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Nelson Pizarro

California State Polytechnic University, Pomona, npizarro@cpp.edu

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# An Integrated Model of Employee Adoption

Nelson Pizarro

*Proactive firms recognize that environmental and social issues are sources of competitive advantages, but whatever the motivation, organizations face challenges when implementing sustainable practices. For small and medium-sized enterprises (SMEs), sustainable practices have stemmed from multinational corporations (MNC), but SMEs cannot adopt sustainable practices from the knowledge and experiences of large corporations because the two entities differ critically. This study introduces an integrated model of employee adoption of sustainable practices in SMEs. It is based on five behaviors to select practical areas to which SMEs can make internal changes to achieve sustainable practices and the benefits gained from them. The theory of planned behavior is used to extend employee adoption of sustainable practices to SMEs.*

**Keywords:** SME; sustainability; employee engagement; competitive advantage

Most initiatives to adopt sustainable practices in small to medium enterprises (SMEs) face challenges and stay on paper because managers do not know why employees (the final adopters) adopt sustainable practices. Some researchers suggest that it is because “many employees may be unaware of sustainability issues beyond their immediate work possibilities” (Haugh & Talwar, 2010, p.384). In this study, we proposed that it is the entrepreneur’s lack of knowledge on how to motivate employees to adopt sustainable practices (Ramus & Killmer, 2007) that prevents employees from adopting them. We use the Theory of Planned Behavior (TPB) framework (Ajzen, 1985) to identify five behaviors that are critical, from an employee’s perspective, to discovering practical areas to which SMEs can make internal changes to achieve sustainable practices and the benefits gained from them.

It is natural to assume that SMEs should have adopted sustainable practices by now. This assumption stems partly from the notion that proactive firms recognize environmental and social issues as sources of competitive advantages (Fung, O’Rourke, & Sabel, 2001). However, Young (2015) reports that the adoption rate of U.S. SMEs is low, but it is starting to grow. Young also reported lack of information (50%) as being the largest hurdle for SMEs to implement sustainable practices. This can lead to the assumption that what we need is to educate SMEs about

sustainable practices, but knowing about sustainable practices does not mean doing sustainable practices. This is termed the “knowing-doing dilemma” and there is no simple answer for it (Pfeffer and Sutton, 2000). A clear example is the case of more than 4,000 managers in large corporations from 113 countries who were surveyed about developing and implementing sustainable business practices. A total of 70 percent placed sustainability permanently on their management agendas; two-thirds also reported that sustainability was necessary for being competitive in today’s markets. These managers ranked sustainability just 8th among other agenda items; thus, the fact that managers know or think about sustainable practices is not the same as doing.

SMEs cannot adopt sustainable practices from the knowledge and experiences of the large corporations because the two entities differ critically. As noted by Condon (2004), SMEs lack information concerning market changes that make sustainability an opportunity to innovate and inspire employees and resistance to voluntary sustainable practices (Revell & Rutherford, 2007; Rutherford, et al., 2000). Others suggest that the lack of information in SMEs is changing (Revell et al., 2010 Davis & O’halloran, 2013). In addition, the Bolton Report (1971) suggests four main characteristics that differentiate small firms from large: (1) SMEs are managed by the owner personally and do not use specialized management structure (e.g., supply chain management); (2) most SMEs are privately held and the owner/management fully participates in the day-to-day operations; (3) SMEs are not a subsidiary of a larger enterprise, and thus, SME owners have the autonomy to make decisions without outside influences (e.g., from board of directors), though their decisions are influenced by their personal values, beliefs, and attitudes (Battisti & Perry, 2011); and (4) SMEs serve local and/or regional rather than a national or international markets.

The above differences between SMEs and MNCs represent an opportunity for SMEs to create competitive advantages by becoming leaders in sustainability, instead of followers, because the entrepreneur/manager can have a huge influence in the process (see Battisti and Perry, 2011), particularly when they already have the desire to adopt sustainable practices. However, if they

Figure 1. Sustainable practices as behaviors with value-creating potential



do not have the desire to adopt sustainable practices, employees can pressure entrepreneurs to learn about a subject (Young and Sexton, 2003); in this case, it can be sustainable practices. In addition, the best way to acquire knowledge that is actually implemented is from learning by doing than from learning by reading, listening, or even thinking (Pfeffer and Sutton, 2000). SMEs are more nimble than MNCs because they are flatter and potentially quicker to act (Jamali, Zanhour, Keshishian, 2009). Thus, engaging in thoughtful action allows SMEs to learn about sustainability and its benefits such as increases in both productivity and creativity (e.g., design products for reuse), cuts in costs, decreases in environmental footprints, and increases in brand reputation (Brighter Planet, 2010; Little, 2005; Ramus & Killmer, 2007; Lepine, & Crawford, 2010).

This study adds to the existing literature a unique perspective by using Theory of Plan Behavior and focusing on the employee and the actions that the entrepreneur can do to motivate employees to adopt sustainable practices. The existing research has mostly focused on the internal and external environment and it has neglected almost entirely the employee; for example, drivers (Dillon & Fischer, 1992; Lampe, Ellis, & Drummond, 1991; Winn, 1995), supply chain (Aguilera, Rupp, Williams, & Ganapathi, 2007), reporting models (Palmer and van der Vorst, 1997), business support network (Shearlock, Hooper, & Millington

2000), barriers (Biondi, Frey, & Iraldo, 2002; Simpson, Taylor, & Baker, 2004), environmental management systems (McKeiver & Gadenne, 2005), perceived costs and benefits of implementation (e.g. Iloimaki & Melanen, 2001; European Commission, 2002), the role of regulation (e.g., Petts, 2000), motivational antecedent factors (e.g., Hutchinson & Hutchinson, 1995), and the firm's bottom line (Gonzalez-Benito & Gonzales-Benito, 2005). There are few studies on employees and CSR (Aguilera et al. 2007). Underlying CSR at the employee level is research on employee justice perceptions (e.g., Cropanzano, Byrne, Bobocel, & Rupp, 2001). Thus, considering employee perspective of sustainability is a critical step because employees are the final adopters of sustainable practices. This study fills the existing gap in the literature because there is no framework with which researchers can study the topic.

Scholars have used several theoretical frameworks to study sustainability in SMEs, however the most used include ethical and stakeholder theories (e.g., Argandoña & Hoivik, 2009; Devi & Hemant, 2009, Russo and Perrini, 2010). Perrini (2006) argues that stakeholder theory is more appropriate for MNCs. Theory of Planned Behavior (TPB) was used to design the model. The model includes attitudes toward a behavior, subjective norms about the behavior, and perceived behavioral control, which predict intentions to perform the behavior (Figure 1). By altering

the three antecedents of behavior intentions, managers can increase the chances that an employee will intend to behavior in some way, thus increasing the chances of that behavior. In this case, the behavior is adoption of sustainable practices in SMEs. The model suggests that entrepreneurs motivated to incorporate adoption of sustainable practices should include the following actions to influence employee adoption of sustainable practices:

1. Hire employees with preexisting, intrinsic attitudes toward sustainable practices (attitudes);
2. Provide organizational and second-party support (subjective norms);
3. Maintain willingness to support employees' desires to adopt sustainable practices in SMEs, without constraints (perceived behavioral control).

Thus, adoption of sustainable practices begins when a (future) employee holds positive attitudes toward sustainable practices (preexisting values and intrinsic motivation). After the employee is hired, subjective norms (i.e., social norms and second-party support) and perceived behavioral control (i.e., perceived organizational support) become critical for adoption of sustainable practices.

## Background

The word sustainability evokes fuzzy stereotypes of do-gooders putting ideals ahead of profit. For contemporary, global corporations, it is an essential *modus operandi*. As early as the 1980s, MNCs began to green their businesses (Schot & Fischer, 1993; Winn, 1995), partly because top managers believed that environmental protection provided a source of competitive advantage (Aragon, 1998; Hart, 1995; Stead & Stead, 1995). Many MNCs began adopting sustainable development policies and environmental protection, placing them far ahead of most SMEs. Engardio et al. (2007) illustrated that MNCs were changing both their practices and attitudes toward sustainability; MNCs had moved from an image perspective to a strategic approach. For example, Unilever CEO Patrick Cescau reports that in the past, CEOs framed sustainability in the context of moral responsibility, but by 2007, it was also about growth and innovation. In the future, it will be the only way to do business. The trend regarding sustainable practices presented by Engardio et al. (2007) continues, and has been adopted by a larger number of corporations. Managers believe that a sustainability strategy is a competitive necessity, and a large number of companies place sustainability permanently on their management agendas (Haanes, et al., 2012).

The literature cites major motivations for firms to adopt Corporate Social Responsibility (CSR), including regulatory compliance, competitive advantages, stakeholder pressures, ethical concerns, critical events, and top management initiatives fueled by societal pressures (Dillon & Fischer, 1992; Lampe, Ellis, & Drummond, 1991; Lawrence & Morell, 1995; Vredenburg & Westley, 1993; Winn, 1995). Haanes, et al., (2012) suggest that the drivers of sustainability have shifted. For example, customer preferences for sustainable products and services are significant external drivers of business model innovation. Applicants to universities and colleges and existing students demonstrate increasing levels of sensitivity to social and environmental issues (Amatucci, Pizarro, and Friedlander, 2013), a critical signal SMEs miss that helps them not only adopt sustainable practices, but also attract talented staff.

Morsing (2006, p. 2) argues that SMEs are motivated largely by social pressures or "because it is the right thing to do," and they refer to "organizational culture," "traditions," and "treating each other decently" to explain their motives for CSR (p. 3). Thus, CSR for SMEs seems to be a social norm rather than a corporate strategy. "It usually starts with the personal beliefs and values of the people running the SME, who are usually the owners" (Perrini, Russo, & Tencati, 2007, p. 285). These beliefs and values depend on the quality of personal relationships between small-firm owner-managers and various stakeholders (Jenkins, 2004; Vyakarnam, Bailey, Myers, & Burnnet, 1997). For MNCs, adopting CSR is a corporate strategy. Luetkenhorst (2004) argues that what seems to be a CSR trend will be impermanent unless a critical mass of SMEs adopts the philosophy. Some scholars and practitioners argue that CSR has already been incorporated into mainstream business practices in the United States (Godfrey & Hatch, 2007; Porter & Kramer, 2006).

Extant literature indicates a clear need to explore the relationship between SMEs and sustainable practices in-depth, particularly because SMEs are an important component of the economy, interact with large corporations, outnumber MNCs, and provide most employment worldwide (e.g., Katsikis & Kyrgidou, 2007; Moore and Spencer, 2006; Naffziger, Ahmed, & Montagnolo, 2003; Perrini, 2006; Perrini, et al., 2007; Russo & Tecanti, 2009). Many SMEs have adopted some sustainable practices but do not link them to their primary strategies, or call it CSR. Thus, it is not a continuous effort, and it lacks real impact (European Commission, 2002). Many CEOs

and managers of SMEs are skeptical of CSR programs that require expenditure with the promise of financial gain (Jenkins, 2004), and although scholars and practitioners argue that implementing sustainable practices benefits a business variously—financial gains, boosting reputation, and enhancing employee motivation—one challenge remains: how SME managers can promote and integrate these activities into their daily routines with full participation from employees.

This paper uses the Theory of Planned Behavior to develop a theoretical framework. The focus is SMEs—companies with fewer than 100 employees for service firms and 500 for manufacturing firms. Actions that influence employee adoption of sustainable practices include (1) intrinsic motivation, (2) personal disposition toward behavior, (3) perceived organizational support, (4) second-party support, and (5) social norms (Figure 1). Extant literature recognizes each factor individually as an influencer of prosocial behaviors (Fishbein & Ajzen, 2010; Bandura, 1977; Kahn, 1990; Larson & Rusk, 2011; Ramus & Steger, 2000; Hage & Dewar, 1973), but few researchers study relationships among these factors and adoption of sustainable practices in SMEs. This study focuses on the collective and interactive contributions of these five actions, offering researchers and practitioners a holistic view of the process, and positing that benefits gained from each variable are enhanced by the interactive contribution of each variable; the whole is greater than the sum of its parts. The model also allows researchers to use variables that have been validated empirically. This theoretical structure (Figure 2) suggests numerous proposals concerning adoption of sustainable practices, and these proposals can be used as a base for future research. Extant research rarely investigates employee perspectives of sustainability, and when it does, it examines only environmental dimensions of sustainability and MNCs (Ramus 2001, 2002; Ramus & Killmer, 2007).

Few studies examine employees and CSR (Aguilera et al. 2007), though underlying CSR at the employee level is research on employee justice perceptions (Cropanzano et al., 2001). “CSR perceptions shape the employees’ subsequent attitudes and behaviors toward the firm” (Aguilera et al., 2007, p. 840). Employee perceptions of work-environment fairness demonstrate benefits to both “employee well-being (e.g., job satisfaction, stress, health, emotion) and organizationally relevant outcomes, such as employee commitment, turnover, absenteeism, job performance, citizenship behavior,

and counter productivity” (Aguilera et al., 2007, p. 840). When employees perceive fairness, they are satisfied and work harder, and research suggests that positive moods promote prosocial behaviors (Brief & Motowidlo, 1986) that encourage employees to adopt sustainable practices. Job applicants’ perceptions of a firm’s CSR performance influence desires to work for the firm (Turban & Greening, 1997). Other scholarly perspectives of CSR in SMEs include ethical and stakeholder theories (Argandoña & Hoivik, 2009; Devi & Hemant, 2009; Moore, Slack, & Gibbon, 2009; Perrini, 2006; Perrini, Russo, & Tencati, 2007; Russo & Tencati, 2009).

This study explores actions that entrepreneurs/managers can take to change the three predictors in the TPB by applying organizational and motivational theories from an employee’s perspective. There exists a need to link organizational theories to greening (Starik & Marcus, 2000, p. 543.) Extant research links organizational research to environment management (Cordano & Frieze, 2000; Ramus and Steger, 2000). One example is from Ramus and Killmer (2007), who develop a framework of employee motivation based on corporate greening, within the theoretical context of value-creating behaviors and behavioral-intent models. They suggest that linking corporate greening to prosocial behaviors is an appropriate means to explore what motivates employees to engage in eco-initiatives. However, this does not apply to SMEs. SMEs need their own framework because as mentioned earlier SMEs cannot adopt CSR and environmental policies from the knowledge and experiences of large corporations (Morsing, 2006).

The TPB suggests that when a person intends to do something, he or she does it, though it is necessary to explore antecedents to those intentions. The theory is suitable for analyzing an employee’s motivation to perform extra-role, prosocial behaviors because they incorporate motivational drivers and apply them to behaviors performed in both weak and strong contexts (Cordano & Frieze, 2000; Fishbein & Ajzen, 2010). Sustainable practices constitute prosocial behaviors. Future research can use the framework to explore whether employees intend to adopt sustainable practices. This article is unique in its approach to the adoption of sustainable practices in the context of SMEs, and in particular to employees. It contributes to sustainability, employee engagement, and profitability (Figure 1).

## Theoretical Framework and Model Building

The TPB appears in many studies that link attitudes and behaviors (Conner & Armitage, 1998; Sutton, 1998), including recycling (Boldero, 1995; Taylor & Todd, 1995), green consumerism (Sparks & Sheperd, 1992), ethical behaviors (Kurland, 1995), and social networking (Caska, 1998). Fishbein and Ajzen (2010) argue that social behaviors follow reasonably, and often spontaneously, from beliefs people possess about a behavior. Beliefs originate from various sources such as experiences, education, media, and interactions with family and friends. However, individual differences (e.g., demographics and personality) influence not only the experiences people have and the sources of information to which they are exposed, but also the ways they interpret and remember this information. SME employees from disparate countries, regions, and social backgrounds likely differ regarding the beliefs they hold about sustainable practices. However, no matter how beliefs associate with a behavior, they guide the decision to perform or not perform that behavior. Thus, the TPB is useful for predicting whether a person intends to do something; it predicts the occurrence of a behavior if the behavior is intentional. Three variables—attitudes, subjective norms, and perceived behavioral control—predict intentions to perform a behavior. The terms intentions and behavior in the model reflect psychological constructs, and so have a special meaning within the theory.

### Intentions

Although a perfect relationship does not exist between behavioral intentions and behaviors, intentions represent a proximal measure of behavior. Thus, the variables in this model can be used to determine the effectiveness of implementation interventions even if a measure of behaviors is unavailable.

### Behavior

Interventions change the behaviors of an individual. Thus, the target behavior should be defined carefully in terms of its target, action, context, and time (TACT). For example, consider the behavior when hiring employees with personal dispositions (i.e., existing values, beliefs, and habits) about the environment, community, organization, and other stakeholders. The target is the employee, the action is hiring, the context is personal attitudes, and the time is (implicitly) during hiring.

## Attitudes toward a behavior

Attitudes represent overall evaluations of a behavior and involve two components—behavioral beliefs and outcome evaluations—that work together: beliefs about consequences of a behavior (i.e., behavioral beliefs) and corresponding positive or negative judgments about each of these features of the behavior (i.e., outcome evaluations). Thus:

**Proposition 1:** *Employee sustainability disposition (beliefs, values, habits) correlates positively with employee attitudes toward sustainability practices, which relate positively to adoption of sustainable practices.*

Given this proposition, values and intrinsic motivation influence more specific sustainability beliefs and evaluations (i.e., the components of attitude). Personal disposition refers to existing values, beliefs, and habits related to a behavior or task, and associates with existing values employees possess such as caring about the environment, a community, an organization, and other stakeholders. Witt and Wilson (1991) suggest that the importance of personal values lies in a person's motivation to engage in socially responsible behaviors (Figure 2), and Organ (1990) argues that personal attitudes relate more strongly to extra-role than in-role behaviors. Extra-role behaviors are positive social acts that are not specified formally in a job description (Brief & Motowidlo, 1986). During adolescence, youths begin working on identity and personal values—who am I, what do I care about, what do I want to do with my life? The values, goals, and life purposes they develop are part of the dispositions they bring to a job that influence their participation and experiences (Eccles, 2009; Nasir & Hand, 2008; Wortham, 2006). Damon (2008) describes it as “a stable and generalized intention to accomplish something that is at the same time meaningful to the self and consequential to the world beyond the self” (p. 21), leading to passionate engagement (Larson & Rusk, 2011). This is called prosocial motivation, defined as “acts such as helping, sharing, donating, cooperating, and volunteering. . . . They are positive acts carried out to produce and maintain the well-being of others” (Brief and Motowidlo, 1986, p.710).

People often identify a desire to make a positive difference in other people's lives as important, and some researchers assume all employees want to make a difference (Bornstein, 2004; Elkington & Hartigan, 2008; Everret, 1995), especially when employees describe their work in such terms. This common, prosocial motivation in work contexts (Grant, 2007) facilitates enhanced persistence,

performance, and productivity by enabling dedication to a cause (Thompson & Burderson, 2003), combined with expressions of moral principle (Shamir, 1990) and commitment to people who benefit from their effort (Grant, 2007). Some employees see work as a calling to make the world a better place; others do not (Wrzesniewski, McCauley, Rozin, & Schwartz, 1997). Not all employees embrace altruism (Meglino & Korsgaard, 2004), nor are all willing to give more to others than they receive (Huseman, Hatfield & Miles, 1987). However, as Cascio (2003) argues, Americans prefer an important and meaningful job to promotions, income, job security, and hours.

Intrinsic motivation suggests that the underlying driver of effort is enjoyment (i.e., a hedonic perspective). It motivates because a person feels good physically, but to feel good physically, a person needs to have meaning and purpose (i.e., a eudemonic perspective: happiness and well-being) (Kahn, 1990; McGregor & Little, 1998; Ryan & Deci, 2001; Waterman, 1993). For example, thinking about helping people affected by the 2011 tsunami in Japan is a prosocial behavior that occurs on two levels in the self, though simultaneously, while thinking about helping, a person feels good physically. "When you are working toward a goal, your body produces a set of biochemical responses that creates euphoria, and makes you resistant to pain" (Marano, 2006, p. 10).

By intrinsic psychologists mean an activity is or has become motivating; it is self-motivating. Intrinsic motivation can be experienced at play or during recreation and work—any challenging activity (Csikszentmihalyi, 1990; Sansone & Harackiewicz, 2000). Psychologists characterize extrinsic motivation when a person is driven not by an activity but by external rewards or threats (Larson & Rusk, 2011). Capacity for intrinsic motivation can develop; it is an open system (Mayr, 2001) shaped by experiences, cultures, and deliberate cultivation. There are four factors of intrinsic motivation: (1) being challenged by an activity (Csikszentmihalyi, 1996); (2) a sense of control over an activity, a feeling of "I (or we) can do it," similar to the experience of self- or collective efficacy (Bandura, 1977) (this sense of efficacy helps people think ahead, imagine emerging challenges, and decide how to deal with them (Bandura, 1997)); (3) deep attention, total attention on the task, with minds severed from issues pertaining to outside lives (Csikszentmihalyi, 1975, 1990); and (4) high motivation, feeling energized by an activity. For example, one surgeon reported, "It is so enjoyable that I would do it even if I didn't have to do it" (Csikszentmihalyi, 1990, p. 67).

Larson and Rusk (2011) suggest that the enjoyment and experience of volition make an activity self-sustaining. These positive feelings encourage people to keep engaging in an activity, returning to it in the future. For adolescents, the experience of intrinsic motivation is common in youth programs, a context in which youths take on complex, often unstructured, challenges (e.g., improving communities) (Csikszentmihalyi, Rathunde, & Whalen, 1993; Larson, 2000). Intrinsic motivation does not depend entirely on a person's current interaction with an activity; longer term factors contribute, including psychological needs, dispositional interest, and connections between an activity and personal goals. Three psychological needs are universal: need for connection, competency, and autonomy (Ryan & Deci, 2000). A basic need for connection is found across ages; people function and are more motivated when they experience trusting and supporting relationships with people (Lerner, Phelps, Forman, & Bowers, 2009; Wentzel, 2009). People are highly motivated with activities during which they have opportunities to experience competency (Dewett, 2007; Eccles & Roeser, 2009; White, 1959). Autonomy suggests humans have a need to experience volition (i.e., being an origin of one's actions), and it can be experienced as an individual or part of a group (Ryan & Deci, 2000). In addition to being a motivator of positive behaviors, intrinsic prosocial behaviors are drivers of creativity (Elschbach & Hargadon, 2006). Employees who are motivated intrinsically are driven by interest, curiosity, and a desire to learn (Ryan & Deci, 2000). Thus:

**Proposition 2:** *Employee intrinsic motivation correlates positively with perceived behavioral control, which relates positively to adoption of sustainable practices.*

Attitudes derived from prosocial behaviors and intrinsic motivation influence adoption of sustainable practices—defined broadly as changing organizational inputs, outputs (i.e., goals), and processes into more sustainable ones, which constitute functional behaviors and with the purpose of benefiting others. Sustainable practices create value whether by reducing costs or improving an organization's reputation. Their impact reaches beyond organizational boundaries to include suppliers, customers, families, and other community members. As a whole, organizations, including SMEs, benefit from sustainable practices and other extra-role, value-creating behaviors if employees at least perform them, even if the practices are complex and time consuming. For example, sustainable practices might

compete with an employee's time and attention on prescribed tasks. Since the latter are part of performance evaluations, they receive higher priority. Sustainable practices might be performed primarily in the context of weak situations (Mischel, 1973; Shamir, House, & Arthur, 1993), in which employee motivation results predominantly from personal predispositions (Shamir, 1990) rather than goals and rewards that constitute the focus of many classic management strategies. With this knowledge, it becomes possible for SMEs to transition from weak to strong situations by providing appropriate support to employees, including perceived organizational support (POS) and second-party support that enhance prosocial behaviors (i.e., sustainable practices). Thus:

**Proposition 3:** *Sustainability-related POS and second-party support correlate positively with sustainability perceived behavioral control, which relates positively to adoption of sustainable practices.*

Given this proposition, POS and second-party support influence skill and control beliefs. In the TPB, perceived behavioral control represents the extent to which a person feels able to enact a behavior. It involves two aspects: how much a person has control over a behavior (e.g., low control over pursuing sustainable practices if an opportunity arises) and how confident a person feels about being able to perform or not perform the behavior (e.g., insufficiently skilled at adopting sustainable practices). It is determined by control beliefs regarding the power of both situational and internal factors that inhibit or facilitate performing a behavior (e.g., "Whether I adopt sustainable practices is entirely up to me"; "I could adopt sustainable practices if I wanted to").

Employees consider the extent to which an organization values their contributions and cares about their well-being, which they consider favorable treatment (Eisenberger, Huntington, Hutchison, & Sowa, 1986). POS draws from social theory, which refers to "actions contingent on rewarding reactions from others" (Blau, 1964, p. 91), and is influenced by the norm of reciprocity—the notion that recipients of benefits are morally obliged to repay a provider, or at least help a recipient while doing no harm (Gouldner, 1960). When employees perceive high POS, they believe an organization not only values them and cares about their well-being, but will also continue helping them (Eisenberger, Cummings, Armeli, & Lynch, 1997). If an organization publishes environmental policies, employees assume the organization will treat them fairly,

so they are more likely to promote an environmental initiative personally within the company (Ramus & Steger, 2000); they demonstrate prosocial behaviors. Research suggests that an environmental policy is a sufficient driver of adoption of sustainable practices. The model presented in this article suggests that in the case of SMEs, POS is insufficient to have an environmental or CSR policy because company actions must corroborate organizational support. An SME must demonstrate that it incorporates sustainable practices in every activity (e.g., purchasing, hiring, and selling), allowing employees to perceive control over their behaviors.

Second-party support represents subjective norms. Research demonstrates that supervisor values influence organizational innovations (Hage & Dewar, 1973). Subordinates are influenced by a democratic/considerate style of management and open decision-making (Kanter 1983; Kimberley & Evanisko, 1981). The literature describes many ways managers influence subordinates, including "role modeling, goal definition, reward allocation, resource distribution, communication of organizational norms and values, structuring of work group interactions, conditioning subordinates' perceptions of the work environment, and influence over processes and procedures used" (Ramus & Steger, 2000, p. 608). Employees are motivated more when they perceive support from supervisors or another party responsible for overseeing a task (Conger & Kanungo, 1988). Second-party support also influences motivation for eco-initiatives (Ramus & Steger, 2000). Thus:

**Proposition 4:** *Sustainability-related second-party support and entrepreneur values correlate positively with sustainability subjective norms, which relate positively to adoption of sustainable practices.*

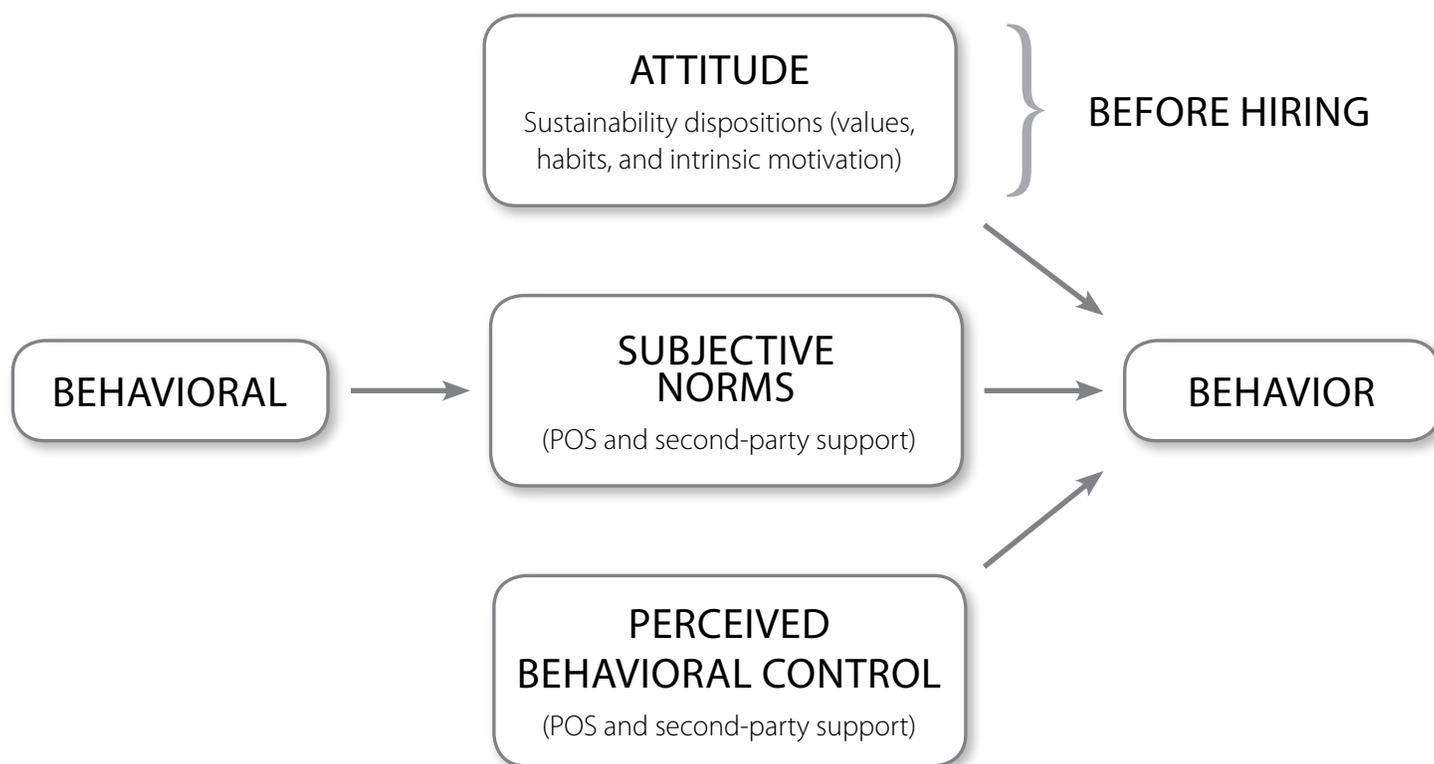
Given this proposition, second-party support and entrepreneur values influence normative beliefs and motivation to comply with those beliefs. In the TPB, subjective norms are a person's perceptions of social pressures to perform or not perform a behavior. How a person's reference group or social network evaluates the goodness of a behavior influences the intent to perform it (Fishbein & Ajzen, 2010). For example, leader values and behaviors cascade by role modeling and contagion through hierarchies (Antonakis & Atwater, 2002). Top-manager values have an even greater impact on individual, extra-role behaviors in contrast to in-role behaviors because the latter lacks a strong reward structure (Ramus & Killmer, 2007). According to literature on organizational

support, top-manager behaviors and organizational policies correlate positively with individual motivation to engage in sustainable practices (Ramus & Killmer, 2007). For SMEs, entrepreneurs passionate about sustainability have an easy job supporting employees.

By changing any of the three predictors in the TPB (i.e., attitudes, subjective norms, and perceived behavioral control) with actions suggested in our model (Figure 2), the chances a person intends to do a desired action increases, and thus increases the chances the person will do it. In this study, entrepreneur/manager actions

are examples of intentional behaviors, and the outcome is prosocial behaviors that motivate SME employees to adopt sustainable practices. Prosocial behaviors result from factors that influence behaviors, which include personal dispositions, intrinsic motivations, second-party support, POS, and social norms. Development of prosocial behaviors is cyclical; an employee develops personal dispositions, intrinsic motivations, and POS prior to being hired, and these factors are fostered by second-party support and social norms after an employee is hired.

Figure 2. A model of prosocial behaviors for adoption of sustainable practices in SMEs



The core process outlined in Figure 2 begins at adolescence. During this stage, an employee developed personal dispositions, which include values, beliefs, and habits regarding a community, an organization, and other stakeholders. However, dispositions can also be dispositions toward an activity, which emerge from immediate, ongoing experiences in the activity (Larson

& Rusk, 2011). As researchers have observed (Dawes & Larson, 2007, 2011), dispositions and intrinsic motivations influence each other. Experiences with activities feed development of knowledge, skills, and positive emotions, and simultaneously, people develop top-down life goals, values, and identities that feed investment and interest.

Personal dispositions and intrinsic motivations toward an activity are not the only variables that influence each other. POS influences intrinsic motivation, and is itself influenced by personal values. Underlying CSR at the employee level is employee justice perceptions (Cropanzano et al., 2001), and in turn, “CSR perceptions shape the employees’ subsequent attitudes and behaviors toward the firm” (Aguilera et al., 2007, p. 840). Employee perceptions of a working environment’s fairness demonstrate benefits to both “employee well-being (e.g., job satisfaction, stress, health, emotion) and organizationally relevant outcomes, such as employee commitment, turnover, absenteeism, job performance, citizenship behavior, and counter productivity” (Aguilera et al., 2007, p. 840). When employees perceive fairness, they are happy and work harder. Positive moods promote prosocial behaviors (Brief & Motowidlo, 1986) that influence employees to adopt sustainable practices, and a job applicant’s perceptions of a firm’s CSR performance influence desires to work for a firm (Turban & Greening, 1997).

The propositions above illustrate but do not exhaust those derived from the proposed theory.

### Future Research

The TPB is useful when designing strategies to help people adopt sustainable practices and to help SMEs increase their uptake of guidelines. This study provides evidence-based recommendations regarding the actions of SMEs to maximize adoption of sustainable practices. Field research is needed to assess the proposed theory. Propositions 1 through 4 can be tested quantitatively using an ex post facto survey design, involving a sample of SMEs that have employees who adopted sustainable practices. Future research is also needed to assess the domain to which the theory applies such as communities, governments, nonprofit organizations, and other nonprivate-sector organizations whose missions and performance are assessed disparately. These organizations are increasingly under pressure to display sustainable-practice behaviors. Does the theory of adoption of sustainable practices apply in these contexts? Testing the theory in nonprivate-sector contexts is necessary to identify the domains to which the theory does and does not apply.

### Implications of Results

Figure 2 illustrates disparities among factors. For example, personal dispositions and intrinsic motivations are often present in an employee before he or she enters an organization. An employee experiences second-party support, POS, and social norms after being hired. These factors increase an employee’s motivations to intend to adopt sustainable practices after he or she begins working at a company. Personal dispositions toward sustainable practices include, for example, the environment, the community, and future generations. Forum for the Future (2007) reports that future leaders care more about future happiness in the next ten years than having a job that pays well. The report further suggests that college students are not enticed by higher salaries, though this position might change when they complete their education and must repay student loans. This finding is a signal for both institutions of higher education and other organizations; students and future employees are looking for places that cultivate interests. It is critical for SMEs to not only adopt sustainable practices, but also to incorporate them into strategies to attract talented employees.

Intrinsic motivations influence employees differently. It is about pleasurable body sensations they experience when caring about the environment or community. This factor links with sustainability indirectly and independently of personal dispositions. If an individual is aware of connections between intrinsic motivation and personal dispositions, he or she wants to increase personal dispositions to increase intrinsic motivations. POS depends on organizational commitment to sustainability in that it should not be sustainability on paper, but implementation of real sustainable practices, including education. Second-party support and social norms also link in this context. Managers should not only support employees to adopt sustainable practices, but also model the behavior.

The model developed in this article suggests that these five actions should be explored concurrently since they interconnect. They mutually stimulate employee engagement, which leads to adoption of sustainable practices, job satisfaction, creativity, and efficiency. This approach provides benefits to an organization that lead to competitive advantages (e.g., reputation, brand value, and cost savings). The appeal of this framework is not that employees possess existing values, but rather that

a combination of existing values and other variables helps an organization by encouraging employees' natural tendencies to be prosocial. For organizations considering implementing sustainable practices, it is important to assess existing values in employees so they can design mechanisms that fit the employees' preferences. This article builds an initial theory of adoption of sustainable practices using TPB. The theory conceives adoption of sustainable practices as a multistage process in which SME owners/managers play roles. Both individual and situational disparities influence the process. In its present form, the theory offers opportunities for research into adoption of sustainable practices by SME employees. I expect that the theory will encourage researchers to develop it further.

The following activities will help SME owners inspire employees to adopt sustainable practices in their companies.

- Recruit employees who demonstrate sustainability dispositions (values, habits). This can be accomplished by checking if they have been engaged in any sustainability activity in their schools, or if they practice any sustainability activities personally at home (TPB–attitude).
- Demonstrate during the hiring process, training, and daily activities at work sustainability-related activities performed by employees, management, customers and suppliers. (TPB–subjective norms).
- Constantly show examples of sustainable practice initiatives by employees that are fully supported by managers and SME owners (TPB–perceived behavior control).

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## ABOUT THE AUTHOR

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**Nelson Pizarro** (npizarro@cpp.edu) is an assistant professor at Cal Poly Pomona. His primary research interest is in sustainability in organizations. He helped start six companies. He has corporate experience having worked for several multinational companies, as well as experience in the government sector. He is currently CEO of EcoStatic, Inc.