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**MULTIPLE FORMS OF STAKEHOLDER  
INTERACTION IN ENVIRONMENTAL  
MANAGEMENT**

- **Business arguments regarding differences in stakeholder relationships**

**KEYWORDS:** business perspective, environmental issues, environmental management, rhetoric, stakeholder interaction, stakeholder influence

## **ABSTRACT**

This study describes and interprets differences in stakeholder interaction as rhetorically constructed in environmental reports and in interviews with environmental managers. It also interprets the role of the natural environment among stakeholders, and discusses how that role is justified or not justified. The study focuses on a business perspective on stakeholder interaction in environmental management. Characteristically, stakeholder studies of environmental management have concentrated on stakeholder influence or the creation of stakeholder management models. In contrast to those, the present study identifies different types of stakeholder relationships: power-based, collaborative, conflicting, and one-sided. Through descriptions of those relationships, business actors participate in the power to define responsibility, share responsibility among actors, question environmental interest, and justify environmental impacts. The results of the study demonstrate that, when regarding environmental issues in business, instead of analysing single stakeholder attributes or a single stakeholder relationship, business professionals should be able to manage differences in stakeholder relationships. No universal stakeholder management tools can be created for this purpose rather stakeholder interaction in environmental management requires analysis of actors involved, the attributes of relationships, and the attributes of stakeholder interests and identification of differences in those.

## 1 INTRODUCTION

Various actors are involved in discussing and improve the environmental performance of businesses. The use of 'stakeholder rhetoric' is typical to the discussions of corporate environmental management, in which stakeholder issues and demands are often taken for granted. Many authors have pointed out the importance of stakeholder interaction in environmental management. For example, according to Roome and Wijen (2006), corporate environmental management calls for actors to interact, to resolve different perspectives on issues, options, and outcomes, and to make choices.

Three main streams of research have emerged concerning stakeholder relationships in environmental management. The first has focused on the study of stakeholder power and addressing stakeholder relationships based on stakeholder demands and the effects of those demands on corporations; the second on creating models for stakeholder participation and engagement and therefore on the corporate possibilities for meeting stakeholder demands; and the third on the role of the natural environment among other stakeholders. However, previous literature, while improving our understanding of stakeholder relationships in environmental management, is limited regarding the linguistic features of those relationships. Stakeholder theoretical studies have noted that stakeholder attributes and relationships vary (see Mitchell et al., 1997) and are not stable but are constructed socially in human interaction and language use. The main streams in environmental management, however, have focused on stakeholder relations as a realistic, unquestionable phenomenon.

To address these limitations, we conducted a rhetorical study on two types of data sets describing environmental management in Finnish businesses. Our study aimed to describe and interpret how stakeholder relationships are constructed rhetorically in these texts. We analysed those arguments particularly closely that concern the role of natural environment among other stakeholders. Data consisted of the environmental / sustainability reports of 25 Finnish companies, and of interviews with ten environmental managers from the same companies.

The study indicates diverse stakeholder relationships in environmental management, and shows how descriptions of relationships can be used as arguments for the power to define of responsibility, for sharing responsibility among different actors in society, for questioning environmental interests, and for justifying environmental impacts. The results show that, instead of analysing a single stakeholder attribute or a single stakeholder relationship with regards to environmental issues in business, business professionals should be able to manage the differences in stakeholder relationships, including the actors involved, the attributes of the relationships, and the attributes of stakeholder interests.

We present and analyse previous stakeholder studies in the context of environmental management, describe the rhetorical approach of our study, as well as the data and analysis, and finally describe the findings from the text and conclude the main contributions.

## **2 STAKEHOLDER RELATIONSHIPS IN ENVIRONMENTAL MANAGEMENT**

By “stakeholder” we refer, here, to those actors with a two-way interaction or exchange of influence with the corporation, following in the footsteps of Freeman (1984) and Carroll (1993). However, as we are interested in the role of the environment among stakeholders, we do not delimit our stakeholder definition solely to people (persons or groups), as Freeman (1984) and Carroll (1993) do. In addition, we perceive stakeholder relationships as a part of a socially constructed reality, in the same way as Mitchell et al. (1997) regard stakeholder attributes. We follow the assumption that stakeholders and stakeholder relationships are not (parts of) an objective reality, but are instead variable and in a mutable state. Thus, we accept that these relationships are maintained and constructed through different arguments in language use.

In addition, we accept a broad view on environmental management and we define it as any action taken towards (improving) corporate environmental performance. In the footsteps of Pesonen (2003) and Schaltegger et al. (2003), we regard those actions taken in an organization to reduce environmental damage as environmental management; from identifying the impacts to managing them and utilizing them in improving competitiveness. Nevertheless, we study these actions from a constructionist perspective – environmental issues and actions become such only after being conceptualized as environmental either by organizational members or stakeholder representatives.

The ideas of the stakeholder approach to business studies have been advanced for decades. Stakeholder theory has, during its development, been applied with different purposes in mind, and in environmental management literature particularly, three main streams concerning stakeholder interaction have emerged. The first has focused on the study of stakeholder power and addressing stakeholder relationships based on stakeholder demands and their effects on corporations, and the second on the creation of different types of models for stakeholder participation and engagement, and therefore on corporate possibilities for meeting stakeholder demands. In the third main stream, the role of natural environment among other stakeholders has been considered. In the following chapters we will discuss previous stakeholder research in the context of environmental management.

The first main stream—focusing on studying stakeholder power, and on addressing stakeholder relationships based on stakeholder demands and their effects on corporations—has received more attention than the other two stakeholder attributes suggested by Mitchell et al. (1997), namely legitimacy and urgency. The power and influence of stakeholders has been emphasised typically as a precondition for corporate environmental responses (see Grafe-Buckens and Hinton, 1998; Madsen and Ulhoi, 2001) and for setting pressure on corporations in environmental issues and therefore pulling or pushing corporations towards greening (see Madsen and Ulhoi, 2001; Harvey and Schaefer, 2001; Bansal and Roth, 2000; and Henriques and Sadosky, 1999).

Studies have identified the influence of stakeholder groups on corporate greening (Cordano et al., 2004) as well as the main stakeholder-based motives for corporate ecological responsiveness. Fineman and Clarke (1996) analysed the most remarkable and powerful stakeholder groups and concluded that pro-environmental responses in four different industries are accounted for by a group of just a few external stakeholders. Madsen and Ulhoi (2001) assert that while secondary stakeholders—such as regulators—still have a major influence on environmental initiatives, other factors are becoming increasingly important. Harvey and Schaefer (2001) state that stakeholders with an institutional power base emerge as the most influential stakeholders—government via legislation, for example, or environmental and industry regulators. Delmas and Toffel (2004) have identified four main institutional pressures likely to have an influence on company environmental practices: government pressures, customer and competitive pressures, community and environmental interest group pressures, and industry pressure. Delmas and Toffel (2004) point out, however, that how managers perceive and react to these pressures depends on plant and parent-company specific factors such as their track record of environmental performance, the competitive position of the parent company, and the organisational structure of a plant. While several studies have treated stakeholders as an entity (“stakeholders”) or studied which stakeholders have the most influence, some studies have focused on the influence of a single stakeholder group on corporate environmental behaviour, e.g., Haddock-Fraser and Tourelle (2009) studied end-consumers influence on corporate environmental behaviour and noted that companies close to the consumer were more active in certain environmental measures.

While the research has focused on power differences between stakeholder groups, the interaction between stakeholders to pressure business has also been noted; those possessing less power are able to have an influence through the more influential ones. In regard to the results of their study, Henriques and Sharma (2005) explained how stakeholders who do not control a firm’s critical resources are able to influence the corporation indirectly via other stakeholders, those on whose resources the firm is dependent. The stakeholders with no direct capacity to influence, such as environmental NGOs, can exercise indirect pathways of influence via other stakeholders.

Several stakeholder groups are concerned with environmental matters, albeit for different reasons (Plaza-Ubeda et al. 2009). In previous studies, differences in expectations between different stakeholder groups have been less discussed, although their existence has been strongly indicated e.g., by Altherr et al. (2007). While several researchers have identified differences in organizational responses to stakeholder pressures, some have observed them as being dependent on several contextual factors. As noted by Gonzalez-Benito et al. (2008), in the operational sector, internationalization and the environmental awareness of managers have influenced the perceived environmental pressure from stakeholders. Others have noted that the influence of different stakeholder groups varies. Bremmers et al (2007) studied stakeholder influence on EMS development and concluded that, in regard to the Dutch Agri-food sector, primary stakeholders, such as the government and clients, are more relevant to EMS development than secondary stakeholders such as environmental organizations. In addition, the effect of contextual factors on environmental responses in business has been identified e.g., by Plaza-Ubeda et al.(2009), who remarked on the ways in which a managerial belief in a win-win paradigm affects stakeholder integration.,

In addition to the studies of stakeholders' influence on corporate environmental responses, models of various kinds have been developed for stakeholder dialogue and engagement in environmental issues (see Nielsen, 2001; Grafe-Buckens and Hinton, 1998; and Oxley Green and Hunton-Clarke, 2003) and for the integration of stakeholder values into corporate decision-making (Earl and Clift, 1999). Stakeholder participation in environmental decision-making has been advanced based on its role in the resolution of conflicts and as a prerequisite for a corporation's long-term success (Oxley Green and Hunton-Clarke, 2003).

Grafe-Buckens and Hinton (1998) described current practices and proposed a set of recommendations for the successful implementation of environmental stakeholder initiatives, including honesty, early involvement, and the role of feedback and credibility. Oxley Green and Hunton-Clarke (2003) suggested a typology of stakeholder participation



for companies, with particular relevance to environmental issues, and identified three levels of participation: informative, consultative, and decisional. Nielsen (2003) suggested a tool for improving environmental communications on environmental issues in general and for improving communications with different groups of stakeholders. Earl and Clift (1999) presented a model for stakeholder value analysis and a methodology for stakeholder identification. Madsen and Ulhoi (2001) emphasised the role of two-way, open dialogue in building a stakeholder relationship, dialogue that builds awareness of the reasons for actions and can result in one party learning about new environmental issues from the other party, or about reactions to a new initiative. Forging learning partnerships with the stakeholder system requires transparency; it includes making the decision processes of the company visible to external stakeholders, as well as the values the decisions are based on. Madsen and Ulhoi (2001) and van Marrewijk (2003) also stressed the importance of transparency in involving stakeholders.

The third main stream of stakeholder-oriented research in environmental management has focused on analysing the role of the natural environment among other stakeholders. Stakeholders are often considered solely as people, a definition that excludes the natural environment. The environment as a stakeholder is not widely recognised. However, some authors have stressed the status of the environment as a stakeholder (see Driscoll and Starik 2004, Carroll 1993, Stead and Stead 1996, Madsen and Ulhoi 2001a, and Haigh and Griffiths 2009).

Many authors have justified the status of the environment as a primary stakeholder. Haigh and Griffiths (2009) suggested that the environment is an easily identifiable primary stakeholder, based on a broad definition of stakeholders. Wood and Jones (1995) suggested that the environment is affected by corporate behaviour and should therefore be counted a primary stakeholder. Madsen and Ulhoi (2001a) contend that nature should be considered a primary stakeholder because of its physical resources and carrying capacity. Starik (1995) justified suggesting a stakeholder position for the environment with the argument that the natural environment can be regarded as a stakeholder in all

organisations since they all significantly affect it (the environment) or are affected by it; this is no doubt true of many branches of industry and commerce.

Often, discussion does not deny the legitimacy of the natural environment, but its power (see Stead and Stead 1996). Driscoll and Starik (2004) suggested that the limited conceptions of power that continue to dominate the thought and practice of the stakeholder are a powerful blinder to the importance of many legitimate stakeholders, including the natural environment. Despite nature's unobvious status as a stakeholder based on stakeholder definitions, the natural environment can be affected by or affect business operations in a very powerful way. Stead and Stead (1996) contend that the indirect power of the environment is significant, and that its representatives have a great deal of power, especially together.

The most characteristic feature of stakeholder studies on environmental management has been their concentration on a single stakeholder attribute—for example, stakeholder power—or on a single stakeholder relationship, such as the natural environment. This study embraces the ambiguous nature of stakeholder relationships by examining how business actors produce and maintain different stakeholder relationships linguistically. By focusing on how different types of stakeholder relationships are rhetorically constructed, we have widened the field delineated in previous studies. We also ask, looking at our data, how the role of the natural environment among other stakeholders is justified or not justified.

### **3 RESEARCH DESIGN**

#### **3.1. A rhetorical approach to the construction of stakeholder relationships**

This study focuses on stakeholder relationships as constructed rhetorically through language instead of as realistic entities. We aim to describe and interpret how types of stakeholder relationships are constructed rhetorically in the data and, particularly, how

the role of the natural environment is justified or not justified among other stakeholders, following the assumption that language has the power to contribute to our understanding of the formation of stakeholder relationships concerning environmental management (Berger and Luckmann, 1966).

In the discourse of environmental management, a distinction is often made between rhetoric and reality: the environmental communication of business is perceived as mere words, separate from reality. Our study joins the school of new rhetoric born under the influence of the linguistic turn begun in the 1960s (see, for example, Billig, 1987; Perelman, 1982; Potter, 1996). New rhetoric contends that no distinction can be made between rhetoric and reality and that rhetoric is a part of socially constructed reality. New rhetoric is based on the assumption that it is possible and necessary to classify how credibility emerges for certain claims and on what basis commitment to different conclusions occurs. When we approach the knowledge of human action from a viewpoint of new rhetoric, we should ask on what grounds certain beliefs have gained the position of 'ill-grounded' and 'truth.'

### 3.2. The Data

This study describes and interprets the construction of stakeholder relationships in two sets of data, the published environmental statements of 25 Finnish corporations and interviews with 10 environmental managers from these corporations. We focused on a group of corporations who expressed commitment to environmental responsibility; these often had a longer background in environmental management. We also found these corporations the most likely to have implemented systems and strategies for environmental management and to have gained a position as forerunners in their own industries, demonstrating guidelines in the development of corporate environmental practices in those industries.

Our selection criteria stood therefore on our interpretation of the green positioning of the corporations, or specifically on three criteria: the results of the national

CSR/environmental reporting competition, the list of Finnish corporations in the Dow Jones Sustainability Index, and the list of EMAS-registered (Eco-management and audit scheme, regulation number 761/2001) organisations in Finland. We are not suggesting that objective criteria for defining the forerunners in environmental management can be developed, rather that these criteria provided us with a framework to find interesting data, a group of 25 corporations. These corporations operate in many business sectors: the forest Industry, retail, shipping, food, chemicals, metal, steel, energy, waste management, and telecommunications. They are mainly large, but some medium-sized corporations can be found on the list.

The first part of the data consists of published statements about corporate environmental responsibility. We collected all the statements published on environmental management and environmental issues from the latest environmental / responsibility reports and the internet pages of the 25 corporations. We found 62 statements altogether on environmental management, including statements about environmental policies, values, principles and sustainability, and environmental strategies. All 25 corporations had an environmental policy, a fact that may be explained by the perception that they have an environmental management system built according to ISO 14001 or EMAS. Almost all the corporations had also published other statements dealing with environmental management; for example, environmental or sustainability strategies.

The second part of the data was produced in interviews with ten environmental managers from the corporations whose statements we had studied, corporations in different industries and of different sizes. Each interviewee dealt with environmental issues as their main responsibility. Five had the title of environmental manager, one of environmental and safety manager, another of service manager, one of EHS communication manager, another of development manager, and one of program manager. We regarded the interview data as produced by the interaction of interviewee and interviewer together, an interaction through which the features of stakeholder relationships are produced constantly by both speakers. The Interviews, recorded,

transcribed, and lasting from one to two hours, were open interviews consisting of questions and comments that clarified the replies and comments of the interviewee.

### 3.3. Analysis

We analysed both sets of data as argumentative texts in which versions of reality are being created, looking at how different types of stakeholder relationships are constructed rhetorically and particularly at how the role of the natural environment among stakeholders is justified or not justified. We started by reading through the data several times to become familiar with its content, following which we excluded those parts that did not deal with our research interest. We allocated code numbers to extracts that describe stakeholder interaction in environmental management, then analysed each extract separately. Following rhetorical principles (Perelman 1982, Billig 1987), we analysed the claim and justification of each extract. We also used actor-acting analysis to examine the corporation-stakeholder relationship, including the questions ‘who is/are the actor(s) in the sentence?’ and ‘how do they act?’ It was possible, through these methods, to arrive at descriptions of the corporation-stakeholder relationships. We then arrived at the descriptions of different stakeholder relationships on the basis of connections and similarities between the analysed extracts. Our analysis process was data-driven and we thus followed an inductive approach. No software was used to aid our analysis. The analysis process was conducted on the original language of the data (in Finnish) and the extracts used in this article were then translated by a professional interpreter who is native English speaker and speaks fluent Finnish as well. The translations were still checked by the researchers in order to preserve their original meanings.

#### 4 THE DIFFERENT TYPES OF STAKEHOLDER RELATIONSHIPS AS CONSTRUCTED IN THE ARGUMENTS OF BUSINESS ACTORS

This chapter presents the results of the rhetorical analysis conducted on the published environmental statements and on the interviews with environmental managers. We approached both sets of data as argumentative texts in which views of stakeholder relationships concerning environmental management are constructed to commit the audience to views presented in the texts. At first glance the textual structures and argumentation tactics in the statements and in the interviews are quite different. As the following results indicate, we identified the types of stakeholder relationships constructed in the interviews and in the published environmental statements. However, some similarities exist also between the two data sets.

As shown In Table 1, we identified four different types of corporation-stakeholder relationships in the texts studied. Those are *power-based relationships*, *collaborative relationships*, *conflicting relationships*, and *one-sided contribution relationships*. Table 1 describes the representations of these relationships in the studied texts, the rhetorical devices used to convince the reader about them, the arguments for the role of environment among stakeholders, and the data source concerning each relationship.

Table 1 Representations of different types of relationships

	<b>Power-based relationships</b>	<b>Collaborative relationships</b>	<b>Conflicting relationships</b>	<b>One-sided contribution relationships</b>
<b>Representation of the relationship</b>	Roles of different actors in defining environmental responsibility in business: stakeholders or corporations as power users.	Describes collaborative environmental protection aims: conceals on conflicts of interests and shares responsibility among different actors in the society.	Describes differences and conflicts in stakeholder's environmental demand. Questions their legitimacy according to the best interests of nature.	Describes positive contribution of the corporation in the society, based on which justifies certain environmental impacts.
<b>Rhetorical</b>	Expressions in	Naming a set of	Construction of	Positively laden

<b>devices</b>	which power relations are expressed implicitly	responsible actors; corporation as one of them	conflicts between different actors – confrontations and differences	terms
<b>Role of the environment</b>	Non-stakeholder: not implicitly nor explicitly defined as demander or follower	Target of joint responsibility; not an actual stakeholder	Dissociation from human stakeholder groups: focuses on differences In human beings opinions, does not deny the legitimacy of natural environment; it rather stresses it.	The environment is given unquestionable value, associated with stakeholders
<b>Data</b>	Reports	Reports	interviews	Both the data sets

#### 4.1 Power-based relationships

One form of stakeholder relationship, the power-based relationship, is found only in report data. The rhetoric of power-based relationships discusses the power to define environmental management, or who defines the actions necessary for environmental improvements in business. Two power-based relationships are constructed in the texts. in the first, the power of corporations is described as in defining environmental action, in using their power over stakeholders. in the second, stakeholders are described as power users in environmental management, defining environmental action in business.

##### **Corporate power**

The first power-based corporation-stakeholder relationship, which may be described as the one-way influence of the corporation, emphasises the power of the corporation over its stakeholders. in this type of argumentation, stakeholders can be defined as *actors over whom the corporation possesses influence and power*. The relationship between the stakeholders and the corporation is not described as interactive, as in traditional stakeholder definitions (Freeman, 1984; Carroll, 1993). Table 2 describes the content of corporate power-based stakeholder relationships.

Table 2. Corporate power-based stakeholder relationships

Described relationship	power-	Role of the stakeholders	Definition of the stakeholders
Corporation influential actor: possesses power over stakeholders and the power to define environmental action		Followers	Actors over whom the corporation has power

In the sentences that describe the power or influence of the corporation, stakeholders are positioned as followers of the corporation in environmental responsibility. The corporation itself is described as either encouraging or demanding environmentally responsible action among its stakeholders. On one hand, positively laden terms are deployed—the corporation is said to *encourage*, *motivate*, *educate*, *support*, *advise*, and *guide* the stakeholders towards environmentally responsible ways of acting—and the source of a corporation’s power is described as the environmental skills and knowledge it possesses. The following extract exemplifies that argumentation.

Societal influence –

We want to influence societal development by offering our clients augmentative solutions that are environmentally friendly and promote wellbeing. Through our own actions we also look to guide our partners and clients to make responsible solutions.

The stakeholders mentioned in this type of sentence are suppliers, customers, employees, customers, citizens, and partners in cooperation. On the other hand, corporate power is reasserted through direct expressions of power in the statements, through *requiring*, *demanding*, and *supervising*. The stakeholder groups named in these sentences are partners and suppliers. The following extract provides an example of a corporation requiring certain standards from its supplier. In this argumentation, the standards are described typically as being set by the corporation, stressing its autonomic position.

We require our suppliers to follow our own strict standards regarding quality, safety, hygiene, and the environment.



Corporate power is justified here by its use: promoting the environmental responsible action of the stakeholders is seen as an integral part of acceptable environmental management. The defining power over the content of environmental management is given to the corporation. In this argumentation, the natural environment is excluded from the group of stakeholders: it is not listed implicitly nor explicitly among the groups over which the corporation has power.

## **B Stakeholder power**

The other form of power-based corporation-stakeholder relationship, which are characterized by what may be described as the ‘one-way influence’ of the stakeholders, stresses the power of stakeholders over corporations. In this rhetoric, though stakeholders are described as influential actors, a more interactive relationship is presented between the corporation and stakeholders: the corporation is perceived as responding to external demands from its environmental management. The stakeholders can be defined *as the actors who influence corporate environmental actions and possess the power to do so*. In the environmental statements, the corporation is expressed as serving the stakeholders, who are described as *expecting, assessing*, and even (as a direct expression of stakeholder power) *demanding* a certain kind of action. Table 3 describes the content of these relationships.

Table 3. Stakeholder power-based relationships

<b>Described relationship</b>	<b>power-</b>	<b>Stakeholder role</b>	<b>Stakeholder definition</b>
Stakeholders as influential actors possess power over the corporation and define the limits of responsibility.		influential actors: demanders of responsibility	Actors who influence corporate environmental actions and possess the power to do so.

The stakeholders are named in these sentences mainly as collectives, as 'stakeholders' or 'society.' Only customers are expressed separately. The following extract provides an example of that type of discourse.

Ekokem aims towards openly cooperating with its clients, the authorities, and other stakeholders in order to be able to develop the corporation in such a manner that its operations may even better answer clients' expectations and the changing demands of society.

in this rhetoric the source of stakeholders' power is not described but is taken for granted in business. As suggested above, stakeholders possessing power are named mainly as collectives. Therefore, no distinctions are made between the power possessed by different groups. Madsen and Ulhoi (2001) have pointed out that an individual stakeholder group has various means to exert its influence over a corporation, including rhetoric, ethics, regulation, format control mechanisms, and market mechanisms.

The environment is absent from lists of stakeholders who set demands and receive benefits. The rhetoric of subordination does not give the environment a role as a stakeholder; it (the environment) is given instrumental value only. The core in the stakeholder relationships in this type of rhetoric is that the influence of stakeholders on the corporation and on the environment is not perceived as influential. The following extract provides an example of this argumentation. it describes as the aim of corporate actions the ill-being of those stakeholder groups who can exert their power directly over the corporation.

At UPM-Kymmene the sustainable use of natural resources and the protection and care of the environment are recognized as being prerequisites to a sustainable economical growth as ill as for the well-being of people and society.

## 4.2 Collaborative relationships

The second form of stakeholder relationship we identified in the environmental reports was *collaborative relationships*. in collaborative relationships, perceptions of the

corporation-stakeholder relationship are based on equality, unlike the power-based relationship whose argumentation stands on the power status of one of the actors. A strongly interactive relationship is described between the corporation and stakeholders. From the viewpoint of this type of argumentation, stakeholders can be defined as *all societal actors who may interact with the corporation on environmental issues*. Essentially, actors are described as having equally responsible and different power relations, and environmental interests are concealed. The corporation is positioned as one among a number of environmentally responsible actors; environmental responsibility is distanced therefore from the corporation and shared between different actors. Table 4 describes the content of collaborative relationships.

Table 4. Collaborative relationships

Described relationship	Stakeholder role	Stakeholder definition
Collaborative; conceals conflicts of interests	Corporation and stakeholders as equal actors; equally responsible actors	Societal actors who may interact with the corporation in environmental issues.

A tactic for argumentation in this type of rhetoric is to name a set of other responsible actors, using either abstract terms (such as *everyone* or *society*) or naming a stakeholder group; for instance, customers. Both internal and external actors are named as responsible in these sentences: environmental responsibility is distanced from being seen as solely the corporation's responsibility. The following extract provides an example of the use of the abstract term 'each person.'

Responsibility – Each person is responsible for the outcome and quality of their own work. Our work is based on honesty and trust. i are also aware of our responsibility to the environment.

The following extract provides an example of the type of argumentation that appeals to the environmental responsibility of customers and describes environmental management as cooperation and joint action, using the term 'complement.'

The goal of the corporation is to offer quality services which complement the clients' environmental protection work.

The stakeholders named as responsible actors in these sentences are stakeholders (in the collective), management, employees, customers, suppliers, authorities, other corporations, shareholders, and partners.

This type of rhetoric conceals the conflicts of interest stressed in stakeholder theory and emphasises the corporation and stakeholders as equal actors in the society, striving for environmental responsibility together and sharing a common interest. In this type of argumentation the words “together,” “cooperation,” and “interaction” are used frequently. The following extract provides an example of that type of argumentation, which appeals to the perception of the corporation as one actor among others who also have environmental responsibilities.

We carry out environmental work together with suppliers, clients, and other stakeholders.

In this argumentation the environment is not given a position as a stakeholder. Acceptance as a stakeholder is based on an ability to act: stakeholders are operational and cooperate with the corporation. The wellbeing of the environment is the goal of different actors acting together, commonly responsible for that goal. However, in this type of rhetoric the environment is described as a target of societal responsibility, not simply the responsibility of the corporation. The following extract provides an example of that type of argumentation. In the extract, the corporation is described as cooperating with the clients and partners for the benefit of the environment.

Metso anticipates its clients and society’s expectations regarding environmental protection. Processes and best practice is developed with clients and partners, which will save on the environment as well as use energy and raw materials efficiently and on a lasting foundation.

### 4.3 Conflicting relationships

The third form of corporation-stakeholder relationships we identified in the data represents the environmental interest in business as conflicting, thereby forming

questions about certain environmental interests in business. I identified these relationships in the interview data only; they form a clear counter-argument to the descriptions of collaborative relationships identified in the report data. This type of argumentation is based on critical discourse and on questioning the legitimacy of different stakeholder demands; and therefore, on contradictory perceptions of the stakeholder relationship that treat stakeholder demands as granted and unquestionable. This is based on criticizing stakeholder demands and aims to defend one's own position and criticize and weaken the position of the opposite position. In the interviews, different argumentation tactics are used to question the legitimacy of stakeholder demands, which can be perceived as being in opposition to the best interests of nature, in opposition to the common good, or even weakening the possibilities of the corporation to act according to the best interests of nature. This type of rhetoric creates a counter-argument to the demands of taking into account the interests of all the stakeholders (Donaldson and Preston 1995) and stresses the attribute of legitimacy (Mitchell et al 1997) regarding stakeholder demands. Stakeholders can be defined as *“those social actors who have legitimate environmental interests in the corporation”* from the viewpoint of this rhetorical form. This argumentation also questions some normative stands taken in stakeholder theoretical literature, appealing to their possible illegitimacy. Table 5 describes the content of these types of relationship.

Table 5. Conflicting relationships

Described relationship	Stakeholder role	Stakeholder definition
Conflicting; questions the legitimacy	Conflicting demand setters; not representatives of natural environment	those social actors who have legitimate environmental interests in the corporation and environment itself

The following extract provides an example of this rhetoric. In this rhetorical form the interviewee typically describes stakeholder action from a critical perspective, and stresses the role of stakeholders as responsible actors. Negatively laden terms and descriptions are used to indicate the questionability of the stakeholder's action. The interviewee presents a critical attitude towards stakeholder action; for example, in the statement, “if he wants to, it is within his power to act in an environmentally responsible manner. Whether it works then is another matter altogether.”

interviewee:

...But yes, if i talk about successful achievements, then yes, clients are a significant group. We are able to build that kind of infra only for the client. in other words, if he wants to, it is within his power to act in an environmentally reasonable manner. Whether it works then is another matter altogether. ...

Yeah, and it's however hopeless for the client to expect that i are able to build a house better than what i said; fact is that it's the cost solution that makes it possible to carry out this kind of pro-environmental operation. But in itself the operation must be environmentally friendly. Someone else does that. i don't even necessarily go to the building except for a couple of times a year. Okay, and then none of them are there.

This argumentation aims to emphasise that change should happen in the action of stakeholders as ill, creating a further dimension to demands that business behaviour be made more sustainable. The following extract represents another example of the type of argumentation in which relationships between different stakeholders are stressed. The interviewee presents stakeholder demands in a negative light using the term "strict" and stresses differences of opinion between different stakeholder groups. in the following extract, the general argumentation strategy, in its rhetorical form, contends that general acceptability for decisions and action is impossible to obtain due to different interpretations of what is necessary. By appealing to the influence of one stakeholder over another and to conflicts of interests between the stakeholders, this argumentation appeals to the limited possibilities of satisfying all the demands of stakeholders. The field of the stakeholder is represented as a complex of different actors with different interests.

interviewee: And nuclear power is, of course, quite good exactly because of climate change, as to whether it's then a good or bad thing. it doesn't cause carbon dioxide emissions, but then it's looked at as increasing energy consumption in a way. For instance, our strict environmental organisations think that it's a bad thing. Some think that it is temporarily a good solution, better than coal or something else. And then i mean. So in other words there are differences in standards.

interviewer: Yes, so you already find some sort of small difference in point of view there.

interviewee: That's what it is, yeah.

interviewer: Of course industry and environmental organisations.

interviewee: Yeah. Some of the other corporate clients think you should just Increase cheap basic power. Private clients might be of the opinion that not in our neighbourhood. i mean, that's sort of what it's like.

It is typical of this type of argumentation to stress interpretations of the best interests of nature, resting on the perception that the environment cannot express itself in verbal terms and has no 'voice of its own.' However, in this type of argumentation the legitimacy of the environment's interests is not questioned; rather, who is the most legitimate stakeholder is stressed. The above extract represents another example of this discourse: it criticizes the action of customers, emphasising that if "they want to, it is within [their] power to act in an environmentally reasonable manner."

#### 4.4 One-sided contribution relationships

One form of stakeholder relationship, the power-based relationship, is found only in report data. The rhetoric of power-based relationships discusses the power to define environmental management, or who defines the actions necessary for environmental improvements in business. Two power-based relationships are constructed in the texts. In the first, the power of corporations is described as in defining environmental action, in using their power over stakeholders. In the second, stakeholders are described as power users in environmental management, defining environmental action in business.

The fourth form of corporation-stakeholder relationships identified represents the positive contribution of the corporation to society and justifies environmental impacts related to business operations. The argumentation is twofold in nature: the corporation is described as contributing either to the wellbeing of stakeholders or to their environmental action. We identified this type of argumentation both in the report data and the interview data. Despite the similarities, this type of argumentation differs from the power-based relationships explained in chapter 4.1. Here, no power-laden terms are used, but the contribution of the corporation is described in very positive terms, e.g., as a contribution to the stakeholder's well-being. Unlike in power-based relationships, we did not identify the opposite form, in which the contribution of stakeholders to a corporation would have been described.

The construction of corporation-stakeholder relationship stands on the influence of the corporation on stakeholders, not on descriptions of stakeholder demands. In this case, expressions of power are not used in the descriptions of stakeholder demands: the rhetoric aims to present the positive contribution of the corporation to society. From the viewpoint of this type of rhetoric, the stakeholders can be defined as those *actors to whose illbeing and environmental action the corporation contributes*. Stressing the active role of the corporation in its stakeholder relationships is an integral part of this type of argumentation. Table 6 describes the content of these types of relationship.

Table 6. One-sided contribution relationships

Described relationship	Stakeholder role	Stakeholder definition
Positioning the corporation as contributor to societal ill-being and justifying the environmental impacts related to business operations	Targets of responsibility	Actors to whose wellbeing and environmental action the corporation contributes positively

The following extract describes how the corporation contributes positively to the environmental action of the others, in this case suppliers. The corporation is presented as distributing environmental knowledge and skills to contribute to environmental responsibility in society. In the extract, the position of the corporation is constructed as skilful through the expression “[direct] them to the right path,” describing a situation in which the corporation is assumed to know what to do on environmental issues.

interviewee:...And then the buyers are in a key position when it comes to the job of buying. in other words this kind of training is organised for them. First I think already about perceiving the environmental risks, about what kind they are, what they may mean to us, and what they mean to our suppliers. How should the buyers perceive those issues and handle them with the suppliers? What kind of guidance, supervision etc.? ...we test therefore, so that i can be sure of it, that i still are capable of cooperating with those suppliers; yeah, it’s in our interests, too, that at the same time i train and guide and supervise them in that way to the right path. And in addition to that, it is this type of, in a way, guidance that is to do with this normal cooperation with the supplier, and then i have carried out different inquiries with our field of suppliers...



In addition to the interviews, we found the same type of stakeholder relationship being constructed in the report data. In the report data, the corporation is described as responding to stakeholder demands by creating benefits for the stakeholders. These environmental statements name stakeholders collectively, but also include customers, employees, partners, shareholders, the authorities, the public audience, the media, and NGOs as benefiting stakeholders. The following extract provides an example of that discourse.

Wärtsilä's target is to improve its financial performance and create added value for its stakeholders and society. A strong financial performance forms a basis for corporate environmental and social responsibility. Wärtsilä strives to create economic added value for its stakeholders and to contribute to wealth creation in the local communities in which it operates.

In this rhetoric, the environment is given unquestionable value among other stakeholders. In the following extract, a typical example of this type of argumentation, the environmental effects of the corporation are admitted openly, but the value of 'nature as nature' is stressed; the environment is not given simply instrumental value through the other stakeholders.

interviewee: ...I always take the environment into account in all our operations. And the environment now of course includes nature and other things besides those just like those...

interviewer: Stakeholder groups.

interviewee: ...those inhabitants and all those who are part of the palette. But then of course, i mean, there's still nature as nature. And then, of course i have a lot of impact on the environment, i affect the environment quite a lot. And then – i can't get rid of all of them.

## **CONCLUSIONS**

This study focused on the differences in stakeholder interaction that concern environmental issues in business. We studied how types of stakeholder relationships are produced rhetorically in these texts and, particularly, how the role of the natural environment among stakeholders is justified or not justified. We identified four different

types of stakeholder relationship category constructed: power-based relationships, collaborative relationships, conflicting relationships and one-sided contribution relationships. Through the construction of these relationships, the power to define responsibility is discussed, responsibility is shared among different actors, environmental interests are questioned, and certain environmental impacts are justified. Each category stresses different types of attributes concerning the relationship, actor, or interest. Power-based relationships are built on the assumption of power as an attribute of the relationship between the stakeholder and the corporation. Collaborative relationships are built on the assumption of congruent environmental interests between societal actors. Conflicting relationships aim to question the legitimacy of environmental interests. One-sided contribution relationships aim to describe positive societal contribution as an attribute of the corporation. Altogether, the position of the natural environment among stakeholders was justified based on its status as the ultimate target of responsibility, possessing legitimate interests, but was not justified by its lack of power. The results show therefore how different stakeholder relationships can be used as arguments to convince audience about the party defining responsibility, about the responsible actors, or about the role of the environment.

The results offer three main contributions: firstly, to theoretical discussions about stakeholders in environmental management; secondly, to discussions of the role of the environment; and thirdly, to managerial implications. They demonstrate that, instead of focusing on single stakeholder relationships or attributes, future research should embrace differences in stakeholder interaction. In previous environmental management studies, stakeholder demands are often seen as self-evident, unquestionable phenomena. Stakeholder studies in environmental management have often concentrated on stakeholder power and influence (see Grafe-Buckens and Hinton, 1998; Madsen and Ulhoi, 2001; Henriques and Sadorsky, 1999, Bremmers et al 2007, Gonzalez-Benito et al 2008). From the results obtained from the reports in our study, power-based relationships between the corporation and stakeholders were identified in the argumentation, relationships that rely on the power of the corporation or on the power of the stakeholders. The results – particularly those contributing to discussions on stakeholder

theory – suggest that we should not simply analyse the actors in stakeholder relationships, nor the relationships between different actors, nor the interests of different actors, but instead, the attributes related to all three. In the data studied, attributes on all three levels were constructed. The results of the current study confirm the findings on the differences and context-dependence in stakeholder relationships (Altherr et al. Bremmers et al 2007, Gonzalez-Benito et al 2008); however, here they were found particularly on three levels: in stakeholder relationships, actors, and in the interests of stakeholders.

The role of the natural environment among stakeholders was justified based on its status as the ultimate target of responsibility, possessing legitimate interests, but was not justified by its lack of power. Discussions of the environment's position as a stakeholder in previous literature have suggested that it is not the legitimacy of the natural environment that denies its position as a stakeholder, but its power (see Stead and Stead, 1996). Driscoll and Starik (2004) argue that the limited conceptions of power that continue to dominate stakeholder thought and practice are a powerful blinder to the importance of many legitimate stakeholders, including the natural environment. However, the environment's position as stakeholder has been advanced on the basis of the indirect power it possesses. Stead and Stead (1996) proposed that the indirect power of the environment is significant and that its representatives have a great deal of power, especially in a collective sense. The results of this study support these notions: business actors did not represent the environment as an influential stakeholder in the data sets studied.

The results indicate the controversial nature of stakeholder roles when business actors speak about environmental issues; an indication that, to our mind, speaks of confusion among business actors about how to deal with stakeholders and stakeholder demands in relation to the environmental issues of business. The results of this study imply that we need to create multiple forms for stakeholder engagement in environmental issues, in order to enable business professionals to analyse differences in stakeholder relationships, the actors involved, and the attributes of stakeholder interests. These stakeholder engagement forms should also provide possibilities for managing these differences. As

noted by several authors (Altherr et al. Bremmers et al 2007, Gonzalez-Benito et al 2008), as well as in this study, stakeholder attributes and relationships vary, for example, according to the contexts, issue, interest, and interpreter; however, universal tools have been created for stakeholder engagement in environmental issues. The results of this study suggest that business managers should be able to manage differences in stakeholder relationships, instead of aiming at tools to manage each and every stakeholder relationship in a similar manner. Instead of focusing simply on identifying possible stakeholder groups or environmental issues in business, management should attend to the identification of different actors in certain situations concerning certain environmental issues, to the different types of relationships the corporation has with these stakeholders, and to their different environmental interests. As stressed by Plaza-Ubeda et al. (2009), several stakeholder groups are concerned with environmental matters, albeit for different reasons. As noticed in this study, power-based relationships were one of the stakeholder relationship forms: we suggest that the identified framework for analyzing actors, relationships and interests could also be utilized in the analysis of power: it is important for managers to identify where stakeholder power derives from: actor, networks of actors, relationship or interest.

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