
	TMC	.089	.140	.673
	IEO	.415	.458	.782
	EEO	.227	.281	.713
→ EMS	R^2	75.30%	51.30%	
	RF	.104	.182	.723
	CA	.165	.182	.851
	TMC	.071	.123	.861
	IEO	.349	.278	.713
	EEO	.458	.227	.139

Table 28: Path coefficients (bootstrapped) and R^2 in Market Type Multigroup Analysis

Note: Boldface numbers indicate statistical differences between the two groups (p<.05)

People Concern

We predicted that the effect of people concern on environmental orientation (H3.1.1 and H3.2.1) and environmental strategy (H4.1.1 and H4.2.1) would be greater in advanced markets than in emerging markets. This is partly confirmed by the multigroup analysis: people concern has a significant effect on internal environmental orientation in the French group but it is not significant in the Indian group. This confirms the initial H3.2.1 hypothesis. The permutation test for H3.1.1: PC → IEO is higher than .05 but it is under .10. Result must be considered carefully because there is a higher probability that the observed difference is due to chance. However, the risk is minimal because only 0.99^2, which means 0.98% of the relations' variance might be explained by differences in the measurement.

The multigroup analysis shows that people concern has an impact on environmental corporate strategy in both groups. However, neither H3.2.1: PC → EEO nor H4.2.1: PC → EMS were statistically different in both groups.

Regulatory Forces

We hypothesized that the effect of regulatory forces on environmental orientation (H5.1.1 and H5.2.1) and environmental strategy (H6.1.1 and H6.2.1) would be greater in advanced markets than in emerging markets. This is confirmed for H5.2.1: regulatory forces have a significant impact on external environmental orientation in the French group while it is not significant in the Indian Group. However, there are no statistical differences for the other paths.

Competitive Advantage

The results obtained are in line with the initial hypotheses. We predicted that the effect of competitive advantage on environmental orientation would be greater in emerging markets than in advanced markets (H7.1.1 and H7.2.1). On both internal environmental orientation and external environmental orientation, results show that competitive advantage has a greater effect in India (path coefficients: CA→IEO: .544, CA→EEO: .774) than in France (path coefficients: CA→IEO: .232, CA→EEO: .265). We see that paths are also significant in France but they are even more significant in India. There is no statistical difference between France and India regarding CA → ECS (H8.1.1) and CA → EMS (H8.2.1): both paths are significant in both markets.

Shareholders

In the global model, paths from shareholders to external environmental orientation (H9.1 and H9.2) and to environmental strategy (H10.1 and H10.2) were removed. The remaining hypothesis H9.1.1: SH → IEO is significant in both markets.

Environmental orientation

The four paths connecting internal environmental orientation and external environmental orientation to environmental corporate strategy and environmental marketing strategy (H25.1.1, H25.2.1, H26.1.1 and H26.2.1) are significant in both markets. There is no difference between French market and Indian market.

Top Management Commitment Direct Effects

The effect of top management commitment on internal environmental orientation (H11.1.1) is greater in France than in India, which confirms our initial hypothesis. However, H11.2.1: TMC → EEO is not highly significant in both markets. The effect of top management commitment on environmental strategy (H12.1.1 and H12.2.1) is also limited.

1.2 Mediating Effects

		Effects					
		IN			FR		
Antecedent	**Environmental Construct**	**Direct**	**Indirect**	**Total**	**Direct**	**Indirect**	**Total**
PC*	IEO	-.096	.000	-.096	.195	.000	.195
	EEO	.068	.000	.068	.254	.000	.254
	ECS	.100	.000	.100	.096	.000	.096
	EMS	.000	.000	.000	.000	.000	.000
PC**	ECS	.100	-.024	.076	.096	.161	.256
	EMS	.000	.001	.001	.000	.113	.113
RF*	IEO	-.003	-.030	-.033	.114	.072	.186
	EEO	-.059	-.015	-.074	.233	.031	.265
	ECS	.014	-.017	-.003	.071	.019	.090
	EMS	.104	-.013	.090	.182	.017	.199
RF**	ECS	.014	-.047	-.034	.071	.179	.250
	EMS	.104	-.060	.043	.182	.129	.311
CA*	IEO	.544	.048	.592	.232	.067	.299
	EEO	.774	.021	.795	.265	.029	.294
	ECS	.319	.023	.342	.159	.018	.177
	EMS	.165	.018	.183	.182	.016	.197
CA**	ECS	.319	.449	.769	.159	.237	.397
	EMS	.165	.587	.752	.182	.165	.347
SH*	IEO	.311	.094	.405	.181	.316	.497
	EEO	.000	.046	.046	.000	.138	.138
	ECS	.000	.047	.047	.000	.084	.084
	EMS	.000	.038	.038	.000	.074	.074
SH**	ECS	.000	.227	.227	.000	.350	.350
	EMS	.000	.207	.207	.000	.242	.242
TMC***	IEO	.173	-	.173	.529	-	.529
	EEO	.084	-	.084	.230	-	.230
	ECS	.089	.088	.177	.140	.307	.447
	EMS	.071	.103	.174	.123	.199	.322

Table 29: Direct, Indirect and Total Effects of People Concern, Regulatory Forces, Competitive Advantage, Shareholders and Top Management Commitment on Environmental Orientation and Environmental Strategy in Market Groups

Notes:
** Indirect effects are mediated by top management commitment*
*** Indirect effects are mediated by top management commitment and environmental orientation*
**** Indirect effects are mediated by environmental orientation*

Top Management Commitment Mediating Effects

Table 29 aggregates bootstrapped coefficients from the multigroup analysis with market type (advanced markets and emerging markets) as a moderator and shows the indirect effects of the five antecedents on environmental orientation and environmental strategy. We report indirect effects for all significant relationships from the four antecedents on environmental orientation and environmental strategy, except for people concern and regulatory forces in the Indian group. Regarding regulatory forces, this is since the RF→ TMC direct path is negative for the Indian group

As well as for the global model, we see that the indirect effects of people concern on environmental orientation and environmental strategy mediated by top management commitment only have a zero value. This is since the people concern effect on top management commitment was refuted in the original assumptions (see Table 26), thereby removing the mediation effect of top management commitment in such configuration. However, we find mediation effects from people concern to environmental corporate strategy in the French group: the direct effect of people concern on environmental corporate strategy is smaller than the sum of the indirect effects related to the two mediators: internal environmental orientation and external environmental orientation.

Regarding the antecedent shareholders, only one of the four hypotheses linking shareholders to environmental orientation and environmental strategy constructs was retained (see Table 26). Therefore, Table 29 shows only one direct effect of shareholders on internal environmental orientation. But indirect effects are all significant and reveal the mediating effects of top management commitment and environmental orientation

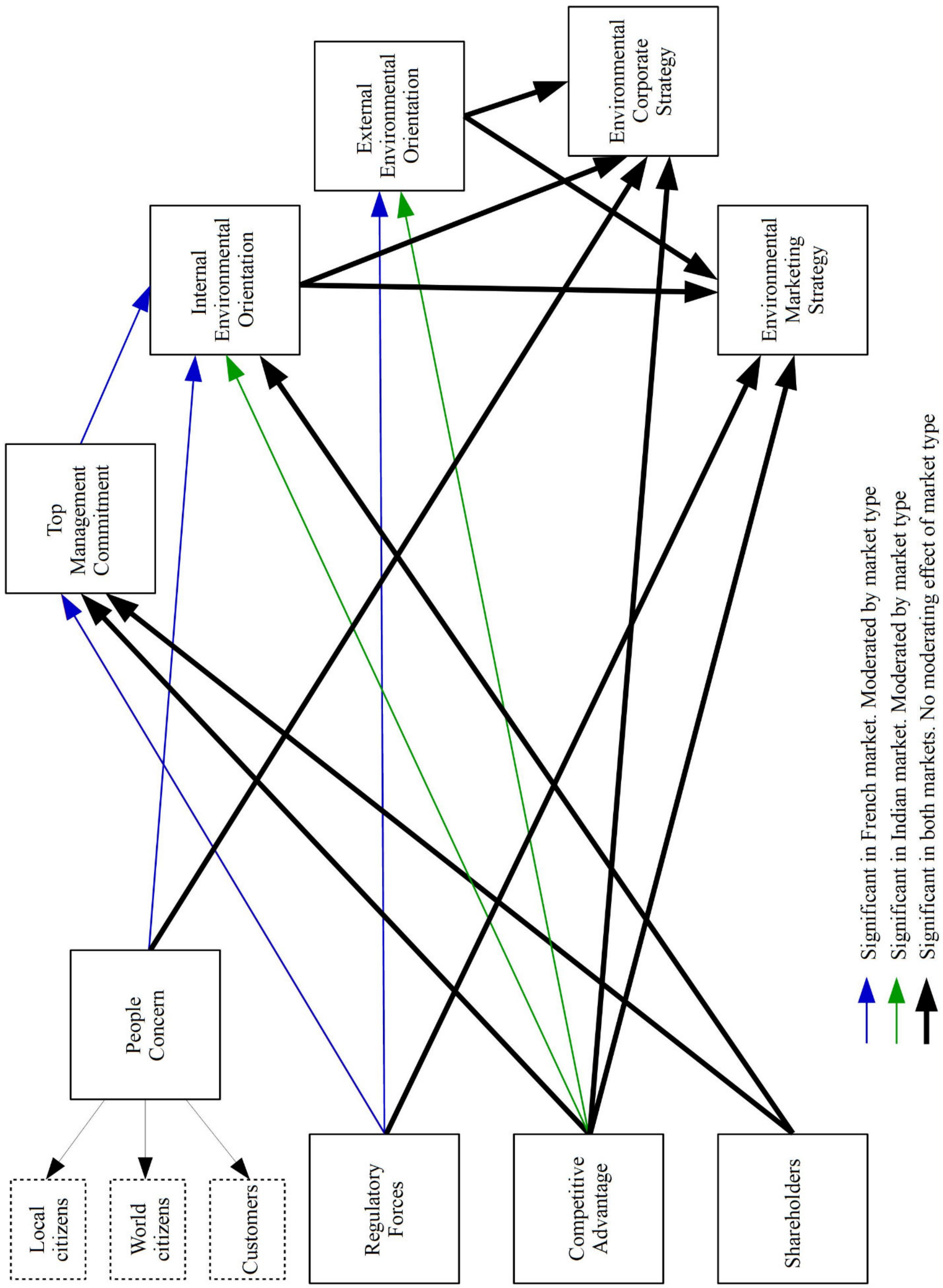

Figure 26: Significant Paths with Market Type as a moderator

2. ***Industry Type as a Moderator***

For this multigroup analysis, the sample is made of 146 companies in a moderate environmental impact sector and 263 companies in a high environmental impact sector. The PLS-SEM approach delivered statistically significant results. To verify the accuracy of the results, Table 30 reports paths coefficients, R^2 and permutation test (p) for all hypotheses.

2.1 Standardized parameter Estimates

		Path Coefficient		
Structural Path		**HEI**	**MEI**	**p**
→ TMC	R^2	56.30%	42.30%	
	RF	.012	.116	.287
	CA	**.354**	**.063**	**.030**
	SH	.461	.640	.119
→ IEO	R^2	60.50%	67.50%	
	PC	.200	.130	.594
	RF	**-.017**	**.157**	**.020**
	CA	.304	.238	.436
	SH	.214	.205	.931
	TMC	.357	.502	.139
→ EEO	R^2	46.00%	54.70%	
	PC	.134	.267	.347
	RF	.161	.223	.416
	CA	.301	.337	.743
	TMC	.245	.226	.871
→ ECS	R^2	78.60%	82.10%	
	PC	**-.011**	**.169**	**.099**
	RF	-.002	.105	.168
	CA	.153	.163	.901
	TMC	.124	.150	.802
	IEO	.464	.429	.723
	EEO	.269	.259	.931
→ EMS	R^2	50.80%	54.80%	
	RF	.204	.095	.287
	CA	.209	.204	.941
	TMC	.014	.131	.297
	IEO	.298	.286	.871
	EEO	.361	.264	.515

Table 30: Path coefficients (bootstrapped) and R^2 in Industry Type Multigroup Analysis

Note: Boldface numbers indicate statistical differences between the two groups (p<.05)

Table 30 shows that there are few structural differences between high environmental impact and moderate environmental impact industries. Below is a closer observation, antecedent by antecedent.

People Concern

We predicted that the effect of people concern on environmental orientation (H3.1.2 and H3.2.2) and environmental strategy (H4.1.2 and H4.2.2) would be greater in high environmental impact industries than in moderate environmental impact industries. We see that all paths are significant on environmental orientation in both groups but not on environmental corporate strategy: there is a structural difference for H4.1.2: PC → ECS showing that this path is significant in the moderate environmental impact sector but does not exist in the high environmental impact sector. However, the permutation test for H4.1.2: PC → ECS is higher than .05 but it is under .10. Result must be considered carefully because there is a higher probability that the observed difference is due to chance.

Regulatory Forces

We hypothesized that the effect of regulatory forces on environmental orientation (H5.1.2 and H5.2.2) and environmental strategy (H6.1.2 and H6.2.2) would be greater in high environmental impact industries than in moderate environmental impact industries. We observe mixed results. There is a statistical difference for the effect of regulatory forces on internal environmental orientation but the result goes against the hypothesis: H5.1.2: RF → IEO is significant in the high environmental impact industries but is not in the moderate environmental impact industries. At last, H6.2.2: RF → EMS is significant in both sectors.

Competitive Advantage

There are no statistical differences regarding competitive advantage on environmental orientation (H7.1.2 and H7.2.2) and environmental strategy (H8.1.2 and H8.2.2). All paths are significant in both sectors.

Shareholders

In the global model, paths from shareholders to external environmental orientation (H9.1.2 and H9.2.2) and to environmental strategy (H10.1.2 and H10.2.2) were removed. There is only one remaining hypothesis, namely H9.1.2: SH → IEO. The path is significant in both markets.

Environmental orientation

The four paths connecting internal environmental orientation and external environmental orientation to environmental corporate strategy and environmental marketing strategy (H25.1.2, H25.2.2, H26.1.2 and H26.2.2) are significant in both markets. There is no statistical difference between the high environmental impact sector and the moderate environmental impact sector.

Top Management Commitment Direct Effects

There are no statistical differences regarding top management commitment on environmental orientation (H11.1.2 and H11.2.2) and environmental strategy (H12.1.2 and H12.2.2). All paths are significant in both sectors, except for H12.2.2: TMC → EMS whose path coefficient shows weaknesses (.014) in the high environmental impact sector. These results differ from what we had hypothesized, namely that the effect would be greater in high environmental impact industries.

2.2 Mediating Effects

		Effects					
		High Environmental Impact Industries			Moderate Environmental Impact Industries		
Antecedent	**Environmental Construct**	**Direct**	**Indirect**	**Total**	**Direct**	**Indirect**	**Total**
PC*	IEO	.200	.000	.200	.130	.000	.130
	EEO	.134	.000	.134	.267	.000	.267
	ECS	-.011	.000	-.011	.169	.000	.169
	EMS	.000	.000	.000	.000	.000	.000
PC**	ECS	-.011	.131	.120	.169	.124	.293
	EMS	.000	.115	.115	.000	.107	.107
RF*	IEO	-.017	.005	-.012	.157	.059	.215
	EEO	.161	.003	.164	.223	.026	.249
	ECS	-.002	.001	-.001	.105	.017	.123
	EMS	.204	.000	.204	.095	.015	.110
RF**	ECS	-.002	.041	.039	.105	.175	.280
	EMS	.204	.058	.262	.095	.143	.238
CA*	IEO	.304	.129	.433	.238	.032	.270
	EEO	.301	.087	.388	.337	.015	.351
	ECS	.153	.044	.197	.163	.009	.172
	EMS	.209	.005	.214	.204	.008	.212
CA**	ECS	.153	.349	.502	.163	.216	.379
	EMS	.209	.272	.481	.204	.179	.383
SH*	IEO	.214	.163	.377	.205	.322	.527
	EEO	.000	.113	.113	.000	.145	.145
	ECS	.000	.057	.057	.000	.096	.096
	EMS	.000	.006	.006	.000	.084	.084
SH**	ECS	.000	.261	.261	.000	.359	.359
	EMS	.000	.157	.157	.000	.273	.273
TMC***	IEO	.357	-	.357	.502	-	.502
	EEO	.245	-	.245	.226	-	.226
	ECS	.124	.229	.353	.150	.274	.424
	EMS	.014	.192	.206	.131	.204	.335

Table 31: Direct, Indirect and Total Effects of People Concern, Regulatory Forces, Competitive Advantage, Shareholders and Top Management Commitment on Environmental Orientation and Environmental Strategy in Industry Groups

Notes:
** Indirect effects are mediated by top management commitment*
*** Indirect effects are mediated by top management commitment and environmental orientation*
**** Indirect effects are mediated by environmental orientation*

Top Management Commitment Mediating Effects

Table 31 aggregates bootstrapped coefficients from the multigroup analysis with industry type as a moderator and shows the indirect effects of the five antecedents on environmental orientation and environmental strategy. There is not direct effect of people concern mediated by top management commitment in both industrial sectors which is related to the removed path PC → TMC in the global model. RF → TMC → EO and RF → TMC → ES are not significant in the high environmental impact sector but there is a mediating effect played by top management commitment in the moderate environmental impact sector. This is since the structural path RF → TMC is only .012 (see Table 30). This value is close to zero and therefore removes the possibility of mediation. However, we report significant mediating effects when regulatory forces antecedent is mediated by internal environmental orientation and external environmental orientation.

While competitive advantage direct effects on environmental orientation and environmental strategy are significant, the mediating effect of top management commitment on competitive advantage is less significant on environmental strategy in the high environmental impact sector, and close to zero on both environmental orientation and environmental strategy in the moderate environmental impact sector.

Regarding the antecedent shareholders, we report only one direct effect on internal environmental orientation. This effect is significant in both sectors. But indirect effects are all significant and reveal the mediating effects of both internal and external environmental orientation.

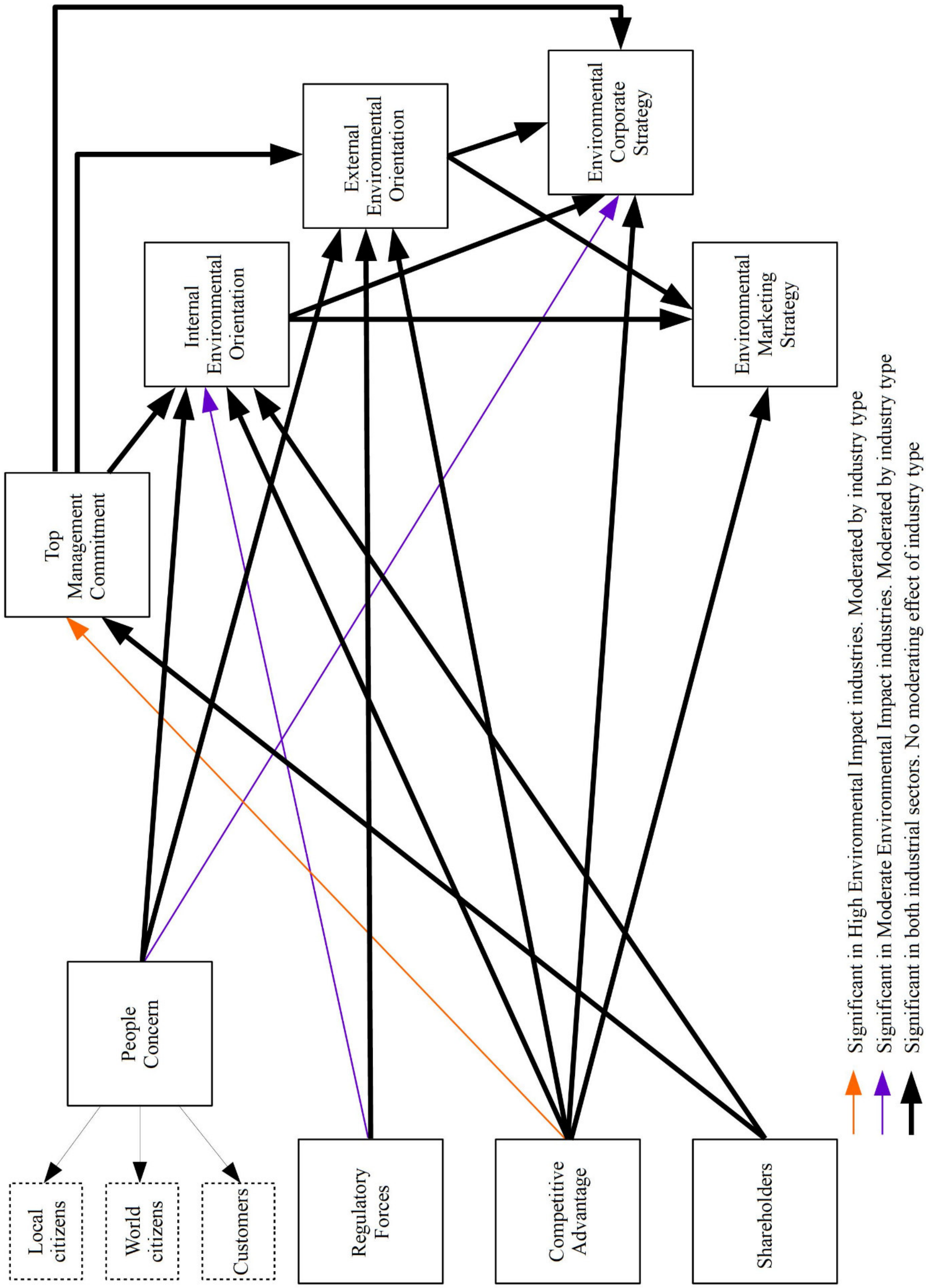

Figure 27: Significant Paths with Industry Type as a moderator

Section 4. Discussion of the results

The discussion will take place as follows: the overall results will be analyzed in a transversal way. Each antecedent will be observed globally, then by type of market and then by type of industry when results proved to be significant.

People Concern

People concern on environmental orientation

In general, it is found that people concern has an effect on environmental orientation in almost all configurations, with the exception of India: people concern has a limited effect on firms' internal environmental orientation in India and the effect remains low for the external environmental orientation.

As a reminder, internal environmental orientation reflects the internal values of a company and its standards in terms of ethical behavior (Banerjee, Iyer, and Kashyap 2003). Why in India, unlike in France, the environmental orientation of Indian companies is little influenced by people concern, which is made of customers, local citizens and world citizens? The integration of ethical standards into the company's DNA is a slow process. While Indian companies, as we will see next, are already focused on meeting customer's environmental expectations, they may have not yet made the internal corporate environmental transformation. This may be due to the significant economic growth of India in the last decade.

People concern about environmental problems is high in emerging markets and is not less prevalent than in advanced countries (Dunlap and Mertig 1995). But the influence of consumer behavior on Indian firms has only begun to produce effects for a few years, since the emergence of a sufficiently well-off Indian clientele. This period of time may be too narrow for a deep change in firms' internal environmental orientation: dynamic capabilities take time (Barrales-Molina, Benitez-Amado, and Perez-Arostegui 2010)

People concern has a significant effect on environmental orientation in high environmental impact and moderate environmental impact industries. Banerjee, Iyer, and Kashyap (2003) observed no public impact on both sectors. It should be noted, however, that the variable is broader as that observed by Banerjee. The one we use is more inclusive because it integrates other actors such as consumers, but it also integrates the public concern described by the author. The results show that whatever the industrial sector, fifteen years later, the public exerts an influence on the internal values of companies and on their ethical standards in terms of environmental protection. This change is probably due in part to the effects of stakeholders. Interviews with BNP Paribas have shown, for example, that the bank, which finances coal-fired power plants, has lately become very attentive to the people concern for the environment. Obtaining the Pinocchio Climate Awards in 2015 (Climate Awards) played an important role in this new focus on people concern. This attention has repercussions on the companies that then consider people concern and expectations in their external environmental orientation in order to respond to stakeholder pressures (Freeman 1984).

People concern on environmental strategy

The direct effect of people concern on environmental marketing strategy is refuted in the global model. However, the influence of people concern on environmental corporate strategy is significant in the moderate environmental impact sector whereas it is non-existent within high environmental impact industries. It means that companies in the high environmental impact sector listen to people concerns and even adapt their environmental orientation on the basis of these concerns, but this has no impact on the environmental strategy while it is supposed to be the technical implementation of this orientation.

The indirect effects tell a different story: while there are no direct effects of people concern on environmental strategy in the high environmental impact sector, we see strong mediating effects from top management commitment. In fact, top managers acknowledge the importance of people concern in the high environmental impact sector and influence the environmental strategy of their firm: this is consistent with the stakeholder theory and with prior findings which show that top managers try to encourage corporate environmentalism in high environmental impact firms (Banerjee, Iyer, and Kashyap 2003)

In the moderate environmental impact sector, we see that people concern has a positive direct effect on environmental corporate strategy but no on environmental marketing strategy. This may be since it is easier for a firm to obtain immediate quick benefits by implementing environmental marketing strategy than environmental corporate strategy. Literature shows in fact that green niche marketing strategies (Porter Van de Linde 1995; Shrivastava 1995) and "consumer oriented green advertising strategies" (Banerjee, Gulas, and Iyer 1995) are easier to implement.

Regulatory Forces

When analyzing the assumptions that link regulatory forces to environmental orientation and environmental strategy, results obtained in the multigroup analyzes differ from the overall model.

France and India

Results show that there is a very important difference in the perception of regulatory forces between France and India. Whatever the hypothesis, with all the possible mediations, regulatory forces do not influence directly or indirectly environmental orientation and environmental corporate strategy in India, and their effect is tenuous on environmental corporate strategy. On the other side, for the French group, regulatory forces' influence is significant on both environmental orientation and environmental strategy. This may be due to the establishment of voluntary regulations or agreements negotiated between enterprises and governments, since the 1980s (Carter 2001; Fiorino 2006; Gouldson and Murphy 1998; Jordan 2008; Jordan, Wurzel, and Zito 2005). This long-term relationship may have helped companies to gradually integrate regulatory forces into their corporate environmental orientations and strategies.

This important difference should be analyzed in a particular way: environmental regulations are in fact little present and/or hardly coercive, and as a result they have a very limited impact on Indian corporate environmentalism (Chen et al. 2013; Greenstone and Hanna. 2014), despite continuous improvement of environmental legislation (Randeria 2003). They are still too weak to exert an influence on environmental orientation, to influence the internal values of companies, the commitment to the environment and the environmental corporate strategies.

We also note that the mediating effect of TMC is significant in France whereas it is not significant in India. This result confirms the one mentioned at the time: the environmental regulations are so little present that the top management does not take them into account and it does not give the impulse allowing regulatory forces to have an impact on environmental orientation and environmental strategy.

If the results show that regulatory forces do not yet have an impact on environmental orientation and environmental strategy in India, they already influence companies at a functional level, in particular through environmental marketing strategy. Companies therefore develop products that respect the environmental requirements of the legislation, but these products don't follow the corporate environmentalism process which states that environmental marketing strategy is normally preceded by environmental corporate strategy.

Results tend to show that regulatory forces are not integrated by Indian companies into a strategic process. Companies only seem to react to regulations when they are enforced. This absence of proactivity is likely to be the result of poor environmental policies, weak environmental institutions (Greenstone and Hanna 2014) and lack of environmental inspections (Duflo et al. 2014). In sum, regulatory forces are not significant enough to have neither a direct nor and indirect impact on firms' environmental strategies.

High environmental impact and moderate environmental impact sectors

In the industry multigroup analysis, we see that regulatory forces have a significant impact on internal environmental orientation in moderate environmental impact industries but does not produce any effect in the high environmental impact sector.

In the high environmental impact sector, regulations strongly influence external environmental orientation. This might be explained since high environmental impact industries are very concerned by noncompliance costs (Dasgupta, Hettige, and Wheeler 2000; Thornton, Kagan, and Gunningham 2008). In fact, when high environmental impact firms, like chemical industries, do not comply to regulatory forces, then the risk is high for these companies to pay a substantial fine: multinational corporations in the high environmental impact sector face tighter regulations than for the moderate environmental impact ones and therefore the cost of compliance is significantly higher (Jaffe and Palmer 1997; Lanjouw and Mody 1996). These consequences can affect firms' relationships with external stakeholders. This relationship is what defines external environmental orientation and consequently it is affected by regulatory forces in high environmental impact industries.

Generally, companies anticipate and adapt their corporate strategy to the requirements imposed by new environmental laws. For example, European emission standards which define a high limit for CO_2 emissions from vehicles, are specified years before the legislation is set, which gives time for car manufacturers to adapt and develop new technologies for a future compliance (European Parliament, Council of the European Union 2007).

Corporate strategy integrates among others the reflection on new technologies or on new locations for the company (Banerjee, Iyer, and Kashyap 2003). In the case of companies whose production processes have high environmental impacts, very often the industrial apparatus is consistent, and it is more difficult for these companies relocate because their production facilities are very expensive to dismantle and move (Ederington, Levinson, & Minier 2005). Therefore, regulatory forces' effect on environmental corporate strategy is limited for high environmental impact companies.

On the other hand, regulations have a significant impact on environmental marketing strategy. This is consistent with the strong and positive effect of regulatory forces on external environmental orientation, as environmental strategy is the extent to which environmental issues are integrated with a firm's strategic plans (Bannerjee 2003). However, for high environmental impact companies, it is surprising to note that regulatory forces have a significant impact on environmental marketing strategy but not on environmental corporate strategy.

How can "environmentally friendly" products and services be conceived if upstream there is no reflection on the strategy to adopt? The answer probably lies in the fact that for high environmental impact companies, regulatory forces are randomly enforced due to a lack of resources from the Indian government to inspect firms (Duflo et al. 2014). Therefore, rather than developing a global environmental strategy, companies only react by developing an environmental marketing strategy when they are forced to comply with the law.

Competitive Advantage

The results obtained for competitive advantage on environmental orientation and environmental strategy are significant in all models.

It is interesting to note that even if companies from emerging countries may enjoy unfair competitive advantages due to environmental dumping (Hudec 1996), we see that competitive advantage plays an important role for both French and Indian companies on environmental orientation and environmental strategy. This effect is even more significant in India than in France. We see two assumptions. First, the French market is already well developed around environmental products and services. Therefore, it seems harder to gain competitive advantage based on product differentiation (Porter 1980), while in India, there are still many niche markets where firms can become pioneers (Schaper 2016). Second, the weakness of regulatory forces' impact in the Indian group (Razzaque 2013) probably produces a carry-over effect which makes the impact of competitive advantage on environmental orientation more pronounced in India than France, a country for which regulatory forces have a more significant effect.

Concerning high environmental impact and moderate environmental impact industries, it is interesting to note that in fourteen years, a standardization of corporate environmentalism has taken place so that differences between the two groups are significantly reduced. In 2003, competitive advantage was not influencing external environmental orientation in high environmental impact firms (Banerjee, Iyer, and Kashyap 2003). At that time companies therefore had an environmental vision that was influenced by competitive advantage, but firms were not involving their stakeholders in sharing this vision.

Today, companies acknowledge what previous research identified: for example, Christmann (2004) found that institutional pressures from institutional stakeholders like governments, industry members or customers were leading multinational corporations to standardize their global environmental communication across their subsidiaries. This standardization process is also consistent with other studies explaining that firms may prefer a standardized approach to reinforce credibility and transparency (e.g., Delmas and Montes-Sancho 2011; Orlitzky et al. 2011; Rivera and DeLeon 2008).

Shareholders

Initially, the results of shareholders may seem troubling. Indeed, only the hypothesis “shareholders → environmental strategy” is validated in the different groups. All other direct relationships are non-existent. Nevertheless, looking at the mediating effects of shareholders on environmental orientation and environmental strategy, we see that top management has a very important mediating role in all groups.

This result shows that the effect of shareholders on environmental orientation and environmental strategy transits through top managers; shareholders are not directly involved in the corporate environmentalism of the firm. These findings are consistent with the fact that shareholders may exert effective monitoring and thereby affect the operations and strategy of the firm (Shleifer and Vishny 1997).

The only direct link shows that shareholders have a powerful direct influence on internal environmental orientation. Indeed, shareholders are aware of the practices implemented within the company. Although shareholders have no direct influence on external environmental orientation and environmental strategy, the indirect influence remains quite strong in all groups. The results also show that shareholders have a significant impact for all groups on top management commitment. This approach is in line with academic research that shows that shareholders directly influence the governance of a firm and therefore the management team (Shleifer and Vishny 1997).

Chapter 5 Conclusion - Modelling corporate environmentalism in multinational corporations

The ultimate objective of our thesis is to measure the moderating effects of market type and industry type on corporate environmentalism. As a result, we mobilized different constructs to present a global model and to look at modeling results. At first, we were interested in the validation of measurement scales, essential phase before reading any academic results. After ensuring the reliability and validity of the measurements, we studied the quality of fit of the model which proved satisfactory. In a second step, we examined the results of the study in order to accept or refute the research hypotheses.

Finally, thanks to a large data collection (N = 409) and a modeling on XLSTAT, we were able to verify the existence of relationships between different constructs and subsequently test our research hypotheses. On the basis of the 51 hypotheses proposed, 41 proved to be significant. Our analysis demonstrated convincing results and helped to meet the research objectives.

Objective 1: Studying the effects of two new variables, people concern and shareholders, on corporate environmentalism in multinational corporations

As part of the study of corporate environmentalism, we were able to identify two new constructs that reflect the influence of people concern and shareholders as antecedents in the corporate environmentalism model. Our research was thus interested in these two variables and made it possible to identify, throughout every surveyed firms, a marked effect of people concern on environmental orientation but more nuanced on environmental strategy. Regarding shareholders, direct relationships to environmental orientation and environmental strategy are almost non-existent, but shareholders have a strong direct effect on top management commitment, thus revealing their important indirect effects on corporate environmentalism.

Objective 2: Measure the moderating effects of market type on corporate environmentalism

Several moderating effects generated by market type have been found. First, while people concern is a strong antecedent in both markets, we find that people concern has a stronger effect on environmental orientation in France than in India. Second, regulatory forces have a stronger overall effect on corporate environmentalism in French companies than on Indian firms. Last, we find that top management commitment mediates all antecedents in the French group, but it has no mediating effect on people concern and regulatory forces in the Indian group. Consequently, managers will have to put in place different action plans for these two categories of markets.

Objective 3: Measure the moderating effects of industry type on corporate environmentalism

People concern has a significant effect on environmental orientation and environmental strategy in both high environmental impact and moderate environmental impact industries. Regulatory forces exert a stronger influence on environmental orientation and environmental strategy of high environmental impact firms. The contrast is even high at the environmental orientation level: regulatory forces have a significant impact on environmental orientation in the French group, but little influence in the India group. We also find that top management commitment to the environment has a stronger mediating effect on environmental orientation and environmental strategy in moderate environmental impact industries than in high environmental impact industries. These results show that corporate environmentalism is affected differently by its antecedents in these two industrial sectors and that top management commitment is a key player in corporate environmental initiatives. Knowledge of these differences might help state agencies and top managers better apprehend them.

Summary and Implications

This doctoral research aims to contribute to the study of corporate environmentalism in multinational corporations and better understand what drives these companies to adopt some forms of corporate environmentalism rather than another. This study also aims to compare the environmental practices of these companies in advanced markets and emerging markets, then in the high environmental impact and moderate environmental impact sectors. Our choice fell on France as an advanced market and India as an emerging market.

As a result, we were able to identify differences in corporate environmental practices, both by industry type and by market type. These differences between markets highlight an interesting aspect of this research: corporate environmentalism in multinational corporations rarely seems centralized at headquarters level and is implemented differently according to the countries in which they are located.

It is in this frame of mind that we propose to analyze corporate environmentalism, not as a homogeneous process applied in the same way in the company and in all its subsidiaries, but as a differentiated approach adapted to the specificities of each market in which multinational corporations are implanted.

By investigating various theoretical fields, our research contributes to a better understanding of corporate environmentalism in advanced markets and emerging markets. In addition, different limits can be attached to our reasoning and our data collection. We will present in the following sections the contributions of the research (section 1), the limits of this research (section 2), as well as the future research directions (section 3).

Section 1. Contributions

This research helped us to analyze how business corporations manage their relationships with the natural environment and to identify what factors influence the choice of such corporate environmental strategies. Theoretical and methodological foundations in relation to corporate environmentalism were then developed. Finally, we were able to identify a number of managerial applications dedicated to how to implement corporate environmentalism depending on market type and industry type.

1. __Theoretical Contributions__

First, our research, through the literature and after hypotheses testing, demonstrated the importance of creating two new antecedents in the corporate environmentalism model initially developed by Banerjee, Iyer, and Kashyap (2003). These two antecedents are people concern and shareholders:

1. People concern went from a first-order construct to a second-order construct integrating three different actors: local citizens and world citizens, and customers. This new antecedent has shown its relevance as a significant variable affecting multinational corporations' environmental orientation and environmental strategy.
2. Shareholders showed few direct effects on environmental orientation and environmental strategy. On the other hand, with top management commitment as a mediator, this variable revealed a significant effect on environmental orientation and environmental strategy. Therefore, by strongly influencing top managers, shareholders appeared to be an important antecedent in our corporate environmentalism model.

Thus, thanks to a scientific and rigorous methodology, the corporate environmentalism model has been redesigned and reinforced since people concern and shareholders are two antecedents with important effects, in particular in the case of multinational corporations which operate in an international context. The theoretical field of the stakeholders and the effects they produce on companies were thus approached during this thesis.

Second, our revised modeling proposes new contributions thanks to a precise comparison between two categories of companies, those of the high environmental impact sector and those of the moderate environmental impact sector. The new variable people concern helped identify new results that differ from the model used by Banerjee, Iyer, and Kashyap (2003), and that allow important theoretical implications to emerge: people concern has a significant effect on environmental orientation in both high environmental impact and moderate environmental impact industries. As a result, we were able to demonstrate the importance of this new variable people concerns and its effects established in the two sub-models.

Third, our research demonstrated the existence of differences between advanced markets and emerging markets in the process by which firms integrate environmental concerns into their decision making. Our model revealed moderation effects that have never been tested before. In particular, we saw that:

1. People concern has a significant effect on internal environmental orientation in the French market, whereas it is not significant in the Indian market.
2. Regulatory forces have a significant effect on external environmental orientation in the French market, whereas it is not significant in the Indian market. Top management commitment mediates the effect of competitive advantage on internal environmental orientation in French firms, whereas is has no effect in Indian firms.
3. Competitive advantage has a significant effect on internal environmental orientation and external environmental orientation in India, but there is not such effect in the French market.

These results thus complement and clarify existing work that has shown that environmental problems are not similarly handled by companies in advanced markets and emerging markets (Diamantopoulos et al. 2003; Vicente-Molina, Fernández-Sáinz, and Izagirre-Olaizola 2013).

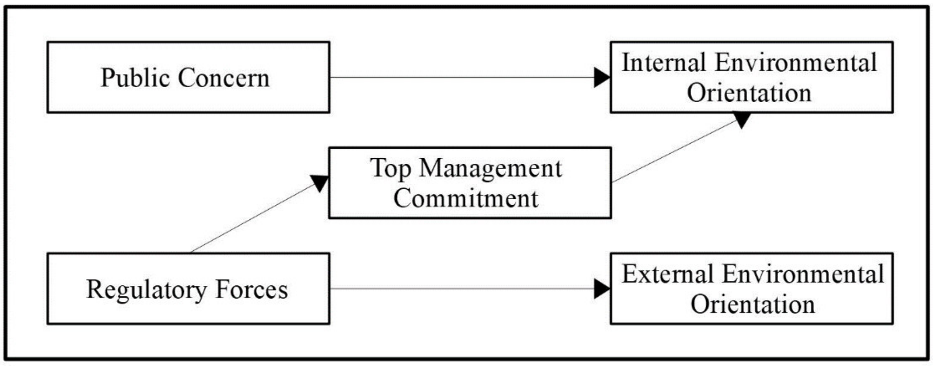

Figure 28: Significant Effects Specific to the French Market

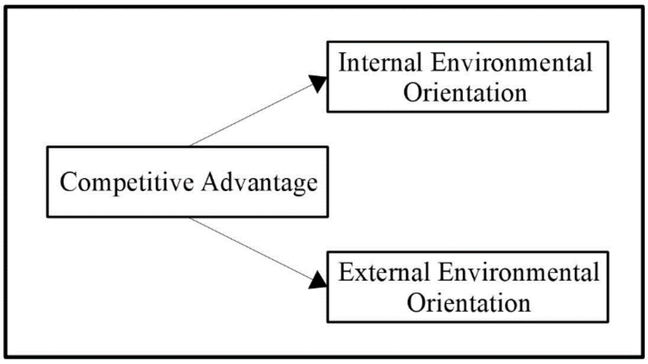

Figure 29: Significant Effects Specific to the Indian Market

2. *Methodological Contributions*

The first methodological contribution proposed by this doctoral work lies in the generation of new items dedicated to the measurement of the variables people concern and shareholders. The application of the Churchill paradigm (1979) has made it possible to achieve a consistent and applicable scale in different types of markets. To ensure this, we first conducted a qualitative exploratory study in the form of individual interviews to verify the relevance of these new items and the consistency of all the issues related to our research work. We then carried out a data collection via a quantitative study of top French and Indian managers working in multinational corporations. We have ensured the reliability and validity of this scale which can therefore be applied in future research.

Second, these new measurement scales allow for a more detailed analysis of multinationals' corporate environmentalism in various markets. Banerjee, Iyer, and Kashyap (2003) proposed a first model to probe managers' perceptions of corporate environmentalism, without proposing measures that could be applied to several different types of markets. Their study focused on a single advanced market and did not reflect the diversity of stakeholders and their influence in other markets. The decomposition of the public into several subgroups proved particularly suited to a comparison between an advanced market, France and an emerging market, India.

3. ***Managerial Implications***

The theoretical and methodological contributions presented imply strategic and practical applications for companies and managers. As mentioned earlier, we measure managers' perceptions of corporate environmentalism and not the environmental investments made by companies. This approach allows us to offer managers a thorough reading of the brakes and levers of actions that govern corporate environmentalism. This increase in knowledge is expected to promote the implementation of cost-effective environmental measures.

3.1 Antecedents' Impacts on Corporate Environmentalism

People concern, regulatory forces, competitive advantage and top management commitment exert a direct influence on corporate environmentalism. While shareholders are not directly impacting firms' environmental orientation and environmental strategy, they have a significant impact on top management commitment. Regulatory forces, competitive advantage and shareholders also influence top management. Therefore, firms should acknowledge the significant role of top management commitment in corporate environmentalism deployment. These results are aligned with the stakeholder theory: corporate strategy is implemented by top managers whose goal is to balance firm's interests with those of stakeholders.

3.2 The Moderating Effect of Industry

People concern has a significant effect on environmental orientation in high environmental impact and moderate environmental impact industries, and in the case of people concern, environmental orientation plays an important mediating role on environmental strategy. It means that not only people concern exerts an influence on the internal values of companies and on their ethical standards in terms of environmental protection, but it also affects corporate environmental strategies. The obvious recommendation is for top managers to better integrate people concern. Whatever the industrial sector, top managers have an opportunity to play a more significant mediating role by integrating people concern in corporate environmental strategies.

Although their effects occur at different levels in companies, regulatory forces influence corporate environmentalism in both high environmental impact and moderate environmental impact sectors. For public policy managers, this may lead to the conclusion that regulatory forces should be maintained at high levels in both sectors to ensure that environmental issues are taken into consideration.

Competitive advantage has a strong influence on environmental orientation and environmental strategy in both sectors. However, we found that the competitive advantage is receiving more attention from top management in high environmental impact companies than in moderate environmental impact firms. When top managers perceive the added value of a competitive advantage, they greatly contribute to increasing this competitive advantage (Charter and Polonsky 2017). Therefore, we recommend top managers in the moderate environmental impact sector to pay close attention to the competitive advantage corporate environmentalism can provide.

3.3 The Moderating Effect of Market

People concern has a lesser effect on the environmental orientation and environmental strategy of Indian companies than on the French ones. While Indian companies are already focusing on customers' environmental expectations, the rapid economic change and the evolution of customers and citizens' expectations are driving businesses to adapt quickly. The involvement of top management in a strong environmental orientation and strategy seems relevant to meet future expectations and avoid the risk of image deficits related to poor integration of environmental problems.

This research also showed that in India, regulatory forces have a limited impact on firms' environmental orientation and environmental strategy. These regulations already influence companies at a functional level, as firms develop products that respect the environmental legislation. In France, the tightening of environmental standards in recent decades has led companies to incorporate legal expectations into their strategic planning process. The rapid evolution of environmental standards in India encourages us to recommend that companies integrate environmental regulations into their strategic planning, as happened in France during the last decade with the tightening of the Grenelle and Energy Transition laws.

Indian public policy managers may also develop voluntary regulations or agreements negotiated between enterprises and governments. This kind of measures, implemented in advanced markets, helped firms to integrate regulations into their corporate strategy (Carter 2001; Fiorino 2006; Jordan 2008).

Section 2. Limitations

Like any doctoral research, our work has limits which we present in theoretical limitations and methodological limitations. We denote by theoretical limits the failings that can be associated with the choice of the concepts and the theories mobilized in the framework of our research. The so-called methodological boundaries are rather related to data collection.

First, we chose to conduct the empirical study in India and France, as these countries have proved to fulfill the characteristics of an emerging market and an advanced market respectively. This contextual choice leads us to question the external validity of our research and the application of our model and our results in other contexts and cultures.

Second, data collection was carried out on-line from databases filtering managers by occupational categories. It would have been interesting to contact certain respondents in a random manner to make sure that the persons who answered the questionnaire had a sufficiently transversal knowledge of their company. Since the survey was anonymous, very few managers left their contact information at the end of the survey. This counter-verification could not therefore be ensured, de facto limiting the confidence level of the answers by not preventing the social desirability bias (Fisher 1993). We have made sure to reduce this bias by taking care before the survey to filter potential respondents as accurately as possible.

Third, if the sample had been larger, it would have been very interesting to carry out a wider multigroup analysis crossing industry type with market type, to measure for example what differentiates the high environmental impact and the moderate environmental impact sector in India, or to compare the Indian high environmental impact sector with the French one. Crossing these two moderators should be an opportunity for very interesting findings. This study may come from a future comparative study, but the sample will have to be consistent enough to deliver meaningful results.
A larger sample of Indian respondents would also have allowed for finer analyzes within this category, and the likely identification of relevant subgroups. Despite this relatively small

sample, PLS-SEM could deliver robust estimations and relevant statistical power, but it couldn't reasonably provide accurate sub-sample analysis.

Fourth and last, another limit concerns the lack of indexes of adjustment of the model tested during the application of the PLS approach. Indeed, analyzes based on partial least squares do not propose indexes of adjustment, contrary to the classical approaches of analysis of the structures of covariance. Only the GoF (Tenenhaus et al., 2005) can be suggested to account for the fit of the measurement model with respect to the structural model.

Section 3. Future Research Directions

Our research on corporate environmentalism in two different markets and industries is part of an approach that interests more and more marketing researchers. Nevertheless, the comparison of two or more countries from the same model remains very little studied. We have tried to provide several answers on the subject, but the research perspectives remain multiple, even infinite.

On the other hand, each of the limits of this work is in itself an investigation track. For this purpose, we propose below some research paths that we consider relevant while being in continuity with our research.

First, it might be interesting in the future do divide customers into two separate groups, like "Local customers" and "World customers". But before creating this distinction, some important methodological problems must be solved. In fact, there might be some measurement problems and, prior to testing this option, it is important to be sure that there are no missing values in the respondents' answers, which is very likely to happen. For example, if a company has local customers only, then this company must be removed from the data. In fact, it is impossible to statistically estimate missing values for World Customers. If the firm doesn't have World customers, then virtually creating answers would be a non-sense. Removing them would generate answers' disparities and create a statistical paradox called the Yule-Simpson effect (Simpson, 1951).

Second, while in the case of our research we have segmented our sample *a priori*, on the basis of an important review of literature and existing theoretical models, there are statistical approaches such as Response Based Unit Segmentation (REBUS) in PLS-PM, which allow to segment the population *a posteriori*, to “discover” latent classes inside a PLS-PM global model (Sanchez 2013).

Third, it could also be interesting to create a new antecedent in the corporate environmentalism model, such as infrastructures. The difference in infrastructure between emerging markets and advanced markets can be significant and may have implications for corporate environmental management. To what extent does a company located in a country without a waste recycling sector adopt a specific strategy and environmental orientation? When such a service is absent, what measures are companies taking, if at all? This kind of questioning could be worthy of special attention.

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Résumé substantiel de la thèse en Français

Les sociétés humaines contemporaines conservent d'importantes similitudes avec les organisations sociales ancestrales : l'humain utilise de l'énergie pour construire des outils et des machines, il transforme des matières premières qui lui permettent de façonner le monde selon ses besoins et ses aspirations, d'avoir plus temps libre pour créer, d'entreprendre, de développer ses capabilités (Sen 1985). Malgré cette apparente constance dans le fonctionnement des sociétés humaines d'hier et d'aujourd'hui, tout a changé en deux cents ans. L'humanité est passée d'environ un milliard en 1800 à plus de 7,5 milliards en 2017 (UNCTAD 2017). Le taux de pauvreté extrême - moins de 1,90 USD par jour (Banque mondiale 2015) - est tombé de 41,9% en 1981 à 10,7% de la population mondiale en 2013 (Banque mondiale 2015) et, par conséquent, de nombreux pays sont sortis de la pauvreté au point de devenir des économies émergentes ou en transition, à l'image de la Chine, de l'Inde, du Brésil et de bien d'autres pays. Cette augmentation combinée de la population, de la consommation par habitant et de l'internationalisation des échanges a permis à de nombreuses entreprises de se développer sur le plan international au point de devenir des conglomérats industriels gigantesques et puissants dotés de branches intercontinentales.

Néanmoins, cet essor économique mondial pose plusieurs problèmes, notamment dans le domaine de l'environnement naturel. D'une part, l'augmentation conjointe du nombre d'habitants et de leur niveau de consommation exerce une pression croissante sur l'environnement naturel par le biais d'une exploitation accrue des ressources naturelles. Si l'extraction de matières premières pour les activités humaines était marginale et pouvaient être considérées comme inépuisables au début de l'ère industrielle (Say 1803), elle est devenue de plus en plus importante au point de remettre en question depuis une quarantaine d'années la viabilité du modèle économique dominant basé sur une croissance illimitée, malgré une quantité de ressources naturelles donnée une fois pour toute (Meadows 1972). D'autre part, les activités humaines exercent une pression croissante sur les écosystèmes par le biais de la déforestation, de l'urbanisation, de la pollution des zones aquatiques et des émissions de gaz à effet de serre dans l'atmosphère. Ces changements globaux interrogent sur les conséquences à long terme pour les écosystèmes et les sociétés humaines (Stocker, Dahe, et Plattner 2013).

D'un point de vue de l’économie classique, l'environnement naturel est dissocié du domaine économique : les coûts environnementaux sont traités comme des externalités et ne doivent pas interagir directement avec les entreprises dont la responsabilité consiste uniquement à accroître ses profits (Friedman, 1970). En tant que tels, les impacts environnementaux générés par les entreprises sont simplement appelés externalités et les coûts associés sont rarement supportés par ces entreprises. Malgré la quasi-absence de comptabilisation du coût des dégâts environnementaux générés par les entreprises, un nombre croissant d'institutions financières telles que la Banque Mondiale prennent au sérieux les conséquences économiques de la dégradation de l'environnement et du réchauffement planétaire (Stewart and Elliott, 2013). Jim Yong Kim, président de la Banque Mondiale jusqu’au 1er janvier 2019, a donné la priorité de son mandat à la lutte contre le changement climatique (Banque mondiale (2017). Les rapports institutionnels publiés au cours des dernières décennies ont sensibilisé non seulement les États et leurs acteurs politiques, mais également le secteur privé, les organisations non gouvernementales, la société civile et le public en général. Pour les acteurs économiques mondiaux tels que les sociétés multinationales, ces risques à court et à moyen terme ont un impact direct sur l'orientation et la stratégie environnementale de l'entreprise.

La définition du management environnemental des entreprises mérite d’être questionnée. Qu'est-ce qu'une performance environnementale et comment est-elle mesurée ? Les méthodologies utilisées pour mesurer les impacts environnementaux des entreprises sont complexes et parfois contradictoires (Smeets et al. 1999). Une première raison de cette complexité réside dans la grande diversité du secteur industriel et de ses ramifications dans la plupart des activités humaines. Où commence et se termine l'impact environnemental des entreprises ? Une deuxième raison est l'absence d'un dénominateur commun facile à interpréter pour mesurer efficacement les performances environnementales d'une entreprise (Gallopin 1996; Hammond 1995). Compte tenu de la complexité, il est important de comprendre les facteurs qui poussent l’entreprise à adopter un management environnemental. Sur quelle base les stratégies environnementales sont-elles développées ?

L’objectif de cette recherche est de mener une réflexion approfondie sur le management environnemental des entreprises et sur la perception qu'ont les managers de leurs propres pratiques. Cette recherche vise également à comparer les pratiques environnementales des entreprises exerçant dans les économies avancées et dans les économies émergentes et, le cas échéant, à en mesurer les écarts. Le développement important de plusieurs grands marchés émergents au cours des dernières décennies incite également les sociétés multinationales à investir largement ces nouveaux marchés. Sous certaines conditions, ces investissements contribuent directement au développement économique de ces zones émergentes (Banque mondiale 2011), mais ils posent de façon récurrente la question de l'impact environnemental et de la durabilité à long terme de telles activités (Stiglitz, 1974). Cette recherche utilise la théorie des parties prenantes et étend le concept de management environnemental d'entreprise pour mesurer les effets de médiation de la direction de l'entreprise sur les préoccupations du public, des forces de régulation, de l'avantage concurrentiel et des actionnaires, et déterminer dans quelle mesure ces variables sont modérées par les différents types de secteurs industriels et les différents types de marché.

Les questions à l'origine de cette recherche peuvent se résumer ainsi : Qu'est-ce qui motive les orientations et stratégies environnementales des multinationales ? Quels facteurs incitent les entreprises à adopter ces orientations et stratégies ? Quelles sont les différences entre les orientations et stratégies des entreprises dans les marchés émergents et dans les marchés avancés ? Quelles sont les différences entre les différents secteurs industriels ?

Afin de répondre à ces questions, cette recherche propose trois objectifs :

1/ Mettre en œuvre le concept d'orientation et de stratégie environnementales, ici nommé management environnemental d'entreprise, et le tester à travers un large éventail d'entreprises multinationales. Le concept de management environnemental d'entreprise se définit comme la reconnaissance de l'importance des problèmes environnementaux auxquels l'entreprise est confrontée et son intégration dans ses plans stratégiques (Banerjee, 2003). Ce concept n'est pas nouveau mais l'échelle de mesure du management environnemental des entreprises développée par Banerjee (2003) a été modifié pour cette recherche, qui se concentre sur les marchés émergents et avancés, impliquant des changements interculturels et une construction différente des antécédents environnementaux des entreprises.

2/ Comparer le management environnemental des sociétés multinationales dans les marchés avancés et émergents. L'évaluation des impacts environnementaux des sociétés multinationales est bien analysée depuis les années 1970 (Levy, 1995). Cependant, le développement massif des sociétés multinationales dans les marchés émergents et les attentes plus élevées des différentes parties prenantes - clients, communautés locales, groupes d'intérêts environnementaux - en termes de développement durable / responsabilité sociale (Dawkins et Lewis, 2003) confèrent une nouvelle pertinence au sujet et encouragent les entreprises à prendre en compte les incidences écologiques dans leurs décisions (Berry et Rondinelli, 1998; Buchholz. 1991; Lawrence, 1995). Cette recherche vise à comprendre ce qui motive le management environnemental dans les sociétés multinationales et à comparer les résultats entre les marchés avancés et les marchés émergents.

3/ Comparer l'orientation environnementale et la stratégie environnementale des sociétés multinationales dans des secteurs à impact environnemental élevé et à impact environnemental modéré. Ce point vise à évaluer si les antécédents qui régissent l'orientation environnementale et la stratégie environnementale des entreprises affectent tous les secteurs de la même manière. Dans le cas de cette recherche, les entreprises ont été classées en deux catégories : celles à faible risque environnemental et celles à risque environnemental élevé.

Le premier chapitre expose les définitions, définit les sociétés multinationales, ainsi que les forces internes et externes qui régissent leurs actions environnementales. Cette revue de littérature permet de mesurer l'évolution du concept de management environnemental des entreprises depuis sa création jusqu'à nos jours. Le second chapitre s'appuie sur deux analyses multi-groupes mesurant les effets modérateurs du type de marché et du type d'industrie. Ce chapitre permet de comparer les différences en matière de management environnemental des entreprises, selon les marchés émergents et les marchés avancés, et selon les entreprises classées à « haut risque environnemental » et les entreprises à « risque environnemental modéré ». Le troisième chapitre expose les différentes variables du modèle de recherche et les relie dans un modèle conceptuel conduisant au développement des hypothèses de recherche.

En seconde partie, les différents concepts, matérialisés par des échelles de mesure, permettent de dégager les relations de cause à effet. Une analyse exploratoire via des entretiens qualitatifs est réalisée. L'échelle de mesure du concept de management environnemental d'entreprise a été affinée. Une enquête auprès de 409 managers indiens et français a confirmé l'effet modérateur du type de marché sur la relation entre les cinq antécédents et l'orientation et la stratégie environnementales d'une entreprise. Les relations entre les différents concepts sont modélisées à l'aide du logiciel XLSTAT.

L'analyse de ces effets modérateurs et de médiation sur le management environnemental des entreprises multinationales, ainsi que le test des hypothèses de recherche ont permis d'identifier des implications théoriques et managériales. Cette recherche a tout d'abord démontré l'effet modérateur du type de marché. La société civile joue par exemple un rôle significatif sur l'orientation environnementale interne sur le marché français. Elle n'est en revanche pas significative sur le marché indien. Les forces de régulation ont également un effet marqué sur l'orientation environnementale externe des entreprises sur le marché français, mais elles ne produisent pas d'effet sur le marché indien. Les résultats de cette recherche montrent aussi que dans le marché français, l'effet de l'avantage concurrentiel sur l'orientation environnementale interne des entreprises est médié par le degré d'engagement de la direction d'entreprise. Cet effet médiateur est inexistant dans le marché indien. L'effet modérateur du type d'industrie révèle le rôle significatif de la société civile dans l'orientation environnementale des industries à impact environnemental modéré et élevé. Enfin, la relation entre la société civile et la stratégie environnementale de l'entreprise est médiée par l'orientation environnementale de l'entreprise.

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Appendix 1 - Mail Sent to Managers

My name is José MAILLET, I am a PhD student from AUDENCIA School of Management, in Nantes, France. My research topic is focused on corporate environmentalism. I am trying to understand what drives environmental attitudes and strategy in multinational corporations both in advanced markets and in emerging markets.

I would like to have your perspective on your firm's corporate environmentalism. I would be very grateful if you would complete this survey on this topic.
It will take about 10 minutes to complete.

All information collected will be treated in the strictest confidence. Responses will not be attributed to any individual or company. Results will be reported in the form of aggregated statistics only and will be used to give a better understanding of corporate environmentalism.

Thank you very much for your help!

José MAILLET
Research Assistant
+33 (2) 40 37 45 94
josemaillet@audencia.com
www.audencia.com

Appendix 2 - Survey

Welcome to the Corporate Environmentalism Survey!

My name is José MAILLET, I am a PhD student from AUDENCIA School of Management, in Nantes, France. My research topic is focused on corporate environmentalism. I am trying to understand what drives environmental attitudes and strategy in multinational corporations both in advanced markets and in emerging markets. I would like to have your perspective on your firm's corporate
environmentalism.
I would be very grateful if you would complete this survey on this topic.It will take about 10 minutes to complete. All information collected will be treated in the strictest confidence. Responses will not be attributed to any individual or company. Results will be reported in the form of aggregated statistics only and will be used to give a better understanding of corporate environmentalism. Thank you very much for your help!

* = *required question*

*1/10 TOP MANAGEMENT COMMITMENT

In this section, "Top Management" refers to the top management from your multinational corporation, called "MNC"

1. The top management team in our MNC is committed to environmental preservation
2. Our MNC's environmental efforts receive full support from our top management
3. Our MNC's environmental strategies are driven by the top management team

*2/10 SHAREHOLDERS

By “shareholder” or “stockholder”, I mean any person, company or other institution that owns stock in your company.

1. Our shareholders feel that environmental protection is a critically important issue facing the world today
2. Our shareholders are very concerned about the destruction of the environment
3. Our shareholders are more worried about the economy than about environmental protection
4. Our shareholders expect our firm to be environmentally friendly
5. Our shareholders are increasingly demanding environmental reports and actions

*3/10 REGULATORY FORCES

Next, I will ask you about the influence of government regulations on your company’s environmental strategy. When I use the word “subsidiary” I am referring to your local branch or office of the MNC, whether it is a joint-venture, a local office or a wholly-owned subsidiary.

1. Regulation by our country's government agencies has greatly influenced our subsidiary's environmental strategy
2. Environmental legislation can affect the continued growth of our subsidiary
3. Stricter environmental regulation in our country is a major reason why our subsidiary is concerned about its impact on the environment
4. Tougher environmental legislation is required so that only subsidiaries that are environmentally responsible will survive and grow
5. Our subsidiary's environmental efforts can help shape future environmental legislation in our industry
6. Our industry is faced with strict environmental regulation from our government

*4/10 COMPETITIVE ADVANTAGE

Below are a few questions about any competitive advantage you may gain from being environmentally conscious.

1. Being environmentally conscious can lead to substantial cost advantages for our subsidiary
2. Our subsidiary has realized significant cost savings by experimenting with ways to improve the environmental quality of our products and processes
3. By regularly investing in research and development on environmentally clean products and processes, our subsidiary can be a leader in the market
4. Our firm can enter lucrative new markets by adopting environmental strategies
5. Our subsidiary can increase market share by making our current products more environmentally friendly
6. Reducing the environmental impact of our subsidiary's activities will lead to a quality improvement in our products and processes

*5/10 PUBLIC CONCERN

Next, I will ask you some questions about public concern. The word “public” refers to people who are concerned about your activity whether they are your customers or not.

This public is divided into 4 categories:
A/ Local public
B/ International public
C/ Local customers (business customers or individuals)
D/ International customers (business customers or individuals)

*A/ LOCAL PUBLIC CONCERN

By LOCAL PUBLIC I mean the individuals, organizations, and press who are not necessarily your customers, but who live in the same country as YOUR subsidiary.

1. The local public feels that environmental protection is a critically important issue facing the world today

2. The local public is very concerned about environmental destruction
3. The local public is more worried about the economy than about environmental protection
4. The local public expects our firm to be environmentally friendly
5. The local public is increasingly demanding environmentally friendly products and services

*B/ INTERNATIONAL PUBLIC CONCERN

By INTERNATIONAL PUBLIC I mean the individuals, organizations and press who are not necessarily your customers, but who live everywhere EXCEPT in the country of your subsidiary.

1. The international public feels that environmental protection is a critically important issue facing the world today
2. The international Public is very concerned about environmental destruction
3. The international public is more worried about the economy than about environmental protection
4. The international public expects our firm to be environmentally friendly
5. The international public is increasingly demanding environmentally friendly products and services

*Do you have any LOCAL CUSTOMERS?

By LOCAL CUSTOMERS I mean your business or individual customers who live in the same country where you produce your goods and services

1. Yes, I have local customers
2. No, I do not have local customers

*C/ LOCAL CUSTOMERS CONCERN (business or individual customers)

1. Local customers feel that environmental protection is a critically important issue facing the world today
2. Local customers are more worried about the economy than about environmental protection
3. Local customers expect our firm to be environmentally friendly
4. Local customers are increasingly demanding environmentally friendly products and services

*Do you have any INTERNATIONAL CUSTOMERS?

By INTERNATIONAL CUSTOMERS I mean your business or individual customers who are based in a country different from your subsidiary.

1. Yes, I have international customers
2. No, I do not have international customers

Are your international customers primarily in advanced markets or in emerging and developing markets?

By advanced markets I mean the 36 economies with the largest GDP per capita: Luxembourg, Switzerland, Australia, Germany, Norway, United States, Belgium, Ireland, South-Korea, United-Kingdom, Iceland, Netherlands, Austria, Japan, Sweden, Denmark, France, New-Zealand, Canada, Finland, Spain, Italy, Greece, Israel, Slovenia, Portugal, Czech-Republic, Estonia, Hungary, Slovakia, Poland, Turkey, Chile, Mexico, Taïwan, Hong-Kong.

1. My company's international customers are primarily in advanced markets
2. My company's international customers are primarily in developing and/or emerging markets

*D/ INTERNATIONAL CUSTOMERS CONCERN (business or individuals)

In this part of the survey, when I ask about customers, please refer to the international customers you described in the preceding section (customers from advanced markets or from emerging markets)."

1. Our international customers feel that environmental protection is a critically important issue facing the world today
2. Our international customers are more worried about the economy than about environmental protection
3. Our international customers expect our firm to be environmentally friendly
4. Our international customers are increasingly demanding environmentally friendly products and services

*6/10 - INTERNAL ENVIRONMENTAL ORIENTATION

In this section, I would like to understand the environmental orientation of your company.

1. Environmental issues are not very relevant to the major function of our subsidiary
2. At our subsidiary, we make a concerted effort to make every employee understand the importance of environmental preservation
3. We try to promote environmental preservation as major goal across all departments within our subsidiary
4. Our subsidiary has a clear policy statement urging environmental awareness in every area of operations
5. Environmental preservation is high priority activity in our subsidiary
6. Preserving the environment is a central corporate value in our subsidiary

*7/10 - EXTERNAL ENVIRONMENTAL ORIENTATION

In this section, I would like to understand the external environmental orientation of your company

1. The environment does not currently affect our subsidiary's business activity
2. The financial well-being of our subsidiary does not depend on the state of the environment
3. In our subsidiary, environmental preservation is largely an issue of maintaining a good public image
4. Our subsidiary's responsibility to its customers, stockholders, and employees is more important than our responsibility toward environmental preservation
5. Environmental preservation is vital to our subsidiary's survival
6. Our subsidiary has a responsibility to preserve the environment
7. Our subsidiary strives for an image of environmental responsibility

*8/10 - ENVIRONMENTAL CORPORATE STRATEGY

1. Our subsidiary has integrated environmental issues into our strategic planning process
2. In our subsidiary, quality includes reducing the environmental impact of products and processes
3. At our subsidiary we make every effort to link environmental objectives with our other corporate goals
4. Our subsidiary is engaged in developing products and processes that minimize environmental Impact
5. Environmental protection is the driving force behind our subsidiary's strategies
6. Environmental issues are always considered when we develop new products
7. Our subsidiary develops products and processes that minimize environmental impact

*9/10 - ENVIRONMENTAL MARKETING STRATEGY

1. We emphasize the environmental aspects of our products and services in our subsidiary's ads
2. Our subsidiary's marketing strategies for our products and services have been considerably influenced by environmental concerns
3. In our subsidiary, product-market decisions are always influenced by environmental concerns
4. We highlight our commitment to environmental preservation in our subsidiary's ads

*10/10 - ABOUT YOU AND YOUR COMPANY

What is your business category?

1. Automotive
2. Business support & suppliers
3. Computers & electronics
4. Construction & contractors
5. Education
6. Food & dining
7. Health & medicine
8. Home & garden
9. Legal & financial
10. Manufacturing, wholesale, distribution
11. Merchants (retail)
12. Miscellaneous
13. Personal care & services
14. Real estate
15. Other (Please Specify)

***In what state and country is your subsidiary located?**

***What is your title within your company?**

Thank you very much for your time!

If you would like to receive a summary of the research when it is complete, please provide you email address in the box below

If you want to get more information about this survey, please contact me at the following email address: josemaillet@audencia.com.

If you have any comments, please feel free to address them into the following box:

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