



Contents lists available at ScienceDirect

Journal of World Business

journal homepage: www.elsevier.com/locate/jwb

Culture's effects on corporate sustainability practices: A multi-domain and multi-level view

Christof Miska*, Ilona Szócs, Michael Schiffinger

WU Vienna University of Economics and Business, Austria

ARTICLE INFO

Keywords:

Corporate sustainability practices
Cultural practices
GLOBE
Institutional theory
Multiple levels of analysis

ABSTRACT

With a triple-bottom-line lens on sustainability, this study examines the effects of culture on companies' economic, social, and environmental sustainability practices. Drawing on institutional theory and project GLOBE, we delineate cultural practices dimensions that consistently predict sustainability practices related to each of the three domains. Based on a sample of 1924 companies in 36 countries and nine cultural clusters, we find that future orientation, gender egalitarianism, uncertainty avoidance, and power distance practices positively, and performance orientation practices negatively, predict corporate sustainability practices. Further, our findings suggest that these effects might vary according to the country vis-à-vis cluster level of analysis.

1. Introduction

What role does culture play in determining corporate sustainability practices? A growing number of scholars are examining its influence on sustainability and related concepts such as corporate social responsibility (CSR) (Waldman et al., 2006) and firms' CSR commitment (Peng, Dashdeleg, & Chih, 2014), as well as corporate social (Ho, Wang, & Vitell, 2012) and environmental (Husted, 2005) performance. However, research in this area is fraught with two important challenges, limiting a comprehensive theoretical understanding of how cultural characteristics may influence sustainability.

First, the multi-domain and complex character of the sustainability concept (e.g., Dyllick & Hockerts, 2002; Hahn, Pinkse, Preuss, & Figge, 2015; Van Marrewijk & Werre, 2003; Whiteman, Walker, & Perego, 2013) has led to varying assumptions about the very nature of sustainability. While in the past trade-offs between the economic, social, and environmental domains of sustainability were a dominant theme (Hahn, Figge, Pinkse, & Preuss, 2010), more recent scholarship acknowledges the interdependence of these three areas, often subsumed under the triple-bottom-line (TBL) framework (Elkington, 1997). Moreover, there is increasing attention to external social, political, and economic influences (Hahn et al., 2015; Orlitzky & Erakovic, 2012) that make these interrelationships dynamic. Consequently, scholars have emphasized an integrative perspective (Gao & Bansal, 2013) on economic, social, and environmental aspects of sustainability with regard to managers' and firms' embeddedness in a wider systemic context.

Second, the notion of culture is equally complex and can have

various types of effects on sustainability (Caprar & Neville, 2012), depending on the conceptualization of the interlinkages between formal institutions such as political, judicial, and economic rules and regulations, and informal institutions such as culture (North, 1990). However, with respect to sustainability, research has mostly focused on formal institutions, with less attention paid to informal institutional influences like culture (Peng et al., 2014). Even though culture has been acknowledged as a significant contextual stimulus (Caprar & Neville, 2012; Witt & Stahl, 2016), little is known about its role in shaping corporate sustainability practices. Aguinis and Glavas (2012) consider the linkages between institutional-level predictors like culture and sustainability-related outcomes as a 'black box', and Ralston et al. (2015, p. 168) contend that "we still have much to learn to fully understand the dynamics of the triple-bottom-line of CR [corporate responsibility] across cultures". In addition, the role of culture can be interpreted differently according to country boundaries and groups of multiple countries (Peterson & Søndergaard, 2014). In particular, increasing evidence suggests that a sole focus on country as the predominant level of analysis for culture might not be fully appropriate (Caprar, Devinney, Kirkman, & Caligiuri, 2015).

In the light of these two issues, we aim to address the gap of how culture influences companies' sustainability practices. In what follows, we review the extant literature on the interlinkages between different cultural facets and various conceptualizations of sustainability. We then draw on institutional theory and project GLOBE (House, Hanges, Javidan, Dorfman, & Gupta, 2004) to delineate cultural practices dimensions that can consistently predict economic, social, and

* Corresponding author at: WU Vienna University of Economics and Business, Department of Global Business and Trade, Institute for International Business, Building D1, Welthandelsplatz 1, 1020 Vienna, Austria.

E-mail addresses: christof.miska@wu.ac.at (C. Miska), ilona.szoecs@wu.ac.at (I. Szócs), michael.schiffinger@wu.ac.at (M. Schiffinger).

<https://doi.org/10.1016/j.jwb.2017.12.001>

Received 14 October 2016; Received in revised form 1 September 2017; Accepted 4 December 2017

1090-9516/© 2017 The Authors. Published by Elsevier Inc. This is an open access article under the CC BY license (<http://creativecommons.org/licenses/by/4.0/>).

Table 1
Overview of studies testing culture's effects on sustainability.

Author(s), journal	Culture framework	Theoretical basis and foundations	Sustainability-related conceptualization (DV)	Findings related to culture
Alas (2006), JBE	GLOBE (practices and values)	Ethical theory	Ethical values (e.g., standard of living, solidarity, social equality)	<ul style="list-style-type: none"> ● ASV – (practices), + (values) ● FUT – (practices), + (values) ● GEN – (practices), + (values) ● HOR + ● ING – ● ISC – ● POR + ● POW + ● UNA – (practices), + (values)
Arnold et al. (2007), JBE	Hofstede		Judgements of ethics scenarios (e.g., stakeholder accountability, integrity)	<ul style="list-style-type: none"> ● IDV – ● MAS +/– ● POW +/– ● UNA +/– ● IDV + ● POW –
Beekun et al. (2008), JBE	Hofstede	Ethical theories (justice, utilitarianism, relativism, egoism)	Judgements of ethics scenarios (degree of unethicity)	<ul style="list-style-type: none"> ● IDV + ● POW –
Cai et al. (2016), JCF	Hofstede Schwartz		Corporate social performance (environmental, social, governance)	<p>Hofstede:</p> <ul style="list-style-type: none"> ● POW – and – non-sig. <p>Schwartz:</p> <ul style="list-style-type: none"> ● Harmony + ● Egalitarianism + and + non-sig. ● Intellectual autonomy + ● Affective autonomy + ● IDV +/– non-sig. ● IND – and – non-sig. ● MAS – ● POW – ● PRA + ● UNA + ● IDV + and +/– non-sig. ● MAS +/– non-sig. ● POW + and +/– non-sig. ● UNA + non-sig. ● IDV + and +/– non-sig. ● MAS +/– non-sig. ● POW +/– and +/– non-sig. ● UNA – and +/– non-sig.
Gallego-Álvarez and Ortas (2017), IBR	Hofstede	Stakeholder theory	Corporate environmental sustainability reporting	<ul style="list-style-type: none"> ● IDV – ● MAS + ● POW + ● UNA + ● IDV + and +/– non-sig. ● MAS +/– non-sig. ● POW + and +/– non-sig. ● UNA + non-sig. ● IDV + and +/– non-sig. ● MAS +/– non-sig. ● POW +/– and +/– non-sig. ● UNA – and +/– non-sig.
Hartmann and Uhlenbruck (2015), JWB	Hofstede	Varieties of capitalism	Corporate environmental performance (emission reeducation, product innovation, resource reeducation)	<ul style="list-style-type: none"> ● IDV – ● MAS + ● POW + ● UNA + ● IDV + ● MAS – ● POW – ● UNA + non-sig. ● IDV + and + non-sig. ● POW + ● ASV – ● FUT + ● HOR + ● ISC + ● POR – ● UNA – non-sig. ● IDV + and +/– non-sig. ● MAS – ● POW +/– ● UNA + non-sig.
Haxhi and van Ees (2010), JIBS	Hofstede	Institutional theory	Diffusion of codes of good governance (issuance and identity of issuers)	<ul style="list-style-type: none"> ● IDV + and +/– non-sig. ● MAS +/– non-sig. ● POW +/– and +/– non-sig. ● UNA – and +/– non-sig.
Ho et al. (2012), JBE	Hofstede		Corporate social performance (environmental, strategic governance, labor relations, stakeholder management)	<ul style="list-style-type: none"> ● IDV – ● MAS + ● POW + ● UNA + ● IDV + ● MAS – ● POW – ● UNA + non-sig. ● IDV + and + non-sig. ● POW + ● ASV – ● FUT + ● HOR + ● ISC + ● POR – ● UNA – non-sig. ● IDV + and +/– non-sig. ● MAS – ● POW +/– ● UNA + non-sig.
Husted (2005), MIR	Hofstede		Environmental sustainability	<ul style="list-style-type: none"> ● IDV + ● MAS – ● POW – ● UNA + non-sig. ● IDV + and + non-sig. ● POW + ● ASV – ● FUT + ● HOR + ● ISC + ● POR – ● UNA – non-sig. ● IDV + and +/– non-sig. ● MAS – ● POW +/– ● UNA + non-sig.
Ioannou and Serafeim (2012), JIBS	Hofstede	National business systems institutional framework	Corporate social performance (environmental and social)	<ul style="list-style-type: none"> ● IDV + and + non-sig. ● POW + ● ASV – ● FUT + ● HOR + ● ISC + ● POR – ● UNA – non-sig. ● IDV + and +/– non-sig. ● MAS – ● POW +/– ● UNA + non-sig.
Parboteeah et al. (2012), JBE	GLOBE (practices)		Propensity to support sustainability initiatives	<ul style="list-style-type: none"> ● ASV – ● FUT + ● HOR + ● ISC + ● POR – ● UNA – non-sig. ● IDV + and +/– non-sig. ● MAS – ● POW +/– ● UNA + non-sig.
Park et al. (2007), JEF	Hofstede		Environmental sustainability	<ul style="list-style-type: none"> ● IDV + and +/– non-sig. ● MAS – ● POW +/– ● UNA + non-sig. ● IDV + ● MAS – ● POW – ● UNA +
Peng et al. (2014), JMM	Hofstede	Institution-based view (informal institutions)	Firm's CSR commitment (sustainability)	<ul style="list-style-type: none"> ● IDV + ● MAS – ● POW – ● UNA +
Ringov and Zollo (2007), CG	Hofstede GLOBE (values)		Corporate social and environmental performance	<p>Hofstede:</p> <ul style="list-style-type: none"> ● IDV +/– non-sig. ● MAS – ● POW – ● UNA + non-sig. <p>GLOBE:</p> <ul style="list-style-type: none"> ● GEN + ● ING – non-sig. ● POW – ● UNA + non-sig.

(continued on next page)

Download English Version:

<https://daneshyari.com/en/article/7413368>

Download Persian Version:

<https://daneshyari.com/article/7413368>

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