Corporate Community Engagement Strategies and Organizational Arrangements: A Multiple Case Study in Canada

Authors

Nolywé Delannon
Assistant Professor
Université Laval
nolywe.delannon@fsa.ulaval.ca

Emmanuel Raufflet (PhD)
Associate Professor
HEC Montréal
Management
emmanuel.raufflet@hec.ca

Sofiane Baba
PhD Candidate
HEC Montréal
sofiane.baba@hec.ca

All authors have contributed equally

Université Laval
Pavillon Palasis-Prince
2325, rue de la Terrasse
Québec (QC)
G1V 0A6 – Canada

HEC Montréal
3000 Chemin de la Côte-Ste-Catherine
Montréal (QC)
H3T 2A7 – Canada

Corresponding author: Nolywé Delannon
nolywe.delannon@fsa.ulaval.ca

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Abstract

There is a growing consensus among scholars and practitioners that corporate community relations matter, especially from a sustainability standpoint. While current research has focused on strategies of corporate community engagement per se, little is known about the interactions between organizational arrangements and community engagement strategies of companies. Through the empirical study of 17 companies that pose serious and direct environmental risks, this article underscores the importance of organizational arrangements, including human and financial resources, competencies, issue status, and measurement tools. This study contributes to the literature on corporate community relations both empirically and conceptually. First, it provides a detailed examination of the experience of managers directly involved in the day-to-day practice of engagement with local community. This detailed examination sheds light on the integrational strategy, an inherently transverse strategy of engagement. The integrational strategy complements other strategies previously theorized and opens new research avenues.

Keywords: community engagement strategy; corporate social responsibility; environmental risks; integrational strategy; organizational arrangements.

1. Introduction

Corporate community relations, defined here as the forms of engagement between companies and the local communities in which they operate, have become a salient issue for companies, governments, and civil society (Calvano, 2008; Imbun, 2007; Jenkins and Yakovleva, 2006). This phenomenon has been increasingly acknowledged by companies and business associations (ICMM, 2013), international financial institutions (World Bank, 2003, 2012), global consulting firms (Ernst & Young, 2012), and even banking institutions (Goldman Sachs, 2008). It is no surprise that research on corporate community relations has grown over the last decade. This stream of research presents community relations as crucial for organizations (Kapelus, 2002; Zandvliet and Anderson, 2009); yet little is known about how companies actually engage with the local community beyond anecdotal accounts from single case studies (Bowen et al., 2010).

This study contributes to filling this research gap by presenting the results of a qualitative research on 17 companies operating in the Canadian province of Quebec that are potentially exposed to risks of corporate community conflicts because of their environmentally harmful operations. The paper explores the links between companies' community engagement strategies and organizational arrangements. As such, this research relies on a multiple case study design rather than focusing on a single case or a few cases as most previous studies have (e.g., Banerjee, 2000; Kemp and Owen, 2013; Whiteman, 2004). More specifically, this article deepens the understanding of the organizational dimensions of community relations based on interviews conducted with managers directly involved in the day-to-day practice of corporate community relations. Such methodological framing complements Matos and Silvestre's (2013) illuminating research and is consistent with Egels-Zandén and Rosén's (2014) recent call for more attention to the work of practitioners, other than top management, around sustainability issues.

The contributions of this paper are twofold. First, this research underscores the importance of the organizational arrangements, to account for the strategies of community engagement adopted by companies. Such dimensions (human and financial resources, competencies, status, and measurement tools) allow us to go beyond the visible organizational practices and outcomes on

which most previous works rely, by paying particular attention to the less visible internal dimensions. These dimensions also allow us to distinguish between those companies that are implementing practices without a clear roadmap from those that are following a strategy. Second, this research builds on Bowen et al.'s (2010) systematic review of the literature to theorize a strategy of community engagement that has so far been overlooked—namely, an integrational strategy. The adoption of such a strategy demonstrates a company's ability to deliberately embrace flexibility by adapting to the variety of its local stakeholders' expectations.

The remainder of this paper is structured as follows. First, the literature on corporate community relations is reviewed. It is followed by a description of the research methods. Then, the findings are presented and the results are discussed. The last section highlights the scientific value of the research and provides concluding comments on the implications for researchers and practitioners.

2. Research on Corporate Community Engagement

The role of business in society is central to management research and practice (Margolis and Walsh, 2003; Hall, Lacey, Carr-Cornish and Dowd, 2015) and the debate on corporate social responsibility (CSR) has tended to dominate research on the business–society interface (Gond and Matten, 2007; Zhu and Zhang, 2015).Within the broader field of CSR, while corporate community relations have been depicted as one of the most traditional forms of business engagement with society (Muthuri et al., 2009) and despite growing interest from the practice side, scholars have granted relatively little attention to local communities as crucial stakeholders (Dunham et al., 2006; Freeman et al., 2007).

Research related to community relations conflicts and the associated risks and costs (Calvano, 2008; Davis and Franks, 2014) highlights the difficulties that businesses face when addressing this strategic issue. Given the increasing complexity of what communities expect from companies, research suggests that these issues are an enduring phenomenon (Hall et al., 2015). In a recent study, Davis and Franks (2014, p. 8) show that "most extractive companies do not

currently identify, understand and aggregate the full range of costs of conflict with local communities". They also argue that most companies still perceive corporate community issues as an external risk that can neither be prevented nor successfully managed. Indeed, while companies claim that community relations are core to business (Raufflet et al., 2013; Humphreys, 2001; Lacey and Lamont, 2014), Kemp and Owen (2013, p. 523) argue that companies, especially those operating in extractive industries, have "yet to integrate the community relations and development function as part of core business."

Furthermore, the existing literature on corporate community relations focuses little on the internal processes and competencies of companies, which prevents from having a clearer understanding of where, how and by whom community relations are managed within companies. Important and pressing questions about organizational arrangements remain unanswered: Who in the organization manages these issues? Are they managed as a specific organizational unit dedicated to community relations or rather integrated within all the units of a company? A second set of questions revolves around the salience of community relations within organizations: What is the level of recognition of their strategic importance? Are there specific financial resources allocated? Are there any measurement tools?

From a theoretical standpoint, research on corporate community relations has attracted increased attention (Batellier and Sauvé, 2011). But it has developed through two parallel avenues. The first one concerns the identification of typical forms of corporate community engagement (see Bowen et al., 2008, 2010). Researchers engaged in this area have built their work primarily on the well-established stakeholder approach (see Freeman, 1984) in which the local community appears as a crucial stakeholder (Bowen et al., 2010), especially for industries that pose high environmental risks, such as the extractive (Jenkins, 2004; Kapelus, 2002) and forestry (Ranängen and Zobel, 2014) industries. Research in this first area has developed without much integration. A convincing effort to integrate this research was recently undertaken by Bowen et al. (2010) and led to the identification of a continuum of three corporate community engagement strategies based on the intensity of their engagement with the community: transactional,

transitional, and transformational strategies. Bowen et al. (2010, p. 297) define strategies of engagement as "the pattern of activities implemented by firms to work collaboratively with and through groups of people to address issues affecting the social well-being of those people." The continuum is presented in Table 1. It is based on three ideal-types that were derived from a synthesis of the literature and that have limited empirical grounding. The contribution of this research is to empirically test and enrich this framework.

Insert Table 1 about here

The second research area examines the organizational arrangements that support corporate community relations (Kemp and Owen, 2013); it highlights the challenges companies face such as managing structures, elaborating strategies, and integrating the community relations function within their operations and value chain. Overall, organizational arrangements research aims to make the business case for "getting it right" with corporate community engagement (see Kapelus, 2002; Zandvliet and Anderson, 2009). It highlights that while there is a growing discourse that corporate–community relations are a strategic issue, they are yet to be incorporated into the core business (Kemp and Owen, 2013). Despite the value of these recent contributions, the field still has limited understanding of the actual organizational arrangements supporting the practices of community engagement, including internal resources, competencies, and measurement tools. These gaps and the lack of integration between the strategies of engagement and organizational arrangements literatures lead to the research questions driving this study: (1) What strategies do companies use to engage with the local community? and (2) What kind of organizational arrangements characterize the different corporate community engagement strategies?

3. Methods

3.1. Context of the Study

This paper is based on an extensive research project focusing on corporate community relations in 17 companies, most of them multinational. These companies operate in six industries—

energy, metal extraction and transformation, chemical/petrochemical, forestry, transportation, and environmental services— and have been chosen for their high potential impacts on the local community due to their safety, health, and environmental hazards (Table 2). Previous research shows that local community perceptions of risks generate serious challenges for companies in industries that pose high risks to the community and its environment (López-Navarro et al., 2013; Ranängen and Zobel, 2014).

In terms of research design, a multiple case study was conducted. Following Yin's (2003) precepts, the case study approach was chosen since the objective was to investigate a contemporary phenomenon using two main sources of evidence, namely systematic interviewing and archival data. The case study design was particularly relevant as the boundaries between the phenomenon of interest – i.e. corporate community engagement – and its context – companies that go through local community challenges due to their environmentally harmful operations – could not be easily drawn. The case study design allows to better reflect the richness and complexity of the contextual conditions investigated.

Insert Table 2 about here

3.2. Data Collection

The data were collected in the context of a larger research project based on a tripartite collaboration. The three partners include a consulting firm specialized in corporate community relations, the Quebec Business Council on the Environment (QBCE), and a research team from a business school in Quebec. Two of the authors of this paper were part of the project. The objective of the initial study was to map the corporate community relations practices of companies operating in Quebec. Access to these companies was facilitated by the QBCE, which identified about 40 companies among its members as the most engaged in the area of community relations. The research team relied on the QBCE to select the sample for the study that was consistent with Eisenhardt and Graebner's (2007) advice to carefully choose knowledgeable informants to increase the validity of the research. For the last two decades, the QBCE has been

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a prominent forum for companies from various industries willing to engage in sustainable practices. It gathers 225 business members and has therefore developed both a strong expertise and close ties with its members.

Out of the 40 companies that were contacted, 21 responded favorably and were investigated in the initial project. The present article is based on a smaller sample of 17 companies. The objective was to focus on those companies that, despite their differences in size and revenue, have significantly long and established operations in Quebec, Canada. Moreover, despite the reduction of the initial sample, it was possible to maintain the variety of industries represented in the original sample. Seventeen managers or corporate officers in charge of community relations were interviewed about their experience and day-to-day practice. The interviews were semi-structured to allow for the emergence of organizational specificities. The interviewees were asked a similar set of questions following an outline. The main idea was to let the interviewee describe, as freely as possible, his or her views on community relations management. The questions in the outline focused on the following: (1) the issue of corporate community relations in the organization, (2) current practices and processes (forms of engagement), and (3) current and future challenges. Most questions were open-ended; however, specific questions that directed the interviewees' attention to the key themes of community relations management were also included. Moreover, to allow for data triangulation, a second set of questions was based on archival data collected in public records. Interviews could not be recorded, but extensive notes were taken and complementary notes and memos were written within 72 hours of conducting the interview. Most interviews were conducted in French and some were conducted in English; the interviews lasted between 60 and 90 minutes.

3.3. Data Analysis
Data analysis was conducted independently for each company to achieve a fine-grained understanding of each specific organizational context, their processes and patterns. For each organization, a narrative was crafted in order to present the general portrait of their strategy of community engagement. Then the patterns of corporate community relations management

practices and issues were compared across all 17 cases. Throughout, the analysis tacked back and forth between the literature on corporate community relations and the collected data. This analysis made it possible to map current practices of corporate community relations from the perspective of the managers in charge of them. The analysis followed an inductive logic that began with an exploratory approach to the data collected, followed by an attempt to continuously structure the data to observe patterns in the phenomenon studied (Patton, 2002). In practice, this analysis proceeded through three stages.

In the first stage, the focus was placed on corporate community practices. This initial round of analysis based on the interview material was useful to map out the key themes that appeared in all 17 organizations' interviews, namely (1) strategies of engagement and (2) organizational arrangements. The second stage consisted of a detailed examination of organizational specificities: what differentiates one organization from another in terms of strategies and organizational arrangements? In the third stage, once preliminary understanding had been developed from the data on each firm, the analyses and induced general patterns were combined by comparing and contrasting the 17 firms.

4. Findings

The results showed that the challenges companies are confronted with in their attempt to engage with local community are manifold. What emerged clearly from the data is the importance of organizational arrangements to understand the strategies of community engagement used by companies. More specifically, while previous literature had treated these dimensions separately, the findings of this study highlighted the necessity to treat them as interrelated. Such a relation was particularly salient in the case of the two companies from the sample that use all the strategies of community engagement instead of just one, as further explained in the discussion section of the paper. Hence the findings were grouped into the two related categories: the strategy of community engagement, and the corresponding organizational arrangements utilized in the management of community relations. The first one relates to the following question: what is the overarching approach adopted and what practices do managers use to engage with local

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community? This category is built on Bowen et al.'s (2010) continuum of community engagement strategies. The results show that the practices chosen by most companies fall under the strategy that requires the lowest level engagement, i.e., the transactional strategy. The second area encompasses the organizational arrangements and was broken down into two dimensions: the internal structures (where and how are community relations managed within the company?) and the organizational tools crafted for measuring the impacts of community engagement efforts (how do managers and companies evaluate the results of their community relations initiatives?).

The following section presents in detail the strategies of community engagement found within the 17 companies studied and then links those strategies to their organizational arrangements, epitomized by internal structures and measurement tools. In so doing, the findings allow for an in-depth understanding of the organizational arrangements that support community engagement strategies. Bowen et al. (2010) included these organizational arrangements in their framework, but by treating them as mere antecedents of community engagement strategies, they overlooked the continuous influence they have on the strategy of engagement. The qualitative data collected in the present study show that the organizational arrangements are more than just a context that precedes the implementation of a strategy. The results presented below show the dynamic relation between the strategies of community engagement and the organizational arrangements that support them.

4.1. Mapping Strategies of Engagement

Strategies of engagement relate to how companies develop their relations with the community, on either a regular or an occasional basis. The literature has underlined the existence of a continuum of corporate community relations from transactional to transitional and then to transformational strategies of engagement (Bowen et al., 2010). This three-level typology emphasizes the increasing level of complexity from one strategy to another. The data gathered in this study confirm the relevance of such a typology as the practices adopted by the companies from the sample do fit the three categories. However, this study also highlights the shortcomings of such typology as it appears that those companies that demonstrate the finest understanding of

their local community do not limit themselves to the most advanced strategy of engagement (i.e., transformational) but rather adopt all three strategies in a complementary approach. This finding strongly demonstrates that instead of choosing a single strategy, as Bowen et al. (2010) implicitly suggest, companies that have a clear understanding of the expectations of their local community adopt a flexible stance by mobilizing all strategies depending on the stakeholders they engage with and the issue at stake.

4.1.1. Transactional Strategies: Information Sharing and Philanthropy
The data reveal that four companies adopt a transactional community engagement strategy. Transactional strategies of engagement are characterized by a minimal level of relations based on a "giving-back" ethos whose roots can be traced back to the earliest era of corporate social responsibility (Scherer et al., 2009). In this very traditional strategy of engagement, companies maintain shallow and occasional relations with the community; they are unilaterally decided by the company, and communication flows in one direction. According to Bowen et al. (2010), a transactional strategy of engagement typically includes philanthropy and information sessions. Companies adopting this strategy of engagement are generally reactive rather than proactive and do not perceive corporate community relations as being of strategic importance.

The most common practice of engagement (15 out of 17 companies) occurs through providing information to communities on the company's operations. Several managers explained that, more than anything else, communities expect to be informed about the company and its operations and consider this to be a right. For example, one respondent described how every year the community is invited to a presentation on the corporate operations of the previous year. According to the respondent, the presentation has become routinized over the years, to the extent that the community knows what to expect. He therefore inferred that the community is satisfied with the company's efforts to keep it informed. A manager from another company came to a similar conclusion:

> *We organized a focus group in order to get a reading of our community's perceptions. One of the conclusions of this exercise was that citizens are wary of ready-made analyses and want to form their own opinions; for this, they requested access to a maximum of*

> *information. Based on this observation, our organization launched a newsletter which publishes our actions to keep the community better informed.*

Overall, companies that provide information to the community consider it to be inescapable. Yet it is clear that this form of engagement can hardly yield results in terms of community empowerment.

The second most common practice (employed by 12 out of the 17 companies surveyed) falls under a transactional strategy and involves investing financial and human resources in philanthropy. These philanthropic practices include volunteer programs, made-to-measure services to the community, sustainable development funds, sponsoring of community events, and scholarships and merit prizes. For most companies examined, philanthropy is their primary connection with the community.

Apart from classic forms of philanthropy, five companies out of 17 invested in programs to develop the competencies of their employees so they could engage individually with the community. Among these, one program was highly distinctive, as the following testimony illustrates:

> *We put in place two programs to encourage employee volunteering. The first encouraged individual volunteering—every employee who volunteered 50 hours per year at the same organization would be rewarded with a $250 donation to that same organization. The second program was more ambitious and encouraged group volunteering; our employees could come together to provide several hours of voluntary work to an organization that would then receive a donation of $1500 to $3000. This program was an unexpected success.*

4.1.2. Transitional Strategies: Consulting the Community

Nine companies from the sample adopt a transitional community engagement strategy. Transitional strategies of engagement require more investment than the previous transactional strategy as they are built on a company's willingness to engage in a conversation with the community. Rather than merely donating resources or sharing information, a transitional strategy involves creating spaces where the community can express grievances and formulate demands.

Such a strategy is about "building bridges" between the company and the local community (Bowen et al., 2010).

When consulting the community, companies enter a two-way mode of communication in which the objective goes beyond mere information sharing with the community. More precisely, consulting fosters conditions that allow the community to express its expectations regarding the company's practices. The data showed that this practice is quite common, as companies try to elicit and understand local stakeholders' views and perceptions and more specifically what their expectations are. Managers consult with the community through several tools, including surveys, focus groups, public meetings, and for 15 out of 17 companies, corporate community committees. It is important to underscore that these committees vary significantly in their composition (diversity, representativeness), their resources (budget, visibility), and their mandates, which include mandates as diverse as following up on complaints, selecting beneficiaries of donations and sponsorships, or clarifying and managing community concerns.

Managers highlighted three common challenges associated with consultation committees. The first challenge involves continuity and longevity. Managers struggle with the lack of community interest in participating in local committees, which makes it difficult to recruit and retain members over time. The second challenge concerns achieving the right balance between representativeness and a functional committee. On the one hand, when the community perceives the committee to be representative of the diverse positions and sensitivities of its members, it is more willing to give the company some credit for engaging in an authentic consultation. On the other hand, gathering multiple voices makes it challenging for committees to move beyond antagonisms and actually formulate propositions that can change a company's practices. Yet the benefits of greater representativeness are discernable, according to one manager that was interviewed.

> *The community knows the members of our committee and uses them as intermediaries. For their part, committee members become associates, partners in the success of our company's projects. To our surprise, they defend us against the public and have become*

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our voice in the community. Therein lies the importance of being representative because it enables us to reach a broader cross-section of the community and take their pulse.

The third challenge concerns the allocation of corporate resources. The most common practice is to allocate no budget per se and simply decide, upon request, to validate certain expenses. In a few cases, companies grant a small budget that covers only operational costs, such as room reservations and food. With one exception, none of the committees had a budget to launch initiatives on their own, some managers even asserting that financial resources are not what committees need.

4.1.3. Transformational Strategies: Creating Corporate Community Joint Initiatives
The data show that four companies adopt a transformational community engagement strategy. Such a strategy is the most advanced form of engagement. It is based on a two-way flow of communication and a general understanding of both the company and the community as being knowledgeable actors that can contribute to joint initiatives. The transformational strategy requires much more time than the previous two and is based on building social capital (Bowen et al., 2010).

When launching joint initiatives with the community, companies enter into a dynamic relationship and agree to share control over the whole process of engagement. This was the case of the four companies that were identified as using a transformation strategy. Related practices include round tables, working groups, and partnerships. Such practices sometimes look similar to the committees described in the transitional strategy but have important distinctive features that make joint initiatives much less firm-centered. First, joint initiatives are typically open to a larger group of stakeholders than simply the company and the community. Second, and as a consequence of the former, joint initiatives focus on common issues that matter to the stakeholders rather than the company's practices themselves. Thus, joint initiatives are much less firm-centered than other forms of engagement.

Regarding the typical challenges of this strategy of engagement, managers agree that starting and implementing ongoing and in-depth initiatives on community issues are both uncertain and time-consuming. Managers seem aware that this strategy may offer several benefits, such as crafting innovative and mutually beneficial solutions to common problems. Yet its practice is often discarded as it requires a high initial investment in time and effort.

4.2. Mapping Organizational Arrangements

4.2.1. Organizational Arrangements Supporting Community Engagement

As previously underlined, one of the main lessons of this study is the identification of a strong link between strategies of community engagement and organizational arrangements. The following section presents in detail the diverse components of organizational arrangements that support the strategies of engagement. As a first observation, this study unveils the lack of internal expertise, a problem tackled by the use of external consultants when specific needs arise or crises occur. This is consistent with what Zandvliet and Anderson (2009) describe as the cycle of ineffectiveness in corporate community relations: the lack of consistency and investment in internal structures that guide corporate community engagement significantly hinders the establishment of constructive relations. The data shows that, overall, companies do not have the organizational arrangements propitious to the effective work of community relations managers (e.g., financial resources, training, guidance, or recognition).

Community Relations Managers and Non-Financial Resources

Only two out of 17 companies examined have created a full-time position dedicated to community relations. These two companies are among the four that were discussed earlier as engaged in a transformational strategy. Apart from these two, other companies delegate community relations tasks to a manager with other responsibilities. Interestingly, only three different profiles were identified for such managers that are non-specialized in community relations, with an equal distribution between them: environment and sustainable development specialists, communication and public relations officers, and plant managers. Thus, community relations are an "add-on activity" (Zandvliet and Anderson, 2009, p. 187). This reflects a

company's general perception that community engagement is not something that experts do but rather something any manager can ultimately deal with when circumstances call for it.

As regards non-financial resources, the data shows that a few companies offer some guidance to local managers in the form of *ad hoc* training and make available management tools. The typical tool is designed to develop stakeholder analyses. In most cases, this consists of creating stakeholder maps, which structure the collection of information about a company's interlocutors in the community (profiles, preoccupations, positions on the company's projects, connections with other stakeholders, and overall salience in terms of Mitchell et al.'s (1997) model). One company engaged in a transformational strategy mentioned the use of a dynamic information technology tool to map the evolution of local community through time. The manager described this as follows:

> *Our company requires all its factories to build a database using Google maps highlighting the characteristics of the surrounding community. This enables us to visualize the location of critical zones having specific issues. For example, we can see from which area we have received multiple complaints and try to determine the cause in order to fix it.*

Last, some companies adopt tools that aim to go beyond the goals of instrumental stakeholder analysis by proposing an analysis of the community as a whole. For example, one company engaged in a transitional strategy asked each of its factories to conduct a baseline study to understand the needs and concerns of the community and later develop a community engagement plan.

4.2.2. Organizational Measurement Tools

In the case of social issues in management, measurement is a considerable challenge (Rowe et al., 2013). While Bowen et al. (2010) underscore the importance of measuring the impacts of community engagement, Porter and Kramer (2006, 2011) described it as a priority to ensure the very legitimacy of strategic engagement with the community. The findings clearly show that

companies are still practicing *bricolage* when it comes to measuring the impacts of their community relation practices.

Despite the diversity of strategies of community engagement, most managers strongly agree that they struggle to measure the effects of their efforts. None of the companies examined uses tools specifically designed to measure the consequences of corporate initiatives. Only one company stood out by engaging in a formal evaluation process as part of an internal reflection on how to increase recognition from its host community. 8 companies engaged in transitional or transformational strategies tried to tackle this problem by using different practices to get a sense of how they are perceived in the community. Such practices consist in measuring community satisfaction through opinion polls or following-up on questions and concerns raised by the community.

4.3. Toward an Integrational Strategy of Community Engagement?
When grouping the 17 companies on the basis of their strategy of engagement, the research team came across the challenge of classifying two of them. These two companies were clearly engaged in practices belonging to the transformational strategy as described by Bowen et al. (2010), namely joint initiatives that allow for shared control over the process of engagement. Yet they also engaged consistently in practices that were typical of transactional and transitional strategies, such as charitable donations, stakeholder dialogues and public consultations. The initial understanding was that those two companies were still in the process of defining their overarching strategy, as the simultaneous use of practices belonging to distinct strategies of engagement was projecting a sense of confusion. Yet there was a need for more thorough understanding of these results, since the two companies were also those that had invested in dedicated human resources. The data was then analyzed in more depth in search for explanations for these unexpected results. By rereading the narratives and returning to the raw data of these two cases, it became clearer that these companies were deliberately engaging simultaneously in a variety of practices associated with the transactional, transitional, and transformational strategies of engagement within the same community. For example, interview notes revealed that

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informants from these two companies had highlighted that integrating a diverse set of practices resulted from a deliberate effort to understand the diverse expectations and needs of the various community groups; these companies were then deliberately embracing flexibility. Because of the effort of integration of various practices related to more than one ideal-typical strategy, their strategy was characterized as integrational.

5. Discussion

This research builds on Bowen et al. (2010) framework by highlighting the organizational arrangements that support corporate community relations. In particular, this study shows that a transverse dimension needs be added to Bowen et al.'s (2010) continuum of community engagement strategies: the integrational strategy. The analysis undertaken strongly suggests that when adopting an integrational strategy, companies understand the necessity to deliberately embrace flexibility toward the community by mobilizing a mix of strategies over time and across stakeholder groups (Table 3).

Insert Table 3 about here

5.1. The Integrational Strategy of Community Engagement

The findings presented highlight the existence of two main categories of companies. First, there is the vast majority (13 out of 17) that does not seem to know precisely how to manage their community relations and adopts the most common practices used by their competitors or by other firms in similar industries. These companies, which adopt a transactional (four out of 13) or transitional strategy (nine out of 13), have no specific human or financial resources dedicated to their community relations, and for them the safest path to follow appears to be mimetic isomorphism (DiMaggio and Powell, 1983), i.e., adopting the same practices as if they were following a recipe. This is particularly striking in the case of local committees composed of representatives from the company and the community. Such committees were created by 15 of the 17 companies studied, making it the single most common practice. Yet when examined in detail, one finds that most companies barely know how to create the conditions for the

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attractiveness of such committees (e.g., community presence or the capacity to carry out specific projects and to prevent crises).

The second group of companies (four out of 17) is the one that actually demonstrates a clearer understanding of the expectations of the local community and leans toward the transformational strategy. To achieve this understanding, these companies have dedicated specific, albeit sometimes marginal, organizational resources to support their community engagement. Within this second group of companies, two organizations had very advanced practices and seemed to integrate the entire range of strategies theorized by Bowen et al. (2010). These two companies stand out from the rest of the group by adopting what we characterize as an integrational strategy of engagement, i.e., by mobilizing practices from all three ideal-typical strategies: transactional, transitional, and transformational.

Another feature of these companies is that they rely on the knowledge acquired by their dedicated managers to tailor their engagement strategy to their audience and to the issues at hand and engage locally in a variety of ways with different stakeholder groups. More specifically, while some local groups demand empowerment and recognition of their ability to engage in joint projects typical of a transformational strategy, others only expect donations to fund circumscribed projects typical of a transactional strategy.

Based on these observations, the main argument of this study is that companies engaged in an integrational strategy mobilize a set of practices that belong to more than one strategy of engagement. These companies mobilize a diverse set of practices based on their sensitivity to adapt to the diversity of expectations from local community groups. They then develop organizational arrangements that continuously support these diverse practices; the two companies identified also had significant and sustained financial and human resources along with internal competencies to manage these relations with the local community; these two companies considered community relations as strategic. In all, integrational strategy differs from the three ideal-typical strategies of engagement identified from the literature (Bowen et al., 2010) to the

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extent that it mobilizes diverse practices typically associated with different strategies of engagement.

5.2. Organizational Arrangements Supporting the Integrational Strategy

As mentioned above, the data analysis revealed that the integrational strategy of engagement allows companies to integrate all three strategies described by Bowen et al. (2010). The integrational strategy requires much effort to understand the diversity of community groups and their respective demands in order to deliberately embrace flexibility. Beyond the simple practices on which Bowen et al. (2010) rely to distinguish the three community engagement strategies, the study shows that it is important to pay particular attention to organizational arrangements. In fact, Bowen et al.'s (2010) model relies specifically on the observation of organizational practices and outcomes. The study contributes to their model by taking into account five additional internal dimensions: (1) financial resources, (2) human resources, (3) competencies, (4) status, and (5) measurement tools.

First, financial resources range from no dedicated resources in the transactional engagement strategy to dedicated and significant resources in the transformation strategy. In addition, financial resources are tenuous in the transitional engagement strategy and dedicated but marginal in the transformational strategy. Second, human resources similarly range from non-dedicated (transactional engagement strategy) to dedicated and significant (transformational strategy). However, they are non-dedicated and significantly supported by external resources, such as consultants, in the transitional strategy and dedicated although partially supported by external resources in the transformational strategy. Third, competencies are nonspecific for the transactional strategy, i.e. a diverse set of managers within the company are called on to handle issues related to community relations (e.g., the head of a plant is in charge of local complaints). On the contrary, competencies are specific and generate synergies for the integrational strategy to the extent that there really are human resources personnel who are trained and specialized in complementary expertise (e.g., corporate social investment, mediation). Companies engaged in the transitional engagement strategy mostly rely on scattered competencies that exist across

organizations but are not coordinated around community relations. For transformational strategy, competencies are specific, meaning there are specialized managers dealing with community relations issues. Fourth, status refers to the importance that senior management accords to community relations. When engaged in a transactional strategy, community relations are mostly perceived as a marginal issue, while companies engaged in the integrational strategy perceive community relations to be a strategic concern. In addition, the status of community relations is discretionary within companies engaged in transitional strategies and salient for companies engaged in the transformational engagement strategy. Fifth, companies engaged in a transactional strategy of engagement do not develop measurement tools, whereas those engaged in transitional and transformational engagement strategies rely on approximate measurement tools, such as surveys. Companies adopting an integrational strategy develop more sophisticated practices in an effort to achieve accuracy and reliability.

6. Conclusion

This article extends and refines Bowen et al.'s (2010) theoretically-derived model of corporate community strategies of engagement. It relied on empirical data to argue that some companies adopt an integrational strategy with the local community by engaging in practices belonging to all three ideal-typical strategies proposed by Bowen and colleagues. In line with the initial model that focused on practices per se rather than the motivations of companies engaging with the local community, the construct of integrational strategy developed here does not account for the objectives sought by companies. Mapping such objectives would have required adding specific dimensions in the interviewing process that fall outside the scope of the study undertaken. Yet it is an important aspect that deserves some clarification, especially since the study shows that the integrational strategy is characterized, among other things, by the deliberate adoption of a set of practices belonging to the combination of transactional, transitional, and transformational strategies. Such a deliberate choice then makes the question of the results sought particularly legitimate. In response, the study proposes that deliberate adoption does not refer to the motivations of companies but rather to the effort consciously made to integrate a set of practices with the understanding that the local community is not a monolith.

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In the process of clarifying the construct of integrational strategy, a descriptive stance was deliberately taken, one that consists of mapping and explaining what companies actually do. Although companies that adopt the integrational strategy—as any of the other three strategies—are certainly concerned with their bottom line, the research design was not conceived to allow for the investigation of companies' motivations. This research was not conceived to either discuss the link between the strategy adopted by companies and their financial performance (instrumental stance) or to say what ought to be in terms of strategy of engagement with the local community (normative stance).

The main limitation of the study concerns the research design. While it allowed to gain insight into the experience of the very actors that are responsible for implementing the community engagement strategy, it led to reliance on a single informant as well as on publicly available information for each company. Consequently, it cannot be claimed that the results represent the views of the companies per se. Future research in this area, especially from a methodological perspective, could be based on multiple informants for each company as well as from concerned communities. A second limitation of this research is related to the local level of analysis that was chosen. Such a choice is consistent with recent literature highlighting the persistence of locality in organizational phenomena despite the effects of globalization (Marquis and Battilana, 2009). Yet it is important to stress that the environmental threats are not only local but increasingly global (e.g. greenhouse gas emissions) and thus community engagement strategies may increasingly appear as an insufficient response to prevailing unsustainability.

6.1. Implications for Research

There is an increasing consensus among practitioners, business associations, international financial institutions, and consultants that community engagement matters, especially in capital intensive and natural resource-based industries; however, little is known about how companies can implement sustainable corporate community relations. This study has specifically focused on this point by linking the strategies of community engagement to the organizational arrangements

that support them. The scientific value of this article is empirical and theoretical. On an empirical level, it provides an in-depth examination of the experience of actors on the frontline of corporate community engagement practices. On a theoretical level, this article highlights the distinctive value of a transverse strategy of community engagement, namely an integrational strategy, enriching Bowen et al.'s (2010) model. This transverse element brings in a dynamic dimension to the model by showing how companies that deliberately embrace flexibility in their strategy of engagement perceive much more positively their relations with the community than those that focus on a single strategy. The results of this study could be transferred to other settings or industries that face similar environmental issues.

Further empirical research could target a larger sample of companies that adopt an integrational strategy and examine how they can be compared and contrasted. At the same time, it would be interesting to test these results in other geographic contexts to assess the importance of organizational arrangements to the adoption of a strategy of engagement with the community. This would allow for a better understanding of the distinctive features that lead such companies to adopt an integrational strategy. Furthermore, in relation to Kemp and Owen's (2013) recent criticism of companies neglecting the integration of corporate community relations in their value chain, it would be appropriate for future research to address this issue. For instance, this research shows that some companies, despite a clear strategy, do not allocate the necessary resources, thus preventing them from realizing the full potential of their strategy. In particular, it would be enlightening to compare the variables of strategy and structure and examine how organizational behavior in corporate community relations is shaped by either strategy or structure or both.

Another implication for research relates to the outcomes of the strategies described. While the strategies were analyzed and discussed from the organizations' perspective, no data was collected on the consequences of those strategies for the local community. Yet the exploitation of natural resources has often had negative effects on the local community, such as destruction of their natural habitat and their culture (Bruijn and Whiteman, 2010; Lertzman and Vredenburg, 2005; Murphy and Arenas, 2010).

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6.2. Contribution for Practitioners and Policymakers

The findings of this study suggest that most companies are still in the early stages of organizational learning about corporate community relations. This study allowed for the identification of three main areas for in-depth examination of corporate community relations.

First, community relations are not yet considered a strategic issue. Many companies separate technical and financial questions from those of community relations, perceiving technical issues as investments and the management of community relations as an expense. Yet, the management of community relations involves developing "intelligence" on the surrounding environment, including an ability to read this environment, anticipate its future needs, and to maintain ongoing relations and a presence within the community. This requires greater involvement from managers, the formulation of clear objectives, and the allocation of sufficient resources to achieve these objectives and evaluate the outcomes.

Second, management of community relations requires specific competencies. As this study illustrates, the majority of companies delegate the management of community relations to managers who are already providing other specialized functions—in communications and public relations, environment and sustainability, or management of operations. Community relations are an add-on task to existing job descriptions. This is a major drawback for the improvement of these practices as these managers have no incentive to innovate and improve their practices because their performance is evaluated on the basis of their primary responsibilities (e.g., communications/public relations). Furthermore, considering these managers' lack of specific community relations competencies for addressing these questions, on-the-fly learning seems to be the rule rather than systematic and long-term development of corporate community relations expertise.

Third, while various tools have recently been developed to measure efforts and investments in community relations (see: fvtool.com for the extractive industry), the study shows that managers generally do not measure their efforts and investments. The overall lack of clarity on the tools

and scope of measurement makes it very difficult for managers to prioritize community relations: they are not able to convincingly demonstrate its benefits for the organization.

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Appendices

Table 1

The three community engagement strategies of Bowen et al.

	Transactional engagement	Transitional engagement	Transformational engagement
Corporate stance	Community investment "Giving back"	Community involvement "Building bridges"	Community integration "Changing society"
Illustrative tactics	Charitable donations Building local infrastructure Employee volunteering Information sessions	Stakeholder dialogues Public consultations Town hall meetings Cause-related marketing	Joint project management Joint decision making Co-ownership
Communication	One-way: firm-to community	Two-way: more firm-to-community than community-to-firm	Two-way: Community-to-firm as much as firm-to-community
Number of community partners	Many	Many	Few
Frequency of interaction	Occasional	Repeated	Frequent

Source: Bowen et al., 2010, p. 305 (partial reproduction).

Table 2

Overview of the firms studied

Company	Industry	Revenue (2013)	Employees
Alcoa Canada Primary Products	Metal extraction and transformation	$23 billion	60 000
Canadian National	Transportation	$10.575 billion	22 000
Canadian Pacific	Transportation	$6.1 billion	15 000
Vopak	Transportation	$1.322 billion	6 000
Cascades	Forestry	$3.849 billion	12 000
CEPSA Química	Chemical/petrochemical	$18.31 billion[1]	11 000
Domtar	Forestry	$5.4 billion	11 000
Dow Chemical	Chemical/petrochemical	$57.080 billion	54 000
Akzo Nobel	Chemical/petrochemical	$19.98 billion[2]	50 000
GazMétro	Energy	$2.217 billion	1 300
Holcim	Metal extraction and transformation	$22.100 billion[3]	71 000
Graymont	Metal extraction and transformation	$100 million	1 400
Lafarge	Metal extraction and transformation	$20.669 billion[4]	64 000
Osisko	Metal extraction and transformation	$675 million	450
Rio Tinto	Metal extraction and transformation	$12.463 billion	60 000
Waste Management	Environmental services	$14 billion	40 000
GlencoreXStrata	Metal extraction and transformation	$232.674 billion	190 000

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[1] 13.365 billion euro

[2] 14.59 billion euro

[3] 19 719 million CHF

[4] 15.198 billion euro

Table 3

The four engagement strategies and corresponding organizational arrangements

		Transactional engagement	Transitional engagement	Transformational engagement	Integrational engagement
	Companies	4	9	2	2
Engagement Strategies	**Corporate stance**	Community investment "Giving back"	Community involvement "Building bridges"	Community integration "Changing society"	Community permeation "Deliberately embracing flexibility"
	Illustrative practices	Charitable donations Building local infrastructure Employee volunteering Information sessions	Stakeholder dialogues Public consultations Town hall meetings Cause-related marketing	Joint project management Joint decision making Co-ownership	Mix of all tactics
	Communication	One-way: firm-to community	Two-way: more firm-to-community than community-to-firm	Two-way: Community-to-firm as much as firm-to-community	Dominant two way
	Number of community partners	Many	Many	Few	Dominant many
	Frequency of interaction	Occasional	Repeated	Frequent	Dominant frequent
	Benefits and outcomes	Distinct	Distinct	Joint	Joint
Organizational Arrangements	**Financial resources**	No dedicated resources	Tenuous	Dedicated but marginal	Dedicated and significant
	Human resources	Non-dedicated	Non dedicated and significantly supported by external resources	Dedicated and partially supported by external resources	Dedicated and significant
	Competencies	Non-specific	Scattered	Specific	Specific generating synergies
	Status	Marginal	Discretionary	Salient	Strategic
	Measurement tools	Nonexistent	Approximate	Approximate	Heading toward accuracy and reliability

Source: Adapted from Bowen et al., 2010

Note: The first three columns in the section on corporate community relations directly build on Bowen et al. 2010. The fourth column as well as the lower part of the table on Organizational Arrangements are the authors' contribution.