

**Sponsorship Matters:
Assessing Business Participation in Government- and Industry-sponsored
Voluntary Environmental Programs**

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ABSTRACT

Stakeholders who seek to reward or punish businesses for their environmental programs often cannot observe these organizations' internal policies and operations. To address these informational problems, and signal their beyond-compliance environmental commitments, some businesses are participating in voluntary environmental programs (VEPs). This paper examines whether business managers associate the brand value of VEPs – due to their differing program sponsors – with the perceived preferences of their critical stakeholders. Drawing on a novel dataset of nearly 300 organizations, we assess business' participation in 19 government- and industry-sponsored VEPs. We find that managers who recognize the importance of stakeholder influences on their business' environmental practices are more likely to participate in a VEP, but that pressures from different stakeholders are associated with variations in organizations' participation in either government- or industry-sponsored VEPs.