

Author's Accepted Manuscript

Environmental Management Practices and Firm Financial Performance: The Moderating Effect of Industry Pollution-Related Factors

Marilyn T. Lucas, Thomas G. Noordewier



www.elsevier.com/locate/ijpe

PII: S0925-5273(16)00039-6
DOI: <http://dx.doi.org/10.1016/j.ijpe.2016.02.003>
Reference: PROECO6340

To appear in: *Intern. Journal of Production Economics*

Received date: 24 July 2015
Revised date: 15 January 2016
Accepted date: 5 February 2016

Cite this article as: Marilyn T. Lucas and Thomas G. Noordewier, Environmental Management Practices and Firm Financial Performance: The Moderating Effect of Industry Pollution-Related Factors, *Intern. Journal of Production Economics* <http://dx.doi.org/10.1016/j.ijpe.2016.02.003>

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and a review of the resulting galley proof before it is published in its final citable form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain

Environmental Management Practices and Firm Financial Performance: The Moderating Effect of Industry Pollution-Related Factors

Marilyn T. Lucas, Ph.D.

School of Business Administration - University of Vermont

202 Kalkin Hall, 55 Colchester Avenue

Burlington, VT 05405-0157

Tel: (802) 656-8276 - Fax: (802) 656-8279

E-mail: mlucas@bsad.uvm.edu

Thomas G. Noordewier, Ph.D.

School of Business Administration - University of Vermont

204 Kalkin Hall, 55 Colchester Avenue

Burlington, VT 05405-0157

Tel: (802) 656-0496 - Fax: (802) 656-8279

E-mail: tom.noordewier@uvm.edu

Abstract

Is the relationship between a firm's environmental management practices (EMPs) and its financial performance (FP) dependent on industry pollution-related ("context") characteristics? If so, how? Drawing upon Scott's (2004) "dualist" theory of organizations, we propose and test a model that examines the effect of EMPs on firm financial performance both within- and between-industry contexts. In essence, instead of asking "does it pay to be green?" we inquire "what are the circumstances under which it might pay to be green?" Data used to test the hypothesis that industry context matters to the EMP-FP relationship consist of 941 publicly-traded manufacturing U.S. firms, spanning 52 four-digit NAICS codes. The cross-sectional data set includes environmental ratings of firms assigned by Kinder, Lydenberg, Domini Research and Analytics' (KLD), firm-level financial data from Standard & Poor's COMPUSTAT database, and industry-level information from the U.S. Census Bureau and the Environmental Protection Agency. Industry "context" is operationalized using measures of industry dirtiness and industry proactiveness. To investigate the influence of both firm- and industry-level variables on firm-level financial performance, we specify a hierarchical (i.e., multilevel) model to test our hypothesis. Among the results, we find that within dirty and non-proactive industries there is a positive marginal effect on firm performance as a result of engaging in EMPs. Moreover, the effect on

Download English Version:

<https://daneshyari.com/en/article/5079399>

Download Persian Version:

<https://daneshyari.com/article/5079399>

[Daneshyari.com](https://daneshyari.com)