

Impact of Stakeholder Pressures on Adopting Green Innovations

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Green innovation has emerged as a salient approach to amplify business sustainability. Yet, stimulating green innovations is still confronting developing countries. The contradiction between economic efficiency and stakeholder pressures on green innovation hinders sustainable development in a country. Hence, this study addressed this unexplored area in green innovations which investigates whether the stakeholder pressures have impacted the decision of adopting green innovations. Previous literature has mainly focused on a single factor rather than the overall consideration of both internal and external stakeholder pressures together. Also, previous findings were mainly based on the manufacturing industry. This research was conducted to assess internal and external stakeholder pressures on adopting green innovations together in both the manufacturing and service industries. A quantitative study was conducted by a questionnaire survey involving 205 managers selected by a stratified sampling method in companies certified with International Organizations for Standardization 14001. Descriptive statistics, regression analysis, and Pearson coefficient correlation were used to deduce the impact and to prove the hypothesis by analyzing data. Findings manifested that external and internal stakeholder pressures significantly impacted on adopting green innovations. Despite the stimulation provided by the internal stakeholder pressure, external stakeholder pressure has been identified as the most influential factor that impacted on adopting green innovations. The study provided managers with implications to enhance the competitive advantage by forging value to the stakeholders. The study also contributes to the literature of green innovations and stakeholder theory. However, further research is suggested based on disparate samples and considering diverse stakeholder pressures in the future to validate the findings further.

Keywords: External stakeholder pressure, Green innovation, Internal stakeholder pressure