INDIAN INSTITUTE OF MANAGEMENT KOZHIKODE

Working Paper

IIMK/WPS/319/SM/2019/10

MARCH 2019

STAKEHOLDER APPROACH TO CORPORATE SUSTAINABILITY: A REVIEW

Venkataraman S [1]

[1] Assistant Professor, Strategic Management, Indian Institute of Management, Kozhikode, IIMK Campus PO, Kunnamangalam, Kozhikode, Kerala 673570, India; Email: venkat@iimk.ac.in, Phone Number (+91) 495 – 2809429

STAKEHOLDER APPROACH TO CORPORATE SUSTAINABILITY: A REVIEW

ABSTRACT

Stakeholder approach to management offers a distinctly different approach to managing corporations from the dominant “shareholder approach”, emphasizing the firm as balancing a confluence of co-operative and competitive interests representing an extended stakeholder base. This review examines the various dimensions that emerge in scholarly research associating stakeholder approaches to the theme of sustainable business. Stakeholder theory, particularly in its normative and instrumentalist approaches, is presented as a very naturally aligned theoretical framework for advancing the science and practice of sustainability. Nevertheless, risks also emerge in relying solely on a stakeholder approach to achieve sustainability. Gaps in research are identified.

INTRODUCTION

Stakeholder theory has brought into focus the view that corporations are to be managed not to maximize shareholder wealth, but to optimize wealth and value creation for all stakeholders. Most accounts for stakeholder (Donaldson & Preston, 1995; Freeman, 1984; Freeman, Harrison, Wicks, Parmar, & Colle, 2010; Hart & Sharma, 2004) have tended to define stakeholders to typically include as stakeholders other than shareholders - employees, suppliers, customers, lenders, investors, and the local community or society in which the corporation is embedded. The stakeholder view is not in contravention of the shareholder value maximization, but rather, can be interpreted as a way of approaching shareholder value creation (Freeman, Harrison, Wicks, Parmar, & Colle, 2010).

Stakeholder theory has also been extended to environmental sustainability and other dimensions of sustainable business such as corporate social responsibility and business ethics (Collins, Kearins, & Roper, 2005; Starik, 1995; Starik & Rands, 1995; Stead & Stead, 2000). These latter dimensions can be considered as germane to local as well as global sustainability.

A sustainable process or condition is one that can be maintained indefinitely without progressive diminution of valued qualities inside or outside the system in which the process operates or the condition prevails (cf.Holdren, Daily, & Ehrlich, 1995). Another commonly cited definition is the ability to meet the needs of the present without compromising the ability of future generations to meet their own needs (Brundtland, 1987). In generic terms corporate sustainability can be considered as an approach which encompasses the contextual integration of economic, environmental and social aspects (Perrini & Tencati, 2006). Specifically, a sustainable enterprise can be understood as one “that contributes to sustainable development by delivering simultaneously economic, social, and environmental benefits” (Hart & Milstein, 2003)

The above description and conceptions of sustainability can relate the sustainability of a firm to its stakeholder relationships. The stakeholder view of the firm (Donaldson & Preston, 1995; Hart & Milstein, 2003), also posits that firm survivability increases with the sustainability and robustness of its stakeholder relationships. From this perspective, a company creates value when its managerial approach is sustainability oriented (Wheeler, Colbert, & Freeman, 2003).

This paper attempts a review of the multiple dimensions in which extant scholarly research has sought to draw on stakeholder approach for pursuing the sustainability agenda and the arguments for and against relying on stakeholder theory of the firm as an approach for sustainability.

STAKEHOLDER THEORY- A BRIEF OVERVIEW

Stakeholder approach to management has attracted the interest of researchers as well as practitioners since the 1980s and continues to find regular ventilation in academic literature (Collins et al., 2005; Donaldson & Preston, 1995; Freeman, 1984; Freeman, Harrison, & Wicks, 2007; Freeman, Harrison, Wicks, Parmar, & Colle, 2010; Harrison & Freeman, 1999; Jones & Wicks, 1999) offering a different approach to managing firms from the dominant shareholder approach presenting the firm as a confluence of co-operative and competitive interests. While the latter view argues that attention to shareholder value maximization makes for the most efficient manner of organizing form resources, the former argues that a management approach that encompasses the needs and requirements of all stakeholders allows for greater efficiency. Stakeholders can be conceptualized as “those with a stake or an interest in an organization, including anyone who may be impacted by or have an impact on the firm” (Collins et al., 2005). Notwithstanding this broad definition, there appears to be no consensus on who qualify legitimately for being considered as stakeholders (Donaldson & Preston, 1995).

APPROACHES TO STAKEHOLDER THEORY

While several dimensions to stakeholder theory have been advanced and debated in literature, Donaldson & Preston's, (1995) three way classification – instrumental, descriptive and normative - continues to serve as a useful framework for understanding the multiple approaches to understanding stakeholder theory (Collins et al., 2005)

As per the instrumental approach, the justification for adopting a stakeholder approach to managing business is self-fulfilling in that firms adopting such an approach help their own competitive advantage, relative long-term successes, and achievement of corporate performance goals (Donaldson & Preston, 1995). This is in good measure also due to the increased legitimacy that they derive by engaging stakeholders. The instrumentalist discourse has also sought to extend the concept of stakeholder from beyond the immediate and "powerful" stakeholders of the firm, to those at its fringes in order to reap competitive advantage, by leveraging on new and imaginative ideas and problem signals that can emerge through engaging with such fringe actors (Hart & Milstein, 2003; Hart & Sharma, 2004).

According to the descriptive approaches to stakeholder theory, the focus is on delineating and prioritizing who qualify as stakeholders, under the presumption that a firm may not be able to or have all the requisite resources to entirely satisfy all actors who could potentially stake claim to a stakeholder label. The issue of whether the environment itself can be considered a central stakeholder to a business is often debated in this context (Collins et al., 2005).

As per the normative approaches to stakeholder theory, business are urged to engage and manage stakeholders for ethical or moral reasons, in a manner which largely aligns with the principles that underscore the sustainability discourse and whereby such as approach is seen as the "ultimate justification". The play-off between shareholders' rights and those of other types of stakeholders has tended to dominate academic discourse. Wheeler et al. (2003) argue that while strategic management theorists highlight a simple agency theory of the firm based on economic principles, stakeholder theorists offer both normative and instrumental logics of how and why a stakeholder approach creates value. Donaldson & Preston, (1995) contend that stakeholder theory is managerial, in extending beyond the descriptive aspect to combining attitudes structures and practices to make up a philosophy of managing a firm. However, possibly given the assumed primacy of profit intentions or rights of businesses (Friedman, 1970), instrumentalist approaches have tended to take main stage within stakeholder theory (Collins et al., 2005; Jones & Wicks, 1999).

CORPORATE SUSTAINABILITY AGENDA VIEWED THROUGH STAKEHOLDER THEORY OF FIRM

The discourse around sustainability also applies at multiple-levels – ranging from sustainability of the planetary ecology to geo-political sustainability to national resource sustainability to corporate sustainability and even to further micro-levels. While distinctions can be drawn amongst these levels, a broader philosophy of integrating the human self with the society (Reitan, 2005) can also be applied to integrate the concept of sustainability across these levels, to create a sense of belongingness, ownership and therefore a motivation for action on the sustainability agenda. In this manner then, one level of sustainability can telescopically dovetail into the next, whereby planet Earth becomes the ultimate stakeholder whose interests are to be sustained (Stead & Stead, 2000).

Despite the intense dialogue, academic interest and global accent on heightening the sensitivity of corporate responsibility in the direction of sustainability, the theory and practice sustainability can make little claim to a unified common ground. However the discourses of stakeholder approaches in management and sustainability theories often appear innately, to the extent that both the agenda and the solutions pertaining to sustainability are proffered to stem from various stakeholders. Corporate environmental actions are often predicated on the principles of stakeholder theory and the rhetoric also dominantly reflects. Stakeholders are considered as instrumental in raising the sensitivity of firms to environmental concerns or acting as moral guardians (Collins et al., 2005; Herremans, Herschovis, & Bertels, 2009; Sharma & Henriques, 2005; Starik, 1995) and also in according legitimacy to firms in accordance with the latter’s responsiveness to ecological issues and public interest. While several logics have been proposed for integrating stakeholder approach to management with sustainability orientation of business, they can be largely grouped under the following:

Environmental sustainability calls for joint efforts

Much of the discourse and debate on the topic of sustainability and corporate action ranges between protagonists who hold business and corporations as trustees of environmental sustainability, and antagonists who hold that the priorities of business should be aligned in profit making, and instrumentalist who appear to espouse a middle path of arguing that the two objectives of profit orientation and ecological sustainability can find middle ground rather than be seen in conflict. Whether instrumentalist, descriptive or normative, arguments that seem to hold firms almost totally responsible for social and environmental sustainability appear also to ignore the interdependence among the systems and the prevalence of holism and subjectivism (Dentchev & Heene, 2004). Instead organizations and all their stakeholders can be considered as jointly responsible for sustainability. Seen in this perspective, sustainability becomes the joint agenda for scientists, consumers, and policy makers.

A joint agenda to sustainability also lays the ground for managers to devote attention to the process of creating value for all corporate constituents, and moreover also approach sustainability from a self-motivated perspective rather than from a regulatory perspective (Dentchev & Heene, 2004)

Sustainability as an instrument of business value creation

The instrumentalist approach to stakeholder theory that dominates its discourse lends itself to the advancement of the sustainability agenda, and seeks to build a bridge between the pure profit orientation, "capitalist" and shareholder management approach to business and the more socially oriented stakeholder management approach to business.

Research on integrating the social and economic objectives have business have suggested blending social objectives into a enterprise strategy framework as a plausible solution. (Stead & Stead, 2000). The business value creation in an instrumentalist perspective can also be applied to the stakeholder orientation to sustainability that is seen as contributing to relative competitive advantage (Hart & Milstein, 2003; Hart & Sharma, 2004; Hillman & Keim, 2001)

DYNAMICS AND PROCESSES IN APPLYING STAKEHOLDER APPROACH TO SUSTAINABILITY

Motivations and drivers which a stakeholder approach to business management brings to the sustainability agenda apart, academic literature has also trained attention on the mechanics, processes and dynamics which are relevant in auctioning the stakeholder-sustainability relationship.

Keskitalo (2004) argues that multi-level process of stakeholder consultation blending interviews and participant observation facilitates a greater connect between researchers and assists in focusing on stakeholders' perception of the interaction of their professions, practices, and the environment. The multi-level process is aimed at reducing or even eliminating the possibility of stakeholder consolations ignoring pertinent domain knowledge and livelihood and social priorities of actors – without which it is argued that even the topic of discussions may be unilaterally and erroneously determined by the scientists. In this sense stakeholder studies are projected as a way to "democratize decision-making processes by developing knowledge of priorities and problems in areas from the perspectives of broad arrays of stakeholders"

In a study which trains attention on the mechanics of assessing and reporting corporate sustainability and performance, Gao & Zhang (2006) present that both social auditing and corporate sustainability are aligned to the extent that both aim at enhancing the social, environmental and economic performance of an organisation. Their study suggests that blending social auditing techniques into stakeholder dialogues could assist in generating greater trust between actors and researchers, and promoting commitment and co-operation amongst stakeholders and corporations.

One of the most commonly discussed dynamics of stakeholder-corporation interactions, especially in the context of environmental and social sustainability is the dimension of the power wielded by stakeholders over corporate action. Such power is seen as exercised through either withholding resources, or granting legitimacy, or directing use of resources.

This dimension of power-play dynamics also applies to the differential power applied by different stakeholders or different groups of stakeholders as the power, legitimacy and expediency combine in particular fashion to determine the importance accorded to a particular stakeholder group. In related fashion it is suggested that managerial activities also change their focus (Collins et al., 2005). This line of argument can be extended to the stakeholder-shareholder debate, in so far as that shareholders, often considered one of the more powerful stakeholder groups, may favor a more economic or profit orientation to the "business" of sustainability.

The power and influence wielded by stakeholders are often considered as driving factors in prompting corporate environmental action, and many studies train attention on the importance of stakeholder pressures as for "green" initiatives and other such environmental friendly action by firms (Henriques & Sadorsky, 1999; Herremans et al., 2009; Onkila, 2008; Sharma & Henriques, 2005; Stead & Stead, 2000) related managerial perceptions of stakeholder salience to the distinctions in the level of commitment to the environment by firms. The differential impact of the attitudes of different stakeholder groups - management, environmental regulators, and members of pro-environmental groups on corporate environmental behavior and responsiveness was researched by (Cordano, Frieze, & Ellis, 2004).

In stakeholder discourse, legitimacy is another dimension related to the power wielded by stakeholders. Siebenhuner's (2004) review of literature presents that stakeholder participation is seen as a means for empowerment and education as well as for increasing the legitimacy of scientific research. In addition, proponents of sustainability science regard stakeholder participation as a way to integrate municipalities, interest groups, industry, and environmentalist groups into both the generation of knowledge and its practical implementation. The legitimacy of the stakeholder approach has also been widely ventilated in relation to corporate environmental strategies and as a possible way to achieve more sustainable operations (Madsen & Ulhoi, 2001).

Sharma & Henriques (2005) also examined how managers' perceptions of different types of stakeholder influences affected the sustainability practices of Canadian forestry firms. Amongst their widely quoted findings were that withholding of resources by social and ecological stakeholders and directed usage of resources from economic stakeholders were instrumental in motivating sustainability practices. They also discerned an element of sustainability and stakeholder evolution in that both industry and its stakeholders had advanced from basic measures such as pollution control and eco-efficiency more advanced practices involving the redefinition of business and industrial ecosystems whereby firms locate in regions conducive to actions such as recycling and reuse of waste. Further, they find that size of the firm matters for the more basic phases of sustainability that focuses on pollution control, energy conservation, waste recycling and resource recirculation. However, as firms evolved to more advanced conceptions of sustainable practices such as eco-design, eco-stewardship, and business redefinition, they find that size becomes less relevant, as such conceptions are driven more by innovation and knowledge-based approaches, rather than the scale economies which were relevant in the basic phases.

In studying the rhetoric forms found in corporate argumentation regarding acceptable environmental actions, (Onkila, 2008) suggest an association between stakeholder power relations and three rhetorical forms - corporate influence, subordination, and joint action and equality. The latter is seen as associated with values types of self-direction, respect for others and common good.

Drawing on the logic that sustainability of stakeholder relationships needs to condition corporate decision making and enterprise strategy (Perrini & Tencati, 2006; Stead & Stead, 2000) highlight the importance of instituting measurement to measure and control their own sustainability behavior, and to ascertain whether the effectiveness of response to stakeholder concerns and the effectiveness of related communication. They suggest that the accent of such evaluation and reporting systems should be on broadening, integrating and complement the traditional financial/economic approaches to the corporate performance measurement, by incorporating stakeholder priorities.

In a rather similar vein, the utility of adaptive learning systems incorporating both top–down reductionist and scientific methods to measure sustainability and bottom–up, community-driven participatory methods is highlighted by (Reed, Fraser, & Dougill, 2006). This dual pronged approach is suggested as useful for developing a more nuanced and informed understanding of environmental, social and economic system interactions, to support development initiatives that are sustainable.

ISSUES IN APPLYING STAKEHOLDER THEORY TO SUSTAINABILITY

The potential benefits of stakeholder approach to management has been long debated and questioned (Friedman, 1970; Jensen, 2002), although Freeman, Harrison, Wicks, Parmar, & Colle (2010) contend that these two schools of stakeholder and shareholder approach are not to be seen as opposing polarities, but rather, as complementary and synergistic approaches, and argues that even Friedman's and Jensen's arguments, at the margin are not in conflict with what stakeholder theory also propounds. Nevertheless the underlying premise that stakeholder engagement will lead to better outcomes for all participants continues to be debated in academic circles (Collins et al., 2005).

The critique of stakeholder theory as the founding fabric for sustainability strategies is also trenchant, and there have been numerous critiques from various viewpoints. Weiss (1995) critiques the descriptive and instrumental approach of stakeholder theory and moreover proposes that the normative use also to be weak. The critique that business interests would tend to colour the picking and choosing of stakeholders and as well as their demands or prioritizations (Banerjee, 2003; Thomas, 1999) sits alongside the suggestion that business purposes can be at odds with anything other than “weak sustainability”(Collins et al., 2005).

Kerr & Caimano (2004) argue that ‘rational’ managers used to hoarding power and resources are unlikely to easily give them up for messy and time-intensive processes such as stakeholder engagement that may even be detrimental to traditional measures of business performance. Such processes, Kerr points out, do not sit well with the way most companies are set up and function.

In a study which indicated a distinction between the instrumentality associated with different stakeholder types, Hillman & Keim (2001) found that while strengthening relations with primary stakeholders like employees, customers, suppliers, and communities was positively correlated with shareholder wealth enhancement, engagement with societal issues not linked to primary shareholders tended to be negatively correlated with shareholder value.

Collins et al. (2005) present a very comprehensive treatise on the potential risks in relying on stakeholder engagement to achieve of sustainability. Their essential premise is that while stakeholder engagement holds promise, to the extent that normative discourse is key in this discourse, any excessive “selling” can likely lead to superficial approaches. The aspect of self-interest, whether of the corporation or its stakeholders, is offered as a main issue why stakeholder engagement may fall short of the “radical change” that is demanded for achieving sustainability.

For one, different stakeholders are seen as constructing sustainability differently, which follows from the basic premise that people perceive things differently according to their different mental models (Johnson-Laird, 1980). For instance ecological sustainability may not hold the same importance for two different sets of stakeholders, with businesses and even policy makers often complaining that “environmentalists” tend to take over business and put paid to “development”. In this wake, the business case for sustainable development represents “only very weak sustainability.”(Collins et al., 2005). This issue also brings back to focus the problem of multiple definitions of sustainability.

Individual self-interests and conflicting logics of different stakeholders

The dimension of self-interest suggests that while no stakeholder is unlikely to voice support for unsustainable development, they may not always be interested enough in sustainability to rank it ahead of other personal or professional priorities of their own. In other words, the issue is one of conflict of interest. To the extent that rational arguments can be advanced to support either choice, it is doubtful whether Jensen & Meckling's (1994) conception of human nature and The Resourceful, Evaluative, Maximizing Model (REMM) can be used to argue in support for stakeholder approach to sustainability, focus as they do on preservation of self-interest. Extending the self-interest perspective, Collins et al. (2005) also argue that if all stakeholders pursue a self-interested approach to conflict management, it would become near impossible to reach any common good, sustainability-supporting resolutions. This will in turn lead to a business as usual situation, and could even prompt opportunistic firms to deliberately encourage participation of highly self-interested stakeholders so that any effective stakeholder led pressure is minimized.

The dimension of self-interest is also closely related to the conflicting logics (Bacharach, Bamberger, & Sonnenstuhl, 1996; Purdy & Gray, 2009; Townley, 2002) that Herremans et al., (2009) present in their study of the Canadian petroleum industry, where some members were observed to resist change and ignoring stakeholder concerns and whereas the “leaders” took action to earn legitimacy. Although both sets of firms were from within the same institutional field, the logics driving firm behavior differed to the extent that one set were aligned to stakeholder interests demanding improved environmental performance whereas the other set was conditioned by local cultural, political, and economic ideals with less emphasis on conformance to environmental standards. The authors also found that the proclivity to adapt to shifts in societal logics vary with the scope of a firm’s activities, and that the firms in their study with limited geographic exposure tended to resist a shift in logics.

Variation in resources and abilities of stakeholders

This line of argument is predicated on the fact that there is often significant mismatch between the access to resources that stakeholders and corporations have, and that in manner of attenuating resistance, sheer resource power might see businesses routinely managing stakeholders in ways that allow businesses to operate “as usual” and “appeasing stakeholders” with no real impact of sustainability (Collins et al., 2005). Information access and information asymmetry is a related dimension to resource access, and often, even when there is information access, prolonged engagement can lead to fatigue and lack of perseverance. Collins et al. (2005)cite the case of the elderly an elderly Maori man who was continually called upon to present a Maori perspective in matters involving business, community and local government, wherein the engagements became so arduous and extended that over time, it led to fatigue and disenchantment with the process.

CONCLUSION AND DISCUSSIONS

Stakeholder theory has sought to ground the purpose of business in the broader priorities and balance a firm's economic aspirations with the aspirations of its stakeholders. The objective of this essay was to explore, through a literature review, the extent to which such a stakeholder perspective has extended itself to explain the agenda of sustainability that seems to be increasingly on the radar of corporations, Governments and policy makers.

Much of the discourse on corporate sustainability draws on the principles of stakeholder theory. One logic draws on the descriptive and the normative approach to stakeholder theory, that sustainability is achievable only through joint efforts of a corporation and its stakeholders. Another logic relates to the instrumental approach, suggesting that an orientation towards sustainability in business begets relative competitive advantages, by earning legitimacy as well valuable resources from stakeholders. The latter logic appears to be more dominant in the literature reviewed.

The process of relating stakeholder approach to sustainability orientation has prompted scholars to identify and study several interesting dynamics of corporate, managerial and stakeholder behavior as well as suggest mechanisms, in a manner of extending the instrumentalist agenda, for measuring and evaluating efficiency and effectiveness of sustainability behavior and stakeholder responsiveness.

Notwithstanding this rich repertoire of inquiry and discourse relating sustainability and stakeholder engagement, the literature review reveals a substantive body of critique that questions the applicability of the assumed synergy between the two disciplines. The dominant arguments in extant literature centre around the themes of self interest of individual stakeholders taking precedence over greater public good, the impact of conflicting logics among various stakeholder groups, the differential between firm resources and individual stakeholder resources and the possibility that opportunism and the natural proclivity of business to pursue economic goals on priority over societal goals may result in effective exploitative behavior while rendering only superficial "lip-service" to the stakeholder approach and sustainability agenda.

It emerges from the literature review that extant research focuses largely on corporate and environmental sustainability, within the broader context of economic, social and environmental sustainability. However, sustainability needs to be conceptualized as a multi-level construct, and calls for a “slice and slivering” this generic modes of sustainability across geographical domains, in order to fully comprehend the magnitude and scope of the sustainability problem – ranging from the sustainability of a localized community, through dimensions of industry, national and regional, geo-political sustainability to the ultimate dimension of planet level sustainability. The conception and definition of a “stakeholder” may drastically change if these dimensions are examined closely for the purpose of sustainable behavior of business. This is an area that could merit research attention.

This essay has its limitations. Mainly, the review has presented mostly academic literature whereas the field of sustainability science is very much influenced by the dimension of practice. Further, the body of literature on sustainability science is still growing. This review however has been unable to integrate very little of the quasi-academic and practice driven literature which could offer further insights into the relationship between the two disciplines. Further there are different forms and structures of organizations and business that hold inherently different abilities to pursue a stakeholder approach to management. Cooperative economics is one such form, which lends itself to greater stakeholder orientation. However, this study falls short of delving into this dimension of sustainability and stakeholder behavior, and in the expectations that future research can train such attention on the same.

REFERENCES

Bacharach, S. B., Bamberger, P., & Sonnenstuhl, W. J. (1996). The organizational transformation process: The micropolitics of dissonance reduction and the alignment of logics of action. Administrative Science Quarterly, 41(3), 477–506.

Banerjee, S. B. (2003). Who Sustains Whose Development? Sustainable Development and the Reinvention of Nature. Organization Studies, 24(1), 143-180.

Brundtland, G. H. (1987). Report of the World Commission on Environment and Development: “Our Common Future.” United Nations.

Collins, E., Kearins, K., & Roper, J. (2005). The risks in relying on stakeholder engagement for the achievement of sustainability. Electronic Journal of Radical Organisation Theory, 9(1), 81.

Cordano, M., Frieze, I. H., & Ellis, K. M. (2004). Entangled Affiliations and Attitudes: An Analysis of the Influences on Environmental Policy Stakeholders’ Behavioral Intentions. Journal of Business Ethics, 49(1), 27-40.

Dentchev, N. A., & Heene, A. (2004). Toward stakeholder responsibility and stakeholder motivation: Systemic and holistic perspectives on corporate sustainability. Stakeholders, the environment and society, 117–139.

Donaldson, T., & Preston, L. E. (1995). The stakeholder theory of the corporation: Concepts, evidence, and implications. Academy of management Review, 65–91.

Freeman, R.E. (1984). Strategic management: A stakeholder approach. Management (First., Vol. 1). Pitman.

Freeman, R.E., Harrison, J.S., & Wicks, A.C. (2007). Managing for stakeholders: Survival, reputation, and success. New Haven and London: Yale University Press.

Freeman, R.E., Harrison, Jeffrey S., Wicks, A.C., Parmar, B., & Colle, S. D. (2010). Stakeholder theory: The state of the art. The Blackwell guide to business ethics (Vol. 6). New York: Cambridge University Press.

Friedman, M. (1970). The social responsibility of business is to increase its profits. New York Times Magazine. Springer.

Gao, S. S., & Zhang, J. J. (2006). Stakeholder engagement, social auditing and corporate sustainability. Business Process Management Journal, 12(6), 722-740.

H.Keskitalo, E. C. (2004). Multi-level Environmental Governance: a concept under stress? Local Environment, 9(5), 405-412.

Harrison, J.S., & Freeman, R.E. (1999). Stakeholders, social responsibility, and performance: Empirical evidence and theoretical perspectives. Academy of Management Journal, 479–485.

Hart, S. L., & Milstein, M. B. (2003). Creating Sustainable Value. The Academy of Management Executive, 17(2), 56–69.

Hart, S. L., & Sharma, S. (2004). Engaging fringe stakeholders for competitive imagination. Academy of Management Executive, 18(1), 7-18.

Henriques, I., & Sadorsky, P. (1999). The relationship between environmental committment adn managerial perceptions of stakeholder importance. Academy of Management Journal, 42(1), 87-99.

Herremans, I. M., Herschovis, M. S., & Bertels, S. (2009). Leaders and Laggards: The Influence of Competing Logics on Corporate Environmental Action. Journal of Business Ethics, 89(3), 449-472.

Hillman, A., & Keim, G. D. (2001). Shareholder value, stakeholder management, and social issues: what's the bottom line? Strategic management journal, 22(2), 125-139.

Holdren, J. P., Daily, G. C., & Ehrlich, P. R. (1995). The meaning of sustainability: Biogeophysical aspects : A United Nations University Report. The United Nations University (pp. 1-18).

Jensen, M.C., & Meckling, W. H. (1994). The nature of man. Journal of applied corporate finance, 7(2), 4–19.

Jensen, Michael C. (2002). Value Maximization, Stakeholder Theory, and the Corporate Objective Function. Business Ethics Quarterly, 12(2), 235.

Johnson-Laird, P. N. (1980). Mental Models in Cognitive Science. Cognitive Science, 4(1), 71-115.

Jones, T., & Wicks, Andrew C. (1999). Convergent stakeholder theory. The Academy of Management Review, 24(2), 206-221.

Kerr, J. L., & Caimano, V. F. (2004). The limits of organizational democracy. Academy of Management Executive, 18(3), 81-97.

Madsen, H., & Ulhoi, J. P. (2001). Integrating environmental and stakeholder management. Business Strategy and the Environment, 10(2), 77-88.

Onkila, T. J. (2008). Corporate Argumentation for Acceptability: Reflections of Environmental Values and Stakeholder Relations in Corporate Environmental Statements. Journal of Business Ethics, 87(2), 285-298.

Perrini, F., & Tencati, A. (2006). Sustainability and stakeholder management: the need for new corporate performance evaluation and reporting systems. Business Strategy and the Environment, 15(5), 296–308.

Purdy, J. M., & Gray, B. (2009). Conflicting logics, mechanisms of diffusion, and multilevel dynamics in emerging institutional fields. The Academy of Management Journal (AMJ), 52(2), 355–380.

Reed, M., Fraser, E., & Dougill, a. (2006). An adaptive learning process for developing and applying sustainability indicators with local communities. Ecological Economics, 59(4), 406-418.

Reitan, P. H. (2005). Sustainability science–and what's needed beyond science. Sustainability: Science, Practice, & Policy, 1(1), 77-80.

Sharma, Sanjay, & Henriques, I. (2005). Stakeholder influences on sustainability practices in the Canadian forest products industry. Strategic Management Journal, 26(2), 159-180.

Siebenhuner, B. (2004). Social learning and sustainability science: which role can stakeholder participation play? International Journal of Sustainable Development, 7(2), 146–163.

Starik, M., & Rands, G. P. (1995). Weaving an integrated web: Multilevel and multisystem perspectives of ecologically sustainable organizations. Academy of Management Review, 908–935.

Starik, Mark. (1995). Should trees have managerial standing? Toward stakeholder status for non-human nature. Journal of Business Ethics, 14(3), 207-217.

Stead, J. G., & Stead, E. (2000). Eco-enterprise strategy: standing for sustainability. Journal of Business Ethics, 24(4), 313–329.

Thomas, P. (1999). Stakeholders and strategic management: The misappropriation of discourse. Critical Management Studies Conference, (July), 14-16.

Townley, B. (2002). The Role of Competing Rationalities in Institutional Change. The Academy of Management Journal, 45(1), 163.

Weiss, A. R. (1995). Cracks in the foundation of stakeholder theory. Electronic Journal of Radical Organizational Theory, 1(1), 1–12.

Wheeler, D., Colbert, B., & Freeman, R Edward. (2003). Focusing on Value: Reconciling Corporate Social Responsibility , Sustainability and a Stakeholder Approach in a Network World by. Journal of General Management, 28(3).

Research Office

Indian Institute of Management Kozhikode

IIMK Campus P. O.,

Kozhikode, Kerala, India,

PIN - 673 570

Phone: +91-495-2809237/ 238

Email: research@iimk.ac.in

Web: https://iimk.ac.in/faculty/publicationmenu.php