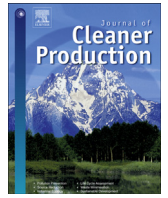




Contents lists available at ScienceDirect

## Journal of Cleaner Production

journal homepage: [www.elsevier.com/locate/jclepro](http://www.elsevier.com/locate/jclepro)

# A comprehensive literature review on, and the construction of a framework for, environmental legitimacy, accountability and proactivity

Bakhtiar Alrazi <sup>a</sup>, Charl de Villiers <sup>b, c, \*</sup>, Chris J. van Staden <sup>b</sup>

<sup>a</sup> Department of Accounting, College of Business Management and Accounting, Universiti Tenaga Nasional, 26700 Muadzam Shah, Pahang, Malaysia

<sup>b</sup> Department of Accounting, Auckland University of Technology, 55 Wellesley Street East, Auckland, New Zealand

<sup>c</sup> University of Pretoria, South Africa

## ARTICLE INFO

## Article history:

Received 17 July 2014

Received in revised form

22 March 2015

Accepted 6 May 2015

Available online xxx

## Keywords:

Environmental performance

Accountability

Legitimacy

Sustainability

Environmental legitimacy, accountability, and proactivity

ELAP framework

## ABSTRACT

This paper identifies three conceptually distinct, but interrelated concepts regarding corporate environmental behaviour from the literature – environmental legitimacy, environmental accountability, and environmental proactivity – and shows how they can be integrated into a single framework. This is done in a context where prior studies in the literature do not relate these concepts to each other or place the concepts within a meaningful context, nor integrate them into a single framework. The framework demonstrates an organisational journey towards achieving legitimacy in environmental endeavours. Environmental legitimacy is conditional upon the public evaluation of corporate environmental performance and environmental reporting (environmental accountability), which in turn, requires organisations to invest in environmental management and accounting systems and stakeholder engagement (environmental proactivity). The paper identifies company, stakeholder and other characteristics that influence the constructs in the framework and also propose a research agenda based on this framework. Environmental performance constitutes the central concept in the framework, acknowledging that improved environmental performance promotes the ultimate goal of sustainability. The framework suggests that the judicious management of environmental performance and reporting, the two components of environmental accountability, results in environmental legitimacy. Furthermore, environmental accountability can be enhanced by environmental proactivity, a concept comprising environmental management and environmental accounting, as well as stakeholder engagement. This synthesis of the factors that influence and contribute to environmental performance is the framework's main contribution.

© 2015 Elsevier Ltd. All rights reserved.

## 1. Introduction

Interest in environmental issues is widespread with climate change, global warming, ozone depletion, deforestation, species extinction, oil spills, overfishing, and other environmental concerns receiving significant media attention. Environmental treaties, including the Kyoto Protocol, the Convention on Biological Diversity, and the Montreal Protocol, demonstrate a commitment by leaders around the globe to mitigate environmental problems. The

United Nations (UN) also organises annual climate change conferences. Business organisations' activities are heavily implicated in these environmental issues. With greater awareness, the general public is now demanding greater corporate environmental responsibility. In response to these calls, many businesses have begun to incorporate environmental considerations into their operations, as evidenced by the increasing trends in global ISO 14001 certification (To and Lee, 2014) and organisations publishing corporate responsibility, including environmental information (KPMG, 2013).<sup>1</sup>

\* Corresponding author. Department of Accounting, Auckland University of Technology, 55 Wellesley Street East, Auckland, New Zealand.

E-mail addresses: [Bakhtiar@uniten.edu.my](mailto:Bakhtiar@uniten.edu.my) (B. Alrazi), [cdev@aut.ac.nz](mailto:cdev@aut.ac.nz) (C. de Villiers), [chris.vanstaden@aut.ac.nz](mailto:chris.vanstaden@aut.ac.nz) (C.J. van Staden).

<sup>1</sup> According to To and Lee (2014), as of 2009, there were a total of 223,149 ISO 14001 certificates issued worldwide (1996: 1491).

In the light of these developments, an extensive body of literature deals with corporate environmental behaviour and performance (Schaltegger et al., 2013). A comprehensive review of the literature, including articles and books that take a broader overview approach (e.g., Burritt and Schaltegger, 2010), reveal the use of similar terminology in slightly different ways. Three of the major concepts that relate to performance that emerge from this literature review are environmental legitimacy (Deegan, 2002), environmental accountability (Gray et al., 1996) and environmental proactivity (González-Benito and González-Benito, 2006). Even though these concepts are ubiquitous, no prior study relates these concepts to each other in a systematic way.

This synthesis of the literature delineates these three important concepts of corporate environmental performance and behaviour, explains the causal links between the concepts and depicts the concepts and causal links diagrammatically in a framework. This is labelled the Environmental Legitimacy, Accountability, and Proactivity (ELAP) framework in this article and also includes the characteristics that influence corporate environmental behaviour.

Gray et al. (1996) define accountability as entailing two essential aspects, namely doing the right thing (performance), and giving an account of it (reporting). Therefore, environmental performance and environmental reporting constitute environmental accountability in the ELAP framework. Environmental performance is the most important central concept in the framework. Improvements in environmental performance will, after all, lead to the ultimate goal, namely sustainability. However, without reporting on environmental performance, stakeholders may not be aware of the performance achieved. Environmental performance and reporting therefore influence the level of stakeholder satisfaction and thus the environmental legitimacy of the organisation (Massa et al., 2015; Samkin, 2012). An organisation's level of environmental proactivity consists of its environmental management system, environmental accounting, and its process of stakeholder engagement (González-Benito and González-Benito, 2006). These aspects will influence an organisation's environmental performance and reporting. This forms the basis of the ELAP framework and is depicted in Fig. 1.

The ELAP framework serves several purposes. By mapping the influences on environmental performance, it assists managers and other interested parties to better understand, evaluate, and analyse corporate environmental behaviour. In addition, clarifying conceptual differences (in this study, the three concepts in ELAP) and identifying causal links are important tasks in developing a meaningful theory (Deephouse and Carter, 2005). Therefore, this framework provides a basis for future researchers to develop expectations and to identify possible gaps in the literature. Additionally, an improved understanding of the interrelationships

between these concepts will ensure a more holistic approach in assessing corporate environmental behaviour. Finally, the framework considers literature from multidisciplinary fields, which in itself will benefit the understanding of the social and environmental accounting literature (Parker, 2005).

The remainder of the paper is structured as follows. Section 2 focusses on explaining the concepts. An understanding of the definition and scope of each concept is fundamental to the development of links between the concepts, and thus, the ELAP framework. In section 3, the links between the concepts are described and the framework is presented in diagrammatic form. Section 4 discusses the characteristics that influence legitimacy, accountability, and proactivity. Section 5 briefly describes the impact of the framework on financial performance and stakeholder pressure, followed by the conclusion and proposals for future research in Section 6.

## 2. An overview of environmental legitimacy, accountability, and proactivity

This section describes the main concepts in the framework starting with legitimacy.

### 2.1. Legitimacy and environmental legitimacy

Legitimacy, as defined by Suchman (1995, p. 574), is “a generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially construction system of norms, values, beliefs, and definitions”. Expanding Suchman's (1995) definition of legitimacy into the environmental arena, Bansal and Clelland (2004, p. 94) define environmental legitimacy as “the generalised perception or assumption that a firm's environmental performance is desirable, proper, or appropriate”. Bansal and Clelland (2004) also contend that an organisation secures legitimacy when its environmental performance conforms to stakeholders' expectations. Legitimacy is a complex concept. On the one hand, it is generally accepted that organisations have social responsibility towards society. On the other hand, legitimacy is temporally and culturally defined (Deegan, 2002; Sethi, 1975, 1979), thus creating an immense challenge for organisations to secure legitimacy.

The need for legitimacy arises because organisations operate in society via a social contract (Shocker and Sethi, 1973). They are an integral part of a society and their existence, continuity and growth, to a large degree, rely on the continuous support of society (Sethi, 1975, 1978, 1979; Shocker and Sethi, 1973). The conditions of the social contract include granting of legal standing to organisations and offering support to an organisation by supplying resources and

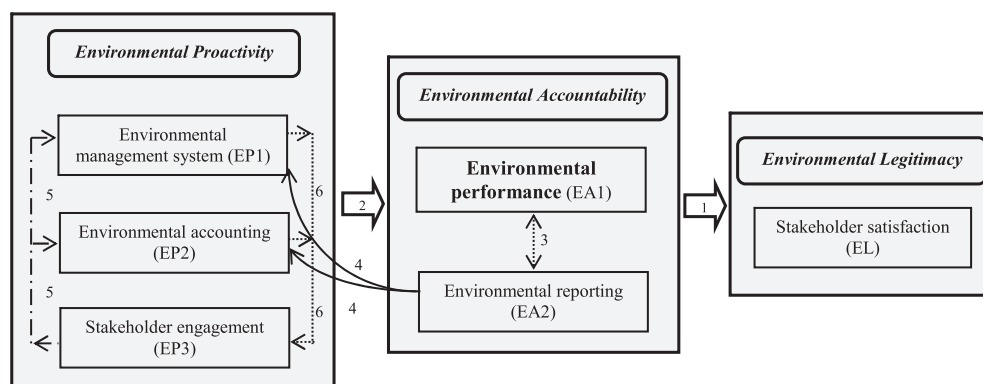


Fig. 1. Framework for environmental legitimacy, accountability, and proactivity (ELAP).

Download English Version:

<https://daneshyari.com/en/article/8103754>

Download Persian Version:

<https://daneshyari.com/article/8103754>

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