Validating a Framework of Stakeholders in Connection to Business Sustainability Efforts in Supply Chains

STRUCTURED ABSTRACT

Purpose: The purpose is two-fold: (i) to determine the extent to which companies' efforts aimed at sustainable business practices consider stakeholders in their organisations and business networks, the marketplace and society; and (ii) to validate or refute a stakeholder framework of business sustainability efforts within focal companies, the marketplace, society and business networks.

Design/Methodology/Approach: Based on a questionnaire survey targeting large companies across industries and sectors in Spain. The sample consisted of 231 companies generating a useable response rate of 38.5%. Exploratory factor analyses was performed on a cross-industry sample to test a five-dimensional framework.

Findings: Reports on the validation of initial and refined factor solutions. The factor analyses confirmed five stakeholder dimensions related to business sustainability efforts of organisations, their business networks, marketplace and society. The validated results indicate satisfactory convergent, discriminant and nomological validity and reliability through time and across contexts.

Research implications:
The stakeholder framework in connection to business sustainability efforts in supply chains consisting of five factors was validated: (i) the focal company, (ii) downstream stakeholders, (iii) societal stakeholders, (iv) market stakeholders, and (v) upstream stakeholders.. Suggestion for further research is provided.

Managerial implications: The validated framework of stakeholders allows insight into the environment which stakeholders operate and how they influence on the focal company.

Originality/Value: The manuscript contributes to the validation of a stakeholder framework of business sustainability efforts within focal companies, their business networks, the marketplace and society. The measurement properties provide support for acceptable validity and reliability across contexts and through time.

Keywords: Stakeholder, business sustainability, networks, supply chain.

Paper type: Research paper

Validating a Framework of Stakeholders in Connection to Business Sustainability Efforts in Supply Chains

INTRODUCTION

The impact that companies have on the physical environment, society and the economy is inarguable. This impact is visible in widespread economic hardship, inequality between members of society and a deteriorating physical environment. According to Evans and Sawyer (2010) companies are still being driven by the profit objective but changes in economic, societal and environmental conditions have led to a situation where profitability is not the sole objective of many of these companies anymore. White (2009) also contends that the expectation that companies should be accountable and act sustainably towards the environment are becoming much more pronounced.

The survival of companies within this context have forced them to undertake their activities in ways that are much more responsible to the environment and society (Evans and Sawyer, 2010). Polonsky (1995) professes that companies have an accountability to a range of stakeholders that are internal as well as external to the company. Evans and Sawyer (2010) contend furthermore that stakeholders can be described as those parties that augment the activities of companies focused on creating wealth for the company. Ditlev-Simonsen and Wenstøp (2013) identify employees, other companies, the government and customers as possible stakeholders.

According to Strandberg (2009), companies, irrespective of being profit or not-for-profit, are obliged to consider sustainability from a strategic perspective. Although this is the case, many companies are ignorant of the influence sustainability may have on their own operations, their physical environment as well as on stakeholders in the marketplace, society and in their business networks.

Business practices that are sustainable in nature in which companies engage in, typically encompass the internal and external stakeholders of such companies ((Gupta, 1995; Post and Mikkola, 2012). Companies' reliance on external stakeholders also increases over time and companies create value through the management of relationships with their stakeholders in the marketplace, society and in their business networks (Boesso and Kumar, 2009). The Conscientious Corporate Brand Model of Nordic origin is typical of this approach as it propounds the alignment of companies with the legacy of both external and internal stakeholder over a period of time (Rindell *et al*., 2011). This model was furthermore validated in North-America where Hutchinson *et al*. (2013) assert that a company's ethical behaviour is of critical importance in guiding its relationships with its respective stakeholders. Furthermore ethical behaviour has the ability to add significantly to the value of the company's brand (Hutchinson *et al*., 2013). Zsolnai (2006) is also of the opinion that companies should safeguard the physical environment in which they operate. According to the author such action will contribute to society's well-being and will improve the future outlook for those who are to follow (Zlosnai, 2006).

The authors have not been able to uncover any research that focuses on estimating the degree to which companies contemplate stakeholders present in the marketplace, society and in their business networks when sustainability efforts are concerned. The authors were, however, able to uncover models that framed the contemplation of stakeholders by companies when sustainability is concerned (Wagner and Svensson, 2014). The authors were furthermore able to discover a number of case studies that delivers telling and significant understandings of the

BUSINESS SUSTAINABILITY IN CONTEXT

context within which companies undertake sustainable business practices (Cambra-Fierro and Ruiz-Benítez, 2011; Dos Santos, 2011; Høgevold, 2011, Høgevold and Svensson, 2012; Svensson and Wagner, 2011, 2012) The degree to which companies contemplate or consider their stakeholders when it comes to sustainability are, however, inadequate when various sectors and industries are concerned. In fact, there is to the authors knowledge only one previous study beyond case study research that has empirically studied focal companies' considerations of other stakeholders in supply chains in connection to their business sustainability efforts based upon a broad spectrum of businesses. The current study is therefore derived from previous findings in a Norwegian study by Svensson *et al.* (2016) recently reported in literature in an effort to test the validity and reliability (and in extension, the generality) of these findings across contexts and through time.

In essence, the research objective is two-fold: (i) to determine the extent to which companies' efforts aimed at sustainable business practices consider stakeholders in their organisations and business networks, the marketplace and society; and (ii) to validate or refute a stakeholder framework of business sustainability efforts within focal companies, their business networks, the marketplace and society. Svensson *et al.* (2016) developed and tested a framework of stakeholders in supply chains in connection to business sustainability efforts.

Hair *et al.* (2011, p. 33) argue that researchers should develop theory that is based on the accumulated body of previous research. A validation of the results from previous studies is subsequently needed to build sound and reliable theory that is useful across contexts and through time, and the results of which are generalisable. It is unfortunate that the results of previous studies are so rarely validated in business research. This undermines the sound and rigorous development of theory and nomological frameworks. Hair *et al.* (2010) also address the relevance of validating the results of studies in the development of theory.

Svensson (2013) argues that validating and disproving empirical findings in previous research is crucial in building valid and reliable theory over time and across contexts. If researchers do not engage in such activities, theory becomes fragmented and the credibility of research is undermined. The present study therefore contributes to assessing the validity and reliability of previous empirical findings across contexts, an activity that is rarely undertaken in research. The current study contributes to the validation of a nomological framework of stakeholders in supply chains in connection to business sustainability efforts.

Business research does not address the importance of validation to building theory through replication and validation studies across contexts and through time. Yet, it is important to validate the results of previous research, as the original results often cannot be validated in *subsequent* studies (Science Alert, 2015.) This stresses the relevance of the current study to validate (or not) the findings of Svensson *et al.* (2016).

The framework of stakeholders in supply chains tested here (see Figure 1) consists of internal (i.e. within the organisation) and external stakeholders (upstream, downstream, marketplace and society). The framework of stakeholders is based on commonly identified stakeholders in supply chain literature (e.g. (Polonsky, 1995; Wagner and Svensson, 2014).

Insert Figure 1 about here.

The different perspectives on business sustainability and related practices of companies in the marketplace, society and in their business networks are presented. The section also makes reference to extant literature and frameworks addressing sustainability.

Business sustainability perspectives

Several perspectives originating from different disciplines on the most suitable framework for sustainability exist. This is coupled with diverse opinions on the actual meaning of the concepts 'sustainable development' and 'sustainability'. According to Litido and Righini (2013), several perspectives mirror the philosophy of urban development and globalisation as measures and indicators of development and these perspectives consider the extent to which societies assimilate technological advancement as part of the ecosystem. Furthermore, other perspectives on business sustainability are the result of treaties between countries (Litido and Righini, 2013). This state of affairs have brought about a range of different sustainability perspectives.

It is difficult to find a perspective on business sustainability that is unanimously accepted by all as the research in this field is still very much in its infancy. Padin and Svensson (2013), however, opines that the currently held perspectives on sustainability have largely ignored the fact that efforts of companies to be sustainable are ever-changing instead of being docile in nature. These authors describe sustainability efforts as pliable, iterative and open (Padin and Svensson, 2013).

Several authors including Biggemann, Williams and Kro (2014) as well as Vos (2007) have proposed that perspectives on sustainability have various elements in common that are associated with environmental, economic and social components of society and the marketplace. This is referred to by Elkington (2007) as the 'Triple Bottom Line' approach (perspective). According to Elkington (2007), this perspective illuminates the significance of discovering an equilibrium between company profit (vibrant economy), society (wellbeing of people) and earth (flourishing physical environment).

Sustainability is furthermore considered by the World Commission on Environment and Development (WCED, 1987) as relevant to all members of society and as something that brings about enduring transformation instead of it being a phenomenon that is temporary in nature. It is furthermore seen as a phenomenon that holds value for the company that is strategic in nature (McWilliams et al., 2006; McWilliams and Siegel, 2011; Orlitzky and Shen, 2013). Sustainability is therefore considered an enduring or long-term objective that should be strategic in nature. Irrespective of the long-term perspective that sustainability should be approach from, many companies only consider sustainable business practices to enhance their worth over a shorter term (Kacperczyk, 2009).

Theoretical overview

It is evident from an investigation into extant literature on topics related to sustainability and business sustainability that a large body of knowledge already exists on these topics. According to Carroll and Shabana (2010) as well as Smith and Sharicz (2011) it is furthermore evident that that little agreement exists between authors on a universal definition for business sustainability or on a framework to frame the efforts of companies in relation to business sustainability in the marketplace, society and in their business networks. Some authors also doubt whether sustainability is lasting (Faber, Jorna and van Engelen, 2005).

From the investigation into extant literature it is also evident that some authors attempt to explain the concept sustainability (Glavic and Lukmand (2007), others consider the prospects

of sustainability (Shrivastava and Berger, 2010), while others focus on sustainability from a climate change perspective (Guest 2010). Sustainability is falso considered from a metric perspective of sustainable logistics (Hassini, Surti and Searcy, 2012) and within various fields of studies focussing on an array of different topics (Ashby, Leat and Hudson-Smith, 2012; Chabowski, Mena and Gonzales-Padron, 2011; Gimenez and Tachizawa, 2012; Goyal, Rahman, and Kazmi, 2013; Kolk and van Tulder, 2010; Leonidou and Leonidou, 2011; Peloza and Shang, 2011; Seuring and Müller, 2008; Vaaland, Heide, and Grønhaug, 2008).

It is evident from the investigation that there is a growing body of work honing in on past works and theories related to sustainability and related topics. What is, however, of more interest is the fact that authors are unable to agree on how business sustainability should be measured and what the underlying structural properties of business sustainability are. Based on these assertions the aim of this study is to potentially bridge the gap in literature with the provision of a stakeholder perspective on sustainability efforts of selected focal companies in the marketplace, society and in their business networks.

Frameworks for business sustainability

Several frameworks for sustainable development have been presented over time incorporating an array of reporting systems, indicators and indices. These have become prevalent in companies that are profit-driven as well as in organisations that are not profit-driven. According to Pinter, Hardi and Bartelmus (2005), the success of the frameworks affecting the activities en policies of these companies and organisations are fairly limited. Parris and Kates (2003) propound their inability to uncover indicators of business sustainability that are supported by a solid theoretical framework and thorough empirical evidence.

A number of authors also focused on the link between financial and social performance of companies (Aguinis and Glavas, 2012; Allouche and Laroche, 2005; De Bakker et al., 2005; Garriga and Melé, 2004; Marom, 2006; Orlitzky et al., 2003; Peloza, 2009; Van Beurden and Gössling, 2008; Wu, 2006). Research focusing on environmental performance is, however, less common since the measures for the latter are often incorporated in social performance measures (Orlitzky et al., 2003.

From a corporate perspective many frameworks were developed over time with the aim of framing business sustainability efforts of companies. These frameworks are often implemented by companies to a greater extent than frameworks proposed by academic researchers (AccountAbility, 2014; Global Reporting Initiative (GRI), 2014; Social Accountability International (SAI), 2014; Siemens, 2012; RobecoSAM, 2013; ISO, 2014; FTSE4Good Index, 2013; Shell, 2013; Carbon Disclosure Project, 2013; Mondi, 2013; Stoxx, 2013; BSDGlobal, 2002; Buried Treasure, 2001). The primary difference between the frameworks relates to the components being included in each of the frameworks. Pinter et al. (2005) contend furthermore that the effect of these frameworks on the activities and policies of the companies are also fairly restricted. Parris and Kates' assertion in 2003 still holds true as there are not any universal reporting systems, indicators and indices of business sustainability in place.

FRAMING THE COMPANY'S STAKEHOLDERS

The section addresses the theory, categorisation and relationship benefits associated with the company's stakeholders in relation to sustainability efforts of the company in the marketplace, society and in their business networks.

Stakeholder Theory

According to Freeman (1984), the stakeholder theory, when considered from a strategic management perspective, is grounded in the premise that a company needs to tailor its policies and strategic endeavours to address the needs of an array of different company stakeholders. In essence, the stakeholder theory was developed in response to the competitive landscape, complex environment and globalised context companies found themselves in (Mainardes, Alves and Raposo, 2011). Following the publication of Freeman's research, the stakeholder theory has become much more prominent (Tsiotsou, 2011). Irrespective of this fact, stakeholder theory is not widely applied in business-to-business marketing, consumer behaviour or in any of the marketing areas that relate to the physical environment (Polonski, 1995).

According to Mainardes et al. (2011, 2012), the foundations of stakeholder theory originate in the disciplines of ethics, politics, sociology and economics. Subsequently, there has been an upsurge in the amount and variety of stakeholders companies have to consider in the marketplace, society and in their business networks. Furthermore, the theory has the objective to provide a categorisation of company stakeholders with the aim of gaining insight into their operations (Mitchell et al., 1997). According to Clulow (2005), the stakeholder theory also has the ability to facilitate an understanding of the complexities of the companies' environment.

Since the stakeholder theory was first coined it has been broadly assimilated in several fields including corporate social responsibility (Mainardes et al., 2011) as well as marketing and business ethics (Hutchinson et al., 2013). The theory has also advanced to accommodate a system to connect various aspects and manifold environments related to companies' operations (Mainardes et al., 2011).

According to Co and Barro (2009) as well as Mitchell et al. (1997) three attributes govern relationships between companies and their stakeholders. According to Mitchell et al. (1997), the first attribute, namely legitimacy involves the assertion that one stakeholder is entitled to behave in a specific manner towards another stakeholder. Urgency involves the assertion that the relationship between the stakeholders is influenced by the concept of time and the fact that the relationship can be considered as something basic between the stakeholders. Finally, power refers to the ability of one stakeholder to affect another stakeholder in terms of action, goals and strategic course. In addition, Mitchell et al. (1997) also describe stakeholders as either being demanding, definitive, dormant, dominant, dangerous, discretionary, dependent or discretionary. Stakeholders can furthermore be analysed by identifying them, depicting them, classifying them based upon features, discovering the relational dynamics between them and finally, determining ways to manage stakeholders (Bunn, Savage and Holloway, 2002).

Stakeholder Categorisation

A systems map that is inter-organisational is proposed by Gupta (1995) in an effort to identify all conceivable parties that could possibly be stakeholders of a company. Gupta (1995) asserts furthermore that stakeholders typically comprise of employees, company owners, government, customers, suppliers, users, customer advocates, industry associations, technologists and financial markets.

Based upon the stakeholder theory it is possible to categorise a company's stakeholder into two categories (Clarkson 1995). Primary stakeholders involve all stakeholders the company has a relationship with based upon a contract or other formalised agreements and secondary

stakeholders involve all the stakeholders the company do not have a formalised agreement with. Primary stakeholders include suppliers, clients, shareholders and employees and secondary stakeholders include the government as well as the community (Clarkson, 1995).

Another categorisation involves classifying stakeholders as either boundary, external or internal stakeholders (Dansky and Gamm, 2004). Boundary stakeholders interact with the company across the boundaries of what can be considered internal or external. External stakeholders find themselves external to the company while internal stakeholders are internal to the company (Dansky and Gamm, 2004).

Based upon a relationship marketing approach, it is possible to pinpoint six groupings representing different stakeholders (Payne, Ballantyne and Christopher, 2005). They include internal (employees), influence (stakeholders impacting the company), recruitment (prospective employees), referral (those that recommend the company), supplier (provide resources to the company) and customer (customers, wholesalers and retailers) markets (Frow and Payne, 2011).

The abovementioned categorisations are grounded in the kind of relationship that exists between the stakeholder and the company (Clarkson, 1995), the proximity of the stakeholder in relation to the company as well as the importance of the stakeholder to the company (Dansky and Gamm (2004). According to Gupta (2015), in addition to the categorisations highlighted in this section, several other categorisations have been proposed over time. Based upon all the efforts to categorise stakeholders the fact remains that a company has to deal with a range of stakeholders with respect to its day to day operations encompassing also its practices that relate to business sustainability.

A Perspective on Business Sustainability Efforts and Stakeholders

An individual stakeholder does not always possess the ability to impact on the business sustainability efforts of a company (Walker and Laplume, 2014). To bring a significant impact on business sustainability efforts about it is necessary to fuse the efforts of the company's stakeholders in the marketplace, society and in their business networks (Walker and Laplume, 2014). Stakeholders in the marketplace, society and in the company's business networks can assist the company in getting hold of critical information that is valuable in its sustainable business efforts (Ayuso, Rodríguez, García-Castro and Ariño, 2011).

According to Mandják and Szántó (2010) there are bound to be conflict between stakeholders who are involved with one another. The relationships between stakeholders are not conceivable if there are not personal connections between the stakeholders involved (Mandják and Szántó, 2010). Business sustainability is created with the aid of interrelated stakeholders whose behaviours are influenced by their willingness to be socially responsible. According to Biggemann et al. (2014), the interrelatedness of the stakeholders promotes business sustainability through a dependable value chain characterised by a sense of collaboration and being able to fit in. Finally, according to Fraj, Martínez and Matute (2013), a manager is an essential element in assimilating environmental values in to the company's culture when it comes to the design and development of sustainable business strategies.

In essence, the research objective is two-fold: (i) to determine the extent to which companies' efforts aimed at sustainable business practices consider stakeholders in their organisations and business networks, the marketplace and society; and (ii) to validate or refute a stakeholder framework of business sustainability efforts within focal companies, their business networks,

the marketplace and society. Svensson *et al.* (2016) developed and tested a framework of stakeholders in supply chains in connection to business sustainability efforts.

STAKEHOLDERS AND BUSINESS SUSTAINABILITY EFFORTS IN SPANISH COMPANIES

Previous research in corporate Spain on the relationship between companies and their stakeholders have proven to be important. Countless studies on the connections between stakeholders and business sustainability efforts have been conducted in Spanish companies (Álvarez -Gil, et al, 2007; Plaza-Úbeda, et al, 2009; González-Benito and González-Benito, 2010; Plaza -Ubeda, Burgos-Jimenez and Carmona-Moreno, 2010; Priego, Manzaneque and Merino, 2014; Agudo-Valiente, Garcés-Ayerbe and Salvador-Figueras, 2015; Retolaza, Ruiz-Roqueñi and San-Jose, 2015; Herrera Madueño, et al, 2016). A common denominator reported in these studies is that stakeholders really do influence companies, and thus, managers must manage relationships with stakeholders appropriately, in order to gain insight into the market and societal environment.

Priego, Manzaneque and Merino (2014) demonstrate, through their research between failed and non-failed Spanish SMEs, that the behavior of stakeholders exerts various effects on the success or failure of a business. The effects of stakeholder behavior are triggered by their influence on the generation and distribution of value added. Thus, managers should involve the entire conglomerate of stakeholders which might affect the generation and distribution of value added. It be achieved through the implementation of business management models built on the stakeholder approach.

The implementation of these business models requires the appropriate management of information, in order to understand the nature and level of dependence of the company on its stakeholders (Priego, Manzaneque and Merino, 2014). In this regard, it is necessary to identify specific stakeholder demands and expectations through the establishment of good communication channels, which enable interaction with different stakeholders (Agudo-Valiente, Garcés-Ayerbe and Salvador-Figueras, 2015).

Plaza-Ubeda, Burgos-Jimenez and Carmona-Moreno (2010) found in their study that stakeholder integration among Spanish firms requires *interaction* between the company and its stakeholders, *knowledge* of the company's stakeholders and an adaptation of corporate behavior to stakeholder demands

In particular, González-Benito and González-Benito (2010) state that the effect of stakeholder pressure on the environmental behavior of companies is determined by distinguishing between pressure intensity and perception capacity. Related to environmental pressure perceived by stakeholders, these authors identify six relevant variables in manufacturing companies, namely size, internationalization, location of manufacturing activities, position in the supply chain, industrial sector, and managerial values and attitudes. Furthermore, González-Benito and González-Benito (2010) found, from a sample of Spanish manufacturers, two dimensions of stakeholder pressure, namely governmental and non-governmental. In addition, the results of their study show that the environmental awareness among managers, internationalization, industrial sector and company size are key variables determining governmental and non-governmental dimensions.

Plaza-Úbeda, et al (2009) found, among Spanish manufacturing companies with managers connected to the win–win paradigm, the relevance to integrating stakeholder demands into

their business strategies, in order to achieve a growing of environmental performance through the adoption of environmental management systems.

Retolaza, Ruiz-Roqueñi and San-Jose (2015) confirm that the needs of stakeholders are aligned and may converge. This alignment of interests hinders the control and management of stakeholders. In order to solve this dilemma, stakeholders should be able to monitor multiple stakes. In this regard, the study of Retolaza, Ruiz-Roqueñi and San-Jose (2015) on Spanish companies contributes with a new perspective based on stakeholder interests, which adds to the different classifications made *so far* in stakeholder theory. Furthermore, Retolaza, Ruiz-Roqueñi and San-Jose (2015) recognize the existence of a problem stemming from the diversity of indicators between stakeholders and shareholders and propose an integrated accounting system, incorporating economic as well as social issues and employing a common metric, this is, the monetization of social value.

The same results were obtained for Spanish of small and medium companies by Herrera Madueño et al (2016), who found the development of Corporate Social Responsibility (CSR) practices contribute both directly and indirectly to increase the competitive performance. From a multi-stakeholder perspective, this improvement of the competitive performance is achieved through the ability of this kind of companies to manage their stakeholders.

Related to business sustainability efforts in supply chains and the strategic importance of reverse logistics programs, Álvarez-Gil, et al (2007) researched external, internal, and individual factors that affect the enforcement of reversed logistics programs. Taking into account the attributes of the stakeholder, such as power, legitimacy and urgency,; organizational slack for implementing reverse logistics programs, and the manager's strategic approach, Álvarez-Gil, et al (2007) found that certain stakeholders (customers, employees and government), along with a manager's progressive posture, have a sufficiently large capacity to have an effect on the deployment of reverse logistics programs.

METHODOLOGY

This study is based primarily on the stakeholder framework and the empirical findings reported by Svensson et al. (2016), but also draws on the diversity of findings in a series of previous studies, all of which have revealed numerous aspects relevant to companies' efforts at business sustainability. These findings have been derived from qualitative approaches, such as case studies (Dos Santos, Svensson and Padin, 2013; Høgevold and Svensson, 2012; Høgevold et al., 2014; Svensson et al. 2016, Svensson and Wagner, 2011, 2012b and 2015; Wagner and Svensson, 2014). This study applies a quantitative approach to test the validity and reliability of the findings reported in these studies.

The definition of business sustainability that was introduced to the respondents taking part in the study referred to a company's efforts to go beyond focusing only on profitability, but to also manage its environmental, social and broader economic impact on the marketplace and society as a whole.

The stakeholders considered in supply chains are shown in Table 1 divided into five categories: the focal company, upstream stakeholders, downstream stakeholders, market stakeholders and societal stakeholders.

Insert Table 1 about here.

The list of stakeholder items was labelled from a to z without subheadings or subdivisions in the used questionnaire (24 items in total). Furthermore, a five-point Semantic Differential scale was used for all of these items in Table 1 using 'Not at all' (1) and 'Comprehensively' (5) as the end points. There was also an option of 'Don't Know'. The following question was asked to be taken into consideration for each item in Table 1: "*To what extent do your company's efforts of sustainable business practices consider the following participants, groups and other aspects in the market and society?*.".

Sample and Context

The international research team decided to collect data in Spain, since the country boasts an admirable environmental profile, with an Environmental Performance Index (EPI, 2014) ranking of seven out of a possible 178 countries.

Keeping in mind the aim was to target large Spanish companies, the criteria established by the Spanish Accounting Plan (2007) were used to define the population and construct the sampling frame for the study. The criteria allowed for the inclusion of this companies who have: (i) a total asset value of more than €2.85 million, (ii) a net annual turnover above €5.7 million, and (iii) an average number of employees that exceeds 100. The latest update of the financial database 'System Iberian Balance Analysis' (SABI) was used for this purpose. The database contains amongst others, economic and financial data for 2 million Spanish companies.

A total of 3 818 Spanish companies across industrial sectors met the criteria to be included in this study. However, 791 companies were eliminated because they were subsidiary companies of other companies already contained in the sampling frame. A systematic sampling technique was subsequently used where every tenth company contained in the sampling frame was selected, ultimately generating a sample of 303 companies out of a possible 3027 companies included in the sampling frame). These companies furthermore had to engage in business sustainability efforts and had a department or division focusing on CSR or sustainable development. As a result, 73 companies were excluded from the study since they did not have a department or division focusing on CSR or sustainable development based upon the information from the assessment of the companies during the last quarter of 2014.

Consequently, 231 companies were ultimately selected to take part in the study. A questionnaire accompanied by a letter of introduction, containing the contact details of the research team, was sent to the key informants. The key informants or targeted respondents were managers responsible for CSR departments or in charge of sustainable development at the companies selected.

Key informants were requested to participate in the study and an email reminders were subsequently sent or telephone calls were made to remind key informants to complete the questionnaire if they had not done so within one month of the initial request. This procedure was repeated two and three months after the initial request if the questionnaires had still not been returned.

A total of 98 questionnaires were returned, generating an initial response rate of 42.4%. Eleven key informants contacted the research team apologizing for not being able to collaborate with the investigation because of company policy preventing them to do so. Nine of the returned questionnaires were eliminated due to an unsatisfactory responses (poorly completed questionnaires). Ultimately, 89 usable questionnaires were returned generating a

final response rate of 38.5%. The research team considered the achieved response rate satisfactory in comparison to previous studies targeting large Spanish companies.

Two screening questions**,** namely: (i) how knowledgeable the respondent was about his/her company's sustainable business practices, and (ii) how knowledgeable the respondent was about his/her company's sustainable business practices in the whole business network, were included in the study for the purposes of checking the competency of the respondent. This is in line with Campbell's (1955) recommendations that respondents used in a study need to be competent enough to answer questions relating to the subject matter under investigation. The findings indicated that 98.7% (mean = 4.69 and standard deviation = 0.59) of respondents had satisfactory knowledge of their company's sustainable business practices and that 92.0% (mean = 4.01 and standard deviation = 0.98) had satisfactory knowledge of their company's sustainable business practices in the entire business network. Univariate and multivariate statistical techniques were used to analyse the data collected during the empirical phase of the study. The results are presented in the following section.

The sample size was determined so as to be suitable for factor analysis using the guidelines recommended by Hair et al. (2010, p.102): "The researcher should not factor analyse a sample of fewer than 50 observations". Furthermore, Hair et al. (2010, p. 102) explain: "The minimum is to have at least five times as many observations than as the number of variables to be analysed". A total of 98 questionnaires were returned, although nine were excluded, because of internal non-response bias, but because this study is a validation of all the original items used by Svensson *et al.* (2016).

Respondents who took part in the study were made aware of the definition of business sustainability as defined for the purpose of this study in order to provide the appropriate context for those taking part in the study.

EMPIRICAL FINDINGS

The corporate characteristics of the sample are summarised in Table 2 and the table indicates that the nature of business of the Spanish organisations in this study transcends across industries and sectors of the economy. Consequently, the sample represents a broad spectrum of Spanish organisations.

The average annual operating revenues during 2014 for the companies who took part in the study was 1,057,826.865.000 euros ranging between a maximum of 15,116 000 000 euros in annual revenues and a a minimum of 2,523.000 euros. The average number of employees in the studied companies was 5,631.

Insert Table 2 about here.

The univariate analysis of items included in each dimension (as shown in Table 3) reveals an internal non-response bias due to don't know answers, consistent mean values and appropriate standard deviations for the stakeholder items measured. The outcome of univariate statistics indicates consistent high quality responses provided by the key informants.

Insert Table 3 about here.

Table 3 also provides empirical substantiation that stakeholders within the focal company are taken into consideration to a greater extent than upstream and downstream stakeholders in

supply chains. Table 3 also provide substantiation that market and societal stakeholders are considered to a higher extent than upstream and downstream ones in companies' business sustainability efforts.

An exploratory factor analysis (Norušis, 1993, 1994) was conducted to validate or falsify the framework of stakeholders (dimensions and items) in connection to business sustainability efforts in supply chains. The Principal Component method was used for factor extraction. An orthogonal approach was used to rotate the initial factor solution, more specifically using the Varimax method of rotation.

The initial factor analysis was based upon all 24 items used in the questionnaire. The factor solution demonstrates five dimensions as follows: (i) the focal company, (ii) downstream stakeholders, (iii) societal stakeholders, (iv) market stakeholders, and (v) upstream stakeholders. The factor solution was satisfactory: (i) Kaiser-Meyer-Olkin Measure of Sampling Adequacy: 0.780; (ii) Bartlett's Test of Sphericity - Approx. Chi-Square: 1254,348;
(iii) df: 253; (iv) P-value: 0.00; (v) Communalities: 0.696-0,889; and (vi) Total Explained Variance: 78,8%.

The initial factor solution contains a few cross-loadings, so an additional factor analysis was performed to refine the factor solution and the final factor solution is displayed in Table 4. The refined factor solution as shown in Table 4 revealed (after the omission of one item per dimension) still the same five dimensions of stakeholders in connection to business sustainability efforts in supply chains as follows: (i) the focal company, (ii) downstream stakeholders, (iii) societal stakeholders, (iv) market stakeholders, and (v) upstream stakeholders.

Insert Table 4 about here.

The five items omitted to validate or falsify the same refined factor solution by Svensson (2016) were as follows: (i) 'the own organisation' from the dimension of 'the focal company',
(ii) 'intermediaries' from the dimension of 'downstream stakeholders', (iii) 'activist groups' from the dimension of 'societal stakeholders', (iv) 'the surrounding society' from the dimension of 'market stakeholders'; and (v) 'raw material producers' from the dimension of 'upstream stakeholders'. The factor solution was satisfactory and validates the findings by Svensson et al. (2016).

Table 5 shows a comparison of the factor solutions between the original Norwegian study of Svensson *et al.* (2016) and the current validation study undertaken in Spain.

Insert Table 5 about here.

The comparison of factor solutions between the original Norwegian study and the Spanish validation study indicate some clear similarities (as shown in Table 5) across the key parameters commonly reported from exploratory factor analysis. Nevertheless, the factor solution based on the current validation study in Spain has a higher total explained variance, and the lower end of the range of communalities is higher, while the reliability estimates are the same.

In sum, the same five factors of the stakeholder framework in connection to business sustainability efforts in supply chains were validated as shown in Tables 4 and 5, all of which

indicate satisfactory convergent, discriminant and nomological validity, as well as reliable dimensions.

The measurement properties of the framework of stakeholders in connection to business sustainability efforts in supply chains displayed in Tables 4 and 5, provide support for acceptable validity and reliability across contexts and through time.

RESEARCH IMPLICATIONS

Several studies have recently been reported within a business sustainability context, such as: (i) case studies that provide meaningful and valuable contextual insights into this matter (Cambra-Fierro and Ruiz-Benítez, 2011; Dos Santos, 2011; Høgevold, 2011, Høgevold and Svensson, 2012; Svensson and Wagner, 2011, 2012); and (ii) models to frame stakeholder considerations, related to the context, and sources, related to the process, (Wagner and Svensson, 2014).

However, the studies provide limited insights into the extent to which different stakeholders across industries are considered in companies' business sustainability efforts. Furthermore, Parris and Kates (2003) propound their inability to uncover indicators of business sustainability that are supported by a solid theoretical framework and thorough empirical evidence.). In this vein, the recent study by Svensson et al. (2016) may be the only study on focal companies' considerations of other stakeholders in supply chains in connection to their business sustainability efforts based upon a broad spectrum of Norwegian businesses.

Based on these shortcomings and recent findings, the research objective of this study was validate or refute the empirical findings by Svensson et al. (2016) that develop and test a framework of stakeholders in supply chains in connection to business sustainability efforts.

Svensson (2013) argues that processes of substantiation and contributions to research ought to be cumulative, rather than fragmented, in order to prevent theory building from becoming static and irrelevant. The process of theory building should ideally be continuous and iterative through time, interconnecting the original study, its replication and validation. True substantiation and solid contributions to theory can only be achieved when the initial substantiation and contribution of an original study have been successfully replicated and validated through time and across contexts.

Thus, the results of this research facilitate an easier understanding of the complexities of corporate environment, overall for those companies facing the challenge of achieving a significant impact from their business sustainability efforts.

Specifically, the research objective of this study is: (i) to determine the extent to which companies' efforts aimed at sustainable business practices consider stakeholders in their organisations and business networks, the marketplace and society; and (ii) to validate or refute a stakeholder framework of business sustainability efforts within focal companies, their business networks, the marketplace and society based on large companies across industries and sectors of the Spanish economy.

Companies' sustainable business practices must inevitably involve stakeholders within and beyond the organisation (Gupta, 1995; Post and Mikkola, 2012). In this vein, the current study's findings reveal that stakeholders within the focal company, market and societal stakeholders are taken into consideration in companies' business sustainability efforts to a

higher extent than indirect upstream stakeholders (i.e. raw material producers, manufacturers and suppliers' supplier) and direct downstream stakeholders in supply chains.

Furthermore, the empirical findings of this study also validate the framework of stakeholders (Svensson et al., 2016) based on commonly identified stakeholders in supply chain literature (e.g., Polonsky, 1995; Wagner and Svensson, 2014) consisting of internal (i.e. within the organisation) and external stakeholders (i.e. beyond the judicial boundaries of the organisation).

In this vein, the present study bridges the gap in the literature by providing a stakeholder perspective on the sustainability efforts of selected focal companies in the marketplace, society and in their business networks. The results yield insights into how business sustainability may be measured and into the underlying structural properties of business sustainability.

In fact, both the initial factor solution as the refined factor solution revealed the same five dimensions of stakeholders in connection to business sustainability efforts in supply chains; namely: (i) the focal company, (ii) downstream stakeholders, (iii) societal stakeholders, (iv) market stakeholders, and (v) upstream stakeholders. The refined factor solution excludes one item per dimension of the stakeholder framework as Svensson et al. (2016) in the context of business sustainability efforts in the selection of focal companies and their business networks, the marketplace and society.

Consequently, the stakeholder framework in connection to business sustainability efforts in supply chains consisting of five factors was validated. All dimensions indicated satisfactory convergent, discriminant and nomological validity. Thus, the measurement properties of the stakeholder framework's dimensions considered provide support for acceptable validity and reliability across contexts and through time.

MANAGERIAL IMPLICATIONS

Due to changes in economic, societal and environmental conditions, companies should drive their efforts not solely in terms of the profit objective. Managers should also undertake their activities in ways that are much more responsible with respect to the environment and society. Thus, CEOs should consider sustainability as a competitive advantage which contributes significantly to strengthening its strategic position.

In fact, sustainable business practices have become an imperative in strategic concerns for any company since the profitability is no longer their only objective (Evans and Sawyer, 2010). These practices involve stakeholders both within and beyond the organisation. The empirical findings of this study underpin that stakeholders within the focal company, market and societal stakeholders are taken into consideration to a higher extent than indirect upstream and downstream stakeholders in supply chains in companies' business sustainability efforts.

Nevertheless, a successful competitive strategy depend on that managers are able to combine the interests of all its internal and external stakeholders. The increased competition in the markets where companies operate, the greater complexity of the business practices, and the globalisation of business have increased the number and range of stakeholders that companies need to consider and interact with in their business networks, the marketplace and society (Mainardes, Alves and Raposo, 2011). Companies are more dependent on external

stakeholders (Boesso and Kumar, 2009) such as the upstream and downstream stakeholders in supply chains.

The results of this study provide managers with an empirical substantiation that stakeholders within the focal company, in conjunction with market and societal stakeholders, should be taken into consideration to a greater extent than upstream and downstream ones in supply chains, within the context of companies' business sustainability efforts. These actions can be realized by forming networks or associations within which companies carry out joint projects, share risks and objectives, develop new products, optimize quality standards, attract financial resources together, forming human resources in the appropriate manner, and ensuring an optimal flow of relevant information, among other factors. All these actions must be framed within a positive-sum win-win paradigm.

The corporate efforts of sustainable business practices of various stakeholders in the business network, the marketplace and society must be integrated with the organisation's own efforts in order to get an real optimal impact, since stakeholders' individual capacities to influence business sustainability are often limited (Walker and Laplume, 2014). The joint action among stakeholders will allow to get benefits for all parts, i.e., both the company and its stakeholders, as a positive sum game.

Thus, manager must be familiar with the positive impact that sustainability practices have on their own organisations and the stakeholders directly and indirectly related in their business networks, the marketplace and society. In fact, it is necessary for companies to handle relationships properly with stakeholders in their business networks, the marketplace and within society that will be able to create value for their customers (Boesso and Kumar, 2009). Managers should design business strategies and policies in order to meet the needs of various stakeholders that influence the organisation according to Freeman (1984). These strategies involve relationships with different corporate stakeholders.

In order to resolve the lack of universal reporting systems, indicators and indices of business sustainability should be in place, as proposed by Parris and Kates (2003), the empirical findings of this study also validated a framework of stakeholders in connection to business sustainability efforts in supply chains composed by five dimensions of stakeholders. It fits to common frameworks of stakeholders identified (but not tested) in supply chain literature (e.g., Polonsky, 1995; Wagner and Svensson, 2014) consisting of internal (the focal company) and external stakeholders (downstream stakeholders, societal stakeholders, market stakeholders, and upstream stakeholders).

Business sustainability efforts in supply chains are supported by the interconnected participation of suppliers, manufacturers, retailers, and other stakeholders whose actions are fostered by social responsibility, through value co-creation, cooperation and a sense of belonging to an unfailing value chain (Biggemann et al., 2014). Managers will be able to do it analysing the stakeholders by means of a process that begins with the identification of each stakeholder, describing their key features, grouping them, according to their traits, uncovering the relationships between them and evaluating strategies to manage them (Bunn, Savage and Holloway, 2002)

Nevertheless, it always arises conflicts between stakeholders involved in supply chains. These conflicts can be avoided or resolved if managers integrate environmental values into the

organisational culture in the design and development of sustainable strategies (Fraj, Martínez and Matute, 2013).

Finally, managers must properly manage the relationships with the stakeholders and prioritize them according to their impact due to companies' limited resources. The validated framework of stakeholders allows to gain insight into the environment which stakeholders operate and how they influence on the focal company (Mitchell et al., 1997). In order to regulate stakeholder relationships, Mitchell et al. (1997) identified eight kind of stakeholders (dormant, discretionary, demanding, dominant, dangerous, dependent, definitive a non-stakeholder group) based upon the extent to which stakeholders possessed power, legitimacy and urgency.

CONCLUSIONS AND CONTRIBUTION

This study has been performed among large companies across industries and sectors in Spain. The first research objective of this study was to determine the extent to which companies' efforts aiming at sustainable business practices consider different stakeholders within their organisations and business networks, the marketplace and society.

In this vein, the empirical findings revealed that stakeholders within the focal company, market and societal stakeholders are taken into consideration to a higher extent than indirect upstream and downstream stakeholders in supply chains in companies' business sustainability efforts. However, the success of efforts of sustainable business practices in business networks, the marketplace and society depend on company capacity to combine the interests of all its stakeholders and not just a few.

The business sustainability efforts achieved by companies may have a positive impact on the own organisations, the environment in which they operate, and the stakeholders directly and indirectly related to their business networks, the marketplace and society. Successful efforts of sustainable business practices hold a strategic value as well as these efforts should involve stakeholders within the organisation and beyond judicial boundaries. The current complex business environment with external stakeholders, such as the upstream and downstream stakeholders in supply chains, may be more important for the company. The joint action among stakeholders will allow to gain benefits for both the company and its stakeholders.

The second research objective of this study was to validate or refute a stakeholder framework of business sustainability efforts within focal companies, their business networks, the marketplace and society by identifying underlying factors and framework items. In this regard, the contribution of this study has been to successfully validate the framework of stakeholders in supply chains in connection to business sustainability efforts by Svensson et al. (2016). There are evident similarities between the original Norwegian study and the current Spanish validation study. The outcome of the exploratory factor analyses in Norway and Spain yield congruent results. We argue that the results provide empirical support of satisfactory validity and reliability of the stakeholder framework in connection with business sustainability efforts in supply chains.

The final factor solution identified a framework composed by five dimensions of stakeholders. The one tested and validated fits into common frameworks used in supply chain literature (e.g., Polonsky, 1995; Wagner and Svensson, 2014) consisting of internal (the focal company) and external stakeholders (downstream stakeholders, societal stakeholders, market stakeholders, and upstream stakeholders).

The effectiveness of different indicators, indices and reporting systems introduced like different managerial frameworks to frame sustainable development has been often restricted for influencing actual sustainability policy and practices. Furthermore, many studies include measures of environmental performance within the measures of social performance (Orlitzky et al., 2003).

There was no empirically tested framework of stakeholders' business sustainability (except Svensson et al. (2016) considering a selection of focal companies and their sustainable business practices, to the authors' knowledge. This study attempted to partly fill the gap by providing a stakeholder perspective on sustainability efforts within a selection of Spanish companies and their networks, the marketplace and in society. Subsequently, this study accomplished the research objective in regard to validate the empirical findings by Svensson et al. (2016) of a framework of stakeholders in supply chains in connection to business sustainability efforts.

SUGGESTIONS FOR FURTHER RESEARCH

The current study contributes to the validation of a framework of stakeholders in supply chains in connection to business sustainability efforts within focal companies, their business networks, the marketplace and society (Svensson et al., 2016). Nevertheless, further studies are needed to verify the validity and reliability of the empirical findings across contexts and over time. Studies in Non-European and Non-Western countries would provide a complementary contribution to further assess the validity and reliability, and in extension generality of the five dimensions of stakeholders.

These studies could be based upon similar sample characteristics (i.e. large companies), although they may also test the validation of the framework of stakeholders in supply chains in connection to business sustainability efforts based upon small and medium companies. It would allow a greater generalisation of the contribution. Furthermore, the inclusion of contextual variables would also provide further information around framework of stakeholders and the business sustainability efforts in supply chains.

REFERENCES

AccountAbility. (2014), Corporate website for AccountAbility, available at: www.accountability.org, (accessed January 13, 2014).

Agudo-Valiente, J.M.; Garcés-Ayerbe, C. and Salvador-Figueras, M. (2015), "Corporate Social Performance and Stakeholder Dialogue Management", *Corporate Social Responsibility and Environmental Management*, Vol. 22, pp. 13–31

Aguinis, H. and Glavas, A. (2012), "What We Know and Don't Know About Corporate Social Responsibility: A Review and Research Agenda", *Journal of Management*, Vol. 38, No. 4, pp. 932-968.

Allouche, J. and Laroche, P. (2005), "A Meta-analytical investigation of the relationship between corporate social and financial performance", *Revue de Gestion des Ressources Humaines*, Vol. 57, pp. 1-29.

Álvarez-Gil, M.J.; Berrone, P.; Husillos, F.J.and Lado, N. (2007), "Reverse logistics, stakeholders' influence, organizational slack, and managers' posture", *Journal of Business Research*, Vol. 60, pp. 463–473.

Ashby, A., Leat, M. and Hudson-Smith, M. (2012), "Making connections: a review of supply chain management and sustainability literature", *Supply Chain Management: An International Journal*, Vol. 17 No. 5, pp. 497-517.

Ayuso, S., Rodríguez, M.A., García-Castro, R. and Ariño, M.A. (2011), "Does stakeholder engagement promote sustainable innovation orientation?", *Industrial Management and Data Systems*, Vol. 111, No. 9, pp. 1399-1417.

Biggemann, S., Williams, M. and Kro G. (2014), "Building in sustainability, social responsibility and value co-creation", *Journal of Business & Industrial Marketing*, Vol. 29, No. 4, pp. 304-312.

Boesso, G. and Kumar, K. (2009), "An investigation of stakeholder prioritization and engagement: who or what really counts", *Journal of Accounting and Organizational Change*, Vol. 5, No. 1, pp. 62-80.

BSDGlobal. (2002), "Business and Sustainable Development", available at: http://www.iisd.org/business (accessed July 24, 2013).

Bunn, M.D., Savage, G.T. and Holloway, B.B. (2002), "Stakeholder analysis for multi-sector innovations", *Journal of Business & Industrial Marketing*, Vol. 17, No. 2/3, pp. 181-203.

Buried Treasure. (2001), "Uncovering the business case for corporate sustainability", Available from http://www.sustainability.com/library/buried-treasure#.UgHhk9I6fAx (Accessed on August 8, 2013).

Cambra-Fierro, J. and Ruiz-Benítez, R. (2011), "Sustainable business practices in Spain: a two-case study", *European Business Review*, Vol. 23, No. 4, pp. 401 – 412.

Campbell, D. (1955), "The informant in quantitative research", *American Journal of Sociology,* Vol. 60, Issue 3, pp. 339–342.

Carbon Disclosure Project. (CDP) (2013), "Reports & data", available at: www.cdproject.net/en-US/Results/Pages/reports.aspx (accessed June 6, 2013).

Carroll, A.B. and Shabana, K.M. (2010), "The Business Case for Corporate Social Responsibility: A Review of Concepts, Research and Practice", *International Journal of Management* Reviews, Vol. 12, No. 1, pp. 85-105.

Chabowski, B.R., Mena, J.A. and Gonzalez-Padron, T.L. (2011), "The structure of sustainability research in marketing, 1958–2008: a basis for future research opportunities", *Journal of the Academy of Marketing Science*, Vol. 39, pp. 55–70.

Clarkson, M. E. (1995), "A stakeholder framework for analysing and evaluating corporate social performance", *Academy of Management Review*, Vol. 20, No. 1, pp 92-117.

Clulow, V. (2005), "Futures dilemmas for marketers: can stakeholder analysis add value?" *European Journal of Marketing*, Vol. 39, No. 9/10, pp. 978-997.

Co, H.C. and Barro, F. (2009), "Stakeholder theory and dynamics in supply chain collaboration", *International Journal of Operations and Production Management*, Vol. 29, No. 6, pp. 591-611.

Dansky, K.H. and Gamm, L.S. (2004), "Accountability framework for managing stakeholders of health programs" *Journal of Health Organization and Management*, Vol. 18 No. 4, pp. 290-304.

De Bakker, F.G.A., Groenewegen, P. and Den Hond, F. (2005), "A Bibliometric Analysis of 30 Years of Research and Theory on Corporate Social Responsibility and Corporate Social Performance", *Business &* Society, Vol. 44, No. 3, pp. 283-317.

Ditlev-Simonsen, C.D. and Wenstøp, F. (2013), "How stakeholders view stakeholders as CSR motivators", *Social Responsibility Journal*, Vol. 9, No. 1, pp. 137-147.

Dos Santos, M. (2011), "Minimizing the business impact on the natural environment: A case study of Woolworths South Africa", *European Business Review*, Vol. 23, No. 4, pp. 384 – 391.

Elkington, J. (1997) *Cannibals With Forks: the Triple Bottom Line of 21st Century Business*. Capstone: Oxford.

EPI. (2012), "Environmental Performance Index and Pilot Trend Environmental Performance Index", Yale Center for Environmental Law and Policy: Yale University, available at: http://epi.yale.edu, (accessed October 4, 2013)

Evans, N. and Sawyer, J. (2010), "CSR and stakeholders of small businesses in regional South Australia", *Social Responsibility Journal*, Vol. 6, No. 3, pp. 433-451.

Faber, N., Jorna, R. and van Engelen, J. (2005), "The sustainability of "sustainability" – a study into the conceptual foundations of the notion of sustainability", *Journal of Environmental Assessment Policy and Management*, Vol. 7 No. 1, pp. 1-33.

Fraj, E., Martínez, E. and Matute, J. (2013),"Green marketing in B2B organisations: an empirical analysis from the natural resource based view of the firm", *Journal of Business & Industrial Marketing*, Vol. 28, No. 5, pp. 396 – 410.

Freeman, R.E. (1984), *Strategic Management: A Stakeholder Approach,* ed. Pitman, Boston.

Frow, P. and Payne, A. (2011), "A stakeholder perspective of the value proposition concept", *European Journal of Marketing*, Vol. 45, No. 1/2, pp. 223-240.

FTSE. (2013), "FTSE4 Good Index", http://www.ftse.com/Indices/FTSE4Good_Index_Series/ index.jsp 9 (accessed June 6 2013).

Garriga, E. and Melé, D. (2004), "Corporate social responsibility theories: mapping the territory", *Journal of Business Ethics*, Vol. 53, No. 1-2, pp. 51-71.

Gimenez, C. and Tachizawa, E.M. (2012), "Extending sustainability to suppliers: a systematic literature review", *Supply Chain Management: An International Review*, Vol. 17 No. 5, pp. 531 -543.

Glavic, P. and Lukman, R. (2007), "Review of sustainability terms and their definitions", *Journal of Cleaner Production*, Vol. 15 No. 18, pp. 1875-1885.

González-Benito, J. and González-Benito, O. (2010), "A Study of Determinant Factors of Stakeholder Environmental Pressure Perceived by Industrial Companies", *Business Strategy and the Environment*, Vol. 19, Issue 3, PP. 164–181

Goyal, P., Rahman, Z. and Kazmi, A.A. (2013), "Corporate sustainability performance and firm performance research", *Management Decision*, Vol. 51 No. 2, pp. 361-379.

GRI. (2014), "Website for Global Reporting Initiative", available at: www.globalreporting.org, (accessed January 13, 2014).

Guest, R. (2010), "The economics of sustainability in the context of climate change: an overview", *Journal of World Business*, Vol. 45, pp. 326-335

Gupta, A. (1995), "A stakeholder analysis approach for interorganizational systems", *Industrial Management and Data Systems*, Vol. 95, No. 6, pp. 3-7.

Hair, J., Black, W., Babin, B. and Anderson, R. (2010). *Multivariate Data Analysis: A Global Perspective*. Pearson Education, Upper Saddle River, NJ.

Hair, J. F., Wolfinbarger Celsi, M., Money, A. H., Samouel, P., & Page, M. J. (2011). Essentials of Business Research Methods. New York: ME Sharpe. *Inc. New York*.

Hassini, E., Surti, C. and Searcy, C. (2012), "A literature review and a case study of sustainable supply chains with a focus on metrics", *International Journal of Production Economics*, Vol. 140, No. 1, pp. 69-82.

Herrera Madueño, J.; Larrán Jorge, M.; Martínez Conesa, I. and Martínez-Martíneza, D. (2016), "Relationship between corporate social responsibility and competitive performance in Spanish SMEs: Empirical evidence from a stakeholders' perspective", *Business Research Quarterly*, Vol. 19, pp. 55---72.

Svensson, G. and Wagner, B. (2015), "Implementing and Managing Economic, Social and Environmental Efforts of Business Sustainability: Propositions for Measurement and Structural Models", *Management of Environmental Quality*, Vol. 26, No. 2, pp. 195-213.

Høgevold, N., Svensson, G., Wagner, B., Petzer, D. J., Klopper, HB., Sosa Varela, J. C., Padin, C. and Ferro, C. (2014), "Sustainable Business Models Corporate Reasons, Economic Effects, Social Boundaries, Environmental Actions and Organizational Challenges in Sustainable Business Practices", *Baltic Journal of Management*, Vol. 9, No. 3, pp. 357-380.

Høgevold, N.M. and Svensson, G. (2012), "A business sustainability model: A European case study", *Journal of Business and Industrial Marketing*, Vol. 27 No. 2. pp. 141-151.

Hutchinson, D.B., Singh, J., Svensson, G. and Mysen, T. (2013). "Towards a model of conscientious corporate brands: A Canadian study", *Journal of Business & Industrial Marketing*, Vol. 28, No. 8, pp. 687-695.

ISO. (2014), "Website of International Organization for Standardization", available at: www.iso.org, (accessed January 13, 2014).

Kacperczyk, A. (2009), "With greater power comes greater responsibility? Takeover protection and corporate attention to stakeholders", *Strategic Management Journal*, Vol. 30, No. 3, pp. 261-285.

Kolk, A. and van Tulder, R. (2010), "International business, corporate social responsibility and sustainable development", *International Business Review*, Vol. 19 No. 2, pp. 119-125.

Leonidou, C.N. and Leonidou, L.C. (2011), "Research into environmental marketing/ management: a bibliographic analysis", *European Journal of Marketing*, Vol. 45, pp. 68-103.

Litido, M. and Righini, G. (2013), "Tools and methods for the green economy", available at: http://www.plastice.org/fileadmin/files/Green_economy_EN.pdf (accessed July 28, 2013).

Mainardes, E.W., Alves, H. and Raposo, M. (2011), "Stakeholder theory: issues to resolve", *Management Decision*, Vol. 49, No. 2, pp. 226 – 252.

Mainardes, E.W., Alves, H. and Raposo, M. (2012), "A model for stakeholder classification and stakeholder relationships", *Management Decision*, Vol. 50, No. 10, pp.1861-1879.

Mandják, T. and Szántó, Z. (2010),"How can economic sociology help business relationship management?", *Journal of Business & Industrial Marketing*, Vol. 25, No. 3, pp. 202 - 208

Marom, I.Y. (2006), "Toward a unified theory of the CSP–CFP link", *Journal of Business Ethics*, Vol. 67, No. 2, pp. 191-200.

McWilliams, A. and Siegel, D.S. (2011), "Creating and Capturing Value: Strategic Corporate Social Responsibility, Resource-Based Theory, and Sustainable Competitive Advantage", *Journal of Management*, Vol. 37, No. 5, pp. 1480-1495.

McWilliams, A., Siegel, D.S. and Wright, P.M. (2006), "Corporate Social Responsibility: Strategic Implications", *Journal of Management Studies*, Vol. 43, No. 1, pp. 1-18.

Mitchell, R.K., Agle, M. and Wood, D.J. (1997), "Toward a theory of stakeholder identification and salience: defining the principle of who and what really counts", *The Academy of Management Review*, Vol. 22, No. 4, pp. 853-886.

Mondi. (2013), Corporate website for Mondi, available at: http://www.mondigroup.com (accessed July 13, 2013).

Norušis, MJ. and SPSS Inc., (1993) *SPSS for Windows Advanced Statistics Release 6.0.* Englewood Cliffs: Prentice Hall.

Norušis, MJ. and SPSS Inc., (1994) *SPSS for Windows Advanced Statistics Release 6.1.* Englewood Cliffs: Prentice Hall.

Orlitzky, M., Schmidt, F.L. and Rynes, S.L. (2003), "Corporate Social and Financial Performance: A Meta-Analysis", *Organization Studies*, Vol. 24, No. 3, pp. 403-441.

Orlitzky, M. and Shen, J. (2013), "Corporate Social Responsibility, Industry, and Strategy", *Industrial and Organizational Psychology*, Vol. 6, No. 4, pp. 346-350.

Padin, C. and Svensson, G. (2013), "A multi-layer matrix model of sustainable tourism: process, measurement areas, gap and reconnection analysis", *European Business Review*, Vol. 25 No. 2, pp. 206-216.

Parris, T.N. and Kates, R.W. (2003), "Characterizing and measuring sustainable development", *Annual Review of Environment and Resources*, Vol. 28, pp. 559-586.

Payne, A., Ballantyne, D. and Christopher, M. (2005), "A stakeholder approach to relationship marketing strategy: the development and use of the "six markets" model", *European Journal of Marketing*, Vol. 39, No. 7/8, pp. 855-871.

Peloza, J. (2009), "The Challenge of Measuring Financial Impacts From Investments in Corporate Social Performance", *Journal of Management*, Vol. 35, No. 6, pp. 1518-1541.

Peloza, J. and Shang, J. (2011), "How can corporate social responsibility activities create value for stakeholders? A systematic review", *Journal of The Academy of Marketing Science*, Vol. 39 No. 1, pp. 117-135.

Pinter, L., Hardi, P. and Bartelmus, P. (2005), "Sustainable development indicators. Proposals for the way forward", *International Institute for Sustainable Development*, available at: http://www.iisd.org/publications/pub.aspx?pno=769 (accessed July 8, 2013).

Plaza-Ubeda, J.A.; Burgos-Jimenez, J. and Carmona-Moreno, E. (2010), "Measuring Stakeholder Integration: Knowledge, Interaction and Adaptational Behavior Dimensions", *Journal of Business Ethics*, Vol. 93, pp.:419–442.

Plaza-Úbeda, J. A.; Burgos-Jiménez, J.; Vazquez, D. A. and Liston-Heyes, C. (2009), "The 'Win–Win' Paradigm and Stakeholder Integration", *Business Strategy and the Environment*, Vol. 18, pp. 487–499.

Polonsky, M.J. (1995), "A stakeholder theory approach to designing environmental marketing strategy", *Journal of Business & Industrial Marketing*, Vol. 10, No. 3, pp. 29-46.

Post, A. and Mikkola, M. (2012), "Nordic stakeholders in catering for sustainability chasm between ideology and practice?", *British Food Journal*, Vol. 114, No. 5, pp. 743-761.

Priego, A.M.; Manzaneque, M. and Merino, H. (2014), "Business failure: incidence of stakeholders' behavior", *Academia Revista Latinoamericana de Administración*, Vol. 27, No. 1, pp. 75 – 91.

Retolaza, J.L.; Ruiz-Roqueñi, M. and San-Jose, L. (2015), "An Innovative Approach to Stakeholder Theory: application in Spanish transnational corporations", Review Of Business Management, Vol. 17, No. 55, pp. 1007-1020.

Rindell, A., Svensson, G., Mysen, T., Billstrom. A. and Wilen, K. (2011). "Towards a conceptual foundation of "Conscientious Corporate Brands", *Journal of Brand Management*, 18, No. 9., pp. 709-719.

RobecoSAM (2013), "Corporate Sustainability", http://www.sustainability-indices.com/sustainability-assessment/corporate-sustainability.jsp, (accessed August 12, 2013).

SAI. (2014), Corporate website for Social Accountability International, www.sa-intl.org, (accessed January 13, 2014).

ScienceAlert (2015), "Scientists tried to replicate 100 psychology experiments and 64% failed", http://www.sciencealert.com/scientists-tried-to-replicate-100-psychology-experiment s-and-64-failed?utm_source=Article&utm_medium=Website&utm_campaign=InArticleRead More, August 28.

Seuring, B.M. and Müller, M. (2008), "From a literature review to a conceptual framework for sustainable supply chain management", *Journal of Cleaner Production*, Vol. 16, pp. 1699-1710.

Shell. (2013), "Sustainability rankings", available at: http://www.shell.com/global/environment-society/performance/indices.html (accessed June 6, 2013).

Shrivastava, P. and Berger, S. (2010), "Sustainability principles: a review and directions", *Organization Management Journal*, Vol. 7 No. 4, pp. 246-261.

Siemens. (2013), corporate website, available at: https://www.siemens.com/press/pool/de/events/2012/corporate/2012-06-rio20/GCI-Report-e.pdf (Accessed June 6, 2013).

Smith, P.A.C. and Sharicz, C. (2011), "The shift needed for sustainability", *The Learning Organization*, Vol. 18, No. 1, pp. 73-86.

STOXX. (2013), Stoxx indices corporate website, http://www.stoxx.com/indices/types/sustainability.html (accessed June 6, 2013).

Strandberg Consulting. (2009), The business case for sustainability, Available from: http://corostrandberg.com/wp-content/uploads/files/Business_Case_for_Sustainability_21.pdf (Accessed 16 May 2013).

Svensson, G. (2013), "Processes of Substantiations and Contributions through Theory Building towards Theory in Business Research", *European Business Review*, Vol. 25, No. 5, pp. 466-480.

Svensson, G., Høgevold, N., Petzer, D., Padin, C., Ferro, C., Klopper, HB., Sosa Varela, J. C. and Wagner, B., (2016), "Framing Stakeholder Considerations and Business Sustainability Efforts: A Construct, its Dimensions and Items", *Journal of Business & Industrial Marketing*, Vol. 31, No. 2, pp. 287-300. (209)

Svensson, G. and Wagner, B. (2011), "A Process Directed towards Sustainable Business Operations and a Model for Improving the GWP-Footprint (CO_{2e}) on Earth", *Management of Environmental Quality*, Vol. 22 No. 4, pp. 451-462.

Svensson, G. and Wagner, B. (2012), "Implementation of a Sustainable Business Cycle: the case of a Swedish dairy producer", *Supply Chain Management: An International Journal*, Vol. 17 No. 1, pp. 93-97.

Tsiotsou, R. (2011), "A stakeholder approach to international and national sport sponsorship", *Journal of Business & Industrial Marketing*, Vol. 26, No. 8, pp. 557-565.

Vaaland, T., Heide, M. and Grønhaug, K. (2008), "Corporate social responsibility: investigating theory and research in the marketing context", *European Journal of Marketing*, Vol. 42 No. 9/10, pp. 927-953.

Van Beurden, P. and Gössling, T. (2008), "The worth of values–a literature review on the relation between corporate social and financial performance", *Journal of Business Ethics*, Vol. 82, No. 2, pp. 407-424.

Vos, R.O. (2007), Defining sustainability: a conceptual orientation, *Journal of Chemical Technology and Biotechnology*, Vol. 82, pp. 334-339.

Walker, K. and Laplume, A. (2014), "Sustainability fellowships: the potential for collective stakeholder influence", *European Business Review*, Vol. 26, No. 2, pp. 149-168.

Wagner, B. and Svensson, G. (2014), "A Framework to Navigate Sustainability in Business Networks: The Transformative Business Sustainability (TBS) Model", *European Business Review*, Vol. 26, No. 4, pp. 340-367.

White, P. (2009), "Building a sustainability strategy into the business", *Corporate Governance*, Vol. 9, No. 4, pp. 386-394.

World Commission on Environment and Development. (WCED) (1987), "Our Common Future", New York: Oxford University Press, available at: www.un-documents.net/our-common-future.pdf (accessed January 13, 2014).

Wu, M. (2006), "Corporate social performance, corporate financial performance, and firm size: A meta-analysis", *Journal of American Academy of Business*, Vol. 8, No. 1, pp. 163 -171

Zsolnai, L. (2006), "Extended stakeholder theory", *Society and Business Review*, Vol. 1, No. 1, pp. 37-44.

Figure 1: Stakeholders in Supply Chains and Business Sustainability Efforts.

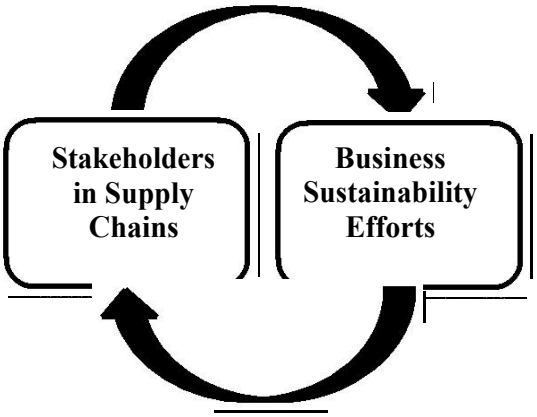

Table 1: Stakeholders in Supply Chains – Dimensions and Items.

Upstream Stakeholders
a) ...raw material producers
b) ...manufacturers
c) ...suppliers
d) ...suppliers' suppliers
The Focal Company
e) ...the own organization
f) ...top leadership/management
g) ...the executive board
h) ...chief executive officer (CEO)
i) ...managers
j) ...other staff
Downstream Stakeholders
k) ...wholesalers
l) ...retailers
m) ...sales outlets
n) ...intermediaries (e.g. 3PL/third party logistics)
Market Stakeholders
o) ...customers
p) ...end users (e.g. consumers)
q) ...the marketplace
r) ...the surrounding society
Societal Stakeholders
s) ...government (e.g. political initiatives)
t) ...laws (e.g. regulations)
u) ...activist groups (e.g. Greenpeace)
v) ...interest groups (e.g. industry associations)
w) ...general public

Table 2: Sample Characteristics – Nature of Business, Turnover and Number of Employees.

Nature of Business	Count
Accomodation, Cafe or Restaurant	2
Agriculture, Forest or Fishing	4
Communication Services	8
Construction	8
Electricity, Gas or Water	8
Finance and/or Insurance	6
Govt Admin or Defence	1
Health & Community Services	7
Mining	2
Manufacturing	18
Personal and Other Services	10
Retail Trade	2
Transport and Storage	3
Wholesale Trade	6
Other	4
Total:	**89**

Table 3: Univariate Statistics.

Business Sustainability Stakeholders			
Dimension	**N**	**Mean**	**Standard Deviation**
Upstream Stakeholders			
a) ...raw material producers	74	3,29	1,48
b) ...manufacturers	71	3,06	1,46
c) ...suppliers	75	4,05	1,09
d) ...suppliers' suppliers	72	2,97	1,21
The Focal Company			
e) ...the own organization	75	4,57	0,62
f) ...top leadership/management	76	4,54	0,72
g) ...the executive board	75	4,45	0,76
h) ...chief executive officer (CEO)	76	4,48	0,83
i) ...managers	76	4,37	0,72
j) ...other staff	76	4,19	0,78
Downstream Stakeholders			
k) ...wholesalers	71	2,95	1,21
l) ...retailers	70	2,86	1,25
m) ...sales outlets	72	3,14	1,38
n) ...intermediaries (e.g. 3PL/third party logistics)	72	3,20	1,22
Market Stakeholders			
o) ...customers	76	4,36	0,79
p) ...end users (e.g. consumers)	74	3,89	1,33
q) ...the marketplace	72	4,18	0,95
r) ...the surrounding society	75	4,41	0,74
Societal Stakeholders			
s) ...government (e.g. political initiatives)	72	3,97	1,07
t) ...laws (e.g. regulations)	75	4,32	0,91
u) ...activist groups (e.g. Greenpeace)	72	3,36	1,26
v) ...interest groups (e.g. industry associations)	75	4,00	1,00
w) ...general public	74	4,05	0,98

Table 4: Validated Factor Analysis.

Dimension	Item	Factor					*	**
		1	2	3	4	5		
The Focal Company	Top Leadership/Management	**,837**	-,074	,186	,335	,041	0.855	0.826
	The Executive Board	**,834**	-,141	,185	,308	,157	0.870	0.861
	The Chief Executive Officer	**,818**	-,035	,162	,277	,183	0.807	0.756
	Managers	**,808**	,362	,112	-,038	,204	0.840	0.831
	Other Staff	**,676**	,392	,144	-,135	,222	0.699	0.827
Downstream Stakeholders	Retailers	,040	**,883**	,251	,168	,128	0.889	0.709
	Wholesalers	,058	**,878**	,160	,184	,194	0.872	0.703
	Sales outlets	,061	**,835**	,296	,175	,128	0.835	0.838
Market Stakeholders	End Users	,093	,119	**,849**	,014	,165	0.772	0.720
	Customers	,122	,348	**,733**	,125	-,085	0.696	0.743
	The Marketplace	,437	,352	**,679**	,073	,108	0.792	0.760
Upstream Stakeholders	Suppliers	,255	,077	,093	**,799**	,156	0.743	0.813
	Supplier's suppliers	,143	,322	,026	**,761**	,033	0.705	0.780
	Manufacturers	,148	,558	,154	**,600**	,075	0.723	0.734
Societal Stakeholders	Laws	,147	,152	,340	-,023	**,814**	0.823	0.629
	Interest Groups	,437	,135	-,159	,354	**,658**	0.793	0.795
	Government	,225	,257	,546	,128	**,561**	0.745	0.813
	General Public	,502	,290	-,210	,222	**,544**	0.725	0.852
Total explained variance per factor (%)		22,3	19,1	14,1	12,2	11,1		
Cumulative explained total variance (%)		22,3	41,4	55,5	67,7	78,8		
Cronbach's Alpha		0,90	0,95	0,80	0,79	0,72		

* Communality per Item

** Measures of Samplig Adequacy (MSA per Item)

Table 5: Factor Solution Comparison between Norway and Spain.

Factor Solution	**Norway**	**Spain**
Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy	0,741	0,776
Bartlett's Test of Sphericity - Approx. Chi-Square	702,270	955,557
df	153	153
P-value	0,00	0,00
Communalities	0,504-0,906	0.696-0,889
Total Explained Variance	71,9%	78,8%.
Cronbach's Alpha	0,72 – 0,93	0,72 – 0,95