



The Impact of Environmental Strategy, Institutional Pressure and top management commitment on Environmental Performance Mediated by Environmental Management

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Abstract

This study aims to examine the impact of environmental strategy, institutional pressure and top management commitment on environmental performance mediated by environmental management. The research sample is 100 mining companies in East Kalimantan. This study tested the hypothesis using Smart PLS. The results of hypothesis testing that environmental management mediates the effect of institutional pressure on environmental performance is supported. These results indicate that mining companies in East Kalimantan are aware of the influence of environmental strategy, institutional pressure and top management commitment on the environmental performance and consider the important role of environmental management a driver of environmental performance.

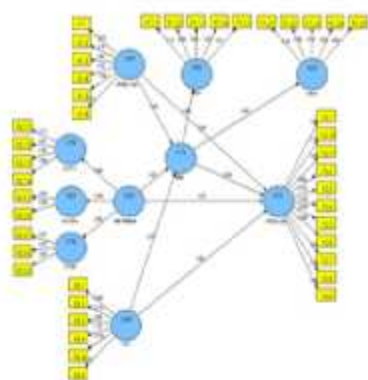
Introduction and Objective

Companies are expected to adopt and implement environmental management practices to reduce the negative impact of company activities on the natural environment. Therefore, the issue of environmental management becomes an important consideration for the community and is under pressure from the government. Based on institutional theory as an important research perspective for the study of corporate environmental protection behavior, institutional pressure is a driving force for the adoption of positive environmental practices. Institutional pressures can greatly influence a company's inclination towards environmental protection issues (Phan et al., 2017).

Method

A quantitative study using cross-sectional data supported by a questionnaire was used to solicit environmental performance from the respondents. The PLSSEM Software was used to analyze the data collected from the respondents. This research conducted at a mining company in East Kalimantan because mining companies have operations activities related to the environment, so pursuing good environmental performance is one of the strategies to be achieved by mining companies. There were 100 mining companies that were the population in the study and the number of samples obtained was 100, the research data was suitable for use as a sample.

Result



Environmental strategies, top management commitment and institutional pressure have a direct effect on environmental performance and indirect effect, environmental management as mediators. This means that the hypothesis is supported. The leaders and managers of mining companies in East Kalimantan already have an environmental strategy to improve the environmental performance of the company. Environmental management mediates the influence of environmental strategies on Environmental Performance.

Conclusion

The result of the study indicate that top management try to adjust to pressure from institutions interested in companies that emphasize better environmental performance by using environmental management accounting information that help management measures in achieving better environmental performance so that the company can achieve company growth and sustainability.

Acknowledgement or contact

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