THE ROLE OF INDIVIDUAL JUDGMENT IN A COMPREHENSIVE MODEL OF PROACTIVE CORPORATE ENVIRONMENTAL STRATEGY FORMULATION

Marko Horn
Valdosta State University
Langdale College of Business Administration
Department of Management and Healthcare Administration
1500 N. Patterson St.
Valdosta, GA 31698-0075

Abstract
Proactive corporate environmental strategies are gaining increasing application in industry and government. Nevertheless, given the importance of the preservation of planetary resources for future generations, one wonders why proactive corporate environmental strategies are not common business practice. This paper outlines the importance of the individual actors and decision making while proposing a comprehensive model and potential antecedents for the creation and formulation of these strategies. Specifically I outline the importance of stakeholder pressures, stakeholder management, managerial cognition, top management team characteristics, and the role of firms’ resource position. Important moderating factors are identified, and a supporting model and propositions are developed.

Keywords
Individual judgement, corporate environmental strategy, planetary resources

INTRODUCTION

Human ecology is defined as “the ecology of human communities and populations especially as concerned with preservation of environmental quality (as of air or water) through proper application of conservation and civil engineering practices” (Dictionary, Retrieved May 30, 2008). Proactive Environmental Strategies (PESs), addressing the prevention and/or reversal of ecological damage from products and services, are gaining momentum and support by practitioners within manufacturing and service industries (Analytica, 2006; Hamm, 2006; Hindo, 2006) and are becoming increasingly salient in the eyes of the general public (Adler, 2006). In light of the impact environmental disasters such as the Deepwater Horizon oil spill have on the industry, management scholars have an increasing interest in the topic. In addition, investors have started to align their personal values with their investments, which led to the

http://dx.doi.org/10.21607/jmsm.2016.0005