

## Environmental commitment of small and medium enterprises

In recent years, industrial units have been considered as one major source of environmental degradation. Therefore, environmental preservation by firms has gained the scholars' increasing attention in different fields in recent years. Earlier research in this area posed an interesting question in this context: what makes firms highly committed to protect the natural environment different from less environmentally committed firms in developing countries with weak institutional environments? To finding an answer for this question, the authors investigated whether having an effective and constant relationship with customers over time (customer capital) can effects to firms' environmental commitment. For testing the hypotheses of the study, they have collected survey data from 149 small and medium-sized enterprises (SMEs) in Iran (2016-17). The results of study reveal that customer capital enhances directly firms' environmental commitments. Furthermore, customer capital enhances the environmental collaboration with customers which, in turn, has a positive impact on the firms' environmental commitments (indirect effect). These findings provide an empirical evidence for the important role of "getting closer to customers" as a way to enhancing corporate environmental responsibility in developing countries with weak institutional environments.

Customers' awareness about environmental problems and issues has increased in recent years and they are showing more interest to buy environmental-friendly products even at higher prices. Being more closer to the customers and having an effective interaction with them — framed as customer capital — gives a valuable opportunity for firms to know customers better and understand their environmental concerns. Such closeness and interaction enhance customers' collaboration in different areas of firms, such as finding a way to reduce or prevent air, land, and water pollution by firms. The durable relationships that a firm builds with its customers over the time enhance the environmental information within firms and make them more responsible to the surrounding natural environment.

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