Multi-Stakeholder Sustainability Alliances: A Signaling Theory Approach

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What are Multi-Stakeholder Sustainability Alliances (MSSAs)?

- Cross-Sector Partnerships Involving > 1 Stakeholder of a Firm
- Aim of Reaching Jointly Agreed Social & Environment Objectives

Findings

1) Building alliances with high-status partners has a positive impact on other partners' subjective norms.
2) Building alliances with multiple partners has a positive impact on other partners' subjective norms.
3) Building alliances with multiple high-status partners is a short-term signal of firm sustainability.
4) Providing accountable evidence of having reached the alliance’s objectives & standards is a long-term signal of firm sustainability.

The Literature Gap: Information Flow from Firm to Stakeholders

The Literature Gap:

- Knowledge, Standards
- Stakeholder Preferences & Beliefs
- Other Stakeholders

DATA

- Top 50 Corporations in Food & Bev
- 20 MSSAs
- Corporate Reports
- MSSA Partners’ Reports
- Other Stakeholders’ Reports

THEORY

- Signaling Theory (Akerlof 1970)
- Theory of Status (Podolny 1993)
- Theory of Reasoned Action (Fishbein & Ajzen 1975)

Future Research:

Need of Economics and Agribusiness Scholars

→ How to choose partners and build relationships with them to signal sustainability to all the stakeholders?

Methods: Natural Experiments, Simulations, Grounded Theory.

→ How do beliefs & choices of alliance partners and other stakeholders ultimately impact the profit of the firm?

Methods: Hypothetical & Natural Experiments, Simulations.

References