



Corporate environmental sustainability reporting in the context of national cultures: A quantile regression approach



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ABSTRACT

This work, based on previous evidence within international business management research, aims to test the influence of communities' culture features on corporate environmental sustainability reporting (CESR) practices. To overcome some limitations of conventional statistical approaches applied by previous research, a quantile regression (QR) model is implemented which allows setting a framework to test the working hypotheses in different scenarios that cover divergent firms' commitment levels to stakeholder engagement and CESR practices development. Our central results addresses that different national culture dimensions present a non-monotonic influence on CESR practices. This result, which is analyzed through the Stakeholder Theory proposals, can be explained because corporate sustainability behaviors are highly sensitive to stakeholders' pressures and demands which are ultimately conditioned by the cultural environment. Some interesting recommendations for companies' strategic management and governmental policy-making processes are reported.

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1. Introduction

Corporate environmental sustainability reporting (CESR) has become a widespread managerial practice across companies worldwide as a response of the growing pressure exerted by the stakeholders (Berthelot, Cormier, & Magnan, 2003). Basically, stakeholders require that organizations behave in an environmentally-friendly way (Cerin, 2002; Moneva & Ortas, 2010) to allow humanity staying within the planetary boundaries (Heede, 2014). Under this scenario, companies have gradually broadened the scope and the level of their environmental information as a value-added tool (Gamble, Hsu, Kite, & Radtke, 1995). As a result of this phenomenon, many academics aimed to address the drivers of CESR practices (Deegan & Gordon, 1996; Freedman & Jaggi, 2005). However, the influence of country-specific factors on CESR has been less examined (René, 2010). In this way, several authors claim for the need of further research focused on capturing how companies adapt their CESR policies to the different national regulations or institutional environments (Richardson & Boyd, 2005; Su, 2006). In fact, addressing the way that national cultural

values and beliefs determine CESR initiatives is required for companies aiming to align stakeholders' demands with their philanthropic corporate social responsibility (CSR) practices. This is because stakeholders within different geographical spreads have different "collective programming of the mind", commonly known as culture (Hofstede, 1980), an issue that allows distinguishing the members of one human group from another (Hofstede, 1980). Considering that culture's main feature relates to the fact that it is a social model that impacts main social practices and processes, much social behavior can be understood in light of the prevailing culture. Specifically, national cultural dimensions explain similarities and differences in cultures around the world and imply that specific links exist between these cultural dimensions and stakeholders' preferences and actions (Tsakumis, 2007). Following this reasoning, corporate decisions may not only be determined by objective assessments but also by subjective perceptions with the latter depending on national culture. In fact, cross-cultural differences among countries have an important impact on the way that companies behave (Schuler & Rogovsky, 1998; Williamson, 2000), ranging from top strategic management policies to the most instrumental operations and procedures. This can be partially explained by the different stakeholders' demands and the pressures that companies are exposed to in different contexts. Different dimensions of countries' cultural systems, such as institutional collectivism or a humanistic orientation, reflect

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