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Differences in sustainability practices and stakeholder involvement

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Abstract

Purpose – *This research aims to describe sustainability practices adopted by companies and the influence they have with the involvement of stakeholders.*

Design/methodology/approach – *Qualitative investigation, using case study methodology, was undertaken in 17 companies that use strategic sustainability practices in some way. The companies were observed under the theoretical perspective of social responsibility and sustainability, and with the approach of strategic practices.*

Findings – *Interpreting the data produces an alternative framework of analysis for strategic organizational activities oriented toward the understanding of practices of sustainability, especially in processes aimed at catering to and/or involving stakeholders. The research further supports the idea that sustainability practices, regardless of their level of implementation, have a strong relationship, in these companies, with stakeholder interests.*

Originality/value – *The intent is that the proposed analytical framework will allow further debate toward better understanding of actions focused on environmental determinism and internal company conditions.*

Keywords *Strategy-as-practice, Stakeholders, Environmental orientation, Sustainability practices*

Paper type *Research paper*

Introduction

This paper presents the results of a study that sought to describe sustainability practices in companies by focusing on their internal conditions. More specifically, it focuses on revealing the real sustainability practices of the companies in question, in addition to internal management activities concerning the involvement and influence of the stakeholders of these organizations.

The formation and evolution of the concept of sustainability have been accompanied by new expectations in regards to social, economic and environmental performance. However, some reports suggest that social responsibility has been more of a marketing tool used to strengthen the traditional ways of doing business, whereas in the eyes of sustainability proponents, it is the cause of current socio-environmental problems (Borges *et al.*, 2007; Soares, 2004).

Hart (2007) points out that, beyond a lack of consensus concerning terminology, there is no common understanding regarding the specific significance of or motivations for corporate sustainability practices. For some executives, sustainability is a moral consideration, whereas for others, it is merely an unavoidable form of meeting legal requirements. Furthermore, others believe that sustainability incurs numerous costs for a company and is a necessary evil in the drive for corporate legitimacy (Hart, 2007).

Some companies, however, have regarded sustainability as a strategic business opportunity to increase profits and market share through innovation. Overall, there is increasing acceptance of the notion that pursuing global sustainability today can enable

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current demands to be met without compromising the abilities of future generations to achieve their goals (World Commission on Environment and Development, 1987). In this sense, a sustainable company is one that strives for sustainable development while simultaneously generating economic, social and environmental benefits, known as the three pillars of sustainable development (Elkington, 1994). According to Hart (2007), companies are the only entities that possess the resources, technology and global reach that permit social and economic changes. Therefore, corporate sustainability is important for this transformation, allowing for the institutionalization of a competitive business model that is intent on being socially and environmentally responsible.

Previous studies have indicated that socio-environmental practices enhance companies' strategic results (Garay, 2001; Hart, 2007; Porter and Kramer, 2011; Tombi *et al.*, 2006; Volpon and Macedo-Soares, 2007). However, few have focused on practices regarding a corporation's external and internal activities and their relation to the adoption of social responsibility (Jarzabkowski, 2005; Jarzabkowski *et al.*, 2007; Matten, 2006; Oosterwijk, 2006; Perrini and Minoja, 2008; Pohl, 2006; Porter and Kramer, 2011; Roberts, 2003; Sharma, 2000; Stubbs and Cocklin, 2008; Waddock, 2008; Whittington, 2006, 2007; Verdu and Bulgacov, 2000; Verwaayen, 2006).

Even though these studies demonstrate that there are few companies that truly care about sustainability, they do bring to light that there is growing demand for sustainable practices on the part of stakeholders, especially consumers who desire sustainable products and services. The premises of a pluralist company depend on the view of a large number of members. As stated by Adams *et al.* (2011, p. 1335) "A broad other-regarding concern for multiple stakeholders is especially reflected in universalism as the motivation to understand, accept, and care for other people, humanity, and the environment".

Green consumers are at their most active in North America and Europe. In Brazil, the beginnings of this movement can already be detected. According to the Consumer Awareness Report from the Akatu Institute (2007), 12 per cent of Brazilian consumers have a preference for socially responsible companies, while social responsibility is taken into consideration by a further 12 per cent of consumers. Moreover, 14 per cent of Brazilian consumers actively shun companies whose attitudes are incompatible with social responsibility, while another 13 per cent consider boycotting such companies (Akatu Institute, 2007; Waddock, 2008).

This study highlights the sustainability actions and activities that are actually practiced by the companies under observation and directly influenced by the interests of the stakeholders involved in their processes.

These types of social and environmental actions allow changes in the state of the relationship between the organization and its environment in a manner that targets sustainability (Elkington, 1999; Stubbs and Cocklin, 2008). Thus, based on the previously cited assumptions as to how socio-environmental practices are important to consumers and also improve companies' results, companies can and should be sustainable. Given this reality, sustainability becomes effectively linked to strategic activities from the outset, focusing as much on the external environment as on internal conditions.

This paper is structured into six sections. Following this introduction, the next section contains a theoretical reference. The third section describes the methodology used for the study. Data analysis is covered in the fourth section, followed by final considerations and suggestions for future research.

To follow, we present the theoretical basis for the study as subdivided into three areas: sustainability and stakeholder relationships, strategic practices and social responsibility and strategy.

Theoretical framework

Sustainability and stakeholder relationships

The primary question related to sustainability in this work is the relationship between company and stakeholder interests, especially concerning sustainability, and how this relationship affects how the company conducts business. For the majority of stakeholders (clients, suppliers, governments, employees, etc.), the drive for sustainability continues to be difficult to reconcile with their interests, and this places a burden on the company to reconcile them all. Friedman 1970 as cited in [Hart \(2007\)](#) has already pointed out that some companies argue that the costs associated with sustainable actions demanded by clients result in a reduction in profits and shareholder value. This demonstrates how difficult it is for companies to respond to all of their stakeholders' expectations regarding sustainability practices.

By separating legal and moral reasons for corporate actions and problems, [Hart \(2007\)](#) suggests that managers should identify the relationship that exists between sustainability and the creation of shareholder value. In this sense, a much broader observation of the interests of all participants in the organizational process can be made, so it can be directed at meeting the expectations of all of the stakeholders. Therefore, this approach is defined by both a company's internal and external sustainable activities that occur according to the company's strategy regarding stakeholder relations.

Strategic practices

The article uses strategic practices as a reference point. This theory understands strategy as a flow of socially realized and situated activities that have consequential effects on the organization's agents, the company and its competitive advantage. The agency can be conceived of, as envisioned by [Emirbayer and Mische \(1998\)](#), as a socially engaged process developed over time in which the agent sustains, reproduces and transforms organizational routines and practices through habitual personal behavior, imagination and judgment. Thus, the practices involved in strategy, or in making strategy, are considered to be the convergence of the flow of activities in terms of the actions and interactions of multiple actors, as well as the organizational practices used within a specified space and over a specific time ([Jarzabkowski et al., 2007](#); [Whittington, 2002](#)).

In this manner, the stakeholders, as they affect influence, can be considered as actors or agents within the context and situation in which the companies operate. Both the organization and the stakeholders are affected by the environmental factors that surround them. Recursively, the individuals and organizations promote both changes and maintenance of social practices through their behavior, displaying three levels of the Strategy-as-Practice theory: environmental, organizational and individual ([Whittington, 2006](#)).

This condition is guided by the concepts of voluntarism and determinism. In voluntarism, the directors are responsible for organizational efficiency by defining objectives and the means to achieve them. In determinism, organizational actions and characteristics are also determined by the environment. These conditioners can be considered as the basis of strategic choices, which, for their part, are precursors to relationships between the environment and the agents involved in the organization's strategic process ([Verdu and Bulgacov, 2000](#)).

By nature, strategists make or influence the practices of entire organizations. They are the conduits between practices from different organizational levels. Not only are executives considered strategists but so are middle managers and other actors involved with the company, such as external stakeholders. Actors have distinct origins, desires and knowledge, which lead to divergences in objectives and interests, which, in turn, can result in conflict ([Whittington, 2007](#)). Therefore, practices depend on these actors' abilities and

initiatives to be enacted, and also on their skill when it comes to adopting and disseminating strategic practices (Whittington, 2006).

Normally, strategic activities are collective, in that they involve numerous actors. Even though the manager is ultimately responsible for strategic decisions, as well as performance and results, to achieve set objectives, other actors are necessary. Thus, the organizational community becomes involved in strategic practices. In this way, it is important that all actors involved in the process are convinced of the need for, and are committed to, the actions being taken. To gain this commitment, the activity must be seen as legitimate by the community. Clients and the general public must view the activities as being important (Jarzabkowski, 2005). Individuals resort to protocol to act and also use their capacity for agency to choose practices and how to implement them, including reproducing them or altering them (Jarzabkowski *et al.*, 2007; Whittington, 2006).

Social responsibility and strategy

Currently, the concept of social responsibility is associated with ideas such as sustainable development, socio-environmental responsibility and sustainability. Montiel (2008) emphasizes sustainability as economic integrity, social equity and environmental integrity. Therefore, companies must offer products or services that cause fewer negative socio-environmental impacts (Breuer, 2006; Verwaayen, 2006). Social responsibility becomes part of the strategy for two main reasons: market influence and other environmental factors, or the agency of one or more individuals associated with the organization (Machado *et al.*, 2004; Matten, 2006; Whittington *et al.*, 2003; Verwaayen, 2006). In the first case, the company's external environment has institutionalized the practices that are then reproduced by the organization. In the second case, the practices are not institutionalized: it is the organization or agent that initiates a new practice.

Some studies promote the importance of agency in this transformation (Oosterwijk, 2006; Stubbs and Cocklin, 2008). Perrini and Minoja (2008) developed a simple model for a socially responsible strategy. In this model, the first stage stems from an entrepreneur's personal experiences and principles, which engender motivation for value-laden action.

Individuals are more than necessary during the initial stages of strategy development. Roberts (2003) asserts that effective social responsibility, the kind that is truly responsible for the social consequences of activities, is only possible through individuals. This is because individuals have conscious awareness, which enables them to understand and develop a sense of responsibility on the part of the individuals, but this does not extend to the organization itself. Thus, sustainability is based on the conduct of one or more stakeholders during the strategic process, primarily affecting the organization as a whole over long periods of time.

Research design

This paper is a comparative case study of sustainability practices at 17 companies and their practices were seen as instrumental. Stake (1994) states that instrumental cases are used to facilitate our understanding of a phenomenon and attempt to provide insight into an issue. They also play a supportive role, facilitating our understanding of something else. In this study, the companies and practices were studied to understand a possible relation between sustainability practices and stakeholders' involvement. The practices were compared with each other and triangulated with theory and the stakeholders' involvement in these practices.

The study is descriptive in nature, utilizing qualitative data analysis for both cross-sectional and longitudinal representation. The units of analysis are organizational strategic practices observed at multiple levels: operational and strategic practices that involve sustainable activities and stakeholders, both internal (shareholders, managers, employees) and external (clients, suppliers, governmental agencies and the community). It should be

mentioned that the goal of the qualitative study is to serve as a basis for further research as a result of the analysis of the data gathered in this study. The case study, covering a total of 17 companies, was conducted as described in [Table I](#).

The selection of companies for this study was limited to those located in the state of Paraná in the south of Brazil that have initiated sustainability activities and made them public through public relations and marketing. These companies made their intention known in many ways (advertising, websites, social media) through some combination of commercial and industrial associations, the media, clients, suppliers and employees.

Data were collected through document analysis (Web sites, meeting minutes, corporate reports and published material), direct and non-participant observation, a total of 17 semi-structured interviews with directors, 17 interviews with production managers and a further 72 interviews with supervisors and technicians responsible for implementing sustainability activities at the companies. Content analysis was used for triangulation, with data being categorized based on similarity in significance ([Bardin, 2009](#)). Content analysis was relevant for the contextualization of the practices and, as discussed by [Rousseau and Fried \(2001\)](#), for making the research result more robust. [Yin \(1994\)](#) suggests that researchers should triangulate data to prevent construct validity problems. A direct triangulation of some data was made possible by following some negotiations between clients, suppliers and the company. In one company, a paper product client suggested a sustainable product specification. This made it possible to study an entire change of a product's specification and production process within a short period of time with the support of all the stakeholders involved in the process. A second process example was how several meetings concerning sustainability with suppliers helped a company to understand the suppliers' comprehension of sustainability and its relevance to the change of values for consumption in the company's market. Contextualization of the cases and the triangulation of the data afforded study greater validity. Field work took place between June of 2010 and August of 2011, when the researchers worked at the companies as interns for two weeks.

Table I Companies investigated, their products and their markets

No.	Field	Product	Market
1	Plastic container and packaging industry	Plastic packaging	National
2	Chemical industry	Products for treating metal and industrial cleaners	Southern and Eastern Brazil
3	Wood paneling and byproducts industry	Laminate flooring and sheeting	Southern Brazil
4	Production and maintenance of industrial burners	Industrial burners	Southern Paraná
5	Production and installation of hospital equipment	Operating room lighting, tables and equipment	Brazilian public sector nationwide, European clients
6	Pre-fabricated house industry	Ecological houses	Southern Paraná
7	Environmental consulting	Urban and environmental studies	National
8	Telecommunications equipment	Production and maintenance of equipment	National
9	Paper and pulp industry	Paper and cardboard packaging	Latin America
10	Graphic design	Printing	Southern Paraná
11	Hardware industry	Metallic installations	Southern Paraná
12	Production and servicing of industrial equipment	Production and servicing of industrial equipment	National
13	Cosmetic industry	Cosmetics and personal products	Latin America
14	Corporate catering	Food catering for companies	Southern and Western Brazil
15	Instant coffee industry	Instant coffee production	National and International
16	Wheat milling	Wheat flour	Southern and Western Brazil
17	Agro-industrial cooperatives	Chicken and chicken subproduct production	National and International

Results and discussion

Data resulting from observation, which mostly pertained to organizational practices concerning sustainability, allowed for the creation of two groups of information. The first group consisted of internal organizational practices that involved operations. The second consisted of sustainability practices that were more strategic in nature, and which emphasized the companies' environmental factors.

The nature of orientation toward stakeholders was also divided into two groups. The first group contained companies whose sustainability practices were not highly focused on stakeholders (clients, suppliers and government). The companies in the second group were highly focused on their stakeholders. Additionally, it was possible to divide the data concerning practices into two sets, each having two categories: internal and operational organizational factors (Table II) and strategic and external organizational factors (Table III) as well as Low level of orientation toward stakeholders and high level of orientation toward stakeholders.

Table II Internal and operational organizational factors

<i>Internal and operational organizational factors</i>	<i>No. of observations</i>
Low involvement of stakeholders in social and environmental issues	10
Orientation toward functional production, market or financial factors	17
Lack of management in regards to social and environmental values being delivered to clients through company products and services	10
Management geared toward economic consumption and waste policies	17
Development of products and procedures that have a lower level of environmental impact, including an effort to use clean technology	17
External auditing, risk analysis and management of factors that cause environmental impacts	17
Continuous improvement (lowering) of emissions levels	17
Management of external factors that involve the company and its level of pollution, performed together with suppliers; through selection of raw materials, technical training and client feedback	13
Measurement of efficiency levels and of the efficiency levels of resources used	15
Focus on developing a sustainable brand and image	14

Table III Strategic and external organizational factors

<i>Strategic and external organizational factors</i>	<i>No. of observations</i>
Awareness training for employees and suppliers concerning sustainability	8
Going beyond legal requirements in regard to construction, waste, water and energy consumption, etc	5
Sustainable orientation toward future corporate decisions	4
Focus on legitimacy and reputation	6
Elaboration of a strategic plan aimed at sustainability through programs, policies, norms and results	5
High involvement, divulgence and participation of stakeholders in environmental issues, through actions, policies, programs and communications	5
An emphasis on economic, social and environmental aspects of strategy that affect organizational competitiveness, performance and results	5
Research toward better understanding of, and minimization of, environmental impacts from technology and production	3
Continual development of sustainable products	4
Involvement in social factors of the organization's external environment and its social value chain, such as unemployment, poverty and community education	1

The internal and operational organizational factors were observed at the following incidence levels.

Strategic and external organizational factors were observed at the following incidence levels.

The data enable the listing of the number of activities practiced by the companies that are aimed at internal conditions (Table II) and others aimed at the environment (Table III). These activities can also be considered as initiatives that alter the business and management practices of the companies. These initiatives, according to the interview results, were initially promoted because of the interest of directors and managers in sustainability. Thereafter, those that expanded their activities to include the participation of external stakeholders had their various influences multiplied, resulting in a multifaceted source of references.

Tables IV and V illustrate the basic components of the model that emerged from the data analysis. The model was constructed from the two dimensions observed in the research that were identified as sources of strategic tension. The horizontal axis in the model (Figure 1) reflects the strategic practices that were implemented at the beginning of a shift toward sustainability (the factors in Table IV). The (b) factors demonstrate the practices that have evolved toward a more strategic orientation related to the companies' external environments.

The vertical axis in Figure 1 reflects the way that a company guides its thinking, decisions and actions, with or without effective stakeholder participation. The data showed that issues related to sustainability are strongly influenced by the stakeholders because these issues are not historically part of their core business activities. Internal organizational abilities and capabilities emerge from these relationships. Similarly, it allows the companies to be

Table IV Internal and external factors focused on sustainability

<i>Internal and external factors</i>	<i>Internal and operational organizational factors</i>	<i>External and strategic organizational factors</i>
Low level of focus on external stakeholders	<p>Low involvement of stakeholders in social and environmental issues</p> <p>Focused on productions, market and financial factors</p> <p>Lack of management in regard to social and environmental values being delivered to clients through company products and services</p> <p>Management geared toward economic consumption and waste policies</p>	<p>Awareness training for employees and suppliers concerning sustainability</p> <p>Going beyond legal requirements in regard to construction, waste, water and energy consumption, etc</p> <p>Sustainable orientation toward future corporate decisions</p> <p>Focus on legitimacy and reputation</p>
High level of focus on external stakeholders	<p>Development of products and procedures that have a lower level of environmental impact, including an effort to use clean technology</p> <p>External auditing, risk analysis, and management of factors that cause environmental impacts</p> <p>Continuous improvement (lowering) of emissions levels</p> <p>Management of external factors that involve the company and its level of pollution, performed together with suppliers; through selection of raw materials, technical training and client feedback</p> <p>Measurement of efficiency levels and of the efficiency levels of resources used</p> <p>Focus on developing a sustainable brand and image</p>	<p>Elaboration of a strategic plan aimed at sustainability through programs, policies, norms and results</p> <p>High involvement with, divulgence to, and participation of, stakeholders in environmental issues, through actions, policies, programs and communications</p> <p>An emphasis on economic, social and environmental aspects of strategy that affect organizational competitiveness, performance, and results</p> <p>Research toward better understanding of, and minimization of, environmental impacts from technology and production</p> <p>Continual development of sustainable products</p> <p>Involvement in social factors of the organization's external environment and its social value chain, such as unemployment, poverty and community education</p>

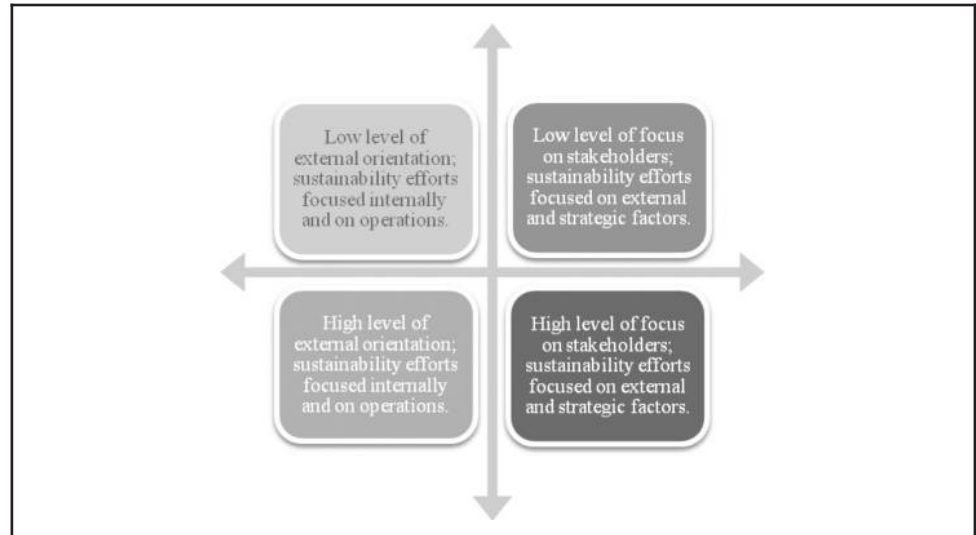
Table V Interviews regarding the internal and external factors that are focused on sustainability

<i>Internal and external factors</i>	<i>Internal and operational organizational factors</i>	<i>External and strategic organizational factors</i>
Low level of focus on external stakeholders	<p>Decisions on investments in the environment and disposal of unusable material are concentrated in the hands of the general management [. . .] (Interviewee 9)</p> <p>The current conditions of the company [. . .] require us to look only at the company's internal conditions [. . .] our concern is over production and budgeting, to be honest [. . .] (Interviewee 7)</p> <p>We are in no condition to meet social and environmental demands that are published in the press and in the media [. . .] we have our own concerns [. . .] (Interviewee 6)</p> <p>Our focus is on meeting the direct demands of our clients [. . .] as for the environment, we are beginning to be concerned about our waste disposal [. . .] [. . .] there are a lot of new regulations coming out in this respect [. . .] (Interviewee 9)</p>	<p>Our investment in training our employees regarding the principles of sustainability has produced good results [. . .] we have hired teachers [. . .] (Interviewee 15)</p> <p>The company [. . .] goes beyond meeting legal requirements [. . .] for improving the factory, the waste disposal, the investment in water recovery and energy consumption [. . .] these investments have resulted in some savings [. . .] (Interviewee 15)</p> <p>The subject of sustainability has been part of our discussions regarding the future of the company [. . .] we attend lectures [. . .] (Interviewee 13)</p> <p>Above all, we want to be within the law [. . .] also in the eyes of our clients [. . .] (Interviewee 13)</p>
High level of focus on external stakeholders	<p>We develop products that, when compared with our competitors, have the lowest possible impact in terms of pollution, you know, clean technology [. . .] (Interviewee 17)</p> <p>We insist on being audited when it comes to environmental legality [. . .] (Interviewee 10)</p> <p>We constantly measure the quality of our emissions [. . .] (Interviewee 10)</p> <p>We try to share our environmental concerns with our suppliers [. . .] our pollution needs to be reduced to zero, that is our target [. . .] we want to lower these levels. (Interviewee 16)</p> <p>We invest in efficiency for improving the water that we use and we hope to be recognized for this [. . .] (Interviewee 16)</p>	<p>Our strategic planning takes into account our concern with the environment [. . .] it involves the whole company hierarchy and our partners [. . .] we at least try to include all of them in this process [. . .] (Interviewee 5)</p> <p>Our suppliers are required to comply with sustainable standards and norms [. . .] we seek to divulge this requirement as much as we can to our partners and clients [. . .] (Interviewee 2)</p> <p>We know that the future depends on our concerns with the environment and this affects our expenses now, but the cost is compensated for in social terms [. . .] we have also felt an improvement in our image in the eyes of overseas clients. (Interviewee 3)</p> <p>Investing in technology, new equipment and training has been our focus for improving our products when it comes to sustainability [. . .] (Interviewee 4)</p> <p>Our goals take totally sustainable products into account [. . .] we hope that new technologies do not mean reduced employment levels [. . .] we have invested in our installations [. . .] in professional training and raising people's awareness [. . .] (Interviewee 1)</p>

recipients of new perspectives and knowledge brought in from external sources. This dimension reflects the tension experienced due to external relationships.

The juxtaposition of these two dimensions results in a model with four distinct areas of strategic sustainability practices (Figure 1). The upper left quadrant (1a) focuses on the sustainability practices that are internal and functional in orientation, aimed at cost reduction. These activities are not planned in cooperation with the companies' primary stakeholders. The upper right quadrant (1b) also shows practices that have a low level of stakeholder participation, but is extended to include more strategic activities that have significantly more effect on clients, suppliers and employees. The two lower

Figure 1 Environmental orientation and focus on stakeholder relationships in sustainability activities



quadrants contain activities that are defined and implemented with the participation of external stakeholders: clients, suppliers, governments and communities. The lower left quadrant (2a) describes activities that are internally focused, with high levels of stakeholder input; the lower right quadrant (2b) describes sustainability practices that are more focused on the external environment, also with high levels of stakeholder participation.

Information gleaned from the interviews suggests that without the inclusion of the stakeholders, corporate practices appear to be innocuous. Hart (2007) proposed that the creative inclusion of these external actors' interests can stimulate a distinctive position for the company, resulting in an enhanced reputation and legitimacy that are crucial to the preservation and growth of shareholder value.

It is important to highlight that the influence of external stakeholders primarily results in alterations of products, the development of new products and new ways of delivering them to the public. The primary influence of internal stakeholders was observed in their capacity and facility for effectively implementing these practices. Table V shows evidence of these results.

Table VI shows where each company under study fits into the analytical model based upon the characterization of their practices.

It should be noted that nine of the companies are located in quadrant (1a), meaning that they have low levels of orientation toward stakeholders and sustainability practices focusing on internal or operational factors. Two companies fit into quadrant (1b), showing that they have low levels of orientation toward stakeholders with sustainability practices focusing on external strategic or environmental factors. Three of the companies are located in quadrant (2a), which identifies them as having high levels of orientation toward stakeholders with sustainability practices focusing on internal or operational factors. Finally, four companies are located in quadrant (2b), and have high levels of orientation toward stakeholders with sustainability practices focusing on external strategic or environmental factors.

Conclusion and implications: an analytical framework of sustainability

The first findings of this study were the sustainability practices of the companies in question. Data suggest that there is a strong relationship between these practices and a

Table VI Companies locations within the analytical model

No.	Field	Location
1	Plastic container and packaging industry	1a
2	Chemical industry	2b
3	Wood paneling and byproducts industry	1a
4	Production and maintenance of industrial burners	2a
5	Production and installation of hospital equipment	1b
6	Pre-fabricated house industry	2a
7	Environmental consulting	2b
8	Telecommunications equipment	2b
9	Paper and pulp industry	2a
10	Graphic design	1a
11	Hardware industry	1a
12	Production and servicing of industrial equipment	1a
13	Cosmetic industry	2b
14	Corporate catering	1a
15	Instant coffee industry	1b
16	Wheat milling	1a
17	Agro-industrial cooperatives	1a

company having a strategic orientation focusing on external stakeholders. The functional sustainability practices, with an internal emphasis, show a low level of organizational involvement with external stakeholders. In these terms, Hart (2007) suggests that the majority of executives consider sustainability as more of a one-dimensional inconvenience, rather than a multi-dimensional opportunity, at least in the early stages, in accordance with Porter and Kramer (2011).

On the other hand, when sustainable activities are encountered and considered strategic in nature (as for this study), high levels of involvement and concern with external stakeholders are correspondingly evident. From a strategic perspective, practices aimed at the effective implementation of sustainability are more easily enacted with the involvement and support of stakeholders, irrespective of the reasoning behind initiating sustainable practices. This is demonstrated in Table IV, where each grouping of sustainability practices corresponds to a certain degree of involvement with internal and external agents. For managers to develop a strategy for developing effective sustainable activities, they must first consider all of the challenges, opportunities and actors/agents involved in the envisioned sustainability practices. This is also a good starting point for future research in this field.

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