Stakeholder Engagement for Business Sustainability: The Case of a Stakeholder Sustainability Survey

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Abstract

Objective: This research aims to complement the scarce literature on surveys as a stakeholder engagement means. To do so, this paper explores how a case company utilizes a survey as a stakeholder engagement means for business sustainability.

Phenomenon: Business sustainability is gaining momentum in academia and practice. Sustainability in business is critical for preserving the planet and for companies to thrive. However, adopting business sustainability demands shifting the business-as-usual, shareholder-centered mindset to a stakeholder-centered orientation. Stakeholder engagement can be a means to enable companies to adopt and embed sustainability in their strategy.

Theoretical Anchoring: This research takes a stakeholder theory perspective on business sustainability, particularly emphasizing the intersection between stakeholder engagement and business sustainability literature.

Context: This case study is conducted in a Finnish multinational company that supplies machinery and technology for the pulp and paper industry. This research examines how the case company utilizes a survey as a stakeholder engagement means for business sustainability.

Research Design: This paper develops a qualitative single-case study and utilizes inductive thematic analysis. Primary data consists of 11 interviews with the case company's employees that form and maintain relationships with other stakeholder groups. Secondary data consists of eight documents provided by the case company.

Findings: This research identifies five themes of stakeholder engagement for business sustainability that portray how the case company utilizes a survey as a stakeholder engagement means for business sustainability. This paper identifies how the survey serves to identify key stakeholders, the methods utilized for promoting the survey to stakeholders, how the survey functions for communicating with stakeholders, how it works in terms of understanding stakeholder sustainability value creation, and how the case company makes sense of the survey results.

Contributions: This case study expands the limited literature on surveys as a stakeholder engagement means. This paper revisits previous literature and builds a framework for stakeholder engagement for business sustainability through surveys. The framework can support researchers and practitioners in studying and conducting surveys as stakeholder engagement means for business sustainability.
***Keywords*:** business sustainability, multiple stakeholders, stakeholder engagement, stakeholder sustainability value, survey

Introduction

Sustainability in business is critical for preserving the planet and for businesses to thrive (Bansal et al., 2021; Dyllick & Muff, 2016). *Business sustainability* (BST) implies considering in the business strategy the environmental, societal, and economic effects of all operations (Dyllick & Muff, 2016). This entails pursuing a long-term orientation to enable short-term results and long-term value (Bansal & DesJardine, 2014), created together with stakeholders (Hörisch et al., 2014).

Companies benefit from pursuing BST in several ways. First, pursuing sustainability strategies can increase companies' competitiveness, legitimacy, and ecological responsiveness (Bansal & Roth, 2000). In addition, it is a means of creating new business opportunities, meeting stakeholders' expectations, and eventually shaping the market (Winsemius & Guntram, 2002).

For their part, stakeholders can encounter multiple values in business sustainability. A company's various stakeholders can have diverse interpretations of what is - or should be - the 'value' created by the firm (Freudenreich et al., 2019). In this paper, we define the concept of *stakeholder sustainability value* as "the multiple values that stakeholders encounter or expect when engaging for business sustainability" (Salvatori, 2022, p. 88).

This research takes a stakeholder perspective on sustainability and argues that organizations can become sustainable only in collaboration with their stakeholders (Hörisch et al., 2014; Wagner & Svensson, 2014). Here, we look at stakeholder engagement as a means to enhance and achieve BST (c.f. Wagner & Svensson, 2014). Thus, we consider stakeholder engagement as any interaction between the company and its stakeholders and comprises processes, such as collaborating, cooperating, and communicating with each other (Kujala & Sachs, 2019). Therefore, stakeholder engagement can support companies embedding sustainability in their operations (Tapaninaho & Kujala, 2019). Furthermore, stakeholder engagement can be accomplished through various means, the conduct of stakeholder surveys being one of them (Salvioni & Almici, 2020).

However, surveys as a stakeholder engagement means for BST have received only a little academic interest. Ferrero-Ferrero et al. (2018, p. 332) identify surveys as one of the most popular methods to investigate what sustainability topics stakeholders consider important, while Salvioni and Almici (2020) study surveys as a means of stakeholder engagement in the context of a circular economy. Finally, Romenti (2010) regards surveys as a way to understand stakeholders' perceptions regarding the reputation of a company.

To complement the scarce literature regarding surveys as a means of stakeholder engagement, this study aims to examine an online sustainability stakeholder survey as a means of engaging stakeholders for BST. Thus, in this paper, we ask: how does the case company utilize the survey to engage stakeholders for business sustainability? We examine a Finnish multinational (MNE) of the pulp and paper industry (PPI) and its use of a sustainability stakeholder survey. The company considers the survey its primary means of maintaining dialogue with its stakeholders and identifying their most important sustainability topics. As a result, we discuss the use of surveys as a means of engaging stakeholders for BST.

The case

The case company requires to remain anonymous in this paper, hereby given the pseudonym of Koivu. Thus, the data concerning the case study is referred to using codes (see Table 2). Koivu is a Finnish MNE that provides machinery and technology for the PPI (D8). The PPI connects with several sustainability issues, such as global warming, greenhouse gas emissions, and water pollution (Bajpai, 2010). However, Koivu has received several sustainability recognitions and has been included in the Down Jones Sustainability Index (DJSI) for eight consecutive years (D7, p. 54). Furthermore, the company operates at the meso-level of the PPI, thus emphasizing business-to-business (B2B) relations in its sustainability efforts.

In this case study, we particularly examine the engagement between Koivu and its stakeholders through a sustainability stakeholder survey (SSS) within the period 2020–2022. The SSS is the official and systematic engagement means for Koivu to collect feedback from its stakeholders, maintain dialogue with them (D1, p. 15), and inform its sustainability reporting (D6; D7). The survey consists of 14 rating-scale questions representing 14 sustainability topics and one open-ended question. Stakeholders can rate each rating-scale question from 1 (least important) to 5 (very important). As for the open-ended question, stakeholders are invited to provide feedback or comments related to the company's sustainability freely. (D5.)

Methods

This research utilized a single-case study method, enabling the researchers to understand the phenomenon deeply (Dyer & Wilkins, 1991). The qualitative analysis method was selected as

it allows for flexibility in data collection and enables generating rich insights (Walle, 2015). The following paragraphs describe the processes of data collection and analysis.

Data collection

Data consists of primary and secondary data (Haenssgen, 2019). The primary data consists of 11 semi-structured interviews with Koivu's employees. We utilized purposive and snowball sampling to select interviewees (Black, 2013) until saturation was reached (Guest et al., 2006). Purposive sampling provided three interviews, whereas snowball sampling provided eight interviews. The interviewees participated voluntarily in the interviews and consented to the recording of the interviews. The interviews occurred between February and March 2022 and were recorded and transcribed through the Microsoft Teams online meeting platform. The interview details are listed in Table 1 below.

Table 1: Details of primary data

Code	Date	Sampling method	Source	Length	Amount of text transcribed	Role
I1	15.02.2022	Purposive	D1	34 minutes	24 pages	Head of Sustainability
I2	17.02.2022	Snowball	I1	39 minutes	33 pages	Key Account Manager
I3	21.02.2022	Snowball	I2	60 minutes	57 pages	Sales Director
I4	21.02.2022	Snowball	I2	58 minutes	44 pages	Business Development Director
I5	22.02.2022	Purposive	LinkedIn post	38 minutes	34 pages	Operations Development Manager
I6	24.02.2022	Snowball	I3	28 minutes	14 pages	Key Account Manager
I7	25.02.2022	Purposive	LinkedIn post	45 minutes	22 pages	Business Line Vice President
I8	03.03.2022	Snowball	I1	40 minutes	30 pages	Global HR Communications Manager
I9	09.03.2022	Snowball	I5	34 minutes	24 pages	Global Mobility Manager
I10	09.03.2022	Snowball	I7	21 minutes	21 pages	Global Operations Director
I11	11.03.2022	Snowball	I1, I5	25 minutes	17 pages	Procurement Development Manager

Source: the authors

Altogether, the interviews summed 422 minutes recorded, with lengths between 21 and 60 minutes, and the average length of interviews was 38 minutes. The text transcribed totaled 320 pages.

Thirdly, we gathered further secondary data to reinforce the findings from the interviews (Haenssgen, 2019). Table 2 below lists the secondary data and provides the codes representing them in this paper.

Table 2: Details of secondary data

Code	Date of retrieval	Title of the document	Type of document	Source
D1	10.12.2021	GRI Supplement 2020	Public report	Company's website
D2	10.12.2021	Annual Report 2020	Public report	Company's website
D3	15.12.2021	Sustainability Stakeholder Survey Results 2020	Internal report	Company's responsible
D4	15.12.2021	Sustainability Stakeholder Survey Results 2021	Internal report	Company's responsible
D5	10.02.2022	Sustainability Stakeholder Survey	Public link	Company's website
D6	10.02.2022	Stakeholder Survey	Public link	Company's website
D7	09.03.2022	Annual Report 2021	Public report	Company's website
D8	04.05.2022	Press Release	Public link	Business Finland

Source: the authors

Data analysis

As the qualitative analysis allows researchers to deploy flexible analysis methods (Yin, 2018), this case study utilizes an inductive thematic analysis. To begin with, we developed pre-themes based on secondary data to guide the semi-structured interviews (Given, 2008).

Several iteration rounds followed to refine the thematic analysis (Haenssgen, 2019, p. 69). Firstly, the data iteration allowed for identifying and highlighting missing key sentences and links between sentences. Secondly, five themes were developed based on the highlighted sentences. Finally, two other rounds of iteration and grouping themes took place and culminated in the development of the framework (Thomas, 2006), as presented in the findings section.

Findings

Our analysis sought to understand the SSS as a means to engage stakeholders for BST. As a result, we identified five themes that examine how Koivu utilizes the survey. These five themes compose a framework for our study: identifying key stakeholders, promoting the survey to stakeholders, communicating with stakeholders, challenges in understanding stakeholder sustainability value creation, and making sense of the survey. The following paragraphs elaborate on the findings according to these themes.

Identifying key stakeholders

Respondents' identities remain anonymous in the SSS, but they are identified by stakeholder groups. The survey begins by asking stakeholders to choose among eight options of stakeholder groups to identify themselves: supplier, future employee, employee, customer, shareholder or investor, media, NGO, and "others", which includes an option for the

respondent to report the stakeholder group they represent. Based on our data, we could identify 15 stakeholder groups linked to Koivu. These groups are: employees, future employees, customers, suppliers, competitors, consultancies, NGOs, regulatory agencies, media, governments, associations, shareholders, research institutes, community, and other organizations.

However, despite the several stakeholder groups connected to Koivu, the analysis pointed out that the key stakeholders for BST are employees, customers, and suppliers. This is due to the fact that Koivu considers only these three groups in carbon emission calculations in their value chain (D2) and they accounted for 80% of respondents in 2020 (D3, p.4) and 82% in 2021 (D4, p. 5). Therefore, while other stakeholder groups might also be relevant for enhancing sustainability, the further analysis focuses on the three key groups.

Promoting the survey to stakeholders

Koivu deploys passive and proactive promotion methods to reach out to stakeholders and encourage them to answer the survey. Firstly, as a passive promotion method, we identified that the SSS was available to any interested stakeholder on Koivu's website in the sustainability section. However, we noted that through this method, stakeholders should have exceptional motivation to search for and fill in the survey, given that we had to proactively access Koivu's webpage and examine the sustainability section in-depth to access the SSS.

Secondly, the proactive promotion occurs through a mailing list, the intranet, events with customers and suppliers, and contacts between employees and customers. As for the passive promotion, the mailing list and the intranet advertisement rely on stakeholders' disposal to fill in the survey. For events, the COVID-19 pandemic has inhibited their realization and thus negatively affected the responses to the survey. Consequently, during the COVID-19 pandemic, the active promotion has depended on the employees' relationship with

customers. They have been responsible for identifying the stakeholders to answer the survey and also for committing them to do so.

Communicating with stakeholders

Koivu considers the SSS a stakeholder dialogue channel and a systematic means for collecting feedback from multiple stakeholders. Through the survey, the stakeholders can share their perceptions of the most important sustainability topics, making the SSS a means for learning from stakeholders. In addition, the survey is used to identify stakeholder sustainability values and enhance conversation with them.

However, we were able to identify certain challenging aspects related to using the SSS as a means of engaging stakeholders. Although the survey enables collecting feedback and learning about stakeholders' values, the dialogue allowed by the SSS appears limited. Thus, to properly identify and understand the stakeholder sustainability values and thus move BST forward would require collaboration through other means than the SSS. Moreover, dialogue and learning through the SSS can be constrained by its restricted reach and the lack of feedback for respondents.

First, based on primary data, we identified Koivu's interest in amplifying the SSS reach throughout the value chain. In the interviewees' opinion, the number of survey responses is narrow compared to the vast number of Koivu's stakeholders. Consequently, the low reach may constrain the learning opportunity.

Second, interviewees reported that the feedback for respondents occurs only through intranet posts and sustainability reporting. Oppositely, interviewees argued that providing feedback for respondents could enhance stakeholder engagement through the SSS and support moving BST forward.

> "Maybe it would motivate them [stakeholders] to answer next time if they hear us afterwards. Because now they are answering the survey, and probably they are not getting any feedback or any results on how they are seeing us and how the others are seeing us (…) I think that would help us and promote us and motivate our suppliers to this every next time." (I11)

In addition, interviewees reported that the SSS provides useful insights that could enhance the dialogue with stakeholders.

Challenges in understanding stakeholder sustainability value creation

Koivu considers the SSS as a means for identifying stakeholder sustainability values and perceiving potential for value creation. However, based on the interviews, we could identify three challenges in understanding stakeholder sustainability value creation through the SSS. First, respondents may lack the stimulus and time to answer the survey due to their busy schedules. To overcome such a challenge, interviewees argued that targeting specific stakeholders personally can encourage stakeholders to respond to the survey.

Second, interviewees argued that the SSS lacks specificity, which can diminish the utilization of the survey results at a capillary level. They suggested that more detailed information about specific business lines or projects could enhance the process of understanding stakeholders' values and acting based on them at different organizational levels.

Third, interviewees reported an eventual disparity between stakeholders' perceptions and the reality, which may restrain the quality of the insights from the survey results. This possible disparity can be due to the stakeholders' interpretation of reality and the difficulty of committing stakeholders at strategic levels to answer the SSS. To overcome such a challenge,

Koivu has utilized other sources of information and stakeholder engagement to help validate the survey results. For instance, we could identify that Koivu deploys four complementary stakeholder engagement means to identify stakeholder sustainability values: events with customers and suppliers, meetings, business intelligence, and legislation and reporting guidelines. Altogether, these information sources support the company in validating the SSS results and identifying stakeholder sustainability values.

Making sense of the survey

Based on primary data, making sense of the SSS is like bringing a puzzle together. Koivu collects the survey data, validates it, and presents the results exclusively to its executive team. Interviewees highlighted that it is necessary to bring many sources of information in order to support decision-making in a comprehensive and structured manner. Furthermore, interviewees pointed out Koivu's posture of meeting stakeholder sustainability values by taking action based on the SSS, as quotes from I8 and I4 exemplify.

> "I think that you are giving people the opportunity to voice what they have to say, and I believe we do quite a lot with the comments." (I8)
>
> "So, we are looking at that also from that point of view that it's not just a nice thing to read, but it leads to actions."(I4)

Interviewees underlined that it is vital to take actions based on the stakeholder sustainability values raised through the survey. Based on primary and secondary data, the SSS has impacted Koivu's sustainability reporting by providing the most important topics to approach. In addition, the company has utilized the survey results to drive the sustainability agenda renewal.

However, it is possible to critically analyze Koivu's sense-making of the SSS process. For instance, interviewees argued that it would be relevant for employees out of the executive team to access the survey results as it would support embedding sustainability within the organizational structure. In addition, the utilization of the survey in the executive team's decision-making implies that the SSS results are used to validate rather than inform Koivu's sustainability strategy. Lastly, one could question how the sense-making of the survey affects the prioritization of stakeholders' values versus other topics in Koivu's decision-making processes.

Discussion

This paper contributes to the scarce literature regarding surveys as a means to engage stakeholders for business sustainability. We provide a framework of stakeholder engagement for business sustainability through surveys composed of five themes (c.f. Freeman et al., 2017) that can contribute to theory and practice. The following paragraphs discuss how these themes are connected and may support stakeholder engagement for business sustainability through surveys.

First, this paper follows Wagner and Svensson (2014), arguing that businesses must engage with multiple stakeholders for BST. Our paper shows that employees, customers, and suppliers are interested in making the case company more sustainable by expressing their sustainability values through the survey. Considering that, companies should be mindful of stakeholder groups other than shareholders **(**Hörisch et al., 2014**).** In this sense, this case study suggests that surveys can support identifying key stakeholders for BST, which are multiple stakeholder groups.

Second, although sustainability surveys are a good means of identifying stakeholders' sustainability values, surveys should be complemented with other, preferably more two-way means of engaging stakeholders. Thus, we argue that in order to understand stakeholder sustainability value creation, it is necessary to communicate with stakeholders and overcome the challenges inherent to surveys to identify stakeholder sustainability values. Our paper suggests that providing feedback to stakeholders about their engagement is a fundamental part of communicating with stakeholders to maintain dialogue and strengthen trust and stakeholder engagement itself (Kaptein & Van Tulder, 2013). In addition, companies may use several stakeholder engagement means to overcome the eventual limitations (Kaptein & Van Tulder, 2003) of surveys, such as low reach and data inaccuracy. Crossing several engagement means can help validate the survey results and provide a deeper and more thorough understanding of stakeholder sustainability values.

Finally, we argue that surveys can help businesses to enhance BST (Ferrero-Ferrero et al., 2018) by identifying key stakeholders and identifying stakeholder sustainability values. O'Riordan and Fairbrass (2013) argue that companies should be proactive in searching for and addressing those values. Our study shows that surveys can be means to do so. Lastly, we suggest that it is vital that companies are capable of taking action based on the survey results and provide stakeholders with feedback about these actions (O'Riordan & Fairbrass, 2013).

Conclusions

This study set out to ask, "how does the case company utilize the stakeholder survey to engage stakeholders for business sustainability?" Examining a Finnish MNE of the PPI, we discussed how the stakeholder survey can be used to engage stakeholders to enhance business sustainability.

We suggest that surveys are a useful means to engage stakeholders to enhance BST, despite their obvious limitations. To benefit from the survey, companies must engage with multiple stakeholders, identify their stakeholder sustainability values, and act oriented by those values. Moreover, it is vital to guarantee data accuracy and provide feedback for respondents. Additionally, acting on and implementing the stakeholder sustainability values identified through the survey throughout the organization is necessary in order to fully take advantage of the knowledge gathered through the survey.

As the literature on surveys as a stakeholder engagement means is still scarce, more research on those would be of value to enhance understanding of how stakeholder engagement can support business sustainability. Future research could examine how the survey results could be better utilized for BST throughout multiple organizational levels.

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