

**EXECUTIVES ECOCENTRIC PERSPECTIVE
IN FRAMING CORPORATE ENVIRONMENTALISM**

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**DOCTOR OF PHILOSOPHY
UNIVERSITI UTARA MALAYSIA
September 2014**

**EXECUTIVES ECOCENTRIC PERSPECTIVE
IN FRAMING CORPORATE ENVIRONMENTALISM**

By

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**Thesis Submitted to
Othman Yeop Abdullah Graduate School of Business,
Universiti Utara Malaysia,
in Fulfillment of the Requirement for the Degree of Doctor of Philosophy**

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ABSTRACT

Natural hazards and the vulnerability of the affected people due to their outcomes, in Iran, have prompted the notion of corporate environmentalism. Debates on environmentalism had caused the reason for corporate environment responsiveness yet to be part of a core business strategy despite extensive awareness and societal and institutional isomorphism. Due to the exploratory nature of social epistemology, this research employed the qualitative approach and multiple case studies to explore the nature of the construction of corporate environmentalism. The voices of corporate executives offered a glimpse of their commitment and the factors they consciously considered as complying with corporate environmentalism. In this research, the triangulated data collection approach comprised of document analysis, observation and ten semi-structured interviews with managers and directors of three small and medium manufacturing companies, who had experienced corporate environmentalism associated with stone mining, food production, and automotive component manufacturing. Interview transcripts were synthesized with other qualitative sources of data highlighting experienced corporate environmentalism within the three macro- themes of inner belief and foundation, adaptive dialogue, and cultivating interaction. These three emerged macro- themes later were categorized into nine micro- themes, which offered valuable insight on the executives' description and their pattern of thinking and cognitive overhead manifested in the executive's "Neuro-ruling" concerning corporate environmentalism. The results of this study highlighted the gap between the executives' pattern of thinking in considering environmental sustainability within the confronted mimetic, coercive, and normative isomorphism. These corporate executives appeared to incorporate their perceptual reinforcement (morality, ethics and community) with societal and institutional constraints. Based on the findings, it was concluded that institutional enforcement did not translate into reinforcing the belief and value system, and for these reasons, corporate environmentalism or responsiveness behaviour was generally a fragmented activity and was cut off from the organizational strategic agenda.

Keywords: thematic analysis, environmental sustainability, corporate environmentalism, small and medium enterprise, executive pattern of thinking and cognitive

ABSTRAK

Bencana alam dan kelemahan dalam menangani kesannya ke atas penduduk yang terlibat di Iran khususnya, telah menyingkap akan kepentingan konsep persekitaran korporat. Perbincangan mengenai falsafah persekitaran telah menyebabkan responsif persekitaran korporat belum menjadi sebahagian daripada strategi perniagaan teras walaupun terdapat kesedaran yang meluas dan isomorfisma masyarakat dan institusi. Disebabkan oleh ciri penerokaan dalam epistemologi sosial, kajian ini menggunakan pendekatan kualitatif dan kajian kes pelbagai untuk meneroka ciri pembangunan konsep persekitaran korporat. Suara atau pandangan eksekutif korporat telah menawarkan gambaran tentang komitmen mereka dan faktor-faktor yang mereka sedari bagi pematuan persekitaran korporat. Dalam kajian ini, pendekatan pengumpulan data ditriangulasikan terdiri daripada analisis dokumen, pemerhatian dan sepuluh temu bual separa berstruktur digunakan di dalam kalangan pengurus dan pengarah tiga syarikat perkilangan bersaiz kecil dan sederhana yang mempunyai pengalaman persekitaran korporat seperti syarikat perlombongan batu, pengeluaran makanan dan pengeluaran komponen kereta. Transkrip temu bual telah disintesis dengan menggunakan sumber data kualitatif lain yang menonjolkan pengalaman persekitaran korporat dalam tiga tema makro iaitu asas dan kepercayaan dalaman, penyesuaian dialog dan pemupukan interaksi. Ketiga-tiga tema makro ini kemudiannya dikategorikan kepada sembilan tema mikro yang telah menawarkan pemahaman yang berharga tentang gambaran seseorang eksekutif dan corak pemikiran serta kognitifnya yang dimanifestasikan dalam 'peraturan neuro' eksekutif yang melibatkan persekitaran korporat. Dapatan kajian telah menjelaskan terdapat jurang di antara corak pemikiran eksekutif yang mempertimbangkan kelestarian persekitaran dalam isomorfisma meniru, bersifat memaksa dan normal. Eksekutif syarikat telah menggabungkan pengukuhan persepsi (moral, etika dan komuniti) dengan kekangan masyarakat dan institusi. Berdasarkan dapatan ini, dapat disimpulkan bahawa penguatkuasaan institusi tidak diterjemahkan kepada pengukuhan kepercayaan dan sistem nilai dan untuk alasan ini, persekitaran korporat atau tingkah laku responsif secara amnya adalah aktiviti serpihan dan dikeluarkan daripada agenda strategik organisasi.

Kata kunci: analisis tematik, kelestarian persekitaran, persekitaran korporat, syarikat kecil dan sederhana, corak pemikiran eksekutif dan kognitif

ACKNOWLEDGMENTS

I dreamt of reaching the moment of writing the acknowledgments, which is the best ending session of any theses. While for long this page left blank as words couldn't begin to express my 'heartfelt appreciate. I obviously cannot say enough thanks to all those helped me out in some tough times by their invaluable support, sacrifices, encouragement, and inspiration.

Since I owe them sincere and enormous thanks, hence, I wish to present my warmest gratitude first to my parent. Because they gave me the greatest gift, that anyone could receive, "*They believed in me*".

Dad, thank you for walking by my side, even when no one else left. Mom, thank you for keeping me in your heart as baby, no matter I have grown; and run to lift me when I fall and assuring me that I can fly again.

Next, I would like to thanks to my supervisor Associate Professor Dr. Siti Norezam Othman because the completion of this thesis would not have become a reality without her valuable guidance and support. I am deeply indebted, as her constructive criticism helped rigor inquiry and kept me constantly focused. I was very fortunate to be under her supervision, as she embraced every responsibility of a principal supervisor to guide my research.

I also acknowledge with gratitude the intellectual support of Dr. Zaleha Othman for developing my idea about the academic inquiry. She always had a lot of genuine interest, and understanding when I needed it for my work.

My sincere thanks also go to the Associate Professor Faridahwati Mohd Shamsudin who showed a great deal of interest in reading, discussing and giving feedback on all aspects of my thesis. I believe the text is much easier to read now because of her critical proofreading and significant mentorship.

I would like to gratefully thank Mohammad Nahich , Pranav Kumar and Irene Yang – my special friends – for their conscious companion and most importantly their friendship during this journey. They were encouraged me to not only grow as a research expert and degree holder but also as an instructor and an independent thinker.

Particular thanks also go to the research informants for their willingness to be part of this research. Who were very keen to provide me with any assistance I needed during the data collection, and data validation.

I also would like to acknowledge my VIVA committee (Associate Professor Dr. Norlena Bt Hasnan - Associate Professor Rusli bin Ahmad and Associate Professor Dr. Shahimi Mohtar) , for their critical feedback, ideas, support and suggestions during the thesis completion.

Finally, my great appreciation and enormous thanks are due to my caring fiancé for holding my hand all over this journey. In the most difficult moments, I tried to look at her eyes to see the light showing the way. Thank you for all late night laughs and the early morning kisses.

The best moments of my PhD journey have been shared with many people. I believe the kindness comes in many forms, but always from the heart. Hence, I hearty thank all you people again for being with me in this journey.

I devote this work to my family

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

Much concern has been raised on the impact of business on the ecosystem. Even though manufacturing industries are the engine of economic growth and social welfare in many countries, they have also been identified as the major factor in damaging the environment and health (Blanton, 2011; Henri & Journeault, 2008; Luo, 2011; Sarkis, 2001). There is no doubt that industrial developments and scientific and technological advancements have increased the level of quality of human lives, but there is also a crucial need to consider, climate change, material consumption and pollution in our environmental management strategies in light of these technological progress.

The need for environmental concern was evident from the latest round of meeting of international leaders at Rio+20 in 2012 where the UN secretary disclosed that rising carbon dioxide levels is about to choke human community. Intensive industrial development to meet the current consumption patterns has resulted in waste disposal and climate change. Similar concerns were amplified even more in the United Nations' environmental reports where Doha amendment was incorporated in the Kyoto Protocol in December 2012, which provides evidence of the adverse impact of industries on the environment and social life despite the legally binding agreement of the Kyoto Protocol signed and ratified by 191 states in December 1997 to reduce emissions of greenhouse gases¹.

¹ Reterived from United Nations Environment Program –UNEP (2013) Environment for development. <http://www.unep.org>.

Discussion on natural resources, environmental issues and inefficiency of our current environmental practices are frequently highlighted in both the scientific world and national meeting, which generally emphasize the need to seriously prohibit more destruction of natural resources that could further endanger the planet². Iran is no exception where the natural environment is currently experiencing irreversible damage intimately linked to human health. It is widely acknowledged that many, if not all, of the environmental problems rooted in industries are linked to organizational culture and human behavior (Ardakani, 2013; Bakhshi, 2010; Havaeji, 2011; IENA, 2013; Rahekargar, 2013; Saadatfar, 2010). With an increasing emphasis on the environment, there is no doubt that being ecologically conscious can no longer be ignored by corporate organizations. There is a broad consensus that degradation of health and deterioration of global ecosystems are pressing and urgent issues that must be addressed.

Extensive work on motivational factors influencing corporate environmental sustainability revealed that behavioral changes must be made at the individual levels (Avram & Kühne, 2008; Saur, 2008; Williamson, Lynch-Wood & Ramsay, 2006). However in 36th sessions of the UNESCO General Conference in 2011, corporate environmental sustainability was reported as “the biggest challenge of the 21st century” due to the complex nature of social system and economic situations³. For instance, in Iran, several unique challenges such as long term extensive sanctions and severe economic challenges have affected its economic activities. Scholars (e.g., Ardakani, 2013; Bakhshi, 2010; Havaeji, 2011; Saadatfar, 2010) acknowledged the role of

² United Nations Environment Program – UNEP (2012) Perspective on +RIO20. Retrieved from <http://www.unep.org>.

³ UNESCO General Conference (2011). 36th session. Retrieved: http://portal.unesco.org/en/ev.php-url_id=31281&url_do=do_topic&url_section=201.html

incentive policy and training in influencing social and environmental responsiveness in business organizations. Despite these measures, small and medium enterprises (SMEs) have yet to respond favorably to such issue (Mowla'ii, 2012). Collectively, as SMEs account for 85% of businesses existing within Iran, their business activities have the potential to affect the environment. Nevertheless, it remains unclear why firms under similar social/economic pressure differ in strategy in pursuing corporate responsibility. How can they be motivated to craft their business overall strategies toward implementing corporate environmentalism initiatives?

Research has explored regulatory compliance, economic obstacles, and integration of social and environmental standards into an organizational strategy in an attempt to understand corporate environmentalism (Avram & Kühne, 2008; Saur, 2008; Shang, Huang & Guo, 2010; Stimpert & Duhaime, 2008; Gray, 2009; Manral, 2011). Further, research on SMEs revealed that both the desire and the characteristics of business owners affect organizational strategies and illustrated that size heterogeneity, resource, and leadership style may drive failure to embark on environmentalism initiatives (Gray, 2009; Manral, 2011; Perrini, Russo, & Tencati, 2007; Shang, Huang & Guo, 2010; Tang & Hull, 2012; Worthington & Patton, 2005).

To provide clearer understanding of engagement in environmentally responsive behavior, this study is concerned with unraveling the complex meaning-making logic that drives corporate executive's decisions to implement environmentalism initiatives. To do so, a qualitative case study as the main scientific inquiry method was pursued.

1.2 Background of the Problem

As ecological hazard debate heats up, environmental sustainability has become a critical concern to policy makers, organizations and researchers alike. Countless studies and investigations followed by national awareness indicate such pressing concern. The 18th session of the United Nations Climate Change Conference in Doha 2012 concluded that it is no longer rational for society to behave like in the past and to put a blind eye on global warming such as the breaking of the ice masses in the South Pole. As a result, almost all nations in the meeting wrapped up the discussion by agreeing to cut greenhouse emissions.

A study of Azzellino (2011) indicated that in developing countries managers are under increasing pressure to get involved in corporate environmentalism or increase their accountability to the ecosystem and the community. While empirical studies revealed the result of corporate engagement in either formal or voluntary programs of environmental responsibility and social obligation, in developing countries is typically different. A recent study of 10 developing countries in Asia conducted by Cheung, Tan, Ahn, and Zhang (2010) highlighted that regardless of increasing awareness, corporate environmentalism commitment is still low in Asia.

In Iran, although environmental protection and corporate obligation is prevalent in business conversation, little evidence exists to support widespread environmentalism. However, a number of investigations on pollution and natural hazard have stirred debates on the necessity for corporations to be concerned with environmental sustainability. For instance, Davidson (2013) reported that thousands in Iran's capital face a dire health crisis because of environmental problems, pointing the blame on

environmentalism commitment behavior. In New York Times, Erdbrink (2013) reported that yellowish haze that engulfs Iran has reached dangerous levels. Based on the World Health Organization's report, Tehran is one of the 10 most polluted cities in the world. But these studies argued that sanctions and a struggling economy in Iran are responsible in the dwindling environmentalism in the country.

Since the revolution in 1979, reforms in the Iranian economy and manufacturing policy and numerous imposed sanctions have yielded both opportunities and challenges to organizations (Abbaszadeh, Maleki, Alipour & Maman, 2013). In order to meet the increasing local demand in the face of economic sanctions, organizations have harnessed modern knowledge and technology. Although economic sanctions restrain economic activities, massive consumption of natural resources and release of destructive waste have resulted in environmental degradation and health hazards (Abbaszadeh *et al.*, 2013), prompting the Iranian government to set broad objectives and regulate business practices to improve the environment. However, despite increasing awareness and institutional pressures to comply with environmentalism, researchers found business owners particularly those in small and medium manufacturing companies are yet to embrace the concept of corporate environmentalism (Abbaszadeh *et al.*, 2013; Bakhshi, 2010; Davidson, 2013 ; Javaherian, Maknoon, & Abbaspour, 2013; NCRI report, 2013; Ostad-Ahmad-Ghorabi, & Attari, 2012; Salehi & Moradi, 2012). While social, political, and institutional pressures influence corporate behavior and environmentalism practices, researchers found that businesses in Iran are more concerned with responding to economic forces in order to survive. As a result, environmentalism activities are yet to reach the expected level. Even though previous studies revealed added values and

competitive advantage as a result of investment in social and environmentally responsive initiatives, studies by Jamian, AbRahman, Deros, and Ismail (2012), and Ghanatabadi (2013) indicated that managers of smaller organizations do not comply with institutional and stakeholders pressure and government regulations have failed to encourage them to move toward environmentalism behavior. Scholars (e.g., Ghanatabadi, 2013; Javaherian, Maknoon, & Abbaspour, 2013; Jamian *et al.*, 2012) revealed a number of obstacles that hinder such commitment such as weak enforcement, insufficient financial support, rampant corruption, inadequate technology, and cultural and managerial issues.

While extensive work has been conducted to evaluate various kinds of interventions to enhance commitment to sustainability, there is still insufficient information on managers' behavior and their worldview on environmental sustainability initiatives. Gaps still remain on environmental responsibility and managerial commitment. Limited research is available to answer why corporate organizations behave environmentally and what their priorities and values are that make them behave in a pro-environmental manner, and how might environmentally responsive behaviors be promoted and supported within a corporation? Even though the literature shows that environmental sustainability is today's pressing and urgent issue, few studies describe how corporate environmentalism shapes corporate action. Thus, this study helps fill this gap by focusing on corporate executives' cognitive view specifically that is related to their engagement with corporate environmentalism in small and medium manufacturing companies.

This study builds upon the growing body of literature by focusing on pioneer executives (managers who have demonstrated commitment to corporate environmentalism in various domains in SMEs). By focusing on the construction meaning logic, the study aims at capturing corporate executives' behavioral commitment to environmentalism. This study is also built upon a number of recent studies that described corporate commitment and long-term engagement with environmental sustainability (e.g., Azzellino, 2011; Brown, 2012; Camacho, 2012; Jamian *et al.*, 2012; Javaherian *et al.*, 2013; Rahmanian, Koshkaki, Amiri & Pourmousavi, 2013). Furthermore, this research captured executives' real life experience and demonstrated how they engaged in environmental sustainability initiatives. In order to extend current understanding of the behavioral factors that might shape corporate environmentalism and commitment to environmental sustainability, the exploratory methodology of inquiry was found appropriate. The study applied a rigorous case to understand corporate commitment to environmentalism. It aimed at developing a framework, which is useful in guiding future research and existing SMEs to be more effective in the implementation of environmentalism initiatives.

1.3 Statement of the Problem

Since the industrial revolution the level of carbon dioxide has dramatically increased and has caused hazard to the well-being of this planet (Hoskins, 2013). Industries being the offender behind the pollution have been expected to take responsibility toward the environment. Abundant literatures in corporate environmentalism highlight a clear need to reinforce the importance of corporate environmental concern. While the issue related

to environmental sustainability can be traced back for several decades, the last session of the United Nations Climate Change Conference in Doha in 2012 revealed no real solution to this problem⁴. According to Camacho (2012) and Evans (2011) despite of general consensus about corporate responsiveness and extensive enforcement to implicate environmental programs, however, for many organizations the term environmentalism merely deteriorated by finite elements of market needs (i.e., standard certificates) and the fundamental concept and inclination toward environmental responsibility yet is a fuzzy issue. According to Zhang (2011) and McKinley (2009), even though many corporate organizations claimed achievement in environmentalism initiatives, they are not exactly what they are purported originally to be because many of these initiatives were implemented by organizations that have significantly contributed to environmental problems; hence, the claims are nothing more than just green washing. Florence, Henderson and D'Amato (2009) claimed that even though some firms impose self-regulation and comply with legal impositions, many more continue to violate regulations without any detections and subsequent forfeiture.

In the context of Iranian industries, environmental problems are exacerbated by international sanctions that have crippled the economy and negatively affected corporate behavior. The precipitous decline in the value of local currency and significant financial crisis have added on the complexity of business behavior (Amiri, & Pourmousavi, 2013; Havaeji, 2011; Javaherian *et al.*, 2013; Rahmanian *et al.*, 2013; Saadatfar, 2010).

Fisher (2014) Addressing today's pressing environmental challenges, it remains unclear why business leaders have not adopted the requisite competencies to confront

⁴ Linkages (2012). A Reporting Service for Environment and Development Negotiations. Summary of the Doha climate change conference. Retrieved from <http://www.iisd.ca/vol12/enb12567e.html>

the environmental challenges. The general pragmatic problem why business executives yet to respond favourably to environmental concern, despite increasing awareness and institutional pressures and general trend toward comply with environmentalism.

Considerable studies have been conducted to explain incentives and consequences/benefits of implementing environmentally responsive practices using various perspectives such management science that looks into standard requirement or metrics for efficiency measurements (Liang, 2010) or focuses on designing a model toward improving or implementing corporate commitment initiatives (Chan, 2009). Camacho (2012) stated that while growing global awareness of environmental deterioration and hazards has transformed ad hoc corporate responses to a more substantial response to environmentally sustainable initiatives, SMEs are still failing to make this transition to move toward sustainability. Massoud (2010) argued that the apparent dominance of large businesses in environmental preservation initiatives is due to their economic power. He further reasoned that despite being smaller in size and scopes, other industrial sectors can have substantially cumulative impact on social and environmental issues.

Studies have cited that SMEs often face a variety of barriers to implement environmentally responsible practices such as tight budget and lack of human resource and knowhow. Anoshe (2012) who is the CEO of SMEs and Industrial Park Development Institute of Iran, noted that small and medium manufacturing industries embody a vital dimension of the national economy as they contribute to 18 per cent of the country's GDP in which according to Ahmadi (2010) maintain 43 per cent of employment. However, according to Anoshe (2012) it is also estimated that these

organizations are blamed for contributing more than 40 per cent of CO₂ emissions and massive industrial pollution. Further, Aminzadeh (2010) noted that the imperativeness of pursuing profits as one of the reasons these companies do not make substantial investment in social/environmental initiatives. Other researchers highlighted other barriers such as moral maturity (Chaudhri, 2011), religion (Brown, 2011), emotional intelligence (Ugbaja, 2012), norms and culture (Ali, 2011; Chaudhri, 2011), ethics and beliefs (DeMasi, 2011), and employee commitment (Luo, 2011).

It is widely acknowledged that for companies to engage in behavioral change and be responsive, their cognitive perspective must be taken into account (Chan, 2009; Jamian *et al.*, 2012). Nevertheless, previous research works have mostly neglected this issue and have not captured the transformative dimensions of decision in regard to environmental sustainability (Chan, 2009; Jeffrey, 2012). Despite the need for SMEs to be socially/environmentally responsible, little attention has been directed towards them and the factors that facilitate their moving toward environmental sustainability. Furthermore, though environmentalism is a buzzword, what is missing in the literature is the determination of why corporations pursue and invest in environmental sustainability initiatives. Why despite institutional pressure and general trend toward greater environmental and social responsibility, there are still extensive discrepancies among SMEs? The crux of the problem rests on the expected corporate behavior and the key variables that influence and shape corporate intended behavior.

While much has been written about how to best define sustainability, the sustainability strategies deployed by businesses, and the different ways in which sustainability is incorporated into management agendas, comparatively little inquiry has

been conducted into how individual businesspersons come to make decisions and take actions that seek to enact sustainability into their organizations. This research is an inquiry into how sustainability is viewed and driven by individual businesspersons.

A broad range of organizational decision theories has been developed to prescribe the best decision, while the choice is made from a finite set of possible alternatives derived by normative or descriptive discipline (Poonia, 2010). However in reality there are situations in which the best decision is not typically the optimal one and other values might be of concern as well. According to Poonia (2010), studies attempted to describe how actually people make decision typically perceive decision-making procedures as a “sophisticated perspective”. Mostly, the concept moving toward decision behavior investigated in finite variables of “what-if” indicators while, there is a certain lack of complete description about cognitive perspective on values , pattern of thinking and priorities that shapes the nature of this commitment.

Scholars suggested a rigor exploration that shifts from pure debates on the consequences or benefits and ‘whether’ or ‘if’ factors to the precise understanding of the ‘why’ or ‘how’ to conduct responsive practices (Sekajipo, 2010). To discover the logic behind a decision, which is later manifested in an actual behavior, this research offers an exploratory model of a pattern of thinking derived from real life circumstances. The environmental issue requires further investigation to help us understand how SMEs make decision to respond to environmental concerns (Ghazinoory & Huisinigh, 2006; Ghazinoory, 2005; Mostafaeipour & Mostafaeipour, 2009; Mohammadnejad, Ghazvini, Mahlia & Andriyana, 2011). Since many researchers emphasize that decision makers do

not often assign the axiomatic rules (Poonia, 2010), therefore, it is assumed that an individual's cognitive domain represents the base core for corporate environmentalism.

1.4 Articulation of the Problem

More than 90% of the raw materials drawn from the earth return to the environment in the form of waste and pollution (Jermier 2013; Phillips, 2014; Shah & Rivera, 2013). As a result of the ecological damage caused by production processes, has led to a resurgence of interest of entire type of stockholders particularly with regards to sustainability and environment (Kudlak, 2014; Phillips, 2014; Welford, 2013). Though the causes of social and environmental challenges as noted in the preceding discussion extend the mandate of many business organizations (Hart, 1997), the severity of these challenges demonstrate that the dominant existing institutions in society are not taking adequate responsibility to have tolerable impact and call essential for the business organizations to extend their effort and take up the responsibilities more in commensurate with the effect their activity has on environment and the society at the end (Pezzey & Burke, 2014; Philippe & Bansal, 2013 ; Sugita & Takahashi, 2013). In this claim, many organizations addressing these challenges and the need of simultaneous concerns of both economic values for organization as well as expected value for society, have begun to extend their organizational responsibilities beyond economic concerns and embrace people and environmental concerns into their strategies development (Papagiannakis, Voudouris & Lioukas, 2014; Pezzey & Burke, 2014; Philippe & Bansal, 2013). However, many study has revealed the existing implementation gap between strategy that business leaders developed for sustainability and the expected effort that

society has from organization (Dornfeld *et al.*, 2013; Kudlak, 2014; Sugita & Takahashi, 2013). Some studies equally asserts that proactive measure must be taken towards sustainability as the risk of inaction is not an option (Ervin, et.all 2013; Papagiannakis, Voudouris & Lioukas, 2014; Philippe & Bansal, 2013).

Basically, many organizations are committed to issues of sustainability based on the nature of their products and areas of interest. Importantly, the executive of these businesses have taken sustainability practices into consideration and have embedded it into all aspects of their business including products and services, process of manufacturing, energy conservation and in-house recycling (Papagiannakis, Voudouris & Lioukas, 2014 ; Pezzey & Burke, 2014 ; Philippe & Bansal, 2013). Nevertheless, there are some organizations that do not naturally fit into the practices of environmental sustainability because their production processes and nature of their product are not friendly to the environment such as vehicle manufacturing and stone mining (Jermier, 2013). Recently, however almost all the business leaders are seriously concerned with how to institutionalize sustainability into their practices (Ervin, et.all 2013; Papagiannakis, Voudouris & Lioukas, 2014; Philippe & Bansal, 2013), this is particularly important as environmental sustainability has received little attention in terms of how this focus can actually be achieved (Dornfeld, *et al.*, 2013; Jermier, 2013; Kudlak, 2014; Welford, 2013). What are those main factors that affect organization to change their practice to environmental sustainability, while other organizations are still stuck in the industrial age of toxin-laden procedures? This important challenge according to Welford (2013) in his report related to corporate responses to sustainable development occurs because many business executives are often viewed the

organization life cycle from the late industrial age perspective. Welford (2013) pointed out, that many of these business leaders have endured with what has worked out in the past in respect with profit making as primary aim, while people and planet are considered as secondary matter to be pursued within their long-term organizational strategies (Welford (2013)).

In this time, a critical review of extant studies on sustainability has raised some inquisition as to why environmental sustainability is a subject of concern for some business leaders while many others seem to have jettisoned it. Part of this problem may lay on lack of research involving sustainability to the specific corporate executive pattern of thinking that shape their concern and behaviour.

Ideally, rigor research in seeking the solution and explore the reasons of success of some business leaders in term of organizational environmentalism and sustainability, will bring large benefit to the entire population through incorporation of different practices into their planning processes.

1.5 Research Questions

Despite the consensus on the importance of environmental preservation, some firms are more proactive than others in the adoption of environmental sustainability initiatives. Why is this so? What are the catalysts that facilitate organizations to be engaged in implementing environmentally responsive practices? In order to understand the logic of such behavior of Iranian small and medium manufacturing companies, this study was conducted to answer the main research question of why corporations comply with environmentalism. Toward this purpose, the following sub-questions guided the study:

- 1: How is corporate environmentalism developed and embedded into an executive's pattern of thinking?
- 2: How do SME's executives conceptualize and engage in corporate environmentalism?
- 3: How do SME's executives affiliate with similar organizations and governing agencies in corporate environmentalism?

As mentioned earlier, gaps remain in regard to the nature of commitment to corporate environmentalism. To address this issue, it is assumed that a firm's executives consider some specific factors in engaging in environmentalism initiatives. Therefore, the first sub-question aims to provide insight into the prevalent concern of environmentalism initiatives. The second sub-question aims to address the cognitive nature of the decision, which corresponds to the strategy of the organization. Since an organization is a mini complex society, with different stakeholders and expectations, the third sub-question aims to address the value system and how it connects a corporation with its stakeholders.

1.6 Research Objectives

The main objective of this study is to explain the process of change in corporate behavior in the context of corporate environmentalism. The crux of the problem is elucidating why despite institutional pressure and general trend toward greater environmental and social responsibility, there are still extensive discrepancies among SMEs. In an attempt to address such inconsistency, this study focused on the mechanics and pattern of thinking of corporate executives of corporate commitment to

environmental preservation behavior. Consistent with this line of thought, this research was guided by the following research objectives:

- 1: To explore the drivers of environmentalism behavior embedded in an executive's pattern of thinking.
- 2: To investigate the way executives conceptualize and engage in environmentalism behavior.
- 3: To investigate the affiliation of institutional isomorphism embedded in corporate environmentalism.

1.7 Research Significance

As mentioned earlier, there are extensive discrepancies among SMEs in complying with environmentalism and their related responsive practices (Desha, Hargroves, & Smith, 2012). Desha *et al.* (2012) highlighted significant obstacles that hinder corporate behavior toward expected responsiveness and concluded that lack of sufficient information and the nature of belief and values system regarding environmentalism responsiveness were some of the main hindrances. In an attempt to provide a rigorous answer to the nature of compliance with corporation environmentalism, a qualitative study was carried out. An inductive inquiry was chosen to describe corporate environmentalism of SMEs. This research was conducted in small and medium manufacturing companies in Iran because SMEs in general are a major driver of the country's GDP and are currently being blamed for environmental destruction such as air or land pollution.

The present research is expected to have theoretical, practical as well as methodological contribution regarding corporate environmentalism, as explained in the following.

1.7.1 Theoretical Contributions

This research offers an insight into the role of managerial cognition-behavior as a driver of responsive initiatives of small and medium manufacturing companies in Iran. In his study, Sekajipo (2011) focused on corporate governance mechanism and argued that societal expectation and the changing needs of environmental preservation can no longer be ignored by corporate organizations. This study reasoned that a manager's cognitive thinking moderates environmentalism initiatives in organizations.

This inquiry may provide opportunity to modify academic theories of scientific management by emphasizing the nature of behavior from a cognitive perspective and prioritize scheme of cultural and values relationship, institutional and regulators stewardship regarding to corporate environmentalism.

On the other hand, environmental sustainability derived from western strategic management theories formulated based on environmental characteristics in their origin-developed countries. These theories through globalization influenced business practices in developing non-western countries as well. Therefore, many researches also contribute the same meaning of contents and implication, while according to Yu (2010) evidently due to diverse cross-cultural situation, a deep rigor study based on culture, values, prospects and working environment is required.

Most previous research implicitly considers institutional isomorphism and focused on corporate governance mechanism and stakeholder pressure as drivers of firm activism. Most of the organizational theories like an institutional theory or stakeholder theory exclude the inner mechanism of decision making and focus on external pressure like customer persuasion or regulatory pressure to develop corporate strategies (Azzellino, 2012; Massoud, 2010) . The result obtained of using these theories is difficult to contribute on strategic agility in complying with corporate environmentalism initiatives (Dabas, 2011; Epstein, 2011; Morris, 2012). Such conceptualization of corporate strategies is criticized as being ambiguous and ambivalent (Dabas, 2011; Epstein, 2011; Morris, 2012). Proposed framework in this research is extended the notion of institutionalism and recognition of inner logic drivers or cognitive thinking aims promoting the efforts in corporate sustainability initiatives. Particularly, cognitive thinking within Iranian business context, which extremely stewards by historical beliefs, family and religion, institutional isomorphism inclined toward moral dilemmas, and acting responsibly due to the value of esteem achievement.

This study argues that fragmented academic investigations are grounded on western philosophy and managerial policy that have poor applicability within Iranian corporate environmentalism. This study contributes to the literature by exploring meaning construction of Iranian corporation environmentalism that complies with international standards and regulation, and national values and political parameters.

1.7.2 Practical Contributions

This study has practical significance to small and medium manufacturing companies, and to national regulators and policy makers.

Due to increasing awareness among business leaders on environmental deterioration, organizations are responding to such issue. There is much debate about the societal role and environmental responsibilities of corporations. This research seeks to illuminate different approaches toward the debate. The meaning-making logic in the managerial decision-making process revealed by this research may help managers of small and medium firms to acquire to participate in environmental sustainability initiatives. The present study is expected to show not only the role of managers in adopting or devising environmentally responsive strategies but also in the formation of institutional governance mechanism. In other words, the present study aims to identify a set of factors, priorities, values and cognitive thinking that shape corporate commitment toward environmentalism initiatives. This study differs from past studies by considering small and medium manufacturing enterprises in Iran.

Contaminated soil, poor water quality and increased susceptibility to air pollution are the critical challenges the Iranian government is currently facing. Poor air quality, for instance, has many times forced the government to declare public holiday, and with each public holiday the government has to incur a loss of USD130 million⁵. The most common response by the government to environmental erosion is the imposition of regulation that aims to control pollution. For instance, the regulation sets the limit to hazardous emission. However, despite the legal impositions, the government

⁵ HPMG news (October 20, 2012). Retrieved from: http://www.huffingtonpost.com/2010/12/01/iran-air-pollution-causes_n_790306.html.

is still facing an ecological challenge, which remains one of the top government's agenda.

In addition to legal requirements, incentives are given to industries to implement environmental policy (e.g. using voluntary environmental programs like ISO 14000, OHSAS, EMAS, etc.). The purposes of the governmental policy on environmental impact are twofold: to enhance public and market driven regarding to environmental auditing and standardization, and to provide incentives for implementing voluntary environmental programs (in the form of reduced tax, tradable or market based permits etc.).

Many manufactures facilitate operation with environmental management systems and dominant form of ISO 14001, which impact in their business decision in line with environmental policy, while the statistic of the international aspect of the number of certifications shows low rank of adoption in Iranian industry. Lai (2010) and Luo (2011) assumed that since every country has a different regulatory method, therefore, variables are numerous and difficult to compress.

Considering all these motives and enforcement environment, the question is still unfolded in term of why there is a wide gap in organizational complying with environmentalism. This study aimed to explore institutional enforcement mechanism and top executives' inner driver and cognitive thinking regarding implement environmental sustainability. Explored concept may shed light in formulation of appropriate regulations to preserve the environment along with sustainable development.

1.7.3 Methodological Contributions

The contribution of this research also can be considered with regard to the proposed methodology and data collection strategies. Numerous studies considered change mechanism in corporation behavior using the narrow focus of quantitative method (Azzellino, 2012; Luo, 2011; Park & Ahn, 2011; Park, 2010; Massoud, 2010; Morris, 2012) by considering a single variable in predicting corporate responsiveness such as profitability (Park & Ahn, 2011), employee productivity (Azzellino, 2012; Massoud, 2010; Luo, 2011), and market value (Park, 2010; Morris, 2012), to name a few. While quantitative methods place greater reliance on numerical inquiry and statistical analysis, many important social factors or political variables cannot be fully represented in numeric structure (Given, 2008). In order to tackle this deficiency, subjective method is needed. Multiple cases utilized in this research provide multiple sources of investigation, which might be reasonably referred to as triangulating methodology, to strengthen the findings of the research (Yin, 2003). Hence, the qualitative case research design is appropriate as it enhances the quality of the inquiry by gaining greater understanding of the phenomenon. Methodological approach of this inquiry allows for a deeper level of analyses of the real life experiences. In the context of the present study, such methodological inquiry enhances our understanding of corporate environmentalism and describes the driver mechanisms that affect the nature of commitment of SMEs manufactures. Insight into corporate environmentalism behavior and the key variables that influence and shape it enables us to recommend relevant strategies to tackle corporate environmental degradation.

1.8 Scope of the Study

The reason for considering Iranian industries in the present study is because of limited knowledge on corporate environmentalism particularly in developing countries such as Iran. Furthermore, the diverse institutional standards and value systems in the developing countries such as Iran need to be taken into account when examining complex issues as corporate environmentalism (Aminzadeh, 2010). As SMEs play a critical role in the country's economic growth where they constitute at least 93% of the total industry sector of the country which accounts for more than 63 % of industrial employment, it is apt that their corporate environmentalism values, beliefs and commitment are investigated (Aminzadeh, 2010; Amanyraoufpoor, 2012).

Exploring organizations' constructions of environmental sustainability in institutional context of Iranian manufacturing SMEs using qualitative methodology advances understanding of the environmental hazard and corporate commitment to environmental sustainability. Although studies in Iranian industries are not rare, few are conducted in qualitative inquiry. Since environmental pollution has become an aggravating challenge and is causing approximately 80 thousand annual deaths (Naddafi, 2013), this study hopes to comprehensively map the corporate responsive practices.

1.9 Definition of Key Terms

Creswell (2007) and Neuman (2003) concurred with defining the important terms to allow studies to begin on an equivalent foundation. Hence, this section attempts to

provide an initial definition and share understanding of the terms and jargons situated in the present research context.

Qualitative Research:

An inquiry method used to investigate problems that require an exploration procedure, where little knowledge is available. Research is seeking a detailed understanding of a central phenomenon (Creswell, 2012).

Exploratory study:

Exploration is the process of research enquiry where the researcher provides a framework for the discussion but participants cultivate the concept in their own word and develops the outcome (Silverman, 2009).

Small and medium-sized enterprise (SME):

As defined in European Union (2003), factors determining SMEs are the number of employees, turnover or total balance sheet. However different countries define SMEs differently. In Iran, for example, the Ministry of Industry, Mine and Trade considers SMEs as an enterprise with a number of full time employee less than 50 people⁶. For the purpose of this research, small and medium business will be defined as a business with at least 50 employees.

⁶ Ministry of Industry, Mine and Trade. Retrieved from: <http://mimt.gov.ir/>

Environmental sustainability:

According to the Brundtland report of the World Commission on Environment And Development, environmental sustainability is defined as considering the needs of the people without compromising the environment and the ability of future generation to meet their own needs.

Environmentalism:

Environmentalism is an ideology pertaining to environmental sustainability. Therefore, these two terms in this research are used interchangeably.

Corporate environmentalism: The degree of responsibility manifested in business strategies and operational practices that consider the effects on the organization, stakeholders as well as on the environment.

Corporate executive:

A person within an organization who possesses full authority to make the final decision of business policies. Corporate executive is a person who is saddled with the responsibilities of supervising, directing and or administering duties.

In this study, top-level managers (CEO), operation managers, QC managers, and internal auditors are considered as corporate executives.

Eco-centric executive:

Eco-centric executive involves the process of building a collective capacity which helps to facilitate act of learning, proffer innovative solutions and to allocate and use resource in environmental responsible manner that shape the future direction of organization

while met the current need without compromising the health of ecosystems for the need of future generation (United Nations, 1987).

Stakeholder:

Stakeholders are any internal or external individual(s) or organization(s) that either affect or are affected by the organization. For the purpose of this research stakeholders of SME manufacturers are community, government, employees and customers.

1.10 Organization of the Thesis

This study consists of five chapters: Chapter one lays the foundation of the present research in that it introduces the topic of interest, statement of the problem, research questions and scope of the study grounded by prominent theories. This chapter also offers definition of the important terms used in this study.

Chapter two (Literature Review) provides a general review of the literature relevant to the study. This chapter offers a structured approach to understanding the cognitive processes of SMEs strategists in designing and implementing environment sustainability initiatives. The review discusses the challenge of sustaining prosperity and corresponding corporate environmentalism, which serves as a foundation for environmental management and corporate responsibility. From these pillars, the research problem was refined and the existing considerable gap in literature was determined.

Chapter three (Research Methodology) outlines the utilized methodology of the research. The chapter identifies the appropriate method of inquiry, method of inquiry

and procedures that were used in conducting the qualitative research. The chapter begins by substantiating the appropriateness of the research design used to explore lived experiences of three purposefully selected cases. A section is also included to describe the participants and the sampling procedure used to collect the relevant data. This is then followed by a discussion on the instrument and its validity.

Chapter four (Research Analysis) presents the evaluation of how the themes and patterns emerged in the data analysis through analysis interview and textual data extracted from corporate documents and field visits. The results are presented in two subsections of (1) core findings and themes related to the research questions, and (2) key findings on precursors of actual behavior.

Chapter five (Finding and Conclusion) presents the conclusion and contributions of the study. Specifically, a detailed discussion on the themes that emerged from the data collected is offered. Implications for practice and future research and conclusions of the study are drawn based on the discussed findings.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The debates ensued the reason of why corporate environment responsiveness is yet to part of a core business strategy despite the extensive awareness and societal and institutional isomorphism. This study attempts to privilege the voices of organizational participants offered a glimpse of their commitment and factors they consciously considered regarding to complying with corporate environmentalism. Therefore, the role of this chapter is to review the literature on corporate environmentalism and necessity of complying considering SMEs top executive pattern of thinking. This chapter comprises three main sections.

The first section illustrate the research mainstream, reviews the literature on the origins of corporate environmentalism by taking an evolutionary perspective from confronting challenges and the impact of corporate on ecological hazard. Then by assessing, the corresponded efforts and existing enforcement highlight the need to understand corporate Executive's bounded rationality and component of consciousness, which contribute to business environmentalism development.

The second section outlines and discusses the literature on SME's in Iran and challenges of corporate environmentalism. Later by assessing, the literature related to National Responses for Environmentalism development discusses the need of understanding the epistemology of SMEs top executives in complying with expected environmentalism evolves over time.

The third section contains the literature on theoretical support of conducting this research. This part attempts to distil the concepts and supporting role of academic groundwork theories and the need of modification, which in this thesis will then address.

The review of literature were focuses on environmentalism and commitments in context of SMEs manufacturer in developing country, bounded by the keyword inquiry in doctoral dissertation and peer-reviewed journals and articles from variety of electronic databases and search engine included ProQuest, Ebsco, Emerald, Science direct, JSTOR, Oxford journals, Sage Journals Online, Harvard business school, integrated with use of many documented sources involved several scholarly books, corporate documents, online news and government reports. The search for relevant literature encompassed scholarly information over the past 5 years, while numerous older references refer to an extensive, exhaustive of pertinent literature.

2.2 Corporate Environmentalism

This section aims to explain the notion of environmentalism and related issues such as the environmental challenges, its impact, institutional pressure, managerial decision etc clarifying the need of conducting this research.

2.2.1 Environmentalism, Meeting the Challenges

In many countries, social and environmental development tends to be neglected in the pursuit of economic and industrial development. As a result, mass destruction of ecosystems due to the depletion of natural resources such as fuel, timber, and water, land degradation, air and water pollution, ozone depletion and global warming, begin to

make headline news. According to the UN report, environmental degradation is the most severe environmental challenge to date as a result of industrial development and growth. The report further indicates that despite rounds of international discussion on ecosystem preservation, consensus tends to be unsuccessful and environmental degradation continues unabated. Unless something substantial is done, the planet will be warmer by 5 degrees, which would have devastating consequences, instead of the official target of less than 2 degrees as announced in a conference Doha 2012. Fortunately, there is rising consciousness of environmental issues in the society especially within a business community, which is concerned with finding ways to mitigate the negative impacts (Camacho, 2012; Chan, 2009). In fact, there is a strong social movement that calls for the need to control pollution, protect the environment and improve environmental health (Banerjee, 2001; Shepherd & Patzelt, 2011).

Environmentalism is concerned with balancing humanity's impact on the environment, including developing practical pollution prevention policy, providing information and promoting the sustainably production, encouraging public about pollution prevention and usage of their purchasing power as controlling system (Banerjee, 2002; Lai, 2010). Due to the importance of restoring and preserving the environmental health, scholarly works on this issue have been on the rise. One of the works pertains to ineffective environmentalism and sustainability strategies for preserving the environment especially in the presence of poor prevention legislation. Most researchers concur that voluntary systems may be effective in encouraging the society to be environmentally compliant (Chan, 2009; Shahand Rivera, 2013). In addition, scholarly works are also available on organizational commitment toward

corporate environmentalism though they are mainly preliminary in nature (Banerjee, Iyer, & Kashyap, 2003; Chen, 2011; Nadkarni & Barr, 2008).

Environmentalism is a widespread subject, while to fit in to the scope of this study, therefore in next section the notion of environmentalism in the context of corporation and necessity of complying due to negative impact of organization on environment will be discussed.

2.2.2 Environmentalism, Corporate and Environmental Impact

To cope and meet the demands of ever-increasing population requires increasing the production and delivery system. In the manufacturing process, raw materials are converted into products. Consumption of huge amounts of raw materials, water, and energy in this process results in the destruction of the infinite natural resource as well as emission of gas, heat, radiation and considerable amounts of environmental wastes. In other words, the growing needs and consumption rates have resulted in acceleration of manufacturing and converting the natural resources that serve as the raw materials into industrial productions. The decline in natural resource and the increase in the amount of waste that pollutes water, soil and air eventually affect adversely the life of every single living thing including human on this planet. In 2010, manufacturing accounted for 280 million tons of waste and pollutants in which 3.7% was classified as hazardous waste (Dornfeld, 2013; Jafartayari & Rahmandoust, 2011; Vom Brocke & Seidel, 2012). Waterborne diseases as a result of environmental waste and exposure to toxic chemicals as a result of industrial activities threaten the well-being of the society.

2.2.2.1 Toxic Chemical Release

Manufacturers release toxic substances through their production and operational procedures. Scientists are gravely concerned about the impact of these toxics on the public health and the environment (UNEP, 2011). Different types of chemicals are applied in different stages of manufacturing process, which eventually will be converted into massive amounts of wastes and pollutants. Toxic chemicals can be released in water, underground, air emissions, and land. A report indicates that toxic waste was released to an alarming 39 million tons in 2011 although it also cautions that this figure did not include the toxic waste released by many smaller manufacturing organizations as they are not obliged to disclose the amount of toxic chemicals they release (UNEP, 2011).

2.2.2.2 Waste Generation

According to waste statistics, industrial activities generate a vast amount of garbage and wastes, categorized as mineral or soil. In 2010, the EU-27 generated 2,570 million tons of waste from manufacturing activities. Much of these wastes pose risk to human health and the environment. Controlling the potential threats of hazardous waste on public health has prompted the UN to propose different methods of waste management such as the encouragement and promotion of advanced recycling systems and safe disposal procedures.

2.2.2.3 Energy Consumption

Manufacturers consume a large amount of energy to operate, which is mainly provided by fossil fuel. The manufacturing activities then release ash particles and pollute the environment. According to the United Nations Development Programme (UNDP), the fossil fuel consists of many polluting components such as nitrogen, carbon, and sulphur dioxide. Burning such fuel to generate electricity emits considerable amount of environmental pollutants such as nitrogen dioxide, carbon dioxide and sulphur dioxide, which irreparably harms the environment. These environmental pollutants together trap the sun's heat, which increases the Earth's atmosphere. This phenomenon is called the greenhouse effect. In short, energy consumption of manufacturer creates pollutants that are the sources of various environmental issues such as smog, acidification, and global warming. Thus, one way to decrease the negative effects of energy consumption due to manufacturing activities is to replace fossil fuel with clean sources of energy including fuel cells, wind, and solar, which are less harmful (Dornfeld, 2013; Jafartayari & Rahmandoust, 2011; Vom Brocke & Seidel, 2012).

2.2.2.4 Carbon Emissions

Carbon dioxide (CO₂) is the primary polluting source and greenhouse effect emitted through industrial activities. According to waste statistic in 2012, CO₂ emissions grew by 2.6% accounted for about 35.6 billion tonnes (Zaehle , 2012). Manufacturing process demands a huge amount of energy, which is provided by fossil fuel that poses a serious global environmental threat. As a result of the burning fossil fuel, a range of greenhouse gases is released into the Earth's atmosphere, resulting in the increase in temperature and

causing climate change. According to WMO (2013), carbon emissions increase the greenhouse effect, which increases global temperature and poses hazardous effect on individuals' health. According to United States Environmental Protection Agency (EPA) (2011), it is estimated that global temperature increased from 1.4°C in 1990 to 5.8°C in 2100. The EPA (2011) notes that while some industrial processes directly emit carbon dioxide through fossil fuel combustion, several production processes that do not involve combustion also indirectly cause the emissions. For example, chemical reactions through industrial processes of mineral material like cement production, metals (iron and steel) production or chemicals production indirectly significantly emit greenhouse gases.

In an attempt to reduce carbon dioxide emissions into the atmosphere and stabilize the effects of greenhouse gases, an international agreement called Kyoto Protocol was signed in 1997 where 37 industrialized countries were committed to reduce greenhouse gas emissions such as methane, carbon dioxide, sulphur hexafluoride, nitrous oxide, which pose the most threat to the environment, along with other types of greenhouse gases such as per fluorocarbons and fluorocarbons.

The negative impact of corporation and necessity of complying with environmentalism was discussed, in next section the history of developing and current stage of environmentalism will be presented.

2.2.3 Environmentalism, Sustainability and Industry Drivers

The origin concept of sustainability can be traced back to early 1970s and 1980s through sequential conferences and proposed reports, which was essentially brought about by

environmental disasters, particularly fears about effect of released chemical contamination and resource depletion. As clearly stated in the Brundtland Report (1987):

“Major, unintended changes are occurring in the atmosphere, in soils, in waters, amount plants and animals. Nature is bountiful but it is also fragile and finely balanced. There are thresholds that cannot be crossed without endangering the basic integrity of the system. Today we are close to many of those thresholds.”

This report by highlighting the drastic facts and analysed figures, has brought about certain level of sustainability responsiveness and performance which necessitates to the humanity and continuous grow and development. This concept has been addressed by Brundtland Report when it defined “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (World Commission on Environment and Development, 1987).

Furthermore, Doug Jones, National President of Engineers Australia (Engineers Australia, 2013) was also pointed that:

“It is up to corporate executives to consider sustainability in every project they design and construct and every product that is made. Sustainability is now a fundamental responsibility that all corporate executives must carry every day”.

Although widely accepted, the definition of sustainable development given by Brundtland Commission as presented above is not operational for corporate and business decision makers. In this perspective, Mihelcic *et al.* (2003), proposed the following definition that can be adopted for the purpose of corporate executives:

“Design of human and industrial systems to ensure that humankind’s use of natural resources and cycles do not lead to diminished quality of life due either to losses in future economic opportunities or to adverse impacts on social conditions, human health, and the environment” (Mihelcic et al., 2003).

Within industry there are several motivators or pressures come to the forefront in a number of ways, accommodate building a more sustainable business practice. These concerns in no particular order include:

Pressure from Government: The pressure emanates from governments at the national, state or regional level. This pressure may be in form of:

- Policies guiding composition of material, performance of product, usage of energy and so on.
- Punishment for not complying with the regulation and which often add to the cost of operations;
- Certain incentives which include tax benefits for compliance for their taking action

Pressure from Society / Consumers / Customers: today consumers are increasingly concern about the effect of production and manufacturing and the need of minimizing the negative effect of the received service on environment. Customers are not bounded to end users, for example within manufacturing industries, the customer can be other manufacturers who are focusing on reducing waste and consumption of energy and resources. Customer concern may contain:

- **Stakeholder Expectations:** increasing awareness of consumers about environmental sustainability has equally affected the expected quantity of information with regards to the products
- **Market Competitiveness:** Sustainability has equally become an instrument which many organizations use as a platform of stay competitive.

Pressure from Competitors: in responding to the pressures discussed above, many organizations adopt different methods and strategies of reducing the impact of their operations and usage of their products on the environment. This has therefore become part of their marketing strategies which help in reducing cost of operation as well as enjoying other benefits that may be associated with such actions.

- **Sustain Market Leadership:** For those organizations that are already known as leaders in technology or performance sustaining their brand by adding environmental leadership are crucial.
- **Regulations and Standards:** The incremental legislative leverage, penalties and limitations that may be imposed by the government or other industries focuses on restricting industry's energy use and its impact on the environment (e.g., Water discharge limitations, Waste, Spill and remediation requirements, Energy: greenhouse gas emission limitations, hazardous material/waste shipping requirements)
- **Risk Avoidance:** Avoiding risk with regards to problems that are associated with the reliability and effects of supply chains. Some of these

problems are related to materials or other logistic effects whose links are not known. Importantly, many of these risks are not known to the final producer which constitute big challenges (Ervin *et al.*, 2013; Guoyou *et al.*, 2013).

Kudlak (2014), explore the critical insights from the corporate environmentalism and stated that, many business organizations have realized the importance of green business practices and environmental sustainability and have inculcated environmentalism into their operations.

The outcome of a recent survey that was carried out by Dornfeld, Yuan, Diaz, Zhang, and Vijayaraghavan, (2013) has shown that green manufacturing and sustainability practices in the overall industries and their strategic development as well as manufacturing companies that engage in automotive, stone cutting and construction industrial and food production. For example, Caterpillar Inc., through their annual sustainability report, published their 2020 goals regarding their target sustainable and environmental friendly operations. The aims of Caterpillar in this respect was listed as to reduce total greenhouse gas emission by 25% from existing facilities, eradicate waste through reduction of waste that is generated by reusing and recycling the refuse and increase energy efficiency by 25%. The recent growth about environmental concern has made so many organizations to fully comprehend and thereby streamline their processes, equipment and tools with the purpose of meeting the requirements of customers, government and entire stakeholders. The previous discussed issues elaborate some evidence and justify the motivations for why organizations today engage in practices of sustainability.

2.2.4 Environmentalism, Momentum Review

The primarily object of earning profit has long been pursued by organizations. Lawrence and Weber (2008) argue that while organizations expending assets to contribute to economic development they disregard social and environmental issues. According to Lawrence and Weber (2008) over the past three decades, societal expectations of business obligations have changed the narrative from profit motives to growing awareness about the challenges of environmental issue and the consumption of natural resources. Moore and Manring (2009) note the increasing wave of globalization has heightened industries to become more responsive to environment protection and human rights. Friedman and Kim (1988) also suggests a wider role of businesses in society in response to external stakeholders rather than traditional internal stakeholders of employees, customers, suppliers, creditors and stockholders. For him, social legitimacy of businesses is achieved when they are responsive to their stakeholders. According to Moore and Manring (2009), the pursuit for production and profits could lead to depletion of natural resources and ecological imbalance. Hence, businesses should be aware of the consequences of their activities and take responsible action to deal with them. Proponents of environmental protection (e.g., Hillary, 1997) argue that industries have a moral obligation to protect the environment that has an effect on human's well-being. Their focus also extends to the internationalization of environmental management systems and cleaner production strategies (Hillary, 1997, p.11).

As Hillary (1997) points out, the connection between business strategies and international environmental management regulations and standards went back to UNEP

conference of human environment in Stockholm in 1972. This conference showed how air pollution emissions, waste disposal and health hazards caused climate change as a result of uncontrolled industrial development. As a result of such cognizance, the World Commission on Environment and Development (WCED) was established to enforce national pollution declaration. The negotiating agreements to reduce emissions in search for a sustainable development path contributed to a progress report of environment and development. Since the publication of the report, entitled “Our Common Future” also known as the Brundtland Report 1987, the definitions, principles and operational implications concerning sustainable development have incrementally advanced. For example, some industries agreed to develop effective environmental management systems as specified by the Agenda 21, resulting in the United Nations Earth Summit in Rio de Janeiro in 1992 and various other declarations and frameworks. In this summit, the Business Council for Sustainable Development (BCSD) was formally established to facilitate businesses in the transformation to sustainable development.

The most prevalent definition of sustainable development in the literature is "development which meets the needs of the present without compromising the ability of future generations to meet their own needs" (Report of the World Commission on Environment and Development: Our Common Future - A/42/427 Annex 1987, p. 8). Implicit in this definition is the notion intergenerational equity and response to environmental preservation. Henri and Journeault (2008) maintain that prevention of environmental pollution and ecological degradation can be achieved by simultaneous enhancement of both business and environmental performance. Industries are called to implement initiatives to minimize raw material and energy usage, eliminate waste

streams, reduce disposal of harmful substances and develop more efficient environmentally sustainable scheme.

Building on the work of the WCED and ensuring that businesses are fully engaged in the process of sustainability are the purview of two international organizations of ISO (International Organization for Standardization) and IEC (International Electro technical Commission). According to Hillary (1997), the need for international standardization is basically to ensure the use of a common approach on an ongoing basis to assessing organizational structures and processes as well as integration with other organizations to demonstrate accountability, transparency and due diligence of efforts. The work of ISO/IEC produced a series of recommendation on environmental management, which became the key element of Agenda 21 of Rio. Given the more strategic mandate to environmental management brought about by horizontal standards of EMS, a particularly much broader framework was agreed in 1996, which is the ISO 14001 of environmental management system. This framework intends to meet voluntary standardization of organization's environmentally responsible activities.

The concept of eco-efficiency coined by BCSD⁷ refers to “creating more value with less impact” consistent with stakeholder demands (Aragón-Correa, Hurtado-Torres, Sharma, & García-Morales, 2008; Dias-Sardinha, Reijnders, & Antunes, 2002). Even though several attempts have been made to show the economic and other benefits as a result of pursuing environmental sustainability initiative (Gleim, 2011; O'Connor, 2012), the outcome remains subject to many interpretations. Indeed, as O'Connor (2012) points out, regardless of the long term consideration of the interconnection between business and environmental impacts, the notion of sustainability remains a perplexing

⁷ Business Council for Sustainable Development (BCSD)

and troubling issue. Zhang (2011) found that decisions and choices in environmental sustainability initiatives are controversial. Gleim (2011) and Liang (2010) maintain that corporate strategic decisions on environmentally responsive practices are influenced by legal frameworks (such as corporate legislation) and the executives' moral orientation in economic, environmental and social issues. Chaudhri (2011) argues that business leaders that capitalize on sustainable development and environmental protection are able to sustain their domestic and global operations despite the fact that diverse stakeholder expectations are difficult to reconcile. Similarly, Sekajipo (2010) contends that on one hand there are stockholders who demand profit and growth and on the other hand there are other stakeholders who more concerned with social responsibility, poverty reduction, environmental protection as well as transparency and global compliance.

In recent years environmental concerns and industrial effects have become a growing concern especially in catastrophic events such as the deadly tsunami in 2011 in Japan that resulted in leak of radiation into the biosphere. Such leak raised concerns over how industrial toxic waste is disposed and over the urgent need for businesses to take responsibility in the protection of environment and social health. While much attention has been paid to environmental issue that yields improved understanding and promising policies, the application of the Kyoto protocols remains a challenging issue (Blowfield & Murray, 2011; Desha, Hargroves, & Smith, 2012; Gleim, 2011). While many states are committed to environmental responsibility and social philanthropy, they are raising practical questions on the extent of accepted environmental deterioration toward the pursuit for economic growth and the accepted level of ecological impact (Bichard, 2012; Dilchert & Ones, 2012).

Dilchert and Ones (2012) note that differences in the framing of corporate environmental responsibility are a frequent cause of debate. Dilchert and Ones (2012) and many other research scholars such as Griffith, Kiessling and Dabic (2012) and Hakimipour and Keyani (2012) highlight the World Risk Report of 2012 which recorded natural hazards and alarmed the threaten risk of environmental deterioration and capability of societies to deal with issue. Particularly, Griffith, Kiessling & Dabic (2012) and Hakimipour and Keyani (2012) by monitoring business responsibility initiatives argue that since corporate have their own special interest should be responsible beyond states regulation while they are able to influence environmental responsiveness principles and directly affect ecological deterioration (Griffith, Kiessling & Dabic, 2012; Hakimipour & Keyani, 2012).

A current trend in business and environmental preservation literature shows that organization responsiveness and complete due diligence are becoming part of managerial practices. Blowfield and Murray (2011) contend that companies should understand that they can have influence on environmental issues and protection and advancement of social health. Indeed, some scholars argue that companies are complicit in environmental degradation (Bichard, 2012; Roxas & Coetzer, 2012). While many scholars also believe, industries and SMEs are struggling to preserve the environment after realizing that their operations can have negative impacts on the ecosystem and community (Massoud, 2010; Worthington & Patton, 2005). English (2009) by investigating the influencing role of factors such as culture and social norms concerning corporate responsibilities argued about the challenges and efficiency of coercive mandate. English (2009) was discusses about a need to have comprehensive framework

that could be adopted which simultaneously concerning the national accountability believes. Luo (2011) concludes that the international law and regulation are inefficient in addressing environmental concerns in different countries and proposes that companies adhere to their legal obligations in implementing responsive initiatives. However, other scholars (e.g., Yu, 2010) believe that the fragile political environments and lack of necessary enforcement mechanisms are responsible in making corporations less accountable with their actions (Hilson, 2012; Shahzad, 2011). A comprehensive study of Tourangeau (2011) indicated that several corporate businesses often make inconsistent decisions on responsive initiatives since mandates are voluntary and unclear.

However, according to Williams and Schaefer (2012), the Millennium Development Goals (MDGs) assigned by World Business Council for Sustainable Development (WBCSD) to be achieved in 2015 establish that governments strengthen their programs of corporate responsibility. Williams and Schaefer also make a strong case to address why the world needs to be concerned with the implementation of environmentally responsive initiatives and discuss the need for more flexibility in terms of regulations since the business environment and the laws are different.

Next section describes the definition of environmentalism, which aimed detail the way it linked to corporation strategic development.

2.2.5 Environmentalism, Conceptual Description

Studies on the natural environment have become vibrant since early 1990s when the United Nations brought the notion of balancing between the environment and development. The idea of balancing the economy and environmental considerations is

captured in the rhetorical term of sustainable development. Spreading awareness of global environmental problems generates conditions that engender corporate environmental responsibility. Awareness of environmental problems is raised due to depletion of natural resources and destruction of the ecosystems, which lead to ozone depletion, global warming and mass natural disasters.

Though there corporations are always concerned with fulfilling economic responsibility to their shareholders, the severities of environmental hazards have invariably forced corporations to engage in environmental responsibility. Since scholars began to pay attention to environmental responsibility, their main concern seems to be on providing as assessment of corporate practices on sustainability. A review of the literature of corporate environmental responsibility reveals considerable effort has been made to identify the drivers of corporate engagement and to offer arguments on the potential competitive advantages gained by corporations for demonstrating environmental behavior.

Aragón-Correa, Hurtado-Torres, Sharma, and García-Morales (2008) in their study on 108 SMEs in the automotive repair sector in Southern Spain found that the companies hesitated to go beyond minimum regulatory compliance due to lack of resources. Nevertheless, they also found that the environmental strategies undertaken by these organizations varied from reactive regulatory compliance to proactive pollution prevention as well as environmental leadership. According to Aragón-Correa *et al.* (2008), the adoption of environmental strategies was to achieve competitive advantage through reducing energy, waste and environmental impacts, which allowed them to reduce costs and provide additional net value.

Stigson (2000), by highlighting the advantage of eco-efficiency of creating more value with less, reported that the concept of eco-efficiency is not a vague idea anymore but has become the business action plan particularly for member companies of the WBCSD. Stigson (2000) considers that the creation of more value with less impact on the environment has redefined the corporate eco-efficiency orientation where companies have begun to progressively reduce the ecological impacts while delivering competitively priced goods and services. Lawrence and Weber (2008, p. 246) note that some important voluntary initiatives such as life-cycle analysis or industrial ecology have been translated into actual corporate practices. The discourse around business responsiveness reveals a shift toward corporate environmentalism where environmental issues are being integrated into the corporate strategic planning process. Banerjee, Iyer, and Kashyap (2003) found that large diverse firms across diverse industries at North America have shown commitment to integrate issues related to public concern for the environment and regulatory forces in their business strategies as a way to achieve competitive advantage. Lai (2010) propose that the adoption of proactive environmental strategies among Chinese manufacturers would lead to positive financial and environmental benefits when there is commitment by the firm's top decision makers. Protpakorn (2010) offered some basic factors that contribute to perceptions surrounding corporate environmentalism among 141 high wood product manufacturers. They found that the executive perceptions were largely responsible in putting institutional pressures to comply with corporate environmentalism, which resulted in enforcement and integration of environmental initiatives into the corporate strategies.

In 2002, Banerjee examined managerial perceptions of corporate environmentalism and pointed out that corporate environmentalism embraces two dimensions of environmental orientation and environmental strategy. Environmental orientation refers to the perceived importance of environmental issue and the manner in which corporate responds to their stakeholders. Environmental strategy on other hand is the extent to which environmental consciousness is integrated with corporate strategic formulation (Banerjee *et al.*, 2003, p. 106). Grounded on these dimensions, Banerjee (2002) defined corporate environmentalism as “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” (p. 181).

According to Larsson and Svensson (2011), environmental orientation might be divided into two sub-themes of internal and external environmental orientation. Internal environmental orientation reflects the organizational values and ethical behavior to protect the environment across all hierarchical levels. External environmental orientation refers to the organizational perception of the need to respond to the demand of external constituencies. Larsson and Svensson (2011) also divided corporate environmentalism into two sub-themes of corporate environmentalism and marketing strategy. Corporate environmentalism refers to the pattern of corporate decisions that consider environmental issues such as green technology adoption, green operation and delivery and fostering innovation for green growth. Environmental marketing strategy refers to patterns of market-oriented decisions to meet demands for greener products and services.

According to Banerjee (2002), a considerable amount of literature has been concerned the construct and measurement of corporate environmentalism. Increasing demand of stakeholders has reiterated the need for investments in environmental sustainability. While environmental orientation seems to be located in the overall corporate philosophy or values, factors that facilitate the transition to corporate environmentalism need to be determined.

In previous section, the environmental preservation concerns and definition environmentalism related to corporation explained. It detailed society being more proactive related to corporate responsiveness behavior. Next section will explain more this trend and detail institutional isomorphism embedded in corporate environmentalism.

2.2.6 Environmentalism, Institutional Pressure

Scott (2004) and Mayer (1977) argue that in order for organizations to reduce uncertainty and earn legitimacy, they must consider the prevailing belief systems and conform to the existing values and rules. This view asserts that institutions develop a cognitive frame of environmental sustainability based upon international consensus. Environmental sustainability is no longer a passing trend but it is gaining traction both in corporations and in society (Dilchert & Ones, 2012).

An initial discussion on organizational environmental sustainability can be traced back to the early 1990s (Sarkis, 2001). In the conference on human environment in 1972 in Stockholm, the United Nations sent a clear message on massive ecological changes (UNEP). As a result, the United Nations started to establish international rules to promote environmental awareness and to bind nations and corporations in the

protection of the environment. Efforts were made to address the role corporations should play in the preservation and enhancement of the quality of the natural environment. The discourse has facilitated the evolution of international principles that guide how corporations should operate.

However, many environmentalists believe that regulation and policies grounded in voluntary initiatives could hardly engage businesses in promoting environmental protection. Branco and Delgado (2012) question the efficiency of the Global Compact and argue that the United Nations' rules will eventually fail if they are based on voluntary implementation. However, in their study, Henri and Journeault (2008) found a contradicting result. They carried out a number of investigations on Canadian manufacturing firms and reviewed the effect of environmental management systems and the United Nations compact. They found that many corporations especially in developed countries like Canada have instituted and documented corporate responsiveness initiatives and have embraced the idea for environmental protection. However, following the Kyoto Protocol launched in 1997 with the goals of reducing the overall greenhouse gas emissions by 2012, more efforts need to be carried out to study the weaknesses of the international framework so that the policy directions by 2050 could be achieved.

Several studies have noted the enforcement mechanisms of institutional environment in the adoption of various types of environmental management practices. Scott (1995) demonstrated that corporations achieve their legitimacy by conforming to and adapting with three dimensions of regulatory, normative and cognitive standards in relation to the natural environment sustainability. Based on this structure, regulatory

standards are defined as enacted and enforced rules that are formally codified in a community or society in order to promote and impose certain types of behavior. The other dimension is normative standard where society shares and direct individuals through norms and value system and community expectations. The cognitive dimension refers to the consensus structure, or axiomatic beliefs that formulate and mediate action.

Numerous studies have been made to explain corporate environmental management practices. For example, Protpakorn (2010) attributed institutional pressures, resources and capabilities to corporate environmentalism among 141 major wood product manufacturers. Paz-Vega (2008) through a case study demonstrated the interplay between moral and social values in mediating the actions of managers that shape business responsiveness activities. DeMasi (2011), in her investigation on compliance and voluntary actions of social responsibility among six commercial banks in the United States and the United Kingdom, observed that the national context and public policy as effective factors in leveraging corporate responsiveness. Despite the insightful findings on the role of institution in protecting the environment, little is known about the institutional environment and the attitudes of owner/managers of small firms particularly in developing countries. O'Connor (2012) asserts that environmental sustainability in a small business context, studies tend to ignore the dominant role of owner/managers in adopting and implementing business decisions and strategies, and how their values, beliefs, and commitment shape their actions.

Owners/managers in small businesses respond to a wide range of institutional pressures; therefore investigating their attitudes and strategic mental models may provide deeper understanding of the overall strategic configurations and variations in

environmental management practices. Camacho (2012) examined firms' voluntary practices that go beyond mere compliance with regulations of government institutions through seven structured interviews with small construction industries and identified a minimal level of environmentally sustainable practice within SMEs. Other scholars such as Brown (2011) interviewed 13 leaders to understand how institutional environment influences their behavior with respect to complex organizational and system change. His study concluded that a constructive-developmental lens can provide an important insight into sustainability leadership.

In the context of Iranian industries, coercive pressures increasingly emerge due to governmental regulations that enforce organizations to protect the environment. Standards in environmental and sustainability initiatives (such as ISO 14001 EMAS) regulate organizations and their activities so that the potential impacts on health and environmental issues are minimized. As registered organizations need to comply with the law, the national regulation is one of the means to exert coercive pressures on the organizations. Failure by the organization to observe the regulations may result in legal sanction.

In addition to legal pressure, organizations also face increasing mimetic pressures to follow the environmentalism trend. The enforcement might result in developing a successful market leader or follower who widely recognizes the notions of green manufacturing and environmentally friendly production. Such pressure will noticeably increase after the recyclable and eco-friendly production is introduced into market and the notion of green life receives a widespread social acceptance.

Moreover, normative pressure also increasingly urges organizations to follow the same trend of environmentalism because by doing so they can feel that they are complying with the norms set by other organizations. Social pressure can also influence organizations to develop awareness and to carry out training programs about the ecosystem, emissions, waste mitigation and recyclable policy. Aside from the business and academic discourse on whether organizations should have appropriate role in corporate responsiveness is whether the national regulation should encourage corporations to embrace international standards.

In the next section, discussion on the role of executives in developing corporate strategies and in making decisions is offered. It is worthy of note that in reality executives make decisions within bounded rationality.

2.2.7 Environmentalism, Executive's Bounded Rationality

Corporate environmental responsibility has become one of the important organizational decisions (Jagers & Matti, 2010; Tang & Tang, 2012), as organizations have been blamed much for environmental degradation. As a result, the environmental problems have changes many social values and have increased the societal expectations of organizational responsibility (Henri & Journeault, 2008; Jagers & Matti, 2010; Tang & Tang, 2012).

Proponents of environmental program argue that firms as major entities in the world should incorporate social-ecological demands of diverse stakeholders and environmental preservation as part of their business agenda. According to Sim and Teoh (2011), although firms have the liberty to make business decision, their impact on

environmental deterioration cannot be discounted. What drives strategic action and how top managers construct their decision have long challenged organizational scientists. Literatures on strategic action indicate two views that have been particularly dominant. The first view focuses on the industry structure, which assumes that specific function of the industry (i.e. operations, communication) influences the rationality and effectiveness of strategic decision makers (Porter, 1980-1985). A second view asserts that managerial and organizational decision making is bounded with a rationality framework (Tikkanen, et.al, 2005; Walls & Hoffman, 2013). Within the second view, there has been a growing debate on what attracts the attention of strategic decision makers and what factors are selectively ignored in the process of strategic decision making (Isaksen, Babij, & Lauer, 2003; Tikkanen, et.al, 2005).

Previous researchers (e.g., Aragón-Correa, Hurtado-Torres, Sharma, & García-Morales, 2008; Dias-Sardinha, Reijnders, & Antunes, 2002; Tang & Tang, 2012) analyzed how organizations engage in environmental preservation initiatives while maximizing business profit. They pointed out that organizations develop some sort of deliberate strategies or systems that are sustainable toward their goals. Tang and Tang (2012) assert the need for organization to integrate responsive activities in the organization's value chain and corporate strategy. According to Tang and Tang (2012), initiating green practice may create product differentiation, build brand loyalty, and increase the share value of the firm. Nevertheless, despite the assumed benefits, it is commonly believed that initiating the socio-ecological responsible practices cannot be isolated from other corporate strategies due to the finite company resource. Business executives may serve as the catalysts to strategically integrate activities conducive to the

overall organization's vision and prioritize their operational strategies to create shared value (Tang & Tang, 2012; Jagers & Matti, 2010; Moore & Manring, 2009). An important consideration is knowledge of reforms and integration of environmental issues in corporate strategic planning. According to Jagers and Matti (2010), the strategic decision of managers depends on their ability to manage environmental risks and cognitive structures to match the firm capabilities with their operational schema or systems.

In particular, small and medium enterprises face even a different issue compared to mature established large industries due to the diverse characteristics of the latter, resource constraints and reluctance to engage more openly with other non-shareholding stakeholders (Aragón-Correa, Hurtado-Torres, Sharma, & García-Morales, 2008; Moore & Manring, 2009; Tang & Tang, 2012). As such, how organizations convert corporate intent into corporate capability, commitment and performance requires rigorous understanding of different strategic decisions.

The most prominent contribution to the concept of strategic decision is made by Michel Porter, who argues that firms deliberately choose a different set of activities from their competitors to deliver added value in the eye of customers. Mintzberg and Quinn (1996) define strategy as a pattern of organizational decisions that integrates major goals, policies and action with a consistent, cohesive and coherent risk. Reviewing various definitions of strategy clearly shows that there is no single prescription for organizational strategic decisions that can fit in every situation. Many decision theories attempt to prescribe the best decision for strategic actions but in the process downplay the role of managerial cognition (Stimpert & Duhaime, 2008; Walls

& Hoffman, 2013). According to Poonia (2010, p. 112) the choice of strategic action is made by considering a finite set of possible alternatives derived by normative or descriptive discipline, however, in reality there are situations in which the best decision is not typically the optimal method and might concern other values. Steiner (1979), in his classic work known as bible of business planning, considers organizational strategies and the need of converting strategic plans into decisive action highlighted the importance role of top management and certain considered factors that fundamentally guide the decision. Tregoe and Zimmerman (1980) as cited in Brits, Botha and Herselman, (2006) note that good management can cover poor strategic decision. They define organizational strategies as “the framework, which guide those choices that determine the nature and direction of an organization” (p.157).

Basically, there are two taxonomies of business strategies in literature. The first is contextual base strategy formulation and the second one is functional format, each has its own unique contribution to business strategy formulation. Contextual classification identifies eminent factors while functional classification on other hand premises a business model as a broad category of a firm's strategic behavior. Contextual advocates exclusively focus on various components of strategy formulation which typically include a complicated set of considerations (i.e. general internal/external influencing factors, strategic objective and resource deployment) (Mansfield & Fourie, 2004). Functional campaigners on other hand talk about several generic strategies or strategy typologies conceptually derived from different firms strategic options. While the number of strategic typology differs from one author to another due to the variety of considered variables and the way business strategy is interpreted, but basically their

business strategy packages consist of recommended organizational characteristics that shape organizational strategies (Porter, 1980; Venkatraman, 1989). Managerial cognition is a related area of organization study that attempts to describe how people actually make decision (Goodhew, 1998; Nadkarni & Barr, 2008; Poonia, 2010; Stimpert & Duhaime, 2008; Walls & Hoffman, 2013).

Organizational decision making is a crucial part of any business, which is considered largely a cognitive process, consisting of different factors and considerations (English, 2009). Jagers and Matti (2010), Marcus (2005), and Ogarcă (2010) identified factors of gender, age and religious beliefs that affect a decision-making process and observed that a given value to each consideration bears the direction and quality of a decision. Managerial cognitive can be defined as a link between managerial and organizational stimuli (Goodhew, 1998). Eden and Spender (1998) map cognition as an individual's differences in gathering and evaluating information, processing and solving problems. Manral (2011) broadly defines it as the relationships among a managerial mindset and organization behavior. According to Gupta (2011), cultural differences and different viewpoints based on a value system play major roles in decision making. Some other factors identified by English (2009) and Jagers and Matti (2010) were moral maturity and ethics while other authors examined the influence of decision makers' personal set of experience, self-interest, beliefs and priority (Hofer, Cantor, & Dai, 2012), emotions (Roxas & Coetzer, 2012), peer pressure or social norms (Perrini, Russo, & Tencati, 2007), politics and corporate governance (Walls, Berrone, & Phan, 2012), institutional influence (Dilchert & Ones, 2012) and financial leverage on organizational

strategic decision. In business settings, decision making is a complex cognitive process involving various factors.

Managerial cognition describing how actually people make decision in hyper-competition is the key corporate competitive advantage (Shang, Huang, & Guo, 2010). Cognition researchers are also interested in the relationship between managerial cognition style and performance and strategic management of the organization (Goodhew, Cammock, & Hamilton, 2005; Gray, 2009; Tikkanen, Lamberg, Parvinen, & Kallunki, 2005). Nadkarni and Barr (2008) revealed the critical role of cognition variables in explaining strategic actions. Research in managerial decision making addressing the cognitive factors which are embedded in strategic action. These factors particularly considered as strategist mental models influence their final decision (Goodhew, Cammock, & Hamilton, 2005; Gray, 2009; Nadkarni & Barr, 2008; Tikkanen, Lamberg, Parvinen, & Kallunki, 2005; Walls & Hoffman, 2013). This connection brings to the foreground an assumption that business decision and strategic action can be explained more completely through managerial cognition. Particularly in corporate environmentalism and environmental sustainability initiatives, this assumption is often implied, not expressly uttered.

While previous researches have identified some novel criteria in decision making (i.e. Han, 2009; Shang, Huang, & Guo, 2010; Stimpert & Duhaime, 2008; Williamson, Lynch-Wood, & Ramsay, 2006), many important questions remain to be explored to improve our understanding of how management beliefs or mindset shape their strategic decision regarding environmental sustainability initiatives and how the organization is positioned relative to their environmental institution.

Building on the work of English (2009); Han (2009), and Massoud (2010) on the role of executives in strategic decision making, this study explores the strategic action of top management. It assumes that managerial cognition mediates while at the same time interacts with complex systems. This study provides unique insights into how managers or strategists make sense of and act within their complex environments by exploring the cognitive processes of the firm's strategists.

Executive's bounded rationality was explained and in next section corporation change in deploying environmentalism will discuss.

2.2.8 Environmentalism, Sustainability and Executive Attributes

Today, the scope and application of sustainability has widened to include products, supply chains, production, companies' strategies, and marketing campaigns. This has therefore led to myriad definitions and interpretation of sustainability within business organizations, customer and researcher alike (Pezzey & Burke, 2014). John Elkington (1994) referred the people, planet, and profit introduced as the '3P' approach to the main components of sustainability (economic, environmental and social factors). Basically the three introduced components of sustainability often consider as mutually supporting factors or legged-stool of sustainability concern. The optimal achievement is when all these components mutually works together.

Organizations that are embracing corporate sustainability put their effort in choosing and pursuing of each component of sustainability. Particularly corporate stewardship with respect to environmental sustainability is regarded as an important benchmark that can lead to quality environmentalism practices by all those whose

actions affect the environment. When corporate executives demonstrate positive stewardship towards sustainability, it implies that there is a level of acceptance and responsibility that will engender continuous environmental improvement and performance which results in achievement of desired outcomes. Therefore, the levels of performing environmental sustainability certainly link to the corporate executives attributes incorporated into corporate strategic decisions. Hence, it is very much important to know how business executives comprehend, interprets and take into consideration each of these interdependent bedrock factors of sustainability.

While there is always argues against an innate nature of human behaviour, recent findings has however indicates that individuals are not born with a blank canvas upon which social and cultural systems imprint their effects. Relatively, scientific findings in field of humans and primates have argued that some morality characteristics are evolutionary imposed on humans in order to solve the problems of cooperate obligation and responsiveness (Jermier, 2013; Phillips, 2014; Shah & Rivera, 2013). These studies believe that moral attributes such as reciprocity, sympathy, affection, sociability, loyalty, attachment and empathy are inborn since they are inherent in humans prior to the behaviour. These scientific studies further argue that these inherent characteristics of human morality are a part of a common, unlearned biological human nature (Dornfeld *et al.*, 2013; Kudlak, 2014; Sugita & Takahashi, 2013).

Ulrich, Zenger & Smallwood (2013) in their landmark book, Results Based Leadership, define attributes of executive as what “leaders need to be, know and do” (p. 6). These authors assert that characteristic of leaders determine “who” of leadership. The “who” of leadership eventually determines what a leader values, what he considers

as a priority and ultimately, the decisions that a leader makes. Extant findings from literature have shown different factors such as knowledge, value and priority that influence individual leader to be pro-environmentally oriented or otherwise (Dornfeld *et al.*, 2013; Jermier, 2013; Kudlak, 2014; Welford, 2013).

However, the result of several studies, surprised the expected influencing role of knowledge on improved environmental behaviour. The results of these studies have revealed that having awareness and knowledge about the environment does not automatically bring about pro-environmental behaviour (Mihelcic *et al.*, 2003). With the same token while long ago, Jermier (2013) and Sugita and Takahashi (2013) argued that majority of people do not have required knowledge that will make them to act in an environmentally responsible manner. Other studies have equally revealed that even those who have the required and detailed technical knowledge about environment do not have the will to behave proactively about the environment (Mihelcic *et al.* (2003). Interestingly however, findings have revealed that cultural values and rewards are important instruments that can motivate individuals to behave in positive way towards the environment (Mihelcic *et al.* (2003).

It is believes, the theory of cognitive dissonance (Festinger, 1957) can be used to explain the consistency between knowledge and action especially where individuals unconsciously seek for information, in order to reaffirm their own beliefs and mental frameworks. Scholars have maintained that when an individual possesses by external locus of control or when they believe they cannot make any differences through their actions, they may do all that is possible within their confine to prevent influencing role of knowledge and information since they may have superstitious assumptions that this

changed behaviour threatening their underlying values and beliefs (Ervin, *et al.*, 2013; Guoyou *et al.*, 2013; Sugita & Takahashi, 2013). Nevertheless, individuals with an internal locus of control and who take charge about their own life events may be positive and be proactive about environmental issues (Ervin, *et al.*, 2013; Guoyou *et al.*, 2013; Sugita & Takahashi, 2013).

As an example, social marketing is one of the important instrument that has proven to hold promise to close the gap between knowledge and action of pro-environmental behaviours. Lazer and Kelley, (1973) define social marketing as those techniques and principles that are meant to promote behaviour that is relevant to the social goals.

Values are abstract principles and inherent internal motivations which guide individuals toward what is considered important in life (Dornfeld *et al.*, 2013; Papagiannakis, Voudouris & Lioukas, 2014; Shah & Rivera, 2013). Extant literature has studied the link that exists between a person's value of the environment and whether those values have physical impacts on the environment. Leiserowitz, Kates, and Parris (2006) in their empirical Meta-analysis of public opinion surveys from North America and Europe studied the relationship between value of the environment and concrete action. These researchers discovered that there were some basic factors that constitute barriers of the value action gap. Their study found that globally, different values are given priority over environmental values. This made the authors to conclude that value's strength is weak in supporting environmental sustainability and usually becomes a second place when it comes to priority with regards to individual's financial situation, time constraints, knowledge, habits and routine, skills, power, and perceived efficacy

that translate one's value of the environment into action. Many of these barriers have forced people to make trade-offs, while mostly supporting values of environmental sustainability usually falls victim.

Their study further suggested that there are other structural barriers such as required infrastructure and technology availability, laws and regulations, social norms as well as social, economic and political interests contribute to fill the gap between value and action. Leiserowitz, Kates, and Parris (2006), in this study asserted that a lot of people indirectly experience environmental challenges and they inclined towards reducing the chance of participating in the environmental sustainability activities since they have not been directly impacted. Further, Leiserowitz, Kates, and Parris (2006) identified social and cultural norms as well as family life style as important factors causing discrepancy which also affect a person's habits and routines.

Fishbein and Ajzen, (1975) stated that one of the factors that makes it difficult to design valid measurement and comparison of connected value and behaviour, has flaws in research methodology. The authors assert that there are misplaced priorities since many researchers unnecessary ask broad questions rather action oriented which can bring discrepancies in results.

(Denzin & Lincoln, 2011) explained pro-environmental behaviour using psychology and sociology in their model. The findings from their study indicate that positive reinforcements and incentives can be used to strengthen and support ecological behaviour. In addition, the authors also indicated that structural factors can either constitute inhibitor or enabler towards environmental behaviour. The findings of this study importantly assert that organizational change is an important solution that can help

in sustaining energy and can bring about pro-environmental behaviours. It also underscores the importance of leadership to foster a collective capacity to achieve desired outcomes.

Doppelt (2009, p.14) in his book related the need of change for sustainability adds that the environmental and scientific challenges that humanity are facing today are the result of superstitious beliefs, assumption and one's patterns of thinking which have entrenched deeply and causing dysfunctional of one's behavioural patterns. Within business agenda the dominate belief seen as a necessary trade-off for monetary return, which victimised the environmental concern. Business organizations are justifying this viewing platform by maintain that their operations and businesses are creating value. However, the important question that one may ask is, can the value being created by the businesses match the destruction, such as on environment, which they create?

2.2.9 Environmentalism, Stewardship Principle

Despite the proliferation of green policies that has dominated a major portion of the corporate responsiveness discourse, the notion of environmental sustainability and business responsiveness principles remains an elusive concept. A considerable amount of literature has been criticizing corporate responsibility and business behavior highlighted the difficulty in clear definition and challenges in implementation of corporate environmentalism (Barboza & Trejos, 2013; Herren, 2010; Jamali, Zanhour, & Keshishian, 2009).

Barboza and Trejos (2013) assert that the important part of the debate about corporate responsibility lies on whether transitions are beneficial either to business or

society. Chen (2008) highlights that a business that shifts to using low carbon and at the same time gives emphasis on meeting stakeholders' demands is the best corporate strategy it has. Increasing social awareness of environmental degradation has changed consumer's preference to more environmentally friendly products and services that has less negative impact on the environment. Barboza and Trejos (2013) draw attention to innovative entrepreneurship approach and related business activities to reduce global warming and the way companies can be more responsive. They believe many businesses find a broader market share by creating an environmentally friendly image. Nevertheless, Fielding (2007) contends that linking the business value with environmental performance does not necessarily enhance the image of the firm. Nevertheless, Chen and Chang (2012) disagree and assert that a corporate image and a company's performance can be enhanced when the business is environmentally sensitive and responsive.

In addition to the above issues, the scope of international standards adds further into the debate; however, the main issue remains on the ineffective regulation and enforcement in protecting the environment. Biermann and Pattberg (2012) argue about the need of new mechanism of global environmental governance to deal with transnational environmental bureaucracies. While they discuss about the global corporations and international-domestic linkage over policy convergence, the necessity of new inter linkage environmental principals highlighted in their finding. Biermann and Pattberg (2012) conclude that because an organization's impact spans the entire globe, only through an integrated global solution the sustainability of the natural and socioeconomic system can be ensured. Biermann and Pattberg (2012) by arguing that

businesses are not fully held accountable because of insufficient coercive regulation and also considered domestic regulators adopting their own standards while it often uncover the mean of international mechanism and principals, boost the need of new comprehensive-integrative mechanism.

Further, Jamali and Sidani (2011) argue that in developing countries where there is a poor regulation system mainly due to lack of enforcement of international regulations, almost all environmentally responsive programs are conducted voluntarily bases and there is no intensive audit mechanism to bind organizations to follow the international principles. However, Duruigbo (2001), who carried out a survey related to compliance and enforcement of international regulation in a petroleum industry, argued that the international regulation goes too far and put an unreasonable burden to enforce corporation to be accountable for the environment and society. Blowfield and Murray (2011) revealed the unrealistic expectations of international regulation when societal and cultural aspects also have bearing on corporate responsibility. Similarly, according to Duruigbo (2001), the translation of international provisions into actual practice in different countries is one of the major problems. Blowfield and Murray (2011) assert that the capability of the states to enforce regulation based on local conditions ensures expected compliance from companies. In China, Luo (2011) notes that political pressure is used to ensure corporate responsiveness among Chinese manufacturers.

Despite the growing concern over the effectiveness of international regulations on large corporations, little attention is given to small businesses (Jamali, Zanhour, & Keshishian, 2009). According to a study by Jamali, Zanhour, and Keshishian (2009), even though many SMEs adhere to governmental standards in implementing

environmentally sustainable practices, they seldom go beyond the minimum requirements. Herren (2010) contends that small businesses are handicapped by a variety of barriers in their attempt to incorporate better environmental sustainability practices into their operations such as lack of resources, attitudes of management, lack of awareness, and insufficient customer demand. Scholars also argue that SMEs face challenges in adopting corporate responsibility in light of new technologies or advanced know how (Herren, 2010; Jamali & Sidani, 2011). Some scholars contend that looking at business resource and financial capability of a firm is necessary to assess whether SMEs are capable in meeting the challenges (Camacho, 2012).

Due to cumulative impact of small and medium corporations on the environment, there is a rising concern over their business responsiveness and environmentally sustainable operation. As such, there is a need for research to investigate how SMEs learn and are engaged in responsiveness efforts.

Since 1972, when the United Nations organized a conference on human environment, environmental concerns among the global population have increased especially with regards to the actual and potential effects of organizations on the environment. As a consequence of this meeting, a need for an environmental management system was called for. The early initiative was the first Earth Summit held in Rio de Janeiro in 1992 where the first environmental management systems standard (BS 7750) was adopted in Britain. This initiative supplied a template to develop EMAS I for the European Community Eco-management and Audit Scheme (EMAS) to assess the implementation of environmental practices mainly in the industrial sector. In 1996 the International Organization for Standardization (ISO), aiming to harmonize the audit

scheme and improve environmental performance all over the world, published the first edition of ISO 14001 and have been developing it to its latest version of 2004. Since ISO is an international standard and requires that it is implemented in all countries, its effectiveness and efficiency has always been criticized by environmentalists (Sturm, 1997).

In need to strengthen the regulations, in 2001 the first revision of the EMAS Regulation was made by integrating it with ISO 14001. As a result, EMAS II was launched. It was further updated until the latest version of EMAS III was issued in 2010. While previously EMAS I was limited only to EU member states, the new scheme was opened globally and to all economic sectors including public and private services.

The environmental management system (EMS) framework grounded in the form of a regulation scheme is seen as an effective tool to implement an organization's environmental strategies to achieve sustainable success. EMS puts environmental management at the heart of business operations to help organizations reduce environmental impact. It also helps organizations to continually improve their environmental practices and performance so that they comply with relevant laws, regulations, and other environmentally oriented requirements. Table 2.1 gives an overview of the implementation of EMAS and ISO 14001 and their indicators.

Table 2.1

Implementation Indicators of EMAS and ISO 14001

ISO 14001	Initial Environmental Review	
	Compliance with Environmental Legislations	
	<ul style="list-style-type: none"> • Provision for legal compliance • Commitment to continual improvement of environmental performance 	
	Environmental Policy	
	<ul style="list-style-type: none"> • Setting the objectives 	
	Environmental Programme (Planning)	
	<ul style="list-style-type: none"> • Includes all elements covered in environmental practices <ul style="list-style-type: none"> ○ Review compatibility of scope ○ Environmental aspects ○ Legal and other requirements ○ Objectives and targets ○ Environmental management program 	
	Implementation (Environmental Management System)	
	<ul style="list-style-type: none"> • Structure and responsibility • Training, awareness, competence • Communication • EMS documentation • Document control • Operational control • Emergency preparedness response 	
	Checking and Corrective Action	
	<ul style="list-style-type: none"> • Environmental audit for cycle of Max 3 years includes <ul style="list-style-type: none"> ○ Monitoring and measurement ○ Non-conformance, corrective and preventive action ○ Records ○ EMS Audits 	
Management review		Certification
		ISO 14001
		Approved accreditation scheme
EMAS	Environmental Statement	
	<ul style="list-style-type: none"> • Environmental statement and accessible to the public (which should meet the requirements of Annex III) 	
	Official Recognition	
	<ul style="list-style-type: none"> • Externally validated annually • Registration 	
		Certification
		EMAS
		Approved accreditation scheme

Noted, this table is developed by author while based on existing literature

The establishment of a globally accepted regulatory scheme is expected to promote corporations to engage in environmental responsiveness and strive to reduce environmental impacts. Studies have reported the benefits of adopting regulations based on environmental management system. Henri and Journeault (2008) conducted a large survey of 1500 Canadian manufacturing to investigate the implementation of ISO 14000. They indicated that establishing a regulatory process to manage significant environmental aspects associated with the firm operations and activities allowed the firm to reduce cost and waste. Such process also provides a positive corporate image, improves relations with stakeholders, and increases compliance with environmental legislation. Nevertheless, many scholars are skeptical about how these benefits can be translated into economic performance. According to Yang (2011), the predominant economic view of a corporation has been shifted to understanding how corporations respond to environmental issues and how these responses enhance firm performance.

Blanton (2011) criticizes the traditional methods of environmental regulation and enforcement and argues that only by integrating incentives/rewards with regulations firms can be best persuaded to engage in more responsiveness initiatives. He proposes that to encourage manufacturing facilities to adopt environmental management systems, barriers need to be removed, benefits need to be enhanced, and efforts need to be rewarded. In recent years, the concern about environmental degradation has profoundly moved manufacturing industries to be culturally responsive. They begin to see environmental sustainability as a core factor in their operation and management.

2.2.10 Environmentalism and Need for Change

Based on the previous discussions, it is important to emphasize that for sustainability to be established; changes must take place within mind-set of all the stakeholders. Basically, this needs requires high level of mind flexibility and acceptance and readiness of all stakeholders to change toward sustainability neither sticking to the status quo.

By the same token, concerning environmental sustainability requires to extend the mind-set from solely managing the resources and operation to overall change in ourselves and our attitude toward those resource and operation (Doppelt, 2009). In other words, meaningful result regarding environmental sustainability can be achieved when the corporate executives and their subordinates be ready to change their dispositions, behaviours and mental paradigms. Hereon is important to emphasize that rigidity in pattern of thinking and beliefs, perpetuate the old ways of making decision and compliant with the environmentalism (Doppelt, 2009; Guoyou *et al.*, 2013). Executives attributes and their dominate pattern of thinking is even more important as they have the responsibility of inspiring the subordinates through either share vision or provision of direction regarding changes in their beliefs and attitude towards achieving the new goals of sustainability (Guoyou *et al.*, 2013 ; Jermier, 2013). Schein (2010, p. 243) in reiterating this issue states that:

“What leaders consistently pay attention to, reward, control, and react to emotionally communicates most clearly what their own priorities, goals and assumptions are.”

Doppelt (2009) equally corroborates this issue while adding that failure is being recorded in environmental sustainability initiatives mainly because the business leaders

have been unable to change the prevailing and old belief systems that solely support the status quo.

2.2.11 Environmentalism and Construction of Meaning by Corporate Executives

Many scholars have the strong believes that solving world's common political, social and environmental challenges requires cultivation of individuals who will create effective, substantial, and enduring change (Greenleaf, 2002). Based on this premise, it is highly important to emphasize that, within organizational agenda it is individual business executives that can bring about a better businesses but also a better world and not technology, material, economic or structural changes. Nevertheless, such a perspective, in no way impedes the search for and application of better technological, material, and structural solutions to environmental and social problems. Rather, the emphasis is on the fact that how business executives apply their internal meaning constructions on both internal and external tactics and strategies ensuring the efficient achievement of environmental sustainability and desired outcomes. In other word, it is individuals who make the decisions and take the related actions that lead to strategic changes. Specifically, it is the aim of this study to explore the meaning constructions of corporate executive which leads them to enact consequent behaviours in regard to corporate environmentalism. According to Greenleaf, 2002) individuals construct meaning through an internal connection with the larger processes of life that they live in.

Generally however, it is often the goal of individual to find a meaningful construction that contribute in their life while will endure more. Pezzey and Burke (2014) recently found that business managers are generally satisfied with their lives and

business endeavours when they are able to find meaning in their business activities. Accordingly, understanding the meanings of one's construct and desire they expect, will guide him/her to their choices on how to make a difference with their lives. In the same vein, the right action (behaviour) can only be achieved with respect to appropriate meaning and direction. This issue was validated through study of Schein (2010) which concluded that right decisions and actions imparts meaning to the individual's life.

However, construction of meaning cannot be done in isolation but social and cultural pressure impacts on individual and direct, regulate and correct his/her behaviour (Greenleaf, 2002 ; Schein, 2010). Thus, the scope of this exploratory research is not only merely bounded to the way sustainability is viewed and being driven, but it also explore and ascertain those factors that individuals sees as helping, blocking, or redirecting towards what they expected to do.

2.2.12 Environmentalism, a Complicated Picture

There is a growing body of literature on corporate environmentalism and corporate responsiveness. Studies have been conducted to explain the consequences/benefits for undertaking sustainability practices from a variety of research perspectives including those in the field of management science that is concerned with standards requirement or metrics for efficiency measurements (Liang, 2010) or designing a model toward improving or implementing corporate commitment initiatives (Chan, 2009). Many of the previous studies have focused on specific influential factors such as moral maturity (Chaudhri, 2011), religion (Brown, 2011), emotional intelligence (Ugbaja, 2012), norms and culture (Ali, 2011; Chaudhri, 2011), ethics and beliefs (DeMasi, 2011), and

employee commitment (Luo, 2011). Perrini, Russo and Tencati (2007) studied corporate responsiveness by both SMEs and large firms in Italy. They found that responsible activities have been embedded within the corporate agenda. While, other factors such as lack of information influences strategic decision-making processes. Yu (2010) and Ieromonachou, Manikas, and Babula (2011) also agree that though it is impossible to be fully responsible firms strategically select and adopt activities that are desirable to their stakeholders. The main drawback of Ieromonachou, Manikas, and Babula (2011) empirical investigation was the questions of what factors might affect corporate responsible behavior, and how administrative function is leading or lagging change in strategic decision. Given that a business strategy development is a subjective conscious process by senior managers, Yu (2010) studied how business decisions are made in developing countries like China and demonstrated that a firm's leaders have the key role of in interpreting the reality and formulating business strategies. According to Kumar, Subramanian and Strandholm (2011) and Tang and Hull (2012), leadership acts as a catalyst to make sense of clues to develop business strategies. In a recent study by Tang and Hull (2012) on SMEs entrepreneurial orientation, they found that there was an unambiguous relationship between a corporate leader's strategic decision and his/her capability in organizational decision-making. Perrini, Russo and Tencati (2007) investigated corporate social responsibility (CSR) strategies in small and large firms. To them, CSR is one's cognition as planned patterns of decisions businesses make to attain sustainable superior performance. They emphasized the role of senior management as an architect of the organization to discover, analyze, and develop a set of consistent responses to environmental factors. However, they also highlighted that lack of

resources and capabilities as the significant weaknesses of SMEs. Tang and Hull (2012) also contend that that lack of managerial expertise is often the most critical challenge SMEs face. Tang and Hull (2012) propose that a firm's capability can be identified in their strategic orientations, which indicate the firm's philosophy on how to achieve its strategic goals. Kumar, Subramanian and Strandholm (2011) give a similar conclusion about that a strategic decision is made consistent with the values and beliefs of a firm's leadership. Jagers and Matti (2010) in their survey of 4,000 Swedish organizations found that values and beliefs shape firms' environmental responsibility. Yu (2010, p. 31) asserts that strategic orientation is the manner in which a firm aligns itself to the internal and external environment. Although previous research has provided insight into corporate environmentalism and corporate responsiveness, little information is the values of decision makers in shaping their commitment to corporate responsiveness especially in SMEs where ownership is key in decision making and strategy development and where social ties are influential in their decision-making process (i.e. friends, family). In other words, previous research seems to neglect the transformative dimensions of decision to action in regards to environmental sustainability (Chan, 2009; Jeffrey, 2012).

In addition, studies on institutional pressures in influencing SMEs to implement environmentally responsive practices behaviors are also needed especially to understand the management cognitive processes involved in making decisions (Ieromonachou, Manikas, & Babula, 2011; Kumar, Subramanian, & Strandholm, 2011; Perrini, Russo, & Tencati, 2007; Tang & Hull, 2012). Such understanding is more pertinent in the context of Iranian SME where institutional and international pressures are great. In Iran,

due to increased pollution, the national policy makers have begun to tighten the regulation and promote international standards (i.e. EMAS and ISO 14000). However, such policy has raised heated debates on whether cultural factors have to be considered in complying with the standards and regulations and to what extent the standards are applicable locally. In sum, it can be said that the question of transferring awareness into a concrete and clear action is yet to be addressed by any particular theoretical approach or method, suggesting a need for a scientific inquiry to be conducted.

2.3 Background of Environmentalism in Iranian SMEs

The situation in Iran regarding environmental hazards and human health is not unique. Tehran air pollution is worse than what is reported. Mr. Yousef Rashidi (2012), the CEO of Tehran Air Quality Control, pointed out that in addition to the extensive economic damage, a variety of health issues such as cancer, heart disease and lung failure is caused by air pollution, which cumulatively has irreparable damage to human capital. Therefore, this section aims to provide an overview of sustainable environmental development in Iran and describes the main characteristics of the SMEs environment. This section also highlights the key challenges in environment preservation and national responses for environmentally sustainable development and the role of small and medium enterprises in environmental sustainability projects.

2.3.1 Environmentalism and Small and Medium Enterprises in Iran

In Iran, SMEs make up more than 93% of the total businesses employment with GDP contribution of more than 17% (Mowla'ii, 2012). Small and medium enterprises are

mostly privately owned managed by an individual or family (Mowla'ii, 2012). In the year 2009, 24.77 % of SMEs were involved in the production of non-metallic and mineral products and 17.84% in food and beverage, while the remaining 8.99% in other industries (Mowla'ii, 2012). Most of the SMEs are located in the capital city of Tehran.

The economy of Iran heavily relies upon the lucrative oil and gas sector, which becomes the target for international sanctions. As a result, crude oil exports and revenue for the government have been substantially reduced. Similarly, the value of the national currency has declined precipitously to more than 80% since the end of 2011. Overall, the Iranian industries have become more isolated and this has created great economic difficulties for the country. According to Mr. Mohsen Rezaee, the Secretary of the Iran Expediency Council, the devastating impacts of economic sanctions have affected production and created double-digit unemployment rate. In order to confront this situation, new economic strategies have been implemented. The supreme leader, i.e. Ayatollah Seyyed Ali Khamenei, has called for the employment of a “resistance economy” as the international sanctions levied on Iran have isolated the industries from the majority of the world's markets and technology (Salehi & Moradi, 2012; Jabalameli & Rasoulinezhad, 2012). Resistance economy is the perception introduced by superior leader in order to tackle the negative influence of international sanctions on Iran economy.

In this turbulent time, a firm survival is the main concern of organization leaders and when compliance with environmental sustainability standards like ISO 14001 is perceived to outweigh the costs, organizations will likely be more responsive (Hessami, Golsefid-Alavi, Shekaf, & Mavi, 2012; Ostad-Ahmad-Ghorabi & Attari, 2012). In

another context, Camacho (2012) investigated the failure factors of green practices in SMEs. He found that the central concern of a firm leader is whether the cost of implementation of such initiatives will add value to the business. Blanton (2011) identified that the owner/manager as the major decision maker in formulating the business strategy. Other failure factors identified by Hessami, Golsefid-Alavi, Shekaf, and Mavi (2012) include lack of knowledge, lack of technological infrastructure, weak network of collaboration with other, and the isolated economic situation of Iran.

In general, SMEs in Iran are either individual/family owned or owned by a small number of shareholders. The owner's values, background, and beliefs tend to shape much of the business operations.

2.3.2 Challenges of Environment and National Development

Regular closing of a capital city due to severe air pollution attests the inefficient actions of policy makers against climate change. According to Air Pollution Emergency Committee of Iran, air pollutants in Tehran have crossed the warning level and called for emergency circumstances. Figure 2.1 illustrate the comparison of annual average pollution index indeferent cities around the world for the years 2008 to 2012.

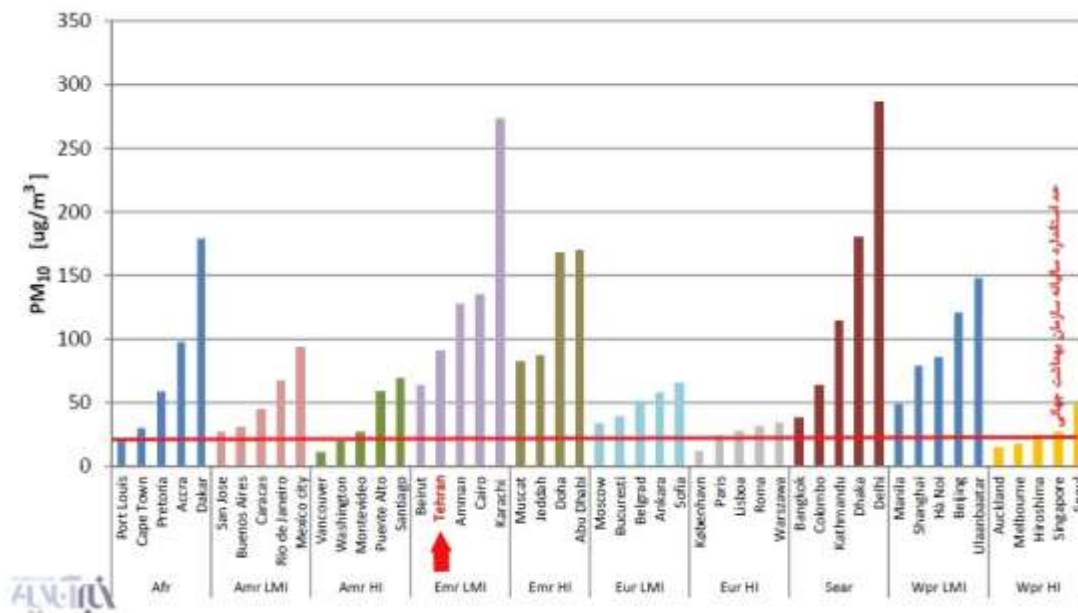


Figure 2.1

The annual average Pollution Index of PM10 Comparison Indifferent Cities around the World for the Years 2008 To 2012⁸

Because of intensified air pollution, Tehran fares the worst among 61 countries in the list of Ecologic Institute of Germanwatch. Based on the worldwide observation of this institute, Iran so far has shown no interest in protecting the environment. In November 2012, the National Ambient Air Quality Standards revealed that particle pollution (PM) in Tehran went over the world standards up to a choking level. However, for over three decades, Iran has remained a subject of the US, United Nation (UN), and European Union (EU) economic sanctions. As a result, initiatives to implement environmentally sustainable development have been curbed, which puts public health at risk.

While much uncertainty remains regarding economic and business pressure, human health has been substantially and adversely affected by air pollution. Although

⁸ Reterived form: <http://admin.khabaronline.ir/images/2014/8/14-8-6-182702.jpg>

the Ministry of Health has refused to release the exact number of deaths due to air pollution, the Tehran Municipality estimated the average death of between 4000 and 5000 people annually. Some other officials in the Health Ministry raised this number to 18000 people. According to Mr. A. Mesdaghinia, the Health Deputy of Iran Ministry of Health and Medical Education, industrial contamination is enveloping the region and particles less than 2.5 micrometers in diameter (PM 2.5) when associated with gas pollution can penetrate deep into the lungs and respiratory system and can be very damaging. This figure is revealed in air pollution index for three years of 2012, 2013 and 2014 illustrated through figures 2.2, 2.3 and 2.4 respectively. As a result, the public was recommended to avoid prolonged outdoor activities. The Health Minister even recommended evacuation of Tehran due to a high level of air pollution. Mr. Tabesh, the economic commission committee member of the Iran parliament, criticized the government environmental policy, arguing that the effects of environmental pollution are irreversible. According to him, premature closure of metropolitan will disrupt the economic cycle and impose heavy financial losses, which are estimated over \$15 billion per day or 6/1 percent of the GDP. Figure 2.2 revealed the air pollution index for the year 2012

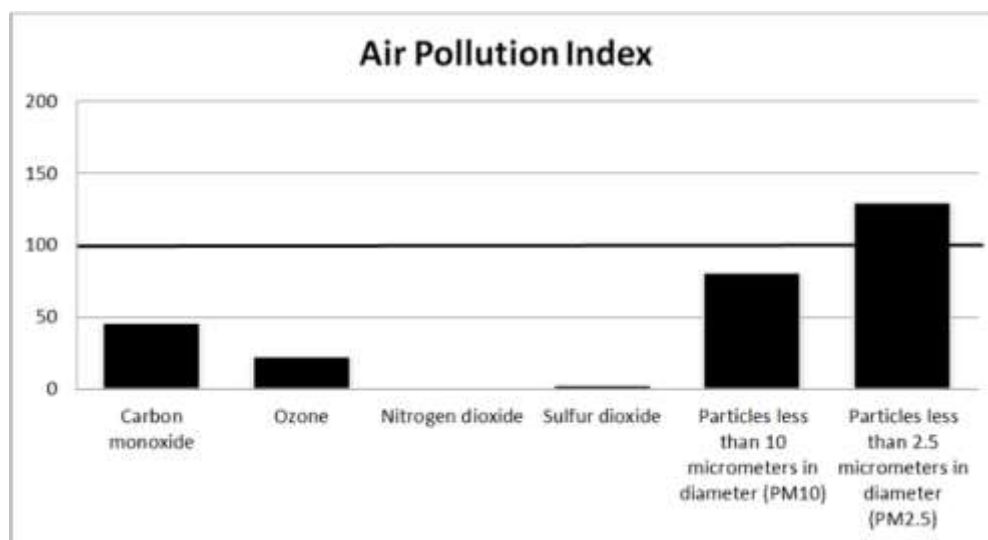


Figure 2.2
Iran Air Pollution Index December 2012⁹

Figure 2.3 shown the air pollution index for the year 2013.

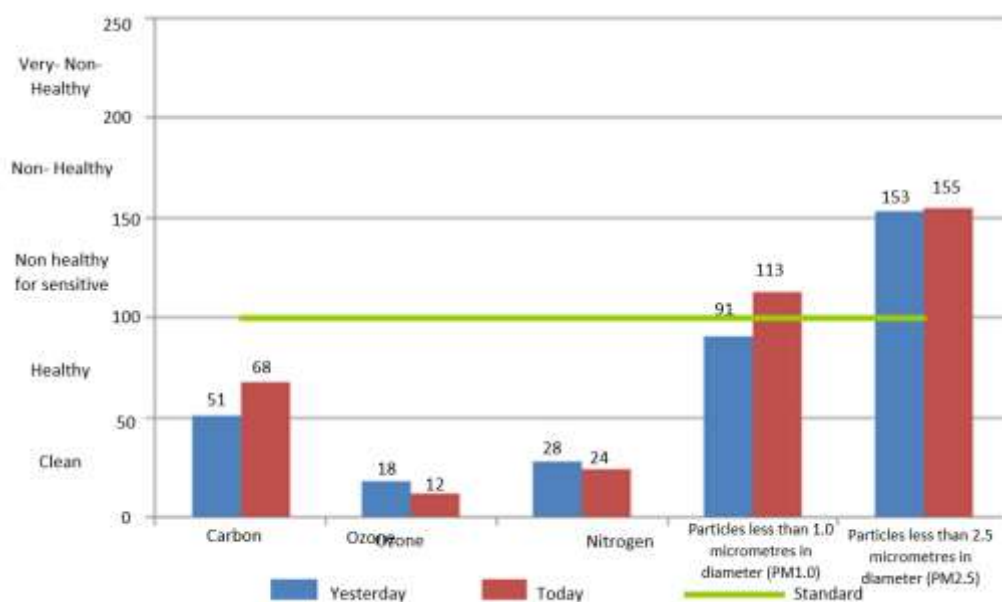


Figure 2.3
Iran Air Pollution Index¹⁰ November 27, 2013

⁹ Retrived from Air Quality Control of Tehran Municipality

¹⁰ Reterived from <http://antil.ir/tehran-air-pollutiIn-azar-92/>

Similarly for the year 2014, the air pollution index shown in Figure 2.4.

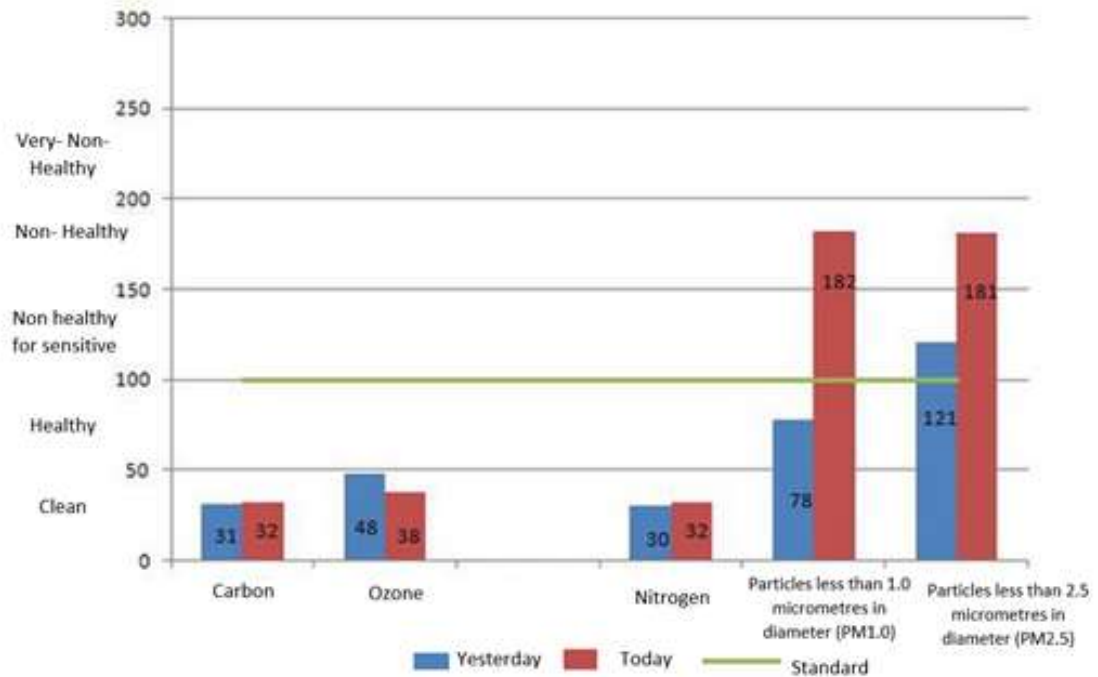


Figure 2.4
Iran Air Pollution Index¹¹ August 16, 2014

While extensive literature mostly focuses on the implementation of environmental sustainability practices, there is no uniform definition of factors that influence the strategic orientation of SMEs regarding environmental responsiveness.

2.3.3 Environmentalism and National Responses

Iran's growing environmental problems necessitates the adoption of environmental management and the implementation of environmental management programs such as ISO 14000, Eco-Management and Audit Scheme – EMAS. Although the ISO 14001 is the dominant voluntary international standard for assessing environmental management

¹¹ Retrived form <http://isna.ir/fa/news/91020301530>

processes, there is much argument on whether it is applicable to the resistive economy of Iran (in counterweighing the international sanctions). There is a debate on the implementation of international standards and whether they can provide an effective regulation system.

In both literature and media, the Iranian government has been accused of being irresponsible and of having lack of central planning on environmental issue. According to the Chief of Tehran City Council, Mr. Mehdi Chamran, the process of shifting polluting industries out of Tehran requires an effective administrative tool and shutting down the metropolitan is not the solution to resolve the environmental pollution. Tehran City Council in their proposal to the government and parliament to review the new comprehensive plan of air pollution control system emphasized the obstacles facing the environmental sustainability development. The Council cited lack of governmental support such as shortage of adequate fund and reasonable budgeting policy for the implementation of environmental sustainability program, lack of knowledge and positive attitude of managers, lack of decision-makers' commitment in implementing related programs, lack of monitoring structures and evaluation system of programs, and lack of environment preservation knowhow, as being the factors that hinder the environmental sustainability development programs.

While environmentally responsiveness initiatives are perceived to depend on business altruism to a great extent, the Iranian government claimed that they have adopted a variety of regulatory control systems to encourage organizations to pursue environmentally sustainable systems. As such, the fifth principle of the national constitution upholds that those who destroy the environment are said to have violated

the law. The Institute of Standards and Industrial Research of Iran has developed standards to improve public health and safety, quality assurance of products and environment preservation policy. National standards came into force as a key milestone for business responsiveness development because they set specific criteria for manufacturing and service providers to make profits within acceptable frameworks. Accordingly, they place pressure on business to meet the requirements on safety work and environmental protection process. Moreover, a more stringent policy has been implemented through regulatory monitoring and environmental appraisal report by companies on their environmental practices. In other words, through these various monitoring regulations, the Iranian government is encouraging eco-friendly production in companies. The government also recognizes scholarly and academic research on environment, standards and sustainable development and other activities to green culture among industries. In addition, the government also uses the mass media to promote consumers to change and incorporate eco-friendly behavior.

Despite the various programs instituted by the Iranian government to promote green culture in industries, the international sanctions remain the biggest challenge. Since the main concern of the resistive economy is to tackle unemployment and survival, under such circumstance the Iranian government must rely on research and development to promote responsiveness initiatives across organizations. Hence, with the growing environmental hazards and critical business responsiveness, there is a need to study environmental sustainability in Iranian enterprises.

2.4 Summary of Supportive Theories

The theoretical perspectives of this research include institutional theory, social cognitive theory, stakeholder theory, and strategic contingency theory. Social cognitive theory and institutional theory form the central focus in which top management play a key role in shaping the organization's strategic decision processes with regards to implementation of environmentally sustainable initiatives. Further, since this study assumes corporate responsiveness is synonymous within meeting stakeholders' expectations, stakeholder theory, developed by Freeman (1984), is relevant to understand how companies make adaptive changes to meet those expectations. This theory posits that organizational behaviors are influenced by values of stakeholders and their related positions. The other theoretical framework is contingency theory of intra-organizational power by Hickson *et al.* (1971), who argues how firms cope with uncertainty, which is defined by Friedmann and Kim (1988) as “lack of information about future events, so that alternatives and their outcomes are unpredictable” (p.64). Therefore, organizations depend upon information to understand the relation between uncertainty and coping with uncertainty, which is called “power”.

2.4.1 Institutional Theory

This theory argues that organizations in a challenging biological environment inevitably face institutional pressures that lead them to adapt to being environmentally sustainable. While tremendous competitive pressures require organizations to consume more natural resources to increase the overall quantity of industrial production driven by market demand, they also simultaneously face social and institutional pressures to preserve the

environment and to consider it as an important business agenda. Based on institutional theory, there is a need to study the impact of social structure to explain rich, complex organization's behavior. Institutional theory, according to Scott (2004), discusses how social structure (norms, routines) controls regulation (schemes, rules) that become established authority to regulate people's behavior.

Institutional theory argues that organizational behavior is influenced by other institutions and a wider social context. The scope of the theory has been expanded to organization behavior and environmentalism to make account for the strategic decision making regarding environmental sustainability initiatives (Nadkarni & Barr, 2008; Walls & Hoffman, 2013; Wüstenhagen, 2008).

Chen (2011) found that isomorphic pressures ultimately shape an organization's behavior and collective environmentalism action. More specifically, these pressures can be understood as coercive, mimetic and normative forces that influence an organization's behavior. Coercive isomorphism through the use of power and sanctions enforce compliance with certain collective practice. At the individual level coercive pressures could stem from the fear of being abandoned or left behind (Goodhew, 1998) while in the organizational level coercive pressures take the form of legal mandates, governmental regulation or influence from other organizations they are dependent upon (Walls & Hoffman, 2013). Mimetic pressure is apparent during high uncertainty. Goodhew (1998) stresses that firms experience uncertain or ambiguous situations due to lack of technologies, expertise, and operative competencies that contribute to faster and less expensive production. According to Walls and Hoffman (2013), organizations in this situation may emulate the decisions taken by other organizations they perceive as

being the market leader or being successful. Chen (2011) and Walls and Hoffman (2013) revealed that uncertainty risks associated with rapid development of advanced technology are inevitable; as such, actors often tend to model themselves after the others they perceive as successful. This process is called benchmarking. Finally, normative isomorphism is seen as pressures to homogeneity brought about by obligation to norms and rules of the institution. In the organizational level, normative isomorphism creates conformity to gain social approval. According to Scott (2004), normative pressure is to match attitudes, beliefs, and behaviors with the group approaches. There is substantial evidence that information exchange among group members guides their interactions and retains legitimacy by complying with commonly accepted norms. The tendency to conform to align with the majority is often caused by the desire for being accepted and maintaining one's reputation (Scott, 2004). This study also assumes that increasing isomorphic pressures will ultimately promote an organization to collectively implement environmental protection practices.

To sum, institutional theory is applied in this study is to evaluate environmentalism from the organizational perspective, not only in the intra-organizational level but also in the inter-organizational perspective. By doing so, to what extent coercive, mimetic, and normative isomorphism shapes environmentally sustainable initiatives and the notion of environmentalism in organizations can be assessed.

2.4.2 Social Cognitive Theory

Social cognitive theory attempts to explain human behavior and one's decision-making. Bandura (1986, p. 2) viewed human behavior as being "shaped and controlled either by environmental influences or by internal dispositions". Palich and Ray (1995) argue that human beings use cognitive devices to manage complicated situations. To explain why one behaves the way one does, various mediating variables have been proposed. For instance, there have been debates over whether rewards or punishments primarily govern behavior (Palich & Ray, 1995). Crosbie and Lewis (1993) posit that a person's strategic action (thoughts, feelings, and behaviors) is significantly influenced by his/her perception of and attitude toward the environment. Bandura (1986) argues that cognition is a driving force that mediates stimulus and response. Social cognitive theory proposes that human behavior is influenced by the interaction of personal factors (e.g., cognitive, affective and biological events), behavioral patterns, and environmental events (Bandura, 1986). However, Bandura argues that these factors do not have equal strength to influence human behavior (Bandura, 1999). Social learning theory gives strong emphasis on one's cognition and suggests that a person's own reality selectively encodes information on the basis of values and expectations that act as structure for his/her own actions. However this cognition is subject to maturity and experience.

Social cognitive theory is widely used as a theoretical framework in business, education and psychology research to understand the processes involved in one's construction of reality that influences behavior. Zhang, Dolan, and Zhou (2009) empirically researched on strategic human resource management and demonstrated certain "behavioral complexity" of the CEO leadership style in China. They revealed

that successful Chinese enterprises depend on understanding what leaders possess and the “paradoxical cognitive” thinking or decision-making process. Isaksen, Babij and Lauer (2003) considered leaders’ cognition as being important in transformation effort, strategic action and problem solving. They investigated the relationship between a preferred cognitive style of problem solving, decision making, creativity and leadership practice, and revealed that certain leadership behaviors were associated with certain cognitive style. Same result was reported by Tikkanen, Lamberg, Parvinen, and Kallunki (2005). They used Social cognitive theory to investigate managerial cognition and business. Similarly, Nadkarni and Barr (2008) propose that managerial cognition drives strategic action. Nadkarni and Barr (2008) in a study about how fast organizations respond to environmental events showed that causal reasoning was primarily used for making strategic decisions. On the other hand, Stimpert and Duhaime (2008) demonstrated that top managers’ mental modes and system of beliefs are associated with important strategic decisions. In sum, empirical evidence shows leaders’ cognition and values are central to a firm’s strategic behavior.

To better understand the nature of SMEs’ course of action regarding corporate environmentalism, the present study uses social cognitive theory because in a complex process like decision making individual strategists must often use various skills and knowledge. Utilizing this theory helps better understand and predict the strategist’s behavior and identify a model on which that behavior can be modified or influenced.

2.4.3 Stakeholder Theory

Within the traditional framework of conventional management, businesses aim to meet “shareholder satisfaction”. This perspective is driven by the economic rationality assumption and profit maximization (DeMasi, 2011; Turan, 2010). Nevertheless, in today’s business environment, this approach is relatively inadequate. Meeting solely the shareholders’ requirements or ignoring the social impacts of business activities is inappropriate (Blowfield & Murray, 2011). In contrast, businesses should attempt to satisfy other groups or entities besides shareholders, thus the notion of “stakeholder satisfaction” (DeMasi, 2011; Turan, 2010).

The concept of stakeholders was developed by R. Edward Freeman in 1984 but earlier scholars like Barnard (1958) talked about a firm’s main interest groups such as customers, employees, suppliers, and investors who have influence on a firm’s business decision (Yu, 2010). However, the earlier notion of diverse interest groups remained mostly scattered and peripheral to the business management discipline (Yu, 2010; Luo, 2011). In 1984, Edward Freeman developed stakeholder theory (originally known as “stakeholder theory of the firm”) as a strategic management model to construct a coherent and systematic perception of stakeholder’s interest (Blowfield & Murray, 2011). He communicated his idea in his book *Strategic Management: A Stakeholder Approach*. This new framework on the interests of stakeholders basically outlines the fiduciary principle of a firm. Freeman (1984) focuses on groups that matter to firms such as customers, employees, shareholders, investors, governments, community members, and/or the public (Massoud, 2010; McNulty, 2011; Paskert, 2008). Freeman (1984) argues that because different stakeholders may have divergent interests, the

firm's business strategies have to be reconciled to meet those expectations (Luo, 2011; Yu, 2010).

Massoud (2010) and Luo (2011) define stakeholders as those who are risk-bearers of a firm's decision and therefore have a legitimate claim on organizational behavior. Blowfield and Murray (2011, p. 207) in their seminal book entitled *Corporate Responsibility* list employees, customers, investors (shareholders), suppliers and local communities as five main stakeholders in which corporations need to be critically responsive. Bichard (2012) in their book *Positively Responsible* revealed that stakeholders influence positively the value of the organization where they react positively by being socially and environmentally responsible. Luo (2011) in his investigation on manufacturing industries in China reported that human rights responsibilities are the core strategy of firms. He showed that corporations that focus on employee and community are able to achieve competitive advantage and profitability. Bichard (2012) focuses on the question of how businesses meet ecological expectations to be aligned with societal demands in order to improve their corporate reputation. He argues that responsible businesses will be able to attract and retain their employees, customers, and as a result receive better treatment from investors and suppliers.

Since stakeholder theory is able to provide explanation to business operations by identifying key stakeholders, it has attained wide popularity in academic research works. Specifically, it is able to help analyze corporate responsiveness on human rights and ecological preservation policy (Luo, 2011; Massoud, 2010; McNulty, 2011). Several studies have integrated corporate strategy and stakeholder approach to increase the value of an organization by considering stakeholder values and beliefs. The use of stakeholder

theory proposes that corporate social/ecological responsiveness can help improve economic performance and at the same meet the societal and moral expectations of their stakeholders (DeMasi, 2011; Luo, 2011; Turan, 2010; Yu, 2010). Corporations have increasingly begun to recognize the strategic aspect of stakeholder influence on business responsiveness initiatives as a way to enhance corporate reputation and brand image. Massoud (2010) argues that stakeholder theory underplays power and control in organizations and underscores the importance of cooperation and collaboration within corporate operations.

Several authors argue that social/ecological sustainability often drives business to decide on how to prioritize the firm's finite resources to meet the claims of certain stakeholders. Luo (2011) points out that narrowly defined group of stakeholders limited to inbound organizational individuals may derive failure of complying with requirements and expectations of other stakeholders within society. Similarly, broadly categorizing stakeholders also might restrict the firm's ability of effectively allocate its limited resource to meet their key stakeholder's claims. Furthermore, Massoud (2010) contends that the degree of stakeholder pressure varies as each stakeholder group has different priorities and expectations. His study on SEMs in Argentina found lower involvement of responsiveness by SMEs in comparison with large firms. In his case studies about motivators and barriers of corporate responsiveness, it was concluded that the variety of expectations creates a major challenge for responsiveness initiatives and is typically seen to be a cutting behavior rather than promoting voluntary responsiveness practices.

In sum, the complex relations among stakeholders require that more research be done to identify the key stakeholders that play a significant role in either driving or impeding responsiveness initiatives. To gain a clear understanding of factors that affect SMEs motivation to implement environmental sustainability principles, stakeholder theory is found to be applicable. Recognizing the role of stakeholder influence might allow corporate leaders to make better business decisions that proactively address environmental concerns.

2.4.4 Strategic Contingency Theory–Intra-Organizational Power

The essence of contingency theory paradigm is that organizations face uncertain situations that constrain external and capabilities. Contingency theories are built upon various theories on management characteristics such as contingency theory of leadership (Fiedler, 1964), contingency theory of human resource management (Delery & Doty, 1996) and contingency theory of strategic decision making process (Frederickson, 1984). Strategic contingency theory introduced by Hickson *et al.* (1971) considers managerial ability in coping with some environmental challenges. This approach states that the distinguished character of a leader lies on problem solving skills and a projective personality. According to Hickson *et al.*, (1971), uncertainty is defined as “... *lack of information about future events so that alternatives and their outcomes are unpredictable*” (p. 219), and ability is ascribed as providing a strategic value in solving problems or crises in the organization, which gives the leader broader bargaining power. While power exists to override uncertainties, different types of leadership are also effective (Donaldson, 2001). The issue is the role of intra-organizational power and

group interaction that affect the leader's ability to lead using intelligence and rationality. As the main perception in strategic contingency theory, it still believes that social process depends on the leader and his problem solving ability; even if (s)he does not have the charisma but still has power, that can make him/her as an effective leader (Clegg, Kornberger, & Pitsis, 2011).

According to Fiedler (1964), there is no ideal leader but the effectiveness of organizational decision is based on the number of contextual variables in a situation. Contingency approach attempts to determine a leader's orientation or style in a situation of uncertainties (group atmosphere, leader position power, and subordinate task structure). According to contingency theory of leadership introduced by Fiedler (1964), there is no optimal design because companies are operating in a dynamic and uncertain environment where every organization is facing different sets of environmental construct. Therefore organizational performance is contingent on the leader's psychological orientation. Fiedler (1964) found that the leader's effectiveness is mainly a function of his/her orientation that fits the situation. According to this model, the effectiveness of a leader depends upon the favorableness of the situation in terms of three aspects: (1) leader's position power, which refers to the power inherent in the leader's position; (2) leader-member relationship, which refers to the degree of mutual trust, confidence and respect; and (3) task structure, referring to the clear and structured task of subordinates.

In a study of SMEs, the type of leadership measures top management behavior, where the manager is also the owner who makes an organizational decision. In this situation, strategic contingency theory would have more effect because prior studies

have given ample attention to this theory (Huang, Gattiker, & Schroeder, 2010; Ketokivi & Schroeder, 2004; Orlitzky, Siegel, & Waldman, 2011). This study also explores environmental sustainability strategies as assessed by SMEs decision makers using strategic contingency theory.

2.4.5 Synthesized Perspectives of Supportive Theories

A report commissioned by Rio+20 in the United Nations Conference in 2012 and the Doha round warns that the earth will be four degrees warmer, worse than previous estimates. Environmental concerns require that degradation to the environment is reduced. This yields mounting pressure on firms to reduce greenhouse gas emissions and stand as responsible corporate citizens. Organizations realize that their concern to improve the shareholders' wealth are in conflict with being environmentally responsible.

The main responsibility of a firm has been to deliver goods and services and generate profit for firm shareholders. Previous studies based on this view mainly focused on the relationship between corporate responsiveness and financial performance, but they never came to a coherent conclusion. The theoretical support on what the business environmental/social responsibilities perceived or whether /when a firm should implement those responsiveness strategies, typically fails in lifting the veil of corporate incorporation (McNulty, 2011; O'Shaughnessy, 2011; Paskert, 2008; Sheedy, 2011). The modern view of business responsiveness is explained by institutional theory of a corporation. This theory emphasizes another group of stakeholders beyond the traditional pool of shareholders who are affected by the organization's behavior (Freeman, 1984). Nevertheless, this approach is not without

critics. While many scholars argue that stakeholder benefit is part of shareholder value (Blowfield & Murray, 2011), other scholars advocate the legitimate aspect of business leaders in organizational decisions.

In order to develop a coherent understanding of corporate environmentalism, this research draws upon multiple theories and diverse literature (Amanyraoufpoor, 2012; Brown, 2012; Sheedy, 2011). As demonstrated in the previous section, the relationship between business strategy formulation and environmental sustainability initiatives remains unclear. Therefore to address this gap, different theoretical perspectives are applied to guide the present research. In particular, stakeholder theory of Freeman (1984) provides a comprehensive framework to identify local authorities and those who have claim on a firm responsiveness. While stakeholder theory considers external stakeholders, contingency theory of Hickson et al. (1971) provides an appropriate lens to investigate the internal mechanism of an organization and some forms of social network that affect a business environmentalism policy. How environmental decision is made by corporate leaders is tackled by social cognitive theory and institutional theory.

2.5 Conclusions from the Literature Review

2.5.1 Literature Gap

Environmental sustainability or the concept of environmentalism dwells on encouraging individuals and organizations to go beyond their normal business responsibilities of making profit to include environmental and social concerns into their agenda (Jermier, 2013; Kudlak, 2014; Phillips, 2014; Welford, 2013). It thus drives individuals to extend his or her responsibilities and carry out more environmental or social responsibilities

actions (Schein, 2010). Which may also have this potential to bring about transformation of many businesses (Hart, 1997). However, despite the fact that environmentalism and corporate sustainability is achieved only through the decisions and actions of individuals, nevertheless, existing scholarly literature has primarily focused on organizational level of analysis (Dornfeld *et al.*, 2013; Jermier, 2013; Kudlak, 2014; Welford, 2013). While many scholarly works have been done with regards to the definitions of sustainability, its implementation of strategies, and how it has been incorporated into the agenda of organization, nevertheless, there has been relatively little research on how individual and corporate executives, in particular, come to make decisions and enact sustainability practices in their organizations. In this view, little attention has been given to the eco-centric perspective of corporate executives and this has been regarded as a major gap in the literature (Papagiannakis, Voudouris & Lioukas, 2014; Pezzey & Burke, 2014; Philippe & Bansal, 2013). Relatively, corporate executive are considered visionary (Dornfeld *et al.*, 2013; Papagiannakis, Voudouris & Lioukas, 2014; Shah & Rivera, 2013) with the potential of providing clear image of how the meaning was constructed which could drive them to see the future and direct their organization toward sustainability initiatives.

This research is, therefore, an attempt to explore how individuals view and drive sustainability within their organization. This qualitative exploratory inquiry makes an important academic contribution to the smaller body of knowledge by narrowing itself for rigorous individual level analysis. This study is an attempt to explore how corporate executives construct meaning about environmental sustainability and the consequence behaviours, which they seek to enact in their organizations.

2.5.2 Articulation of Gaps and Limitations

The issue of environmentalism or environmentally committed behavior has been gaining empirical attention. However, as O'Shaughnessy (2011) and Sekajipo (2010) point out, the diversity in theoretical constructs and methodologies of investigation seems to hinder comprehensive understanding of organizational commitment. To be able to achieve this, Sekajipo (2010) proposes the appropriate use of method in particular the use of an inductive oriented methodology. Such methodology will allow researchers to tap the cognitive structures and the way managers formulate their environmentalism and commitment, which is missing in many previous studies on corporate environmentalism (Isaksen, Babij, & Lauer, 2003; O'Shaughnessy, 2011; Morris, 2012; Sekajipo, 2010; Stimpert & Duhaime, 2008). By tapping the cognitive mental modes of managers, our understanding on how managers frame their decision with regards to environmentalism can be enhanced.

2.5.3 Conclusion

Literature on the concept of corporate environmentalism, key impact of SMEs on ecological degradation and the existing isomorphism and enforcement in complying with environmentalism has been discussed in detail. To enhance further understanding to the concept of corporate environmentalism and ontological assumption several definitions from the most prominent contributors to the field were analyzed. However, reality found very complex and there is no single definition that can fully explain all its nature. Therefore, there was a need to inductively builds abstractions, concepts from details and continue to add on literature.

Having specified the gap between environmentalism intention and intended behavior and conceptual framework in which the case study will be conducted, will described in the next chapter. The next chapter illustrates the research questions distilled from the literature and outlines the research philosophy. This chapter explains the operational research design and different methods of inquiry and data collection and analysis employed.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

Since the notion of environmentalism is yet to be part of the SME business agenda, the present study seeks to explore top managers' pattern of thinking of organizational commitment to environmental practice and to understand whether these beliefs are associated with institutional isomorphism. Toward these ends, qualitative method of inquiry was chosen as it enables the researcher to discover the cognitive processes involved of the top managers of SMEs incentives (Max & Lynn, 2003). This method also allows a rich description of complex phenomena (Max & Lynn, 2003).

This chapter explains the qualitative inquiry procedure especially pertaining to how data were collected in order to provide answers to the research questions set earlier. Prior to explaining how the qualitative inquiry was carried out, it is apt to locate its philosophical orientation to guide understanding of the link between the two. Toward this, Pickard's (2007) guide was used, as shown in Figure 3.1. In essence, Pickard's framework describes how one moves from the philosophical foundation to practical exercise in carrying out the research. The framework proposes that the methods of data collection, analysis, and interpretation should be consistent with the philosophical orientation of a particular empirical inquiry.

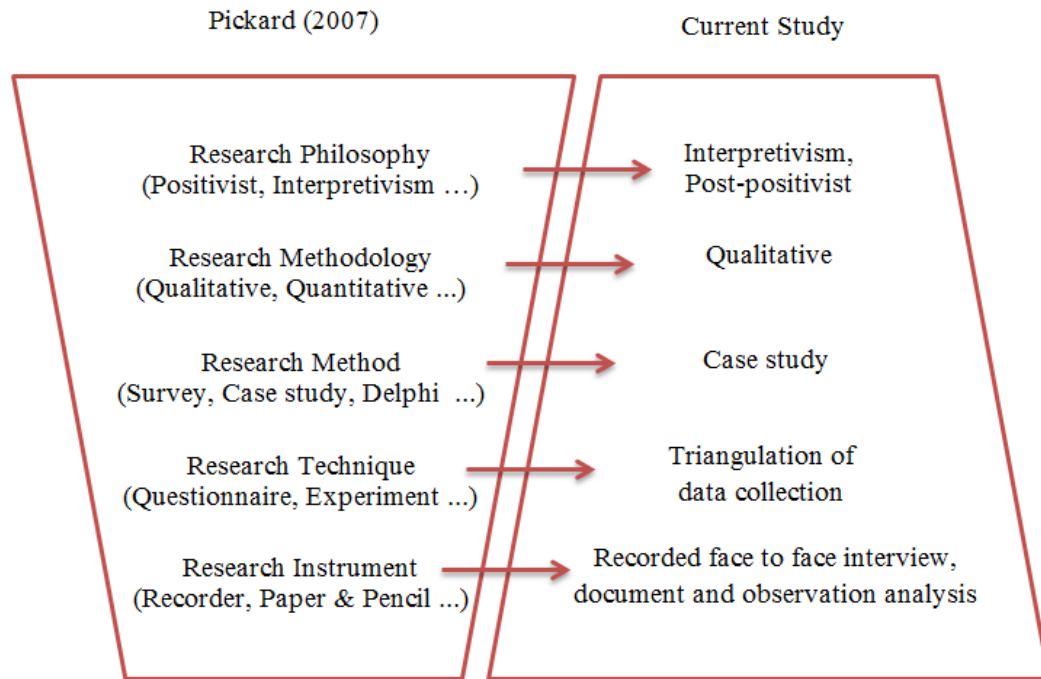


Figure 3.1
Research Hierarchy of Methodological Dimensions

3.2 Position of Research Philosophy

Philosophical assumptions provide a systematic way of describing and defining the research approach. Guba and Lincoln (1994, p. 105) define paradigm as a basic belief system or worldview that direct scholars to investigate the phenomenon in hand. A research paradigm can be described as a revealing guideline, which is framed by set of beliefs and feelings about the real world and the way of breaking down this complexity that can be understood and studied (Patton, 1990; Guba, 1990). Guba and Lincoln (1994) highlight the importance of paradigm as a structure of inquiry shaped by ontology (nature of existence; reality or what is there that can be known), epistemology

(concerned with nature, source and limitation of knowledge or the framework by which knowledge is acquired and validated), and methodology (the way the inquirer should go to establish the knowledge of reality). Dash (2005) categorizes paradigms into two major clusters: positivism (in which knowledge can be observed and measured) and anti-positivism, which is also known as interpretivism (in which knowledge is produced by synthesis of meaning within an interpretive approach). Creswell (2007, p. 16) identifies four clusters of philosophical assumption in qualitative inquiry: post-positivism, social constructivism, advocacy or participatory, and pragmatism. Of these paradigms, post-positivist approach considers social realities consistent with the constructivist movement in cognitive where logical increments depends on individuals who participate it as well as determinism which is based on multiple social realities and prior theories (Creswell, 2007, p. 16).

Since the philosophical worldview underpinning this research is post-positivism, the ontological, epistemological, axiological, and methodological assumptions of the present research are adhered to. To discover the truth, which is independent of the observer's influence, rigorous research methods are employed. For instance, qualitative gurus (e.g., Guba & Lincoln, 1994, p. 110; Myers, 2009, p. 10; Pickard, 2007, p. 9) recommend the use of triangulation of data collection and analysis to ensure that the phenomenon of under study is explored from different angles so that the "wholeness" of the truth is achieved.

3.2.1 Ontological Assumptions

The ontological assumption bridges the research and the nature of reality (Creswell, 2007, p.18). The term reality is defined by Myers (2009) is something that is independent of the researcher and the research instrument which is “out there” to be discovered. It is assumed that there is an objective reality; however, in qualitative terms, the nature of reality is subjective determined by the type of research question(s) (Flick, 2002). The multiple subjectivities and the complexity of the phenomenon under study indicate the need for proper exploration to answer the “Why” and “How” questions. Specifically, the analytical scheme for exploring the pattern of thinking of SME decision makers in complying with environmental sustainability is rooted in the individual’s cognition. The information processing, reasoning and intuition of the individual mind define the cognitive processes to be analyzed from different perspectives in different contexts. Hence, post-positivist approach is helpful to explore the multiple realities with the use of systematic and rigorous procedures inquiry (Creswell, 2007; Denzin & Lincoln, 2005).

3.2.2 Epistemological Assumptions

Qualitative inquiry does not limit itself to examine the reality in objective characteristics; but it also aims to understand the underlying reasons of the phenomenon. Generally speaking in qualitative research the attempts are to understand and interpret human thought and behavior, typically referred to as “the way of knowing” (Myers, 2009, p.10). Creswell (2007) defines “the way of knowing” of the nature of the reality as the epistemology of research. Denzin and Lincoln (2005) describe epistemology as the

way in which it is possible to gain knowledge of reality. Epistemology therefore gives emphasis on how to know reality within the human limitations.

The ontological assumption and personal views of the nature of reality affect the epistemological consideration i.e. the way to know that reality. Since the ontological assumption in this research lies within the post-positivist approach, therefore the epistemological stance considers valuing participants' own interpretations of the perceived reality. To Guba and Lincoln (1994, p. 110), knowledge is created from a deep understanding of the phenomenon and the context it is embedded in.

This research aims to understand how environmentalism is perceived in the context of SMEs. In particular, vague guidelines and regulations derived from international standards or local institution have often led SMEs to face ambiguous challenges. While the organization's ability to offset the negative environmental effect poses a serious issue, many researchers conclude that the organization's inability to address environmental challenges is attributed to lack of awareness, transparency and deployment of environmental sustainability in manufacturing activities (Gleim, 2011; Lai, 2010). Few studies on corporate environmentalism consider institutional enforcements (Park, 2010; Kim, 2010; Shahzad, 2011). Furthermore, studies on the impact of corporate responsiveness tend to be investigated in the West. Extrapolating the findings of the West to the non-Western context is somewhat unjustifiable given the nascent understanding of the developing countries on corporate environmentalism (Amanyraoufpoor, 2012; Aminzadeh, 2010).

The purpose of this research is to explore a firm's resilience in complying with environmentalism. Specifically, it aims to explore the explanations of corporate environmentalism embedded in executive's pattern of thinking.

3.2.3 Methodological Assumptions

In methodology, the emphasis is based on 'critical multiplism' as a way of falsifying rather than verifying hypotheses. Post-positivist aims doing inquiry in more natural settings, collecting more situational information, and reintroducing discovery as an element in inquiry. Research in the field of the social sciences particularly considers the soliciting emic viewpoints or the way people think to assist in determining the meanings and purposes that people ascribe to their actions" (Guba & Lincoln, 1994, p.110).

To be in consistent with the ontological and epistemological positions, the present study is grounded on a realist view whereby the existence of reality is associated with values, knowledge and experience of human beings. In other words, the reality is influenced by human own thoughts, interpretations and meanings (Creswell, 2007). According to Guba and Lincoln (1994, p. 107), facts and values cannot be separated because knowledge is positioned based on social reality and events. In a study about the executives' pattern of thinking of the nature of their corporate environmentalism, the beliefs, attitudes and values of the individuals involved ought to be explored as the interpretations of the reality reflect the values the individuals have. External reality, hence, manifests through fundamental aspects of human belief system and the context within which it occurs. Subjectivity of the problem feeds into the existing reality and to provide detailed descriptions of why things are the way they are, a case study research

methodology is found suited. According to Yin (2003), a case study orientation is constructed through a informant's view which is interpreted within the social context.

A case study as an inductive approach explores the subjective reality that shapes the meaning, which later guides decision making in organizations (Elliott & Lukes, 2008; Kervin *et al.*, 2006; Torrance, 2005 in Somekh & Lewin, 2005). In the attempt to understand the meaning ascribed to a behavior, the researcher's role in a case study is based on grounded methodological paradigm. For instance, the researcher using a post-positivist approach maintains a distant observer role with the intention to explore an insider's perspective and contribute to social theory (Torrance, 2005 in Somekh & Lewin, 2005). Accordingly the research is constructed in a series of logically related steps that espouse rigor in data collection, validation and analysis.

The interpretive position of the present study leans toward creating knowledge to better understand of a phenomenon, which cannot be answered by positivist causal relationship of finite elements. For positivists, knowledge exists outside of the researcher's interference which is discovered by facts. On the other hand, the interpretive stance of this research explores the managerial pattern of thinking as a value-laden process, which cannot be separated from their real life involvement and values.

In sum, according to Creswell (2007), the case study method enables researchers to understand how and why a particular phenomenon is articulated from informant's subjectivity. The role of the researcher is to unearth the constructed meaning grounded in the logic behind everyday activities. The understanding of the problem at hand is developed from the codes and concepts derived from the language and meaning given

3.2.4 Axiological Assumptions

The term axiology as a branch of research philosophy refers to ethics and values of the researcher (Denzin & Lincoln, 2005, p. 183). Axiology is the key that distinguishes qualitative from quantitative inquiry and is closely linked with research epistemology (Creswell, 2007, p.18). Post-positivism approach in this research allows for a thorough inquiry where potential biases due to different value systems can be checked and prevented.

The value-laden compound in the context of this research, consist of recording entire interviews, employee latest computer program (Atlas.ti) and multiple analyzing the transcribed data and validation through consecutive trustworthiness process. Particularly, the internal value of researcher lay on consciousness about actual practice of environmentalism, aims to understand the fuzzy aspect of decision making. For this reason, the axiological concern and value laden of this research concreted within entire process of inquiry, from the inception of the research and end to the presentation of the finding.

3.2.5 Rhetorical Assumptions

There is a significant emphasis on the choice of vocabulary uses in reporting qualitative findings. Qualitative philosophers define rhetoric as describing the art of speaking or writing in an effective manner (Creswell, 2007, p.18). The use of language is different between positivist and anti-positivist studies (Creswell, 2007, p.18). Rhetoric assumptions influence the perception and mindset of the researcher and hence the readers. For example, instead of generating hypotheses, the present study develops a set

of propositions, following Johnstone (2004). Furthermore, in qualitative studies, the object is to strive for credibility, transferability, dependability and confirmability (Guba & Lincoln, 1985) instead of generalizability, validity or reliability.

3.3 Research Methodology

Research methodology is defined as an empirical investigation that relies on empirical data derived from the natural or social world, “from unconsciousness worldview to enactment of that worldview via the inquiry process” (Guba & Lincoln, 1989, as cited in Manley & McCormack, 2003), with the aim to contribute to the body of knowledge.

3.3.1 Initial Concept of Research Methodology

There are two main research strategies: qualitative and quantitative, the choice of which depends on the epistemological and ontological considerations of the research in question (Creswell, 2007). Qualitative research in respect with the inductive approach aims to generate theory while quantitative research is deductively used to test a theory. Further, qualitative method is associated with interpretivist-constructivist approach aimed to understand the phenomenon under study as it is perceived by the social actors (Hine & Carson, 2007). As such, qualitative method is interpretive as it leads to a deeper insight of the “reality” within the social system (Tuli, 2011). On the contrary, a quantitative technique is derived from a positivist perspective, which holds to acquire knowledge through direct observation or experience (Creswell, 2007). The nature of research is a scientific explanation governed by the laws of cause and effect, apart from personal idea, and thought, (Tuli, 2011).

Ontologically speaking, in qualitative research, subjective reality exists as it is socially constructed by social actors. It holds to investigate, interpret and describe reality by empowering people to express the meaning and experience to construct the knowledge instead of considering them as objects of research (Tuli, 2011). By doing so, richness and deep understanding of reality by first-hand experience through social interaction in a specific context can be obtained (Bryman, 2004; Neuman, 2006). On the other hand, quantitative research, which has an objective orientation, regards reality (out there) as something that is waiting to be discovered by using conventional scientific tools (Tuli, 2011). In this regards, reliable knowledge exists independently of individuals (Bryman, 2004), and it comes from direct observation or manipulation of the natural phenomenon (Neuman, 2006; Tuli, 2011). Given these considerations, qualitative research strategy is deemed to be an appropriate method to answer the questions in the present study. Table 3.1 summarizes the decision involved in choosing the suitable research methodology for this research project.

Table 3.1

Rational Choice of Appropriate Research Methodology

	Qualitative Research	Quantitative Research	Objective
Nature of Research	Inductive	Deductive	This inquiry is exploratory in nature and therefore fits with inductive approach.
Perspective of Research	Interpretivism	Positivism	This inquiry is to understand human and social behavior from the insiders' perspective and their view or experience of a corporate strategist in regard to the firm's environmental sustainability initiatives. Hence, this is consistent with interpretative understanding of a social phenomenon.
Function of Research	Subjective	Objective	Since this research seeks to understand why SMEs invest in environmentally sustainable practices, a qualitative strategy is appropriate as it discovers participants' pattern of thinking, personal subjectivity and unique experiences within a particular setting.
Source of Data and Analysis	Social reality	Scientific approach	Since the source of knowledge is situated in a social setting, verbal instrument of data probing holds qualitative method as truly purposeful.

Although quantitative study provides an understanding into the general feature of a population, due to limited information on SMEs and the extent and nature of compliance with environmentalism, it was found not appropriate enough for this study. Further, while studies tend to focus on the tendency of public and large manufacturers to implement environmentally responsible practices, no information was available with regards to the nature of their investment and expected return (Havaeji, 2011; Jamali, Zanhour & Keshishian, 2009; Jamian, Ab-Rahman, Deros & Ismail, 2012). Hence, qualitative method was found to be appropriate in exploring responsiveness of firms to gain in-depth information from multiple sources of data. Furthermore, inductive researchers draw empirical generalizations based on collected data and then contribute to the theory (Ali, 2011). Since environmental hazards and environmental sustainability

issue become more ubiquitous, this research tries to take a critical stance to discover how and why there may be different approaches to sustainable responsibility practice among industries, based not only of the firm's strategist orientation but also on a range of other influencing factors. Qualitative method was chosen, as Myers (2009) suggests, for understanding the contexts within which decisions and action taken can only be discovered by talking to people. "It is only by talking to people or reading what they have written, that we can find what they are thinking, and understanding their thoughts goes a long way toward explaining their action" (Myers, 2009, p.6).

3.3.2 Choice of Research Strategy

The preceding discussion justifies why a case study as an appropriate research method used for this inquiry. According to Yin (2009), there are three fundamental conditions to consider in choosing any of the five strategies, as shown in Table 3.2.

Table 3.2
Criteria of Choosing Proper Research Strategy

3 Creteria 5 Strategies	Form of Research Question Posed	Extend of Control of Investigator Has Over Actual Behavioral Events	Degree of Focus on Contemporary as Opposed to Historical Events
Experiment	How , Why	Yes	Yes
Survey	Who , What , Where, How Many , How Much	No	Yes
Archival Analysis	Who , What , Where, How Many , How Much	No	Yes / No
History	How , Why	No	No
Casestudy	How , Why	No	Yes

Source: Yin (2003)

A case study is appropriate when the boundaries of the phenomenon under study are not clearly evident (Yin, 2009). Particularly illustrating the importance of why

corporate complying with notion of environmentalism where there are significant societal concern is highly pertinent to executives view and their pattern of thinking. Therefore, the first part of this logic is the need of focusing on multiple realities created by different individuals as they interact in that specific issue.

Secondly, Yin (2003, p. 13-14) notes that, a case study is the way to get individuals to reveal their constructions of social realities, which is required to occur at the local and immediate level.

Since the main focuses of this study is illustration of cognitive process of SME executives in complying with environmental sustainability and making thick verbal description of the way they construct the reality within the complex social milieu, therefore a case study is suitable. Thirdly, as Yin (2003, p. 13-14) noticed the case study is able to provide answers to the questions of “How” and “Why” concerning the phenomenon under study.

A case study is also appropriate when the researcher has minimal or no control on the events that are taking place in the social world. In this research, the researcher aims to understand the perspectives of the executives of SMEs of corporate environmentalism and the firms’ environmentally responsible practices without any attempt to modify the behaviors and cognitions of the executives. Understanding how SME executives make sense of their social context that drives their commitment to implement environmentally sustainable practices is pertinent in the study, and hence, a case study is deemed suitable as it allows the researcher to discover the narratives and cognitive processes involved.

3.4 Data Collection

3.4.1 Sampling Design

3.4.1.1 Industry Selection Criteria

According to Creswell (2005), a researcher should narrow a study to a specific determined research population. Neuman (2006) defines population as a large collection of individuals to be investigated. Creswell (2005, p.359) defines population as “a group of individuals having similar characteristic which are distinguishable from other groups.” The population of interest in this study was small- and medium-sized manufacturing firms listed on the Ministry of Industry, Mines and Trade. SMEs were chosen because (1) they are being accused of contributing much to the environmental degradation in Iran; (2) they have poor organizational staffing and environmental management capability (Amanyraoufpoor, 2012); and (3) they have low compliance with environmental standards (Aminzadeh, 2010).

To select the suitable SMEs for the present research, Neuman’s (2006) recommendation that researchers should consider the characteristics, size and geographical location, are used. The following describes the criteria:

1. Organizational size was determined by considering the number of employees SMEs employ.
2. Only private Iranian manufacturing industries were considered.
3. The enterprises are located in the heavily industrialized city of Tehran, which is warned as the most polluted city with the highest measured level of airborne particles and serious health problems.

4. The most polluted industry was considered. Iran Small industries and Industrial Parks Organization (ISIPO) was consulted in identifying the industries.
5. Industries with specific criteria such as prominent industries, greater margin of production and larger number of employees were considered. The detailed tables of industries and the reason of choosing the selected industries is presented in appendix C under the category of 'statistical description of small and medium industries in Iran'.

3.4.1.2 Corporate Selection Criteria

According to Yin (2003), in a case study research, selecting the cases that are able to expose the unusual phenomenon is important. Because the research is interested to reveal the SMEs' pattern of thinking regarding environmental responsiveness strategies, selecting the appropriate informants is important. In this case, the researcher decided to use a purposeful sampling technique. Purposeful sampling is described by Newman (2006, p. 222) as a non-random selection of cases with a specific purpose in mind. Creswell (2005) maintains that the selection of specific population in purposeful sampling allows getting the greatest amount of data.

In small and medium enterprise, the businesses vary in ownership, industry affiliation as well as the decision maker's personal demographic. Meanwhile as described the importance of the issue, therefore it is required to SME's level strategist were being study to exploring their role in shaping the processes of responsiveness practices. Since these business leaders represent a wide range in conceptualized issue, therefore the purposeful sampling frame applied in this study is maximum variation sampling. According to Patton (1990, p.182-183), maximum variation sampling

“exhibits important common patterns that cut across variations”. Although selection of different cases may be perceived bulky because of increasing the complexities, as it involves with include social setting and scope of the study but this feature has potential to increase the strength and thoroughness of finding. Furthermore, to discover factors associated with environmental sustainability initiatives and human experience in the context of SMEs, choosing multiple enterprises in a diverse setting of a manufacturing sector is imperative.

A purposeful sample was drawn from a list of participants that have the attributes essential to the research objectives to represent the maximum variations in the target population. According to Yin (2008), the selected samples are representative subset of the larger population and allow for in depth qualitative fact gathering. However, as Creswell (2005) stated, limitation of the number of informant sample may be due to difficulty in accessing the participants or sites. As such, this research also limited itself by considering organizations that granted permissions for access.

Eight selection criteria were considered as shown in Table 3.3. The main selection criterion was based on intimate knowledge of environmental responsiveness operation and the latitude of managerial cognitive process in implementing or intending to implement environmental initiatives.

Table 3.3

Case Selection Criteria, Indicators and Measurement Scheme

#	Criteria	Indicators	Definition Scheme
1	Organizational Size	The main focuses of this study is SMEs and intellectual in complying element of sustainability, therefore the selected cases were among private SMEs of manufacturing cluster.	This issue was determined by the total number of full-time employees. the definition of SMEs was obtained based on Iran small industries and industrial park organization (ISIPO) http://isipo.ir/
2	Firm Location	Since this study concern the notion of environmentalism and complying element and corresponding responsiveness, therefore, participant firms were selected among those located in the capital city (Tehran) which is known as heavily industrialized city, and due to airborne particles and serious environmental problem, warned as the most polluted city.	The issue related to environmental hazardous was confirmed based on context of law of parliament of Iran Institutional website and firms were determined based on registered SMEs in Ministry of Industry , Mine and Trade and site visit
3	Manufacturing Sector in the Most Polluted Industries	The main assumption is compounding evidence from those firms with strict societal isomorphism instances of situations that cause individuals to take certain actions are be worthy to notice. Therefore, those pioneer firms among most polluted industries were selected.	most polluted industries determined based on parliament order to strictly sealed and relocated to industrial zone obtained from Iran Small industries and industrial parks organization (ISIPO)
4	Length and Maturity of Establishment	Organizations have to be at least five years in existence and have been involved in addressing ecological/environmental concerns more. The assumption is that the enterprise that has been in operation long is more likely to have more experience with the issue at hand in comparison to one that is newly established. It was also concerned that corporation with experienced enough in operation and implementation of ecological principals they feel comfortable	This issue was determined based on institutional website of Institute of Standard and Industrial Research of Iran (ISIRI) and document review

Table 3.3 (Continued)

		and more secure to generate enrich information and does not have the obstacle of inexperience skill or concern to disseminate valuable data.	
5	Recognition for Standardization Involvement	Organizations considered among those received accreditation for complying with national standard issued by the Institute of Standard and Industrial Research of Iran (ISIRI) for different ICS code. Moreover, they must also be certified with Environmental Management Standard ISO 14000.	This issue was determined based on institute of Standard and Industrial Research of Iran (ISIRI)
6	Corporate Excellence Accreditation	The assumption was corporate with excellence involvement and voluntary efforts (i.e. awarded for HSE, OHSAS 18001, SA800 and innovative responsibility) in complying with environmentalism are consistent with the constructivist movement and assure thick descriptions of social reality.	This issue was determined based on institutional website of quality auditor and document review
7	Multiple Cases (Diverse Manufacturing Sector)	It is assume that social reality constructed differently by different individuals through experience and maturation that are be worthy of investigate, therefore, among manufacturing category different industry cluster were selected.	This issue was determined based on corporate profile and document review
8	Gain Access To Required Qualitative Information	since qualitative data constructed mostly based on individuals who participate it, therefore, organizations that are willing to share their experience and spend their time and have interest in the research project were approached.	This issue was determined based on permission received by the CEO of the firm.

Accordingly, three cases were selected as shown in Table 3.4. The cases are labeled as case A, B and C.

3.4.1.3 Informants Selection Criteria

A purposive sampling method was employed to choose the relevant informants as this method is relevant to the research context (Yin, 2003), and ensures varied insights into the phenomenon under investigation (Creswell, 2005). Organizations were selected based on their permission to grant access to the researcher to perform an in-depth interview with the best person to answer the questions on the topic. According to Creswell (2005), in selecting a qualitative sample, priority should be given to selecting an individual who has the ability to give insights, credibility and deeper understanding of a defined issue. Since this study aimed to explore the drivers that promote compliance with environmental responsiveness in small and medium enterprises, participants should possess unique characteristics of authority as executives. Due to the size of the SMEs, only top managers (CEO) and top level executives (operation managers, internal and external auditors) were considered as valid participants. Corporate executives are defined as those primary decision makers in SMEs who have the ultimate responsibility for corporate operations development.

Due to the complexity of the issue and diversity of the experiences of the executives, the researcher also used theoretical sampling, as recommended by Barney, Glaser, and Strauss (1967). Theoretical sampling presents data sources which are most appropriate to gain a deeper understanding of analyzing cases limited by theoretical saturation (Patton, 2001, p. 238). Other main criterion for selecting the informants was the knowledge on the implementation of environmentally sustainable initiative and related experience. In addition to the top executives, experts from external auditing organizations were also selected for interviews to obtain their views on organizational

experience with environmentalism initiatives. Table 3.4 indicates a list of the selected cases and recruited informants.

Table 3.4
Three Selected Cases

Firm	Industry	Informants	Headquarter Location	Major Product Segment	Process Type	Ownership Type
A	Stone Mines and Stone Cutting	1. Mr. Mahmoud K 2. Mr. Ata E 3. Mr. Ajam	Tehran	Granite stone	Manufacturing/ continuous flow	Private
B	Food Manufacturing	4. Mr. Hamid Reza Z 5. Mr. Komeil ZA 6. Mr. Majid G 7. Mr. Sasan Gh	Tehran	Food products (tomato paste, pickle etc.)	Manufacturing/ continuous flow	Private
C	Auto Part Manufacturer	8. Mr. Fraidoun K 9. Mr. Mahmoud H 10. Mr. Mahdi L	Tehran	Vehicle engine component	Manufacturing continuous flow	Private

3.4.1.4 Debriefing Team Selection Criteria

For the core study, a total 10 people in different positions of CEO, operation managers, external auditors institute and research scholars were interviewed. Peer debriefing sessions (also called analytic triangulation, mostly were done at the end of a project aimed in probing the researcher's thinking around all or steps taken in inquiry process.

This approach was taken based on Lincoln and Guba (1985); Merriam (1988); Creswell (2003) regarded as one of a complement techniques used to ensure the validity of collected information and enhance the research credibility and trustworthiness. The main focus of selection the debriefing team was to ensure the validity and clarifying the researcher's position and any biases that impact the inquiry not limited to methodology, interpretation, collection and analysis of data.

Particularly, several session of discussion with experienced people in the field of corporate standardization and environmental responsiveness initiatives as well as academic research experts, catharsis outliers, biases and prejudices of researcher and have likely shaped the interpretation and unique perspectives on investigated reality. Table 3.6 indicates selected expert for 'peer debriefing sessions'.

Table 3.5
Peer Debriefing Team

Group	Name of Informants	Location	Job Position	Area Of Expertise
External Auditors	Mr. Majid Najafi	Iran	consultant	Project base (Private institutes)
	Mr. Mohsen Hajikaram	Iran	consultant	Project base (Private institutes)
	Mr. Naser Sadeghi far	Iran	consultant	Project base (Private institutes)
	Mr. Shahram Mesbah	Iran	consultant	Project base (Private institutes)
Academician Expert	Sharan Merriam	US	Professor	Qualitative (Teacher)
	Zaleha Othman	Malaysia	Senior lecturer	Qualitative (Teacher)
	Abdullah Swidi	Malaysia	Senior lecturer	Quantitative (Teacher)
Scholars Debriefing	Mohamad Nahich	UiTM - Malaysia	PhD Candidate	Quantitative (Research Scholar)
	Pranav Kumar	UUM - Malaysia	PhD Candidate	Quantitative (Research Scholar)
	Amin Khodaii	UM - Malaysia	PhD Candidate	Qualitative (Research Scholar)

3.4.2 Data Collection Technique

Commonly used data collection techniques in a case study are interview, observation and document review (Creswell, 2012; Marshall & Rossman, 2010; Myers, 2009; Yin, 2003). Neuman (2006) and Patton (2001) stated that obtaining data from multiple angles can provide more reliable information than a single source can. This procedure is called triangulation of data (Creswell, 2003; Neuman, 2006). Yin (2009, p. 115–116) argues that “converging lines of inquiry” through triangulation of data allows corroboration of informants' stories and produces more accurate data. Merriam (2009, p. 216) maintains that triangulation of data promotes cross verification from diverse sources of information, which is an appropriate strategy to achieve reliability and validity. Based on the recommendations, the researcher employed triangulation method by considering various data collection techniques namely open-ended interview, observation and document review.

Since it was important to ensure the data collected accurately reflect environmental sustainability initiatives in SMEs, attention was paid to validating different sources of data. Therefore, in addition to the informants' narratives, the rigor of the data was also confirmed and validated by experts in qualitative methods. Figure 3.3 illustrates the types of data collection techniques used in the present study. As recommended by Yin (2009), utilizing multiple data collection techniques allows the researcher to achieve reliable and valid data. Convergence between multiple data sources via a triangulation technique adds strength to the final analysis and research findings. The following section explains each technique used.

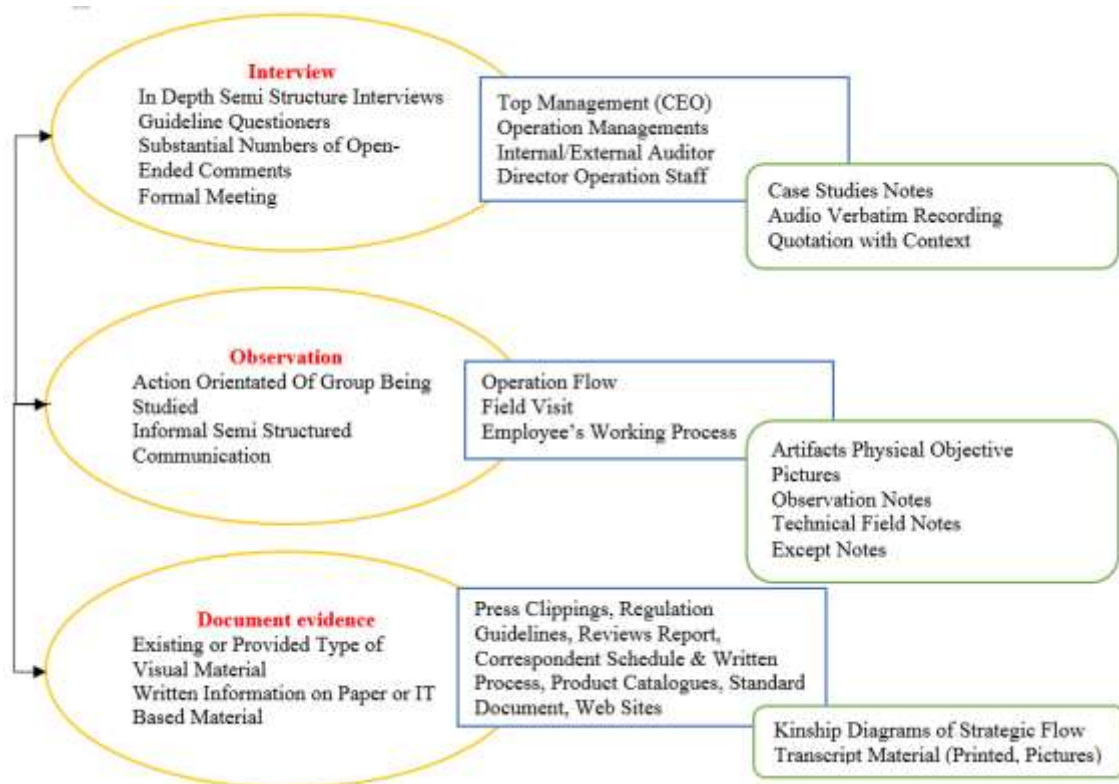


Figure 3.3
Triangulated Data Collection

3.4.2.1 Open-Ended Interview

Qualitative inquiries are extensively embedded in the interaction between a researcher and the researched people in which an in-depth interview is a common technique to understand the lived experiences of the researched (Marshall & Rossman, 2010; Neuman, 2006). A field interview is where the researcher discusses the topic under study with two (or more) individuals and records their views (Creswell, 2012; Neuman, 2006). As described by some scholars (Marshall & Rossman, 2010, p. 144 ; Myers, 2009, p. 122 ; Neuman, 2006, p. 296) this technique of data collection enables the researcher to gain valuable insight into the phenomenon under study and in this case the factors that influence SMEs' pattern of thinking and willingness to implement

environmental sustainability initiatives. As such the goal is to discover meaning and not to find a correct answer or verify the singular truth, but rather to accumulate the lived experiences of informants on organizational practices (Merriam, 2009).

According to Yin (2003), the value of the findings is based on participants' response. During the interviews, the researcher used a pre-determined 'interview guide' or 'interview protocol' to ensure that main questions were asked (refer to the appendix for the protocol). As suggested by several scholars (Corbin & Strauss, 2008; Neuman, 2006; Richards & Morse, 2007; Yin, 2003), a preliminary interview protocol consists of a general set of non-leading, non-threatening and just probing questions to facilitate and arrange an inquiry in time of interview. Further questions were then used to probe further the initial responses so as to get clearer understanding of the cognitive processes in conceptualizing environmental initiatives and in implementing them. Such practice was in line with Yin's (1993) recommendation of using open-ended interview questions to solicit deeper into the initial responses and encourage "conversation" to get fuller, meaningful detailed answers rather than "interrogation" and short or closed-ended answers. Therefore, the interview questions of this study were exploratory in nature in the form of semi-structured interviews with open-ended questions to maintain the rigor of qualitative inquiry.

3.4.2.2 Observation Notes

According to Yin (2009), observation creates a meaningful sense of an informant's report and relies on more objective and generally more accurate first-hand information. Observing in the field research is seen as carefully scrutinizing the details that reveal

“what’s going on here” (Newman, 2006, p. 287). It is believed that the core of the phenomenon under investigation can be communicated through social life and their temporal action (Newman, 2006; Yin, 2003).

In order to discover the complex interactions in the natural setting and the patterns of behavior within an organizational setting, observation in this inquiry was not limited to observing the operational process and physical artifacts only but also the participants' views on current conditions and administrative practices pertaining to notion of environmentalism. As suggested by Yin (2003), direct observations help to triangulate results, allow for making sense of the informants' impression, and mitigate some sort of biases which might have happened in interview sessions. Observations are also to ascertain a snapshot of what kind of involvement the organization is in with respect to environmental sustainability such as recycling and the like.

3.4.2.3 Document Review

To Marshall and Rossman (2010), Myers (2009), and Patton (2001), a secondary source of data serves as a basis for determining and directing the primary data. Document evidence facilitates corroboration of other sources of research data. These data can be used to clarify the research question (Patton, 2001, p. 498). Yin (2009) states that reviewed documents allow for triangulation of data material that either corroborates or contradicts the evidence obtained from interviews and observations. According to Yin (2009, p. 102) “for case studies, the most important use of documents is to corroborate and augment evidence from other sources”. The main source of this type of data can be categorized into two: external or public documents and inter-organizational documents.

In this research, public documents such as those available on a government database (website or national library) published by Iran Small Industries and Industrial park Organization (ISIPO) and Institute of Standard and Industrial Research of Iran (ISIRI), and inspection report of Ministry of Labor and Social Affair were accessed and reviewed. Within the organization, editorial reports, business policy, write ups of operationalization of standardization elements, published brochures, web-based reports and the like were also reviewed.

Although external and internal documents offer many advantages to better understand the organization and its environment, their quality and accuracy should also be taken into consideration (Yin, 2009; Neuman, 2006). For example, along with availability of the entire information, the accuracy, relevance and sufficiency of the content and source of the data were satisfied through prolonged engagement with selected cases and building trust with participants and checking for misinformation aided by informants and external auditors.

3.4.3 Pilot Study

To ensure the rigor of the research design, a pilot study was conducted. By conducting a pilot study, problems could be anticipated and the feasibility and effectiveness of data collection procedures could be ascertained. Upon reviewing the analyses of this exploratory phase, the researcher noted that the complex narratives used by the participants in expressing their views. Furthermore, while the participants appeared sincere in providing their response, the researcher realized the significance of obtaining their consent and assuring confidentiality. Constructive feedback on the pilot study

allowed the researcher to develop a data collection protocol and improve the flow of information through modified semi-structured questions.

3.5 Data Processing and Analyzing

3.5.1 Qualitative Analysis

This section summarizes steps in data analysis, which started when data saturation was achieved. Qualitative data was collected through three sources (open-ended interviews, field observation, and document review). Semi-structured interview was to gather the informants' perception and experience regarding environmental sustainability initiatives. Document sources include company documents, published reports, press releases and online articles that allowed for triangulation of findings with the interview data (Patton, 2001). Field notes corroborate the data collected from interview and document review. Utilizing multiple sources and data collection techniques allowed for converged findings. Each data source strengthens the data collected to enable understanding of the whole phenomenon (Creswell, 2012; Yin, 2009).

A qualitative study needs a clear strategy of finding meaningful information within a large amount of data (Creswell, 2005); therefore, the choice of analysis must fit the research design. Ratcliff (2002) lists 15 analytical techniques suitable for a qualitative study, as shown in Table 3.6.

Table 3.6
Analytical Techniques

Type	Description
Analytic Induction	In this oldest and the most appreciated method event are consider and hypothetical statement of what happened is developing. Then by comparing to similar event and see if it fits the hypothesis. If it doesn't, there's a need to falsify/modify and revise the hypothesis to eventually central/general hypothesis that suit all observed cases emerges.
Content Analysis	A textual analysis method in which start by reading through documents,

Table 3.6 (Continued)

	or converted text (in either form of data chunks) for holistic view and precisely identifying themes and exhaustive categorization and frequency determine the latent emphasis.
Discourse Analysis	A linguistic analysis method of ongoing flow of conversing among several participants to determine patterns of interaction, domination by who, duration and how.
Domain Analysis	This method by analysis of language of people mostly used to describe social situation and meaning of cultural patterns within it. Focus on cultural context Start by formulate questions about semantic relationships interrelate with cultural meanings.
Event (Frame) Analysis/Microanalysis	Focuses of this method is on precisely determine the boundaries of beginnings and endings of events, in which repeated viewing can illustrate phases in the event.
Grounded Theory / Constant Comparison	This method was developed for rigor analysis of data to identify indicators and parameters in events and behavior which categorize and named and coded on document. Constant Comparison follows to find consistencies and differences until categories saturate and no new related codes formed. Eventually certain categories will be the core/axial categories.
Hermeneutical Analysis	Analysis focuses of this method is merely making sense of a written text of people's story in situation. It is consist of interpreting any content resides in the text of the involved people (i.e. time and place of writing, the historical, social, cultural context) and uses their words to understand meaning of event/text and determine themes and relation.
Logical/Matrix Analysis	This method generalizes logical reasoning and causation process in which predominantly use graphical outline (i.e. flow charts, diagrams, etc.).
Metaphorical Analysis	This method studies the various metaphors/comparisons spontaneous by participants and sees how well they fit with what is being observed (event/situation).
Narrative Analysis	Narratology method gives more importance to individual's speech, the story a person shares about self. Consider the core plot in the story to tell frame wise perception and basic actions.
Phenomenology /Heuristic Analysis	This method emphasizes idiosyncratic meaning of how individuals experience the world/situation. The term "phenomenology" typically used to describe a researcher's personal experience.
Quasi-Statistics	This method use enumeration (count) of events/mentioning(s) in field notes to provide evidence and support categories formed based on the frequency mentioned.
Semiotics	It is assumed that meaning is not inherent and interconnected with other things like signs or symbol. Therefore this method emphasizes meaning of signs and symbols (such as body language) constructed in context.
Taxonomy	Often used with sophisticated classification containing multiple levels of conceptions or abstractions. Essentially a typology with super-ordinate and subordinate categories.
Typology	It is assumed that creation of categories derived from patterns, themes, or other kinds of groups of data should be mutually exclusive and exhaustive, if possible.

This study opted to employ a content analysis technique. Content analysis is a widely used technique to quantify hidden patterns of what is being communicated through the contents of the written text (Given, 2008). According to Yin (2011, p. 176-233), the analysis consists of five phases of compiling qualitative data into a formal database, insightful disassembling and reassembling data for seeing emerging patterns, interpreting the finding, and drawing conclusion(s). Generally a qualitative textual data is broken down into certain categories to identify consistent patterns and relationships between variables or themes. According to Given (2008, p. 120), content analysis is the intellectual process of reducing a wide range of textual data to similar entities, clusters or codes that ultimately translate into “themes” and finding of an inquiry. Hsieh and Shannon (2005) refer to three distinct approaches of conventional, directed, or summative to do this analysis. While all these three approaches are similar in interpreting the meaning from the content of text, the major differences are coding schemes and trustworthiness issue. While conventional content analysis provides coding categories inductively from raw data, within directed approach initial coding starts with theory or relevant research findings and then themes emerge from the data. With a summative approach, analysis starts with counting and comparing words/keywords followed by the interpretation of the underlying context (Hsieh & Shannon, 2005). Since there was a need for greater disclosure of the belief system of how the SMEs strategists make meaning of their world in terms of environmental sustainability, a conventional content analysis was utilized where themes emerge without preconceived categories derived by theory or previous findings.

3.5.2 Data Analysis Procedure

The inductive analytical method begins with data reduction into representative format, then conceptualizing the categories and relating them through proposition statements (Strauss & Corbin, 1998). In this research, the constructionist approach of data organizing and conventional content analysis was used to analyze the data. This means that the analysis proceeded with no preconceived classification and only throughout the analytic process, categories emerged and elaborately named and organized.

Noted that, since material is not in English and there is no software packages designed to automatically transcribe text from an audio source, therefore, ideally full transcriptions was carried by researcher and based on original language, while after the process of meaningfully reduced or reconfigured the mass of data and selecting, simplifying, abstracting, and transforming the data that appear in thematic coding, entire text was converted to academic english language. While the process of translation was done by researcher who is certified IELTS score, however, the entire english format was validated by other two peer debriefing nominated experts. Further, where possible or needed the translation as well as the orgin also provided; as well as the summery of some quotation was presented through appindix section.

Figure 3.4 indicates the three general milestones of the procedures of data analysis. The process began with reviewing the interview transcript as well as memos written during field observation or reading documents. By consistently searching for the content within this exploration phase, accuracy of data was obtained. Key quotations were also identified for the purpose of coding and categorizing purposes. In the second phase, quotations were coded into manageable categories, following the data reduction

process introduced by Marshall and Rossman (1989). Initially the software of Atlas.ti was employed while later the researcher found that manually connection of the categorized quotations and codes provides more rigorous interpretation. Therefore in next stage, linkages across different informant's quotation were identified. This process of integrating codes from different responses was recommended by Patton's (2001) cross-case process analysis. The third phase followed Yin's (1994, p.102-125) suggestion to develop insightful themes. This final round of analysis was also an iterative to ensure that the identified themes accurately represented the collected data. This process is conceptually pictured in figure 3.4.

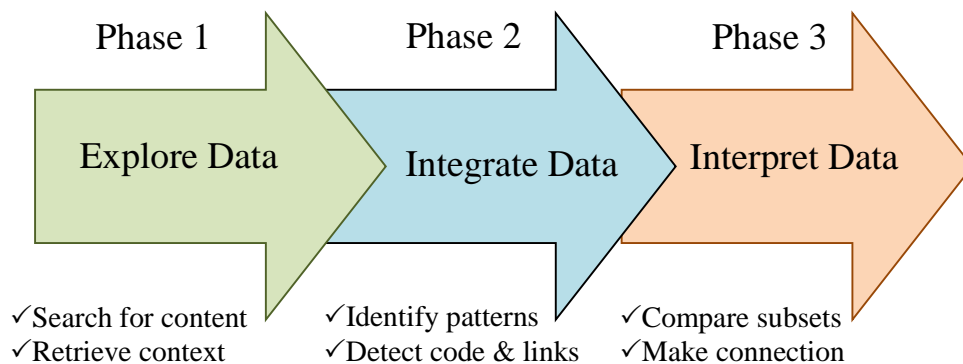


Figure 3.4
Interrogation Data Flow

In sum, the data analysis and reporting was a cyclical process whereby the researcher consistently reviewed the transcript and memos. The schematic view of this process indicated in Figure 3.5.

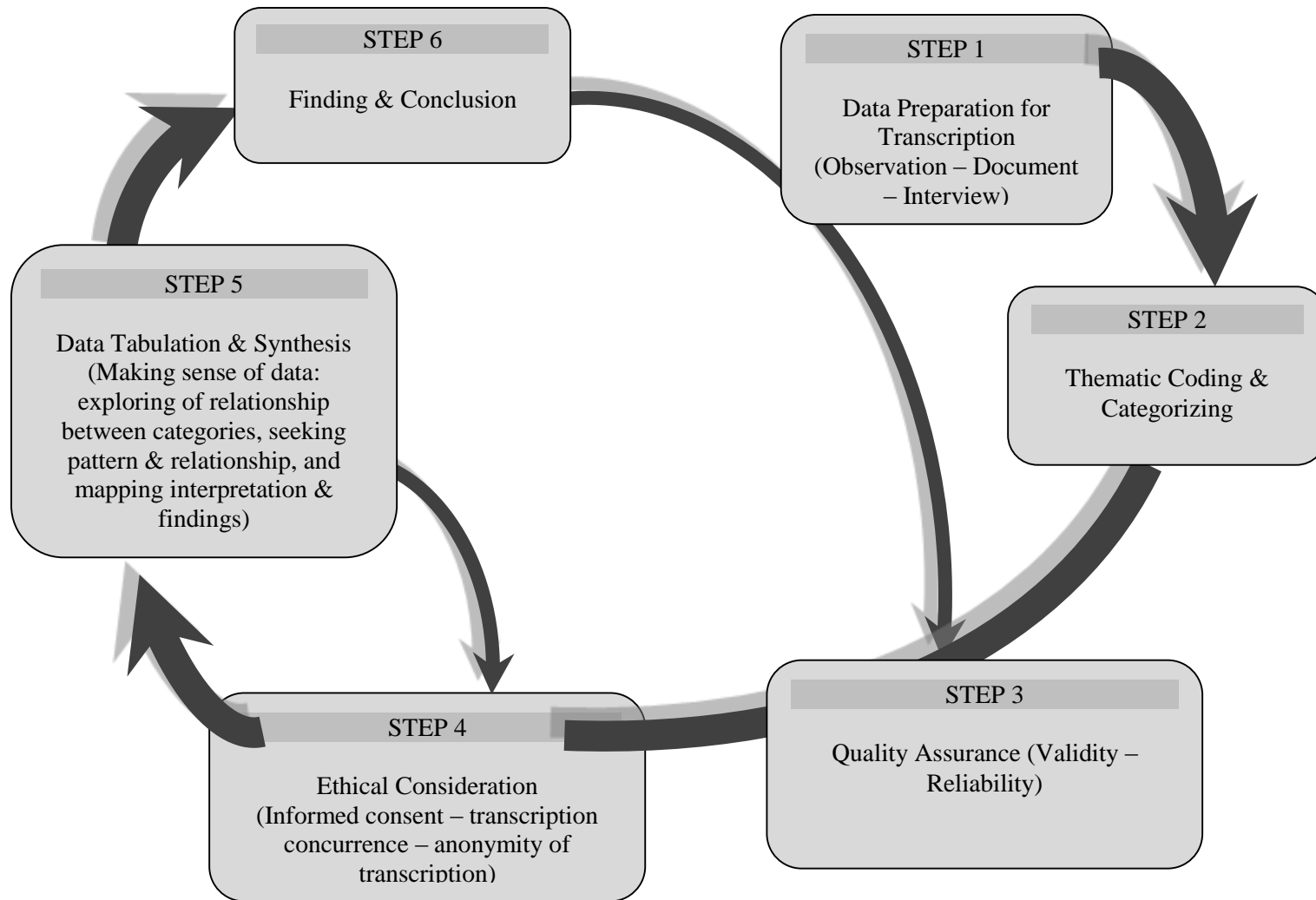


Figure 3.5
Schematic View of Data Analysis and Report Qualitative Data Patterns

To ensure that the final themes accurately were able to answer the research questions, validation process was employed, as captured in Figure 3.6.

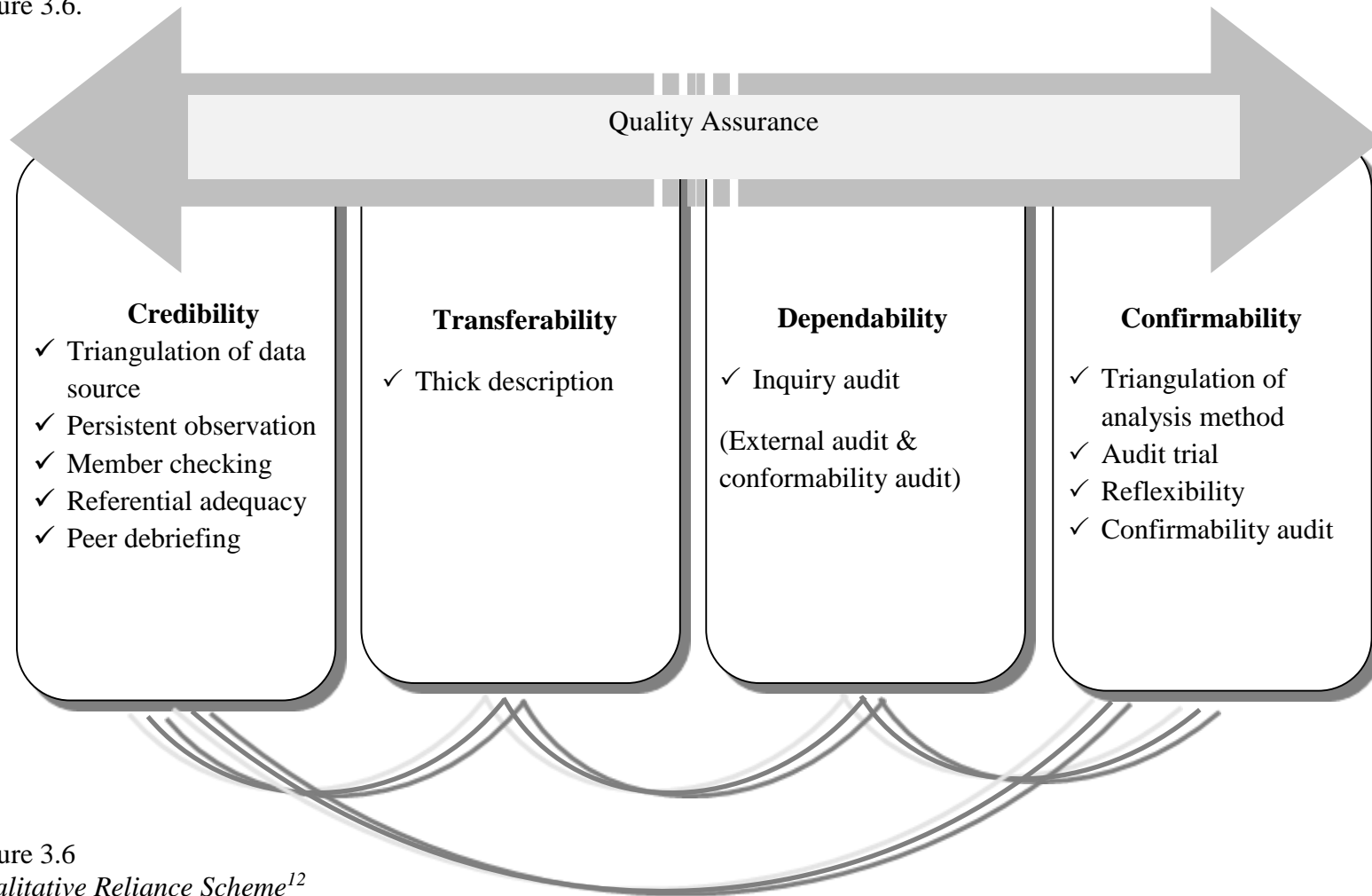


Figure 3.6
*Qualitative Reliance Scheme*¹²

¹² Source: Guba and Lincoln (1985)

3.5.3 Cultivating the Data Analytic Processes and Interpretation

3.5.3.1 Pilot Study

In the aim to improve the quality, feasibility and efficiency of collecting valid information that will enable the researcher to identify precise themes, prior to the main study, 6 pilot interviews were conducted before the main study. In the course of the pilot study, six different organizations' CEOs were interviewed with regards to sustainability efforts in their organizations.

The conducted pilot study ensured the quality of the research design as it help to reveal any form of deficiencies in the applied instrument. Consequently, interviews have proved sufficient source of data will help in ensuring efficient and effective data collection procedures. While rich information were generated through pilot study and conducted interviews, nevertheless, these information used only on the validation of sources and magnitude of variation of response measures.

Notably, the pilot study revealed that (a) the proposed data collection protocol is adequate enough to facilitate the smooth, effective and rigour interview; (b) since it took approximately 60 minutes for the interviews to be conducted thereby it assured the minimum amount of time to be committed by the participants; (c) the interviews questions were confirmed as in depth enough, thought provoking and clear; (d) it was confirmed that the follow up questions are clear and supportive; (e) the interview questions help to get rich and desired responses that provide data as well as relevant in answering all theory questions that are important to the research scope and objective; (f) it was assured that the digital recording and transcription technologies are effective; and (g) it was confirmed the analysing method, instruction of the processes being used to

identify themes are effective. It also shed light on the likely practical problems and pitfalls that may be experienced within main study if a pilot study has not been conducted.

Notably, the pilot study revealed, for the main study, slight amendment is required to the data collection protocols and also the interview questions. As a result of conducted pilot study, the following modifications and revisions were embedded into the main study: (a) three main participants organization were purposefully selected; (b) an improvement was done to the interviewer with the purpose of creating better rapport with the informants; and (c) the basic structure was established that consist of supplement document of field notes regarding the time of interview and memo section in that form in order to document overall impressions and to jot down the significant codes/themes or messages that interviewees deemed as important to communicate.

Conducting pilot study was an opportunity given to a researcher to test, learn and improve research design, procedure and related data sources. The pilot study involved top executives and operation managers from six different companies which illustrated in proposed table. Through this experiment session the milestone and steps in the process, research instruments, materials and language were examined based on the updated findings. The finding of the pilot study revealed that the informant explicitly expressed their personal impressions about their understanding of role and impact of top executive and corporate governance and corresponding environment /social responsibilities. Therefore, related interview guide questions were amended to add that kind of sensitivity. This amendment helps the study to uncover the process of decision making as it embedded in construction of meaning and pattern of thinking of corporate

executive. The pilot finding validated the main interview question by refining and ensuring the relevant, broad and open-ended queries. For example, in order to confirm, the interview questions were meant to explore what it supposed to explore and whether it is clear enough and understandable since the participants were asked about the clarity of the questions and their perception and understanding as well as suggestions towards improvement. This process was done through, the one-to-one interaction with the informant to discuss about the interview questions. This reciprocal action advocated that the interview protocol was appropriate for this qualitative multiple case studies. The participants in the pilot study gave constructive and useful feedback with respect to the structure, order and clarity of the questions as well as overall processes of the interview. While the information was all bounded within scope of this study and environmentalism in particular, nevertheless, the researcher did not incorporate the obtained information into the main body of study and collected data because the main reason of conducting the pilot study was just to assess the feasibility of an inquiry and receive insight into the reliability and validity of the interview questions. Above all, the finding of pilot study was not suitable to be included in the main study because these findings were meant to bring about some changes in procedures or materials and instrument. Therefore, even the analysing session and finding found were not sensible to be presented in final report, which may lead to conflict and affect the comprehension of research finding.

3.5.3.2 Main Study

In order to explore the construction of meaning by corporate executive the main study which lay on qualitative bedrock employed triangulation method of data collection that

consist of observation, interviews and secondary sources of organizational data. This process was based on qualitative gurus' guideline such as Neuman (2006); Creswell (2007); Yin (2003) Marshall & Rossman (2010) and etc. particularly Yin (2003) stated, qualitative inquiry advantage of triangulation source of data came from interviews, direct or participant observation, documentation, archival records or physical artefacts (p. 83).

Interviews: All interviews were conducted in a familiar setting as all selected organization were one time visited during pilot study. Since the objective was to have a conducive discussion, all the interview sessions were conducted in the informants working environment because they were familiar and felt comfortable with minimal distractions. Noting, with the same token, the interviews were also conducted in Persian language since informants could only communicate the language.

Next, anonymity and confidentiality of the information through the use of numeric reference was maintained instead of using the names of the participants as reassured to the informant. The essence of this practice was to protect individual and group identity with respect to the business information and impression that they were shared. This issue was even supported by Mack *et al.* (2005) as he believes to be ensured about richness of the data, the informants must be assured on the confidentiality. These confidentiality and anonymity agreement is crucial to build rapport and the trust of the participant and cultivate natural openness and tone.

Subsequently, the researcher explained the nature of the interview which was based on non-leading semi-structured questions and the time allocated to the informants

to elaborate the issue under exploration. The participants equally agreed of using a digital recording device.

Before conducting the interviews, a simulation of the interview was carried by supporting one qualitative expert and participating two peer debriefing members in order to assure that both script is clear and flowed in a logical manner. Throughout a simulated interview, researcher was asked and compelled to ponder clearly about tempo, timing, probing, listening, note taking and nonverbal skills. Through this session, any challenges that might be experienced within the actual interview was considered. Essentially this practice assured that the results of the research can be depended on. According to Creswell (2007), the proposed interview question should contain 5 or 6 general questions. However, the guide for this study has 9 probing or secondary questions for the 3 overarching questions (appendix A: case study protocol). The structure of interview was in such a way that the interview took a form of mutual conversation while the interviewer acted as a director than a moderator. The essence of this structure was to inspire the conversation while bounded by defined scope of inquiry and purpose of the interview. As presented in appendix A (case study protocol), this guideline was helpful in assuring that interview questions are non-leading and naturally formulated and the responses of the participants will not be streamlined towards a particular line of thinking.

For constructing the research questions, every effort was made to avoid any form of leading questions or wording that may bring biases. The essence of this formulation was to allow the participant to freely express their experience and therefore the research

obtain the genuine experience of the business leader's as it happened in their real life situation.

Observations: According to qualitative gurus such as Creswell (2005); Marshall and Maxwell (2012); Yin (2003) the field observations bring opportunity of collecting first hand data such as participant manners and activity as well the condition of physical environment. According to Yin (2003) the observations were informal format throughout the field visit or during interviews. He stated that one important step in the process of data collection is writing of field notes. In this respect, field notes and corresponding data were collected through observations in different twelve meetings and four sites visitation. Basically, the chairmen of the organizations were arranged to convene in three of the meetings and site visitation. The site visit meeting was held by the operation executive while the meeting among other members of the organization was carried out during site visit. In the course of all site visit and meetings, the researchers made observation notes on the purpose and the content of the discussion with regards to decision making process, however shooting photo and video recording system were also used as complementary data collection mechanisms along with field notes. During the site visit, the activity was facilitated by the member of the organization and also to visit the entrance office or the corner shelf where they kept the standard awards or gifts from visitors for their sustainability efforts. Generally, the observation during the site visit was moulded based on the description *given by Brewer (2000) as:*

“Data gathering by means of participation in the daily life of informants in their natural setting: watching, observing and talking to them in order to discover their interpretation of social meaning and activities” (p. 59)

There were variety of reasons behind the data collection through observations, however, the main objective was to observe or monitor an event of interest as outsider in order to understand the circumstance(s) that the participants are dealing with routinely. This meant was supported by Merriam (2009):

“Observation makes it possible to record behaviour as it is” (p. 119)

Basically, data that were collected through observation is used to support interviews agenda which supported by Merriam, (2009):

“is best to use when an activity, event, or situation can be observed first-hand, when a fresh perspective is desired, or when participants are not willing to discuss the topic under study” (Merriam, 2009, p. 119).

Correspondingly, the desired result can be achieved when participants are given opportunity to partake in the research related activities. Further, observation played crucial role in data collection and inquiry procedures of this research as it permitted the participants to keenly engage in activities related to the phenomenon of interest and researcher find the behaviour and activities of informants in their physical environment. This issue was important because sometimes informants did not make comments for something as it was part of their routine or occur frequently. For example, the researcher observed one obsolete fire extinguisher in auto part factory, which was hanged beside

oil and other flammable stocks, but the employee whom the researcher interviewed did not see that as a risky issue and comment simply it had always been there.

In fact observation was useful as it used as a point of reference during the main interviews. Basically the issue related to social justice, environmentalism and corporate responsibilities seen as sensitive topics, in which sometime informant avoid to go deeper in explanations; in such a moment referring back to what was observed during observation had motivated informant to talk about what happened or what they might or need to do in-depth. In this regard, using observation would support in achieving a details and understanding of environmental sustainability comprehensively. This issue was particularly discussed in Chapter Five.

The time lag between notes taking and observation can cause possibility of forgetting some information, therefore, some photos was shot in addition to make record by using digital video recording. Aside from shooting photo and digital video recording, different type of field notes such as methodological, substantive and analytical were employed while at different times and were based on its necessity. For example, the substantive field notes was employed in order to record the details of time and location of when the observation was made. All the ongoing procedures and processes were recorded with methodological field notes. For the ongoing analysis of the observed data, the method of analytical field notes was used. The combination of all types of notes taking methods, revealed the detail about the observations sessions and shed some important insights on subject of study and guided the researcher for the rigorous data analysis and interpretation.

Documents: Secondary source in this research was useful as the obtained data were sourced independently by the researcher and covered action and settings of corporate initiated strategy. Yin (2003) similarly stated that documents review could be important sources of information which could be used as contradictory evidence from interviews and observations. Documents which were used in this study were related to corporate announcements, written reports of events, printed instruction and roadshow, institutional records, and marketing reports and news on corporate sustainability. Basically, websites of organizations used as one of the main source of document data however, one biographic book, written by unknown affiliation was also used as it reflected the viewpoint of one of the CEOs.

According to Golafshani (2003); Patton (2002) organizational texts are socially constructed realities that warrant study in their own right (p. 498). In this respect, the informants in this research were asked to hand out published and printed standardization materials while interview was conducted. One of the informants shared copies of reports on sustainability, and standardization procedures and the other informant shared the manuals/brochures and hardcopy of training slides on ISO 14000 and environmental sustainability. One participant also shared his published research regarding the need to combine interrelated structure such as ISO 14000, ISO 26000, 5S and EFQM standard implementation. In addition to these document, relevant materials from the website of each organization were printed to support the interview data and analysis. The purpose of analysing the content of the website was to get familiar with the vision, mission and values of the top executive in regards to corporate responsibilities and communication channel as well as cross-checking between multiple data sources.

3.5.3.3 Analytical Portion

Qualitative inquiry is a unique combination of the art and science designed to make sense of unstructured data and reveal range of behaviour and the perceptions that drive it; therefore it is not something that can be dictated. Typically, the researchers must be deeply committed throughout the process of qualitative study (Corbin & Strauss, 2008). Patton (2002) emphasises that the fluid and emergent nature of qualitative procedure minimize the distinction between collected data and analysed finding (p. 436). In fact researcher has to feel him / herself through a very explicit strategy of inquiry to design, collect, analyse, and interpret data which are diverse, complex, and extensive (Creswell, 1994).

For analysing perspective of case study method, Yin (2003) recommended to have a descriptive framework as a general analytic strategy in order to define and priorities what is supposed to analyse and the reason behind it (p. 109). Neuman (2006) further maintained this explanation that raw data can be turned into meaningful information when a meticulous coding system that is well defined and relevant to the theoretical framework and research questions is developed. Therefore, to prioritize data into analysis, this research made use of three subsets of research questions as recommended descriptive framework. Following the qualitative gurus, a pre-defined coding system was developed prior to conduct data collection. As noted, the primary units of analysis were expressions and keywords related to corporate environmentalism and sustainability initiatives, scope and theories, Iranian social norms and executive prioritize values. These units of analysis were sorted and clustered for the purpose of

guiding the coding of the interview data. Therefore, the recorded files of the interviews were transcribed into meaningful text.

In order to ensure these transcripts were accurate and complete, each digital-record file was remarked and processed for several times. All the memos were jotted down during field observation sessions and reviews of collected document were digested as well as notes that were taken during interview that helped in clarifying the transcripts.

The best way to achieve internal validity for qualitative inquiry which is also applied in this study, is clarifying the content of the transcripts and extracted finding of the study by corresponding informants (Denzin & Lincoln, 2011); therefore, the final transcripts were sent in form of hardcopy to all the participants so they were be able to review and validate the transcripts and proceedings minutes.

In order to ensure confidentiality of the participants, all the transcripts were given codes that range from P1 to P10 according to the order of the interviews. Likewise, the signed informed consent forms and detail of demographic data related to informants were not presented in this research in order to eliminate matching of the transcripts with identifiable information. The transcripts and audio/video files of the interviews were stored in a computer of the researcher which is protected with password; nevertheless, only the research supervisor and VIVA committee member, for the reason of validation once reviewed these files.

In the analysing session, the inductive constructionist approach of data organizing and conventional content analysis were used, for the purpose of rigorous description of the individual belief system and collective cognitive and pattern of

thinking that deemed as the corporate strategic decision. Therefore, themes emerged through intellectual process of reducing a wide range of textual data to similar entities, clusters or codes without preconceived categories derived by theory or previous findings. To have comprehensive analysing structure of the extraction of the patterns and common themes across the triangulated multiple source of data, the recommended guidelines of Yin (2003) and Creswell (2012) were utilised. Themes were generated based on corporations that complied to environmental sustainability specifically with respect to the specific meaning construction and behaviour of SMEs executives in transforming their intention into actual engagement in environmental preservation. By reviewing the edited transcript several times, this helped to refine the main concept and to build impression related to the units of analysis and identify how the corporate executives defined environmentalism and promoted corporate sustainability.

Relevant heading and subheadings were allocated to hierarchically categorized and sorted phrases and expression of informants that aimed to determine the existing relationship between codes and extract inclusive themes and provide answers to the subset of three research questions. This process was elaborated in appendix D. Atlas.ti software and Microsoft Excel was used to name and sort extracted codes. Although the software assistant was a fluid and creative way checking the content, nevertheless, the overall process of analysing was done intellectually through manual formulation.

To highlight, the Persian language was the original medium of transcript data; however, for the analysis and proper reporting, there was a need to translate main key words and important phrases into English and only those proverbs and local slangs did not have exact back to back translation word presented through footer. Analysing

methods of Axial, Open, and selective coding systems were used to analyse data obtained from observations. Words, phrases and practices related to corporate environmentalism were coded and categorized during the content analysis. Notes taken during the site visit were used to corroborate the comments given by informants. All documents that were retrieved from the website of the organization and through other sources were analysed based on their relevancies to the research questions. The content related to environmental practices and harmonious societal philosophy as well as organization's research reports and reward system were tabulated and analysed with the aid of axial, open coding, and selective coding system. Therefore, emerged themes were highly relevant to the collected data and in relation to the research questions, which basically represented meaning construction within the data set or inner perception of research informants. Frequency and classifications of codes, memos generated through content analysis was tabulated and presented in appendix D.

According to Marshall and Rossman (2006) reporting is an important part of data analysis in qualitative research. Richards and Morse (2007) recommended that the report should be written simultaneously with the analytic process. Creswell (2005) suggested that qualitative researchers could layer and connect simple and complex themes to create a "theoretical and conceptual model" revealed in the discussion of the research finding (p. 246). Following the qualitative gurus, such as Creswell (2005) and Yin (2003) the reports of this study written in form of narratives that include quotes, multiple perspectives, and contradictory information to illustrate the themes; in the aim to comprehensively elaborate the process of finding and answering the research questions. Though this study presented the findings using post-positivist approach supported by

relevant quotes and tables, nevertheless, pertinent concepts in the reviewed literature were also used to guide the discussion and interpretation of themes. Reiterate that themes were emerged and associated with values and priorities that transformed cognitive overhead and meaning construction of corporate executive in behaving a pro-environmental manner, the pattern of thinking had motivated them to craft their business overall strategies toward implementing corporate environmentalism initiatives.

3.6 Research Trustworthiness

Realistic results are ensured by maximizing research validity (Creswell, 2005). Lincoln and Guba (1985) recommend rigor trustworthiness in qualitative research through credibility, transferability, dependability and confirmability. This section clarifies some of techniques that were applied to maintain credibility and promote validity of the inquiry.

3.6.1 Internal Validity (Credibility)

Credibility addresses the extent to which the results of study are catharsis of negative bias and interpretations have accurate meanings account for social reality (Yin, 2003). Several strategies enhance the credibility of a research design. In the present study, credibility of the findings was achieved as the researcher used persistent observation and made field notes. According to Creswell (2005), triangulation contributes to validation of the data. This method was used in this research by confirming the interpretation with the informants and by giving them opportunity to clarify their original responses.

Accuracy of the interpretation and finding was also assured by seeking opinions from by academic peers, external auditors and industry experts.

3.6.2 External Validity (Transferability)

Neuman (2006, p. 264) defines external validity as a process of generalization where the result is able to be extended to other situations, studies or people. In qualitative inquiry, scholars are concerned with transferability which allows result of study being transferable to other context. According to Lincoln and Guba (1985), transparent research design of data collection and coding strategies improves transferability of result. Yin (1994, 2005) recommends using replication logic through clear description of study protocols and a theoretical framework to enhance the transferability of findings beyond a specific study. Since the primary goal of this research was to obtain rich description of how SMEs define corporate environmentalism within Iranian industries, the researcher developed a case study protocol where data gathering and data analysis were detailed out. Furthermore, effort was made to record and transcribe all interview sessions. To ensure accuracy of data, all were double checked and approved by the research participants. With the use of the techniques, it is safe to conclude that the finding of this study could be transferable to other Iranian SME manufacturers to understand their responsiveness intention and intended behavior.

3.6.3 Reliability (Dependability)

Reliability is achieved when the same study is replicated (Sekaran & Bougie, 2010). In qualitative method, reliability is defined as dependability or consistency (Neuman, 2006,

p. 196). Yin (2003) describes a case study protocol as the research instrument to obtain, assess, and analyze data. Huberman and Miles (1994) recommend an explicit audit trail in ascertaining thoroughness of data documentation to allow a study to be replicated in other settings. In this study, an audit trail was used that describes in detail the data collection procedures and method and the data analysis.

3.6.4 Objectivity / Neutrality (Confirmability)

Objectivity or neutrality can be confirmed or corroborated by other scholars (Sekaran & Bougie, 2010). Lincoln and Guba (1985, p. 243) argue that objectivity can be ascertained by using confirmability techniques to ensure that the findings are independent of a researcher's bias and are shaped only by the informants. According to Denzin (1994, p. 513), confirmability audit can strengthen research neutrality with the use of written field notes, memos and crucial quotations, interview records and preservation of data for potential inspection. Yin (2003) argues for using multiple sources of inquiry. Using data triangulation allows corroboration of data and exposes contradictions found in other sources of information. In this study, multiple sources of evidence and confirmation of interpretation mitigate the threat of bias. To address the issue of confirmability, several people in the organization as well as external auditors and industry experts were referred to in order to verify what the participants meant.

Table 3.7 Summarizes of the techniques used to ascertain the quality and rigor of the present research.

Table 3.7

Criteria of Research Quality and Rigor

Quantitative Term	Qualitative Term	Techniques	Description of Application	Inquiry Phase
Internal validity	Credibility	Prolonged engagement in field	Persistent observation and field notes taken	Data collection
		Use of peer debriefing	Elimination of biases by checking with peers and external reviewers	Data analysis
		Triangulation of sources and investigators	Cross-case pattern matching	Data analysis
		Member checking	Participants' involvement in interpretation of their transcribed responses	Data analysis
External validity	Transferability	Replication logic	Multiple case studies	Data collection
			Predetermined questions	Research design
			Defining the scope and boundaries in case study protocol	Research design
			Rigorous procedure for coding and analyzing	Data analysis
		Comparison of evidence	Purposeful sampling with corporate decision makers and external consultants	Data collection and analysis
		Thick description	Detailed description of phenomenon under investigation	Research design
Reliability	Dependability	Audit trail	Dense description of research methodology	Research design
		Inquiry audit	Verification of both process and finding by using multiple external auditors	Data analysis
Objectivity/Neutrality	Confirmability	Confirmability audit and triangulation of multiple sources of evidence	Interviews conducted with decision makers of three different SMEs and findings were confirmed by informants	Data collection and analysis
		Practical reflexivity	Employed critical self-reflection about the phenomenon	Data collection and analysis

3.7 Research Ethical Assurance

“A person educated in mind and not in morals is a menace to society” Juanita Kidd Stout – quote. Ethic by Oxford online dictionaries¹³ defined as a set of moral principles, especially ones relating to or affirming a specified group, field or form of conduct. In qualitative research, Myers (2009) defined ethic as a moral stance that involve in planning, conduction and reporting the result of the study. Though it is difficult to appreciate fully the ethical dilemmas, according to Myers (2009, p. 48), nevertheless this moral obligation is considered as an essential rigorous part of this study which notably merged with validity of research. This research is likely to be designed in trustworthiness way, strived to make ethics always in progress. Considering ethical principles highlighted by Marshall and Rossman (2010); Neuman (2006) and Myers (2009) the component discipline of morality grounded in this inquiry including but not limited as:

3.7.1 Reciprocity

Moral principles of respect others beneficence, captured since this research believes finding of inquiry will grow the knowledge of operationalization of environmental sustainability in the field of manufacturing responsible practice. In depth investigation on leadership strategic orientation and deployment strategy is further strength and benefits which will be shared with participants and will provide them a better understanding of what is being taught as wavering factors and competitive strategies. Participants may choose finding element of this study as a point of critique and improvements.

¹³ Retrieved from: <http://www.oxforddictionaries.com/>

3.7.2 Confidentiality and Consent

participation is voluntary permitted to take an operational role in data inquiry, which included allowing for their employee and business process be observed, several interviews with top management, project management, internal auditor and operation manager, as well as access to critical but not confidential document.

However, while each participant was purposefully selected and consent was obtained for fully cooperate in either way of face-to-face, semi structural interview, permitting for filing observation and to give related domestic documents, however, participants were given pseudonyms to keep identities concealed and protected.

3.7.3 Distributive Justice

Central dictum granted in research design is based on eliminating origins of risk, deception and any potential harm for natural and legal person(s) who involve in this inquiry.

Since governmental role in environmental degradation even in parliament was continuously expressed, but the national condition prohibits any expression in this regard. Therefore, though participants informed of the potential risk of political leverage, but certain is grounded that their records of identifying factors have been removed and replaced with pseudonyms. Above mentioned risk is possible because the total population of inquiry is lightly small and tracing abilities.

3.7.4 Gratitude

Qualitative studies intrude by nature as participants adjust their priorities and routines to help the researcher data inquiry or even tolerate his/her presence (Marshall & Rossman, 2010, p. 121). A deep sensitivity to the ethical matter pursued by precise procedure as briefly narrated below: appointment had made for each participant, given an option for his or her convenient time. Starting point of the interview was along with informed consent and broad information about the purpose of the study. And then put participants at ease by allowing them to respond in their mother-tongue (Persian Language - Parsi). Marginal phase of conversation was aimed to create a relaxed atmosphere and encourage maximizing participation and making a better contribution as the richness and detail of their experience and information was the foremost target of the research. Being a good listener, and respect their expression and feeling was of course fit within reciprocity constraints of research. Furthermore gratitude sense of research arrays some appreciation token such as certification of appreciation, gift of calendar booklet and souvenir from Malaysia.

3.7.5 Personal Ethic and Quality of Inquiry

As suggested by Guba and Lincoln (1985) validity and reliability and researcher role of qualitative research resorted by faithful transcription of every effort has been made in data inquiry to gain a thick description of transferability issue. In addition the transcribed information and some feedback and finding were shared and confirmed by participants. This has been done in a way to maintain the credibility of the inquiry by

member checking. Validity and reliability of this study will be described in detail in previous section.

Considerable strive on the moral principal applied in this inquiry was based on moral stance and beliefs of researcher on building trustworthiness and credibility for the research inquiry.

The first objective as Yin (2011, p.19) stated was the transparency of planning, conduction and reporting the result of the study, in a way to other people can review and understand the entire process of examining and finding. Next main objective was methodological and discipline of study means follows the rigorous structure, aims to minimize whimsical or careless work as well as to avoid unexplained bias or distortion. The third main objective was a rigorous adherence propensity to participant's actual expression. As an advocate by many qualitative scholars such as Yin (2011), Merriam (2009), the language of participants is valuable due to its representativeness of reality. Under all this circumstance, it is cogent and persuasively demonstrated that; this research has an exquisite sensitivity on ethical obligation.

3.8 Rhetorical Assumption and Inquiry Map

This research begins its journey by exploring previous literature on influencing factors extant in small business, environmentalism and individual perception toward environmentally responsible initiatives. It was acknowledge that in small business, managers consider different factors or prioritize them in a different way as large business. Therefore, to understand the individual and collective cognitive that deemed as

the firm strategic decision, this study exploited the inductive method of inquiry. Since the literature provides little guidance of conceptualization of environmental sustainability in the context of small business in Iran therefore the overarching research questions considered the existence of patterns of conceiving environmental sustainability. The data collection component of this research is based on multiple data inquiry. Selection of cases was based on Yin (2003) and Creswell (2012) guidelines to the manifestation of the patterns and common themes of the phenomenon under investigation across the sample population. Those three selected cases are illustrative of representative issues and purposefully selected to meet maximum variation sampling. Triangulation of data collection technique allows using a wide range of data source and increased consistency of information and gives greater authority for processing and interpretation. Semi-structured interview allowed the SMEs executives to openly express their own view of the subject without being confined to choose specific answer. Following the general plan of the interview described by Creswell (2012) and Neuman (2003), the question allowed the participants to discuss prioritized factors considered for environmental sustainability initiatives, though researcher encourage them through the follow-up questions and rigor explanations. Information was recorded, documented, and coded for further analysis. Content analysis of qualitative data allowed common pattern and themes to emerge. The reason behind choosing a qualitative design derives from the nature of the phenomenon and required information and characteristic of research population which data can be gathered. The main aim of this research is exploring the small business orientation and influencing factors to decision processes in regard to firm environmentally responsible practices. Recognized themes allowed the organization to

prioritize theses influence and policy makers to sough organization on more environmentally responsible. Table 3.8 summarize the rhetoric assumption of the research.

Table 3.8
Rhetoric of Research Design

Research Methods	Quantitative	Qualitative	Current Research
Scope	Formal objective approach for obtaining generalizable knowledge by numerically describes causes and effect relationships.	Systematic inquiry to refines existing knowledge and develops new knowledge based on subjective approach	Understanding the underlying factors behind corporate response or not undertaking adequate measure toward attaining environmental sustainability.
Goals	Determine the cause and effect interaction between variables	In-depth analysis and systematic description obtaining richness of understanding relative to inherent existence of phenomena.	Make accurate understanding about executive pattern of thinking and cognitive overhead pertain environmental sustainability
Key Differentiating Characteristics	Nature of reality : There is one objective reality which is not dependent on individual(s) interpretation	Nature of reality : There are multiple realities exist which are not purely objective or independent of the people who interpret it	To find how our social systems behave in response to environmental sustainability initiative.
	Focus: Objective is proceeding to explain what is observed independently of the individual's conception	Focus: subjective views describing the inherent nature of the phenomenon from the point of view of those experiencing it	SME's strategist pattern of thinking towards corporate environmentalism
	Pattern of study: Reductionistic deductive process used to test constructs, and hypotheses	Pattern of study: building holistic picture through dialectic inductive process	How SME's make sense of notion of environmentalism, experiences, and their structures of their corporate strategies.
			.
	Basis of knowing: cause and effect relationships of construct.	Basis of knowing: pattern of meaning and discovery	The pattern of meaning and understand more about social system behavior in response to environmental sustainability initiative
	Basic element of analysis: Statistical analysis in form of numbers	Basic element of analysis: Individual interpretation of narrative words.	Inductively builds abstractions, concepts and patterns of meaning
	Specified: Generalization , Conclusive	Specified: Uniqueness , in depth Exploratory	in depth investigation

Table 3.8 (Continued)

Main Paradigms	Positivism	Interpretivism	Post-Positivism
Research Method	Common method: Experiment Survey	Common method: Grounded theory, Action research, Ethnography, Case study, Phenomenology	Case study
Quality Assurance	Mainly depends on the statistical instrument or measurement device Reliability: internal and external Validity: construct, context	Mainly depends on the skill and rigor of the researcher Confirmability (for construct validity), Credibility (for internal validity), Transferability (for external validity), Dependability (for reliability)	Credibility Transferability Dependability Confirmability
Sampling Method	Random and deliberate	Purposeful	Purposeful (maximum variation) sampling
Data Collection Method	Questionnaires, surveys and other method of collecting numerical or measurement data.	Interview with audiotape and videotape Direct, non-participant observation Participant observation Field notes, journals, newspapers	Interview Direct Observation Document review
Type Of Data	Tables and graphs containing statistical data	From interviews (words) , from observation (photo or recorded video, or observation notes) , from document review (document , artifacts).	Data gathering instrument immersed in the subjective matter, through semi-structured depth interviews, observation, review of documents on what it means to the people involved.
Analysis	Statistical techniques , categorized by descriptive research correlational research, causal-comparative research and experimental research	Coding of the data and production of a verbal synthesis	Synthesis of experience Cluster and categorize the data to developing themes and concepts
Outcomes	Series of numbers presented in forms of statistical Table s or graphs.	Narrative data , speech notes , pictures, observations of events, etc.	Richness and precision description of the experience and perceptions
Contribution	Statistical set of data providing preference trends, differences between contracts and demographics	Encoded data describe the qualities or characteristics of the phenomenon under investigation	Provide insights into the setting of phenomenon and bases for further development of responsiveness policy

3.9 Limitations of the Study

The present study has a number of limitations. The first limitation as Neuman (2006) suggests that a researcher's bias could impose limitations to a study, mitigating the bias is necessary. In this study, several rounds of validation and confirmation of collected data and data analysis were conducted to ensure that the data were valid and were not contaminated by the researcher's bias. Furthermore, the researcher also employed critical self-reflection during the data collection and analysis stage to reduce personal biases from creeping in the research project. Even though this research was conducted with rigor, the finding may still suffer from transferability. According to Yin (2003), findings from case studies are not meant to be transferable to other cases. Despite this potential drawback, opportunities exist for researchers to validate the findings in future research exercises.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This research aimed to provide answers to how and why SME manufacturers behave with respect to corporate environmentalism. Toward this purpose, three case studies were purposefully selected in which data were collected via in-depth interviews and field observation. Three overarching themes were developed on how the SME manufacturing companies constructed the meaning of organizational environmental sustainability and how they articulated their intention to commit toward such project. In presenting the key findings, this chapter begins with an overview of the demographics and characteristics of the sample population followed by the main concepts derived from the thematic analysis.

4.2 Study Demographics

4.2.1 Characteristics of Participated Organizations

Three organizations in different industries were selected. The organizations were in the stone mining, food manufacturing, and automotive component manufacturing industries. These industries were selected because of their significant contribution to Iran's GDP and national employment. However, despite the positive contribution of these industries, they were found to be the most polluted industries when the parliament ordered nearby residents to be evacuated from the industrial zone. In addition, these industries were also selected because of their compliance with environmentalism and of their pioneer status.

As such, they were deemed to be the most relevant in providing answers to the research questions.

Table 4.1 shows the criteria used to select the organizations.

Table 4.1
Characteristics of Selected Industries

	Case A Stone Mining	Case B Food Manufacturing	Case C Automotive Component Manufacturing
Products	Manufacture variety of mosaic, stone facade, and interior stone	Manufacture variety of food products and drinks (i.e. canned food, pickles, lemon and orange juice)	Manufacture electronic part of engine (i.e. dynamo , starter distributor and coil ignition)
% of Industry Distribution	24.7	17.84	8.99
No. Of Employees	24.04	18.74	8.26
% Of Added Value To The Economy	26.99%	16.97%	8.92
% of Value of Production to The Economy		17.92	7.75
Environmental Threats	Air pollution of heavy dust, noise pollution, water pollution and toxic effects of Acid Mine Drainage (AMD), overuse of water resources, destruction of land soil	Oil spill pollution and contamination of food products, contaminants release and water pollution, air quality and foul odor	Air pollution of smog because of release of particles and chemicals, solid and liquid waste from mechanical and chemical released into the air and land

Table 4.2 presents some distinctive features and characteristics of the selected manufactures in term environmental responsibilities.

Table 4.2

Characteristics of Selected Three Cases in Terms of Environmental Responsibilities

	Case A Stone Mining	Case B Food Manufacturing	Case C Automotive Component Manufacturing
Ownership	Private	Private	Private
Type			
Responsiveness	We have responsibility for the environment and safety of our employees	Factory is our second home to encourage sustainable manufacturing	Employee health/safety is the priority
Vision /Value			
Investment In Environmental Sustainability	Waste water station in traditional format of class step pool	Waste water station and basic rolling processing equipment for purifying waste water	Water tank
	Gardening	Gardening	No because there was no space
	Dust collection with water curtain	Advance green technology of dust collection and drying environment	Advance air filtering system (machine and employee - eye protection)
	Traditional piping system of collecting waste material and purifying waste	Recycling policy in process	Collection and control waste material room
	Isolated operation section	Several sections for different stages of production process mostly with isolated door and windows	Noise isolation room
	Separate administration and factory	Comprehensive separations between administration section, savage, factory and entrance with quarantine entrance	Separate administration and factory
	Simple employee protection equipment	Filtering system of fugitive smoke particularly for tuna workshop	Simple individual use equipment
EMS Practice	ISO 14001 obtained	ISO 14001 obtained	ISO 14001 in process

Table 4.2 (Continue)

Environment Audit Policy	Holistic investment but simple policy of auditing	Comprehensive auditing (internal – external) policy	Simple environmental policy for only internal audit
Green Technology Investment	Traditional innovative investment	Most effective equipment with comprehensive policy of instrumentation	Investment as much to meet basic needs
HR Responsibility	Not independent internal auditor	Separate department of safety/ health	Personnel in charge
R&D	Yes (based on owner monitoring or complaints received)	Yes (self development as owner is the firm's owner)	No (meet the basic requirement)

The distinctive and specialized features of these three selected organizations revealed that all companies were privately owned. They invested beyond expected standardization policy and were innovators in environmental responsibilities. They also clearly expressed their concern about the economic burden and associated costs of care-giving, although only two of them were willing to update their green technology. Each company had their own environmental policy and reported their environmental initiatives; however, details of their report were not available to the public. Nevertheless, as managerial mottos (inter organizational slogan), shows the corporate responsibilities to their employee are rather emphasized than the environment and society and unexpectedly, the sense of community satisfying and their need are somehow missing. Organizational main concerns were limited to the basic and compulsory requirements (for example, the standard of ISO 9000 obtained because the main auto manufacturer requested that). In terms of investment, all three cases revealed that buying new green equipment may not mostly possible due to cost concern. Nevertheless, some noteworthy investments on green technology were made consistent with their environmental policy such as on noise abatement equipment in Case C (auto part manufacturer) and wastewater treatment facilities in Case A (stone mining company) or dust collection and drying environment in Case B (food manufacturer).

Only one case had a separate department dedicated to implementing environmental management practices while none of them conducted scientific R&D on environmental issues or environment-related training. Even though they understood the importance for employees to know and understand environmental issues, little attention was paid to dissemination of such information.

With regards to ISO certification, two companies were already ISO 14001 certified while one was still in the process of getting accreditation. However, the companies developed their own policy with respect to environmental responsibility and no standardized guidelines for undertaking environmental responsibilities were available.

All companies were located within an industrial zone and although they had the advantage of devising tailor-made environmental policy, only one tended to frequently receive complaints from neighboring residents for their funky-fume of fish boiler despite the heavy investments on filtering system made.

4.2.2 Characteristics of the Informants

To select the qualified participants or informants the Creswell's (2007) guideline and five criteria of choosing participants introduced by Silverman's (2006) were considered in this research. According to Creswell (2007, p.133) in order to provide the most credible information, diversity among selected participants should be considered. Informants were solicited from senior-level executives with extensive experience about the organization's strategy and environmental sustainability initiatives. All in all, 10 senior executives were approached. In addition to these people, four consultants external to the selected companies were interviewed to validate and verify the data collected from the senior executives.

Table 4.3 shows the profile of the informants. All participants had an executive position in the company either as the CEO or the owner (3 participants) or operation manager (3 participants) and internal auditor (4).

Table 4.3
Profile of Informants

Cases	Name of informants	Position	Education	Age
Case A	P.A.1.	CEO	Diploma	60+
Stone Mining	P.A.2.	Operation manager	Diploma	50-59
	P.A.3.	Internal auditor	Diploma	40-49
Case B	P.B.1.	CEO	High school graduate	60+
Food Manufacturing	P.B.2.	Operation manager and QC	PhD candidate	40-49
	P.B.3.	Site project manager and project controller	Master's degree	30-39
	P.B.4.	Internal auditor and HSE director	Master's degree	40-49
Case C	P.C.1.	CEO	Diploma	60+
Automotive Component Manufacturing	P.C.2.	Field manager and project controller	Bachelor's degree	40-49
	P.C.3.	Internal auditor	Bachelor's degree	50-59

Table 4.4 summarizes the demographic characteristics of the participants.

Table 4.4
Demographic Description of Informants

Characteristic	Parameter	Frequency
Gender	Male	10
Age	30-39	1
	40-49	4
	50-59	2
	60+	3
Highest level of education	High school graduate	4
	Bachelor's degree	2
	Master's degree	3
	Doctoral candidate	1

Participants were all male because only males occupied the organizational position related to scope of study (environmental responsibility). Female executives were mainly the department of marketing and sale.

4.3 Analyzing Result and Themes

The data analysis process involved inspecting, cleaning, transforming, and modeling the data with the goal of identifying emerging themes about the central phenomenon (Creswell, 2007; Silverman, 2006). In this study, themes were generated on the reason corporations comply with environmental sustainability particularly with respect to the specific characteristics and behaviors of SME executives in transforming their intention into actual engagement in environmental preservation issues. A total of three major themes emerged based on the following criteria: (1) The most logical responses given to overarching research questions; (2) Frequently tagged responses of participants' viewpoint; (3) Degree of representative expression across the firms; and (4) Personal judgment given to both multi-source driven data and relevant scholarly literature.

Each of the transpired themes was developed by these methods: (1) continually reviewing the transcript data; (2) creating front lines memos (codes) that were populated with evidence; (3) categorizing codes based on correspondency and relevancy; (4) making sense of each category by identifying exemplary quotations and making first cycle, micro themes; and (5) providing the ultimate cycle, macro themes. The exception to this procedure was: (1) eliminating personal identifiers to keep participant personal responses strictly confidential, and (2) creating extensional thematic chapter rather than ignoring other interesting sub-findings which were also frequently cited by participants.

As suggested by Creswell (2009), themes are highlighted patterns which are found in response to research questions and basically are related to three different cognitive aspects of being, adapting and engaging environmental sustainability. Being is most concern with rationalism feature of reality and existence, representing constituting quality or state of having existence. Adapting is a trait adapted or dynamic evolutionary process of adoptions that contribute to the fitness in response to the imposed conditions. Engaging consists of comprehending and interpreting the world around to bind as by pledge or promise.

The core finding of study came from information captured through participants' explanations in the semi-structured interview developed from the research questions. Exploration of the pattern of thinking performed by strategists in small businesses revealed three core themes: (a) Inner Believe and Foundation – Being; (b) Adaptive Dialogue – Adapting; and (c) Cultivating Interaction – Engaging. The following sections outline each theme and its discussion. It also includes the extended themes that support understanding of the constraints and facilitators of environmental preservation issue.

4.3.1 Inner Belief and Foundation – Being

Serious environmental problems cripple the functionality of traditional business strategies. Addressing today's pressing environmental challenges escalates the debate on industrial behavior and related environmentalism and sustainability management. Indeed, the nature of environmentalism concern denotes social movements that seek to preserve the ecosystems. This issue raises the question of what is the need for debate in

complying while necessity of environmental responsiveness place on top of the agenda of social concerns; and how the perception of this necessity change the views in organizational behavior.

In informants' discourses, multi-layered components of the perceived value as the constructions of organizational responsiveness were distinguished. All informants, in some form or another, stated the multifarious values and deep inner logic system that shape their sustainability commitments. Three findings constitute the response to the first research question of how is corporate environmentalism developed and embedded into executives' pattern of thinking. These three findings include: (1) Despite adopting the Western standardization doctrines due to legitimate concern, there is strong tendency of integration with the cultural preference and harmonious society; (2) Spiritual intuition (pious/blessing/doomsday) prevail over challenges in either form of financial, regulatory, market, culture, technical, knowledge; and (3) Perceived value and self-esteem yielded by well-crafted responsiveness and social accepted efforts. These findings constituted the first theme of "Inner Beliefs and Foundation—Being". Further details of the findings are as follows.

4.3.1.1 Cultural Commitment - Despite adopting Western standardization doctrines due to legitimate concern, there is strong tendency to integrate cultural preference

Organizational responsiveness seemed rooted in the dominant national culture. As culture mediates organizational behavior, culture is therefore manifested in corporate environmental sustainability behavior. In this study, participants constructed

organizational environmental responsiveness derived from culture in multiple ways such as an expression of national history, as embedded in family values and beliefs, and as part of traditions, customs and social norms. The CEO (P.C.1) informant of one SME stated:

“The major source of organizational culture is the dominant culture of a society.... A common method of doing things and tendencies is largely derived from granting practices which had already done before (norms, traditions, prevailing doctrine and legacy of a father to his son sweetened by the lullaby of a mother)”

The emphasis on culture and organizational behavior arguably shapes how top management as the main strategist constructs corporate responsiveness. Such perspective resonated in informant's (P.B.2) expression, when he conveyed his idea about transmission of the cultural value into the philosophy of the organization.

“Founders or who establishes an institution entrenched the corporate culture. They explained the mission the organization should be responsible for. Prejudice and concern on quality in organizational operation is grounded on founder specific beliefs and doctrine.”

According to the participants, decisions in their companies were usually made by the individual owner/manager, whose different belief and value systems influenced their decision. One informant (P.B.1) narrated how his family influenced his business decision.

“I follow the job of my father... the original idea of this business came through experience learned from those days when I was a simple worker at my father’s small workshop.... Despite the tough days due to financial crisis, father always gave a lot of consideration to toleration, good intentions and adherence to values and social benefactors.”

This perspective invoked cultural exemplars in participants’ constructions of organizational overall responsive initiatives. It means that culture based on informants point of view, combined with complex business environment, consist of “organizational development and remaining competitive in market”, “margin of profit and productivity”, “quality of product/service in customer view”. Culture was conceived in terms of local values in opposition to the global values. Relatedly the most frequently mentioned factor was ancient roots which founded organizational behavior. As stated by informant P.A.2:

“One of the reasons I think facilitate our successes is the culture of living like a civilized human, rooted in the three pillars of ‘Good Thoughts, Good Words and Good Deeds indoctrinated by thousands of years of Persian Zoroastrianism. The discussion is not about the difference between the doctrines of religions, but what I believe is, education, upbringings us to responsibility and accountability that we rely on.”

Professional practice and performance as well as deficiency of these international standards were brought up during the interviews. However, the most frequent mentioned elements were “cost of planning and imitating” of these managerial systems in relation

with “efficient concern and added value advantages”. The emphasize was more on deficient point related to integration with domestic values and concerns. The need to consider behavioral components of culture was frequently highlighted by a most of the informants as well as external auditors. For example informant P.A.1 quoted:

“Perhaps the reason for organizations to implement standardization and initiate modern managerial schemes is to fulfill the organization's mission to offer quality accepted service to meet customer expectations and stakeholder satisfaction. However, the question arises of whether imitating others’ developed schemes has any applicability here among Iranian industries? This is because the business environment and challenges we face here are entirely different structurally.”

By noting the “richness of cultural heritage”, the participants illustrated how the responsiveness trusteeship has brought into the individual as well as organizational behavior. Consequently, their beliefs in culture evolved through generations, frame the organizational culture, and construct corporate environmental responsiveness. Informant P.C.3 said:

“Culture wasn't built in a day; it has a historical component which shapes our decisions, our behavior, our relation and so forth. Orientation toward organizational responsiveness might also have taken this philosophy. However, it needs to be more articulated.”

Informant (P.A.3) commented:

“There isn’t much debate on being responsible either on social well-being or environment preservation which is also tied to with social concern because in our culture we are taught to be responsible; what we do, is what we know; it make us feel good.”

Several other informants also demonstrated similar beliefs on how an organization behaves and the influence of culture. The narrative responses located culture and national value system as integral components of the construction of organizational culture on environment and society responsiveness. Such a perspective is helpful to explain how organizations respond to the environment and society.

4.3.1.2 Reliance on Spiritual Beliefs –spiritual intuition (rooted in different perception of pious attitude, blessing and faith and believes in doomsday), prevail over challenges in either form of financial, regulatory, market, culture, technical or knowledge.

Good faith (belief system) reduces the risk of challenges and problems. The participants indicated that spiritual beliefs complement the rational decision-making process. Spiritual sensitivity helps comprehend human existence and religious belief within realistic parameters.

To define the notion of good faith the frequent expression used by participants were interpreted. The general form occurs as a mental acceptance or conviction about social

blessing which is valued in the actuality of doomsday. Almost all informants had deep conviction that what they brought to work was responsible for their behavior. For example informant P.B.1 mentioned:

“There is strong reason for having this garden while each square has monetary investment. Ecosystem and caring for the environment was influenced, but when I receive the blessing of employee (drivers) when they release their tiredness, seems it healed my own tiredness. When my employee sits under the shadow of those trees to reduce their problem (job stress), credit of their benison not even goes to our other world but attached to our today luckiness and success.”

The general expression was a proverb that mentioned over three-quarters of the informants *“Measure for measure”*¹⁴ which credit with veracity of their spiritual practice of being environmental and socially responsible. For the informants, being responsible to people and environment is not separate detached from their spiritual values. For example, informant P.C.1 pointed out:

*“What we do is contemplation and worship. Look at that frame I keep it up there (... pointing to the wall to show a hanging frame with a written message God Owns Everything”*¹⁵*... it always reminding me of my duties to Allah and others, as one day we all will leave and those blessings will go to the sky.”*

Lack of knowledge and technological skill needed in initiating environmental sustainability (i.e. ecosystem operation system) has emphasized as the prime challenges

¹⁴ از هر دست که بدهی از همان دست پس می گیری

¹⁵ در حقیقت مالک اصلی خداست./ این امانت بهر روزی دست ماست

in efficient implementation of related strategies. Nevertheless, similar feelings appeared to incorporate their perceptions of right or wrong response and reaction strategies. All informants described piety attribute as a form of ethic that helps them resist against the business challenges and solve the difficulty. For instance, informant P.C.2 revealed that:

“Problems are not one or two, ..., what we learned from globalization is saturating our market with cheap foreign products (i.e. Chinese products), while no one asks whether their production conditions are significantly different from those we have here, ..., give me an example of any other country whose economy has to resist for 34 years against international and US sanctions, ..., But they don’t know that it is our power of faith that helps us conduct faithful business and respond to our social expectation.”

Even those informants who talked about organizational responsibility in more in a secular way, they revealed that their environmental responsibility was based on “doing the right thing as a human being” or simply because they “followed their heart”, suggesting that such responsibility was a spiritual practice. Particularly informant P.B.4 gave an example of this perspective:

“Good intentions¹⁶ shape what we do. Working sincerely and acting for the sake of God, breaking the barriers... reveal fate and lasting forever.”

Although there was no direct question on the influencing factor of religion, almost all informants revealed their religiosity as the main factor for organizational responsiveness. Even though one informant claimed that he was not a religious person,

¹⁶ خلوص نیت

again he placed morals or ethics as his foundation when making decisions. While there were different expressions and terms used among informants to reflect their environmental responsibility, but the common themes used to describe environmental responsibility practice were “*sacred expression*” and “*being responsible at doomsday and God*”. In sum, religiosity and spiritual practice seemed to be the basis for environmental responsibility initiatives.

4.3.1.3 Desire for Self-Esteem - Perceived value and self-esteem yielded by well-crafted responsiveness and social accepted efforts.

Informants pointed out emotional factors that influenced their perception about environmentally responsible practices. In most instances, there was a keen concern among the informants with supporting others in engaging in responsive initiatives. They indicated that emotional reinforcement received from other people helped them to develop ideas on how to respond. The emotional support received suggests that their effort was being appreciated and hence made them more motivated to implement responsive initiatives.

For example informant P.B.1, who was the CEO of one the SMEs, revealed why his business decided to invest in modern technology and equipment. He remarked that his decision was made because of the appreciation and encouragement he received from his youngest son who worked with him as the site project manager and project controller. He also received emotional support from an employee who he referred to as “a friend of mine” who worked as the operation manager and QC.

The feeling of satisfaction experienced was described as enabling the informants to become good people by contributing to the business' responsive initiative. Informant P.A.1 said:

"They called me haji and invited me to the first row of pray... I received support and appreciation ..., though I believe that serving the people is for the sake of getting God's blessing. However, that is what makes me want to serve and do better because they expect more. Not only from me, from all others. And that is why I always invited other manufacturers and suppliers and even my competitors to share what we learned in how to serve better."

Informant P.B.1 mentioned shared the same feeling in a different way:

"Being responsible and serving people are the attitude of the Prophet as mentioned in the Quran¹⁷: as to the foam, it goes away as rubbish, but what benefits people, it stays on the earth. The emphasis is on serving and being responsible ... receiving the blessing of people, all for the sake of God's pleasure. Meaning that the value of what we do is given by people..."

In informant's point of view, the feeling of self-actualization related to corporate responsiveness initiatives derived by self-esteem component granted in being respect by others. Basically, the informants' self-esteem was derived from social acceptance and respect.

¹⁷ The Holy Quran, Chapter 13, 17: Al-Ra`d : «... فَأَمَّا الرِّبْدُ فَيَذْهَبُ جُفَاءً وَأَمَّا مَا يَنْفَعُ النَّاسَ فَيَمْكُثُ فِي الْأَرْضِ كَذَلِكَ...» «يَضْرِبُ اللَّهُ الْأَمْثَالَ»

Almost all group of stakeholders (i.e. employees, customers, government, supplier, etc.) were cited in link with social recognition, however, employees are emphasized explicitly as salient component in their decisions. Interviewees with all three CEOs indicated that even though friends and family members positively influenced their decisions, it was their employee involvement that enabled them to implement effective organizational programs and achieve the desired results. For example informant P.C.1 mentioned:

“Collaborating with my employee is my powerful strategy. I park my car outside and walk into the factory at the same time and in same way as any other worker. Why? Because they appreciate me as their colleague, and we would not have managed to prevent system failure or involved in some great practice without my employees bringing it to my attention.”

Although the informants seemed to be unanimously agreed that their feeling of satisfaction influenced them to be engaged in corporate environmental sustainability efforts, the reason for such feeling varied. Nevertheless the most commonly cited reason was social acceptance as the main reason why they felt satisfied. Informant P.C.2¹⁸ described his reason for initiating corporate responsiveness in this view:

“...Initiating different operating methods (...ISO 14000 and other policies of environmental responsibility) was somehow resisted by employees because we thought they simply wanted to avoid doing extra job. It was very important at

¹⁸ The participant explained his successful strategy of recruitments. His given story was instead of dismissing employees in recession, hiring two people revealed confidence and motivation to overcome the challenges. While the recession is the sign of reducing the cost, recruiting of two employees who were relatives with other employees, reinforces the culture of development and motivation to overcome the difficulties.

that time to get people involved. In this context, satisfaction came from building a good relationship with them (employees). Failed project turns to success, as we learned that opposition was due to lack of knowledge and being comfortable with the status quo. Secondly and more importantly, the employees resisted because they thought they would lose their job as a result of the new technology and processes which would dramatically change the way they traditionally worked and in the process would make the operators' and foremen's job redundant. However, they responded well to the initiative when dialogue with employees was established and our personal values aligned."

In general, the informants opined that environmental sustainability initiatives do not have much value without real support from employees. Social acceptance might bridge the patterns of thinking and initiating what perceived. Reciprocity entered into environmental sustainability or corporate responsiveness through mechanism of social identity embedded in self-esteem. This perception leads to the third finding which validates the first theme in response to the first research question.

4.3.2 Adaptive Dialogue – Adapting

The purpose of question two was to determine the connection between the executives' cognitive pattern of thinking in complying with and developing organizational environmental responsiveness. Toward this purpose, the researcher began the interview by giving some background information about organizational strategic orientations and leadership style. However, none of the informants were familiar with the theories of

strategic orientation or policy development and impacts on organizational decisions. The informant nonetheless described their beliefs by incorporating their leadership style when making decision as demanded by the situational at hand. Basically, informant described their intention differ by what requires to be operated in reality. They believed that they influence by diverse factors such as group member and social/economical concern, which mislead them of what exactly they intended.

In responding to the related questions, the informants talked about their executive experience and factors that influenced their strategic orientation. The informants' responses to the second research question of how do SME executives conceptualize and engage in corporate environmentalism, was shaped by three factors: (a) contingency plan; (b) navigation via small win strategy (SWS); and (c) interaction through social networks. These categories constituted the second theme of "Adaptive Dialogue (Adapt)". Details of the informants' views are followed.

4.3.2.1 Contingency Plan - Managers' plan help organization navigate through complex and challenging environments

The researcher was concerned with understanding how the informants designed environmental sustainability initiatives. As they discussed the dynamic and rapidly changing environments, they spoke about unique obstacles, uncertainty and constant change that confront small and medium businesses. For example, informant (P.B.2) described the factors that led to organizational uncertainty and the consequences of the collapse of the national currency and the trade barriers of importing raw materials:

“...Yesterday we prepaid to buy our raw material (...tuna fish used as the main raw material in canned tuna) and today we face a sharp drop in the value of our money, (...as such we cannot afford to pay) and now we are in negotiation with the government over the strongly needed loans; but the typical answer we got is lack of liquidity due to fluctuations of relative exchange rate caused by sanctions. ... In this economic uncertainty, the right decision seems to look wrong and a wrong decision seems to be the correct one; therefore it might be difficult to judge about incorrect decisions as the situation burden the thinking and accurate judgment.”

Most informants believed today's business managers face greater challenges ever, which require businesses to analyze their ability in implementing their decision. While there was no standard procedure on how they should face the challenges, they believed that adequate response requires finding out new solutions that are able to leverage the negative consequences resulting from the challenges. For example, informant (P.A.3) indicated that:

“My biggest concerns are planning for the long term and retaining the market, which in this situation is not easy. Unfortunately, we are affected by the current social and economic corruption. Since competitiveness in our market is corrupted, it is getting tough dealing with even normal day-to-day operations What I do is what is required to do, ... I don't have any solution for you because it is unknown, ... strategy drawn as it is discern as a new pathway.... (The solution is) adaptive response and taking the way that is more appropriate. For

example, despite the availability of filtering technology to lessen water pollution emitted from cutting stone in the construction sites, our solution was using the traditional system of Cascade pool. It might be not efficient as using the advance technology, but since we don't have an access (to advance technology), doing nothing and destroying what we have is also irrational.”

The informants perceived ‘adaptive leadership’ as a compelling way to adapt to the confronting challenges because only by adjusting attitudes, values and strategies they can adapt better to the challenging and uncertain environment. They discussed the ambiguity confronting policy linked with informants’ expression about their contingency navigation where majority spoke about phenomenological and complexity sciences perspective. Their specific conviction seems support in managing the design of complex initiatives in respond to environmental sustainability. For example, informant P.C.2 told his experience the need to confront a challenging situation:

“It was a bit excruciating for us, ... preserving environmental sustainability is incredibly important because it is directly linked with the issue of health and wellbeing. Accelerator pad locking device, which is used as the immediate break to wind down the machine, is costly to import. However, the affordable one not only affects air quality but any failure leads to risking the health of the operator”.

Informant P.C.1 concurred:

“We spent days and nights to change the design of the machine... when I looked back, I remember the frustrated faces, ..a shutdown in the system affected the entire process, ... but we shouldn’t give up; families are waiting and expecting what we bring home, and always I said to myself you have to get going...”

Beat the recession described by almost all informants, addressing wider view and capability that leaders required to have differ of what normally ascribed in management and leadership literature. The explanations on intensive adaptive policy demonstrate the experience and expertise of the executives in understanding the ambiguity and challenges in business and operation and discern efficient missions embed organizational performance and environmentalism initiatives.

4.3.2.2 Navigation (Configuring Strategies) via Small Win Strategy Lens

Informant’s explanation in configuring of the SMEs strategic development and key dimensions of corporate responsiveness derive interesting component of their pattern of thinking and managerial approach that addressee firm's agility of decision-making abilities and environmentalism responding process.

Some terminologies used by the informants were generally related to Small Win Strategy introduced by Weick (1984). By using Weick’s perspective, the business leaders’ strategic orientation was informed. The languages of Weick’s small win style and terminology used by the informants were closely compared and the behavioral logic

of the informants was analyzed. although the usage of these style was more common amongst informants especially those who hold the firm main decision making position but since the majority of informants referenced these decision making style in either way of linguistic or semantic, therefore an significant linkage emerges in responding how SMEs' executives conceptualize and engage in corporate environmentalism.

Assessments of the informants' narratives indicated the conception of small win strategy given in the context of corporate strategic initiatives. Small wins focused on the informant's use of strategic discretion during challenging and unclear situations. The notion of small wins was intimated by the large majority of the informants when they used terms and phrases such as *“quick risk detection and adjustment for boosting firm reaction, transformation ability to tackle difficulties”* and *“seize smaller controllable opportunities to yield visible results.”*

Many of the comments made were concerned with recasting larger problems into smaller ones when there was a need for action. It was believed that in the context of a challenging situation, there were times they were overwhelmed by difficulties and were mentally incapacitated to provide an immediate reaction. In such situation applied collective perception support in choosing the proper and accepted decision. This was suggested by (P.A.1) who remarked that:

“The decision to attain the standards was taken but the challenges facing the implementation were relatively complicated. In our project-based organization

where there is an almost fixed manufacturing facility and sequential operation flow and where most of the work is delivered by raw material providers and other contractors, implementing a different system design is quite difficult. In a challenging situation, I remember the meeting was interrupted as I left the meeting room to pray and after 'mentally' I get fresh we all decided to see what we are actually capable to. This -Small wins- approach allowed for more digestible process."

Small wins promote the use of a series of smaller wins strategies instead of putting all eggs of effort in one basket. Strategic planning is often associated with challenges; however, in some circumstances changes in management strategic orientation might be needed to convert threats into opportunities. Configuring release strategies via small win lens can boost inner strength especially when moving through difficult time. For example informant (P.B.2) cited the benefits of small wins by transforming the design in small achievable objects, which could motivate people to put in further effort when the small targets were successfully achieved.

"We all designed strategies which were reflected by environmental responsiveness and standardization requirement. Developing requirement and strategies promote the values which underpin the corporate responsiveness by infusing them into the organizational behavior and operational flow. Though everything on the project flowchart was planned we had very difficult beginnings; variety of operating tasks, necessity of fundamental changes; however, the challenging obstacles were established dogmas on organizational

culture. Applying a new policy attracted opposition to further progress,... there was a gap between what we believed necessary to do and what we were used to do. When moving through, since the decision was frame by group, the process had break into manageable achievable functions. Incremental change strategies were replaced by transforming policy utilized in quality management objectives.”

In the context of environmental sustainability, since this issue was relatively new and the appropriate response was difficult to speculate, therefore as a general orientation Small Wins Strategy was found to be an appropriate lens to describe how the executives would respond to such circumstance.

4.3.2.3 Interaction through Social Networks – Transpersonal favoritism ¹⁹ through social networks play a major role in shaping strategies

The value of corporate responsiveness was constructed in term of being part of the society – socialization, maintenance of a good relationship, adapting to others, and social interaction and support. The informants perceived that social support facilitated commitment and achievement. As declared by informant P.B.1, the essence of their corporate environmentalism was derived by establishing relation and sharing their values with the others.

“,... We can, is the motivational motto of our operations. Although we can, as always I said, survival in today's competitive market requires being with people (caring for people). Many people know me, since my childhood, when I pushed

¹⁹ esoteric mental experience beyond the usual limits of personality

the trolley to sell our family-made products. I am not shy to share because I believe in serving people to receive halal (lawful) money. People expected natural products and we served them; as promised, our lemon juice is 100% natural. Adding additional component, decreasing the quantity or increasing the price were possible strategies; however, we didn't apply because people are the main reason for our existence. And over the years and despite the challenges we faced and the many competitors that came to the market, we still survive and even establish our own production chain, because we keep that promise and commitment, and people are aware that we consider their expectation..."

Almost all informants declared that social values of being selfless and caring for people are their doctrine in doing business. The supporting role of management defined as emotionally intelligence and understanding capability in care about others beyond the ones dominant ego. For instance, informant P.A.1 revealed his concern about the value of teamwork:

"Yes, over the years serving in the industry, I have always believed that a good product has a value of worship. We have the order from God to serve His creatures. If we do so, we shall reap the gain in our lives. If what we do is supposed to be a form of worship, how it is possible not to consider people in our initiatives?"

Majority of the informants repeated the same perspective about the need for socialization and to adapt to maintain the mutual relationship with others. One informant in particular shared his distinguished comment, *"All given by God to be handed to*

society”. The common denominator of the informant’s belief system was transpersonal characteristic driven by the genuine care and concern for others (all stakeholders) while suppressing the personal ego.

Informant P.B.2 shared his concern by pointing the unprecedented change in social demands over the last couple of years due to increasing climate temperature and massive environmental degradation. He said:

“...I can say we are in the turning point of economic growth and responsiveness growth; I believe only those organizations that bring social responsibility into their agenda will succeed or survive...”

Informants also illustrated corporate environmentalism as integration of leadership²⁰ with trustworthiness, social wholehearted and integrity. For instance informant P.C.1 mentioned:

“Nominating as the productive manufacturer is not only due to boosting initiating of auto-part production or the effort to obtain the certifications of ISOTS/16949, ISO14001, OHSAS 18001 but because of responsiveness that we committed to our all stakeholders. ,... it is hard to achieve an absolutely ideal condition, but transparency that we have with our stakeholders is our key success.”

For informant P.C.3, it was the notion of humanity that he brought to the work. He pointed out that “... *The real wealth is community...*” and remarked:

²⁰ The term leadership used interchangeably with business leader, top management or firm strategist

“...Eco-efficient lighting system and the policy of segregation of waste and metal and so on are to establish our organizational culture of reverence to all stakeholders. Because social-centricity is core to competitiveness in today's market; if we want to achieve industrial progress we need to consider our responsibility as part of a community and to meet customer satisfaction.”

An informal conversation with one machine operator during the site visit (Case C) clearly highlight the crucial role of top management and social interaction as the driver of organization's commitment to their stakeholders and employee in particular. He said:

“.. Here (in this organization) my feeling is just ok. Healthy workplace is provided. See that filter, (pointing to a big air filtering system which was installed close to a window and connected by specific canal system to upper side of the cutting machine) it reduces the dust. Although we are still using the mask but our lung and eyes are less difficult. In my previous job, the owner did not care, very dirty, very dusty. Over there we were had to drink tea as the only solution to reduce the problem of coughing.”

Despite variations in perspectives, the notion of adapting mutual relation with all stakeholders was consistently offered by the informants. Corporate environmental responsiveness link to individual's value or morality manifested through statements such as “wholehearted acceptance of stakeholder as being part of them”, “quality conscious as good corporate citizens”, “received value from society in contribution to the social norm and value”. Such phrases inherently linked to individual orientation and decision

making process which were manifested during data analysis and when developing codes as reference to corporate environmental sustainability initiatives.

4.3.3 Cultivating Interaction - Engage

Stakeholders were perceived as those who are impacted by (or have an impact on) the organization. Their perspectives have influence on corporate success or failure. Because corporate decisions are influenced by stakeholders' interest, insight into the nature and intensity of stakeholders' interests should be obtained. The third research question, of how do SME executives affiliate with other similar organizations and governing agencies in corporate environmentalism, aimed to explore how stakeholders and their pressure are associated with organizational responsiveness. In this study, informants exemplify stakeholder's isomorphism influencing their effort in corporate responsiveness initiation. Their viewpoints were range from enforcement position of stakeholders to supporting elements of social community. There are three key findings on this issue: (a) complying with mandatory impositions; (b) interactive intelligence; and (c) interactive benchmarking. These findings constituted the third theme of "Cultivating Interaction (Engage)". Discussion on the findings is as follows.

4.3.3.1 Complying with Mandatory Impositions - Organizations Perceived Mandatory Imposition Influences Environmentally Responsible Practices

Perhaps it is not a surprise to find organizations construct environmental sustainability as a compelling need to compliance with the law. The majority of informants indicated that the government and its controlling role in either form of reward or punishment

influence organizational responsiveness. Nevertheless, such construction was also perceived as poor governance program. The governmental role addressed through indicating the Environmental Performance Index (EPI) which underlying official assessment of environmental degradation. As voiced by informant (P.C.2):

“Government should be committed to a clear environmental protection agenda. While it is expected that organizations would adopt voluntary actions plan in environmental and ecosystem conservation with availability of governmental support, nevertheless for this responsiveness effort and necessary investment (i.e. importing required technology and equipment) tax was imposed and enforcement augmented.”

As stated by the informants, the government has plans to relocate factories, industrial workshops and other manufacturing units to complying with the policy of pollution control in order to reducing the direct impact on the nearby residents. While this strategy formulated within eco-efficient role of government in addressing the importance of environmental conservation and protection of social health nevertheless it did not initiate efficiently. For example, informant P.A.3 expressed the role of industries and economic activities in development of the area. Similarly, informant P.B.4 stated the facility provided for many local residents (i.e. employment) and negative effect of the strategy of industrial relocation.

The issue of government policy and regulation was brought up by almost all informants who indicated the important effect of complying with mandatory impositions on their

organizational decision and environmentally responsive activities. Informant (P.B.1) emphasized their expectation by pointing the payable taxes and improper administration:

“The policy of relocating manufacturers far from residential areas is a unilateral policy to control the manufacturers while there is no policy to control for residential construction and their precession into even industrial areas. And this is what we are always worried about. Consider the massive difficulty of relocating our tuna production units due to the health effects of environmental odors emitted from cooking tuna. Because we received complaints from nearby residents, we had to relocate this unit far from accessible facilities; we had to face aggressive challenges of construction of the buildings, water piping, electrical wiring and road construction which were supposed to be provided by the government. Unfortunately, all these nightmares give extra pressure on the shoulders of the manufacturers.”

While most informants constructed environmental preservation and corporate responsibility in terms of national value and culture and distinguished the role of government in acceleration of environmentalism, they also highlighted the negative effect of government in this issue. In a sense, the inability or unwillingness of the government to promote the culture of responsiveness mentioned as the reluctance reason of organizations to comply sustainability initiatives. For instance informant P.B.4 discussed about the process of their environmentally responsive project while highlighted that government did not approached their investment despite of this fact that their initiatives was indeed align with national standard and value system issued in

government policy and regulating framework. These kinds of statements perceived as inefficient imposition of environmentally responsible regulation and deterrent factors of organization involvement to environmental sustainability.

This issue even more corroborated in explaining the necessary position of government in formulation of financial support. Almost all informants implicitly and explicitly discussed their perception about governmental role in promoting environmental sustainability. However, three informants (P.C.1, P.A.3, and P.A.2) clearly explained the restriction of financial resources within small business. They reiterated their view that despite of their predisposed of being pioneer in environment preservation; nevertheless, limited financial resources discourage them approaching advance investment.

For instance, informant P.C.1 mentioned:

“Because the costs of operation to comply with corporate responsibly are much more and for this reason the Ministry of Industry and Health announced financial assistance (grants) to industries but the government reduced its involvement in the environmentally responsive initiative especially after the tightening of the international sanction on monetary policy and trade.”

Despite the need to comply with mandatory impositions by the government and other institutions, in general, financial support linked with corruption was discussed in corporate responsiveness activities. While several informants avoided detailing government corruption, their expression was sufficient to interpret that the government gave preferential subsidies and facilities to some people. This issue perceived as obstacles and proxy for organizations to position themselves as voluntary actors of environmental sustainability. P.C.1 remarked:

“Since there are a lot of things happened under the table (corruption) and unequal competition affect organization development, the question is what the advantage of being responsible is? Is it not just additional costs and negatively affect the competitiveness.”

The informants revealed that the government has a role as a controlling mechanism that aligns organizations with the national policy, affecting the flow of corporate environmentalism. However, despite the informants’ narratives on the perceived value of being environmentally responsive, lack of financial resource and government support impeded such initiative and hampered activities to preserve the environment.

4.3.3.2 Interactive Intelligence - Collaboration with Stakeholders in Technical Knowledge Fosters Organizations to Raise Their Ethical Initiatives towards Environmentalism

In constructing corporate environmental responsibility, the informants invoked technical knowledge. Their commitment was link with availability of technical knowledge. They remarked that environmental sustainability requires essential knowledge. Informant (P.C.2) indicated the importance of learning in enhancing organizational development.

“...Knowledge creates opportunity for organizations that realize the value of it and manage it effectively because lack of knowledge and information in the changing environment means losing competitiveness and risks failure. Although a manager might be awarded as a top business entrepreneur, but his lack of

concern with updating knowledge will result in organizational failure because the external rate of change exceeds the internal rate of growth...”

Despite the importance placed on knowledge and training within the narratives by all informants, uncertainties remained as to what technical skills and essential knowledge that need to be acquired for environmental sustainability initiatives. Many were found to be unaware of the green operational choices and the eco-technical/solution skills. These SMEs were concerned with the capabilities of absorbing external knowledge and utilizing effective technology where their structural disadvantage restricted the scope of their R&D activities. Informant P.A.2 emphasized this issue clearly:

“...While we all aware of the critical role of knowledge but even more obvious element is the weak point of most small businesses in obtaining technical knowledge. Simply we don't have the ability of affording consecutive educational expense or unite of R&D. Trained staff and general knowledge were gained through experience. We learned through hard work of trial and error. This caused our hair to turn white...”²¹ ”

In order to gain the benefits of environmental sustainability, it is required to go beyond the current level of know-how and standard documentation. The informants revealed that training and knowledge are indispensable and critical elements of successful business development. However, the prime importance of knowledge lies in the dissemination of such knowledge. While the need in knowledge creation has been approached but typically informants were more focused on intra-organizational

²¹ White hair is a slang meaning gaining experience.

knowledge creation. As such the emphasize was more on gained experience in contrast with extra-organizational knowledge dissemination. For instance informant P.C.1 highlighted:

“...For eco-efficient operations, a new innovative technology and skill are required. Indeed implementing the environmental standards push us to receive consultation from standards organizations and external experts. Which, this issue imposed extreme costs on our production. Difficult to say but as a small organizations we cannot afford it,...”

All informants introduced training and knowledge creation as an element of efficient business processes. As such, those organization that received this training, were prepared in establishing environment management standards. Organizations were well acquainted with the meaning and importance of knowledge management but knowledge dissemination was found as prime need in the process of acquisition. For example, while informant P.B.3 was concerned with the value of educational programs, he deliberated on the difficulty of achievement and stated:

“,..Knowledge will translate into better operational flow and tolerance change in the market.. (...Effect of technology on production process and productivity which ultimately increases the firm performance...); It smoothens workplace operations and flexibility to change and acceptance of innovative facility,.... Normally we attend all annual specialized industrial exhibitions, even once I went to Guangzhou (China) to get familiarized with the latest technology and purchased something. Typically these specialized exhibitions help create

awareness to manufacturers and market their new products but in terms of environmental awareness, quality control, and eco-operational flow specialized training is required,...”

The common consensus that was apparent among the informants was the important of knowledge availability and the need for collaboration with other organizations to acquire the knowledge. However, the obstacles in knowledge dissemination address the need of interactive relation among stakeholders. All informants described some form of knowledge generation by collaborating with some stakeholders such as other organizations, government, external consultants, and auditor’s agencies. As expressed by informant P.A.1 on the role of the media:

“...educational literature have superficial look and typically review the conceptual conditions; while, there is a gap to the contemporary (real) situation and confronting challenges.... while, management journal specialized in industrial development provide good leadership concepts but when it comes to reality, looks just like an incomplete puzzle. Indeed managerial subjects exposed in some pages or articles merely brief the definition of the issue and loos the elucidation of the entire story...”

In addition, informant P.B.1 stressed the dynamic relationship and collaboration between stakeholders and institutions or other organizations in particular.

“We desperately wanted to create relationships with other organization (our suppliers and even competitors). Surely, the conferences and meetings meant to

exchange knowledge between producers and experts. However, my experience didn't fulfill my expectation...,"

Recognizing the government as the main stakeholders, the informants observed the extensive role of the government in promoting literacy and awareness in the society and its positive influence on the ability of organizations to engage more in responsiveness initiatives. For instance informant P.B.4 mentioned:

"The government's position on the issue of education and awareness is clear. They are aware of the value of knowledge on organizational development and on acceptance of change. However, inability to upgrade this knowledge and awareness is a problem, which I believe is the duty of the government to take basic steps in promoting education and knowledge in society...,"

The above statement indicates the importance of collaboration between stakeholders to build interactive intelligence, as a way of utilize available resources, sharing knowledge enhancing the effort related to efficient initiating corporate environmental sustainability.

4.3.3.3 Interactive Benchmarking - Organizations Interaction and Benchmarking Enhance Awareness and Efficient Initiation of Environmentalism

The next most commonly expressed by the informants was the value of benchmarking in the construction of business decisions and environmental sustainability initiatives, as reflected in the terms of value realization, building of relationships between individuals and organizations, and adoption of the best practices. However, not all firms shared the

same view concerning the interaction but either way expressed their perception of the promising practices and the benefits of the relations between and within industrial units. Informant (P.A.1) asserted that “Competency is all about being a benchmark or following the benchmark...” while informant P.C.1 believed in the direct interaction among those that belong to the same group. He noted that, “...*credibility is essential, if you isolate yourself then how do you expect to have a recognized efficient practice...*”

Interactive benchmarking defined as identify appropriate role models or best practices in any given industrial unite (i.e. entities, organizations or group of people) representing the convergence with the social value. Many different types of relations embodied the connection with members of the community as well as with focal firms or even competitors. The informants voiced the significance of developing connection with other businesses in order to explore efficient practices. For example, the auto part manufacturer (Case C) indicated this relation as being part of an operational chain and members of the main manufacturer and adaption of defined series of operational, tactical and strategic decisions. Similarly, the food manufacturer informants specified that deep relations with supply chain as well as distributors in particular served as a learning lab for performance issues. Only one manufacturer (stone mining company) did not work with other businesses because their raw materials are converted into the final product by themselves and firm as wholesaler (and main manufacturer) directly linked with final customers. However, they concurred that interpersonal interactions with top managers in other manufacturing companies were important, suggesting the use of benchmarking

interaction. For example, informant P.B.2 shared his experience of collaboration with suppliers within the context of a mutual relationship.

“We’ve commitments, both internal and external, that is why we try to collaborate with the others. Not only to receive feedback, be in touch with the society or to not feel isolated but this collaboration often creates synergies that enable us to share and discuss what have learned to overcome obstacles and to be more organizationally responsive...”

Another example to describe the interactions for benchmarking was given by informant P.C.2:

“Though it was adapted to our own condition but we got the original idea from the main manufacturer (Iran Khodro); whom we are one of their contactors... Of course we did modify it; nevertheless, modeling was shaped based on headquarters. I am happy to say now we are frequently consulting others in way it works ...”

Informant (P.B.1) mentioned the community as the social capital which addressed as the main source of constructing business decisions and corporate behavior. In this context, social capital provided motivation for corporate responsiveness. An example demonstrating this concern was given by informant P.B.1:

“The marketing department knows better the benefit of having strong social network: more contacts, more profit. Other departments also start to use this power. More contacts, more idea (knowledge) , more efficient operation...Competitors or supplier often use the role model for best practice”

Relationships and social networks in essence enable organizations to interact with one another and share knowledge and experience. Idea exchange facilitated via relationships among businesses is critical for small businesses to succeed in their environmental responsiveness efforts. This quote from informant P.B.3 illustrates how relationships enhanced the value of being responsible to the environment:

“... In addition to what we get out of our pioneer involvement in environmental preservation is a chance to connect with others. It is a value that was given to us. As such we can meet other entrepreneurs and share ideas..... I remember our early days when my request to visit the operation line of a similar manufacturer was rejected. Today we are their benchmark as they copied our sterilization system. I didn't even realize that we had been inspiring. Well, we believe on generating ideas with one another. The exchange should bear fruit ...”

In small and medium enterprises, social networks help to access required information in order to identify customers and their needs and preference. For example, informant P.B.2 explained that the tight interaction with pioneers in their supply chain and food distributing company enabled them to have a better system of customer feedback. This success allows them in exploring relevant efficient practice.

“...receiving feedback about the market and customer expectation have occurred within our own group distributor. Some of them even opened a new market for us (by giving us idea about the market needs)... well, there were plenty of people who helped us to succeed,... I call it an accepting spirit, being open to potential

external relationships with outside professionals and engage in what is called benchmarking...”

Pertinent information and resources in the context of environmental sustainability extended knowledge ability of firms beyond their boundaries. Informant P.A.3 shared his own view:

“...since we're a very small team therefore we got to know outside professionals from the focal manufacturer... the external auditor helped us develop the required documentation for ISO 14001”

Informants highlight the value of social interaction in term of gaining recognition. This perception was apparent within all interviewed firms. It denoted the critical aspect in social relationship. Environmental sustainability and other forms of corporate responsiveness were described as enabling collaboration with the society and achieving legitimacy and trust. According to informant P.B.1, today business concern shift in mutual beneficiary among all of those involved with organization (stakeholders).

“...credibility is established through relationships and social networks. It might not work long ago but today it is a poison if a manager isolates its organization. Today, interrelationships are the key to success, so instead of seeing the business as way to generate profit, it is win-win relationships with society, government, environment that enable us to be in the business in the long term...sometimes other organizations even competitors have the new best practices that can be considered and adopted ... it makes sense to mutually interact with others to use their experience effectively”

Cultivating corporate responsiveness in informant's exposures invoked the value of interactive networks and establishing credibility through mutual relation with others. The importance of this relation appears frequently in informants' realizing semantic related to benchmarking or be seen as the benchmark. Especially it was appear for successful strategy or practice that effect in distinguishing organization as pioneers, and enhance firms' proactive responsiveness behavior.

4.4 Summary

Aim to provide a clear understanding of corporate engagement in expected behavior considering the extensive isomorphism lead this research to explore the meaning constructions or ideology of engaging environmentally responsible behavior. since the priority of choosing research informants given to individual who has the ability to provide insights about drivers that promote compliance with environmental responsiveness in small and medium enterprises, therofre, informants purpusefully chosen among those who possess unique characteristics of authority as senior-level executives with extensive experience about the organization's strategy.

The inquiries was extensively embedded in the interaction between a researcher and informants while the collected information merely reflect the informants concerns at which one is considered fit to manage corporate affairs or take responsibility for environmentalism actions. The summary of analyzing section and describes the link between emerged themes and findings in compass with informants' expression and research questions is exemplifies through table 4.5.

Table 4.5

All-inclusive Table of Core Research Findings

Research Questions	Macro Themes	Micro Themes	Description of Themes	Supporting Expressions
1. How is corporate environmentalism developed and embedded into executive's pattern of thinking?	Inner Belief and Foundation – Being	Cultural Commitment	Despite adopting western standardization doctrines due to legitimate concern, there is strong tendency to integrate cultural preference	<ul style="list-style-type: none"> • Ideology is not separated from the social norm. • Responsiveness has ancient roots. • Higher added-value shows the value that has been passed from father to son • Caring is in our legacy, which is irreplaceably rooted in the public concern. • The received honor and inheritance hereafter is a fundamental civilized behavior. • Cognitive behavior conceived in terms of local impulse, in opposition to a global construct. • Governmental role and regulation need to be abreast with traditional cultural value. • Persian heritage /legacy preservation.
		Reliance on Spiritual Beliefs	<p>Relying on Spiritual intuition prevail over challenges (i.e. finance, regulatory, market, culture, technical, literacy)</p> <p>Spiritual intuition perceived as: pious devotion /blessing/doomsday</p>	<ul style="list-style-type: none"> • Belief in the day of judgments (resurrection – al-Qiyamah) is prevailing over either form of difficulty. • Faith in divine authority comes on top because of its reliable compass. • Caring behavior distinct the pious person (religious person) who receive the blessing of the God and harvest in doomsday • Faithful servant inspires persist in face of trouble and difficulty. • Valuable spiritual and ethical gains rest on sincerity (ikhlas) of the deeds and others prayers. • Faith gives meaning to everything (even challenges)

Table 4.5 (Continued)

	Desire for Self-Esteem	<p>Perceived value and self-esteem constructed by well-crafted responsiveness and social accepted efforts.</p> <ul style="list-style-type: none"> • Grace of reverence serves the deportment and decision. "People leave when they don't feel appreciated" • Being genuine especially is salient of employee engagement (collaboration) • People are the main source of motivation • Volunteerism and enthusiasm as integral components of employee participation that help ensure effective implementation. • Employee participation and endorsement cultivates a feeling of satisfaction. • If you are not appreciated (be seen), it means what you do is just carrying water in a sieve. • Reputations achieved through social acceptance ...who swims against the tide (in a direction opposite to the flow of the water) sinks and perishes • Reputation is the business greatest asset
<p>2. How do SME executives conceptualize and engage in corporate environmentalism?</p> <p>Adaptive Dialogue – Adapting</p> <p>Contingency Plan</p>	<p>Adaptive immunity plan unlocks the managers' potential to thrive in complex and challenging environments.</p>	<ul style="list-style-type: none"> • Managerial autonomy threatened by political/economic uncertainty and financial (budgeting) ambiguity caused by international sanction. • Uncertainty creates business risk and debilitates goals and objectives. • Comprehensive risk analysis requires efficient resistance. • Motion of encouragement does not rise in time of uncertainty. • Fear is the reaction when there is no answer to the question of "what to do now".

Table 4.5 (Continued)

Navigation Via Small Win Strategy (SWS)		<ul style="list-style-type: none"> • Configuring release strategies via small win strategy (SWS) lens. • Small wins can boost inner feeling about the work and growth especially when moving in difficult times • Group thinking frames acceptance, reduces risk, eases implementation and secures performance. • When moving in difficult times, thinking is needed for growth. • For product development, effectively we use a small wins strategy recently. • One must always show the willingness to consider others' opinion (ideas), right? • A good intention of the strategic initiative team is the key to moving forward. • Break a task or project into manageable steps, boost people's confidence and commitment, and preserve gains.
	Interaction through social networks plays a major role in theorizing strategies	<ul style="list-style-type: none"> • Indelible impression through social networks (peer/family/customer/employee/suppliers) shapes commitment to engage in practice • Colleagues influence innovative behavior • My family (wife) is consulted mostly in our firm altruism and prosaic behavior. • Sometimes friends see things differently and tip a really high standard of improvement. • Social networks cover all aspects of human existence • Wholeness can only be whole when concerning others beyond the personal ego. • Social networking as a way to legitimize and establish trust generates highly involved responsiveness.

Table 4.5 (Continued)

<p>3. How do SME executives affiliate with similar organizations and governing agencies in corporate environmentalism?</p>	<p>Cultivating Interaction - Engaging</p>	<p>Complying To Mandatory Impositions</p>	<p>Mandatory impositions shape the corporate responsible practice</p>	<ul style="list-style-type: none"> • The government acts as the control mechanism in aligning organization with national policy. • Legal standpoint of governmental role affects the diffusion of organizational responsiveness. • Government intervention is remarkably aligning corporate commitments.
		<p>Interactive Intelligence</p>	<p>Collaboration with stakeholders boost the needed technical knowledge</p>	<ul style="list-style-type: none"> • Specialized knowledge is the most vital type of resource. • Technology complements the firm's strategies. • Provision of technical knowledge offers eminent functional domain. • Collaborative relation drives information across similar organizations. • Organizations require soft and hard skilled training to stay in line with the emerging trend and expectation. • Interactive intelligence and sharing of knowledge (experience) produce immediate positive impact • Communicative dimension of collaborative relation among organizations allows to exploit and capitalize on knowledge-based workforce • Cross businesses and collaboration may appear as channels of synergies.

Table 4.5 (Continued)

Interactive Benchmarking	<ul style="list-style-type: none"> • Organizational interaction ensures the best practice for means of performance improvement • Competitors or supplier often play the role model for best practice. • Competency is all about being a benchmark or following the benchmark • In practice, it may be difficult but it's always wise to use a recognized best practice • So called benchmarking promises many advantages • Best or promising practices save you the trouble of reinventing the wheel. • It makes sense to use what experienced and qualified as an effective way • Sometimes other organizations or even competitors hold the new best practices which are logical to be considered and adopted
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CHAPTER FIVE

DISCUSSION AND CONCLUSION

5.1 Introduction

In the two years since this study began, humankind is becoming even more susceptible to environmental hazard. The natural hazards and the vulnerability of the affected people in Iran in particular have given rise to the notion of environmentalism. A triggering factor is the air quality report by the Tehran Municipality, Public, and International Relations Department. According to the official report of 21 July 2013, the environmental air pollution has caused serious health effects far beyond the statutory and limited obligations²². According to Aghajani (2011), the adviser to the Health Minister, over 4460 of Iranians died because of the air pollution in 2011 and there was a 30% increase in visits to the cardiology centers. As a result, debates ensued whether there should be wide change policies and regulations to mandate more sustainable environmental behavior or whether change should be targeted at the individual and grass-roots level (Aghajani, 2011).

Since the activities of the SME manufacturing industry have a potential impact on the environment (Fatimah, Biswas, Mazhar, & Islam, 2013; Gopichandran, *et al.*, 2013; Greenan, Humphreys, & McIvor, 1997; Loucks, Martens, & Cho, 2010; Williamson & Lynch-Wood, 2001), it was necessary to understand the executives' perspectives on being environmentally responsible. Many authors (e.g., Banerjee, Iyer, & Kashyap, 2003; Brown, 2011; Chan, 2009) believe that environmental sustainability can be achieved through a combination of solutions at the different levels of individual,

²² Air quality control company (2013) retrieved from: <http://air.tehran.ir/Default.aspx?tabid=155>

society, and national policy makers. However, privileging the voices of organizational informants offered a glimpse of their commitment to environmental sustainability.

Due to the exploratory nature of the environmental issue from the SMEs top executives' points of view, this research employed qualitative methodology and triangulation toward meeting the purpose of the research. Results of this study highlight a gap between the executives' pattern of thinking in considering environmental sustainability within confronted mimetic, coercive, and normative isomorphism. Emerged themes offer valuable insight into the executives' description and their pattern of thinking with regards to corporate environmental sustainability. The findings are also able to contribute to the extant literature on environment and small businesses.

This last chapter discusses the research findings. In particular, it seeks to elaborate how the research informants construct the notion of environmentalism and engage in environmentally sustainable behaviors. The discussion of the findings will be offered in light of previous works and existing theories. Suggestions for future research and limitations of the present study are also highlighted. Some concluding remarks with respect with the key ideas of the study are offered to conclude the research work.

5.2 Summary of Findings and Propositions in Response to Research Questions

The methodology of Yin (1994) was chosen as a guide to analyze and interpret the qualitative data, particularly, the narratives of 10 senior executives of SMEs in various industries in Iran, in order to identify their patterns of thinking on corporate environmentalism. Three main and central themes were identified to describe the notion

of corporate environmentalism and the forces that influence their commitment to corporate environmentalism.

The first theme focuses on the cognitive notion of **BEING**. Informants conveyed the personal experiences on environmental commitment by emphasizing the need for legacy preservation and cultural heritage, spirituality and belief. They also defined their commitment to corporate environmentalism in terms of the desire for esteem and recognition by the community. They also narrated the importance of barriers and challenges in complying with corporate environmentalism.

The second theme relates to navigating their journey toward corporate environmentalism by demonstrating the capacity in **ADAPTING** and generating solutions and solving problems. Informants found themselves in a challenging environment. They described some high moments in their experience in terms of risks they faced, hopelessness, and despair in the face of environmental problems. In general, they overcome these through development of self-mastery in the form of Small Win Strategy and also through social networks. These strategies are used to refine their interests and expand the scope of the influence in order to be environmentally responsive.

The third theme focuses on the notion of **ENGAGEMENT** with the social world. While informants emphasized their own agency and efficacy, they also conveyed the need to develop relationship with others to remind them that they are not alone in

this movement. They described collaborative partnership with stakeholders and interaction with other people who support them as a way to engage with the others with respect to the implementation of environmentally responsive activities despite the challenges inherent in maintaining these relationships. Informants conveyed the importance of collaboration through both benchmarking and social modeling as they emulate the accepted or desired behaviors.

The following section outlines the emerged primary themes in response to each research question set earlier.

5.2.1 Proposition 1: Inner Belief and Foundation – Being

This theme emerged in response to the question of how is SME environmentalism developed and embedded into executives' pattern of thinking. With regard to this question, informants responded positively, stating that they are concerned with legacy preservation and cultural heritage. The answer was framed in light of their spirituality and beliefs along with their desire for esteem and recognition. This finding is in consistent with observations made by several scholars (Aragón-Correa, Matías-Reche, & Senise-Barrio, 2004; Banerjee, Iyer, & Kashyap, 2003; Gopichandran, Shah, Patel, & Harinarayana, 2013; Loucks, Martens, & Cho, 2010; Sindhi & Kumar, 2012) who revealed that executives in the small business enterprises are motivated by personal beliefs and practical concern when running their business practices. This issue is broken into three sub-findings, as shown next.

5.2.1.1 Cultural Commitment

Although the notion of environmental sustainability and related principles originate from the West, almost all informants demonstrated different meanings, perceptions and understanding of environmentalism. The most frequently mentioned factor that drives them to recognize the importance of environmentalism is related to morality and the need to preserve cultural heritage. In addition, one's upbringing was also mentioned. Based on their narrative, it is apparent that an organization's ethical and responsive behavior is part of the organizational life as passed down from generation to generation. In this sense, the executives are said to have met the international expectation of being environmentally responsive and their philanthropic responsibilities toward the environment is driven by the desire to give back to society. For example, informant P.B.1 defined how the need to contribute back to the community in exchange for their support by building harmonious relationship with the organization, motivated them to be environmentally responsive so as to ensure the continuity of the support received.

In response to the interviewed question related to international principals and standardizations requirement, 99% of the informants emphasized more on the considering domestic challenges and local community focus. Only one informant (P.B.2) highlighted the flow of globalization and organizational capacity of competing with imported product. While this informant mentioned the requirement in organizational development; nevertheless, he also believes that the localization of the context and the circumstance in which the organization operates significantly influence the rate of acceptance and implementation of environmentalism. Informants conveyed

that an organization has a responsibility to support local priorities and agenda and therefore regarded environmental issue and social well-being as the foundation for all activities. While all informants revealed the severity of environmental challenges they face and the need for corporate responsibility to the environment, none of the informants, however, was involved in international programs beyond the basic requirement of obtaining ISO 14000. The informants acknowledged that ethical and legal responsibilities as required by international bodies are not incompatible or conflict with local requirements, but they also emphasized that the former does not give local prioritization to economic growth and ethical norms. Significantly, this expression was highlighted by P.C.1 who argued strongly that the cost involved in obtaining an international standard should manifest in the tangible benefits for the local community. Similarly, P.B.2 acknowledged the need to formulate corporate regulation which would encourage organizations to invest more in environmentally responsible initiatives and become better aligned with developed countries. This issue was particularly emphasized by two internal auditors (P.B.4 and PC3) who are involved in developing environmental strategy such as waste management system or gardening or air pollution reduction program.

5.2.1.2 Reliance on Spiritual Beliefs

Informants conveyed their personal ethics and morality as guiding their corporate environmentalism. Such personal ethical and spiritual/belief system for organizational responsiveness in particular was observed by Sindhi and Kumar (2012), who demonstrated a link between self-regulation with transparency and ethical issues.

Similarly, Dabas (2011) identifies spiritual feeling that guides moral obligations of businesses towards society. English (2009) considers ethics and morals as the primary considerations in small business decision making. Such feeling was prominent especially when the informants narrated about the business challenges they are currently facing. In particular, they contended that the economic and financial challenges are hindering organizations to allocate the necessary resources for environmentally responsible activities. One informant P.C.1 clearly indicated that *“challenges are not one or two and finance is not the only challenge”* and further he mentioned about the ambiguity surrounding the standardization and auditing process which also poses barrier to organizational commitment toward environmental initiatives. P.C.1 commented, *“Surely the financial position of our organization portfolio is an issue. It is very clear that when you cannot make money, how will you pay for that investment even though it is rather obvious that the monetary return (on that investment) is unclear, at least not in short term”*. P.A.3 shared a similar view: *“I like to and I want to do well, but I’ve got to survive in order to do something good”*. He remarked nepotism and problems in operational channel and unfair competition due to pull strings of the body of government.

Despite the strong statements about the encountered challenges and financial barriers in particular, almost all informants provided similar reasoning for their responsiveness and social commitments. That is, their spiritual practice provides a meaning that contributes to their behavior. Although informants conveyed their spirituality in a more secular way, such as, the expressions like *“this is life”* or *“this is*

humanity” or “*following the heart*”, almost all of them framed their pattern of thinking by using a spiritual type of language. While the spiritual language used is different for different informants, the common element is that their spirituality is reflected in the spiritual practice. P.B.1 particularly expressed the philosophical position a company should embrace as a core business value regardless of the challenges in corporate responsiveness it faces, as he believes in spiritual practice and said, “*One day we all will leave (die) and only the good deed (Amal Saleh) will leave behind*”. Taken together, the spiritual expressions in the form of ethical, moral and spiritual narratives are within the purview of religion. This finding provides support to previous research for the factors that influence small business decision making. For example, English (2009) found a person's religion and even altruistic beliefs as the primary considerations in small business decision making. Massoud (2010) found that religious values are the greatest internal driver for SMEs to adopt corporate social responsibility and corporate responsive initiatives.

In response to the role of religion, only 10%, without naming the type of religion, responded that they consciously consider religion in influencing corporate environmentalism, while 90% claimed that religion, morality, or ethics are important considerations. Almost all informants explained the spiritual intuition through some specific value system (humanity, ethic, morality and so forth). Even one informant who said he believes in “0 - 1 relation” (mathematical equation used to show a very clear relation or cause and effect) further add specific beliefs related to sincerity (Surat Al-Ikhlās) of the deeds and the Day of Judgments (Resurrection- Al Qiyamah) and concrete the reliance on spiritual beliefs.

In sum, the executives' responses to and patterns of thinking and intention in environmentalism are much associated to their religion, morality and ethics. The spiritual belief held influences enable them to address difficulties and challenges in light of trying to be environmentally responsible.

5.2.1.3 Desire of Self -Esteem

During the interview, the informants consistently revealed emotionally charged statements such as *“to capture the spirit of reverence”*, *“creativity, volunteerism, enthusiasm and wonder”*, *“employee engagement and gesture of leading”*, *“to contribute to the common good and attain the reputation”*, and *“experience satisfaction of being respected and acknowledged”*. Phrases like these indicate desire for self-esteem. Such desire was echoed when informant P.A.3 described the role of a CEO as being *“altruistic”*. Such expressions are inherently linked to a person's value system. Even during the interviews, such statements were often quoted as reasons for environmentalism and engagement in even innovative related practice.

The most commonly cited factor is employee engagement where employee participation is recognized and valued. This finding corroborates Chaudhri's (2011), who demonstrated that values are an important construct to understand corporate social responsibility. While what is demanded from employees was not discussed, all three CEO attributed their environmentalism initiatives to employee demands. This factor appears in the types and the capacity of the adopted initiatives. In fact all three CEO institute employee involvement programs as a good business practice because such

programs can increase the employees' motivation and commitment to and be more responsible, especially when they are given the opportunity to communicate openly within the organization. For example, informant P.B.1 discussed the role of employees: *"Employees are given some authority to develop their own environmentalism projects, ... they do while we support, ... this strategy not only empowers the firm's policy and encourages the voluntary execution of the initiatives, it also further contributes to generating ideas that support the general organizational policy"*. In most instances, the informants viewed employee involvement as a source of motivation and higher performance with respect to sustainability and responsiveness policy.

To do a good thing for the sake of getting recognized, accepted, and valued was also cited as what motivate the informants to implement environmentalism initiative. While the reasons for feeling satisfied varied, most informants indicated that their satisfaction is derived from the benefits enjoyed from engaging in environmentalism. In other words, satisfaction comes from not only for doing their part as a respectful citizen but also from the self-esteem they attain from the getting recognized by the society.

The next most frequently cited factor for engaging in corporate environmentalism is external or extrinsic motivators. Although this indication was not uniformly revealed as similar drivers of importance in each firm, there is substantial evidence for it. Executives in this study pointed out that certification and having reputable brand within Iran are crucially important in inducing firms to implement environmentalism and to some certain degree to being creative in pioneering some initiatives. Several informants conveyed the value of reputation, which is likely to be

enhanced by implementing environmental initiatives. Particularly P.A.1 expressed his feeling of being respected when others called him “Haji” and invited him to pray with them as a result of corporate responsiveness.

For the executives of this study environmentalism has a profound personal meaning. To uncover this meaning, informants were asked to describe the essence of their feeling. Subsequently they were asked how the attached meaning influences in their concern about environmentalism. Across the informants, building a solid image and attaining esteem were consistently uttered. Overall, it can be concluded that SME executives’ desire for self-esteem positively influences their corporate environmentalism behavior.

The three sub-themes of cultural commitment, reliance on spiritual beliefs, and desire for self-esteem constitute the first main theme of Inner Belief and Foundation (Being) in response to the first research question of how is SME environmentalism developed and embedded into the executives’ pattern of thinking. The next findings discussed in relation to providing answers to the second research question.

5.2.2 Proposition 2: Adaptive Dialogue – Adapting

This theme emerges in response to the question of how executives conceptualize corporate environmentalism. In response to complex and challenging environments, the executives engage in some planning and coordination to control harmful business activities. Interpreting the informant statements revealed that institutional and political isomorphism influences business behavior. Proposition 2 addresses (a) the adaptive

immunity management through contingency planning; (b) coordinating through the proper small win system and (c) keeping an open communication channel with expert and society allowed the organization to participate in the shaping of corporate environmentalism policies.

5.2.2.1 Contingency Plan

This theme recurs during the interviews as the informants were discussing organizational discretion in the context of uncertain political/economic situation in Iran. Almost all informants narrated their feelings about the current situation of economic environment which plays an integral role in business strategy development and adoption of environmentalism initiatives. The economic environment presents a variety of threats in terms of extensive market fluctuations and uncertainty. Hence, almost all informants believe that business obligation and responsibilities of the company toward the society should be undertaken in relation to the national interest and agenda. However, despite the current challenges to develop the country and to create wealth for the society in light of the economic sanctions, the notion of environmentalism and responsiveness generates their interest in implementing adaptive contingency planning.

Iranian industries experience a devastating economic crisis due to several extensive international sanctions along with mismanagement and corruption. In the recent months, the Central Bank of Iran reported a 43% inflation rate, while the Research Development Center indicated a 61% rate²³. These figures suggest an elevated

²³ News radiofard (2013) retrieved from http://www.radiofarda.com/content/f35_comparing_inflation_first_quarter/25056165.html

uncertainty in strategic development, industrial bankruptcy, unemployment, and augmented poverty²⁴. In light of the unsettling economic scenario, informant P.C.1 explained that the business's first priority is to ensure economic development. While he add this statement of “*people first*” when addressing the business responsiveness schemes. This concern was also confirmed during the observation phase of the organization when the localized technology of waste management system invented by them instead of doing nothing due to difficulty of importing the western model. In addition to the devastating economy, the executives acknowledged the effective role of government and different political parties, and corresponded policies on recession and economical challenges. However, not wanting to face judicial ramification, all of them avoided siding with any one particular political party or specific national strategy. In sum, sanctions, politics and corruption create unique obstacles for Iranian small and medium businesses.

Informant P.B.2 believed in the unique and undefined managerial system due to chaotic situation. He illustrated the uniqueness of this system by sharing his experience of “*pre-sales tuna, shipment of processed fish from Indonesia and operation process, and everything was on plan as before, very crystal clear... Next day we came to the office and discovered the value of our national currency drastically decreased and the entire estimated calculation had gone wrong. In this situation what is the responsible managerial theory or risk analyzing techniques? Do we need to apply leave market strategy and announce bankruptcy when we have a huge debt to our supplier as well as*

²⁴ News radiofard (2013) retrieved from http://www.radiofarda.com/content/f35_comparing_inflation_first_quarter/25056165.html

our customer? What will happen to our employees, and their families?” This statement was also corroborated by P.A.1 who noted that the government not only reduced its involvement in industrial development policy but also significantly increases tax and other pressure. It appears that unfair competition in the market was due to governmental corruption and support for specific competitors.

Great uncertainty was a topic of conversation in several interviews. While informants discourse highlights the challenges and difficulty in practicing environmentalism, nevertheless, in reality, the organizational operation shows the engagement in comprehensive treatment ensure the basic business environmentalism tendency. Participated organizations engage in activities related to environmentalism even though they concern on their investment return and challenge of competitiveness. The following excerpt illustrates some of these points: Informant P.B.1:

“I said we (managers) need to have Crisis Proof Vest (instead of Bullet Proof Vest). In this country a lot of businesses are running under the table when dealing with inflation and power of purchase. (...) how effectively we need to handle them? ..., so I have higher costs... I have to pay more to operate responsibly... do you study about this, in your school? ... The greater costs make you less competitive. However, we are also learning ... we deal with uncertainty. Let's also agree that we've become amazingly agile in crisis (noticing the environmentalism initiatives). In the long run I'm sure it will bear fruit”.

In the above quote, it appears that the senior executive is pessimistic about the situation characterized by uncertainty, crisis and ambiguous competition. Nevertheless, he made it clear that the need to meet the non-economical responsibilities also shapes the direction of organizational effort toward corporate responsibility.

While executives acknowledged the condition of the economy and the complex and emphasized that chaotic situation remain the most paramount issue, nevertheless, their innovative orientation and emphasizing on restricting the harmful business behavior and enforcement of being responsible is an obvious indicator of their unique contingency policy. However, the present economic pressure influences the way organization prioritizes their environmentally responsive activities.

5.2.2.2. Navigation via Small Win Strategy

While previous studies has found corporate strategy as a driver and important support component for corporate responsibility (Dabas, 2011; Kenny, 2006; Lai, 2010; Luo, 2011), the present study does not show similar result. While the critical concepts of environmentalism and corporate related responsiveness were present, the study found that the sampled SMEs use different approaches to corporate responsiveness. Although corporate environmentalism is not particularly and tightly linked with a firm's strategy; nevertheless, the executives' pattern of thinking derived by some specific managerial thought such as small win strategy in order to thrives in complex and chaotic environments. To illustrate the strategic planning in selected cases, informant P.A.1 remarked:

“... because of the first basic requirement of ISO 9000, I did hear about mission statement, vision statement, value statement, or strategic plan. Before that we didn't even have one... when my father left I was still a kid. I had to spend days and nights in mosaic making factory. That's how things started for my small business. We moved on from here, gained some and learned something new, and then we moved on again, gained some and learned something new. This is how the strategic vision developed. The mission is to work, bring back some bread home (slang: means to work, earn money, and feed the family). So if you ask me about our strategic plan, I should open the documents where it is written.”

Informant P.C.1 pointed out:

“In this country you develop a five-year strategic plan, then after five months everything changes. Seems not having strategic plan is better, huh? Nevertheless, it doesn't mean we don't improve things. How did we create things (pointing to the award and related certification on the wall)? We are known in our market because we're definitely clear on what we want, by breaking the task in manageable effort and consistently receiving consultation from expert. Pollution prevention isn't always written on paper (means documentation guidelines of standardization process). We know it is what we need. We develop strategy for success and we're on our way there. If you ask me to write how we develop our strategy, I don't think we can.”

The above statement is common among SMEs especially in an environment characterized by crisis. In the context of both economic and political environments in

Iran, the complexity and uncertainty potentially affect organizational planning and aspects of corporate environmentalism initiatives.

Of the three cases, only Case B mentioned they have separated section dedicated specially to environmental issues. However, the environmental issues are not spelled out separately in the strategic plan; instead the company's concern for environmentalism is simply embedded in the overall corporate philosophical statement. Although environment protection is strategically important for the company, there is no specific, strategic plan on how to go about doing it.

Generally, firms choose initiatives related to the industries in which they have experience. For example, informant P.B.3 pointed out that “*the strategic feature of our responsiveness is ... what they say is like this is food. This is what we know, how to do it, and this is the way we develop the initiatives.*” The idea of knowing the specific product, market channel, customer orientation and margin of value reflects a strategic element of a firm when considering a responsiveness strategy.

Combination of terminology used by informants revealed that despite of apparent alignment among component of corporate environmentalism and organizational resources/capabilities and technical expertise; nevertheless, there was no direct strategic plan and training related to environmentalism or even competitiveness in the market. In other word, specific and defined environmentalism practiced was not discovered; however, typically organizations in consistent with “*small win strategy*”

break down related task into manageable activities in order to be able to simultaneously initiate environmentalism and thrive in the complex environment. Generally, the firm strategy does not appear to openly support corporate environmentalism however, their tendency is implied through its philosophical orientation and interpretation of industrial expertise and consultant agents.

5.2.2.3 Interaction through Social Networks

Analysis of the responses indicates that none of the executives has a clear plan or strategy to implement environmentalism initiatives even though 95% reported that they develop an intention after interacting with friends or family members. In this sense, corporate responsiveness is constructed casually were casual, as a result of social interaction, as in the case of informant P.B.3, who pointed out that, *“It happened many times that we’ve gotten involved in some great effort while a friend brings it to our attention.”* Informant P.C.1 stated that it was his daughter, who works with him, who influenced his intention, as she is young (energetic), educated and sees things differently, especially those related to humanitarian issues like environmentalism. Building a good reputation and gaining recognition were mentioned as critical aspects of social interaction and relationship building for corporate environmentalism initiatives.

Informants particularly emphasized the role of employees as an important source of support in environmentalism and responsive initiatives. Their emphasis on human resource and as firm’s significant stakeholder was mostly reasoned in mutual interaction. In order to indicate the importance of intra organizational network and the

need for mutual interaction and support, informants used several local slang such as “*to carry water in a sieve*” if such interaction does not exist. Basically, executives motivated about something that through interaction with society or networking perceived appreciated.

While there were varieties of perspectives, however, developing social networking and interactive relation with the community (friends and family members in particular) were consistently distinguished by informants in need to efficient strategic implementation and organizational development. Basically, corporate environmentalism grounded in social networking and linked with an individual’s value or morality. Excerpts such as “*wholehearted acceptance from people, in order to receive their support*” and “*to be known as a good corporate citizen as meant of social acceptance*” attributed pattern of the thing toward corporate environmental responsiveness initiatives.

Combination of three proposed micro themes of contingency plan, navigation via small win strategy, and interaction through social networks conveyed the second macro theme of Adaptive Dialogue (Adapting) in response to the second research question of how do SME executives conceptualize and engage in corporate environmentalism. The next proposition emerged to provide answer to the third research question.

5.2.3 Proposition 3: Cultivating Interaction - Engage

This theme emerged in response to the question of how executives handle institutional pressures in implementing corporate environmentalism policy. Informants believed that institutional complexity can influence an organization's response; therefore, engaging in

the basic survival policy of the business, is set as their back of their mind. Findings revealed that executives responded positively and significantly, concern about multi-disciplinary scope of government and furthermore through keeping open the collaboration channel with stakeholders allowed the organization to adopt the reliable practices and absorb the knowledge and technologies required in formulate of corporate environmentalism initiatives.

5.2.3.1 Complying with Mandatory Impositions

The proposed underlying theme has significance in understanding the perceived fundamental role of government in the development of corporate responsibility and environmentalism initiatives. Informants of this study did not hesitate to respond that they have been following the enacted regulation and even argued for the need for more specific government regulations for effective volunteering program. In fact, they indicated that following the law and regulation regarding environmental protection is not a burden and went further to suggest that it is necessary to tighten the existing regulation due to the severity of environmental problems created by the industrial activities. In essence, the informants consistently expressed the role of the government in environmental protection to prevent negative actions. While they considered different regulatory measures such as the mandatory and non-mandatory standards to be put in place, the executives were more interested in preventive steps. Because corporate organizations can further the government agenda of developing the culture of environmental preservation, they are the best platform to promote the government regulation by establishing responsiveness frameworks.

The most salient perspective expressed in the interviews was that the environmental protection law provides philosophical framework or guidelines for the minimum required actions. This theme emerges to express the idea that since the country wishes to balance its economic with social development, therefore, corporate organizations should play their role in implementing preventive measures to preserve the environment.

According to the Article 50 of the constitution of the Islamic Republic of Iran on the preservation of the environment, any activity that inevitably causes pollution or damage to the environment is prohibited. Informants explained the government role and the benefit of this multidisciplinary law in complying environmentalism among organizations. While significant role of government was grounded in informant Point of view; nevertheless, ineffective institutional regulation and political systems and negative role of government in confronting international sanctions and trading restriction that affect corporate environmentalism were distinguished as well. When speaking about the institutional context of environmental protection initiatives, the executives discussed the ultimate responsibility of the government in developing the country, arguing about the pragmatic challenges and substantive differences with social expectations that need to be dealt with. However, they have faith in engaging with the government with regards to regulating the environment. In this context, they saw the need for both organizations and the government to work together in a synergistic and meaningful manner to address environmental issues whereby the corporations can share their expertise and expand their responsive initiatives while the government provides the necessary support needed.

5.2.3.2 Interactive Intelligence

Collaboration with stakeholders was often cross-functional and spanned the SMEs' boundaries of technical knowledge. Effective implementation of environmentalism requires specific types of expertise and resources. Generally SMEs have to struggle with limited resources in terms of range of internal expertise (Perez-Sanchez, Barton & Bower, 2003; Williamson, Lynch-Wood, & Ramsay, 2006), and updated technology (Jamali, Zanhour, & Keshishian, 2009; Ogarcă, 2010). Even so, these organizations somehow manage to employ both intangible and tangible resources through multi-functional collaboration with their stakeholders. For an example, the operation manager of firm B (P.B.2)²⁵ explained how collaboration enables the firm to develop their system of sterilization that is eco-friendly to improve the efficiency of the traditional procedure.

“The routine task of analysis of the system failures makes me responsible in updating myself, and what I do is to keep opening the channel of receiving consultants and colleagues from other similar firm. They suggest certain things that help to improve what we're already doing. Their suggestion and our feasibility analysis have enabled us to accomplish new innovation and steer the initiatives in the right direction.”

Similarly, the CEO of the firm C (P.C.1) explained how collaboration with others enables them to execute advanced R&D technology and energy saving strategy of environmentalism.

“Working as a team with others is a little bit of what we do. Specialized laboratory was needed to test the relatively new system of winding. Required

²⁵ This participant and the CEO of the firm both requested a sample product of Malaysia since the researcher is an international student of Malaysia higher institute.

advanced technology is provided at our main supplier (Iran Khodro) and through a very positive collaboration, the required test was permitted and ultimately this project succeeded. Today this system is launched in our operation line and recently we organized the training session for nominated operators from Iran Khodro (the main supplier).”

While different strategies require both tangible and intangible assets, the fundamental attribute of those resources is important. Generally, human resources reflected in the employees’ knowledge, skills, and the know-how are considered as the most significant component of strategic development, initiatives and performance. Studies of SMEs revealed that managers and employees play a vital role in providing ideas and initiate environmentalism activities coupled with a high degree of management support and involvement. Nevertheless, technical information related to environmentalism innovation and implementation was found to be extremely necessary, as indicated by all interviewees.

Collaboration with others is to form social relations with the purpose of gaining the required information or knowledge. The strategy of collaborative relations was expressed by all three interviewed manufacturers. For example, in firm B collaboration with distributors was the way the organization accrues knowledge related to customer demands. A field observation of firm C specifically demonstrated this relation as more often than not training of personnel was undertaken the another neighbor companies. It was perceived that the training provided not only relevant but reflected the best practice. While such training might proceed through collaboration with other stakeholders in the society, the CEO of the firm C (P.C.1) mentioned how he demonstrated their energy

conservation strategy to the neighboring manufacturer. They also instilled the company values by asking permission to use their tower crane or even train their employees.

In a relatively new area such as corporate environmentalism, the required technical knowledge does not initially exist and often organizations learn how to implement a successful initiative through collaboration with others and as a result of experiences along the way. This attitude and approach was evident in all the interviewed firms. All mentioned how they learn from the other companies' experiences, as well as the society in their attempt to apply environmentalism in practice.

Collaboration with stakeholders, perhaps, represents one of the most critical components of environmentalism and organizational strategic development in this sample. References to collaborate were often emphasized by the executives as a way to obtain resources and information or technology. In essence, previous studies also confirmed that collaboration has the potential to create synergies among collaborators (Almor & Hashai, 2004; Aguilera, Rupp, Williams, & Ganapathi, 2007; Hong, Kwon & Roh, 2009; González-Benito & González-Benito, 2005; González-Benito & González-Benito, 2008; Misani, 2010; Omar & Mohan, 2010). Different organizations bring particular knowledge and resources whereby the opportunity to expand their technical intelligence enables them to overcome obstacles and carry out their initiatives.

5.2.3.3 Interactive Benchmarking

One of the most prominent emerged themes was the executive's perception about the firm's stakeholders and pioneers in particular. The influence of other firms appears to

shape some the firms' proactive environmentalism behavior. Environmentalism practitioners are those known as the first in the industry to practice an efficient strategy that serves as an example to other firms even in other industries. For the interviewed firms, adoption of benchmarking strategy significantly contributes to their implementation of a reliable environmentalism practice. For example, firm C adopted its filtering system of waste lithic water as a part of its environmental protection strategy after a successful program was begun by a pioneer colleague. The following excerpt supports this mimetic behavior (P.C.2):

“Using the traditional system of sequential pooling system is our innovative system. Well, however, the initiative of filtering system came out or the idea was imported, let's say, sort of copied from another project. Though we merge this system with what we already have exploited in our production process, the original idea is from others.”

While the criteria of social interaction and collaboration benchmarking perceived even as challenging issue, however, benchmarking is mostly cited as efficient strategy in comparison for the firm to other businesses, and determines what and where to improve.

The CEO of firm B (P.B.1) voiced to this effect:

“Our success steps were started by setting up and build open collaboration channel (from farmers to distribution suppliers) during the lemon harvest; it was done even with our competitors. Second we adapted the producing mechanism of the lemon juice so that we could reduce up to 99% of the waste through the launching and operation of the mixed pickle production line. I'm happy to say

that now there are other firms that are doing the same thing and we are frequently consulted by them. This is what you can write as the value of environmentalism or performance. We don't have the exact numbers that indicate our firm's performance (regarding the implementation of environmentalism responsive practice), nevertheless I give you a real environmentalism experience. We are not just reducing the waste; even we earn money from them."

The influence of other firms, particularly pioneers in environmentalism, was discussed in detail among all informants. Basically, engaging in benchmarking strategy found prevalent term among expertise. Particularly in firm B the expertise (P.B.3) pointed that in pursuing their responsiveness objectives he frequently attends various industrial tour and recently he came back from Guangzhou, China in order to collaborate with some experts to bring in specialized technology and knowledge to implement the initiative.

The objective of using benchmarking was commonly referred to as the "adoption of the best practice" which is typically perceived as learning from pioneers. Previous studies also revealed stakeholder collaboration as a means of benchmarking and a tool to improve the organization's performance (Forsman, 2008; Maire, Bronet, & Pillet, 2008; McAdam & Kelly, 2002; Makrinou, Mandaraka, & Assimakopoulos, 2008). However, it was discover that the description of the processes and comparison with pioneers to adopt the best practice, yet is the main challenge of SMEs. The executive informants of this study highlighted the operational challenges in analyzing the current system for improvement such as poor financial support and lack of specialized know-how or available related information. Similarly, the present study demonstrated that the

determination of the best practices and the best practices themselves are a significant barrier among SMEs. Intra-organization comparison and search for the best practice once again emphasized the influencing role of social media and government, which are critical in facilitating this process particularly the one related to resource and information deficiencies.

The combination of the three proposed micro themes of complying with mandatory impositions, interactive intelligence and interactive benchmarking reflected the third macro theme of Cultivating Interaction (Engaging) in response to the third research question of how SME executives affiliate themselves with similar organizations and governing agencies in corporate environmentalism.

5.3 Conclusion and Reduction of Gaps

The intent of this study was to identify themes pertaining to the organizations' environmentalism within Iran. Due to the severity of environmental problems and harmful aspects of SME activities and given the challenges SMEs face, the present study aimed to better understand the pattern of thinking of SME executives concerning environmentalism. Such understanding is useful for advocates of environmentalism including executives alike. Understanding how the executives construct the meaning of environmentalism is important to discern how such personal construction transforms their response behavior to protect the environment.

This section reviews the several propositions revealed through the research interpretation. First, it illustrates the proposed framework using a constructive-

developmental lens. This discussion follows a review of institutional theory and cognitive theory. Finally, it offers several practical implications for organizations and policy makers to cultivate the development of environmentalism and strategy in SME manufacturers and other relevant stakeholders.

5.3.1 Proposed Model Embedded in Executives' Ecocentric Perspective

The severity of current environmental problems poses a potential challenge to academics. Yet with few exceptions, researchers in corporate environmentalism are building frameworks without taking into account the meaning executives construct that contribute to their corporate environmentalism initiatives. The present study sought to contribute to the existing literature by providing insight into how the executives make sense of corporate environmentalism in light on the various economic, social and political challenges. Based on the data analysis, there are nine insightful propositions developed (see Table 5.1). Thus, any approach to developing corporate responsibility (see Figure 5.1) may well take into account these factors. However insightful the propositions may be, they should not be considered as a definitive list; rather they serve as the first step toward understanding the executives' pattern of thinking of corporate environmentalism.

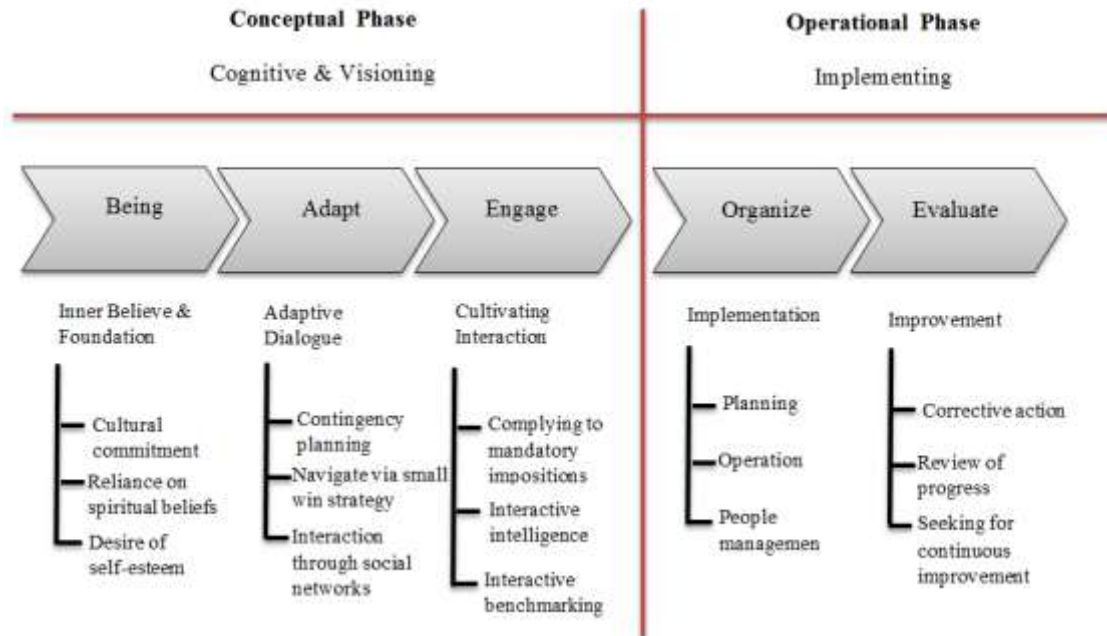
Table 5.1

Description of Executives' Pattern of Thinking on Corporate Environmentalism

Executives Pattern of Thinking Related to Corporate Environmentalism		Description Of Environmentalism Action Logics
Inner Believe And Foundation – Being	Cultural commitment	Environmentalism practice as a vehicle for transformation of self and organization to preserve harmony within the community and inherited values.
	Reliance on spiritual beliefs	Work on environmentalism is consistent with spiritual beliefs. Environmentalism is providing service to others and greater others (e.g., spirit, consciousness, God and belief in duty and response).
	Desire for self esteem	Willingness to work on environmental issues to get social recognition. The essence of harmony with the community is intellectually and emotionally gets involved and motivated.
Adaptive Dialogue – Adapt	Contingency planning	Ability to quickly become aware and aptly respond to ambiguity and unpredictable environment.
	Navigate via small win strategy	Understanding of the fundamental concept and language of complexity and assessment of environmental issues result in designing interventions via small wins strategy. Observe the confronted challenges and adapt accordingly.
	Interaction through social networks	Be able to recognize and effectively engage with community. Trust oneself and affiliate with people in order to respond to environmental challenges. Be open to assess and accept a new perspective and be open for feedback.
Cultivating Interaction - Engage	Complying with mandatory impositions	Compliance with institutional and government regulation.
	Interactive intelligence	Be able to intellectually interact with society and gain different perspectives, knowledge and technology related to the environment. Be able to communicate with others and be ready to accept change.
	Interactive benchmarking	Be able to engage with the pioneers and their best practice. Be open to a new perspective, especially one that challenges the current system. Try different interventions (e.g., process, experiment, seed ideas).

Table 5.1 shows the meaning executives associated with corporate environmentalism. For the executives in this study, environmentalism is not a one-time event but rather an iterative interaction with the community through a continual type of responsive engagement. These executives bring a unique pattern of thinking that shapes how they respond to corporate environmentalism within a complex and challenging environment. This finding calls into question the existing corporate behavior and environmentalism initiatives that have not incorporated a constructionist perspective. As such, the existing literature limits our understanding of how corporate environmentalism initiatives are implemented in real situations. The proposed model of cyclical corporate environmentalism (see Figure 5.1) offers an opportunity to develop executives who consider environmental sustainability an important corporate strategy as well as to encourage more future research in this area.

This research has produced a rich descriptive account of how SMEs in Iran construct environmentalism. Though different constructions were expected due to the diversity of the executives and the sampled organizations, similarities of the lived experiences in corporate environmentalism among them can be discerned. Figure 5.1 proposes a framework of Cyclical Corporate Environmentalism.



Inner belief and foundation (Being)	<ul style="list-style-type: none"> Despite for adopting Western standardized doctrines due to legitimate concern. There is a strong tendency to integrate with the culture and society Spiritual intuition embraces challenges Perceived values and self-esteem constructed by well-crafted responsiveness and socially accepted efforts
Adaptive dialogue (Adapting)	<ul style="list-style-type: none"> Adaptive management unlocks the potential to thrive in complex and chaotic environments Navigation via small win strategy Interaction through social networks plays a major role in designing strategies
Cultivating interaction (Engaging)	<ul style="list-style-type: none"> Mandatory impositions shape corporate responsible practice Collaboration with stakeholders allows the acquisition of the needed technical knowledge Organizational interaction ensures the best practice to improve performance
Planning	<ul style="list-style-type: none"> Identify priority baseline and make explicit the policy Align business and environmentalism priority Establish a clear action plan Strategic planning to allocate resources and tools, raise awareness and motivation, and to assess and deliver results
Operation	<ul style="list-style-type: none"> Production planning focuses on reducing resource (energy and other

Figure 5.1 (Continued) natural resources) consumption and waste generation and optimizing material exploitation during production, distribution and product usage

- Production planning focuses on substitution of polluting and hazardous materials, operation and emission filtering and end-of-pipe controls
- Production planning focuses on disassembly, reusability and recyclability
- Acquisition of clean technology/equipment/ material

People management	<ul style="list-style-type: none"> • Natural environmental training, raising awareness and employee involvement program • Proper delegation of authority to devoted employees and explicate their key responsibility • Socially responsible investment and communication with stakeholders (customers, suppliers) • Collaboration with other institutions and ecological-related organizations
Corrective action	<ul style="list-style-type: none"> • Develop process analysis and improvement policy • Monitor and assess environmental performance • Periodic elaboration of environmental reports • Check for regulatory non-conformance triggers
Review of progress	<ul style="list-style-type: none"> • Develop an environmental emergency plan • Overall intention to reduce number of noncompliance events • Revision and alignment of goals, activities and resource • Plan for proactive corrective and preventive action
Seeking continuous improvement	<ul style="list-style-type: none"> • Develop and conduct performance analyses • Establish a continuous improvement system • Continuous updating of project by seeking for future potentiality • Management review via external analyses

Figure 5.1
Proposed Cyclical Corporate Environmentalism

Developing a framework that describes the reason for corporate environmentalism within SME manufacturers was the main objective of this study. The first phase of this model shows the cognitive and behavioral influences and coherence of responses of SME executives. The second phase explores how SME executives respond to the environmentalism agenda and hence environmentalism practice. The role of environmental protection policy and practice, and monitoring mechanisms are embedded in this phase.

Based on interpretation of informant concern, the environmentalism cannot be prevailing where the main concern is isomorphism. It was explored that current stage of corporate environmentalism despite of variety of complying enforcement, has resulted from the institutional deficiencies and lack of concern on personal connections and blurred business-stakeholders relations. The three emerged themes (Inner Belief and Foundation; Adaptive Dialogue; and Cultivating Interaction) in this research suggesting that tackling the gap in environmentalism intention and intended policy and behavior can be fill by liberate obsolete mentalities of isomorphism, and develop corporate policy integrated more with cognitive-behavioral approaches. Finding was supported by McGuire and Furniss (2000)²⁶ indicated that institutional approach cannot illustrate whole picture of organizational responsiveness and environmentalism – especially within Iranian SMEs context- as it merely scratching the surface of cognitive overhead²⁷. This issue is especially pronounced, where consistency of finding was found

²⁶ McGuire, J., & Furniss, M. J. (2000). *Cognitive-behavioural approaches: An introduction to theory and research*. Home Office Communication Directorate.

²⁷ Cognitive overhead: ones logical connections in order to understand or contextualize something (Demaree, D , 2011)

Demaree, D (2011) cognitive overhead. Retrieved from <http://log.demaree.me/post/7845070213/google-and-cognitive-overhead>

with previous studies regarding the role of managers' characteristics in SMEs. For instance, Chaudhri (2011) identified culture and moral and ethical values in Iranian organizations as the most significant internal factors that drive corporate responsibility initiatives. According to several scholars (e.g., Amanyraoufpoor, 2012; Aminzadeh, 2010; Ghanatabadi, 2013; Jabalameli & Rasoulinezhad, 2012; Javaherian, Maknoon, & Abbaspour, 2013; Ostad-Ahmad-Ghorabi and Attari, 2012) Iranian SMEs are usually motivated by ethics, morals, and religion in responding to social and environmental agenda. Though facing economic, political and environmental challenges in responding to environmental issues, the finding shows the need to adopt a more complex process to be integrated in every part of the organization such as organizational compliance management, risk management, reputation management and ethics integrity management.

The proposed model (Figure 5.1) attempts to bridge the gap between implementation intention and implementation practice of environmentalism through the perspective of the corporate executives of SMEs. The emerged themes of this study indicate that small business executives are generally influenced by their inner belief, spiritual intuition and social interaction. Further, their environmentally responsive behaviors are deeply rooted in their cultural values and are even willing go beyond the basic expectations to implement environmentalism initiatives.

Finding of this research is consistent with that of previous works (e.g., Barboza & Trejos, 2013; Camacho, 2012; Chaudhri, 2011; English, 2009; Galbreath, 2009; Gleim, 2011; Hilson, 2012) that reject the idea that the only social responsibility of a business is

making profit, as argued by Friedman (1970). In contrast to Friedman (1979); Kim (2010); Lai (2010); Park (2010) and Paskert (2008) who argue that financial performance is the main concern of a business organization, the present study shows that the sampled organizations consider themselves as part of a society, and are eager and ready to do more to advance social development and to protect the environment, in addition to being concerned about making a financial return.

The proposed model suggests that the SMEs under study consider environmentalism as a moral obligation rooted in their inner belief rather than a purely institutional endeavor. In other words, it seems that environmentalism is primarily driven by social motivation along with their altruistic beliefs and religious ideologies. Here, the finding of this study is consistent with that of O'Shaughnessy (2011), who studied the role of personal and corporate characteristics of managers and corporate responsiveness orientation, and with that of Aminzadeh (2010), who revealed that responsibility, collaboration, culture and communication are the driving factors for the informants' success story. The finding also corroborates the work on Chinese non-governmental organizations by Yu (2010), who demonstrated that localization and people's value play a role in corporate responsibility. In the same token Barboza and Trejos (2013) also discovered that managers' incentives to pursue strategies lead to a more responsive organization. Similarly, the finding is also in line with Javaherian, Maknoon and Abbaspour (2013) and their finding related to long-term planning and consistent logic of organizational commitment with the human resources' moral values.

Even though culture and values are the more dominant reason for environmentalism initiatives than profit, the informants noted the insufficient financial

support and the need for economic survival by the nation, which were evident in their narratives. In addition, despite the fact that many did not have any specific strategic plan on environmentalism, they support the need for corporations to be more environmentally responsive because it is in line with the principles of business ethics and traditional values. In sum, to understand how corporate organizations behave in regard to environmentalism, it is important to situate such understanding in a much broader context of personal beliefs, cultural values and morality, and contextual factors than merely to see such behavior as a way the organizations respond to external challenges.

5.3.2 Theoretical Contribution

From the philosophical epistemology, existing theories of corporate environmentalism are relatively unfledged or merely picture either conceptual or ideological trends. Whereas the need for efficient implementation and effective policy related to environmental sustainability was commonly perceived. Even those empirical studies tend to fragmented the notion of environmentalism in some incentives and/or exo-isomerism, ignored the wider context of one inner transformation (e.g., Azzellino, 2012; Branco & Delgado, 2012; Javaherian, Maknoon, & Abbaspour, 2013; Shah & Rivera, 2013; Walls and Hoffman, 2013). Since corporations tend to be accused for environmental degradation, consequently the society expects them to be responsible in their behavior. Previous studies mostly underpin corporate behavior from the perspective of institutional theory where organizations behave to merely comply with legal and mandatory regulations. The finding of this study however found that, at least within SMEs in Iranian manufacturing industry, the behaviors of these organizations are

shaped by the shift in the executives' pattern of thinking where ethical obligation, and moral, religious and spiritual values are the dominant reasons for the organization's behavior. In the context of small businesses, management theories therefore may integrate these factors that determine corporate behavior. As illustrated by Figure 5.2, executive's pattern of thinking or cognitive overhead manifested in executive's “**Neuro-ruling**” applies as a nomothetic approach to comply with institutional isomorphism ended to corporate environmentalism and corresponded behavior.

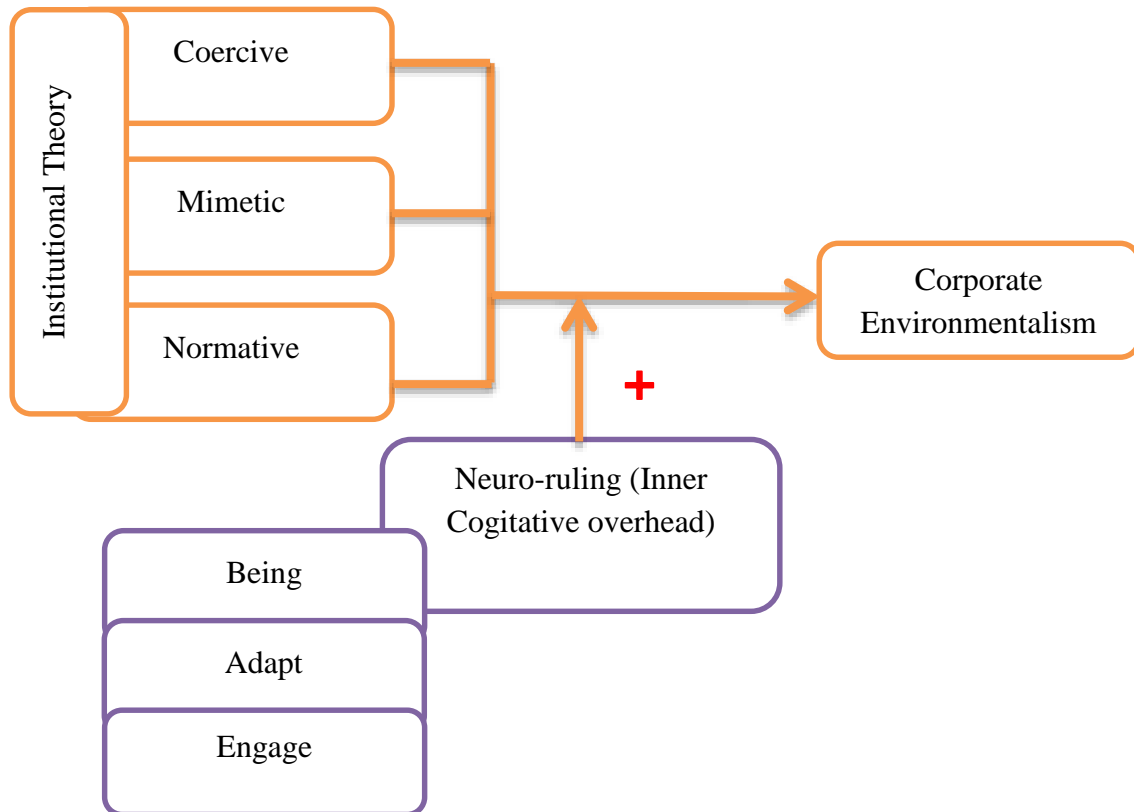


Figure 5.2
Environmentalism Transformation Model (ETM)

The consistency of findings with research supportive theories was also illustrated. Finding of this research as perceptualized in Figure 5.2 underscores the importance of understanding organizational behavior by considering the value of cognitive overhead whereby deeper managerial concerns drive the behavior of the organization. While this research explored different elements in organizational context, nevertheless, it did not completely refute institutional theory. As such, the range of potential codes suggests that institutional isomorphism shape corporate environmentalism while in certain extent. For example, some evidence supports **MIMETIC ISOMORPHISM**, which occurs when executives imitate other people's behavior. Though it was in the likeness of institutional theory, nevertheless the self-interpretation and supportive beliefs in beneficence of practice and social interaction complementarities was not considered before. Further, this was clearly evident that government served as an influencer because of its controlling character of enacting mandatory regulations. **COERCIVE ISOMORPHISM** involves government entities (monitoring or pressuring) to pursue organization in the adoption of certain behavior embedded in the context of institutional theory, however, interviews with executives which were validated by external expert reveal the power of organization to formulate their own strategy based on individual interpretation about confronted the situation. Indeed the government construction policies of inhibitors and/or encouraging program which required the implementation of continuous accurate assessment, due to a variety of reasons such as resistance economic condition was doomed to fail in practice , and organization formulation of strategy was based on a reluctance or own favorite and executive desire. In addition and in consistence with **NORMATIVE ISOMORPHISM** of institutional theory,

organizations display actions stimulated within their social interaction. It was explored that while the homogeneity in the culture and dominate norm plays an important role in adoption of environmentalism; nevertheless, the data does not appear to fit within the scope of complexity and confronted crises. Executives in this study in consistent with the institutional theory revealed they stimulate to environmentalism with its family member, friends or colleagues in the business community. However, they emphasized more on their own responsibility and economical consequences of their decision. At least with respect to the firms C the different ancestry of surviving isomorphism plays a formal role in further investment on environmentalism.

In addition should be noted that contingency theory and stakeholder theory that drive aspects of corporate environmentalism are also incorporated into this framework. The complexity, challenging and contingency of economic/political environments shape the informants' pattern of thinking and are embedded in the emerging of research themes. However, the influencing role of all stakeholders was not observed; where, mostly the unique market position of firms was interpreted. For example firm 'A' because of using the 'parallel operation line of production', significantly advantage of cost leadership strategy while it simultaneously enhance the environmentalism responsiveness due to decreasing the wastage of natural materials. And also due to strong social and supplier networking the firm succeed in visibility at market and customer choice. In firm 'B' the situation was unique as ultimate customer does straight shopping to the main manufacturer and there was no other trading chain that affects to price. (basically, the price of the product was based on the grade quality of the stone

and mostly influenced by informal networking in the business community). In Firm ‘C’ the process was very obvious as the firm was part of supply chain manufacturer of the main branch and the absolute minimum requirement of environmentalism was sufficient to comply as several other informal factors influence the market relation.

In compression of these two supportive theories, due to challenging situation in the context of Iran economy, the contingency theory is more likely to be grounded within the executive pattern of thinking and shapes the behavior of organizations. In this manner, this finding is similar with other studies (e.g., Jamali, Zanhour, & Keshishian, 2009; Jenkins, 2006; Vives, 2006) because this study that found that stakeholders do not appear to apply significant pressure on SMEs to adopt corporate responsiveness.

Logical connections or cognitive overhead in contextualized environmentalism were tightly embedded in informant testimonials about corporate response. Indeed thorough analysis of triangulated data implies that participated business executives does not merely influenced by institutional affairs or analytical thinking , while their subconscious area of their brain that is below the level of relational and emotional convert what they intended.

Several effective factors such as ‘national resistant economy’ , ‘deficiency due to inaccessible technique and technology’, ‘inadequate regulations’ and ‘negative social perspective in form of expectation more from others’ were viewed within participated small business managers which interpreted as logical connection while does not defend by managerial analytical theories. The basis of subconscious brain activity known as

pattern of thinking and cogitative overhead which influencing ones' choices and intended behaviors was consider in this research as Neuroruling.

For example, consciousness about resurrection (Al-Qiyamah), sincerity (ikhlas), and the power of pray (du'a) may be overriding factors in the transformation of intention to actual environmentalism initiatives. While social interaction and institutional involvement is accepted and expected, subconscious mind related to feelings, emotions and moods are not theoretically considered, which it explored in this research defined in one Neuroruling obtained through experiencing or facts of everyday life. As illustrated in the Environmentalism Transformation Model (Figure 5.2) and the proposed modified theoretical model (Figure 5.3), Neuroruling plays an important role in shaping and molding by individual's cognitive pattern of thinking. While, noted that this perception cannot be conceived as homogeneous issue, which findings of previous studies also confirm that within small business context the homogeneity is an exceptional subject (Jamian *et al.*, 2012; Jenkins, 2006; Ogarcă, 2010; Tang & Hull, 2012; Vives, 2006). For example, despite of some explanation of stakeholder theory related to firms' behavior, in context of this study, informants perceived their stakeholders interconnected with their moral obligation. This finding offered different aspect of organizational practice in contrast with stakeholder management literature. The present study validated revealed no solid evidence in the context of SMEs to support the instrumental perspective of adopting corporate environmentalism. A variety of factors such as social expectation, macroeconomic environment, moral values and personal beliefs influence corporate environmentalism. However, among these, more emphasis on feelings and value system should be given to understand corporate environmentalism

in the context of small businesses. Perhaps institutional theory could be extended to incorporate the role of ethics and personal mindset of the organizations' executives. The finding of this study and the proposed modification framework (Figure 5.3) suggests the need to cultivate a new mindset that is more equipped to address the complexities in the current business environment. Placing 'Neuroruling' as key in developing corporate environmentalism and organizational strategies in general calls for business practices in considering more on both economical and ethical elements in order to responses to the confronts inevitable question about what is right versus what is profitable.

This study conclude that Neuroruling or subconscious mind related thinking, consider as 'Perceptual Reinforcement' along with institutional isomorphism, robust corporate environmentalism. This understanding developed the proposed holistic model of environmentalism transformation. Hypothesized effects of 'perceptual reinforcement' and 'institutional isomorphism' related to corporate environmentalism illustrated in Figure 5.3.

Proposed hypothesized model reproduced research final framework (Figure 5.3) which illustrated by research emerged themes.

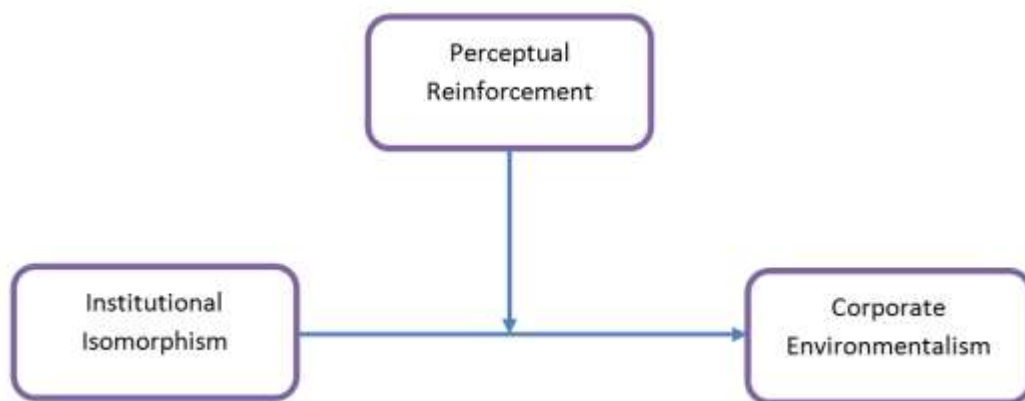


Figure 5.3
Hypothesized Model of Findings

Figure 5.4 illustrate the proposed finding of this research, which aims to enhance the understanding about business executives and factors that contribute to their subconscious mind related thinking considering in transforming to intended behavior.

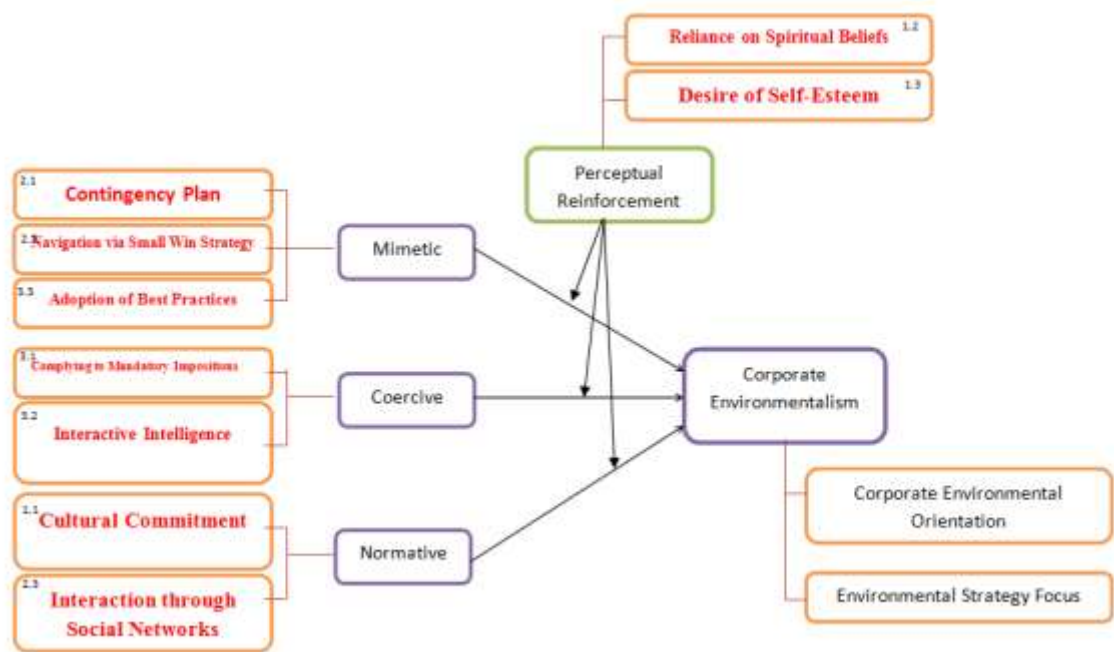


Figure 5.4
Proposed Finding Framework

5.3.3 Practical Contribution

This study explores the executives' pattern of thinking in complying with environmentalism initiatives in their small businesses in Iran. A key understanding derived the informants' narratives is that they make no attempt to separate their personal life from the business operations and community they belong to. The executives of the sampled SMEs seem to be aware of their role in protecting the environment and achieving social prosperity. While the monetary return of their responsiveness strategy was uncertain, nevertheless, the significance of a personal value and inner-feeling as well as subconscious mind related thinking seems to consider more. This issue yet

unclear in managerial theories and corporate strategic development. Based upon finding suggested that traditional models of strategy development is not reliable enough as they failed to support the pluralistic mindset about corporate initiatives and picture the transformation of intended expectation align with actual behavior. Understanding of executive's cognitive overhead is potential way for embracing change in corporate strategy and deliberates environmentalism. This perspective can be used as a mutually enhancing philosophy for both practitioner as well as academician.

As illustrated in the proposed model, small business executives are concerned more with the social identity and self-esteem than profits. Therefore, the components of morality, ethics and community in corporate environmentalism and business responsiveness in general need to be given more emphasis than financial gain. As the proposed model is developed by deconstructing and recreating managerial perceptions on corporate environmentalism, it offers alternative perspectives and implications for future researcher as well business analyzers. The proposed model brings the new concern in organizational philosophy and corresponding behavior as well as the degree of complying with expectations and enforcements. These issues reflect the obligation of the executives to contribute back to the society instead of just focusing on profit. Therefore, ethical responsibility, morality and beliefs of small business executives are the underlying reasons for organizational behavior. Furthermore, study on the degree of complying with expectations or mandatory impositions revealed as salient concern among participated executives. Moreover, while informants deem in importance of corporate environmentalism, however, the prominence of this issue was in link with

local priorities and supporting the national expectation rather than global concerns. Thus, it becomes clear why small businesses in Iran may seem to be slow to respond to international programs (such as EMAS or ISO). Particularly, finding of the study that may have implication to managerial theories is the concern for localization in which their behavior has a direct impact on the community environment. While the need of environmental protection as global issue was emphasized, however, there was no statement concerning the effect of organizational activities on global environment, and all examples merely pointed the local environmental challenges. Therefore, concerning more on local community may redirect and promoting of international discipline programs. In this context, it is suggested that participatory and localized collaboration needs to be embraced to pursue corporate environmentalism rather relying on mandatory requirement. In the following subsections, a holistic approach to developing effective environmentalism is highlighted whereby the main focus is given on individual rather than corporate component.

General Discussion: This section detailed deliberation of findings, in order to reasonably reach a common sense (assumption, perception, understand) in respect of complying with corporate environmentalism. The analyzing of findings of this case study indicate the need for ‘critical thinking and responsiveness vision and strategy’, ‘ethical and cultural considerations’, ‘knowledge’, ‘optimal achievement’ and ‘the role of communication and collaboration’ to ensure continued improvements in corporate environmentalism in small businesses.

5.3.3.1 Role of Critical Thinking and Responsiveness Vision and Strategy

Effective implementation of corporate environmentalism requires access to certain types of resources and expertise. Generally speaking, SMEs face lack of capital and other resources to respond effectively to a myriad of challenges. Despite this limitation, SMEs are aware of their obligation to the environment and society, and are finding ways to appropriate tangible and intangible resources to pursue their environmentalism initiatives. Investigated SMEs in this study convey the notion of “critical thinking” in the formulation of their strategy. The most significant influence of critical thinking is in the assessment of market information, required technique, technology and materials. Critical thinking can be described as employing cognitive skills to assess uncertainty in an attempt to reach the desired results. Particularly in an uncertain and changing economy of Iran, critical thinking has significantly been employed in the process of strategic development by the executives. Informants of the study concurred that strategic planning derived from critical thinking and creativity enables success of their business. The creation and source of critical thinking found in integration of Neurorolling and cognitive overhead response.

While organizational theories based on institutional isomorphism approach believe in enforcement elements in formulation of organizational behavior; nevertheless, inductive inquiry in this study show that this approach is typically not applicable enough. While some component of corporate environmentalism was observed, nevertheless they seem to possess more simply rooted in top executives critical thinking and responsiveness orientation and less associated with defined strategies. Generally, the strategic development was clearly cited around problems of strategic planning in Iran,

and how long-term planning involves depending on assessing the political situation and preparing the best way to compete with uncertainties. Typically, uncertainty and complexity of the environment influence the planning as well as implementation of corporate responsiveness initiatives. Informants in this study acknowledged that foresight planning as an important element embedded in the subconscious brain activity of firm's leader. Accordingly successful implementation of any organizational initiatives directly linked with intellectual ability of top executives in instruction of organizational strategies.

On the other hand, the crucial role of employees and managers to contribute innovative and responsiveness ideas and abilities in positive implantation of corporate environmentalism initiatives was clearly observed. From a general standpoint, innovative strategy and successful implementation of the environmentalism practice, depends on the scope of operation process, requires technical knowledge pertaining to expertise, legal matters, marketing network or trades channels.

In this study, knowledge concerning was evident across all 3 organizations which in some instances facilitated through adopting strategies of collaboration with other organizations or expertise. Formation of "collaborative relationships" and "exploitation of social capital" frequently manifested itself through the coding process and implemented pattern matching. However, it was required to develop successful framework and strategy that captivate, convince and inspire the application of corporate environmentalism. This framework or strategy should be in line with businesses objectives and mission statement. This objective has to formulate an organizational

interior structure in a way to command and control in respect with the exterior environment.

Indeed, since the future direction and objective of the organization is defined by vision and mission statement, therefore, environmentalism values requires to well demonstrate within these policy statement. While, there were some indications supporting the notion of strategic alignment regarding to corporate environmentalism; nevertheless, there was no well-defined specific strategy or strategic development policy. It was significantly revealed that a successful manager has to be fully aware of the goals of the organization, ability to critically analyze the market and social demands as well as the ability to effectively implement settled strategy.

5.3.3.2 Ethical and Cultural Considerations

The strong relation of ethical consideration of business executive embedded in their pattern of thinking related to environmentalism initiatives. Finding of this study revealed any formula of culture, beliefs, norms, religiosity and individual value system shape their ethical consideration of small business executives and they are conscious about these influencing factors. Indeed understanding the nature of organization responsiveness behavior among Iranian industries requires thorough consideration of cultural aspects and the degree of its influential component. Traditional institutions factors such as 'national heritage' or 'religiosity' have strong effects on formula of culture in Iran.

Religious principles have great impacts on every element of the Iranian value system and believe. However, the significant features and characteristics of Iranian culture along with their in-group collectivism and individualism differentiate their organizational behavior from other nations. The findings of this study indicate significance of considering ‘cognitive ideology’ and ‘individual characteristic’ in managerial theories and strategic development.

On the other hand, the strategic implementation or human resource development theories derived from western philosophy sounds not applicable within Iranian boundaries. Considerably it was explored here that, the existing slow rate of accepting the international structure and strategy among the Iranian industries is mainly due to different perspectives on organizational structure and ethical concerns. Therefore, it was assumed that, though Iranian executives can employ managerial structure and behavior similar to those of the Westerns, nevertheless, cultivation of managerial theories with the local culture may have more effectiveness result.

In similar with previous finding such as study of Aminzadeh (2010); Massoud (2010); RahmanianKoshkaki, Amiri and Pourmousavi (2013) successful implementation of organizational strategy requires careful considerations to cultural differences. Typically, what performs well in the west might not always have the same result in east. The environmentalism trend that are employing at other corner of the world grounded even in diverse managerial theories, may not necessary persuadable in Iran as the organizations confronting different economical challenges and managers follow different prioritization style.

Indeed, the strong tendency for localization that skewed by ethical consideration and derived legacy, emphasizes the need to explore different managerial theories. The key component of the successful transformation of the organizational strategy to environmentalism was managerial styles and their unique pattern of thinking. Ethical consideration and spiritual believes comes in planning and developing corporate responsiveness initiatives. Since, it was believed that everything is provisionally given and all is belong to God, provoke the feeling of responsibility among informants. Similarly, as their action exclusively begin with the name of Allah and certain of he sees, knows, and hears, indicate a leading component of spiritual issue on management practices.

Successful implementation of environmentalism in organizations which are investigated in this study was not bounded into Western practices rather associated with the Iranian thinking in putting transparency and ethics into practice. The components of 'cultural relativism', 'support of social norms and values', 'ethics and transparency' were generally embedded in the context of environmentalism and corresponding organizational strategy development. For instance, the top executives in firm B of this study explain the extensive and unique confronted challenge argue that "Well, above anything else, we have been surviving even in this situation. One might fail and went astray due to dominant unfair competition, but Alhamdulillah we never ignore our ethics and principles, we never did". Informants of this study in either way convey their feeling about the ethical operation and business behavior. Based on their believes, performing the right and appropriate way is grounded on the moral imperative of 'Paying back to society'. Meaning that, their crisis or error management principals did not cross and

violating the transparency, principles of ethics and morality compass. Noted that all informants cited while economic challenges, times and frame the crisis situation of the country; nevertheless, this issue did not change in their striving for responsiveness, transparency and ethical practices. A written ethical code has been formalized through their mission statements. *“Foundation of our policy is our values which distinguish us in serving the community (...) our commitment to social and environment embrace creativity and quality of our service”*. The most significant responsibility of managers is to creation of an ethical working environment along with making ethical decisions.

Paying the due attention to ethics in the working environment sensitizing the employees and executives about the way they have to perform. Perhaps the strategic plan that carries the ethical consideration and guidance to future sustainability goals inspire organizational action in line with environmentalism.

5.3.3.3 Interactive Intelligence Drives Added Efficiency

The need for knowledge and expertise justified through content analysis in this study where several corresponding codes and expressions highlight organizational efficiency in implementation of settled strategy. Variety of different strategies and resource types were pointed out by informant organizations, which were employed in the acquisition and procurement of resources related to the implementation of their environmentalism initiatives. However, emphasize was basically more on information, expertise and learning procedures in need for effective initiatives. As a result, it is perceived, the way organizations acquire their knowledge is as equal as the importance of the way they make best use and advantage of it.

Valuing human resources development was commonly cited as a need for organizational success. Executives of all participated organizations revealed the role of human resources as an essential factor in their initiatives. During the interview the discussions were often bound with an employee and importance of training and dissemination of key knowledge and skills which manifested on benefit of employee involvement. Indeed human resources received even more emphasize on strategic initiatives than financial advantage; in which technical skill and innovative mindset play the significant role in successful initiatives of corporate environmentalism.

Similarly, number of previous researches also have linked knowledge as crucial component of strategic development and initiatives (Aminzadeh, 2010; Aragón-Correa *et al.*, 2008; Massoud, 2010; Seiffert, 2008). For example Moore and Manring (2009) believed 'knowledge create synergistic effects particularly derive inducements to optimize sustainability while facing various challenges.

The importance of knowledge or the comprehension of beneficiary was realized by entire informant members including the external validators. This appears to be a crucial element even when informants discussed about the obstacles of implementing of corporate environmentalism. However, the discussion about the necessity of knowledge was in composite with training and different source and type of acquiring knowledge. While the ability and willingness to learn were also pointed out to be important by a number of informants. Mostly express the innovative nature of corporate environmentalism and corinformant responsibility initiatives, while highlighted that, they basically lack of proficient employee and skills of the efficient implementation. Consequently, it was perceived that organizations learn from the experiences they gain

along with applied error management policy. However, it was also explored that, these organizations to some circumstance benefits from positive colleagues' networks. As such in similarity with the open-source participation model, these SMEs are evolving to benefit from mutual interaction with others. Perhaps, the most fundamental asset of many engineering and manufacturing organizations is their employees who share their knowledge in the utilization of software, operation of instruments and machinery, implementation procedures and standardization, supervising of the projects and plans; as well as the provision of a safe working environment.

Since, training and cultivating the required knowledge has emphasized in the interviews with informants as an important aspect in human resource development, therefore the next focus was moved towards the way fulfill this need. According to Gerbens-Leenes, et.al. (2003) the key successes of sustainable corporate performance is awareness. Being aware increase the acceptance of procedures alteration and organizational change.

Typically two sources of acquiring knowledge were discussed during interviews, while among this two academic training received less chance of acceptance in comparing with practical training procedures. In a very straight forwards expression the CEO of one firm argues "theoretical perception is far away of what we deal in actual working environment". This informant by giving himself as an example reasoned operation line and production equipment activates because of real experience. It was concluded that efficient strategic development and transformation to environmentalism is linked with working efficiently with employees and ensures the team has updated knowledge and intellectual ability for change and improvement.

One of the potential ways acquiring knowledge is through establishing the interaction and networking management. In similarity with the finding of Gerbens-Leenes, et.al, (2003) the contribution of this orientation is valuable as the need for practical feature, facile and completeness will fulfills. Hence, executives with relation oriented style, through communicating effectively with expertise and reference groups may bridge the gap between scientific theories and practical knowledge. Interactive intelligence develops employee awareness about issues such as the environmentalism and maintains the organizational efficiency in implantation of related strategy.

5.3.3.4 Enhancement of Optimal Achievement

Finding of this study asserted that small organizations lacked awareness, assertion, and formality in their corporate environmentalism and responsiveness initiatives. Whereas these three philosophical tenets serve as incentives for engaging in any program specifically environmental responsiveness initiative and were deemed important by all executives participated in this study. Nevertheless, the deficiency explored where the outcome of environmentalism efforts was not perceived and deliberate within organization propagation and deliberations.

Finding of this study in similar with study of Ghanatabadi (2013); Walls and Hoffman (2013); Williams and Schaefer (2012) revealed the importance of enhancing and deliberations of the optimal achievement for both internal and external organizational partner.

Basically, in the context of participated organizations it was explored that, due to prominent of culture of respecting the senior citizens, promotion of employees was

based on oldness rather than their abilities and performance. Perhaps, the most significant difference of Western organizational culture and Iranian is in their interpretation of the concept of “self” and “*individuality*”. While in Western nations “*self*” has an individualistic concept and one receive promotion and more privilege as a tool to inspiring the positive attitudes, while in studied organization the traditional definition of assessment and encouragement does not perfectly support the one effort. Therefore, employees practice does not incorporate the sense of innovation or being responsible towards the main mission of settled responsibility policy.

On the other hand, organizations endure poor stakeholder management practices. Since stakeholders and customers in particular, were found as critical core competency to all organizations, therefore, even for marketing purpose they may need to be updated about the corporate status for environmentalism and social responsiveness practice. Many studies have empirically revealed firm performance derived by stakeholder awareness and learning about organization responsiveness practice (Aragón-Correa, et.al., 2008; Dabas, 2011 ; González-Benito & González-Benito, 2005; Kim, 2010; Lai, 2010). Nevertheless, organizations in this study insufficiently stand on one-way channel of advertisement and their public announcement in either form of documentation or web based information, ignored the value of social networking channels.

Since the deliberation of corporate environmentalism and responsiveness initiatives improves the firm performance, it is recommended here that the steering committee use stakeholder management policy and determine the required information for each segment stakeholder and fulfills their need of awareness by delivering accurate information through the best manner, channel and timing frequency. Further proposition

in this view is that the organization will never experience the real feedback of their responsiveness initiatives if their stakeholders are unaware of their efforts. For those executive informants of this study who consider the financial return of any organizational behavior and cited that without profits the company cannot survive, it is responding here that continued operation of their organization is owing to their continuous contributions to social development. In stable marketing economy organizations and society pursue policies that are mutually beneficial.

Effective declaration of the organizational optimal achievement regarding corporate environmentalism and responsiveness, will 'fulfills the stakeholder physiological expectations', 'promote corporate brand personality' and by giving confidence to consumer choice 'cultivate loyal customers'. However, this importance required scientific strategy of considering what, when and to whom should be communicated in order to build social networking values.

5.3.3.5 Role of Communication and Collaboration

According to the findings in this study, there is an opportunity for SMEs to collaborate within and across corporate boundaries. By collaborating and working together, organizations can enjoy a mutually beneficial partnership to address environmental concerns. Collaborations can include long-term strategic partnerships or simple one-time activities among suppliers, vendors, other organizations, customers or end users. Due to severity of ecological hazard, the need for changes in organization and adopting innovative technology of responsiveness opened the channel of collaboration. Communication and collaboration with partners was among the main issues emerged in

response to questions about success component of firm initiatives. While different types of collaboration identified but those formulated because of economic reasons, sharing knowledge or technology as well as collaborating around administrative purpose received significant emphasize.

Furthermore, executive informants in this study revealed their interactional and relational approach in building trustworthy relationships with their stakeholders. According to interviewees of this study transparency and trustworthiness in communication helped transmit firm values and cultivate environmentalism culture within their organization. While almost all informants believed in significant effect of collaboration with employees in firm success, nevertheless the lack of proper communicational channel and collaboration scheme was also highlighted by them.

To unfold the importance of interaction with people regarding corporate environmentalism and related responsiveness practice, informants explicitly described interactive interactional relation as media of transmission the message and values. It was explored that, Iranian organization employed models of managing this issue differs from those from westerns; since their models are more lingual and not contextual and focuses are more on relationships and non-directive communication (Hofer, Cantor & Dai, 2012; Jamali, Zanhour & Keshishian, 2009; Van Aken, et.al., 2005).

Many of previous studies demonstrate how positive collaboration and dialogue enabled organizations in better understanding the purposes and goals of the initiatives and enhance the synergy of working together (Aragón-Correa et.al, 2008; Coppa and Sriramesh, 2012; McLaren et.al, 2011; Perrini, Russo & Tencati, 2007; Saengsupavanich, et.al 2009). Basically, this research seen more credence in

collaboration and communication in corporate responsiveness initiatives. Indeed, collaborative communication regarding corporate environmentalism enabled better understanding of the way complying efficiently. However, bureaucratic communication in the context of small and entrepreneur enterprise is not a settled component because mostly do not have a formal HR department and typically they follow the traditional structure of centralized organizational, in which most communication is horizontally deliver through one on one conversations.

In addition SMEs may just benefit of the marketing department and they don't have specialized department for information and public relations. While public relations helped transmit firm's values which may reflected in the image and reputation of an organization and similarly strengthen the responsible operations of the organization and enhance their relation with each stakeholder.

Similarly, previous research has demonstrated the link between firm performance and the importance of organizational reputation which grounded in firm social concerns (Hofer, Cantor & Dai, 2012; McLaren et.al, 2011; Van Aken, et.al, 2005).

Therefore, communicating corporate environmentalism and responsiveness practice enacting responsible behavior as it perceived as a reputation enhancer. The objective of this view does not convey whether organizations should communicate and/or how communicate their environmentalism and responsiveness initiatives, rather express role of communication and reciprocal collaboration in enacting environmentalism behavior. Such implicating recommendation illuminates executive's interpretations on communication and collaboration.

Nevertheless, the absence of communication of corporate responsiveness does not necessarily indicate organization does not receive the privilege of their efforts and by the same token communicating does not necessarily denote activity as green washing lay behind this communication. Nevertheless, considering the transparency and accuracy as the main part of corporate responsiveness behavior therefore, it is assumed there is increasing congruence between communication, collaboration, and organization responsiveness practice.

In sum, and as informants of this study perceived, effective communication and collaboration with all stakeholders and employees in particular is crucial to cultivate the culture of environmentalism and motivation toward the successful initiatives. Because communication and collaboration goes beyond simple dissemination of the information about what is happening, rather assist with engagement and being more effective and responsible.

5.3.4 Policy Contribution

Executive's informants in this study noticed different stakeholders with different range of effect in complying environmentalism initiatives. While the influential role of almost all stakeholders was noticed, however, moderating role of government was highlighted conspicuously. The common argument on corporate initiatives based on stakeholder expectation and institutional structure, sloped the argument on the potential capacity of voluntary based initiatives and the need to go beyond expectation. Cross matching analysis brought the main concern on emotional interaction related to society and nature as well as reviving traditional cultural values and community justice into the SMEs

experience of responsiveness initiatives. Typically, participated commitment to environmentalism issues is rooted in individual cognitive overhead, broader than the institutional expectations. It is assumed that considering cultural reflection, integrated with institutional leverage, help these individuals make sense of their commitments.

On the other hand, in this study, common constraints and challenges were identified. In the context of SMEs the resources always is limited and therefore, though there is no one-size-fits-all strategy nevertheless, a systematic and structured approach that channel the resources is needed to enhance the chances of success.

In practical view, the findings of this exploratory, suggest that, leading role of government need to revise in integrating interventions rather than interfere solely as a stakeholder in order to bring about desired change in corporate environmentalism. Finding of this study indicated that, successfully complying with environmentalism requires holistically involving organization's values, norms and priorities concept in practices. Findings in practical implication point towards the need for systemically treating the desired change in the organization and the need for a new paradigm in transformation to environmentalism based on core values and culture of the organization, policy and strategy development and knowledge development to foster implementation processes.

General Recommendations: Practically speaking, these findings do offer additional support for corporate environmentalism with caring about emerging themes. The intention is to establish a clear rationale and motivation for action of all who do

contribute to corporate environmentalism expansion. This effort is likely occurring around converting emerged theme into a practical guidance structure in order to consolidate implications of the finding.

5.3.4.1 Technical Assistance (Responsive Pedagogy)

Most SMEs lack the necessary resources to commit to environmentalism. They hampered by lack of access to finance, lack skills for growth, lack of literacy resource efficiency, inadequate technology and lack of technical infrastructure. The finding of this study pointed small to medium sized businesses who wish to enhance organization efforts in environmentalism seem to need technical assistance programs.

Noted that a lack of financial resources was mentioned as a resources barrier, however, through the last round validation, executive's informants emphasized more on the way organizations make the most of their resource pool available to operation. While selected organization were all pioneers in environmentalism practice and applied either way of environmentalism practice , nevertheless, they mentioned about their need of modern technology and highlight their concern on absence of technical expertise those who able to mould the available resource into efficient initiatives. This issue might evident in Iran as the country is banned from trading with developed countries and partial imported product bounded with those necessary life issues. In this situation, the need for technical expertise was a fundamental obstacle in executive decision-making. Especially fundamental improvement and initial adoption of environmentalism is highly technical consuming and need expertise. Determining potential environmental practice, categorizing operational procedures as well as list the applicable legal or other

requirements in developing environmental policies, required technical expertise. It was obvious that small to medium sized manufacturers are in need of technical consultant in their environmentalism practice. Moreover, it inferred that government incentives were a viable solution for this issue and therefore, offering technique and technical assistance may help in overcoming these obstacles and filling this gap. Practically speaking, government or policy makers should promote technical ability and develop the knowledge to encourage SMEs in complying with corporate environmentalism.

Financial aid was defined as the main inclination to support corporate environmentalism activity. While, given money support organization to mitigate the vacillations of the economy in their development strategy, nevertheless, through this research it inferred that when the corporate's finances need was ebbed, the absence of technical literacy leads organizations to not efficiently change in their adapted operation.

In practical view, the governmental support factors in transformation to corporate environmentalism fall into comprehensive category, which is mainly linked with SME's, strive for the resource. Informants of this study mentioned a variety of resource types that required for execution of their environmentalism initiatives. Technical, reputational, human resources and economic resources were discussed frequently among interviewees. In their view, specific types of technical information were crucial for their initiatives. Noted, technical information and knowledge shares some degree of overlap meaning, however due to explicit emphasize by informants, they fixed in different code of technical or non-technical knowledge. Specialized or technical knowledge pertaining to professional and legal vocations and area of education that can apply directly to the specific practice. Some of this technical knowledge provided

internally through accrued experience or can be adopted by receiving technical consultation. This issue derives a proposition that governmental support on utilization of the human dimension in providing technically assistance rather than solo financial aids, build a viable setting in complying with environmental responsibility.

5.3.4.2 Knowledge Empowers Campaign

Executives interviewed in this study convey their volitional willingness in adapting of environmentalism and act in a responsiveness manner. For them, the significance of attains knowledge bound with talent management, efficient initiatives and organizational success. These specific elements enables them to make decisions, which are supported by an organizational, desired culture bring about organizational success. Nevertheless, as it highlighted by them, knowledge embodies yet considered as challenge for these small to medium organizations. This issue was also confirmed by other researchers in which regularly improving the organizational capabilities in share intellectual belief, clarify visions and understanding the complexity is bounded with organization strategic development (Burke & Gaughran, 2007; Castka, et.al, 2004; Hofer, Cantor & Dai, 2012; Zutshi & Sohal, 2004). However, based on the business operations, the type and amount of required training and knowledge varies notably (Burke & Gaughran, 2007; Yang, 2007).

Knowledge or understanding of the social behavior seemed to be a critical factor given the difficulty that firms had with corporate environmentalism and responsiveness implementation. Such a knowledge about the culture, nature of behavior and involvement is a motivational carrier that organization has on a path towards

environmentalism development. This knowledge can be attained through collaborative partnerships with other business as well as an idea exchange among colleagues, industrial union and government.

Facilitate an idea exchange among other organization enable organization to access experienced practice and involvement incentives. To achieve this, an organization requires to built-up an efficient relationship even beyond organizational boundaries. Finding of this study clearly emphasized the importance of social networks and relationships for SMEs when implementing corporate environmentalism. However, it was also indicated that the establishment of trust and mutual relationship to exchange experiences and information is not an easy process. As such the role of government, universities, and environmental support agencies highlighted in facilitating this relation and foster dissemination of required education. Motivating organization through providing the required information (e.g. advantage of complying, social interaction and reputation, business identity and efficiency and so forth) can be facilitate through different methods such as utilizing online social networking system, direct connection to the organization or deliver information through industrial union forums. While the direct and efficient way to achieve this is through formal knowledge sharing campaigns with sequential meeting organized by regulatory agencies or governments. Exchange idea and information through this campaign; foster the realization of environmentalism among business associations. SMEs' achieved benefits in existence of collaborative involvement within knowledge empower campaign. Establishment of organizational external relationships between business leaders enhance motivation to be involved and exchanges information and resources that otherwise would difficult to obtain.

5.3.4.3 Optimizing Enforcement and Legal Liability

In relevance with institutional perspectives, investigated organizations by acknowledging the presence and roles of different actors such as the government, media, and consumers, positioned themselves in battle of one on many. Specifically, macro factors recognized as the key influential that shape corporate environmentalism practice. In similar with previous research (Galbreath, 2010; Hofer, Cantor & Dai, 2012; Perrini, Russo & Tencati, 2007; Roxas & Coetzer, 2012; Tang & Tang, 2012; Yang, 2007) it was explored that some institutional leverage (e.g. System of rules, disciplinary regulation and values) discipline and constrain organizational behavior. Informants of this study described and exemplified the inappropriate macroeconomic policies, which negatively effect on their adoption of responsiveness strategy. For example, flooding of imported products whereas local manufacturers are struggling with trading sanction and flustered inflation cited as institutional pressure, which significantly mould practices of corporate responsiveness and environmentalism initiatives. While, government was posited as facilitator of corporate environmentalism; nevertheless, it was also indicated as an obstacle when informants responded to why some organizations resist in complying with environmentalism and corporate responsiveness. The central role of government in supporting the organization through establishing a clear, fit and specialized regulation and guidelines was defined as a more straightforward way of helping organizations with environmentalism implementation. Interviewees convey their assumption about the inadequacy of government policy of financial support as they believe funding in either form of direct grants, reduction tax or subsidies in the absence

of clear implementation objectives and legitimate assessment can negatively affect adoption of corporate responsiveness.

While the finding of this study pointed to the provision of financial assistance as a strong governmental incentives gears in shape the organizational behavior, nevertheless, it was explored also reduce the non-effective enforcement and clarify the exact and fit environmentalism objectives will lead to greater application of environmentalism and enhances the environmental performance. Since auditing and organizational evaluation was discovered as challenging issue, it is assume that number of manufacturers may decide to not to adopt environmentalism. Conversely, reducing the strict and cumbersome rules to acceptable liability may encourage the potential followers and foster transformation to environmentalism.

Especially in context of SMEs which has lack expertise to deal with complicated and heavy amount of environmental regulations, the adjustment and optimization of relational enforcement are crucial.

Therefore, it is proposed to policy makers to reduce the environmental regulating enforcements, and employee intellectual and insightful auditing assessment, while simultaneously provide technical support. Efficient implementation of environmentalism initiatives requires continuous inspections or audits the corresponding practice and recording the accurate performance.

5.3.4.4 Consolidating National Value and Environmental Permits

Consistent with informant's emphasizing on culture and traditional values, finding of if this study pointed the need for considering these inner incentives to consolidate acceptance of settled regulation and expected organizational behavior.

Culture embedded within individual patterned of thinking, feeling and reacting. Since informants of this study distinguished, the culture and value of social interaction in formulation of the organization behavior, it is proposed that considering the dominate value system in strategic development results enhancement of complying performance.

In the studied population of this study, the organizational culture and national culture were cited as strong interconnected components. The national believes on Persian heritage and thousands of years civilized background held deeply on values regarding good vs. evil deem and deed. Within SMEs the organizational behavior is representative of synthesis of organizational instruction and frameworks that are reliant on human value system and believes. As such, it would be a rational anticipation to expect the settled instruction and enforcement of coercive isomorphic while aligned with culture and value system greatly reduce the friction of organizational acceptance of the change toward environmentalism.

However, what is often overlooked or at least underestimated is how underlying the dominate value system and nature of beliefs and culture in an organization.

Researcher such as Coppa and Sriramesh (2012); Ogarcă (2010); Roxas and Coetzer (2012); Seiffert (2008) argue that what is rational in one national cultural might be wholly rejected for other region. Similarly, it believed that reputational setting in one nation may perceived as inappropriate in another. Particularly in adoption of

environmentalism, which rooted in the western structure, may not receive the expected rate of acceptance within an Iranian organization due to their individualism structure of behavior.

This research found that manufacturing enterprises have a negative view on the strictness of environmental regulations, while their responsiveness perception is closely connected to their perception values and beliefs. It was explored that executives in either organizational levels consider social and cultural acceptance, integrated with other influential factors (e.g. available technology, technical knowledge, managerial risk taking style) through process of adopting the corporate responsiveness initiatives. Culturally established rules and procedures reflect the historical prevalence of certain behavior. Therefore change in regulation structure by a manifestation of cultural value rather than solely task-related requirements help in establishing common values and cultivating complying behaviors.

5.3.4.5 Special Recognition and Awards

Corporate environmentalism and corresponded responsiveness is a value that executives' informants of this study are perceived and enthusiastically were willing to express in their social interaction. Emphasizing on social validation and the value of recognition persuade business executives to integrate the local expectation into their business strategic development and decision process. Special recognition through social validation and reciprocal relationships with their local communities provides incentives to implement corporate environmentalism and guarantee their success in long-term practice.

It was explored that social validation emotionally supports SMEs in implementing corporate environmentalism and responsible initiatives. As it cited in previous studies, social validation is a perception that broadly encompasses social recognition, trust and share value (Aragón-Correa, et.al.2008; Jagers & Matti, 2010; Olsthoorn, et.al. 2001). In similar with the finding of Coppa and Sriramesh (2012) and Moore, Manring (2009) it was perceived that, social acceptance and exchange of favors represents the reputation that is important for SMEs. With this in mind, it appears that social recognition and deferential awards, plays a rather important role for SMEs in their adoption of corporate environmentalism and responsiveness practices.

Informant of this study conveys their feeling about reputation, social esteem and respect and their persuasive power in adoption of environmentalism initiates. Indeed government is regularly use the reverent reward which is widely known by manufacturers in Iran. Nearly 2/3 of the informants in this study were clearly aware of governmental programs for expediting and consolidating environmental responsiveness, as mostly received a greater entrepreneur award before. Particularly the CEO of Case B clarifies that they become even more interested in complying with environmentalism after government appreciate their effort, and media approached them for publishing a book based on their biography and wisdom recommendation. Manufacturing enterprises that are operating in very competitive sections might find these government rewards beneficial in helping them differentiate their practice.

Furthermore, the finding of this study revealed that, the basic recognition and requirement of the main supply chain significantly influence manufacturers to adopt corporate environmentalism. For example, analyzing the Case C of this study revealed

that the main supplier in manufacturing assembly line started asking their subcontractors for obtaining ISO 9000 and ISO 14001 standardization and consider their certification as qualified requirement of trading. It was explore that government purchasing programs and informant recognition policy effect on environmentalism acceptance as organization tried to fulfilling the absolute minimum requirement. Nevertheless, the essence of non-accurate assessment and easiness achievement or frequently of such a program might result in losing the value and being less effective. For example if the award is given very often, then it will lose its worth, will not have as much distinction; and subsequently be desired by managers or organizations.

Cultivation and use of social validation were reputably cited during content analysis and therefore it becomes evident that the related governmental policy can be employed and served as an incentive for environmentalism adoption. Though the exact rule and effect of governmental awarding programs on adoption rate of organization was not comprehensively illustrated, nevertheless, considering the strong emphasized on incentives factor related to social interaction by the executive informants of this study, it's proposed that environmental regulators by offering deferential awards and perceived social validation effect on organizational adoption of environmentalism and responsiveness initiatives.

5.3.5 Social Contribution

The findings of this study aims to lead changes in behavior of individuals in a small firm and ultimately create positive social changes to complying with notion of environmentalism. Understanding the firm policy makers and their pattern of thinking

might help corporations in creation of opportunities to integrate environmental sustainability into firm daily business exercises.

Regarding the extensive challenge due to manufacturer negative environmental impact, increasing the awareness and transparency of corporate environmentalism especially in the context of SMEs was crucially in need. It was expected those organization holds an ISO 14001 certification, performing better than others, while it is realized that an ISO 14001 certificate does not guarantee the effectiveness of environmental practices. For example, the organizations (Case c) which in the process of obtaining the ISO certification (not certified yet), is the well-established and pioneer in environmentalism among industrial regions and received less complaint from the nearby residents; whereas, the firm (Case A) which is certified for ISO 14001 while have challenging situation due to some sort of environmental pollution and neighbors complaint. Therefore, it is assumed that certified as ISO 14001 is not essentially validate the better performing in environmentalism practice. However, it was explored that social interaction and value system and believes play the main intervening role in this issue. Therefore, it is hypothesized that, Iranian organizations with more social validation and a strong social network can perform better than those with an ISO 14001.

Furthermore, it was explored that, SMEs are consider different issue mostly social base in their operation. Moreover, it was indicated that executives of this study using different style of leadership to making decisions, influencing the other members of the group in complying with the mission and controlling the operations. Since the finding of this study emphasized more on the factors such as social interaction and individual cognitive overhead, therefore, it is assume that the institutional enforcement

cannot really be applied to the Iranian small to medium industries. Broadly speaking, corporation's environmentalism is not driven by institutional isomorphism rather than cognitive values and social interaction.

The three core themes that emerged from the findings were converted into the parameters and recommending courses of action. These insights were shared, components of strategy, structure, processes and perceptions about the corporate environmentalism. Particularly the mindset necessary to implement environmentalism within a small to medium manufacture was explored.

Considering the existing extensive pressure to adopt environmentalism, the presented findings of this in-depth inquiry promote social change by highlighting the component that transforms implementation intention and actual practice. The finding may serve as a foundation for educating executives of small businesses and other community members about the value and implementation of environmentalism method. Particularly considering the detailed information about pattern of thinking and value of those senior executives involve with strategy development, environmental management programs and communication of corporate environmentalism activities, those who read the report of this study would be able to learn about the successes reason of these three companies and the way they think about this issue.

The social effects of this research include its positive educational inspiration via a real-world case study for business executives wishing to integrate environmental sustainability into future planning. All information given in this study can serve as a

baseline for other SMEs to understand the environmental effects of their business practice and the drivers toward the environmental orientated operation.

5.4 Directions for Future Study

In general, corporate environmentalism in literature remains fairly scattered. This exploratory research is one of the few that aims to address the gap between intention to implement and actual implementation by analyzing the narratives constructed by social informants within the context of SMEs. Finding of this study illustrate corporate environmentalism initiatives are shaped by a myriad of factors such as the personal beliefs and one perceptual enforcement encompass of reliance on spiritual beliefs and desire of self-esteem in addition to social construal interaction and government regulation to meet the international pressures to preserve the environment. In particular, this study explored the meaningful patterns that were consciously considered by top executives of small to medium manufacturing enterprises on the issue of corporate environmentalism; nevertheless, some elements require further research.

1. Survey Size and Sample: for the purpose of current study three SMEs were investigated, therefore future research may wish to extend the sample size to a broader context with a more representative case. A study with increased sample sizes, increased variation in the types of industries while considering different regions would enable to obtain a broader picture on corporate environmentalism. Foremost, future research may wish to inquire different direction and compare organizational orientation among governmental-owned enterprises, large organizations and private companies.

2. Benefit Entitlement: this research was not meant to describe the type of benefits regarding specific organizational strategy. Future research may wish to investigate the motive of the executives in implementing environmentally responsive initiatives, that is, whether the motive is associated with primarily making a business profit, as argued by Friedman (1970), or philanthropic reason such as repaying the debt to the society.

3. Formulation of Believes: This research demonstrates that the executives' personal belief system shapes their commitment to environmentalism initiatives. Future studies should focus on how such belief system is translated into the development of an ethical business culture. Exploring the link between religion, ethics and morality with executive decision may illuminate how executives interpret and construct environmentalism responsiveness.

4. Influencing Role of Social Networks: This study reveals significant involvement of the small business executives and the local community as a part of corporate environmentalism. However, it does not investigate to what extent social networking affects business decision. Future research may wish to explore the effect of local community and social networking on small business strategic development.

5. Employee Incorporation: this study explored the importance of employee's involvement in developing and fulfilling the business strategy. Discovering the dissension and priorities among employees and executives, seed the effectiveness of implementing business strategy. Therefore, future studies should explore the extend of involvement or dissent within organization.

6. Government Intervention: This study shows that the local government has the power and ability to regulate and enforce business behavior despite the fact that this ability is impeded by international sanctions, political conflicts, corruption and inefficiency. Future research may wish to address the role of government and corresponded legal enforcement in promoting the responsibility practice among business.

7. Capital Resource: This study demonstrates that small and medium organizations may not have the financial resources to bear the cost of compliance with national and international corporate environmentalism standards; nevertheless, participated organizations with similar situation were all known as pioneer in environmentalism initiatives. Therefore, it would be valuable that future research investigate the way organization finance their cost to meet the legal and ethical responsibilities and compliance with international standards.

8. Stakeholder Interaction: due to severity of environmental hazard, the public demanding for corporate environmentalism is increasing. It was explored here that stakeholders have the potential to shape the behavior of organizations. Future research may wish to investigate how stakeholders (i.e. customers, NGOs; suppliers) promote and enforce corporate environmentalism. Different research direction would be valuable in exploring the way stakeholders develop networks and secure resources in advocating corporate environmentalism.

9. Adapting the International Discipline: International environmentalism requirements (i.e. ISO 14000 or EMAS) are seen as the imposed norms for organizations. Therefore, it requires to organizations devise their strategies to

meet those requirement. Future research may wish to explore the way government and policy makers modify local discipline or motivational factors to encourage organization in comply with international requirements. In other word, future research might explore incentives factors that encourage organizations to comply with international requirements. Different direction of research might be compression between national environmental regulation and international standards and important factors such as acceptance and performance rate.

10. Knowledge Accusation: since the importance of technical knowledge related to environmentalism initiatives was distinguished in this research; therefore, future research may wish to address the degree and extent of collaboration in acquiring knowledge. To research this, examination of social network structures of SMEs and exploration of the strength and scope of ties between the collaborators are potentially worth the effort.

11. Generalizability of Finding: Since this study was inductive in nature; therefore, relationships between variables were not meant to hypothesize and informants were few in size. Nevertheless, the research problem was explored in depth and the findings represent good basement for future research. Alternatively, future research may wish to investigate the relationships among constructs and explored themes. Different method of inquiry might increase the generalizability of this research.

5.5 Concluding Remarks

The qualitative research applied in this research has shed light into SMEs executives' pattern of thinking on factors they consciously considered regarding to complying with corporate environmentalism. Informants of this study were top executives of three manufacturing industries who voluntarily agreed to participate in the inquiry and in an attempt to respond as honestly and accurately as possible frame the pathway in their experiences with environmentalism commitment. The key findings of this study illuminate how corporate environmentalism and responsiveness behavior are associated with various aspects of business forces, such as culture (national heritage and values), cognition overhead (spirituality and intuition), marketing (organizational values and reputation), strategic management (contingency planning and small win strategy), human resource management (social interaction), supply chain management (multi-disciplinary scope of government, stakeholder collaboration and benchmarking), risk management (complexity forecast), and quality management (corporate environmentalism). The findings generally support contingency theory (complex and challenging environments), institution theory (external pressure) and stakeholder theory (social interaction). By invoking various theoretical lenses, the present study has shed light into understanding how organizations engage in corporate environmentalism in a coherent and holistic manner.

In particular, the present study explored the reason of why corporate environment responsiveness is yet to part of a core business strategy despite the extensive awareness and social expectation. Here, the study shares Bichard's (2012) concern whereby he maintains that it is not anymore a question whether firms should act

responsibly but why these ethics are not translated into action. In considering the importance of this issue, the present study shows two key findings why organizations do not improve their responsive activity as effectively as they should be. Firstly, the organization fails to see that it is part of the society where the relationship is intertwined and interrelated. While organizations and society are interrelated in many target of interest, this study discover the gap remains among business and society. Further, corporate environmentalism or responsiveness initiatives are perceived as institutional enforcement rather than a manifestation of ethical behavior and morality. Indeed, the institutional enforcement does not translate into reinforcing the belief and value system. For these reasons, corporate environmentalism or responsiveness behavior is generally a fragmented activity and is cut off from the organizational strategic agenda.

This research contemplates Michael Porter's generic strategies in that organizations should learn how to convert their environmentalism or responsive initiatives into a source of competitive advantage. To do that, it requires an alignment of executive's strategic pattern of thinking with society's expectations.

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