A CASE STUDY OF THE FEASIBILITY OF INCORPORATING NON-MARKET VALUES INTO FINANCIAL ENVIRONMENTAL REPORTING

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6 Methodology: Data Sources

6.1 Introduction
6.2 Data Reduction – Data Summaries
6.3 Data Reduction – Coding of Data
   6.3.1 Development of the Descriptive Coding Scheme
   6.3.2 Development of the Pattern Coding Scheme
   6.3.3 Check-Coding
6.4 Data Display and Conclusion Drawing
   6.4.1 Interviewee-Level Interim Data Displays
   6.4.2 Case-Level Meta-Matrix Displays
   6.4.3 Final Matrices for Data Display
6.5 Postscript Reflections on Emerging Empirical Results
6.6 Limitations
6.7 Concluding Comments

7 A Managers’ Perspective on the Feasibility of Reporting Non-Market Values of Environmental Impacts in the Queensland Public Forest Sector

7.1 Introduction
7.2 Managers’ Reactions to Reporting Non-Market Values of Environmental Impacts
   7.2.1 Potential Benefits
   7.2.2 Potential Costs
7.2.3 Additional Analysis Using Managers’ Level and Background
7.3 Implementation Experiences to Date
   7.3.1 Impediments to Reporting Non-Market Values
7.4 Critical Conditions and Motivating Factors
   7.4.1 Critical Conditions
   7.4.2 Motivating Factors
7.5 Emerging Constructs – The Resource Management Decision-Making Process
7.6 Emerging Constructs – A Reporting Paradox?
7.7 Concluding Comments

8 A Stakeholders’ Perspective on the Feasibility of Reporting Non-Market Values of Environmental Impacts in the Queensland Public Forest Sector

8.1 Introduction
8.2 Stakeholders’ Reactions to Reporting Non-Market Values of Environmental Impacts
   8.2.1 Potential Benefits
   8.2.2 Potential Costs
8.2.3 A Comparison of the Perceptions of Managers and Stakeholders Regarding Benefits and Costs
8.3 Impediments to Reporting Non-Market Values
   8.3.1 A Comparison of the Impediments Perceived by Stakeholders and Managers
8.4 Critical Conditions
   8.4.1 A Comparison of Critical Conditions Perceived by Stakeholders and Managers
8.5 Emerging Constructs – The Resource Management Decision-Making Process
8.6 Emerging Constructs – The Reporting Paradox
8.7 Concluding Comments

9 Insights into a Potential Financial Environmental Reporting System
9.1 Introduction
9.2 The Reporting Possibilities for the Department of Natural Resources in Relation to Non-Market Values from its Forest Management
9.3 An Extended Output Reporting Approach
9.3.1 Methodological and Conceptual Issues
9.4 A Preliminary Triple Bottom Line Reporting Approach
9.4.1 Methodological and Conceptual Issues
9.5 Stakeholders’ Reactions to Extended Output Reporting and Triple Bottom Line Reporting
9.6 Concluding Comments

10 Postscript Theoretical Reflections
10.1 Introduction
10.2 A Background to the Stakeholder and Legitimacy Theory Frameworks
10.3 A Stakeholder Theoretical Framework
10.3.1 Inductive Reflections on the Stakeholder Theoretical Framework
10.4 A Legitimacy Theoretical Framework
10.4.1 Inductive Reflections on the Legitimacy Theoretical Framework
10.5 Concluding Comments

11 Concluding Comments and Future Research Directions
11.1 Overview
11.2 Major Findings of Thesis
11.2.1 The Possibility of Reporting Non-Market Values of Environmental Impacts for the Case Study Organisation
11.2.2 Possible Reporting Approaches
11.2.3 The Strategic Important of Environmental Information
11.2.4 The Broader Role of Environmental Reporting Systems within Organisations and Society
11.3 Contribution of Thesis and Implications of Results
11.4 Possible Future Directions for Research

Reference List
Appendix One - Tables
Appendix Two – Figures
Appendix Three – Case Study Protocol and Supporting Documentation
ABSTRACT

This thesis considers the feasibility of incorporating financial estimates of the non-market values of environmental impacts from the forest management of public sector forest organisations into a financial environmental reporting system. Estimates of non-market values are possible using techniques from environmental and resource economics such as the contingent valuation method, the travel cost method and choice modelling experiments. Field research was used in the thesis, with an explanatory case study drawn from the Forest Policy and Sustainable Use section of the Department of Natural Resources in Queensland. Data were collected over a 15-month period from observation in the field, documentation and semi-structured interviews with 13 organisational managers and 14 external stakeholders drawn from conservation groups, the timber industry, local business interests, government agencies and the community. The systematic analytical protocol recommended by Miles and Huberman (1984) was used to analyse the data.

The thesis results provide insights into the reactions of organisational managers and stakeholders, their limited implementation experiences, reporting possibilities, the perceived impediments and potential motivating factors for reporting non-market values from forest management. A reporting paradox was identified from the manager analysis since the characteristics that led to the selection of the case study organisation - active external stakeholder groups, multiple operational objectives and highly visible environmental outcomes from resource management, were perceived by managers as impediments to reporting non-market values. However, in direct contradiction of managers' predictions, the majority of stakeholders were positive about reporting non-market values because of the associated potential for opportunistic use in furthering the interests of their own organisations.

The emerging theme of strategic use of non-market values by managers and stakeholders, prompted a post-script reflection against the major aspects of stakeholder theory and legitimacy theory. In terms of reporting possibilities, managers and stakeholders supported a triple bottom line approach incorporating non-market values of environmental impacts.