

Abstracts

SUSTAINABILITY THINKING AND PRACTICE IN THE CANADIAN FOREST PRODUCTS INDUSTRY

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Abstract

This article fills a gap in empirical research on business sustainability by integrating perspectives from institutional theory and stakeholder salience theory to argue that the intensity of institutional pressures for sustainability will be mediated by the salience of the stakeholder groups representing/channeling these forces for individual companies. An exploratory test of this framework was conducted among 38 Canadian forest products companies. The data were based on a content analysis of secondary sources for the period 1987-1998. Institutional forces for sustainability impacting on the Canadian forest products industry were examined through articles mentioning sustainability in two trade journals; the salience of the stakeholders channeling these forces for individual companies was examined using a proxy measure: articles in a national newspaper that mentioned sustainability issues faced by these companies; sustainability thinking and practice of companies was examined from their annual reports, environmental reports, and web-pages. The study found that individual firms reacted differently to institutional pressures from European markets, local communities, native groups, environmental regulations, and shareholders, depending upon the salience of these stakeholders' perceived legitimacy, power, and urgency. For instance, the earliest demands for sustainable practices emerged from European markets as a result of pressures from European environmental NGOs. Some firms dependent on European markets reduced the salience of these pressures by diverting sales focus to less stringent Asian markets. Companies with a lower dependence on European markets made symbolic changes in their annual reports and made claims about investment plans in sustainability. Companies with a high dependence on European markets were the first to proactively adopt sustainability thinking and practices.

Key words: Sustainability; Sustainable Forestry Management; Institutional theory; Stakeholder Salience