Online sustainability communication practices of European seaports

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ARTICLE INFO

ABSTRACT

Although ports have a direct and substantial impact on the social and physical environments in which they operate, studies on corporate sustainability focussing on ports are scant. This study investigates the under-researched topic of sustainability communication practices in the European seaport sector. Its purpose is to analyse to what extent, if any, are there differences in these practices. It seeks to capture the influence of national institutions and some port specific characteristics in sustainability reporting. Using content analysis, we analysed the extent and content of corporate sustainability information disclosed in the websites of 186 European seaports. We used an institutional theory framework, the Varieties of Capitalism approach, as lens of analysis. Multivariate ordinal regressions were used to analyse the influence of national institutions on disclosure. We found that sustainability communication varies from country to country not entirely in accordance with the Varieties of Capitalism framework. Despite the majority of ports identified by our study having already included corporate sustainability topics in their online communication practices, we conclude that there is still much work to be done.

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1. Introduction

Corporate sustainability (CS) is one of the concepts most widely used to refer to firms' engagement with social and environmental issues in addition to their economic activities (Linnenluecke and Griffiths, 2013). Recent initiatives of international organizations such as the UN Global Compact (Perez-Batres et al., 2011), interest by large organizations in instruments such as sustainability reports (Marimon et al., 2012) and the increasing importance of socially responsible investing (Ortas et al., 2013) are evidence of a growth in the importance of CS. Noteworthy is also the exponential increase in the number of publications on CS that has occurred in recent decades, which is documented in the many literature reviews published recently (Hahn and Kühnen, 2013; Linnenluecke and Griffiths, 2013).

Notwithstanding, in spite of having a direct and significant impact on the social and physical environments in which they operate (Darbra et al., 2004, 2005; Kolk and van der Veen, 2002; Le et al., 2013), relatively few studies on CS focussing on ports have been published. Despite the growing importance of the seaport sector, its CS practices are still little known. In spite of the scarcity of social and environmental initiatives in the seaport sector when compared to other sectors, there is a growing involvement of ports' management with CS (Darbra et al., 2004). In general, the seaport sector faces an environment of great change, which requires a continuous effort to restructure and reassess its strategies. In Europe, in particular, main changes have been felt in terms of legal environment and social and ecological pressures (Verhoeven, 2009).

The location of ports and their growth and expansion are controversial issues, which may explain the growing social dialogue, whereby ports try to demonstrate willingness to engage actively with civil society, assuming responsibilities that had once been exclusive from the State (Kolk and van der Veen, 2002). Because CS remains largely voluntary most ports have learned to deal with new social challenges through "trial and error" and, in this way, social and environmental management became part of the management of ports. However, the communication strategy "still remains an underestimated factor of success" (Verhoeven, 2009, p. 80–81).

With the aim of contributing to the scarce literature on ports' sustainability practices, this paper analyses European ports online sustainability communication practices. So far as we are aware, this is the first study on this matter. Sustainability communication may be broadly defined as the communication of social and environmental issues by an organisation to its stakeholders (Lodhia, 2014).

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The Internet has been increasingly used in social and environmental disclosures (Morhardt, 2010; Pellegrino and Lodhia, 2012; Lodhia, 2014) making it one of the main channels for CSR communication (Wanderley et al., 2008). Even when there is no formal stand-alone sustainability report, organisations tend to use their websites to disclose social and environmental information (Morhardt, 2010).

The success of online reporting derives from the advantages offered by the Internet that fosters more dynamic and ongoing communications (Antal et al., 2002). It is timely, widely accessible, and enables interaction with stakeholders (Lodhia, 2014). It is flexible, versatile and fast in spreading an unlimited amount of information (Tagesson et al., 2009). Moreover, information is disclosed through the Internet at a lower cost compared to the traditional channels (Morhardt, 2010).

Previous literature review revealed an increasing involvement of ports in CS general practices (e.g., Darbra et al., 2004; Kolk and van der Veen, 2002; Verhoeven, 2009). Aligned with the European Commission, which asked for a social dialogue in this sector (COM, 2007), ports have adopted a more active communication strategy, focussing on their social approval (Kolk and van der Veen, 2002) and on their license to operate (Verhoeven, 2009).

However, despite sustainability reporting evolution and the social and legal pressures they face, the behaviours of ports, as well as the reasons behind different behaviours, in what pertains to this matter are not known. Although an important part of extant literature has explored practices and determinants of reporting in this area (Morhardt, 2010), there are no references to the seaport sector. This creates an opportunity for research that this study explores.

The paper is organized as follows. The second section focuses on the theoretical lens of analysis used. After that, we present the empirical study, revealing the findings and discussing the results. Finally, conclusions are drawn.

2. Theoretical framework and hypotheses

CS practices tend to be more extensive in sectors with great impact upon stakeholders (Jackson and Apostolakou, 2010), because firms in such sectors are more visible and exposed to social judgement (Adams et al., 1998; Cho and Patten, 2007). Ports are very likely to adopt these practices, due to obvious reasons, such as location, type of operations and risk of incidents, making this sector quite visible (Kolk and van der Veen, 2002).

The individual behaviour of a firm can also affect the behaviour of other firms in its sector. When a firm engages in sustainability communication, it can influence others to adopt the same practices, and this may create a pattern of behaviour, because companies in the same industry tend to adopt similar practices and structures (D'Aunno et al., 1991), as institutional theory explains (Jackson and Apostolakou, 2010). According to Acciaro (2015), who claims to be the first to apply institutional theory to the study of the CS in seaports, this theory, through its focus on the legitimation, is very useful in this area, especially because "ports are strongly characterised by the culture of the country where the port is located" (Acciaro, 2015, p. 293).

Regarding isomorphic pressures, DiMaggio and Powell (1983) defined three types of isomorphism: (i) mimetic; (ii) normative; and (iii) coercive. Mimetic isomorphism concerns the ways in which organizations "mime" the actions of similar organizations that are perceived to be more legitimate or successful in the institutional environment. Normative isomorphism is derived from two key aspects: first, formal education and legitimation of the cognitive base by discipline specialists in universities; and second, through the elaboration of professional networks that span organizations and facilitate the rapid diffusion of new models and

practices. Coercive isomorphism concerns the ways in which organizations are subject to external pressure, either from organizations they depend upon, or from more general cultural expectations (Carruthers, 1995; Rodrigues and Craig, 2007). Any of these isomorphic pressures leads to the homogenization of organisations and its practices, which are institutionalized through endorsement mechanisms (Rao et al., 2000).

According to mimetic isomorphism, ports are more likely to adopt similar CS practices, following the example of other ports such as the ones from Rotterdam and Amsterdam which are pro-active in this area (Kolk and van der Veen, 2002). In this regard, the European Sea Ports Organisation (ESPO) has played an important role. ESPO's set of rules and codes of conduct that promote environmental and social efficiency amongst ports can be seen as a normative isomorphism mechanism.

Among ESPO's initiatives to promote sustainable development are the EcoPorts initiative and the ESPO Award on Societal Integration of Ports. The first initiative has been established "to create a level playing field on port environmental management in Europe through the sharing of knowledge and experience between port professionals" (ESPO, 2012, p. 18). The latter one was created in 2009 to promote innovative projects by port authorities that improve societal integration of ports. Its primary aim is to stimulate the sustainable development of European ports and the cities or communities in which they are located.

The same is the case with the Global Reporting Initiative (GRI) guidelines (Larrinaga-González, 2007). Coercive isomorphism can be revealed through European directives and recommendations, or through dependency relationships between a port and its stakeholders. Assuming that there is an interdependent relationship between ports and cities, the Commission proposed social dialogue strategies which can promote the understanding between the parties involved whilst improving the public image of ports (COM, 2007a).

The proximity between ports and cities affects organisational CS behaviours and practices (Darbra et al., 2004), because it creates conflicts when there is limited available space. This scenario compels ports to justify their existence, intensifying its social dialogue, through CS reporting practices, as a way to manage disagreements with their neighbourhood (Kolk and van der Veen, 2002).

In general, all these determinants are present in the seaport sector and it is expected that they affect ports' sustainability reporting. Nevertheless, there are other factors, such as the size of ports, which may affect sustainability reporting in this sector. As emphasized by Kuznetsov et al. (2015) it is necessary to develop professional awareness towards sustainability in smaller ports to ensure more sustainable port management. Larger organisations are more visible and hence more likely to engage in CS practices (Jackson and Apostolakou, 2010) and sustainability reporting (Adams et al., 1998; Deegan and Gordon, 1996). Adapting it to the seaport sector, the following research hypothesis was developed:

H1. Larger ports are more likely to develop online sustainability communication.

According to the Varieties of Capitalism (VoC) perspective, two different types of market economies can be distinguished: (i) liberal (LMEs) versus (ii) coordinated (CMEs) (Jackson and Apostolakou, 2010; Midttun et al., 2006). On the one hand, national institutions from LMEs encourage individualism and liberalism, incentivizing responsive actors, whilst adopting some kind of policies that promote discretionary practices (Matten and Moon, 2008). Given this, organisations tend to develop high levels of CS practices (Midttun et al., 2006), assuming more explicit and arbitrary forms (Matten and Moon, 2008). On the other hand, national institutions from CMEs encourage collectivism, solidarity, partnership and