



Stakeholder Green Pressure and Green Innovation: Evidence from Some Selected Bakery and Confectionary Firms in Minna, Niger State

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ABSTRACT

The increased environmental awareness of stakeholders, have put firms under pressure to improve their corporate image and market competitiveness through green innovation. The main objective of the study is to examine the influence of stakeholder green pressure on green innovation. The specific objectives include; to find out the influence of academia green pressure on green innovation in some selected bakery and confectionary firms in Minna, Niger state; to explore the influence of customer green pressure on green innovation in some selected bakery and confectionary firms in Minna, Niger state; to determine the influence of community green pressure on green innovation in some selected bakery and confectionary firms in Minna, Niger state and to analysis the influence of government green pressure on green innovation in some selected bakery and confectionary firms in Minna, Niger state. The study premised on quantitative analysis. The target population of the study include some selected bakery and confessionary firms in Minna, Niger state. Stratified sampling technique was used to select sample of 148. The data were collected through primary source. The instrument of data analysis is multiple regression. The study reveals that stakeholder green pressure have significant influence on green. The sub variables of stakeholder green were significant in order of academia green pressure (.000), customer green pressure (.000), community green pressure (.000) and government green pressure (.000)

INTRODUCTION

Environmental issues have put firms under pressure to focus on green innovation to develop sustainable processes. Green innovation is not the responsibility of business owners only, stakeholders can be an important sources of innovation for businesses, and research focusing on open innovation is investigating the ways firms can take advantage of this Singh, Del Giudice, Chiappetta Jabbour, Latan, & Sohal (2022). Stakeholder pressure refers to the power and ability of stakeholders to influence a firm's decisions Singh et al., (2022). Stakeholder pressure simple put is the general external pressure given by environmental regulations and green customer needs Rimbawanto, Patria, Nilasari, Nisfiannoor and Dwita (2023). Stakeholder pressure offer a valuable source of social, knowledge and human capital that may enhance green products performance Leonidou, Christofi, Vrontis, and Thrassou (2020).

Stakeholders pressure (from Academia, customers, community and government) have influence on green innovation and forces firms to be resilience in developing and renewing their capabilities in green practices and customer relationship management Singh et al., (2022). Stakeholder engagement in identifying, understanding, and responding to sustainability issues enables organizations to achieve their goals Bello-Pintado, Machuca & Danese (2023). Pressures from stakeholders are perceived differently and consequently have different effects on the strategy that is designed Bello-pintado et al., (2022). Hence, firm responses to the stakeholder perceived with more pressure rather trying to balance the pressures Erasmia, Michael, Demetris and Alkis (2020). Distance with the firm and stakeholders plays significant role in green innovation, with most pressure for sustainability perceived to come from those closest to day-to-day plant operations (customers) Zhang and Zhu (2019).

Green innovation assist firms in adapting to change and discovering new possibilities; it provides better goods and services that help businesses in achieving competitive advantage. Hence, green innovation have significant effects on businesses function Zheng, Ye, Guan, Yang, Li and Li (2022). Green innovation consists of process and product innovation through improvements in manufacturing processes and product design Zhang and Zhu (2019). Green innovation's objectives are to reduce pollution, save energy, minimize waste, and decrease a firm's negative impact on the environment Singh et al., (2022); Zhang and Zhu (2019). It helps firms in achieving competitive advantage through product differentiation (e.g. green reputation) and waste minimization (e.g. cost effective production process). Green innovation offers a number of potential benefits, including improvements in production efficiency and cost, increased quality, opportunities for new marketing, access to new markets, government support and access to subsidies and tax rebates, price premiums, and the potential to gain a competitive advantage Samuel et al., (2023).

Studies have used either stakeholder theory or RBV theory as theoretical lenses, rather than integrating them to analyse green innovation issues. This study integrates stakeholder theory and RBV to instigate the effects of stakeholder pressure on green innovation. Lack of integration of these theories have significant influence on green innovation literature Singh et al., (2023). Sodhi (2015) proposed stakeholder resource based view to integrate stakeholder theory and RBV. In this context a unique green innovation competitive advantage is potentialized by giving relevance to firms' stakeholders Singh et al., (2021). Thus, this study is anchored in SRBV theoretical framework to understand the effect of stakeholder pressure and green innovation. Stakeholder pressure refers to action promoted by government, customer and other individuals who have influence on business operations. SRBV suggested that firm can improve its sustainability by considering its internal resources, core competencies and engagement with key stakeholders Erasmia et al., (2020); Singh et al., (2021).

LITERATURE REVIEW

Problem Statement

Firms used green innovation to prevent their activities from being harmful to the environment, society as well as stakeholders while maintaining maximum profit Bello-Pintado, Machuca & Danese (2023). Literature identified stakeholder pressure as one of the instruments that drive green innovation. Evidence suggests that stakeholder pressure has influence on green innovation adopted by firms by forcing them to comply with the laws and regulations guiding their operations. According to systematic literature review by Samuel, Simms, Vazquez-Brust and Nguyen (2023), low- and middle-income firms in developing countries are heightened and remain under research compared to their counterparts in developed countries.

Furthermore, the priority of social concern over environmental sustainability and low munificence of firms' business environment coupled with scarcity of internal resources (such as financial resources, equipment and skilled labour) heightened the eco-product innovation in developing countries like Nigeria Erasmia et al., (2020). Understanding of why and under what circumstances stakeholder pressures translate into eco-innovation and how such innovations yield superior product performance in developing countries is fragmented Bello-Pintado, Machuca & Danese (2023). Yet, the factors that influence firm adoption and the subsequent effect on performance are less understood in a developing country context Samuel et al., (2023). However, findings differ on how firms respond to these pressures. Some firms consider green innovation on the basis of the most important pressure group. Which in some cases differ or conflict Singh et al., (2021).

In the same line, the current study has been motivated because of the following reasons(s). Firstly, past studies revealed the potential benefits of stakeholder pressure on green innovation but, the existing literature does not provide systematic analysis of the link between stakeholder pressure and green innovation. Hence, there is still a gap on how stakeholder pressure translates in green innovation. Secondly, most of these studies were conducted in developed countries, the researcher did not find a single study on the link between

stakeholder pressure and green innovation particularly in developing country like Nigeria. Thus, there is gap in case study.

Thirdly, Bello-Pintado et al., (2023), examine the importance of the link between stakeholder pressure and sustainability practices such as green innovation and call for papers linking the stakeholder pressure and green innovation in different countries and industry. This calls for research to identify the underlying mechanisms boosting green innovation. Therefore, the aim of this paper is to aggregate the current knowledge on how stakeholder green pressure influence green innovation in Bakery and Confectionery Firms in Minna, Niger state, Nigeria.

Research Hypotheses

H₀₁: Academia green pressure have no significant influence on green innovation in some selected bakery and confectionery firms in Minna, Niger state.

H₀₂: Customer green pressure have no significant influence on green innovation in some selected bakery and confectionery firms in Minna, Niger state

H₀₂: Academia green pressure have no significant influence on green innovation in some selected bakery and confectionery firms in Minna, Niger state

H₀₄: Government green pressure have no significant influence on green innovation in some selected bakery and confectionery firms in Minna, Niger state

Conceptual Framework

The conceptual framework of the study is given as:

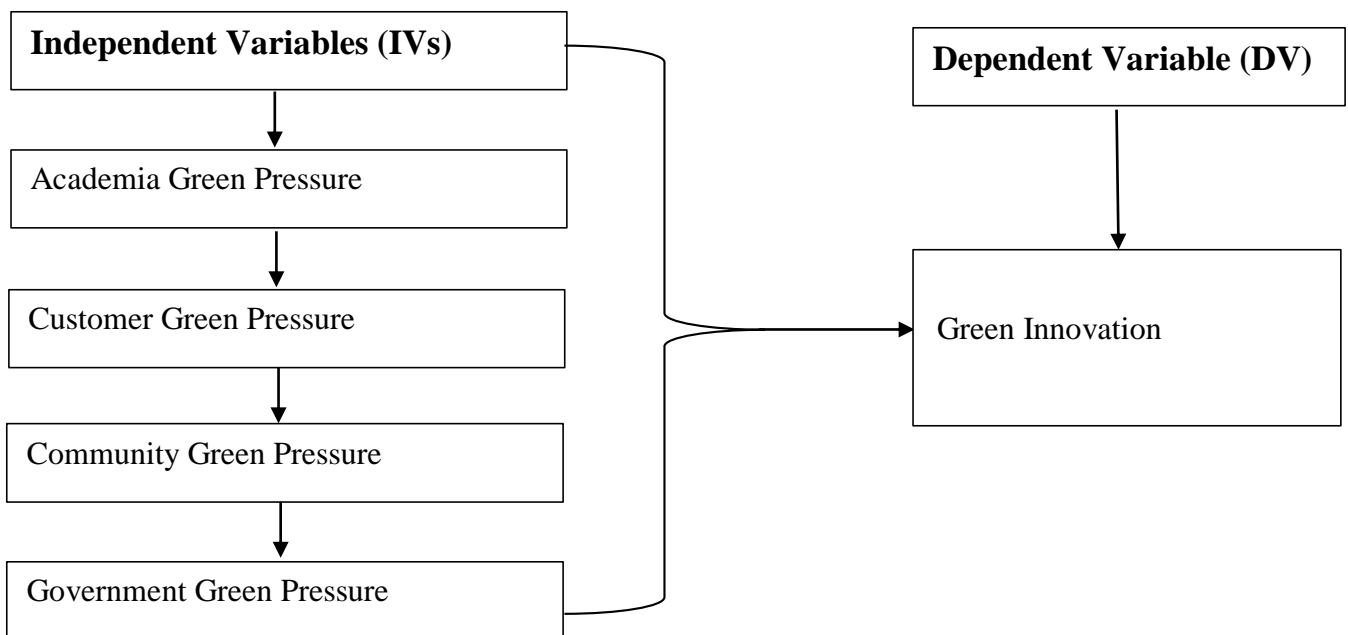


Figure 1. Conceptual Framework

Stakeholder Pressure

Stakeholder refers to an individual or set of individuals who can affect or be affected by firms' operations Leonidou et al., (2020) in their entire value creation processes. Stakeholder pressure refers to the power and ability of stakeholders to influence a firm's decisions Singh et al., (2022). Almagtome, Khaghaany and Önce (2020), argue that there are two reasons to integrate stakeholder interest with firm's sustainability practices. First the primary goal of business is sustainability by creating eco-friendly products. Secondly

incorporating stakeholder interest will lead to the creation of economic value through support for sustainable development efforts. Stakeholder theory is that value creation for stakeholders can be made through high quality products, creating new jobs, pay taxes, or in the form of benefits for financial institutions Bello-Pintado et al., (2023). In the sense of sustainability, this definition often refers to the development of environmentally friendly goods that could allow employees to feel proud of themselves within the business Erasmia et al., (2020). By reducing the amounts of pollution, the firm can get qualified and motivated workers and supportive local community Almagtome et al., (2020).

Academia Pressure

This refers to any person or entity operating within higher education industry that engage(s) on promoting innovation management. Higher education industry facilities green practices by tailoring her education and training programmes towards preparing students to engage on green innovation. According to systematic literature review by Leonidou et al., (2020), providing interdisciplinary business planning courses to students, use of digital education tools and methodologies enhance the development of sustainability capacity and knowledge of students in higher education.

Academia through principal investigators in universities act as technology intermediaries and enhance the interface between industry and academia by bridging structural holes and developing trust between the academia and industry via specific brokering actions Leonidou et al., (2020); Jayaraman, Jayashree and Dorasamy (2023). In addition, provide firms with human and social capital. The human capital are variety of scientific knowledge expertise and experiences that can be used in developing scientific strategies while, as a social capital it provides basis for building mutual relationship between the firm and members of his/her social networks Erasmia et al., (2020); Leonidou et al., (2020).

Customers Pressure

This implies pressure from all external customers that the firm has. Consumer pressure, refers to the extent to which consumers expect or pressure firms to improve their environmental performance Zhang and Zhu (2019). The interaction and collaboration with customers help the firm to identify flaw areas and correct them, thereby improving green practices Leonidou et al., (2020). Customers have the greatest influence on adoption of green innovation. Customers with green motive value green products supplied by the firm with good environmental reputation and are willing to pay even extra for such product Bello-Pintado et al., (2022). They added that customers seem to be a determinant of the implementation of practices and also to play an important role in the adoption of external practices. To tackle customer pressure, firms should exploits new business development opportunities and develop green products to satisfy their customers need Zhang and Zhu (2019).

Community Pressure

The pressure here emanate from two sub-group i.e. physical and user environment. Physical environment simply means any social group that share common habit, behaviour and value. According to systematic literature review by Leonidou et al., (2020) physical environment plays moderating role by facilitating the chances of having an earlier communication about the innovation with members of the community. This allows the firms to have receive help, feedback or input from members of the community, which in turn improve the innovation processes. On the other side of the coin, user environment refers to group of individual that serves as a knowledge pool for developing skills and experimenting with various commercialization paths Erasmia, Michael, Demetris and Alkis (2020).

The user environment allow firm to share their prototype with other members in the user community. These users serve as testers and provide fruitful feedback that guides product improvements Leonidou (2020). Users often share their prototype innovations with the other members in the user community. Second, through the engagement of user community with potential entrepreneurs, higher levels of novelty can arise because of the collective creativity Rimbawanto, Patria, Nilasari, Nisfiannoor and Dwita (2023).

Government Pressure

Policies in relation to labour, credit facilities as well as business operations that favour firms can enhance green innovation Leonidou et al., (2020). This policies are necessary to translate scientific knowledge, expertise and experiences into green innovation. The fear of punishment, sanctions and among legal threats force firms to comply with legal statement by tailoring their internal sustainability practices towards reduction resources conservation, reduction in pollution as well as waste in manufacturing and adoption of green innovation practices Bello-Pintado et al., (2022); Jayaraman et al., (2023). Where a firm is facing high regulation pressure, the best option is to implement green process innovation by collection of ISO certification Zhang and Zhu (2019).

Presence of low or inconsistent pressures from government and society, firms will not feel constrained to make products that harm the environment, and will have little awareness of potential benefits or resources to be gained. Greater pressures will result in an increased proactive strategic stance towards the integration of environmental concerns and practices into firms' strategic, tactical and operational activities Leonidou et al., (2020). Increased pressures result in greater efforts to integrate environmental concerns and practices into strategic, tactical and operational activities. Accordingly, firms develop internal knowledge and capabilities to better understand and respond to their increased output constraints Samuel et al., (2023).

The introduction of green innovation into an organization is regarded as one of the best approaches to improving environmental management performance and meeting environmental regulations, as it is a means of generating business opportunities. Governments typically assess firms by setting environmental standards or compelling them to use pollution-control technology to reduce their harmful impacts on the environment Jayaraman et al., (2023).

Green Innovation

Green innovation" (GI) referred to a type of invention whose primary goal was to lessen or stop environmental harm Jayaraman et al., (2023). According to Zhang and Zhu (2019) green innovation can be group in two: product innovation and process innovation. This study concentrate on green products innovation as it's relate to product performance. Whilst other dimensions may also influence product performance, their relationship would be less direct Samuel, Simms, Vazquez-Brust and Nguyen (2023). Green innovation consists of green product innovation and green process innovation Rimbawanto et al., (2023).

Product innovation differentiation is the key player here. Through green product innovation, firms develop high-quality and safe environment-friendly products Zhang and Zhu (2019). Process innovation on the other hand modify the manufacturing process to lessen the negative environmental impacts of their production processes Zhang and Zhu (2019). It aims towards energy-saving, pollution-prevention, waste recycling, no toxicity or green product designs. According to Rimbawanto et al., (2023), when firm invest in innovates in product creation by carefully selecting the type of material to use to meet modern customers it will create environmental friendly products and renewable energy will be maximaze by minimizing emissions produced both directly and indirectly.

Empirical Review

By combining stakeholder theory and organizational learning theory, Zhang and Zhu (2019), explores whether environmental pressures from different stakeholders influence green innovation differently and how this is further mediated by organizational learning. From a sample of 259 Chinese manufacturing firms, the study find that consumer pressure has a greater positive effect on green product innovation than regulation pressure, whereas regulation pressure is more positively related to green process innovation than consumer pressure. Moreover, these two relationships are partially mediated by exploration learning and exploitation learning, respectively. The findings advance the existing research on the stakeholder pressures-green innovation linkage by revealing that consumer and regulation pressures influence green product innovation and green process innovation differently and through different organizational learning approaches.

Erasmia, Michael, Demetris and Alkis (2020), examine an integrative framework of stakeholder engagement for innovation management and entrepreneurship development. The study used systematic literature review method. The systematic review were examined in four steps: 1) question formulation; 2) defining the review protocols; 3) analysis of the results (in terms of descriptive and thematic analysis), and; 4) data synthesis. The study suggests that entrepreneur's in-house capabilities in planning and implementing the innovation processes cannot be relied on to achieve sustainable competitive advantages. The interaction of entrepreneurs with their various stakeholders can therefore offer a valuable source of social, knowledge and human capital that may enhance entrepreneurs' success.

Leonidou et al., (2020), research on stakeholder engagement in innovation management and entrepreneurship development. The study systematically review the relevant literature published over the past 27years, and integrate the various prominent research perspectives into a preliminary, multi-dimensional and integrative framework of stakeholder engagement; thus, interlinking the antecedent role of stakeholder engagement for innovation management and subsequent entrepreneurship development. Through this methodologically systematic review and framework development, the study provide a more comprehensive and deeper understanding of the interaction between entrepreneurs and the various stakeholders, for enhancing innovation management and entrepreneurship development.

Bello-Pintado et al., (2023), analyzes the relationship between a set of individual stakeholders pressures (STP) from different groups and the adoption and implementation of some specific sets of sustainability practices (SP) in manufacturing: internal and external monitoring and external collaborative. Using a large, worldwide, multicountry, and multi-informant sample of manufacturing plants from three industry sectors located in 15 emerging and developed countries, the study shows that the different stakeholders play different roles in the adoption and implementation of different sustainability practices, thus contributing to the open debate around a suitable balance of stakeholder pressures.

Samuel et al., (2023), examines stakeholder green pressures as antecedents of eco-product innovation and new product performance in firms operating in resource-constrained countries. Using data gathered from surveys in Vietnam (N = 183) and Ghana (N = 217), the study find out that the positive effects of stakeholder green pressures on new product performance are serially mediated by environmental sustainability orientation and eco-product innovation. The findings contribute to ongoing efforts to clarify the mechanisms channeling stakeholder pressures into new product performance in resource-constrained environments.

Theoretical Framework

Stakeholder theory suggests that engagement and development of strong relationships with a wide variety of stakeholders is an important component of value creation in businesses, which enhances their chances of being successful. Green innovation is highly risky, due to financial commitment and usually benefits are seen in long run. As such, stakeholder theorists suggest that stakeholder pressures can act as the main driver of firms' motivations to pursue green innovation Zhang and Zhu (2019). The RBV proposes that firms' need to possess internal resources with VRIN ((i.e. valuable, rare, inimitable and non-substitutable) to attained competitive advantage. These assets facilities goal attainment Bello-Pintado et al., (2022). These techniques are used to assess internal resources and core competencies to attain competitive advantage. Accordingly primary contributors to firm's success are also resources and capabilities Singh et al., (2021). Stakeholders pressure force firms to implement and adapt environmentally friendly organizational actions stymie their progress toward green growth Jayaraman, Jayashree, and Dorasamy (2023).

Firms are looking for way to boost their sustainability practices to meet there stakeholders' demand due to the importance of stakeholders' in green innovation implementation and adoption Bello-pintado et al., (2023). The study adopted stakeholder and RBV theory. It posits that firm's success depends on effective management of its relationship with its stakeholders. The theory suggests stakeholders have numerous needs and anticipation and accordingly integration of these needs and anticipations will help to increase the trust and confidence needed to support the sustainability of the capital market can assist the firm in achieving its long time goal Almagtome et al., (2020).

METHODOLOGY

The study is premised on quantitative research. The target population of the study include employees of some selected bakeries and confectioneries in Minna, Niger state. Hence, the population is shown below:

Table 1. Population and Sample

Bakery & Confectioneries	Population	Sample Size
Hosterege Bakery & Confectionery	53	33
Safara Bakery & Confectionery	46	29
Landmarks Bakery and Confecsiionery	52	33
El Amin Bakery & Confectionery	40	25
DD's Bakery & Confectionery	45	28
Total	236	148

Source: Researcher's Field Survey, 2023.

Yamani (1967) furmular, was used to determine the sample size hence, the result is 148. The data was collected through primary source. The instrument of data collection is questionnaire. The questionnaire was divided in to two (2) section. Section (1) covers questions on four stakeholder pressures namely, academia, customer, government and community while sector (2) contain question on green innovation. The instrument was validated through face to face validity while reliability was established via test retest approach. The variables were measured using 5 point Likert type rating scale of strongly agree (SA) = 5, agree (A) = 4, undecided (U) = 3, strongly disagree (SD) =2, and Disagree (D) =1.

The data of the returned questionnaires were captured on Statistical Packages for Social Science (SPSS) for analysis and interpretation. The data was analyzed using quantitative techniques. This involved creating quantitative statistics. The following multiple regression model was used to test the relationship academia green pressure, customer green pressure, community green pressure, government green pressure and green innovation. The model was adopted from Leonidou, et al., (2020) and Bello-Pintado et al., (2023) based on Competing Value Framework (CVF). Leonidou et al., (2020) view CVF as the most sufficient, respondent friendly, and easy to administer.

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$$

Where:

Y = Performance

β_0 = Constant Term

X1 = Academia green pressure

X2 = Customer green pressure

X3 = Community green pressure

X4 = Government green pressure

ϵ = Constant error

RESULT

Table 2. Correlations

		Green innovation	Academia green pressure	Customer green pressure	Community green pressure	Government green pressure
Pearson Correlation	Green innovation	1.000	.921	.930	.364	.416
	Academia green pressure	.921	1.000	.889	.476	.493
	Customer green pressure	.930	.889	1.000	.461	.465
	Community green pressure	.364	.476	.461	1.000	.959
	Government green pressure	.416	.493	.465	.959	1.000
Sig. (1-tailed)	Green innovation	.	.000	.000	.000	.000
	Academia green pressure	.000	.	.000	.000	.000
	Customer green pressure	.000	.000	.	.000	.000
	Community green pressure	.000	.000	.000	.	.000
	Government green pressure	.000	.000	.000	.000	.

N	Green innovation	111	111	111	111	111
	Academia green pressure	111	111	111	111	111
	Customer green pressure	111	111	111	111	111
	Community green pressure	111	111	111	111	111
	Government green pressure	111	111	111	111	111

Source: Researcher's Field Survey, 2023.

The table 2 shows the relationship between the independent variables and dependent variable. The data analysis as shown in table shows that academia green pressure and customer green pressure have strong positive correlation with green innovation (B: .921; p: .000; B .930; p: .000 respectively). Moreover, the result of the study suggests moderate relationship between community green pressure and government green pressure and green innovation (B: .364; p: .000; B: .416; p: .416).

Table 3. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.967 ^a	.935	.934	.45003
a. Predictors: (Constant), Government green pressure, Customer green pressure, Academia green pressure, Community green pressure				

Source: Researcher's Field Survey, 2023.

The R2 result in table 4.2 is 0.935, so the result means that the independent variables (academia green pressure, customer green pressure, community green pressure and government green pressure) will jointly explain 93 percent of the variance in the dependent variable (green innovation).

Table 4. Anova_a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	674.993	4	168.748	833.231	.000 ^b
	Residual	46.783	106	.203		
	Total	721.775	110			
a. Dependent Variable: Green innovation						
b. Predictors: (Constant), Government green pressure, Customer green pressure, Academia green pressure, Community green pressure						

Source: Researcher's Field Survey, 2023.

Table 4 shown f value of 833.231 with p value less than .05 which signifies that the model is statistically significant.

Table 5. Coefficients_a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.051	.080		-.641	.522
	Academia green pressure	.493	.041	.449	11.995	.000
	Customer green pressure	.603	.039	.573	15.553	.000
	Community green pressure	-.594	.064	-.555	-9.343	.000
	Government green pressure	.504	.065	.461	7.694	.000

a. Dependent Variable: Green innovation

a. Dependent Variable: Green innovation

Source: Researcher's Field Survey, 2023.

Hypothesis (1) predicts that academia green pressure influence green innovation. As shown in table (4) academia green pressure positively influence green innovation ($\beta = 0.493$, $p < 0.05$) hence, hypothesis (1) is supported. Furthermore, hypothesis (2) predicts that customer green pressure influence green innovation. As revealed in table customer green pressure positively influence green innovation ($\beta = 0.603$, $p < 0.05$) therefore, hypothesis (2) is supported. Moreover, hypothesis (3) predicts that community green pressure influence green innovation. As table shown community green pressure negatively influence green innovation ($\beta = -0.594$, $p < 0.05$) thus, hypothesis (3) is supported. Finally, hypothesis (4), predicts that government green pressure positively influence green innovation. As revealed in table government green pressure positively influence green innovation ($\beta = 0.504$, $p < 0.05$), hence hypothesis 4 is supported.

DISCUSSION

The study examines the influence of stakeholder green pressure on green innovation. The findings of the study reveals that stakeholder green pressure have significant influence on green innovation. This is in line with the findings of Almagtome, et al. (2020) who posit that company should develop an awareness of the social and environmental consequences of the company's operations, and ensure that the company responds to the desires and opinions of those with whom it is in touch. Companies operating under a social contract may use the resources of society to produce products, but they do not have an unalienable right to use those sources. The firm must manage its relations with these groups in a manner that serves the interests of the firm and conveys a good image of its business activities in order to obtain the necessary credibility to function within the organization Rimbawanto et al., (2023).

Specifically, hypothesis one shows that academia green pressure have positive influence on green innovation ($\beta = 0.493$, $p < 0.05$). This is in agreement with the findings of Leonidou et al., (2020), whom stressed that academia green pressure provide firms with human and social capital. The human capital are variety of scientific knowledge expertise and experiences that can be used in developing scientific strategies while, as a social capital it provides basis for building mutual relationship between the firm and members of his/her social networks

Moreover, the study establishes that customer green pressure have influence on green innovation ($\beta = 0.603$, $p < 0.05$). This is in consonant with Bello-Pintado et al., (2022), whom argue that that customers have the greatest influence on adoption of green innovation. Customers with green motive value green products supplied by the firm with good environmental reputation and are willing to pay even extra for such product Bello-Pintado et al., (2022). The interaction and collaboration with customers help the firm to identify flaw areas and correct them, thereby improving green practices Leonidou et al., (2020).

Furthermore, the study shows that community green pressure negatively influence green innovation ($\beta = -0.594$, $p < 0.05$). This is in tandem with the findings of Leonidou et al., (2020), which shows that community green pressure plays moderating role by facilitating the chances of having an earlier communication about the innovation with members of the community. These users serve as testers and provide fruitful feedback that guides product improvements.

Finally, the study reveals that government green pressure have positive influence on green innovation ($\beta = 0.504$, $p < 0.05$). This did not deviate from the findings of Jayaraman et al., (2023), which shows that the fear of punishment, sanctions and among legal threats force firms to comply with legal statement by tailoring their internal sustainability practices towards reduction resources conservation, reduction in pollution as well as waste in manufacturing and adoption of green innovation practices.

CONCLUSION AND RECOMMENDATION

This study combined stakeholder theory and RBV theory into one theoretical lens, and develops a theoretical framework to find out the relationship between stakeholder green pressure and green innovation. It illustrates how firms reacts to stakeholder green pressure by applying green innovation. Specifically the study shows how academia green pressure, customer green pressure, community green pressure and government green pressure translate in to green innovation. Based on the finding of study, the study concluded that academia green pressure, customer green pressure, community green pressure and government green pressure have significant influence on green innovation.

The findings remind business practitioners that academia green pressure, customer green pressure, community green pressure and government green pressure have significant influence on green innovation. The study recommends that managers should take the responsibility of paying attention different stakeholder pressures. Specifically, firms should implement green process to deal with government green pressure, green products (as per requirement) to deal with

customer green pressure and both green product and process to deal with academia and community green pressure.

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