Stakeholder and resource-based antecedents and performance outcomes of green export business strategy: insights from an emerging economy

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Stakeholder and Resource Based Antecedents and Performance Outcomes of Green Export Business Strategy: Insights from an Emerging Economy

Abstract

Purpose: Building upon insights from institutional theory and resource-based view, the aim of this study is to investigate the direct effects of stakeholder pressures on organizational resources, organizational capabilities and green export business strategy and to explore the indirect impacts of organizational resources and capabilities on the link between stakeholder pressure and green business strategy from an emerging economy.

Design/methodology/approach: A quantitative study was conducted to test the conceptual model within this study. In total, 235 questionnaires were collected from Turkish exporting manufacturing companies and the data was analyzed through structural equation modeling.

Findings: The results of the study demonstrated that stakeholder pressures have strong and positive effects on organizational resources and organizational capabilities for firms from emerging markets. Also, organizational resources, capabilities and stakeholder pressures have significant impacts on green export business strategy, which in turn, influences positively export market and financial performance.

Practical implications: Several implications were presented in this study via examining the forces affecting companies’ environmental strategies and how implementing these strategies result in favorable gains in their international operations for emerging country exporters.

Originality/value: The contribution of this study lies in the under-researched context, in discussing the mutually and contradictory roles played by stakeholders, and in examining determinants of the adoption of green strategies by emerging-market exporters. In this sense, stakeholders make the life of the company tougher at home by demanding a greener posture; on the other hand, by doing so, they prompt the company to be competitive when selling to developed markets.

Keywords: green, stakeholder pressure, institutional theory, resource-based theory, export performance, emerging economies
1. Introduction

Over the past years, there has been an increased attraction on natural environment given by governments, policy makers, companies, and the community from all around the world (Albino et al., 2009; Banerjee, 2002). Many scholars underlined the potential environmental impacts of increased number of human population, industrial activities and the utilization of nonrenewable resources (Hart, 1995). Even though industrial activities which lasts for more than a century has provided infinite resources and prosperities, it has also aroused to ecological corruptions (Shrivastava, 1995). In this context, there exist several deteriorations served by climate change, such as increased level of oceans, growing desertification, ozone depletion, air and water pollution, acid rain, reduced biodiversity, deforestation, toxic emissions, global warming and soil erosion (Hart, 1995; Kolk and Pinkse, 2005).

Environmental matters have drawn great interest by industrial companies ever since the environmental protection declarations were introduced such as the “Montreal Agreement” in 1989, the “Basel Treaty” in 1992, and the “Kyoto Protocol” in 1997 (Peng and Lin, 2008). In response, companies initiated to modify their strategic planning aimed at concentrating on ecological issues (Buysse and Verbeke, 2003; Aragon-Correa and Sharma, 2003). Nevertheless, it is obvious that there are various internal and external drivers that stimulate companies for this shift towards adopting environmental practices (Singh et al., 2014). In line with this, a wide array of studies has started to investigate the determinants of environmental practices of companies. Notwithstanding the fact that environmental pressures have been largely investigated in the domestic literature (Sharma, 1997), empirical research which has been devoted to the reason why companies adopt such strategies is still infant in the context of international marketing (Burritt et al., 2020; Cronin et al., 2011; Kirchoff et al., 2016). Several studies have suggested stakeholders’ pressures as key driving factors of green business strategies and emphasized the crucial role of stakeholders in affecting organizations and environmental management (e.g., Sarkis et al., 2010; Chabowski et al., 2011; Leonidou and Leonidou, 2011; Tatoglu et al., 2014; Zeriti et al., 2014).

Even though conventional approach has concentrated mostly on the interactions among regulators and the organizations, emergent studies have claimed the importance of different stakeholders (e.g., investors, employees, governments, customers, non-governmental organizations etc.) on the environmental performance of the companies (Liu et al., 2010). Several studies in the pertinent literature examined the stakeholders’ impacts as antecedents on the implementation of environmental practices (e.g., Sarkis et al., 2010; Zeriti et al, 2014; Tatoglu et al., 2014). However, stakeholder influences even become more critical for emerging
market export firms which enter into advanced economies, since they encounter several environmental challenges in their foreign activities (i.e. ecologically conscious consumers and rigid legal codes, regulatory compliance, higher public concern) (Leonidou et al., 2012; Leonidou et al., 2017). In that vein, there is an ongoing debate among practitioners and scholars regarding the different types of pressures stimulating organizations to implement more comprehensive green practices (Betts et al., 2015).

On the other hand, while companies are required to respond stakeholder pressures and meet their contradictory demands with an aim of enhancing their competitive position and export performance (Freeman, 1984), they also necessitate developing specific resources and capabilities to deal with stakeholder pressures (Rueda-Manzanoares et al., 2008; Garces-Ayerbe et al., 2012). Hence, resource-based view indicates that firms necessitate to build essential resources and capabilities in responding stakeholder pressures and improving their competitiveness for the deployment of green business strategies (Sarkis et al., 2010). The cruciality of this issue has been attached great importance of both scholars and company managers, as a large extent of research has been examined on this area in previous years (Burritt et al., 2020; Leonidou and Leonidou, 2011).

However, even though raising ecological matters throughout the world has a vital place for exporters, most of the research has concentrated comprehensively on domestic setting rather than international context, which has been neglected largely among the researchers in the literature (Leonidou and Leonidou, 2011). Since they are unfamiliar with the foreign market environment, there are several differences derived from existent institutional distance between home and host countries in terms of regulations, rules, laws, culture, values, norms, beliefs, technological infrastructure and political institutions (Campbell et al., 2012). As firms from emerging markets are willing to enter developed markets with an intent to increase export growth, they face with the challenge of exerting environmentally friendly strategies and complying with more strict regulations in comparison with their home country. This unveils the specific characteristics of emerging countries where environmental preservation is still at an embryonic phase (Child and Tsai, 2005; Hoskisson et al., 2000; Tatoglu et al., 2014). In this regard, this study intends to provide a comprehensive understanding on how firms from emerging economies overcome stakeholder pressure related to environmental matters by the help of developing specific resources and capabilities through gaining legitimacy and diminishing liability of foreignness in international arena.

Several reasons justify why examination of green export business strategies is particularly importance of emerging market firms. First, firms originating from emerging
countries have recently recognized an increased level of liberalization and globalization, resulting in risk averse behaviors of managers in emerging markets that have remained as closed economies for a long time (Agnihotri and Bhattacharya 2015). Second, emerging economies lack rigid market and labor regulations due to deficiencies in home country institutional environment (Khanna, Palepu, and Sinha 2005; Meyer and Peng 2005). Third, emerging market firms extensively suffer from being late entrants to the international marketplaces (Amsden 2001). Fourth, firms from emerging markets are willing to invest into other markets which have better environmental conditions rather than their home country and engage in institutional escapism (Geleilate et al., 2016). Lastly, green business strategies may help firms originating from emerging economies in terms of overcoming the liability of foreignness, as foreign customers have negative perception on products exported from emerging countries (Cordell, 1993; Panibratov, 2015). In the light of these considerations, it is critical to understand which determinants influence emerging-market exporters to adopt of green strategies that prompt them to be competitive and successful when selling to developed markets.

In this sense, the current research contributes to the extant literature in several ways. First, there is a dearth of research on how green export business strategies influence export performance in an under-researched context, where deficiencies in environmental awareness and conservation constitute a threat in emerging economies (Chan, 2010; Hsu et al., 2016). Second, the contribution of this study lies in discussing the mutually and contradictory roles played by stakeholders in emerging economies. In that vein, stakeholders make the life of the company tougher at home by demanding a greener posture; on the other hand, by doing so, they prompt the company to be competitive when selling to developed markets, where environmental regulations are rigid rather than their home countries. In addition, firms from emerging economies face the challenge of personnel lack of environmental knowledge, which force them to hire external experts who is knowledgeable in environmental issues but remain incapable of dissemination environmental vision throughout the organization. In addition, a third contribution of the present study is to unpack the triggering factors that influence firms from emerging economies to adopt green business strategies in export markets via examining determinants of the adoption of green strategies by emerging-market exporters. A final contribution of this research is the examination of cost-benefit analysis of green export business strategies on export market and financial performance.
Building upon the previous literature and exploratory interviews conducted with export executives, this study endeavors to examine the effect of stakeholder influences on green export business strategies among exporting manufacturing firms, the indirect effects of organizational resources and capabilities on the link between stakeholder pressure and green export business strategy and how developing green export business strategies in turn improves their export performance, which is based upon institutional theory and resource-based view (RBV).

2. Pertinent Literature

Notwithstanding the fact that the existing literature is still at the early development phase (Burritt et al., 2020), this growing literature can be divided into three different groups; (i) nature of green business strategies, (ii) antecedents of green business strategies, and (iii) outcomes of green business strategies. Table 1 demonstrates the empirical contributions of all examined studies in the present study. The first area focuses particularly on green activities of companies operating in international context, discussing their nature in terms of practices (e.g., sustainability development practices, voluntary environmental management practices, corporate social responsibility practices), strategies (e.g., proactive environmental strategies, environmentally friendly export business strategy), capabilities (e.g., environmental innovation capabilities, green innovations) and performance (e.g., sustainability reporting, environmental performance).

The second stream centers on the studies investigating the antecedents of green export business strategies. For instance, Leonidou et al. (2017) focused on the role of foreign environmental public concern and competitive intensity in influencing environmentally friendly export business strategy. Also, Zeriti et al. (2014) revealed that some macro environmental factors (i.e., market competition, stakeholder pressures) have a significant influence, whereas others (i.e., political and cultural environments) have insignificant effects on sustainable export marketing strategy adaptation. Furthermore, Tatoglu et al. (2014) found the crucial roles of factors such as stakeholder pressure and customer focus on voluntary ecological management practices. Also, Leonidou et al. (2017) identified the need for export organizational green culture and export management green sensitivity as critical drivers of environmentally friendly export business strategy. Moreover, Leonidou et al. (2013a) concentrated on how specific green related specific resources and capabilities can stimulate eco-friendly export marketing strategy. Besides, Aguilera-Caracuel et. al. (2012) supported the link between organizational learning and proactive environmental strategy. Finally, a wide array of scholars has recently investigated the effect of institutional factors (i.e., institutional distance, institutional pressures)
on sustainability reporting and environmental performance (e.g., Keig et al., 2019; Martínez-Ferrero and García-Sánchez, 2017; Tashman et al., 2019)

The third part concerns with the issues related to the consequences of green export business strategy. However, most of the prior research focuses on competitive advantage related outcomes (e.g., export cost leadership, export product differentiation) and performance related outcomes (e.g., export performance). For example, Leonidou et al. (2017) focused on the advantage of export cost leadership and export product differentiation via exploiting green business strategies. Furthermore, while some scholars emphasized the importance of green issues on both export market performance and export financial performance (e.g., Leonidou et al., 2013a; Zeriti et al., 2014), others revealed how environmental strategies increase export dependence (e.g., Marshall et al., 2010). Also, Martin-Tapia et al. (2010) found the positive impact of environmental issues in enhancing export intensity. Moreover, Boehe and Cruz (2010) highlighted the significant effect of green activities in improving export performance. On the other hand, several researchers have recently examined the green-related practices on environmental performance in international markets (e.g., Joo et al., 2018, Keig et al., 2019).

“Insert Table 1 about here”

3. Theoretical Framework and Hypotheses

Figure 1 illustrates the conceptual model of the study which were developed based on the pertinent literature and exploratory interviews. In this context, the hypotheses of this study (i.e., H1-H12) are built upon institutional theory and RBV theory. Whereas the former views stakeholder pressures as a key stimulus that leads exporting manufacturing companies to implement green strategies and establish a social legitimacy (Buysse and Verbeke, 2003; Jennings and Zandbergen, 1995), the latter views that companies also necessitate some specific resources and capabilities to exploit their green activities in international markets (Rueda-Manzanares et al., 2008; Sarkis et al., 2010).

The “resource-based view” (RBV) conceives the corporation as “a bundle of strategic resources” that are diversely distributed among firms in the market to achieve sustainable competitive advantage (Barney, 1991). Firm resources comprise assets, capabilities and firm attributes managed by companies to execute the strategies and used as a tool to increase firm’s effectiveness and efficiency (Daft, 1983). In traditional resource-based view, valuable and rare resources help firms to take competitive advantage in the long run (Conner, 1991). On the other hand, Hart (1995) extended this perspective through the way of considering the impacts resulted
from natural environment and emphasized the importance of developing new resources and competencies that lead companies to engage in environmentally friendly economic operations.

Institutional theory posits that firms from different countries differ in their managerial practices/strategies and institutional structures that they follow to meet the legal requirements in international markets (Scott, 2001). In conformity with the theory, stakeholder engagement plays a crucial role for firms in gaining social legitimacy and meeting the social expectations (Leyva-de la Hiz et al., 2019; Martínez-Ferrero and García-Sánchez, 2017). In this regard, ‘stakeholder’ term can be defined as “any group or individual who can affect or is affected by the achievement of the firm's objectives” (Freeman, 1984). Hereby, it was aimed to highlight that organizations necessitate to deal with the interests of stakeholders and all decisions of the managers are affected by stakeholder preferences (Brenner and Cochran, 1991). Nevertheless, the legitimacy of firms is established through the way of meeting the different social expectations of stakeholders (e.g., foreign customers, home country governments, and internal employees) in international arena (Kostova and Zaheer, 1999).

Therefore, drawing upon the institutional theory, there are two main premises that firms need consider in international markets: (i) recognition of salient stakeholders emerging as a vital issue, as the extent of environmental practices are determined regarding the pressures perceived from stakeholders (Buysse and Verbeke, 2003; Jennings and Zandbergen, 1995), and (ii) identification of formal and informal institutions in potential markets in terms of the degree of stringency (from low to high) with an intent of developing required resources and capabilities that allow companies to meet the specific institutional expectations of target markets (Keig et al., 2019). Within this context, the main concern of exporting firms from emerging countries is to acquire the needed resources and capabilities with an aim of meeting the increased environmental interests of stakeholders and respond to the stakeholder pressure, particularly in developed markets (Betts et al., 2015; Hsu et al., 2013).

“Insert Figure 1 about here”

3.1. Stakeholder Pressure and Organizational Resources

Previous work put special emphasis on particular resources such as top management commitment (e.g., Dai et al., 2014), human resources (e.g., Sarkis et al., 2010) and financial resources (e.g., Leonidou et al., 2013a) on the adoption of green business strategies in international markets. Also, prior research delineate that stakeholder pressures have a priority
in stimulating companies’ environmentally related activities (Banerjee et al., 2003; Buysse and Verbeke, 2003; Sarkis et al., 2010), comprising foreign customer pressure (e.g., Vandermerwe and Oliff, 1990), home government pressure (e.g., Schot and Fischer, 1993) and employee pressure (e.g., Reinhardt, 1999). Likewise, export managers frequently acclaimed how pressures derived from customer demands, regulatory bodies and employees encourage their company to deploy green business strategies in international markets during exploratory interviews.

As stakeholder engagement is critical in gaining social legitimacy based upon the premises of institutional theory (Leyva-de la Hiz et al., 2019; Sarkis et al., 2010), companies develop specific resources and capabilities with an intent to be successful in managing their stakeholders (Clarke and Roome, 1999). In this sense, companies possess organizational resources and capabilities to respond to stakeholder pressure that comprises contradictory views of multiple stakeholder groups (Roome and Wijen, 2006). A wide variety of scholars elaborates substantial roles of resources and capabilities in addressing the multitude interests of stakeholders (Hart and Dowell, 2011; Paulraj, 2011). In a parallel vein, several researchers acknowledge that firms need to acquire necessary resources and capacities when meeting the different expectations of stakeholders in international arena (Kostova and Zaheer, 1999). This is particularly evident in foreign markets with higher institutional severity such as rigid environmental policies and greater public green concerns (Strike et al., 2006).

Relying on the concept of resource interdependence grounded upon stakeholder theory, past research has emphasized the fact that stakeholders have a strong influence in managers’ decision-making process (Dai et al., 2014). In particular, foreign customer stakeholders may have negative perceptions on firms originating from emerging countries which have weaker environmental institutional mechanisms with an aim of diminishing their detrimental ecological effects (Hsu et al., 2013). Hereby, firms from emerging countries that are faced increased demands to adopt green business strategies develop environmental capabilities and acquire environmental management certifications (e.g., ISO14001), allowing them to enter foreign markets, particularly in developed economies, which have more severe policies than those in their home country. Further, governmental regulations are oriented to foster companies’ environmental performance with an intent of developing their organizational capacities related to environmental matters and attaining global environmental standards, all of which improve country total export volumes (Porter and van der Linde, 1995). Also, internal employees have a strong power in shaping top management decisions with an aim to develop environmental resources and capabilities comply with foreign customers’ expectations in international markets
(Huang et al., 2009). Albeit the unfavorable attitudes of external stakeholders (i.e., foreign customer pressure, home government pressure) and stringent conducts of internal stakeholders (i.e., employee pressure), firms can mitigate the potential illegitimacy risks via enhancing their top management commitment on environmental issues, which is a unique company resource in addressing both external and internal stakeholder pressures (Dai et al., 2014; Kang and Yang, 2010). On the other hand, it should be noted that stakeholder pressures drive corporate decision makers and top management team to incorporate environmental issues into their organizational policies in addressing environmental problems deriving from international activities (Khojastehpour and Shams, 2019).

\( H_{1a}. \) Foreign customer pressure is positively associated with top management’s commitment to green export business strategies.

\( H_{1b}. \) Employee pressure is positively associated with top management’s commitment to green export business strategies.

\( H_{1c}. \) Home government pressure is positively associated with top management’s commitment to green export business strategies.

Further, several researchers acknowledge financial resources as a considerable external barrier, inhibiting firms to deploy green business strategies (Hillary, 2004). In this sense, organizations necessitate financial resources due to the additional costs imposed by the adoption of advanced environmental management systems (e.g., Hahn et al., 2014; Hall, 2000; Walley and Whitehead, 1994). Nevertheless, such an adoption appears to be even more difficult for firms from emerging counties, where weaker regulatory systems and law mechanisms exist, making environmental initiatives more expensive and harder (Latukha, 2015). In that vein, organizations need a great amount of financial resources or government incentives to compensate their green business strategies or practices, when an environmental change is required based upon the stakeholder preferences (Lee, 2008). Since external stakeholders (i.e., foreign customer pressure, home government pressure) and internal stakeholders (i.e., employee pressure) have devoted to the elimination of hazardous substances, these unfavorable perceptions of stakeholders unveil legitimacy challenges encountered by firms in their international operations (Kostova et al., 2008). In this sense, these firms, which are subjected to several pressures from their internal and external stakeholders regarding environmental issues (Sarkis et al., 2010), are driven to acquire financial resources and diminish the possible illegitimacy spillovers derived from environmental misconducts in emerging economies.
$H_{2a}$. Foreign customer pressure is positively associated with financial resources earmarked for green export business strategies.

$H_{2b}$. Employee pressure is positively associated with financial resources earmarked for green export business strategies.

$H_{2c}$. Home government pressure is positively associated with financial resources earmarked for green export business strategies.

Since environmental practices require a plethora of radical changes in the organizational culture, existing deficiencies in human resources may constitute an obstacle for the adoption of green business strategies (Daily and Huang, 2001) or a talented staff helps to well-adapt to the new requirements in the organizational climate (Wagner, 2013). In that vein, a number of scholars accentuate that strategic employment of capable workforce with higher environmental awareness help firms to attain superior performance in international markets (Alt et al., 2015; Wagner, 2013). Nonetheless, it is relatively more expensive to recruit a highly committed and environmentally oriented personnel, as this imposes an economic burden on firms (Hahn et al., 2014; Walley and Whitehead, 1994). This issue raises more concerns, especially for firms from emerging economies which are characterized by lower environmental institutional voids and higher deficiencies in environmentally conscious personnel (Child and Tsai, 2005; Tatoglu et al., 2014). In the case that stakeholders put higher pressure on firms related to environmental matters, particularly in developed economies, firms are motivated to benefit from signaling their legitimacy through human resources, which help building necessary capabilities for environmental management by means of organizing environmental trainings and deploying highly committed staff to initiate green management practices in export markets (Li et al., 2017). In this sense, stakeholder pressures stimulate firms to recognize the instrumental role of expertise necessary that would offer a kind of legitimacy and help address environmental intentions (Adams et al., 2012; Gold et al., 2013).

$H_{3a}$. Foreign customer pressure is positively associated with human resources earmarked for green export business strategies.

$H_{3b}$. Employee pressure is positively associated with human resources earmarked for green export business strategies.

$H_{3c}$. Home government pressure is positively associated with human resources earmarked for green export business strategies.
3.2. Stakeholder Pressure and Organizational Capabilities

Drawing upon from the extant literature and our field interviews with export managers, three green related firm capabilities were identified as shared vision (e.g., Sharma and Vredenburg, 1998; Leonidou et al., 2013a), relationship building (e.g., Mariadoss et al., 2011; Banerjee et al., 2003) and organizational learning (Hart; 1995; Leonidou et al., 2017). Companies develop different capabilities depending on distinct levels of stakeholder pressure that their organization has been exposed (Buysse and Verbeke, 2003). On the other hand, the responses of companies may also vary toward to these stakeholder pressures, which can be explained by deficiencies in organizational capabilities of the company regarding to RBV theory (Darnall, 2006). Anchored in the institutional theory, organizational capabilities that stimulate cooperation and ecological understanding play a vital role in stakeholder engagement and establishing social legitimacy (Collier, 2004; Freeman, 1984).

With respect to greening a corporation, not only top management, but also everyone in the company should adopt and engage in environmental practices (Waddock et al., 2002). This environmental incorporation should be understood and shared by all individuals within the organization, considering shared vision as a company objective that meets the expectations of company stakeholders (Maymand and Golkarihagh, 2016). Therefore, a wide array of studies acknowledge that effective implementation of green business strategies requires the development of shared vision capability among managers and employees (Aragon-Correa et al., 2008; Collier et al., 2004; Torugsa et al., 2012). Given the heightened attention towards environmental concerns by stakeholders including both external stakeholders (i.e., foreign customer pressure, home government pressure), and internal stakeholders (i.e., employee pressure), this is particularly important for firms from emerging markets, as these firms are subject to higher obligations to exert green related strategies (Betts et al., 2015). In that vein, firms from emerging economies put special emphasis on improving environmental orientation of employees among the all layers of management (Crittenden et al., 2011; Zhu et al., 2008). Thereby, stakeholder pressure may affect firms’ attitudes and motivate decision makers to draw higher interest toward these concerns with an intent of gaining social legitimacy via embedding environmental values as a consistent corporate policy by means of shared vision capability, which help preventing ecological concerns arising from international activities (Khojastehpou and Shams, 2019; Torugsa et al., 2012).

\[ H_{4a}. \] Foreign customer pressure is positively associated with shared vision capability directed toward leveraging the green export business strategies.
$H_{4b}$. Employee pressure is positively associated with shared vision capability directed toward leveraging the green export business strategies.

$H_{4c}$. Home government pressure is positively associated with shared vision capability directed toward leveraging the green export business strategies.

In the case of relationship building capacity, it is critical to build good connections with stakeholders through marketing campaigns that inform stakeholders about company environmental initiatives (Hult, 2011). However, increasing geographical scope of firms stimulates stakeholder pressure with a great extent owing to the institutional distance between countries (Brammer and Millington, 2004; Fifka et al., 2018). In this context, as firms increase the number of international operations, their stakeholder environment gets more diverged and complicated, which require to address diversified environmental preferences of their primary stakeholders (i.e., foreign customer pressure, employee pressure, and home government pressure) with an aim of developing and managing their relationships with their stakeholders via implementing sustainability initiatives (Khojastehpour and Johns, 2014). Nevertheless, this is even harder for firms from emerging markets especially necessitate to meet the specific preferences of their stakeholders with higher environmental conscious especially in developed countries (Garces-Ayerbe et al., 2012; Rueda-Manzanares et al., 2008). This is evident in countries with a large institutional distance, posing a plethora of challenges for firms from emerging markets in establishing social legitimacy (Kostova and Zaheer, 1999). Hereby, environmental pressures arising from a wide variety of stakeholders may motivate firms to meet their expectations and maintain good relationships with an intent of enhancing their legitimacy in international markets (Khojastehpour and Shams, 2019).

$H_{5a}$. Foreign customer pressure is positively associated with relationship building capability directed toward leveraging the green export business strategies.

$H_{5a}$. Employee pressure is positively associated with relationship building capability directed toward leveraging the green export business strategies.

$H_{5a}$. Home government pressure is positively associated with relationship building capability directed toward leveraging the green export business strategies.

With regard to organizational learning, several researchers have long argued that environmental learning is the key instrument that attempts stakeholder engagement by the help of establishing social legitimacy based upon the theoretical lens of institutional theory (Clarke
and Roome, 1999). Nonetheless, a larger institutional distance between home and host markets raises difficulties in gaining social legitimacy and adapting business conduct to foreign countries with different stakeholder expectations (Kostova and Zaheer, 2002). As each country has its own set of regulations, firms develop organizational learning through experiential learning curve to overcome the challenges of risk and uncertainty in international markets (McWilliams et al., 2006; Xu and Shenkar, 2002). However, several reasons explain how difficult it is especially for firms from emerging markets, as: (i) they lack of excessive resources, risk-taking inclinations, and stringent legal bodies; and (ii) they have difficulties in acquiring new resources and capabilities owing to weaker home country institutional mechanisms, and (iii) they are belated to get benefit from experiential learning due to their closed economies (Amsden 2001; Bandeira-de-Mello et al. 2016; Hsu et al., 2013; Luo and Rui 2009). In this regard, stakeholder pressure motivates firms originating from emerging economies and encourages them to develop organizational learning capabilities to gain legitimacy and conform with the conditions in international markets (Roome and Wijen, 2006).

\[ H_{6a}. \] Foreign customer pressure is positively associated with organizational learning capability directed toward leveraging the green export business strategies.

\[ H_{6b}. \] Employee pressure is positively associated with organizational learning capability directed toward leveraging the green export business strategies.

\[ H_{6c}. \] Home government pressure is positively associated with organizational learning capability directed toward leveraging the green export business strategies.

3.3. Stakeholder Pressure and Green Export Business Strategy

Based upon institutional theory, stakeholder pressure can be regarded as a stimulus that triggers companies to adopt diversified environmentally friendly practices (Betts et al., 2015; Buysse and Verbeke, 2003; Murillo-Luna et al., 2008). In consistent with this, companies implement environmental practices acted upon the pressure that they perceive from their stakeholders (Fineman and Clarke, 1996). Also, organizations started to understand how responding to stakeholder pressures constitutes a critical place in improving their competitive position and achieving desired outcomes (Garces-Ayerbe et al., 2012; Rueda-Manzanares et al., 2008). More specifically, this issue is of greater importance for firms from emerging markets but targeting developed countries for exporting, since stakeholders with higher environmental conscious put greater pressure on firms from emerging markets to eliminate their harmful operational effects.
Further, Banerjee et al. (2003) have found that public concern and regulatory pressure influence a key role in implementing environmental practices. This can be explained by two main factors: (i) foreign customers have negative attitudes towards products which do not conform with environmental standards, especially in developed markets, and (ii) regulatory bodies stimulate firms from emerging markets to comply with the international standards related to environmental issues (Cordell, 1993; Panibratov, 2015). Also, managers’ environmental values and attitudes have been revealed as a strong determinant for adopting green related strategies within the organization (Papagiannakis and Lioukas, 2012), as employees’ and mid-level managers are strong internal workforce, influencing decision-making process of top management and fostering environmental performance (Huang et al., 2009).

\[ H_{7a}. \] Foreign customer pressure is positively associated with green export business strategy.

\[ H_{7b}. \] Employee pressure is positively associated with green export business strategy.

\[ H_{7c}. \] Home government pressure is positively associated with green export business strategy.

### 3.4. Organizational Resources and Green Export Business Strategies

Several scholars have supported the important role of organizational resources in achieving better environmental performance and integrating ecological components into the strategic planning process of the companies (Garay and Font, 2012). Top management commitment, which can be considered a crucial managerial resource (Berry and Rondinelli, 1998), implies to the full support of high-level managers within the organization in terms of environmental protection and adopting environmentally friendly practices (Katsikeas et al., 2016). To achieve environmental sustainability within the corporation, commitment and support from the top management have a vital place, which requires accumulated know-how and experiences on these issues (Kleinschmidt et al., 2007). In addition, support from the top management has also important in creating a clear vision and motivation among the employees, all of which play critical roles in environmentally friendly strategy development process (González and Palacios, 2002). Moreover, financial resources are related to the monetary elements of the company such as availability of cash, borrowing power, net working capital, which play crucial roles in conducting companies' business operations (Morgan et al., 2004). Also, since financial resources may constitute as one of the biggest barriers for most of the companies especially for
smaller ones to take environmental actions (Tzschentke et al., 2008), the possession of financial resources is essential for both implementing green business strategies and increasing the deployment of these strategies in all around the world (Kaleka, 2002). Besides, most of the studies put special emphasis on human resources, embodying important issues such as experience, knowledge and comprehension abilities of the workforce within the company (Barney, 1991). Nonetheless, it could be also regarded as a substantial constraint to implement environmentally friendly strategies in case of the shortage of these resources (Lee 2009; Weerawardena and Mort, 2006).

\[ H_{8a} \]. Top management commitment is positively associated with green export business strategy.

\[ H_{8b} \]. Financial resources is positively associated with green export business strategy.

\[ H_{8c} \]. Human resources is positively associated with green export business strategy.

3.5. Organizational Capabilities and Green Export Business Strategy

A large variety of the studies highlight crucial importance of organizational capabilities in implementing environmental strategies with an aim to sustain in rapidly changing and competitive business environments (e.g., Leonidou et al., 2013a; Ramus and Steger 2000; Aguilera-Caracuel et al., 2012). Shared vision implies that all employees within companies have common ideas related to environmental issues in transforming their businesses into a sustainable one (Ramus and Steger, 2000). In a parallel vein, it could be more effective and efficient, only when each employee in the organization adopts and supports eco-friendly philosophy, environmental strategies, and practices (Russo and Fouts, 1997; Leonidou et al., 2017; Leonidou et al., 2013a). Further, relationship building refers to the capability which enables companies to develop intimate contacts with their stakeholders such as suppliers, customers etc. (Rodriquez-Diaz and Espino-Rodriquez, 2006). In this sense, developing relationships with stakeholders facilitate companies to understand and adopt environmental necessities of diverse stakeholder bodies (e.g. governments, non-governmental organizations, societies). On the other hand, organizational learning capability which implies to the capacity, enabling companies to exploit knowledge related to the ecological issues such as environmental technologies and growing public concern (Sharma et al., 2007). A large extent of scholars has indicated that organizational learning capability is strongly influential in changing the dogmatic
paradigms within the organization and implementing environmental operations (Russo and Fouts, 1997; Aguilera-Caracuel et al., 2012; Leonidou et al., 2017).

\( H_{9a} \). Shared vision capability is positively associated with green export business strategy.

\( H_{9b} \). Relationship building capability is positively associated with green export business strategy.

\( H_{9c} \). Organizational learning capability is positively associated with green export business strategy.

### 3.6. Green Export Business Strategy and Export Performance

Green business strategies imply to the integration of environmental issues into several business functions such as manufacturing, supply chain, finance, human resources, and marketing (Banerjee, 2002). In other words, it refers to the implementation of green business strategies that help companies achieve superior performance in foreign markets (Polonsky and Rosenberger, 2001). Previous work demonstrates a large extent of studies, supporting the positive association between green business strategies and performance (e.g., Fraj et al., 2011; Langerak et al., 1998; Leonidou et al., 2013a). Regarding the export market performance, companies implementing green business strategies gain competitive advantages such as cost savings and product differentiation, all of which result in favorable outcomes in terms of market performance in international markets (Dechant and Altman, 1994). In that vein, there exist some conflicting findings in the extant literature. Some researchers reveal that product differentiation advantage improves the financial outcomes of companies from emerging markets (Li and Li, 2008), whereas others emphasize that companies from emerging countries may have objections in adopting a product differentiation advantage (Spanos et al., 2004). On the other hand, firms from emerging economies which seek for gaining a low-cost advantage, may have an opportunity to improve their operational and financial performance by the help of environmental efficiencies (Porter, 1991). Nevertheless, some scholars claim that green business strategies may also have an unfavorable impact on firms’ financial performance owing to the extra expenses of green-related strategies (e.g., Clarkson et al., 2011; Jacobs et al., 2010).

Importantly, Aulakh et al. (2000) demonstrate that firms from emerging countries largely enhance their export performance through achieving a cost leadership advantage. In this regard, firms capable of lowering prices not only maintain their existing customer base, but also draw
attention of more customers from foreign countries (Miles and Covin, 2000). Further, financial performance derives favorable outcomes in foreign markets, when international customers repeat their purchases and companies enlarge their customer portfolio through their unique ecological products (Dechant and Altman, 1994).

\[ H_{10a}. \] Green export business strategy is positively associated with export market performance.

\[ H_{10b}. \] Green export business strategy is positively associated with export financial performance.

### 3.7. Mediation Hypotheses

Albeit the several factors influencing firms which are subjected to stakeholder pressures, organizations need to respond to these pressures exerted by their stakeholders to survive in international markets (Freeman, 1984). Nevertheless, they also necessitate to manage diverse and confounding expectations of their stakeholders, which require them to possess some specific resources and capabilities while implementing green business strategies (Rueda-Manzanares et al., 2008). In this sense, companies tend to obtain essential resources and build necessary capabilities to meet stakeholder expectations for the adoption of green business strategies (Sarkis et al., 2010).

However, top managers, facing a strong pressure arisen from their stakeholders, are more willing to adopt green business practices with an intent of satisfying their stakeholders’ expectations (González-Benito and González-Benito, 2006; Dai et al., 2014). Further, companies with excessive financial resources also perform better in responding stakeholder pressures by the help of their legal and public relations personnel via conforming the rules and restoring the image of the company against potential stakeholder actions (Bhagat et al., 1998). Also, it is critical to recruit talented staff with higher specialization in environmental management with an aim to address stakeholder pressures related to green business practices (Sarkis et al., 2010). In line with this, environmentally sensitive employees are more likely to respond stakeholder pressures via fostering the organization to be more responsible for natural environment (Buysse and Verbeke, 2003). Overall, organizational resources are expected to play a partial mediator role (i.e., together with direct effect) on the relationship between stakeholder pressure and green export business strategy.
$H_{11}$. Organizational resources (i.e., top management commitment, financial resources, human resources) mediates the link between stakeholder pressure and green export business strategy.

On the other hand, a heightened attention should be particularly given to the development of shared vision capability, since shared vision comprises an important basis for responding stakeholder pressures, assuring the enhancement of company performance in terms of economic and environmental and following a sustainable path in business (Torugsa et al., 2012). Moreover, companies respond their stakeholders’ demands better by the help of relationship building capability, which in turn, help them identify beneficiary circumstances (Leonidou et al., 2017). As company stakeholders have recently initiated to shift their focus on ecological issues, they recognize the importance of developing organizational learning capacity that fosters collaboration and learning process within the organization with an intent to respond stakeholder pressures via meeting conflicting demands of stakeholders (Freeman, 1984; Roome and Wijen, 2006). Consequently, organizational capabilities are predicted as having a partial mediator impact (i.e., together with direct effect) on the relationship between stakeholder pressure and green export business strategy.

$H_{12}$. Organizational capabilities (i.e., shared vision, relationship building, organizational learning) mediates the link between stakeholder pressure and green export business strategy.

4. Research Methodology

4.1. Research Context

The empirical setting of the present paper is exporting manufacturing companies’ green business strategies, operating in Turkey, one of the top 10 emerging economies, representing an identical institutional climate with other emerging countries (Cavusgil et al., 2002). Turkish economic growth extensively depends on exports of manufactured goods, most of which adopts a direct exporting mode (TSI, 2016). The European Union appears as the most substantial market for Turkey, as Turkey exports to the Europe at around 84.1 billion US dollars in 2018, comparing with 14.5 billion dollars in 2000 (TEA, 2019). Besides, environmental initiatives have been drawn special attention with the number of firms possessing ISO14001 certifications increasing from 91 in 2000, to 2001 in 2017 (ISO, 2018; Tatoglu et al., 2019). In this sense, data collected from Turkish exporting companies serves as a good source for benchmarking and expands the understanding on firms from emerging countries.
4.2. Field Interviews

Semi-structured and in-depth personal interviews were conducted with 35 executive managers, who are considered as the most knowledgeable person for both exporting and green practices and strategies within the organization (i.e., general managers, directors of the factory, marketing managers, export managers, corporate communications managers), with an intent of identifying crucial determinants and outcomes of green export business strategies for the conceptual model based on the perceptions of managers. The interviews lasted from 45 to 90 minutes and started with the description of environmental strategies exploiting in their company, followed by questions related to the driving factors leading companies to adopt green business strategies in international markets and concluded with their effects on company outcomes. In this sense, managers indicated: (a) the drivers of green export business strategies; (b) the nature of their green export business strategies; (c) outcomes of green export business strategies.

All interviews were recorded and then transcribed for coding the data in terms of open coding, axial coding, and thematic aggregations. The respondents highlighted the importance of stakeholder pressures on their adoption of green business strategies in international markets (i.e., foreign customer demands, home government regulations and internal managers and employee pressure). Specifically, one manager indicated: “one of our exporting customers has a check list to question our activities related to waste management, carbon emissions etc.”, while another one signified: “since it costs a lot, we just do what it requires as an obligatory for our export operations regarding the regulations”. Also, the respondents were encouraged to mention about the critical forces that affect their deployment of environmental practices. In this context, managers clearly denoted which resources and capabilities they require to initiate and conduct their green business practices or strategies (i.e., top management commitment, human resources, financial resources, shared vision, organizational learning, relationship building). For instance, one export manager highlighted the importance of top management support: “since our board of director are so sensitive about environmental issues considering high importance of these issues in international markets, we started to integrate green issues into our business model”. In brief, consistent with the literature review, exploratory interviews assisted the present study to identify and determine for specific stakeholder pressures, organizational resources and capabilities that lead exporting manufacturing companies to implement green business strategies.
4.3. Sample and Data Collection

Exploiting from a cross-sectional sample of 1000 exporting manufacturing companies, which were randomly chosen from Turkish Exporters’ Assembly, we reached each company by phone to describe the objective of the study, decide for key responsible manager within the company (i.e., general manager, export manager, marketing manager, quality manager or corporate communications manager), ask for their willingness to participate in the study. Of these, 124 companies were out of sample, as some works as intermediary agents rather than manufacturing companies. Another 152 denied taking part in the present study due to the lack of time or safety regulations. Consequently, 90 companies did not find the questionnaire applicable, since they do not conduct any environmental activities in their firm. Second, the questionnaire was sent to 634 key individuals from exporting manufacturing companies via e-mail. Third, two weeks after the initial mail, follow-up calls were made, and the questionnaire was resent with a reminder note. Also, face to face company visits were made to encourage the participation. A final total of 252 questionnaires were obtained with usable responses of 235 because of considerable amount of missing values and inconsistencies among the answers, which shows an effective response rate of 39.7%, covering respondents from 31 cities in Turkey with first five biggest cities included. There were no significant differences between early and late respondents, revealing that nonresponse bias is unlikely to be a problem for this study (Armstrong and Overton, 1977).

4.4. Measures

In the beginning of the questionnaire, the respondents were asked to indicate their export product-market venture to obtain variation in the data (e.g., Theodosiou and Katsikeas, 2013). Also, the questionnaire was initially designed in English and then translated into Turkish through back-translation procedure. In order to assure face validity, a pilot test was performed by employing two-phase process to ensure that the content of the questions would be well-understood by the participants. First, prior version of the questionnaire was reviewed by three academic researchers in marketing and international business. After making a few adjustments, the revised version of the questionnaire was pretested, using a sample of 45 exporting manufacturing companies that were eliminated from the main survey and collected from 10 exporting manufacturing companies, demonstrating no particular problem for further analyses.

Furthermore, the operationalization of the constructs was derived from the established scales which have reliability values higher than 0.70 as a criterion in the pertinent literature.
(Nunnally and Bernstein, 1994) (see Appendix A). All items within the questionnaire were analyzed through seven-point Likert scale, varying from strongly disagree (1) to strongly agree (7). Specifically, *foreign customer pressure* which comprises three items and *home government pressure* with five items were adapted from Banerjee *et al.* (2003), while *employee pressure* was a four-item scale taken from Park and Ghauri (2015). With regard to the organizational resources, *top management commitment* was derived from Banerjee *et al.* (2003), consisting of five items, while *human resources* were derived from Navarro-Garcia *et al.* (2016) and *financial resources* were adapted from Morgan *et al.* (2004), comprising two and five items respectively. With regard to the *green export business strategies*, a seven-item scale was taken from Banerjee *et al.* (2003), which involve items related to general environmental practices that applicable to any industry in export context. With respect to the organizational capabilities, *shared vision capability* scale was identified from the work of Aragon-Correa *et al.* (2008), while *relationship building* was derived from Morgan *et al.* (2004) and *organizational learning* scale was taken from Sharma *et al.* (2004), consisting of four and five items respectively. Lastly, due to the multi-dimensional nature of export performance, export market performance and export financial performance were measured using five and six item scales derived from Leonidou *et al.* (2017).

In terms of control variables, we examined four variables that may have potential impact on green export business strategies. First, *firm size* may have an influence the green practices of companies depending upon two major premises: (i) larger firms are inclined to access more resources that could be exploited for the deployment of green business strategies; and (ii) firms with larger size are subject to greater public scrutiny over their ecological activities (Remaud *et al.*, 2012; Christmann and Taylor, 2001). In this sense, firm size was measured as the number of employees working within the organization. Second, *export experience* is expected to have a significant effect on green export business strategies, as internationalization knowledge provides a better understanding of foreign markets and regulatory mechanisms in different countries (Fletcher *et al.*, 2013; Leonidou *et al.*, 2015). In this regard, export experience was operationalized as the total number of years operating in foreign markets. Further, *foreign market destination* may have a substantial role in the implementation of green export business strategies. Because companies exporting to developed economies are expected to implement more environmentally friendly strategies in their operations due to higher public concerns and stringent regulations in those countries (Christmann, 2004). Foreign market destination was measured as classifying main export markets of firms as developed versus developing countries,
which is in line with the study of Leonidou et al. (2015). Further, *industry type* was considered as a potential variable that may affect green business practices, as a wealth of studies has long argued whether a single environmental policy run for all industries or whether companies from different industries implement same environmental practices (Luan *et al.*, 2016). In that vein, industry-specific effects were measured based upon two-digit standard industrial classification (SIC) codes.

5. Analysis and Results

The Partial Least Squares-Structural Equations Modeling (PLS-SEM) was conducted, using SmartPLS 3 package to test research hypotheses in this study (Ringle *et al.*, 2014). This approach is followed, since it provides better convergence behavior than covariance-based SEM for small sample sizes and relatively high numbers of constructs and reveals higher statistical power by means of its bootstrapping capabilities even in limited samples (Kumar *et al.*, 2011). The data was analyzed through two stages regarding to the method proposed by Chin (2010): (1) the evaluation of outer model (i.e., measurement), and (2) the assessment of inner model (i.e., structural).

5.1. Measurement Model

The evaluation of the measurement model for reflective indicators is built upon individual factor item loadings, construct reliability, convergent validity and discriminant validity (see Table 2). Since each of the items were loaded highly on their assigned constructs, with the lowest value being 0.739, individual factor item loadings demonstrate satisfactory results which were all higher than 0.70 and found as significant (p<0.05) and the average variance extracted (AVE) values of all constructs demonstrated acceptable values of 0.50 and above, which offer evident of the convergent validity (Fornell and Larcker, 1981; Hair *et al.*, 2012). Furthermore, composite reliability values were attributed to test construct reliability for each construct. In line with this, all composite reliability values were greater than the threshold of 0.70, as composite reliability values were equal to or greater than 0.880, showing a highly reliable measurement of each construct (Bagozzi and Yi, 1988).

“*Insert Table 2 about here*”

Then, the discriminant validity, that shows the extent of which latent variables truly differ from other constructs, was assessed by checking the square root of AVE values whether they are higher than the correlations between constructs regarding to the criterion proposed by Fornell
and Larcker (1981) (see Table 3) and demonstrated that it ensures the discriminant validity in the present study. In addition, several methods were used to check common method bias problem (i.e., Harman’s single factor test and marker variable), all of which ensure that common method bias does not pose a problem for this study (Lindell and Whitney, 2001; Podsakoff and Organ, 1986; Podsakoff et al., 2003).

5.2. Structural Model
5.2.1. Main Hypotheses Results
This study followed a three-stage approach for the evaluation of the structural model: (1) coefficient of determination (i.e., R²) for endogenous latent constructs; (2) predictive relevance (i.e., Q²) for each dependent variable via blindfolding technique; (3) significance of the standardized path coefficients and effect size by means of bootstrapping. In this sense, to test the significance of the main proposed hypotheses, a structural model employing a bootstrapping method of 5000 sub-samples was performed (Hair et al., 2016).

First, the model indicates satisfactory results which were greater than the minimum threshold of 10% for the R² of the endogenous constructs (see Table 4) (Hortinha et al., 2011). In addition, the predictive power of the model was computed using blindfolding procedure (i.e., Q2) for each endogenous variable and the model produced values greater than zero for green business strategy, demonstrating an adequate predictive relevance (see Table 4) (Hair et al., 2014). Furthermore, predictive validity was also calculated by effect sizes (i.e. Cohen’s f²) in the present study, which indicates higher than the threshold of 0.02 representing satisfactory effects for all endogenous variables (Henseler et al., 2009). Moreover, the standardized root mean square residual (SRMR) revealed a good fit being under the cut-off point of 0.08, which ensures the quality of the model (SRMR = 0.050) (Sarstedt et al., 2014).

Lastly, the significance of path coefficients of the structural model was estimated through bootstrapping procedure (Table 5) (Hair et al., 2017). With regard to research hypotheses, the findings supported H₁a, H₁b and H₁c, linking foreign customer pressure (β = 0.153, p < .01), employee pressure (β = 0.519, p < .01) and home government pressure (β = 0.253, p < .01) with top management commitment. Also, H₂a, H₂b and H₂c were confirmed, relating the foreign
customer pressure (β = 0.186, p < .05), employee pressure (β = 0.209, p < .05) and home government pressure (β = 0.295, p < .01) with financial resources human resources and financial resources. Furthermore, the results indicated that H3a, H3b and H3c were accepted, associating foreign customer pressure (β = 0.108, p < .10), employee pressure (β = 0.377, p < .01) and home government pressure (β = 0.326, p < .01) with human resources human resources and financial resources. In line with H4a, H4b and H4c, foreign customer pressure has a positive impact on shared vision (β = 0.243, p < .01), while employee pressure (β = 0.322, p < .01) and home government pressure (β = 0.273, p < .01) positively impact shared vision. In concert with H5a, H5b and H5c, foreign customer pressure is positively related to relationship building (β = 0.344, p < .01), while employee pressure (β = 0.262, p < .01) and home government pressure (β = 0.262, p < .01) have a positive effect on relationship building. As predicted in H6a, H6b and H6c, the positive impacts of foreign customer pressure (β = 0.229, p < .01), employee pressure (β = 0.383, p < .01), and home government pressure (β = 0.202, p < .01) on organizational learning were confirmed. Consistent with H7a, H7b and H7c, green export business strategy is enhanced by positive effects of foreign customer pressure (β = 0.177, p < .05), employee pressure (β = 0.401, p < .01) and home government pressure (β = 0.319, p < .01). Moreover, top management commitment (β = 0.376, p < .01) and financial resources (β = 0.153, p < .05) positively relate to green export business strategies which provide empirical support for H8a and H8b, while human resources does not affect to green business strategy significantly (β = -0.021, p > .05), and accordingly H8c is rejected. In addition, as the research results do not have a support for the positive link between shared vision and green export business strategy (β = -0.054, p > .05) that indicates the rejection of H9a, relationship building (β = 0.192, p < .01) and organizational learning (β = 0.135, p < .05) have a positive and significant impacts on green export business strategy, which supports H9b and H9c. Lastly, the study confirmed that adopting green export business strategy enhances both export market performance (β = 0.487, p < .01) and export financial performance (β = 0.411, p < .01), in support of H10a and H10b.

“Insert Table 5 about here”

5.2.2. Mediation Analysis

To test the mediation effects, a method for the determination of significant indirect effects paths recommended by Preacher and Hayes (2008) was followed. Regarding to this procedure, a mediation hypothesis is accepted when the indirect effect is significant, which implies that its empirical confidence interval does not involve zero (Zhao et al., 2010). To compute significant values and confidence intervals, a bootstrapping procedure with 5000 sub-samples was
performed by using the approach of Preacher and Hayes (2008). As depicted in Table 6, in support of H11a, H11b and H11c, top management commitment mediates the link between foreign customer pressure and green export business strategy (β = 0.057, p < .01), employee pressure and green export business strategy (β = 0.195, p < .01) and home government pressure and green export business strategy (β = 0.095, p < .01). Also, while H11d, H11e and H11f, representing the mediator role of financial resources on the link between foreign customer pressure and green export business strategy (β = 0.028, p < .10), employee pressure and green export business strategy (β = 0.032, p < .10) and home government pressure and green export business strategy (β = 0.045, p < .10) was supported, the results did not find support for H11g, H11h and H11i, indicating the mediator role of human resources on the link between stakeholder pressures and green export business strategy.

Furthermore, H12a, H12b and H12c, suggesting the mediating impact of shared vision on the link between foreign customer pressure and green export business strategy (β = -0.013, p < .05), employee pressure and green export business strategy (β = -0.017, p < .05) and home government pressure and green export business strategy (β = -0.015, p < .05), were not confirmed, while H12d, H12e and H12f, referring the mediation effect of relationship building on the association between foreign customer pressure and green export business strategy (β = 0.066, p < .05), employee pressure and green export business strategy (β = 0.050, p < .05) and home government pressure and green export business strategy (β = 0.044, p < .05), were all accepted. In addition, H12g, H12h and H12i that posit the mediation effect of organizational learning on the link between foreign customer pressure and green export business strategy (β = 0.031, p < .05), employee pressure and green export business strategy (β = 0.052, p < .01) and home government pressure and green export business strategy (β = 0.027, p < .01) were all supported. Besides, all supported mediation relationships demonstrated a partial mediation on their associated links, since their direct effects were found as significant (see Table 6).

“Insert Table 6 about here”

With regards to the control variables, firm size (β = 0.042, p > .05), export experience (β = 0.009, p > .05) and industry type (β = 0.002, p > .05) have no influence on green export business strategy. However, foreign market destination a positive and significant effect on green export business strategy (β = 0.086, p < .01), which can be justified by the fact that, since developed and developing countries have some specific characteristics in terms of the strictness of government regulations, the existence of environmentally sensitive market segments and the level of public concern on ecological matters (Christmann, 2004).
6. Discussion and Conclusion

Drawing upon insights from institutional theory and resource-based view, this study enhances understanding on how export manufacturing firms from an emerging economy adopt green business strategies with an aim of responding to environmental pressures derived from stakeholders and improving their export market and financial performance by the help of internal company resources and capabilities. With regard to the antecedents of green export business strategies, stakeholder pressure motivates exporting manufacturing firms from emerging countries, and more specifically Turkey, in adopting environmental strategies, which is also congruent with the results of previous empirical studies conducted mainly among domestic manufacturing companies (e.g., Berry and Rondinelli, 1998; Hoffman and Ventresca, 2002). This unpacks how firms from emerging countries are under influence of stakeholder pressures to pursue environmental strategies, as stakeholder pressure play a catalyst role rather than a threat in enhancing performance related outcomes for especially firms operating in emerging economies but exporting to developed markets.

In a parallel vein, this is an evidence for how stakeholder pressures help firms from emerging economies in diminishing the effect of liability of foreignness in particularly developed markets (Contractor, 2007). Because, foreign customers have unfavorable attitudes towards products from emerging countries, which makes it difficult to charge premium prices for their environmentally friendly products in international marketplaces (Aulakh et al., 2000; Cordell, 1993). On the other hand, it could also provide a chance of involving in an institutional escapism for firms originating from emerging economies with uncertain and weak environmental home market conditions by the help of developing specific resources and capabilities that could enhance their legitimacy in international markets (Geleilate et al., 2016). In fact, emerging market firms reaps the benefits of these resources and capabilities by the help of springboard perspective in targeting developed economies (Luo and Tung, 2007).

Also, the analysis highlighted the salience of employee stakeholders concerning their stronger effect in the implementation of green export business strategies, since employee stakeholders play a crucial role as potential environmental change agents within an organization (Alt et al., 2015). During the interviews, managers have also stated how their employees are environmentally conscious and make attempts on increasing ecological activities within the company such as sorting wastes, collecting batteries, initiating agreements with recycling companies, trying to be green factory and green offices. Furthermore, the results demonstrated the positive relationship between home government pressure and green export business strategy, which is in harmony with the findings of other studies in green management literature.
Home government pressure was one of the most influential factors that stimulate companies’ green export business strategies, as stringent environmental regulations constitute a motivation for companies to adopt environmental actions for particularly emerging economies aimed to be in compliance with the legal bodies (Jaffe and Palmer, 1997). This is also evident in the exploratory interviews, indicating that they conduct what it requires as an obligation for export operations regarding the regulations related to environmental issues such as performing water analyses and organizing waste management. Moreover, foreign customer pressure affects exporting manufacturing companies’ green business strategies in a positive way not to lose their customers in the long term, since international customers, particularly in developed economies which have characterized as higher public concern and environmental conscious level, demand ecological products and prefer to work with environmentally friendly companies (Banerjee et al., 2003).

Besides, the results revealed that exporting firms from emerging markets also necessitate specific resources and capabilities to implement green export business strategies (e.g., Alt et al., 2015; Dai et al., 2014; Sarkis et al., 2010). With respect to organizational resources, top management commitment and financial resources have been revealed as vital drivers for adopting green business strategies, which are in line with company interviews that emphasize the crucial role of top management support and financial resources in initiating and implementing environmental activities, since environmental activities require huge investments having long recoveries and managerial support that disseminates ecological spirit among employees, especially for firms from emerging markets that increase economic burden of environmental initiatives (Hahn et al., 2014; Zhu and Sarkis, 2004). Concerning to the organizational capabilities, the analysis supported the positive influences of both relationship building and organizational learning on green export business strategy, as these organizational capabilities provide companies to make collaborations with different actors in the value chain (e.g., life cycle or cradle to grave environmental analyses) and develop environmental learning which enable them to incorporate environmental issues into their business functions (Aguilera-Caracuel et al., 2012). In conformity with the interviews, our empirical evidence highlights the importance of making collaborations with suppliers. For instance, one of the managers describes their sustainable sugar production by the help of cooperative activities with farmers, while the other manager mentions about training programs that enhance environmental knowledge of their employees in abroad, which in turn, develop organizational learning capacities of the company.
Notwithstanding the fact that employee pressure triggers environmental activities of export firms from emerging economies, it does not support the positive effects of both human resources and shared vision on green export business strategy. Based upon company interviews, companies hire external environmental experts and officers to follow their obligatory environmental activities within the organization. Since human resources were taken as a tangible resource in this study in terms of people and their labor rather than their knowledge and learning (Sarkis et al., 2010), human resources represent mostly externally hired environmental specialists in the present study. In other words, as firms from emerging markets do not have environmentally oriented personnel or have employees with insufficient environmental knowledge (Child and Tsai, 2005; Hoskisson et al., 2000), they are inclined to hire external specialist who are incapable of disseminating environmental spirit among the employees. Also, depending on natural resource-based view (NRBV), employee stakeholder integration leads environmental activities only when employees and managers incorporate these suggestions and considerations into companies’ strategic planning and execution, which in turn, enhances shared vision and motivation for the successful implementation of ecological operations within the organization (Alt et al., 2015; Hart, 1995). In this sense, the external specialists coming from outside of the company, who does not possess the organizational culture and philosophy well and consequently they may not be successful in creating an organizational atmosphere in which all employees shared the same environmental vision. Also, since a centralized decision-making system generally exist in respondent companies, the actions of environmentally conscious employees remain at the level of tactical and operational planning rather than strategic planning. In that vein, firms from emerging economies are advised to initiate employee trainings with an intent to increase environmental orientation throughout the organization (Zhu et al., 2008).

Besides, the results also demonstrated that stakeholder pressure has a positive impact on organizational resources in consistent with the prior literature (e.g., Dai et al., 2014; Rueda-Manzanares et al., 2008). Regarding to the fundamental pillars of institutional theory, export firms from emerging markets get benefit from organizational resources to meet the stakeholder requirements and establish social legitimacy in international markets (Leyva-de la Hiz et al., 2019). Further, empirical evidence supports the positive effect of stakeholder pressures on organizational capabilities, which is in congruent with previous literature, highlighting the crucial place of specific capabilities in managing conflicting interests of their stakeholders (e.g., Buysse and Verbeke, 2003; Sarkis et al., 2010) and dealing with strong pressure exerted by stakeholders (e.g., Garce’s-Ayerbe et al., 2012; Brammer and Millington, 2004). In this sense,
our findings reveal that stakeholder pressure motivate firms from emerging economies to develop specific organizational resources and capabilities with an intent of gaining social legitimacy in foreign markets, particularly in developed economies with higher stringent institutional mechanisms.

In addition, the results revealed that implementing green export business strategies has a positive influence on both export market and export financial performance, which are in consistent with prior research studies conducted within domestic context (e.g., Langerak et al., 1998). This study showed the vital importance of deployment of green business strategies in international markets in improving export market performance, since these strategies provides cost advantage and product differentiation benefits to the export firms from emerging economies in meeting with ecological requirements of foreign customers, particularly in developed countries (Dechant and Altman, 1994). With regard to the export financial performance, when international customers repeat their purchases and the green image of the company has been occurred in the minds of international customers, the financial performance of the companies from emerging economies will also be influenced positively in export markets via acquiring new customers and maintaining the existing ones (Dechant and Altman, 1994).

However, the analysis revealed that organizational and capabilities have partial mediating impacts on the association between stakeholder pressure and green business strategies. In other words, even though stakeholder pressure leads emerging export firms to adopt environmental strategies, they need specific resources such as financial resources and top management commitment and capabilities such as relationship building and organizational learning to implement these strategies. Otherwise, companies lack these resources and capabilities will not be able to implement environmental strategies and deal with stakeholder pressures, since company reactions differ depending upon the deficiencies in organizational resources and capabilities within company and the degree of stakeholder pressure concerning to RBV theory (Darnall, 2006). In particular, the role of top management is worthwhile in both addressing stakeholder pressure and adopting green strategies as an ultimate decision and policy maker within an emerging export company, since their decisions are expected to be in line with environmental demands of international customers in order to increase their shareholder value (e.g., Brammer and Millington, 2004; Dai et al., 2014).

6.1. Theoretical and Managerial Implications

Building on the foregoing, the contribution of this research to the literature is six-fold. First is to examine the unexplored part of emerging market firms’ export activities, specifically from
the view of the green oriented increased trends with the impact of globalization and industrial
development. Second is to provide information on the characteristics of a big emerging and
developing market, since there exists limited knowledge for emerging economies which has
been characterized as weak infrastructural systems and law mechanisms, poor communication
networks and higher uncertainty levels (Baumgartner, 2014). Third is to adapt the notions and
matters investigated in the domestic context to the international business setting. Fourth is to
help decision makers by exploring how concerning ecological matters improve emerging export
firms’ financial and market performance. Fifth is to reveal stakeholder pressures as a catalyst
for developing specific resources and capabilities within emerging market context and
emphasize the mediating role of organizational resources and capabilities on the relationship
between stakeholder pressure and green export business strategies. Finally, this study attempts
to explain the instrumental role of idiosyncratic capabilities, resources and stakeholder related
factors in improving export performance under the certain theoretical paradigms by providing
a comprehensive viewpoint for emerging country firms.

Further, this study suggests several implications for exporting companies by examining
the forces affecting their environmental strategies and how implementing these strategies result
in favorable gains in their international operations. First, managers should notice and
comprehend the vital place of green business strategies in enhancing their export market and
financial performance by the help of achieving eco-based competitive advantages (i.e.,
differentiation or cost-based) in international markets. However, managers are required to
recognize that adopting ecological operations necessitate to acquire right set of resources (e.g.,
top management commitment and financial resources) and capabilities (e.g., relationship
building and organizational learning) within organization, as firms from emerging markets need
to gain social legitimacy in foreign markets, particularly in developed economies. In addition,
the pressure exerted by stakeholder should not be taken as a threat by company managers,
especially from emerging country firms, since these pressures which are derived from
customers and employees indeed play a catalyst role in both developing resources and
capabilities and adopting green business strategies for firms from emerging economies.
Importantly, managers in emerging market firms should be careful to empower their internal
employees and managers with an aim of conducting environmentally friendly activities rather
than hiring external specialists in order to adopt and disseminate the environmental vision of
the top management to the bottom of the organization.

In addition, practitioners are advised to assess international markets on a routine basis
with an aim to recognize the differences in the host country such as the extent of public concern
and competitive rivalry, which could have influential effect on the deployment of green business practices. Moreover, exporters are recommended to incorporate green issues into their policies to attain long term success in international arena, as host countries with higher formal and informal institutional stringency put special emphasis on the detrimental effects on the nature and the compliance with green procedures. More specifically, managers could engage in collaborations with the other members in their value chain with an intent of adapting themselves to the local conditions better in terms of environmental regulations and customer ecological preferences. Further, export firms from emerging markets are advised to develop environmental learning capacity to initiate ecologically oriented practices such as greening their logistics system, using eco-friendly packages for their products, minimizing energy and water consumption within production department, enhancing green reputation of the company via green-related communication programs, all of which, enhance customer satisfaction, corporate reputation, and consequently export performance.

In the case of public policymakers, this study provides worthwhile insights to the governmental bodies. First, governments are important legal entities that should encourage existing and potential export firms to incorporate a greening orientation into their organizations with an intent to establish social legitimacy in international markets and achieve superior export performance. In this sense, organizing some training programs oriented to environmental matters could be a good initiative to drive export firms focus on environmental issues in foreign markets by the help of creating awareness and enhancing their existing knowledge. Second, it is important to provide country-specific requirements for firms intending to sell their products to foreign markets, especially developed economies in terms of specific environmental requirements and expectations. Lastly, there exist three important issues that need to be concerned by public policy makers: (i) providing economic incentives with an aim of motivating export firms to implement environmental strategies; (ii) organizing certification programs or business-level competitions aimed to raise concerns on environmental matters such as achievement of environmental awards or certifications; (iii) offering consultancy services for firms that need help in implementing those strategies in international arena.

6.2. Limitations and Future Research Directions
The findings of the present study should be interpreted in the light of several limitations. First, this study was conducted with exporting manufacturing companies in a single country. Second, albeit the fact that respondent companies have largely differentiated in various sectors, there are still industries which could not be covered in the present study. Furthermore, although this
study has a cross-sectional design, it may constitute a limitation from the perspective of causality matter. Besides, exploiting from multi-industry context for this study prevents gathering industry-specific characteristics that could be provide interesting insights into the link between stakeholder pressure and green export business strategy. Also, it has been long argued that not all industries apply the same environmental practices in the existing literature (Luan et al., 2016). However, adopting a multi-industry setting also enable researchers to make some generalizations across industries as an advantage of this research (Schmalensee, 1989). Last point could be related to the large number of constructs and limited sample size, which lead us to use partial least squares method, providing both advantages and disadvantages to the study (Hair et al., 2012).

However, this research sets light to the critical matters associated with green management in emerging market within the context of exporting, which can be considered as an initial start for future research. First, it is crucial to replicate this research in other countries with diverse environmental setting in the sense of economic, socio-cultural, political and legal. Second, it is also important to identify export markets regarding to their level of environmental public concern and rigidity of environmental regulations. Also, future research could make a difference between reactive green business strategies and proactive green export business strategies. Besides, the organizational structure (i.e., centralization and decentralization) should be considered for further studies. Since the present study emphasized the role of internal employees and managers, organizational commitment and organizational citizenship could play moderator roles on the relationship between stakeholder pressure and green export business strategies. Future studies should also investigate potential boundary factors (e.g., psychological and institutional distances) and control variables (e.g., environmental uncertainty and competitive intensity). Finally, comparative studies, which will be conducted in other emerging countries could gain more insights on green business strategies within the context of exporting.
References


### Appendix A. Scale items

<table>
<thead>
<tr>
<th>Scale items</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Foreign Customer Pressure</strong></td>
<td>Banerjee <em>et al.</em> (2003)</td>
</tr>
<tr>
<td>Our customers in the foreign markets feel that environmental protection is a critically important issue facing the world today.</td>
<td></td>
</tr>
<tr>
<td>Our customers in the foreign markets are increasingly demanding environmentally friendly products and services.</td>
<td></td>
</tr>
<tr>
<td>Our customers in the foreign market expect our firm to be environmentally friendly.</td>
<td></td>
</tr>
<tr>
<td><strong>Employee Pressure</strong></td>
<td>Munilla and Miles (2005)</td>
</tr>
<tr>
<td>Our managers and employees perceive environmental issues as an important mechanism potentially contributing to the creation of corporate value.</td>
<td></td>
</tr>
<tr>
<td>Our managers and employees perceive that environmental issues enhances competitive advantage, and eventually improves the economic value of the firm.</td>
<td></td>
</tr>
<tr>
<td>Our managers and employees believe firms need to contribute to environmental matters.</td>
<td></td>
</tr>
<tr>
<td>Our managers and employees believe being env. resp. is the most important thing a firm should do.</td>
<td></td>
</tr>
<tr>
<td>Regulation by home government agencies has greatly influenced our firm's environmental strategy.</td>
<td></td>
</tr>
<tr>
<td>Home country environmental legislation can affect the continued growth of our firm.</td>
<td></td>
</tr>
<tr>
<td>Stricter environmental regulations in the home country is a major reason why our firm is concerned about its impact on the natural environment.</td>
<td></td>
</tr>
<tr>
<td>Our firm's environmental efforts can help shape future environmental legislation in our industry.</td>
<td></td>
</tr>
<tr>
<td>Our industry is faced with strict environmental regulations in the home country.</td>
<td></td>
</tr>
<tr>
<td><strong>Top Management Commitment</strong></td>
<td>Banerjee <em>et al.</em> (2003)</td>
</tr>
<tr>
<td>The top management team in our organization is committed to environmental preservation.</td>
<td></td>
</tr>
<tr>
<td>Our top management team provides full support to our organization’s environmental efforts.</td>
<td></td>
</tr>
<tr>
<td>The top management team in our organization drives through its commitment the organization’s environmental efforts.</td>
<td></td>
</tr>
<tr>
<td>The top management team in our organization is highly interested in catering for the needs of customers who are environmentally conscious.</td>
<td></td>
</tr>
<tr>
<td>The top management team in our organization is geared toward providing environmentally friendly products.</td>
<td></td>
</tr>
<tr>
<td><strong>Human resources</strong></td>
<td>Navarro-Garcia <em>et al.</em> (2016)</td>
</tr>
<tr>
<td>We allocate/have/assign high number of managers concerning with environmental activities.</td>
<td></td>
</tr>
<tr>
<td>We allocate/have/assign high number of employees concerning with environmental activities.</td>
<td></td>
</tr>
<tr>
<td><strong>Financial resources</strong></td>
<td>Morgan <em>et al.</em> (2004)</td>
</tr>
<tr>
<td>-------------------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>We have adequate resources for financing the environmental activities of our company in export markets.</td>
<td></td>
</tr>
<tr>
<td>We are in a position to quickly acquire financial resources for financing environmental activities in export markets.</td>
<td></td>
</tr>
<tr>
<td>We have easy access to capital to finance our green activities in export markets.</td>
<td></td>
</tr>
<tr>
<td>We are in a position to acquire additional finance for environmental actions in export markets when this is necessary</td>
<td></td>
</tr>
<tr>
<td>We devote a large proportion of environmental resources to green activities in export markets.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Shared vision</strong></th>
<th>Aragon-Correa <em>et al.</em> (2008)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All our employees engaged in exporting make significant efforts toward achieving our environmental objectives.</td>
<td></td>
</tr>
<tr>
<td>Our managers and employees engaged in exporting always agree with the right environmental procedures of our firm.</td>
<td></td>
</tr>
<tr>
<td>Employees offer valuable ideas for improving our firm’s ability to achieve its green objectives in foreign markets.</td>
<td></td>
</tr>
<tr>
<td>All our employees have a very clear idea about the firm’s environmental objectives in foreign markets.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Relationship building</strong></th>
<th>Morgan <em>et al.</em> (2004)</th>
</tr>
</thead>
<tbody>
<tr>
<td>We fully understand customer requirements regarding environmental issues.</td>
<td></td>
</tr>
<tr>
<td>We fully understand requirements of other stakeholders regarding environmental issues.</td>
<td></td>
</tr>
<tr>
<td>We fully establish and maintain close relationships with suppliers regarding environmental issues.</td>
<td></td>
</tr>
<tr>
<td>We establish and maintain close collaborations with internal/external strategic partners regarding environmental issues.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Organizational learning</strong></th>
<th>Sharma <em>et al.</em> (2004)</th>
</tr>
</thead>
<tbody>
<tr>
<td>We continuously update our knowledge of the forces affecting our industry with regard to green issues.</td>
<td></td>
</tr>
<tr>
<td>We try to look at solutions to environmental problems regarding our industry from fresh angles.</td>
<td></td>
</tr>
<tr>
<td>We use both formal and informal channels for exchanging information regarding environmental issues.</td>
<td></td>
</tr>
<tr>
<td>In our firm, both employees and managers are involved in developing new eco-friendly practices, processes, systems.</td>
<td></td>
</tr>
<tr>
<td>In our firm, there are incentives and rewards for those employees who find solutions to green problems.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Our firm has integrated environmental issues into our strategic planning process.</td>
<td></td>
</tr>
<tr>
<td>In our firm, quality includes reducing the environmental impact of products and processes.</td>
<td></td>
</tr>
<tr>
<td>At our firm we make every effort to link environmental objectives with our other corporate goals.</td>
<td></td>
</tr>
<tr>
<td>Our firm is engaged in developing products and processes that minimize environmental impact.</td>
<td></td>
</tr>
<tr>
<td>Environmental protection is the driving force behind our firm's strategies.</td>
<td></td>
</tr>
<tr>
<td>Environmental issues are always considered when we develop new products.</td>
<td></td>
</tr>
<tr>
<td>Our firm develops products and processes that minimize environmental impact.</td>
<td></td>
</tr>
<tr>
<td>Export market performance</td>
<td>Leonidou <em>et al.</em> (2013b)</td>
</tr>
<tr>
<td>---------------------------------------------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>Our company's rate of maintaining foreign customers is better than that of its major competitors.</td>
<td></td>
</tr>
<tr>
<td>Our company's rate of sales increase by current foreign customers is better than that of its major competitors.</td>
<td></td>
</tr>
<tr>
<td>Our company's foreign customer satisfaction is better than that of its major competitors.</td>
<td></td>
</tr>
<tr>
<td>Our company's foreign customer loyalty is better than that of its major competitors.</td>
<td></td>
</tr>
<tr>
<td>Our company's reputation of company among foreign buyers is better than that of its major competitors.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Export financial performance</th>
<th>Leonidou <em>et al.</em> (2013b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our company's export profits are better than that of its major competitors.</td>
<td></td>
</tr>
<tr>
<td>Our company's export sales are better than that of its major competitors.</td>
<td></td>
</tr>
<tr>
<td>Our company's export sales intensity is better than that of its major competitors.</td>
<td></td>
</tr>
<tr>
<td>Our company's return on export profits is better than that of its major competitors.</td>
<td></td>
</tr>
<tr>
<td>Our company's return on export-related investment is better than that of its major competitors.</td>
<td></td>
</tr>
<tr>
<td>Our company's return on export-related capital is better than that of its major competitors.</td>
<td></td>
</tr>
</tbody>
</table>