

How environmental NGOs are addressed in sustainability reporting?

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Submission's goal

Business relationships with environmental non-governmental organizations (ENGOS) have received attention in the prior studies, especially highlighting the environmental demands set by ENGOS and partnerships the business creates for strategic purposes with ENGOS. One business response to the demand has been sustainability reporting, but the way ENGOS are addressed in sustainability reports remains unstudied. In this study we apply constructionist approach to describe how views of business-ENGO relationships are constructed in sustainability reports of three Finnish corporations in years 2007-2011.

Theoretical Framework

Theoretical foundation for this research is stakeholder theory, which is based on a notion that an organisation's success is dependent on how well it manages the relationships with its stakeholders, and the study counts ENGOs as one of the stakeholder groups "who can affect or is affected by the achievement of an organization's objectives" (Freeman 1984). However, prior research has identified certain specific features in ENGO relationships compared with other stakeholder groups: resource independence, strategic alliances and cooperation and threats they possess as stakeholders. Rondinelli and London (2003) identify three different types of collaborative relationships between corporations and NGOs: Arm's-Length relationships (including monetary support for NGOs), interactive collaborations (including ENGO certification of corporate business practices) and intensive environmental management alliances (corporations pursue for formal alliances with NGOs to change their products or processes). Prior research on sustainability reporting has presented evidence of a widespread demand for mandated and externally verified sustainability reporting from social and environmental NGOs (O'Dwyer et al. 2005), but also questioned NGO legitimacy of setting demands on reports as ENGOs do not disclose themselves (Crespy and Miller 2011).

Method

The study is based on the sustainability reports from years 2007-2011 of three Finnish companies from different fields of business: energy, aviation and finance. In our analysis we approached the research phenomenon from constructionist perspective, i.e. studied how the relationships are constructed in the data. Thus we do not aim to reveal social reality, but focus on how versions of it are constructed in the studied data. We applied a type of content analysis both for analyzing meanings produced in the texts and for quantifying the data. In the first phases we used Atlas.ti for coding the sections in which ENGOs are discussed and then we categorized different types of relationship constructed in the data.

Main outcomes and results

We identified five different types of relationships constructed in the reports between ENGOs and the corporation: monetary based, certification based, collaborative, dialogue based and conflicting relationships. Monetary based relationships involve sponsorships and memberships, with only monetary significance. These are the majority in the studied data. Certification based relationships mean that ENGO has created a framework for environmental sustainability in business and the corporation has voluntarily implemented the ENGO certified framework. In the

studied reports the category mainly consists of descriptions of Green office by WWF. Collaborative relationships entail short-term joint environmental protection projects with little to do with the corporation's own operations. Dialogue based relationships interestingly do not describe implemented dialogue with stakeholders but they describe how corporations aim at dialogue and also invite ENGOs to participate the dialogue. However, this remains on the level of future aim. Conflicting relationships between ENGOs and corporations were mainly not reported in the data. We only managed to find three mentions on differences in opinions, expressed in very soft terms, for instance "ENGO was interested in certain projects". Intensive environmental management alliances, as identified by Rondinelli and London (2003), are not reported in the studied data. Thus the reported ENGO relationships are related only to the external environmental impacts and image benefits, instead of collaboration for real changes in production or processes.

CORE REFERENCES

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