# The United Nations Global Compact: An Institutional Approach for Environmental Principles Based on Participants in Turkey

# Tuğba Usta

Beykent University Istanbul, Türkiye dr.tugbausta@gmail.com

# Yıldız Yılmaz Güzey

Professor,
Faculty of Economics and
Business Administration Sciences
Business Administration (EN)
Beykent University, Istanbul, Türkiye.
yildizguzey@beykent.edu.tr

### **Abstract**

Environmental consciousness is maintaining its development through the United Nations Environment Programme (UNEP), the Kyoto Protocol, environmental policies of the European Union and UN Global Compact. While companies operate responsibly and sustain their practices supporting the society on environmental issues, with these principles the UN attempts that companies add value to people, societies and the planet along with adding value to their own financial resources. The concept of Environmental Corporate Social Responsibility (ECSR) is approached multi-dimensionally in six dimensions according to these two frames; as a set of corporate initiatives aimed at mitigating a firm's impact on the natural environment and as a concept about companies voluntarily integrating environmental concerns in their business operations and in their interaction with their stakeholders, respectively. This study seeks answers in three dimensions, represents environmental pressure, voluntary norms and corporate pressure, to the question whether the UN Global Compact, which companies support voluntarily due to their environmental responsibilities, leads to isomorphism. The purpose of the study is to present a corporate model based on corporate and international environment policies to reveal the attitude and adopted policies regarding environmental consciousness of companies supporting the Compact in order to identify their environmental protection perspective and to activate environment control. The space of the research is member companies of United Nations Global Compact in Turkey. The sample was selected among member companies of the Global Compact operating in Turkey. The research is designed in descriptive and correlational scanning models. Multiple linear regression test is used to test hypotheses with normal distribution results of variables and to develop the model in order to achieve the research aim and analyze the designed model. Companies guarantee that they will fulfil their environmental responsibilities on their own initiative with the UNGC, although it is founded out that self- environmental awareness and initiatives are insufficient for institutions to keep effective and sustainable environmental auditing.

### **Keywords**

Business management, institutionalism, environmental awareness, environmental policies, sustainability.

# 1. Introduction

While highlighting environmental pollution on a global scale, the United Nations Stockholm Conference in 1972, not only revealed concerns about the responsibilities of today's generation towards future generations and nature, but also emphasized the necessity of a global environmental consciousness and that today's generation acknowledges its responsibility for the environment. Environmental consciousness is maintaining its development through the United Nations Environment Programme (UNEP), the Kyoto Protocol, environmental policies of the European Union and UN Global Compact. While companies operate responsibly and sustain their practices supporting the society on

environmental issues, with these principles the UN attempts that companies add value to people, societies and the planet along with adding value to their own financial resources.

The United Nations Global Compact (UNGC), a non-binding United Nations pact, is a global initiative established to promote corporate social responsibility and global governance. The Global Compact provides a platform between the UN and companies to learn and develop corporate social responsibility. The purpose of the pact is to create common values and principles and to set a global market standard through cooperation of the UN and companies in order that a standard can be met among developed and developing countries.

UN Global Compact focuses on four main areas: human rights, labor, environment and anti-corruption. Environment is one of the core areas. Principles 7, 8 and 9, among the ten principles, comprise issues regarding environment. The principles on environment are as follows (U. N. G. Compact 2007):

- Principle 7: Businesses should support a precautionary approach to environmental challenges,
- Principle 8: Initiatives to promote greater environmental responsibility should be undertaken,

Principle 9: The development and diffusion of environmentally friendly technologies should be encouraged (U. N. G. Compact 2015).

The aim of this study is to present a corporate model based on corporate and international environment policies to reveal the attitude and adopted policies regarding environmental consciousness of companies supporting the Compact in order to identify their environmental protection perspective.

### 2. Literature

Purpose and practices of self-governed and self-managed global governance initiatives such as the United Nations Global Compact are comprehensively discussed within the literature. The scantiness of studies focusing on the impact of UN Global Compact on companies' environmental corporate social responsibilities as a global governance model is emphasized. United Nations Global Compact is assessed in this study, in terms of organizational environmental monitoring performances of companies, corporate pressure companies are exposed to regarding environmental issues and environmental corporate social responsibilities. Modelling studies on UN Global Compact have revealed that the pact is an efficient tool in companies fulfilling environmental corporate social responsibilities (Brown et al. 2017, Waddock 2008, Buono 2014).

The concept of Environmental Corporate Social Responsibility (ECSR) is approached multi-dimensionally in the current literature. Researchers addressed ECSR mainly in six dimension Onkila (2009), Williamson et al. (2005), Marshall and Toffe (2005), Mathews et al. (2004) focused on governance; Bansal and Roth (2000) on credibility; Henri and Journeault (2008), Jose and Lee (2007), Leon and Moon (2006), Punte et al. (2004), Williamson et al. (2005) on environmental performance; Christmann (2004) and Cramer (2005) on environmental vision and strategy; Guenther et al. (2007) on environmental spending and Gilley et al. (2000) on internal environmental initiatives.

Each researcher defined Environmental Corporate Social Responsibility according to their own perspective. While Bansal and Roth (2000) define ECSR as a set of corporate initiatives aimed at mitigating a firm's impact on the natural environment, Williamson et al. (2005), deem it as a concept about companies voluntarily integrating environmental concerns in their business operations and in their interaction with their stakeholders.

From a different point of view, Cramer (2007) and Gilley et al. (2000) described ECSR as processes requiring the development of new shared values, norms and attitudes within the company along with strategic embedding of production processes and organizational processes. Guenther et al. (2007) mentioned the togetherness of individual and corporate aspects of ECSR. According to Leon and Moon (2006) government policies pertaining to ECSR are considered as pollution control methods that include market-based mechanisms and voluntary programs (Gilley et al. 2000).

Although environmental investments are predominantly technological, studies revealing the significance for companies to incorporate resources regarding environmental management in advance are lacking in the literature. In order for companies to be able to apply proactive environment strategies, technological infrastructure is required (Table 1).

Table 1. Literature Table

Corporate Pressures and ECSR	Corporate Pressures and Organizational Environmental Management Performance	ECSR Pressures and Organizational Environmental Management Performance
Marshall and Toffell (2005)	Ilinitch et al. (1998)	Rahman and Post (2012)
Mathews et al. (2004)	Jose and Lee (2007)	Clarkson et al. (2008)
Onkila (2009)	Gilley et al. (2000)	Punte et al. (2006)
Jose and Lee (2007)	Cramer (2005)	Williamson (2006)
Ilinitch et al. (1998)	Christmann (2004)	Leon and Moon (2007)
Zhu and Sarkis (2007)	Lopez Gamero (2010)	Guenther et al. (2007)
Brown et al. (2016)		Bansal and Roth (2000)

I.

# 3. Theoretical Framework and Hypotheses

Increase of globalization and competitiveness has driven companies to different strategies in order to maintain their presence within the market. Companies are faced with pressure from environmental regulatory agencies, non-governmental organizations in the field, shareholders and, generally to improve their own performance, from stakeholders. This study assesses the viewpoint of companies about their responsibility for environment, according to the neo-institutional theory.

The neo-institutional theory argues that the isomorphism process leads companies to conformity. When companies are influenced by coercive, mimetic and normative pressures leading to compliance with required situations, similarities accelerate in company practices and structures [23]. Coercive (legal) influence is due to regulations or laws binding institutional actions. Mimetic (cognitive) pressures draw attention to the tendency of especially leading companies to adopt imitation conducts in competition strategies, in times of high uncertainty. Normative pressures are caused by groups of professionals, who are employed in the company as a result of practices of non-governmental organizations becoming more popular, with similar attitudes and approaches. This study seeks answers in three dimensions to the question whether the UN Global Compact, which companies support voluntarily due to their environmental responsibilities, leads to isomorphism.

- Neo-Institutional Theory, environmental pressure, voluntary initiatives
- UN Global Compact-Voluntary norms- Proactive conduct
- Attitudes against Corporate Pressure Change and reaction to change

Hypothesis 1: Corporate pressures the companies face influence their environmental corporate social responsibility. In this study, the changes due to companies facing shared pressures, therefore, voluntarily taking initiative are addressed as corporate and environmental strategies, as indicated by the neo-institutional theory. The relationship level between environmental corporate social responsibilities of companies and driving corporate pressures are measured by Hypothesis 1 and sub-hypotheses.

Hypothesis 2: Environmental corporate social responsibilities of companies influence their organizational environmental management performance. Voluntary norms such as the UN Global Compact, promote proactive environmental management while providing competitive advantage to companies, which, therefore, can bear their environmental corporate social responsibilities and execute environmental strategies. Brown et al. (2017) claim that with the support of UN Global Compact, based on voluntariness, companies fulfil their corporate social responsibilities and improve their competitiveness power. The relationship between ECSR and organizational environmental management performance of companies is measured by Hypothesis 2 and sub-hypotheses.

Hypothesis 3: Corporate pressures companies encounter influence their organizational environmental management performances. Corporate reactions to corporate pressure vary from resisting to change, to seek opportunities for becoming actively green. Neo-institutional theory suggests that companies will react against corporate pressures in order to survive and gain legitimacy. While determining proactive environmental strategies to survive in the market, companies should also pay attention to organizational environmental management. In order to reveal the relationship

between organizational environmental management performance of companies and corporate pressures they encounter, Hypothesis 3 and related sub-hypotheses are created.

# 4. Data Collection Tools and Methodology

The subject matter of this research is the initiatives and existing situations of environment stakeholders when they attempt to fulfil their environmental responsibilities. The attitudes and policies of member companies of the UN Global Compact in Turkey regarding their voluntary responsibilities and their consciousness for environment protection are included in the subject matter.

The purpose of the study is to present a corporate model based on corporate and international environment policies to reveal the attitude and adopted policies regarding environmental consciousness of companies supporting the Compact in order to identify their environmental protection perspective and to activate environment control. The space of the research is member companies of United Nations Global Compact in Turkey. The sample was selected among member companies of the Global Compact operating in Turkey (figure 1).



Figure 1. Research Model

As a voluntary initiative, the UN Global Compact seeks wide participation from a diverse group of businesses. Participation in the UN Global Compact is open to any company that is serious about its commitment to work towards implementation of the UN Global Compact principles throughout its operations and sphere of influence, and to communicate on its progress. The UN Global Compact views itself as complementing other voluntary initiatives and regulatory approaches by helping to establish the business case for human rights, labour standards, environmental stewardship and the fight against corruption.

In Turkey, there are currently 224 enterprises of Global Compact participants. Companies from oil and gas, chemicals, basic resources, construction and materials, industrial goods & services, automobiles and parts, food & beverage, personal and household goods, health care, retail (Food & drug retailers, general retailers), media, travel and leisure, telecommunications, electricity, gas, water and multiutilities, banks, insurance, real estate, financial services, technology sectors are participants in Turkey.

Rahman and Post (2012) identified three dimensions to describe Environmental Corporate Social Responsibility in companies. They formed a scale explaining governance, credibility and environmental performance. In order to measure ECSR, the study of Rahman and Post was utilized in this research. Bear, Rahman and Post, considered governance, credibility and environmental performance as the dimensions of Environmental Corporate Social Responsibility.

The survey measuring corporate pressures used to measure the variables include four market pressure factors, five regulatory and three competitive pressure factors modified by Zhu and Sarkis (2007). Zhu and Sarkis (2007), developed a model that discusses corporate pressures steering companies to Green Supply Chain Management together

with environmental factors and Green Supply Chain elements. This study associates corporate pressures with ECSR and organizational environmental management performance.

In her article inspired by various studies, López-Gamero (2007) categorized the aforementioned factors into two groups. In the first category the organizational aspects of environmental management was dealt with, while the second category focused on the technological aspects. The category 'Environmental management-organizational aspects' was measured through 15 items. The research was conducted with member companies of Global Compact operating in Turkey using prearranged questionnaires via telephone interviews.

# 5. Purpose And Significance of the Research

The purpose of this paper is to reveal the international environment policies and the perspective of environment stakeholders within a theoretical framework. A research presenting the approach and policies regarding environment control and environmental consciousness of member companies of the UN Global Compact in Turkey is planned. The study is conducted according to the theoretical model recommendation of the Republic of Turkey Ministry of Environment and Urbanization for activation of control in Turkey. Within this scope, it is aimed to reveal the corporate transformation of the environmental perspective inside and in the exterior environment of companies which have voluntarily become members of the Global Compact in Turkey. Another aim is to measure all the factors affecting the corporate transformation, such as company stakeholders, market condition and government intervention.

### 5.1 Space And Sample of the Research

The space of the research is member companies of United Nations Global Compact in Turkey. Sample was selected accordingly. It is intended to reach executives of the UN Global Compact member companies, which are widely distributed in every part of Turkey.

### **5.2 Data Collection Tools**

Rahman and Post (2012) specified factors intended for three concepts to describe Environmental Corporate Social Responsibility in companies. They created a scale elucidating governance, credibility and environmental performance. Taking responsibility for the environmental influence of the operations, products and facilities of the company, eliminating waste and emission, maximizing efficiency of used resources and minimizing actions which could lead to misuse of the resources of the country are all within the scope of the missions of environmental corporate social responsibility. Rahman and Post's study is consulted in this research in order to measure ECSR. Bear, Rahman and Post, considered governance, credibility and environmental performance as the dimensions of Environmental Corporate Social Responsibility.

The survey measuring corporate pressures used to measure the variables include four market pressure factors, five regulatory and three competitive pressure factors modified by Zhu and Sarkis, (2007). They developed a model that discusses corporate pressures steering companies to Green Supply Chain Management together with environmental factors and Green Supply Chain elements. In her article inspired by various studies, López-Gamero (2010), classified two groups to measure the effectiveness of environmental management.

The first category focused on the organizational aspects of environmental management, while the second category assessed the technological aspects. The category 'Environmental management-organizational aspects' was measured through 15 items. In order to measure the general environmental performance of companies, this study used the 15 environmental performance questions designed by López-Gamero (2010). Data were collected via survey over telephone. The departments and responsible persons of the Global Compact related to environmental policies have been reached.

### 5.3 Reliability And Validity of the Research Scales

Factor analysis is applied to the scales to measure validity. Kaiser-Meyer-Olkin and Bartlett's tests determine the appropriateness of the data set for factor analysis. The result of KMO was 69,5% (0,695). As 69,5% 0,50, research data for the corporate pressure scale is adequate for factor analysis. The Bartlett's test resulted in 5% significance level, therefore, proving to be significant. This result shows a relationship between the expressions about corporate pressure scale. According to the revealed variance percentage, the first factor (market pressure) explains 24,8% of the total variance, the first (market pressure) and second (regulatory pressure) factors together explain 49,4% of total variance and three factors (market, regulatory and competitive pressures) altogether explain 70,3% of total variance. Table 2 presents factors and factor loadings of the corporate pressure scale.

Table 2. Factors and Factor Loadings Regarding the Corporate Pressure Scale

Comorata Programas		Factors			
Corporate Pressures	MP	RP	CP		
The perspective of our customers on environment protection is taken into consideration by our company.	0,770				
Our company values the customer consciousness regarding environment protection.	0,735				
Maintaining our company's competitive advantage in producing eco-friendly merchandise and services affects the environmental management of our company.	0,719				
The environmental management of our company is influenced by environmental regulations of the government.		0,938			
The environmental management of our company is influenced by environmental regulations of municipalities.		0,903			
The environmental management of our company is influenced by environment preservation strategies of our competitors.			0,825		
The environmental management of our company is influenced by environmental regulations of our customers.			0,770		
The environmental management of our company is influenced by professional environmentalist groups.	,;;; <b>D</b>		0,533		

MP: Market Pressure RP: Regulatory Pressure CP: Competitive Pressure

The 1st factor comprises 3 expressions and is identified as the market pressure dimension. The 2nd factor consists of 2 expressions and is identified as the regulatory pressure dimension. The last factor comprises 3 expressions and is identified as the competitive pressure dimension. Kaiser-Meyer-Olkin and Bartlett's tests are used for determining the appropriateness of the data set for factor analysis to be used for the environmental corporate social responsibility scale. The result of the KMO test is %70,0 (0,700). As %70,0 (0,50, research data regarding the environmental corporate social responsibility scale is suitable for factor analysis. The Bartlett's test is concluded to be statistically significant with a significance level of 5%. This result indicates a relationship among the expressions regarding the environmental corporate social responsibility scale. According to the explained variance percentage result, the first factor (governance) explains 31,9% of the total variance, two factors (governance and credibility) together explain 65,5% of the total variance. Factor and factor loading values regarding the environmental corporate social responsibility scale are given below in Table 3.

Table 3. Factors and factor loadings regarding the environmental corporate social responsibility scale

Fi	Fac	tors
Environmental Corporate Social Responsibility	G	C
Presenting corporate social responsibility reports benefits the environmental social responsibility of the company.	0,810	
Having a department or management position for environmental pollution or control contributes to the environmental social responsibility of the company.	0,788	
Our company has knowledge on environmental control.	0,736	
Suppliers are informed on the conditions regarding environmental practices.		0,883
Stakeholders of the company take actively part in specifying corporate environmental policies.		0,805

Our company participates in initiatives of the government in	0.634
order to improve environmental practices.	0,034

G: Governance C: Credibility

The 1<sup>st</sup> factor comprises 3 expressions and is identified as the governance dimension. The 2<sup>nd</sup> factor consists of 3 expressions constituting the credibility dimension.

The Alpha (a) model (Cronbach's Alpha) is employed to test the reliability of research scales. The reliability of the scale depending on the calculated coefficient in this model is interpreted as follows:

 $0.00 \le \alpha < 0.40$  indicates the scale is not reliable,

 $0.40 \le \alpha < 0.60$  indicates low reliability,

 $0.60 \le \alpha < 0.80$  indicates considerable reliability,

 $0.80 \le \alpha < 1.00$  indicates high reliability of the scale. Table 3 shows the Cronbach's Alpha coefficient values of the scales (Table 4).

	Cronbach's Alpha	$\boldsymbol{n}$
Organizational Environmental Management Performance Scale	0,840	8
Corporate Pressure Scale	0,766	8
Market Pressure	0,663	3
Regulatory (Legal) Pressure	0,881	2
Competitive Pressure	0,659	3
Environmental Corporate Social Responsibility Scale	0,760	6
Governance	0,718	3
Credibility	0.722	3

Table 4. Scale reliability results

According to the given rule above, the organizational environmental management performance scale is highly reliable ( $\alpha = 0.840$ ), corporate pressure scale is considerably reliable ( $\alpha = 0.766$ ), its sub-dimensions market, regulatory and competitive pressures are considerably reliable ( $\alpha = 0.663$ ), highly reliable ( $\alpha = 0.881$ ), considerably reliable ( $\alpha = 0.659$ ), respectively, environmental corporate social responsibility scale is considerably reliable ( $\alpha = 0.760$ ), its sub-dimensions governance ( $\alpha = 0.718$ ) and credibility ( $\alpha = 0.722$ ) are considerably reliable.

### 5.4 Research model and hypotheses

The research is designed in descriptive and correlational scanning models. Scanning models is a research approach aiming to describe a previous or continuing phenomenon as it is. The incident or group subject to the research is attempted to be described in its own conditions the way it is. This research seeks to describe effects of environmental social responsibility levels of companies and factors influencing these levels on their environmental performances. The research model is presented in figure 2.

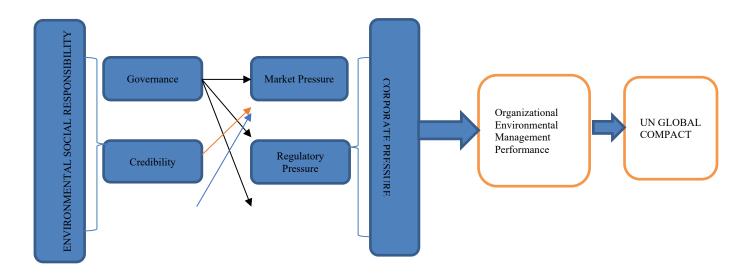


Figure 2. The Research Model

Hypotheses of the research are given below.

Hypothesis 1: Corporate pressures the companies face influences their environmental corporate social responsibility.

- H1a: Exterior pressures are influential on the ECSR of companies.
- H1b: Legal pressures are influential on the ECSR of companies.
- H1c: Pressures from the industry and competitors are influential on the ECSR of companies.
- H1d: Exterior pressures are influential on the credibility of companies' environmental policies.
- H1e: Legal pressures are influential on the credibility of companies' environmental policies.
- H1f: Pressures from the industry and competitors are influential on the credibility of companies' environmental policies.
  - H1g: Exterior pressures are influential on the governance of companies.

Hypothesis 2: Environmental corporate social responsibilities of companies influence their organizational environmental management performance.

H2a: Governance is influential on organizational environmental management performance of companies.

H2b: Company credibility about environmental sensitivity is influential on organizational environmental management performance of companies.

Hypothesis 3: Corporate pressures companies encounter influence their organizational environmental management performances.

H3a: Exterior pressures are influential on organizational environmental management performance of companies.

H3b: Regulatory (legal) pressures are influential on organizational environmental management performance of companies.

H3c: Pressures from the industry and competitors are influential on organizational environmental management performance of companies.

# 6. Results

In order to achieve the research purpose and to analysis the designed model, this part includes multiple linear regression test application to test the hypotheses with normal distribution results of variables and to create the model (Table 5).

Table 5. Normal distribution results

	Mean	Std. Deviation	Skewness		Kurtosis		
	Statistic	Statistic	Statistic	SE	Statistic	SE	
IP	59,62	24,03	-0,051	0,24	-0,459	0,48	
MP	62,16	29,43	0,109	0,24	-0,679	0,48	
RP	69,97	38,99	0,07	0,24	-1,089	0,48	
P	14,54	5,18	-0,178	0,24	-0,128	0,48	
ECSR	73,31	24,45	-0,25	0,24	-0,347	0,48	
G	80,13	29,86	-0,036	0,24	-0,893	0,48	
С	69,56	29,98	0,153	0,24	-0,54	0,48	
OEMP	17,85	4,13	-0,195	0,24	-0,632	0,48	

Table 5 exhibits minimum, maximum, skewness, kurtosis, mean and standard deviation values for each of the 8 variables. Kurtosis values are examined to determine whether the variables demonstrate normal distribution. Higher kurtosis rates than  $\mp 1.96$  violates the single variable normality assumption. As seen in the table above, kurtosis rates of each variable are below.  $\mp 1.96$ , therefore providing single variable normality assumption.

# 6.1 Findings regarding the multiple linear regression test

This part applies multiple regression test to examine the effects of independent variables on dependent variables (Table 6).

Table 6. regression analysis results

	Unsta	ındardized	Standardized			
Model	Coe	efficients	Coefficients	T	Sig.	
	В	Std. Error	β			
The Influence Of Market And Regulatory Pressures On Environmental Corporate Social						
Responsibility						
(Constant)	46,437	6,114		7,595	0,000	
MP	0,296	0,077	0,356	3,833	0,000	
RP	0,121	0,058	0,193	2,075	0,041	
$R^2 = 0.190 F = 1$	1,363 p=0,0	000				
The Influence O	f Market Pr	essure On Gover	nance			
(Constant)	61,685	6,735		9,159	0,000	
MP	0,297	0,098	0,292	3,027	0,003	
$R^2 = 0.086 F = 9$	0.163 p = 0.00	03				
The Influence O	f Market Pr	essure And Comp	petitive Pressure On Cr	edibility		
(Constant)	34,738	8,744		3,973	0,000	
MP	0,217	0,106	0,213	2,042	0,044	
СР	1,468	0,604	0,253	2,431	0,017	
$R^2 = 0.158 F = 0.158$	9,087 p=0,0	000				
The Influence O	f Environme	ntal Corporate S	Social Responsibility Or	n Organizatio	onal	
Environmental N	Managemen	t Performance				
(Constant)	9,863	1,006		9,803	0,000	
ECSR	0,109	0,013	0,645	8,364	0,000	
$R^2 = 0.417 \ F = 69.965 \ p = 0.000$						
The Influence O	The Influence Of Market Pressure And Regulatory Pressure On Organizational Environmental					
Management Per						
(Constant)	14,3	1,079		13,25	0,000	
MP	0,031	0,014	0,224	2,304	0,023	

RP	0,023	0,010	0,216	2,219	0,029
$R^2 = 0.115 F = 0$	$6,280 \ p=0,0$	003			

19,0% ( $\mathbb{R}^2=0.190$ ) of the change of the environmental corporate social responsibility variable (dependent variable) is explained by market and regulatory pressures (independent variables). ANOVA test results indicate the model being significant in all levels as a whole (F=11.363 p=0.000). Hypotheses H1a and H1b are significant at 5% level. Hypothesis H1c, on the other hand, is statistically not significant at 5% level. 8,6% ( $\mathbb{R}^2=0.086$ ) of the change of the governance variable (dependent variable) is explained by the market pressure variable (independent variable). ANOVA test results indicate the model being significant in all levels as a whole (F=9.163 p=0.003). Hypothesis H1g is significant at 5% level. 15,8 ( $\mathbb{R}^2=0.158$ ) of the change of the credibility variable (dependent variable) is explained by the market pressure variable (independent variable). ANOVA test results indicate the model being significant in all levels as a whole (F=9.087 p=0.000). Hypotheses H1d, H1e and H1f are significant at 5% level. 41,7% ( $\mathbb{R}^2=.417$ ) of the change of the organizational environmental management performance variable (dependent variable) is explained by the environmental corporate social responsibility variable (independent variable). ANOVA test results indicate the model being significant in all levels as a whole (F=69.965 p=0.000). Hypothesis H2 is significant at 5% level. H2a and H2b are not significant at 5% level.

11,5% ( $\mathbb{R}^2 = 0.115$ ) of the change of the organizational environmental management performance variable (dependent variable) is explained by the market pressure and regulatory pressure variables (independent variable). ANOVA test results indicate the model being significant in all levels as a whole (F = 6.280 p = 0.003). Hypothesis H2 is significant at 5% level. H3a and H3b are not significant at 5% level. Hypotheses H3 and H3c are not significant at 5% level.

### 7. Conclusion

Table 7. Multiple linear regression of the hypothesis

Hypothesis	Type Of Analysis	t	Sig.	Significance State
Hypothesis 1: Corporate pressures the companies face influence their environmental corporate social responsibility.	Regression	-0,561	0,576	Reject
H1a: Exterior pressures are influential on the ECSR of companies.	Regression	3,833	0,000	Accept
H1b: Legal pressures are influential on the ECSR of companies.	Regression	2,075	0,041	Accept
H1c: Pressures from the industry and competitors are influential on the ECSR of companies.	Regression	0,944	0,348	Reject
H1d: Exterior pressures are influential on the credibility of companies' environmental policies.	Regression	2,042	0,044	Accept
H1e: Legal pressures are influential on the credibility of companies' environmental policies.	Regression	1,137	0,258	Reject
H1f: Pressures from the industry and competitors are influential on the credibility of companies' environmental policies.	Regression	2,431	0,017	Accept
H1g: Exterior pressures are influential on the governance of companies.	Regression	3,027	0,003	Accept
Hypothesis 2: Environmental corporate social responsibilities of companies influence their organizational environmental management performance.	Regression	8,364	0,000	Accept
H2a: Governance is influential on organizational environmental management performance of companies	Regression	-0,016	0,987	Reject

H2b: Company credibility about environmental sensitivity is influential on organizational environmental management performance of companies.	Regression	-0,072	0,943	Reject
Hypothesis 3: Corporate pressures companies encounter influence their organizational environmental management performances.	Regression	-0,813	0,418	Reject
H3a: Exterior pressures are influential on organizational environmental management performance of companies.	Regression	2,304	0,023	Accept
H3b: Regulatory (legal) pressures are influential on organizational environmental management performance of companies.	Regression	2,219	0,029	Accept
H3c: Pressures from the industry and competitors are influential on organizational environmental management performance of companies.	Regression	0,856	0,394	Reject

Corporate theory is defined as the way businesses are dependent and interact with people and other businesses. It is stated that the relationships and changes that the enterprises establish with each other are realized by the three types of "Uniformity System ve (Compelling, Imitation and Rule) and Bridging Systems. Meyer and Rowan (1977), in their first research of the new institutional approach, have stated that the formal practices of the organization operating in the post-industrial society reflect myths of their corporate environment rather than demand for jobs. Hypothesis 1 was partially accepted as a result of the research (table 7). It was concluded that competitive pressure, one of the subfactors of corporate pressure that companies face, is influential on environmental credibility, which is a sub-factor of environmental corporate social responsibility. Environmental preservation strategies that companies create are predominantly influenced by legal and market pressures, rather than competitive pressure. According to the neoinstitutional theory, legal and market pressures companies encounter are coercive (legal) and normative pressures. Regulatory (legal) pressures are regulations and rules dictating the actions of a company and market pressures are due to people with the same profession or similar educational background, who are employed in the company as a result of practices of non-governmental organizations becoming more popular, with similar attitudes and behaviours. Companies facing shared pressures apply similar strategies which in return makes them similar to each other as a result of isomorphism. Data obtained from the research indicated that Hypothesis 2 is significant. It was inferred that environmental corporate social responsibilities of companies are influential on their organizational environmental management performances. Companies with environmental corporate social responsibility consciousness develop their environmental management performance within the organization accordingly. While fulfilling their environmental corporate social responsibilities by joining voluntary organizations such as the UN Global Compact, companies regulate their environmental management as a result of the Compact sanctions.

Hypothesis 3 has proven to be partially significant as a result of the gathered data. Exterior pressures companies are subject to are influential on their organizational environmental management performances. While companies determine proactive environment strategies in order to maintain their existence in the market, organizational environmental management should also be taken into consideration. One of the factors driving companies to efficient organizational environmental management performance is the corporate pressure they encounter. Market pressures, competitive pressures and regulatory (legal) pressures are corporate pressures companies face. Organizational environmental management performance is only influenced by market and regulatory (legal) pressures.

UN Global Compact affects the environmental strategies of companies. Companies fulfil their environmental corporate social responsibilities by joining such voluntary norms and can be together with competition they can imitate while developing environmental preservation strategies. Joining voluntary initiatives such as the UN Global Compact shows that companies acknowledge the legal environmental sanctions they are faced with. Companies guarantee that they will fulfil their environmental responsibilities on their own initiative.

# References

Bear, S. R. N. P. C. The impact of board diversity and gender composition on corporate social responsibility and firm reputation, *Journal of Business Ethics*, vol. 2, no. 97, pp. 207-221, 2010.Brown, J. A. C. Clark ve A. F. Buono,

- «The United Nations Global Compact: Engaging Implicit and Explicit CSR for Global Governance, *Journal of Business Ethics*, pp. 1-14, 2017.
- Buono, A. F., Setting the Stage: Facilitating Global Partnership for a Better World, SAM Advanced Management Jorunal, no. 79/4, pp. 4-8, 2014.
- Bansal, R. K., Why companies go green: A model of ecological responsiveness, *Academy of Management Journal*, vol. 43, no. 4, pp. 717-736, 2000.
- Christmann, P., Multinational companies and the natural environment: Determinants of global environment policy standardization, *Academy of Management Journal*, vol. 47, no. 5, pp. 747-760, 2004.
- Cramer, J., Company learning about corporate social responsibility, *Business Strategy and the Environment*, vol. 14, no. 4, p. 255–266, 2005.
- D. H. C. G. C. and Matthews, H. C. T., Five elements for organizational decision-making with an environmental management system, *Environmental Science and Technology*, vol. 38, no. 7, pp. 1927-1932, 2004.
- Guenther, P. C., Environmental corporate social responsibility of firms in the mining and oil and gas industries: Current status quo of reporting following GRI guidelines, *Greener Management International*, vol. 53, pp. 7-25, 2007.
- Gilley, R. A., Making more by doing less: an analysis of outsourcing and its effects on firm performance, *Journal of management*, vol. 26, no. 4, pp. 763-790, 2000.
- Henri, J. M., Environmental performance indicators: An empirical study of Canadian manufacturing firms, *Journal of Environmental Management*, vol. 87, no. 1, pp. 165-176, 2008.
- J. D. and Marshall, T. M. W., Framing the elusive concept of sustainability: A sustainability hierarchy, Environmental *Science and Technology*, vol. 39, no. 3, pp. 673-682, 2005.
- Jose, L. S. M., Environmental reporting of global corporations: A content analysis based on website disclosures, *Journal of Business Ethics*, vol. 72, no. 4, pp. 307-321, 2007.
- Leon, M. S. G., Contexts and corporate voluntary environmental behaviors: Examining the EPA's green lights voluntary program, *Organization & Environment*, vol. 20, no. 4, pp. 480-496, 2007.
- Levy, Heterogeneity and change in environmental strategy: technological and political responses to climate change in the global automobile industry., Organizations, policy and the natural environment: institutional and strategic perspectives, pp. 173-193, 2002.
- L.-W. D. G. and Williamson, R. J., Drivers of environmental behaviour in manufacturing SMEs and the implications for CSR, *Journal of Business Ethics*, vol. 67, no. 3, pp. 317-330, 2006.
- Meyer, Institutionalized organizations: Formal structure as myth and ceremony, *American journal of sociology*, vol. 2, no. 83, pp. 340-363, 1977.
- Onkila, T., Corporate argumentation for acceptability: Reflections of environmental values and stakeholder relations in corporate environmental statements, *Journal of Business Ethics*, vol.87, no. 2, pp. 285-298, 2009.
- Punte, G. S., Improving energy efficiency in Asia's industry, *Greener Management International*, vol. 50, pp. 41-51, 2006.
- Rahman, N. P. C, Measurement issues in environmental corporate social responsibility (ECSR): Toward a transparent, reliable, and construct valid instrument, *Journal of Business Ethics*, vol. 3, no. 105, pp. 307-319, 2012.
- U. N. G. Compact, The principles for responsible management education, New York, 2007.
- U. N. G. Compact, 2015.
- Waddock, S., Building a new institutional infrastructure for corporate responsibility, *Academy of Management perspectives*, vol.22, no. 3, pp. 87-108, 2008..
- W. R. Scott, Institutions and organizations: Ideas and interests, Sage, 2008, pp. 11-23.
- Zhu, Q. S. J. The moderating effects of institutional pressures on emergent green supply chain practices and performance, *International journal of production research*, vol. 45, no. 18-19, pp. 4333-4355, 2007.

### **Biographies**

**Tugba Usta**, earned her PhD. degree in Business Management from Beykent University in 2019. She received her MBA degree from Beykent University in 2015. She received her BSc in Economics from Beykent University in 2013 with full scholar. She has worked as export manager and project manager in private sector.

Yıldız Yılmaz Güzey, received the B.A., MBA., M.Sc., and PhD. Degrees in Management and Organization and Business Policy f rom University of Istanbul, Turkey, and Management, HRM, Project Management Professional development degrees from Portland State University, USA. Her work experience includes, extensive management consulting in Industrial corporations, teaching and research. She has served as a visiting scholar at Portland State

University, Engineering and Technology Management Program. She is currently Professor of Economics and Administrative Science Faculty and Head of Women Studies Research Center at Beykent University, Istanbul.