A CRITIQUE ON THEORITICAL FRAMEWORK FOR ADOPTION OF CORPORATE SUSTAINABILITY PRACTICES: IINTEGRATING INSTITUTIONAL MOTIVES, STAKEHOLDER MOTIVES, AND MANAGERIAL MOTIVES

Chamika Namal Ranasingh Wijesundara⁴, Ali Khatibi⁵, S. M. Ferdous Azam⁶, Jacqueline Thom⁷

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ABSTRACT

Purpose: This literature review seeks to advance knowledge of the area of theories on motivation for corporate sustainability efforts as it has been researched by earlier experts. Corporate sustainability has gained more attention in academics and business since the 1990s. Still, there is a lack of literature in the area of motivational theories for corporate sustainability. This particular review paper offers an analysis of 30 articles from journals covering the area of business and management that were published between 2002 and 2022. The paper provides a summary of the growth of corporate sustainability, as well as various definitions, and theories that have been put into practice to motivate corporate sustainability efforts.

Method: The researcher employed a literature search strategy, drawing from prior review articles, to investigate corporate sustainability theories and related studies by reputable academics. The electronic search focused on business and management publications, using keywords like sustainability and motivating theories for corporate sustainable adoption. The search was limited to the most recent two decades. Each identified work underwent screening to assess its essential relevance to motivational theories of corporate sustainability.

Findings: The results show that the field of corporate sustainability is still developing and that several theories have been employed to measure the motives of corporate sustainability. We believe that despite the similarities and connections between the three theories: institutional theory, stakeholder theory, and managerial motives, they are complementary rather than competing. Most significantly, they can be combined with and connected to corporate sustainability activities to provide a multi-theoretical view of the motivations behind such practices.

Research Implication: This study provides a theoretical framework that can be applied to studies of corporate sustainability, particularly when attempting to understand why organizations motivate to adopt corporate sustainability.

Origionality/Value: This theoretical model can be used as a conceptual foundation for empirical research on the drivers of corporate sustainability initiatives in a variety of settings. To gain a deeper comprehension of corporate sustainability adoption, it makes an effort to gain valuable insights into more than one single theory.

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A Senior Lecturer at Department of Tourism Management. Post Graduate Centre, Management & Science University. Shah Alam, Selangor, Malaysia. E-mail: namal@mgt.sab.ac.lk
Orcid: https://orcid.org/0009-0009-4040-9963

B Professor PhD. Post Graduate Centre, Management & Science University. Shah Alam, Selangor, Malaysia. E-mail: alik@msu.edu.my Orcid: https://orcid.org/0000-0002-2531-7720

C Associate Professor. Post Graduate Centre, Management & Science University. Shah Alam, Selangor, Malaysia. E-mail: drferdous@msu.edu.my Orcid: https://orcid.org/0000-0002-0001-3595

D Associate Professor. Post Graduate Centre, Management & Science University. Shah Alam, Selangor, Malaysia. E-mail: jacqueline@msu.edu.my Orcid: https://orcid.org/0000-0003-0966-2425
UMA CRÍTICA SOBRE O QUADRO TEÓRICO PARA A ADOÇÃO DE PRÁTICAS DE SUSTENTABILIDADE CORPORATIVA: INTEGRANDO MOTIVOS INSTITUCIONAIS, MOTIVOS DAS PARTES INTERESSADAS E MOTIVOS DE GESTÃO

RESUMO
Propósito: Esta revisão de literatura busca promover o conhecimento da área de teorias sobre motivação para esforços de sustentabilidade corporativa como foi pesquisado por especialistas anteriores. A sustentabilidade corporativa ganhou mais atenção na academia e nos negócios desde a década de 1990. Ainda falta literatura na área de teorias motivacionais para a sustentabilidade corporativa. Este artigo de revisão em particular oferece uma análise de 30 artigos de revistas que abrangem a área de negócios e gestão que foram publicados entre 2002 e 2022. O artigo fornece um resumo do crescimento da sustentabilidade corporativa, bem como várias definições e teorias que foram postas em prática para motivar os esforços de sustentabilidade corporativa.
Método: O pesquisador empregou uma estratégia de busca de literatura, baseada em artigos de revisão anteriores, para investigar teorias de sustentabilidade corporativa e estudos relacionados por acadêmicos respeitáveis. A pesquisa eletrônica se concentrou em publicações de negócios e gestão, usando palavras-chave como sustentabilidade e teorias motivadoras para a adoção sustentável corporativa. A busca limitou-se às duas décadas mais recentes. Cada trabalho identificado foi submetido a triagem para avaliar sua relevância essencial para teorias motivacionais de sustentabilidade corporativa.

Constatações: Os resultados mostram que o campo da sustentabilidade corporativa ainda está em desenvolvimento e que várias teorias foram empregadas para medir os motivos da sustentabilidade corporativa. Acreditamos que, apesar das semelhanças e conexões entre as três teorias: teoria institucional, teoria das partes interessadas e motivos gerenciais, elas são complementares em vez de competir. Mais significativamente, elas podem ser combinadas e conectadas a atividades de sustentabilidade corporativa para fornecer uma visão multi-teórica das motivações por trás de tais práticas.

Implicação da Pesquisa: Este estudo fornece uma estrutura teórica que pode ser aplicada a estudos de sustentabilidade corporativa, particularmente quando se tenta entender por que as organizações se motivam a adotar a sustentabilidade corporativa.

Originalidade/Valor: Este modelo teórico pode ser usado como base conceitual para pesquisa empírica sobre os impulsionadores de iniciativas de sustentabilidade corporativa em uma variedade de configurações. Para obter uma compreensão mais profunda da adoção da sustentabilidade corporativa, ela faz um esforço para obter insights valiosos em mais de uma única teoria.


CRÍTICA DEL MARCO TEÓRICO PARA LA ADOPCIÓN DE PRÁCTICAS DE SOSTENIBILIDAD EMPRESARIAL: INTEGRACIÓN DE RAZONES INSTITUCIONALES, MOTIVOS DE LAS PARTES INTERESADAS Y RAZONES DE GESTIÓN

RESUMEN
Propósito: Esta revisión de la literatura busca promover el conocimiento de teorías sobre la motivación para los esfuerzos de sostenibilidad empresarial, como fue investigado por expertos anteriores. La sostenibilidad empresarial ha recibido más atención en el ámbito académico y empresarial desde los años noventa. Todavía no hay literatura sobre teorías motivacionales para la sostenibilidad empresarial. Este artículo de revisión ofrece en particular un análisis de 30 artículos de revistas que cubren el área de negocios y gestión que se publicaron entre 2002 y 2022. El artículo ofrece un resumen del crecimiento de la sostenibilidad empresarial, así como diversas definiciones y teorías que se han puesto en marcha para motivar los esfuerzos de sostenibilidad empresarial.
Método: El investigador utilizó una estrategia de búsqueda de literatura, basada en artículos de revisión anteriores, para investigar teorías de sostenibilidad empresarial y estudios relacionados con académicos respetables. La investigación electrónica se concentró en las publicaciones empresariales y de gestión, utilizando palabras clave como la sostenibilidad y motivando teorías para la adopción sostenible de las empresas. La búsqueda se ha limitado a las dos últimas décadas. Se sometió a examen cada una de las tareas identificadas para evaluar su importancia esencial para las teorías motivacionales de la sostenibilidad empresarial.

Hallazgos: Los resultados muestran que el campo de la sostenibilidad empresarial aún está en desarrollo y que se han utilizado varias teorías para medir las razones de la sostenibilidad empresarial. Creemos que, a pesar de las similitudes y conexiones entre las tres teorías: la teoría institucional, la teoría de los partidos interesados y las razones de gestión, son complementarias más que competitivas. Lo que es más importante, pueden combinarse y vincularse a las actividades de sostenibilidad empresarial para ofrecer una visión multiteórica de las motivaciones en que se basan esas prácticas.
INTRODUCTION

The number of references to corporate sustainability and sustainability initiatives have significantly increased during the last two decades (Zhuo, 2023; Haseeb et al., 2021). Over time, stakeholders' understanding of sustainability as a workable corporate strategy has grown (Lee et al., 2023; Avinash & Rahman, 2021). Simultaneous to this evolution, academic writers have increasingly focused on corporate sustainability-related topics. The Brundtland Report, which was issued in 1987, served as the primary inspiration for the corporate sustainability concept (Suluo et al., 2020). The report stressed the necessity of moving quickly toward long-term economic expansion that doesn't harm the environment or deplete natural resources (Zhuo, 2023; Suluo et al., 2020). A review article like this might therefore contribute to the development of the corporate sustainability area. The evolution of corporate sustainability and the theories of motivation that push a specific business in the direction of sustainability are highlighted in this study as a contribution to the literature.

Over the years, a variety of theoretical stances have been employed to explain why business organizations participated in corporate sustainability efforts or did not (Hussain et al. 2017; Haseeb et al., 2021). These theoretical potentials for business sustainability can be roughly divided into "Economic Theories" and "Social and Political Theories" (Hutchins et al., 2019). The market effects of corporate sustainability disclosure are only taken into account in the economic theories when analyzing business sustainability practices (Lee et al., 2023; Hristov & Chirico, 2019). Furthermore, rather than taking into account a wider range of stakeholders, these theories focus primarily on financial stakeholders. In comparison to solely economic theories, social and political theories including legitimacy theory, stakeholder theory, and institutional theory are better able to offer meaningful theoretical insights into corporate sustainability strategies (Zhuo, 2023). In this particular study, the researcher has concentrated only on social theories of corporate sustainability such as stakeholder theory, institutional theory, resource-based theory, and legitimacy theory.
LITERATURE REVIEW

Development of Corporate Sustainability

Studies from the 1970s to the 1980s tended to focus on social reporting, while those from the 1990s gave more attention to environmental reporting. (Lee et. Al., 2023; Avinash & Rahman, 2021). The phrase then mostly switched to the analysis of corporate social responsibility or sustainability reporting after the turn of the millennium (Haseeb et. al., 2021).

Motivational Theories of Corporate Sustainability

The literature review revealed that various theories were employed by corporate sustainability researchers to conceptualize corporate sustainability. According to their theoretical contributions, two types of investigations were further disclosed. First, some research focused only on the facts and did not structure their analysis in terms of any beliefs. These studies present information and derive judgments from the occurrences seen (Kantabutra & Ketprapakorn 2020; Hernandez, 2008; Williams, 2015). Second, it showed that certain researches were conceptualized in terms of specific theories, such as institutional, agency, legitimacy, signaling, stakeholder theory, or the resource-based view (Rezaee, 2016; Hernandez, 2008; Ashrafia et al., 2018).

Moreover, in research on both business and society, the motives of corporate sustainability programs have been examined from a variety of theoretical approaches. Stakeholder theory, institutional theory, legitimacy theory, and resource-based approach continue to be the top theoretical approaches used to study problems with corporate sustainability among those discovered in such publications (Ashrafia et al., 2018; Baumgartner, 2014; Kantabutra & Ketprapakorn 2020). Stakeholder theory and institutional theory are two examples of systems theories, which claim that businesses and society are interrelated and that environmental forces have an impact on organizational behavior (Shepherd and Suddaby, 2017; Rezaee, 2016; Hannon & Callaghan, 2011). The fact that corporate sustainability is regarded as a systems concept and some academics advise a systems approach to incorporate corporate sustainability in businesses can also be ascribed to the use of systems theories to investigate corporate sustainability concerns (Kantabutra & Ketprapakorn 2020). As Baumgartner, (2014) depicted, the resource-based view, which differs from the systems view, contends that businesses with unique resources and competencies are more likely to incorporate and put into practice corporate sustainability programs to gain an advantage over competitors. The critiques and problems with single theory or mono-theoretical approaches are also helped by a multi-
A Critique on Theoretical Framework for Adoption of Corporate Sustainability Practices: Integrating Institutional Motives, Stakeholder Motives, and Managerial Motives

Theoretical approach. Additionally, a single theory might not be able to explain all of the connections between the elements of business sustainability (Ashrafia et al., 2018). Consequently, it is decided that the multi-theoretical method is best because it incorporates numerous complementary viewpoints (Williams, 2015; Kantabutra & Ketprapakorn 2020). By concerning all these facts and as per the outcomes of analyzed research works, Institutional theory, Stakeholder theory, and Managerial motives were compiled as motivational theories of corporate sustainability engagement.

External Motives

The external forces found in corporate sustainability studies that utilize institutional theory and stakeholder theory as the dominant theoretical framework to judge the influence of external forces for businesses to incorporate with corporate sustainability initiatives (Ashrafia et al., 2018; Rezaee, 2016; Kantabutra & Ketprapakorn 2020). Many scholars have offered shreds of evidence on the influences of regulatory and non-regulatory pressures on corporate sustainability initiatives, and they show that market pressures and competitive pressures are important external factors that explain why business organizations adhere to corporate sustainability practices.

Institutional theory

The examination of organizational forms by institutional theory explains why organizations that are part of the same "organizational field" have similar traits or forms (Subham et. al., 2018; Carola et. al., 2018). The institutional theory examines how environmental variables affect business/firms' decisions and behaviors (Tiberio et. al., 2021; Rama & Jayanti, 2021). The foundation of institutional theory is that environments have an impact on organizations. As DiMaggio and Powell (1983) depicted, key suppliers, resource and product consumers, regulatory bodies, and other organizations that make comparable services or goods are all considered to be part of the organizational field, which is made up of those organizations that collectively make up a recognized region of institutional life. According to institutional theory, organizations function inside a social framework made up of values, conventions, and presumptions about what is suitable or acceptable in terms of economic behavior (Wijethilake et. al., 2017; Rama & Jayanti, 2021; Carola et. al., 2018). As per (DiMaggio & Powell, 1983; Marta et. al, 2021; Carola et. al., 2018) mentioned, Once an institutional field is organized, several strong social forces start to arise, which leads to an
increase in similarity among the organizations within the field. As Paula (2016) depicted, under the Institutional theory, DiMaggio and Powell (1983) have talked about “Isomorphism” which explains the process of homogenization and it can be discussed as three different pillars: coercive isomorphism, mimetic isomorphism, and normative isomorphism.

Coercive isomorphism means, external influences including corporate influence, workforce influence, and pressure generated through governmental legislation (Tiberio et. al., 2021; Paula, 2016; Marta et. al, 2021). Therefore, this process develops as a result of influence from influential or critical consumers to alter the institutional processes of an organization (Tiberio, et. al., 2021; Brob & Benn, 2014).

Mimetic isomorphism is the practice of organizations imitating or copying the actions of other organizations, typically to gain a competitive edge in considerations of legitimacy (Brob & Benn, 2014; Carola et. al., 2018; Wijethilake et. al., 2017). One of the strong motivators for imitation is uncertainty (Marta et. al, 2021).

Normative pressures’ potential to encourage businesses to implement corporate sustainability strategies depends on how widely accepted sustainable development-related norms and values are (Paula, 2016; Rama & Jayanti, 2021; Brob & Benn, 2014). The primary normative forces that contribute significantly to the spread of standards and ideals associated with sustainable growth come from higher learning, professional associations, and international organizations (Dimaggio and Powell 1983; Tiberio et. al., 2021; Wijethilake et. al., 2017).

**Linking institutional theory to corporate sustainability adoption**

Employing institutional theory to corporate sustainability inquiry, it can be said that firms are anticipated to implement corporate sustainability efforts as a result of institutional forces connected to sustainability (Tiberio et. al., 2021; Wijethilake et. al., 2017; Brob & Benn, 2014). As a result, it may be theorized that institutional pressures and the acceptance of corporate sustainability measures are directly related. Institutional influences that motivate firms to implement corporate sustainability efforts and their influence on the company's outcome are demonstrated in studies on corporate sustainability that incorporated institutional theory (Carola et. al., 2018; Brob & Benn, 2014). Theoretical justification and empirical evidence presented above point to a potential connection between institutional pressures and the adoption of corporate sustainability.
Stakeholder theory

Stakeholders are a vital element of the business environment that a company operates in, and they are also the ones who manage the resources (Mireia et. al., 2018). Any organization or person that can influence or is influenced by the accomplishment of the firm's purpose is referred to as a stakeholder (Freeman 1984). Stakeholder theory has been used in corporate sustainability writings to examine whether community/stakeholder demands have an impact on the acceptance of corporate sustainability strategies (Xavier & Jennifer, 2018; Abel et. al., 2018). Stakeholders have a significant role in establishing the authority of an organization since they control the flow of funds (Mehrnaz et. al., 2020). Organizations must therefore acknowledge that stakeholders are likely to put pressure on them to further their interests.

According to stakeholder theory, a company's sustainability efforts and achievements increase its long-term worth by upholding its ecological and social obligations and enhancing its reputation. (Campbell, 2007; Clarkson et al., 2011; Weber, 2008). As Sonya & Logan (2020) depicted, these sustainability measures would entail a significant allocation of resources, which might conflict with the goals of maximizing shareholder value and encourage management to focus only on sustainability practices that would achieve long-term corporate viability. The integration and coherence of all elements of the business model and its procedures are crucial to reaching overall sustainable performance requirements, according to stakeholder theory, which applies to all managerial activities (Sonya & Logan, 2020; Mehrnaz et. al., 2020). Additionally, management may implement measures to enhance sustainability initiatives that are advantageous to specific stakeholders with the authority to affect their remuneration (Xavier & Jennifer, 2018). To accomplish sustainability goals across all dimensions, an organization should be seen as a correlation of all the elements of a firm's business operations (Abel et. al., 2018).

Linking stake-holders theory to corporate sustainability adoption

Stakeholder influences are one of the key drivers encouraging companies to take part in corporate sustainability activities, according to researchers who have applied the stakeholder theory to corporate sustainability studies. Prior research has revealed that community/stakeholder influence directly affects business sustainability efforts, organizational response to sustainability concerns, and corporate sustainability outcomes, which supports this viewpoint (Mireia et. al., 2018; Abel et. al., 2018; Mehrnaz et. al., 2020). The scientifically justified claim that there is a direct connection between both stakeholder pressure and corporate
sustainability activities forms the foundation for the use of stakeholder theory in sustainability research (Xavier & Jennifer, 2018; Mehrnaz et. al., 2020). This backs up the notion that stakeholder theory is organization-centered and suggests that it is still used in corporate sustainability investigations to strengthen the "business case for sustainability".

Internal Motives

Numerous research examining the impact of internal variables on the incorporation of corporate sustainability initiatives have arisen, similar to studies examining the preceding effect of external forces on such initiatives. The resource-based approach has been used in studies that have looked at organizational resources as factors that influence sustainability initiatives to explain the relationship between these two variables (Colwell & Joshi, 2013; Clarkson et al., 2011; Weber, 2008). The active involvement of senior management has been examined from several angles among the internal determinants mentioned in corporate sustainability studies (Wijethilake et al., 2017). The desire to investigate senior management’s function can be related to the fact that they are in charge of making strategic choices for their firms, including allocating resources and participating in corporate sustainability programs (Colwell & Joshi, 2013; Clarkson et al., 2011; Weber, 2008).

Managerial motives

The motivations that push a company's top management to implement a corporate sustainability approach are referred to as managerial motives (Colwell & Joshi, 2013; Wijethilake et al., 2017). Expected results are probably what motivates managers to implement pro-sustainability practices. Numerous research looking into the impact of “Internal factors” on the acceptance of corporate sustainability efforts have developed, similar to studies examining the preceding effect of external forces or environmental elements on corporate sustainability initiatives (Kitsis & Chen, 2020; Khatter et. al., 2021; Islam et. al., 2020). As per the prevailing corporate sustainability literature depicted, the important role of senior management/ top management has been examined from several angles among the internal causes. The desire to investigate senior management's function can be explained by the fact that they are in charge of making strategic choices for their firms, including allocating resources and participating in corporate sustainability programs (Gössling, 2017; Wijethilake & Ekanayake, 2018; Shee et. al., 2018). Corporate sustainability is a proactive undertaking, and by incorporating elements of corporate sustainability into business strategy, firms may
decide to change from a traditional to a sustainable business approach (Frandsen et. al., 2013; Gössling, 2017). Without the backing and dedication of the top management, such advancements and transformations in enterprises cannot be accomplished. Based on this notion, researchers have looked at how top management awareness, dedication, values, and intentions affect corporate sustainability practices. Their findings show that top management is crucial in enlisting firms in these initiatives (Kitsis & Chen, 2020; Wijethilake et al., 2017; Khatter et. al., 2021). Although top management commitment, understanding, attitude, etc. have received increasing attention, the reasons for their involvement in corporate sustainability programs have not been well investigated (Shee et. al., 2018; Islam et. al., 2020). Three main administrative motives were picked out of other studies for this study. The first strategic motivation is the conviction that implementing a corporate sustainability plan will boost financial performance and provide businesses with a competitive edge (Wijethilake & Ekanayake, 2018; Frandsen et. al., 2013). Second, the value motivator, on the other hand, is the conviction that implementing a company sustainability initiative is "the right thing to do." This demonstrates that the group's leadership and members have incorporated sustainability into their culture and daily operations (Wijethilake & Ekanayake, 2018). Third, the assumption that adopting pro-sustainability actions strengthens corporate image is another motivation for legitimacy. The legitimacy motive emphasizes adherence to rules and institutional standards (Shee et. al., 2018; Gössling, 2017; Kitsis & Chen, 2020).

**Linking Managerial motives to corporate sustainability adoption**

When examining the corporate sustainability material in more detail, it becomes clear that scholars have examined the preceding impact of organizational assets on corporate sustainability programs. Organizations' upper management is in charge of making strategic choices like adopting a business sustainability agenda (Khatter et. al., 2021; Islam et. al., 2020). There are many reasons why senior management is crucial to the implementation of corporate sustainability. Enterprises may move toward a more sustainable business model if corporate sustainability issues are integrated into corporate strategy (Shee et. al., 2018). As Khatter et. al., (2021) depicted, the importance of senior management in promoting sustainable behavior cannot be understated, and sustainable development literature has given this topic a lot of attention. Organizations with managerial goals are more sensitive to the environment. They added that it is probable for some organizations to identify a dominant motivation and for others to have a variety of motives.
Mediating effects of managerial motives

In the general business world, the upper management of a company/business is in charge of formulating plans, executing them, setting-up goals, carrying out strategic initiatives, and giving the organization's recommendations for the future (Kitsis & Chen, 2020; Shee et. al., 2018). Further to that, directors or the top management of a certain business, must play a crucial role in understanding and reducing the pressure originating from the outside environment (Wijethilake & Ekanayake, 2018). As a result, institutional and stakeholder pressures are likely to have an impact on senior management's sustainability-related motivations (Shee et. al., 2018; Khatter et. al., 2021), providing more proof that institutional and stakeholder pressures can affect managerial motivation and can have an impact on an organization's sustainability-related initiatives and behaviors.

DATA AND METHODOLOGY

A literature search strategy based on prior review articles was used by the researcher to examine corporate sustainability theories and related studies authored by reputed academics. The keywords sustainability and motivating theories for corporate sustainable adoption were used by the researcher in an electronic search of business and management publications. It restricted the search to just the most recent two decades or papers published from 2002 to 2022. A total of 50 papers were found in the initial results of the search. Each work underwent a screening process to determine whether or not its essential relevance to motivational theories of corporate sustainability could be determined. The individual papers were thoroughly studied to boost the review's credibility, and 30 pertinent articles were found for the investigation.

RESULTS AND DISCUSSION

The connection between institutional theory, stakeholder theory, and management motives is discussed in this part, which then moves on to talk about how the theoretical framework was built. Stakeholder theory takes a strong stakeholder engagement approach and views stakeholders of an organization as an individual form. The institutional theory takes into account widely held social norms and/or institutional procedures that are indirectly influenced by the stakeholders of the organization. In addition to that, managerial motives show how to do top management interference effect corporate sustainable behavior. One of the important success criteria for the sustainable growth of the organization is top management participation in corporate sustainability. By concerning all the above-mentioned arguments and associations,
a comprehensive theoretical framework is developed, by incorporating and integrating institutional theory, stakeholder theory, and managerial motives.

Figure 1: Theoretical framework for adoption of corporate sustainability practices

CONCLUSION

This study provides a theoretical framework that can be applied to studies of corporate sustainability, particularly when attempting to understand why organizations motivate to adopt corporate sustainability. To accomplish the mentioned task, three theories—the stakeholder theory, institutional theory, and management motives are combined to create this theoretical framework. By taking into account the convergent elements of the theories, predictions are made for the corporate sustainability intentions of organizations.

According to the legitimacy theory, an organization will take every measure necessary to protect its credibility to continue operating. Corporate sustainability excellence and reporting are employed as methods in the organization's legitimization process. Stakeholder theory depicted, the relationship between an organization and its various types of stakeholders, who together form the organization's society. Stakeholder theory contends that the administration of a business is supposed to be responsible to its many stakeholders and carry out activities thought vital by them. Managerial motives refer to the motivations that push a company's top management to implement a corporate sustainability approach are referred to as managerial motives. The theoretical model deduced three parallel motives (Institutional motives, Stakeholder motives, and Managerial motives) for corporate sustainability implementation through the investigation of these convergent theories' properties and parallel predictions of
A Critique on Theoretical Framework for Adoption of Corporate Sustainability Practices: Integrating Institutional Motives, Stakeholder Motives, and Managerial Motives

sustainable behavior. There are two major limitations associated with the theoretical framework are recognized here. First, corporate sustainability reasons are given top priority when building the framework. This reduces the scope even if it clarifies the framework. Second, not all pertinent theories can be incorporated into the created framework. Corporate environmental practices may be explained using certain other significant theories, such as agency theory, resource dependency theory, signaling theory, etc.

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A Critique on Theoretical Framework for Adoption of Corporate Sustainability Practices: Integrating Institutional Motives, Stakeholder Motives, and Managerial Motives


