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Although stakeholder power theory has been at the forefront of environmental studies, extant research has focused on stakeholders' power while firms' countering power has not been systematically examined. Furthermore, different stakeholders may prioritize social goals differently. In this paper, we propose that stakeholder–firm power difference determines firms' environmental performance and stakeholders' CSR orientation (i.e., the degree to which a stakeholder holds firms' engagement in CSR as important) moderates this relationship. Utilizing a sample of 144 Chinese small- and medium-sized enterprises (SMEs), we found that governments-, competitors-, and the media-firm power difference indeed significantly affect Chinese SMEs' environmental performance. Besides, governments' and the media's CSR orientation moderate the relationship between stakeholder–firm power difference and firms' environmental performance. Research and practical implications are discussed.

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