

# Corporate environmentalism: Redesigning business models to fit strategy, organizational capabilities and the natural environment

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## ABSTRACT

The increasing concern of citizens, nations and businesses on natural environment protection and respect lead companies to re-invent new ways of business activities and models. In that sense, new paradigms as the Circular Economy and stakeholders' pressures move companies towards corporate environmentalism, which supposes to modify company's aim, mission and strategy. The formulation and implementation of effective proactive environmental strategies implies the reconfiguration and development of new environmental organizational capabilities, especially those linked to business operations and market-related ones. In this new competitive arena, environmental innovations, green marketing and corporate image, environmental legitimacy and reputation are analyzed as main drivers of proactive environmental strategies and key decisions of new and sustainable business models.

This paper develops an integrative review of previous concepts intimately related to corporate environmentalism and proposes some fruitfully avenues of future research for those, both academics and business practitioners, focused on how to fit firm's activities and competitiveness and the respect and preservation of the natural environment.

## KEYWORDS:

corporate environmentalism, Circular Economy, eco-innovations, eco-strategy, the green marketing, sustainable development.

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# Корпоративный энвайронментализм: трансформация бизнес-моделей для соответствия стратегии, организационным возможностям и требованиям окружающей среды

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## АННОТАЦИЯ

Защита окружающей среды вызывает все большую озабоченность граждан, компаний и стран и требует формирования новых способов ведения бизнеса и трансформации бизнес-моделей. В этом смысле появляющиеся новые парадигмы, такие как циркулярная экономика и стейкхолдерский подход, перемещают компании к корпоративному энвайронментализму, который предполагает полную трансформацию стратегических целей, миссии и видения. Формулировка и внедрение эффективных превентивных экологических стратегий подразумевают реконфигурацию и развитие новых экостратегий, направленных на совершенствование деловых операций. В статье анализируются новые направления повышения конкурентоспособности, основанные на экойнновациях: зеленый маркетинг и корпоративный имидж, экологическая законность и репутация. Проведен анализ выделенных стратегий как ключевых драйверов превентивных экологических стратегий и решений о новых и устойчивых бизнес-моделях.

В статье проводится интегральный обзор предыдущих понятий, связанных с корпоративным энвайронментализмом, и представляются пути будущих исследований, как академических, так и практических, фокус которых сосредоточен на том, как внедрение принципов устойчивого развития связано с конкурентоспособностью компании и возможностью сохранения окружающей среды.

## КЛЮЧЕВЫЕ СЛОВА:

корпоративный энвайронментализм, экойнновации, экостратегии, зеленый маркетинг, устойчивое развитие.

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## 1. INTRODUCTION

Since the ninetens of the past XX century there is a growing concern of nations, citizens and businesses on the preservation of natural environment [Hart, 1995]. The growing concern of society in general, together with the increasing interest of Management, Marketing and Strategy research on the impact of organizations on the natural environment, led to the emergence of a body of management literature focused on the relationship between the firm and the natural environment [Hart, 1995; Porter, Van der Linde, 1995; Christmann, 2000; Aragón-Correa, Sharma, 2003]. This phenomenon happens in parallel with the rise of corporate social responsibility issues, as well as a growing concern on firm's public relations and image [Clark, 2000], this way signaling the relevance of a firm's strategy and business activities in relation to environmental respect and green supply chains [Warren, 1999; Czintoka et al., 2014], and its public judge made by external stakeholders, where firm's reputation, image and legitimacy are key organizational factors for business sustainability.

This growing body of literature that relates the preservation of the natural environment and organizations [Albertini, 2013], reflects both the real interest of the Academia in those issues as well as the growing concern of citizens and nations toward the preservation of the natural environment [Martín-de Castro et al., 2017]. Thus, academic scholars and business practitioners are exploring how companies can address this important challenge and how to fit firm competitiveness and profitability to natural environment respect. More concretely and significant, from the Academia, since the publication of two seminal works in 1995 [Hart, 1995; Porter, Van der Linde, 1995], many efforts have been made in order to explore corporate environmentalism and its effects on business strategy [Aragón-Correa, 1998] and management. From public policy and business practitioners, some initiatives as those launched by the European Commission in 2015 on Circular Economy or the EU 2030 Agenda show the growing importance given to the natural environment in economy, business and society. This way, several issues for business theory and practice arise as proactive environmental strategy, environmental management systems, environmental certification and eco-innovations., environmental and sustainable corporate reporting, etc.

In fact, pressures coming from different company's stakeholders as customers, competitors, suppliers, investors, public administration, environmental NGO's and the media have contributed towards the greening of businesses. In that context, Porter and Van der Linde (1995) and Hart (1995) started a fruitful management and strategy literature debate about the inclusion of environmental postulates in the company's strategy formulation and implementation and their consequences in firm profitability and sustainability, which has very important implications and challenges in the current management academic and practitioner debates. Concretely, both stated that proactive environmental postures are the best way to guarantee long-term firm survival and sustained competitive advantage.

Proactive environmental strategies, management and postures imply deep changes in business strategy, structure and business models, that require the development of environmental or eco-innovations, new management tools, and the external projection of the firm and stakeholders' engagement [Sharma, Henriques, 2005; Delmas, Toffel, 2008]. In that sense, and framed both in the Institutional Theory [Bansal, Roth, 2000] as well as

the Natural Resource-Based View [Hart, 1995; Aragón-Correa, Sharma, 2003], firms have to carry out important internal and external changes in order to develop effective proactive corporate environmentalism, as the development of new resources and capabilities in different business areas as innovation, human resources, culture, organizational routines, as well reinforcing ties with internal and external stakeholders' engagement through corporate communication and reporting, strategic alliances and networking, and improving their legitimacy and reputation. All these new resources and capabilities are based on knowledge and are of intangible nature, where an Intellectual Capital-Based View [Martín-de Castro et al., 2011; Bueno et al., 2014] constitutes a very well-suited theoretical perspective to give light to this emerging business phenomenon. For example, human capital and talent management, innovation management, organizational culture and routines, social capital, as well relational issues as reputation and image, or corporate reporting, are effective ways to frame and carry out proactive environmental strategies.

Focusing on academic and research perspective, despite the recent and intense development of this growing body of literature and, in particular, the recognition of the essential role played by firms' stakeholders and managers' actions in environmental management decisions [Sharma, Henriques, 2005; Delmas, Toffel, 2008; Montiel et al., 2012], the contributions in the environmental management and industrial marketing literature have mainly focused on the technological and managerial sides of corporate environmentalism: environmental innovations, management and the development of new green products [Pujari et al., 2004; Genç, Di Benedetto, 2015], with a much less emphasis analyzing the market side of corporate environmentalism [Mariadoss et al., 2011; Martín-de Castro et al., 2016].

Nevertheless, in order to strength proactive environmental strategies, jointly with important efforts in developing environmental product, process and managerial innovations, managers should dedicate additional efforts in strengthening a company's environmental friendly market external projections and stakeholders' engagement, putting in value that innovations and commitment, increasing in this way the success of proactive corporate environmentalism through corporate environmental reputation, legitimacy and image, as well as the development of environmental marketing capabilities for both B2B and B2C marketing [Sharma et al., 2010; Czintoka et al., 2014].

In this paper I offer a literature review on corporate environmentalism and how this phenomenon is reconfiguring current business models. Thus, section two offers an introductory vision of driving forces, such as the Circular Economy initiative that pressures and reinforces the implementation of real corporate environmentalism. The next section defines and develops a typology of environmental strategies, from reactive to proactive positions, as the key management tool to change business models towards environmentalism. Section four analyses the characteristics and typology of technological environmental innovations that lead environmental strategies, and the next one offers a look into market positioning organizational capabilities through the development of a positive corporate environmental reputation and legitimacy. Final section includes discussion, conclusion and offers several potential avenues for future research on corporate environmentalism and proactive environmental strategies.

## 2. CORPORATE ENVIRONMENTALISM: CONCEPT AND DRIVERS

In recent years, the concept of Circular Economy is very popular, especially since the publication of the document 'Circular Economy: Closing the Loop' in 2015 by the European Commission, although the term was mentioned in the book of Pearse and Turner in 1989.

Circular Economy is opposite to the traditional production linear model of capitalism, where high volume of energy and raw material were available for production system 'take, make, dispose'. Circular Economy [Cerda, Khalilova, 2016] is regenerative in nature and seeks to maintain products, production factors and materials in their highest levels of use. It is a positive continuous development that preserves and increases the natural capital, optimizing resource performance and minimizing system risks, managing limited resources and renewable flows.

Circular Economy has three mayor principles.

1. Preservation and increasement of the natural capital, controlling limited stocks and balancing renewable resource flows.
2. Optimization of resource performance, by achieving at the highest levels of utilization of products, materials and components.
3. Promotion of system efficiency, minimizing negative externalities of business and economic activities.

Circular Economy is a new economic system that implies several radical changes and challenges for citizens, governments and business actors. Thus, as one of the main driver forces for corporate environmentalism, companies should modify their business models towards greening businesses and sustainable development. In this vein, companies should reconfigure their production systems through the development of proactive environmental innovations, both in products and processes, inside and outside the firm, designing more collaborative relationships with firm's external stakeholders. As Porter and Van der Linde (1995) or Hart (1995) stated, companies assuming high levels of corporate environmentalism could achieve both cost leadership and product differentiation competitive advantage.

Corporate environmentalism is the firm's strategic response to these environmental concerns, describing the company's commitment to the natural environment. It supposes an explicit recognition by the firm of negative externalities derived from the business activities and integrates environmental issues at the core of strategic planning. Henriques and Sadorsky (1999) gave some examples of corporate environmental practices such as having an environmental plan; having writing documents describing it, communicating this plan both to internal and external stakeholders – mainly employees, shareholders, customers, etc.; creating an environmental organizational unit; and creating a team or management committee focused on environmental issues. In summary, they aim to mitigate a firm's impact on the natural environment [Bansal, Roth, 2000].

But, why companies go green? What are the driving forces leading companies to adopt business models of ecological responsiveness? Delmas (2001) remarked that institutional pressures coming from normative and regulatory pressures, jointly with those imposed by stakeholders are the driving forces for

corporate environmentalism, as previously commented Circular Economy. In this vein, one of the seminal and most cited works dealing with this important topic was written by Bansal and Roth (2000). They empirically examined why certain companies 'go green'. In their theoretical proposal, based on existing literature review, they stated legislation, stakeholders' pressures, economic and business opportunities, and ethical motives linked to leadership corporate values, as the main four drivers of corporate environmentalism. Their empirical results obtained from British and Japanese companies showed that competitiveness, legitimation, and social responsibility were the main three driving forces of corporate environmentalism, that are linked to very interesting corporate benefits, such as long-term sustainability, license to operate, employee morale, lower cost, high-profits, larger market side, and so on. Thus, we can appreciate that economic and competitive reasons, jointly with firm survival, are among the main reason for adopting corporate environmentalism, fitting this way with the well-known Porter's hypothesis that states 'green and competitive'.

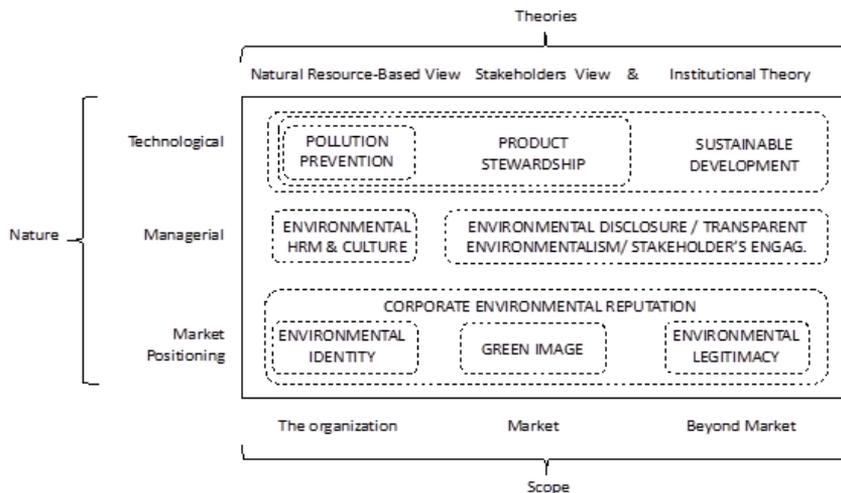
## 3. NEW BUSINESS MODELS AND ENVIRONMENTAL STRATEGIES

In the Management literature, and specially from Strategic Management, a growing body of literature have emerged, mainly framed under the Institutional Theory and the Natural Resource-Based View to understand this new phenomenon. Thus, from an Institutional Theory point of view [Bansal, Roth, 2000], companies are facing environmental challenges and adopting corporate environmentalism postulates and compliance in order to gain and maintain legitimacy in their respective societies. Corporate environmental legitimacy offers to the firm license to operate, social acceptance, long-term vision, and avoids future potential conflicts and penalties with governmental agencies, social actors, and stakeholders in general

Other proposals, from a Resource [Grant, 1991] and Natural Resource-Based Views [Hart, 1995; Aragón-Correa, 1998] have explored the challenges, implications and potential economic and competitive benefits of adopting proactive environmental strategies in gaining and sustaining competitive advantages, by fitting firm's profitability and environmental respect. These new proactive environmental behaviors imply the development of new environmental resources and new ways to develop environmental organizational capabilities and knowledge. Lower operational costs, increased efficiency, larger market size, etc. are some of the potential benefits associated with corporate environmentalism [Porter, Van der Linde, 1995].

Anyway, in order to understand potential cost, risks, benefits and changes associated with corporate environmentalism, we should understand how business models works and its implications for strategy formulation and implementation and organizational capabilities reconfiguration. In that sense, business models are strategic tools popularized since the 2000s in order to understand new business phenomena [Amit, Zott, 2001]. They are stories about how a company works and generate value in the long term. It explains the content, structure and governance of transactions in order to create value exploiting business opportunities, and its main elements are strategies or choices, and their

Fig. 1. New organizational capabilities



Source: own-elaboration.

consequences, both rigid and flexible. This way, a business model connects choices and consequences through the development of virtuous cycles.

As previously commented from both the Institutional Theory [Bansal, Roth, 2000] and the Natural Resource-Based View [Hart, 1995], companies formulating and implementing long-term successful competitive strategies should include natural environment respect and adopt high levels of corporate environmentalism, which implies the design of new business models. In that sense, companies have to formulate and implement proactive environmental strategies based on the development of new organizational capabilities that take into account the natural environment, such as different environmental innovations, new human resources practices and cultural values, and environmental market positioning capabilities that increase its environmental reputation, image and legitimacy. Figure 1 shows the development of new organizational capabilities for corporate environmentalism and new business models, that will be explained in the following sections.

Focusing on corporate environmental commitment and proactivity, and mainly from a strategic management point of view, several proposals have explored this proactivity showing different typologies of environmental strategies, as those made by Roome (1992), Hart (1995), Aragón-Correa (1998) or Henriques and Sadorsky (1999). They show a range of strategic positioning from reactive/compliance positions to proactive/beyond compliance positions. Although much work has been done in this sense, a better understanding of environmental commitment and stra-

tegic positioning towards the environment is needed [Murillo-Luna et al., 2008].

In this way I offer a review of environmental strategies typology, dealing with how companies face environmental concerns determine their degree of proactiveness and commitment. Following Henriques and Sadorsky (1999), the classification of firm's approaches to the natural environment started in the corporate social responsibility literature with the typology proposed by Carroll (1979), and Wartick and Cochran (1985) who differentiated among reactive, defensive, accommodative, and proactive postures.

With the emergence of environmental management literature during the ninetees, additional typologies of environmental strategies and corporate environmental programs, following previous same scheme have emerged,

as table 1 shows.

According to Henriques and Sadorsky (1999), the previous works of Carrol (1979) and Wartick and Cochran (1985) coming from CSR literature, and the two first developed in the new environmental management literature [Hunt, Auster, 1990; Roome, 1992] can be understood under a unified environmental strategy ty+ology.

Aragón-Correa (1998), basing on Hart's (1995) typology and the generic strategies identifies four main environmental strategies: (1) end-of-pipe; (2) pollution prevention; (3) product stewardship; and (4) sustainable development. In a similar vein, Buysee and Verbeke (2003) refer to the classification made by Hart (1995) and offer an alternative classification of environmental strategies falling into three main categories: (1) reactive; (2) pollution prevention; and (3) environmental leadership.

Thus, firstly, a reactive and noncompliance strategic posture can be identified, where a company is cost-constrained and cannot react to changes in environmental laws. These beginners tend to don't face environmental problems, avoiding responsibilities. Secondly, a just compliance posture, as a reactive position towards the natural environment that is driven by law commitment can be identified. As a firefighter [Hunt, Auster, 1990], environmental problems aren't strategic priorities. Thirdly, a compliance-plus strategy, that implies a proactive posture considering the company as a concerned citizen, has top management commitment and the desire of adopting new management systems and policies towards the natural environment. More advanced environmental postures, as commercial and environmental excel-

lence or pragmatist; and leading edge or proactivist, are the most proactive and advanced environmental postures, fully and actively adopting environmental management and policy and being the leaders in the market. Under their development exposed, Henriques and Sadorsky (1999) used the reactive, defensive, accommodative and proactive typology to test the sources of these environmental postures.

Table 1  
A comparison of environmental strategies typology to generic strategic positioning and related issues

Authors	REACTIVE					Environmental Strategies		PROACTIVE
Roome (1992)	No compliance	Compliance	Compliance Plus	Env Excellence	Leading Edgq / Futurist			
Hart (1995)	End-of-Pipe		Pollution Prevention	Product Stewardship	Sustainable Development			
Aragón-Correa (1998)	Defender		Prospector		Entrepreneur			
Henriques and Sharma (1999)	Reactive		Defensive	Accommodative	Proactive			
ENVIRONMENTAL EXTERNALITIES	DON'T MATTER. MINIMIZATION OF ENV. EXTERNALITIES					POSITIVE EXTERN.		

Source: own-elaboration.

In summary, different strategic positioning, from reactive to proactive environmental strategies, imply the modification of company's business models, and consequently, the development of new organizational environmental capabilities. In the next two sections I analyze both environmental innovation and market positioning capabilities that are necessary to implement successful proactive environmental strategies [Aragón-Correa, 1998].

#### 4. ENVIRONMENTAL INNOVATION CAPABILITIES

Business models reconfiguration and the effective development of successfully environmental strategies, and especially significant for proactive ones, imply the development of organizational resources and capabilities of different business functions and areas. One of the most critical ones implies operations and supply chain, which incorporates a direct and explicit commitment of top management in the development of environmental innovations [Hart, Dowell, 2010].

Environmental innovations, also labeled eco-innovations or ecological innovations, pursue a triple aim: economic, social and environmental [Rennings, 2000; González-Benito, González-Benito, 2005], by incorporating ethical contents to company's products, production system, and organizational routines, this way minimizing its negative impacts on the natural environment and society. In order to a better understanding of this phenomenon, is useful to analyze its typology [Aragón-Correa, Sharma, 2003; Wagner, 2005; Rennings et al., 2006; Hart and Dowell, 2010; Amores-Salvadó et al., 2014] based on two main aspects: (1) its degree of environmental and social commitment; and (2) its innovation focus – product, process, management. Figure 2 shows environmental innovation typology. This way, environmental innovation is the key driver of environmental commitment and strategy followed by the firm.

Taking into account process environmental innovations, we can consider both end-of-pipe and cleaner production. They are typical of polluting and very-polluting industries where traditionally social and media pressures are high and exists well-developed environmental regulation and law, and lead to important

costs savings, reinforcing production efficiency and lead cost competitive advantage. End-of-pipe (EoP) implies reactive organizational positions of the company towards the natural environment, focusing on waste and pollution control innovations. Thus, EoP includes external acquisition or internal development of new production technology more respectful with the natural environment, such as filters and artifacts reducing pollution at the end of production system.

Cleaner Production, also named pollution prevention [Hart, 1995; Renning et al., 2006; Wagner, 2009] goes beyond pollution control and implies a firm's proactive environmental posture where the company develops a real process re-engineering with a clear environmental impact reduction, such as reducing the quantity of raw materials and energy or their replacement by others less polluting, or reducing pollution and waste from production process. The development of proactive environmental innovations requires of a reconfiguration of many organizational resources and capabilities, with special significance of environmentally well-trained and highly-skilled human capital, jointly with the promotion of new environmental organizational values and culture.

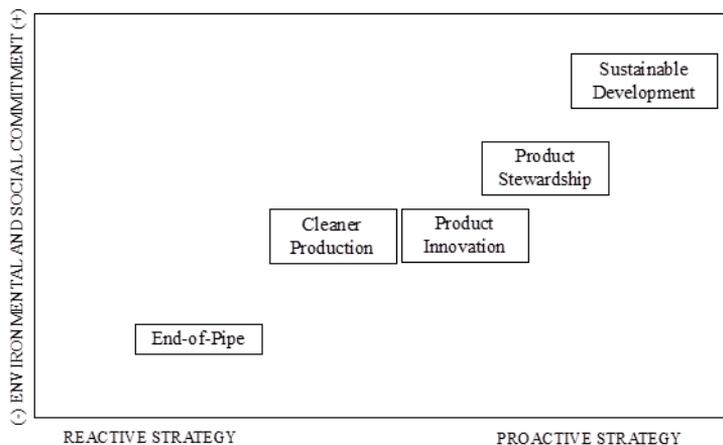
Environmental product innovation, due to its market visibility, promotes product differentiation competitive advantage, by improving firm's reputation, image and legitimacy, giving market visibility to the organizational environmental commitment. It consists in the development of new or modified products which minimize environmental impacts [Rennings et al., 2006].

A step beyond in proactive environmental strategies refers to product stewardship, which fits with the principles of Circular Economy. This type of environmental innovation tries to minimize environmental impacts that a specific good or service produces in its whole life cycle, from its conception and design, through its production and/or delivery, its consumption or use by end consumers, until its recyclability and/or reuse. In that case, environmental responsibility and commitment goes beyond company limits and expand it through all its product life cycle, requiring the engagement of external market stakeholders, such as suppliers, customers and allies.

Finally, sustainable development [Hart, 1995] includes jointly with product and process environmental innovations, social innovations that promotes environmental protection and social development. This type of innovation is complex in nature and requires long time vision and external stakeholders' engagement, especially those beyond market, such as communities, NGOs, the media, governmental agencies and the like. As Hart (1995) remarked, the development of this type of capability is especially relevant for companies operating and/or producing in countries of the 'South' or developing ones.

Although new sustainable business models require of proactive environmental strategies mainly based on environmental innovations, managers should put in value corporate environmentalism and disseminate and communicate it to external market and beyond de market stakeholders through the development of complimentary environmental marketing capabilities. Only if those innovation and management efforts are put in value and conveniently communicated in the market the company could profit of them, as Porter and Van der Linde (1995) remarked with the well-known idea 'green and competitive'.

Fig. 2. Environmental innovation typology



Source: own-elaboration.

## 5. ENVIRONMENTAL MARKET POSITIONING CAPABILITIES

The effective development of strong environmental marketing capabilities complements environmental innovation efforts and reinforces virtuous cycles of new sustainable business models. Consumers and society in general have increased their awareness of environmental sustainability phenomenon, which happens in parallel with the rise of corporate social responsibility issues, as well as a growing concern on firm's public relations and image (Clark, 2000; Clarke and Gibson-Sweet, 1999), this way signaling the relevance of a firm's strategy and business activities in relation to environmental respect (Warren, 1999), and its public judge made by external stakeholders, both from the market, such as shareholders, customers, suppliers, allies, etc.; and beyond the market, such as NGOs, governments, the media, society in general, etc., where firm's reputation, image and legitimacy are key organizational capabilities for firm survival and long-term profitability.

Thus, in order to strength proactive environmental strategies and new coherent business models, jointly with important efforts in developing environmental innovations, actions and improvements, firms should dedicate additional efforts to strengthening their environmentally friendly market and not market external projections, increasing in this way the success of proactive environmental strategies. By shifting Barnett and Salomon's (2012) words from social to environmental issues, whether it pays to be good depends upon how well companies are able to capitalize on their environmental responsibility efforts. As Schaltegger and Hörisch (2017) state, jointly with the dominant rational in sustainability management of profit-seeking, companies should address the legitimacy and reputational logics.

In this arena, market positioning capabilities play a key role in achieving and sustaining successful corporate environmentalism. They are strongly related to the concept of corporate environmental strategy, which emerge, and it is developed on other related organizational factors as green corporate image, environmental legitimacy and green marketing actions (Martín-de Castro, Amores-Salvadó, Navas-López and Balarezo, 2019). Figure 3 shows these interrelationships

In order to create and reinforce a good green corporate image, deliberate marketing actions dealing with market stakeholders are effective tools [Ko et al., 2013; Dangelico, Vocalelli, 2017]. Green advertising are marketing activities that promotes the company's and product's environmental attributes. Jointly with these marketing actions, and especially for polluting industrial settings, a well-designed and effective environmental communication programs increase the congruence between a firm's external projection and its external actions [Russo, Fouts, 1997; Chun, 2005; Walker, Wan, 2012], which enhances firm's corporate image, legitimacy and reputation [Saha, Darton, 2005; Shin, Ki, 2019].

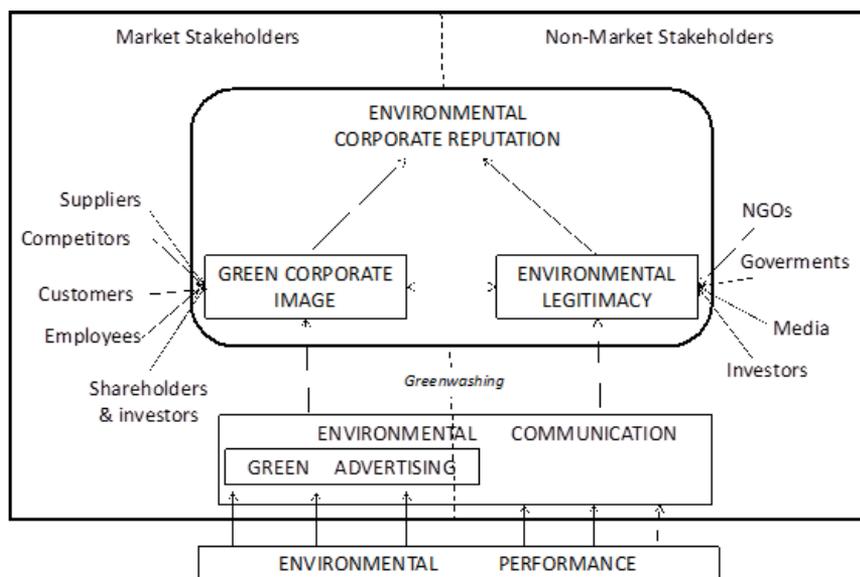
Nevertheless, at this point, and as figure 3 shows, it is important to manage and control

the role of the environmental communication in the development of corporate environmental reputation, image and legitimacy. I refer to the connection and sometimes overlapping relation between environmental communication, green advertising, and the confusion between business and social dimensions that occur in the phenomenon of 'greenwashing'. Waeraas and Ihlen (2009) indicate that manipulative legitimacy implies that firms actively and deliberately influences perceptions of itself by marketing, advertising, eco-certifications, or other method in what they call "green legitimacy as manipulation". Effectively, stakeholders' pressures jointly with the impossibility of direct measurement of environmental performance lead firms to environmental conformity and signalling through an intensive use of green advertising, [Delmas, Grant, 2014] and environmental communication [Bansal, Roth, 2004], as environmental isoformism [Philippe, Durand, 2011], and many times, falling into greenwashing strategies [Delmas, Burbano, 2011].

Therefore, greenwashing can be understood as the deliberate selective disclosure for positive information without full disclosure of negative information in order to create a positive green image and environmental legitimacy [Delmas, Burbano, 2011]. By using "green narratives" as plots and effective symbolic representations in which a company structures environmental issues to communicate them, firms put attention in certain environmental facts, hiding others.

Taking into account the fit between the company and stakeholders beyond the market, environmental legitimacy emerges as a key piece of market and society positioning organizational capability. It can be defined as the generalized perception or assumption that a firm's corporate environmental performance is desirable, proper, or appropriate, reflecting the extent to which a company's environmental performance is recognized and socially acceptable [Bansal, Clelland, 2004]. Since stakeholders, and especially non-market ones, such as NGOs, governmental agencies, the media or society in general, cannot directly assess the firm's environmental performance, environmental legitimacy

Fig. 3. Corporate environmental reputation and related issues



Source: [Martín-de Castro et al., 2019].

can help to prove its environmental achievements to these stakeholders.

All in all, as figure 3 shows, corporate environmental reputation has two main dimensions [Martín-de Castro et al., 2006], one of them built into market stakeholders' relationships and based on a good green corporate image and effective green marketing actions. The other one, mainly built with stakeholders beyond the market, implies the social acceptance of company's activities and it is based on a good environmental legitimacy. Thus, corporate environmental reputation, as the key market positioning environmental capability, can be understood as the co-joint perceptual representations of two main types of stakeholders, both market and non-market ones, about a firm's environmental past and current actions and performance, future prospects, and the ability to create shared sustainable value for both market and non-market stakeholders compared with its rivals [Martín-de Castro et al., 2019].

## 6. CONCLUSIONS AND FUTURE RESEARCH

This work develops a review of corporate environmentalism from a Management and Strategy point of view, addressing several important topics, such as its drivers, new strategy typology, and the development of new market positioning and innovation capabilities necessary to carry out new sustainable business models.

Companies adopt corporate environmentalism in order to face and manage different pressures coming from different stakeholders. Thus, normative and low pressures, such as the Circular Economy promoted by the European Union in 2015, jointly with stakeholders' pressures coming from customers, competitors, NGOs, Governments and investors act as main driving forces for organizational change [Delmas, 2001]. This idea fits with both Stakeholders View and the Institutional Theory [Bansal, Roth, 2000; Bansal, 2005]. Additionally, an important research stream – the Natural Resource-Based View – has signaled that corporate environmentalism also implies new business opportunities and the only way to guarantee long-term firm survival and superior firm performance [Aragón-Correa, Sharma, 2003; Hart, Dowell, 2010].

Nevertheless, corporate environmentalism implies the modification of company's mission and vision, its strategy and its business model. In that sense, a review of different typologies of environmental strategies sheds some light about their implications for the company as a whole [Aragón-Correa, 1998; Amores-Salvado et al., 2014], from reactive to proactive environmental strategies.

The formulation and effective implementation of environmental strategies implies the development of new organizational capabilities that are represented in figure 1, showing its different nature – technological, managerial and marketing, – as well as their scope – internal and external to the firm, both in the market and beyond the market. What means that in one side, high level of environmental commitment or proactive environmental strategies require of new cultural values, significant investment in human resource training and environmental technological capabilities, and the development of a strong market positioning capabilities that reinforces firm's environmental legitimacy and reputation.

On the other side, reactive environmental strategies such as pollution control usually needs of externally acquired polluting control technology and minimal organizational changes. Nevertheless, our proposal, from a strategic point of view and following the seminal contributions made by Hart (1995) and Porter and Van der Linde (1995), is that only high levels of corporate environmentalism through the effective development of proactive environmental strategies guarantee long-term firm's survival, sustainable competitive advantages – both in cost leadership and product differentiation – and superior firm performance. In that sense, literature review based on an extensive empirical research [Albertini, 2013] corroborates the well-known Porter's hypothesis "Does it pay to be green?".

Our proposal also remarks, following the Natural Resource-Based View [Hart, 1995; Martín-de Castro et al., 2016] postulates, the necessary complementary character of organizational resources and capabilities in developing effective proactive environmental strategies and achieving superior firm performance. Thus, implications for managers imply that if they want to carry out successful environmental strategies, they have to develop in parallel diverse organizational capabilities coming from different business areas, such as having an environmentally highly-skilled and well trained human capital, the dissemination of green cultural values and corporate environmentalism around all the company, which implies important efforts in transparent management and environmental disclosure, the effective development of advance environmental strategies which supposes a new strategy of stakeholders' engagement, and finally, putting in value in the market all these efforts and investments through the development of different marketing strategies such as green marketing and environmental communication in order to build and reinforce a good corporate environmental reputation and legitimacy.

As future avenues of research on corporate environmentalism I would like to remark some interesting issues. Firstly, I would like to make a call for new proposals and studies that analyze the market side of corporate environmentalism because of successful environmental business models and value proposals require of a fit between what company's product offers and what consumers want. Research stream developed by Professor Magali Delmas from the Institute of Environment and Sustainability, University of California Los Angeles (USA) shows that there is a gap and a misunderstanding of what 'convenient environmental consumers' need and want, which explains many cases of corporate environmentalism failures.

Secondly, further empirical evidence is needed in order to explore under what institutional, market and business circumstances is more profitable being green. From the Strategy literature tradition, strategy-as-practice (SAP) can help in this task, discovering what type of business activities, industries, organizational or market circumstance have a role in the development of successful environmental strategies. In this same line, a clear identification and definition of specific environmental and social practices can help in the delimitation and quantification of environmental performance and its effects for the firm.

Finally, in order to test in a statistically robust way, the causes, nature and implications of corporate environmentalism, researchers should manage well-designed longitudinal samples coming from diverse economic and business realities. Due to the fact that

corporate environmentalism postulates imply long-term vision and effects, this is the only way to determine long-term effects of this business policies. In that sense, we hopefully recently account with reliable, international panel databases very useful for independent research that will shed light on this research topic. Additionally, and jointly with these structured and longitudinal studies, new statistical exploratory techniques that combine qualitative and quantitative research, such as qualitative comparative analysis [Fiss, 2011; Martín-de Castro, 2014], would shed new and rich evidence that allows the advancement in this new and very promising Management and Strategy area of study.

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