Impact of Entrepreneur’s Environmental Attitudes on Corporate Environmental Responsibility

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ABSTRACT

The impact of personal characteristics, beliefs, values and attitudes of the entrepreneur on firm’s culture and business practices, is substantive. These aspects of the founder coupled with the institutional environment of the firm, affect the investment, efforts and involvement of the firm in a multitude of activities. With regard to activities that impact the natural environment, this paper argues that the environmental attitudes of entrepreneurs have a strong influence on the corporate environmental responsibility (CER) of the firm that are in turn moderated by the need for legitimacy by new entrepreneurial firms. The role of imprinting is examined to understand how founders’ attitudes impact their firm’s CER activities. A further contribution is the creation of a taxonomy of sub-categories of CER activities that illustrate the level of engagement of the firm.

KEYWORDS

Corporate Environmental Responsibility, Corporate Social Responsibility, CSR, Entrepreneurship, Environmental Attitudes, Imprinting, Institutional Theory, Legitimacy, Natural Environment
INTRODUCTION

The values, beliefs, leadership qualities, personal characteristics, and attitudes of entrepreneurs have a significant effect on the growth of their ventures (Markman, Baron and Balkin, 2005; Cross and Travaglione, 2003; Renko, Tarabishy, Carsrud and Brännback, 2015). Entrepreneurs have significant roles to play in the creation and evolution of their firms as founders. More often than not, it is the entrepreneurs’ ideas and beliefs working in tandem with the available resources and relationships at the time of the firms’ founding, that contribute to the processes, structure, culture and overall characteristics of the firm through imprinting (Johnson, 2007; Marquis and Tilcsik, 2013). In extant literature on imprinting, most research looks at the external environment at the time of founding; however, it is noteworthy that imprinting is not restricted to only the external environment. It also includes the people involved in the founding process, because it is they who make strategic choices at the time of formation, which are then reflected in the organization for years to come (Beckman and Burton, 2008). This is especially true of entrepreneurs who may influence not just their own organizations but also the organizational landscape (Marquis and Tilcsik, 2013).

Within their own firms, the crucial role of imprinting by the founding entrepreneur could influence the firm’s strategies or behaviors at all levels for the foreseeable future (Johnson, 2007). Thus, all the different endeavors of the firm, including its CER activities would be a reflection of this imprinting at the time of founding.

The role of individuals in Corporate Environmental Responsibility (CER) related activities and decisions has been explored from the standpoint of CEOs and board compositions (Post, Rahman and McQuillen, 2015; Christensen, Mackey and Whetten, 2014). However, less is known about entrepreneurs’ approaches to CER. Extant research does shows that entrepreneurs are concerned about sustainability practices in general (Wilson, 1980); however, whether these concerns extend to Corporate Environmental Responsibility (CER) of their firm needs to be examined further. Following these gaps in the literature and calls for more research into the underexplored topic of imprinting (Marquis and Tilcsik, 2013), the aim of this paper will be to answer the research question: What is the relationship between environmental attitudes of the founder and the Corporate Environmental Responsibility (CER) behaviors the start-up firm engages in? Additionally, does legitimacy play a role in dictating the type of CER activities the firm engages in?
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