Corporate perceptions of biodiversity: institutional context, stakeholders, and the transfer of ecological knowledge

Research Gap

Biodiversity loss presents multiple risks and opportunities to business, yet empirical work on how businesses understand biodiversity remains limited (Starik and Kanashiro 2013; Whiteman, Walker and Perego 2013; Winn and Pogutz 2013). The factors shaping business perceptions of biodiversity and conservation activities are unclear. Institutional contexts and stakeholder interactions appear to be important in shaping corporate perceptions and actions regarding biodiversity, but the interplay between these influences are unclear. How stakeholder influences feed into business decision-making concerning biodiversity and how businesses manage competing stakeholder demands (Boiral and Heras-Saizarbitoria 2015) also remain unexplored.

Theoretical framework

This paper combines social learning, stakeholder and institutional theory to explain how businesses understand and act on biodiversity. Social learning has been applied in multiple settings, including conservation. It describes the conditions enabling knowledge transfer between actors, emphasising the role of "bridging organisations" in providing space for interaction. It also delineates between processes where learning is more symbolic than substantive. Institutional theory builds on social learning by identifying the pressures that bring about change in the first place. It also helps explain why change may vary at sectoral and organisational levels, from superficial to transformative. Stakeholder theory helps identify who is important and therefore who influences the learning and knowledge transfer that occurs.

Research Design

Natural resource based industries are most at risk from biodiversity loss, and there is a need to explore their responses through in-depth research of different contexts and cross-sectoral comparisons (Boiral and Heras-Saizarbitoria 2015). This paper takes the cases of forestry and salmon farming in Chile to explore the factors influencing corporate biodiversity management strategies. Where forestry firms have increased conservation activities, salmon producers have sought to downplay their responsibilities. Fieldwork included: 1) a review of corporate sustainability reporting across both sectors to establish attitudes and actions regarding biodiversity, and 2) 70 open-ended interviews with managers in firms in both sectors, as well as various stakeholders, to build a full understanding of corporate perceptions of and activities regarding biodiversity.
Findings

Forestry Stewardship Council (FSC) certification lead to forestry firms adapting practices and opening dialogue with conservation NGOs and local communities. Firms began to understand different stakeholder perceptions of biodiversity, and learned more about impacts on species and habitats. Tensions remain, but biodiversity is on the corporate agenda. In salmon farming, strict regulations have strengthened ties between producers, suppliers, and the Chilean state. Although producers better understand immediate ecological threats, they know little about their impacts on biodiversity: conservation is a peripheral issue. State priorities override NGO pressure to understand wider impacts on biodiversity. The case of Chilean forestry demonstrates how learning can be enabled by a bridging organisation, here built around FSC standards. Together institutional and stakeholder theory explain why this process occurred, and which stakeholders were important in enabling change. The case of salmon farming reflects an absence of the necessary conditions to enable learning.

Conclusions and Future Work

This paper demonstrates how social factors condition corporate responses to biodiversity. Regulations and voluntary agreements shape the meaning of biodiversity; stakeholder engagement shapes what businesses learn about their impacts on biodiversity. The results demonstrate how approaches developed in other disciplines can be combined with established organisational theories to advance understanding of businesses involvement in biodiversity (Starik and Kanashiro 2013; Winn and Pogutz 2013). Future work should examine contexts where stronger institutions and environmental safeguards exist, for example forestry in the USA and salmon farming in Norway. Other sectors must be examined: those closer to the consumer, and/or who have a significant yet indirect and largely invisible impact on biodiversity. The impact of institutional investors on decision-making regarding biodiversity also need to be examined.

Bibliography


