STAKEHOLDER RELATIONSHIP MANAGEMENT AND THE PERCEPTION OF TRUST – A CASE STUDY OF A SALIENT STAKEHOLDER

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requirements for the degree of
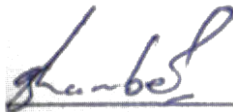
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by

CRAIG BRIAN CHAMBERS

Supervised by: Professor Noel James Pearse

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DECLARATION

I, Craig Brian Chambers, hereby declare that the work contained in this dissertation is my original work and has not previously in its entirety or in part been submitted at any university for a degree.

20 July 2022

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ABSTRACT

Trust is an essential aspect in developing meaningful relationships between firms and their stakeholders. Mayer, Davis and Schoorman (1995, p.709) define trust as "the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other party will perform a particular action important to the trustor irrespective of the ability to monitor or control that other party". This study took the form of an explanatory case study that focussed on an interaction between a firm and a salient stakeholder and attempted to explain how this interaction influenced the perceived trustworthiness of the firm in stakeholders that were observing the interaction. The study attempted to add to the work of Crane (2020), whose research had focussed on stakeholder connectedness, and specifically how this could be utilized by firms interacting with stakeholders to engender trust in a wider group of stakeholders.

The research aimed to evaluate how the Sterile Insect Release programme, operating by the firm in the Sunday's River Valley, was given a second chance through engagement with a salient stakeholder and how the interaction was observed by a wider group of stakeholders leading to perceived stakeholder trustworthiness and social capital. The study had five objectives, namely to; (1) analyse how a firm's ability, benevolence, and integrity enables (or does not engender) the development of the firm's trustworthiness amongst its stakeholders; (2) analyse how the firm's engagement with a salient stakeholder enables (or does not engender) increased levels of trustworthiness in the firm by the stakeholders that are observing its interaction with a salient stakeholder; (3) analyse the benefits of social capital gained through increased levels of stakeholder trust; (4) identify good practice guidelines for firm engagement with salient stakeholders to ensure the correct cues are portrayed to observing stakeholders for the development of the trustworthiness of the firm; and (5) make recommendations related to management practices that will support the development of trust.

The research adopted a qualitative approach and data were collected through semi-structured interviews with three groups of stakeholders that were present at the meeting. A review of the literature was undertaken to identify various propositions for the research and from which a theory-driven coding memo was developed. The derived propositions were as follows: (1) observing a firm's engagement with a single salient stakeholder will provide cues to observing stakeholders about the trustworthiness of the firm, and (2) perceptions of a firm's trustworthiness will result in increased social capital between the firm and its stakeholders. The first proposition was divided into three sub-propositions for the study which stated; (a) observing a firm's engagement with a single salient stakeholder will provide cues to observing stakeholders about the ability of the firm; (b) observing a firm's engagement with a single salient stakeholder will provide cues to observing stakeholders about the benevolence of the firm; and (c) observing a firm's engagement with a single salient stakeholder will provide cues to observing stakeholders about the integrity of the firm. From the literature analysis, various themes were identified which include, observed interactions, ability, benevolence, integrity, trustworthiness, and increased social capital.

The research findings confirmed the propositions as being relevant to the case study. The findings confirmed that ability, benevolence, and integrity are key attributes in portraying trustworthiness when interacting with a salient stakeholder. All three attributes were noted by the interviewees as being important to observing stakeholders in the development of trust in a firm, although ability and integrity were found to be the dominant attributes in this case study. The findings did present some evidence that an increased level of perceived trustworthiness in the firm did positively influence the levels of social capital, however, this was not a common theme among all the interviewees.

In the light of these findings, it is recommended that firms utilize stakeholder models to identify salient stakeholders that are influential within the markets in which they operate. The firm should actively pursue a strong relationship with these stakeholders, and further attempt to generate opportunities to interact with these stakeholders in a public forum where stakeholder connectedness could be utilized to develop perceived trust in the wider group of stakeholders. The firm should focus on open, honest, and

transparent communication which are key aspects for portraying the attributes of ability, benevolence, and integrity.

The study addresses a gap in the trust literature at a stakeholder level and therefore has contributed to the trust literature by addressing how the connectedness between stakeholders can lead to trust in a wider group of stakeholders by increasing efficiency during these interactions and utilizing situational circumstances to build social capital.

ACKNOWLEDGMENTS

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CHAPTER 1. THESIS OVERVIEW

1.1 INTRODUCTION

Trust is thought to be an essential component in the promotion of cooperative behaviour between organizational stakeholders and, as a result, enables the strengthening of relationships between a firm and its stakeholders. The research was set in the context of stakeholder relationship management and analysed the interactions between a firm and several salient stakeholders, and in doing so investigated how these interactions, observed by a wider group of stakeholders, led to the development of perceived stakeholder trustworthiness, and increased social capital. The research addresses the question: how important are a firm's interactions with salient stakeholders in the development of perceived trust and increased social capital in a wider group of stakeholders?

1.2 BACKGROUND

This case study research focuses on a firm and its interactions with various salient stakeholders and how these interactions, observed by a wider group of stakeholders, did or did not lead to increased levels of trust and social capital in the firm. The focal firm, XSIT Pty Ltd, within the case study supplies irradiated moths to the Eastern, Western, and Northern Cape provinces of South Africa as part of a sterile insect release programme. The programme targets the false codling moth (*Thaumatotibia leucotreta*), which is a phytosanitary pest causing devastating losses in the citrus industry if not effectively controlled. Therefore, the programme is considered a key control measure in keeping lucrative international markets open to the South African citrus growers.

The 2016 citrus season proved to be a high pest pressure year, which was coupled with inconsistent delivery by the firm which negatively impacted targeted releases of the sterile moths within the Sundays River Valley. This led to increased levels of concern by stakeholders over the effectiveness of the programme and the citrus growers expressing discontent regarding the firm's performance. The perceived loss

of trust in the firm culminated in a meeting being held in July 2017. The aim of the meeting was for the XSIT senior management to publicly address the stakeholder concerns. This would provide a platform for the interaction between members of the firm's executive committee and various stakeholders in the citrus industry. It is this interaction, and the subsequent salient stakeholder interactions, that were the focus of this study.

The goal of the firm's executive committee, in requesting the meeting, was not only to address stakeholder concerns but also to discuss the company's strategic intentions in an attempt to restore trust in the firm. During the meeting, there was an interaction between the firm and a salient stakeholder which culminated in the stakeholder advocating for the pest control technology and publicly giving their commitment to the programme. The interaction at the meeting and associated follow-up interactions that occurred with various salient stakeholder groups led to the firm being given a 'second' chance with several stipulations being enforced by the stakeholders.

In Crane's (2020) paper he posited that secondary stakeholders may perceive a firm to be trustworthy through their observations of the firm's interactions with a salient stakeholder. Within his model, the perception of a firm's ability, benevolence, and integrity in the interaction are key elements to building perceived trust in a firm. The study aims to build on this model and further investigate whether perceived trust can lead to an increase in social capital.

1.3 KEY CONCEPTS

The research focuses on stakeholder relationship management and investigates ability, benevolence, and integrity as antecedents of stakeholder trust which may or may not lead to increased social capital. Against this backdrop the following key concepts were identified for the study and are listed, along with the accepted definitions below:

The term *stakeholder* within the literature has significant breadth and can be defined within the context of different scopes. The study adopts the definition of Freeman

(1984, p.46) which states that a stakeholder is "any group or individual who can affect or is affected by the achievement of an organization's objectives". The term salient is defined as something or someone that is most noticeable or important (Cambridge Dictionary, 2022a). Mitchell, Agle and Wood (1997, p.854) define salience as "the degree to which managers give priority to competing stakeholder claims". Therefore, salience is a subjective ranking of stakeholders based on their strategic importance to the firm.

Trust is defined by Mayer, Davis and Schoorman (1995, p.709) as "the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other party will perform a particular action important to the trustor irrespective of the ability to monitor or control that other party". *Trustworthiness* is defined as "the evaluative appraisal that an individual is worthy of trust", which mean that trustworthiness is associated with moral behaviour, honesty, and the ability to be relied upon (Brenkert, 1998, p.300). The study acknowledges ability, benevolence, and integrity as the three main components of trustworthiness and as antecedents in the development of trust (Mayer Davis and Schoorman, 1995).

Ability is defined as "that group of skills, competencies, and characteristics that enable a party to have influence within some specific domain" (Mayer, Davis and Schoorman,1995, p.717).

Benevolence is defined in an organizational context as the belief that the organization wishes the stakeholder well and that the stakeholder's needs are as important as the firm's profit motives (Mayer, Davis and Schoorman, 1995).

Integrity is defined as the degree to which one adheres to a set of principles that are considered acceptable (Mayer, Davis and Schoorman, 1995).

The concept of social capital revolves around the advantages which may be created through actual and potential resources embedded in social relationships (Leana and Pil, 2006; Cots, 2011). Cots (2011, p.334) defines stakeholder *social capital* "as the goodwill that arises from the pattern of social relations (multiplex and dense) between

the firm and its stakeholders realized through members' meta-purpose and shared trust that contributes to the common good of both the stakeholder network and the society". The cognitive or meta-purpose dimension of stakeholder social capital refers to the degree to which the stakeholders share a common perspective or understanding with the firm (Cots, 2011).

1.4 METHODOLOGY

This study will adopt a post-positivist approach (Ryan, 2006). An explanatory case study research method will be used to examine how the treatment of a salient stakeholder or group of salient stakeholders could lead to the development of trust in a wider group of observing stakeholders. This will be undertaken through an analysis of interview data regarding both the events of a citrus grower meeting held in the Sunday's River Valley in the Eastern Cape in July 2017 as well as the stakeholder's perception of trust developed through observations of the firm's engagement with one or more salient stakeholders, both at the meeting and thereafter.

Data collection was conducted through semi-structured interviews. The interviews were conducted with three members of the executive management from the focal firm who was present at the meeting, two senior agronomists from the Sunday's River Citrus Company, and six citrus growers from the Sunday's River Valley in the Eastern Cape who may or may not have been present that the meeting. The purpose of the interviews is to explore how the firm's engagement with salient stakeholders and their confirmation of trust in the company, led to increased levels of trust in the observing stakeholders and a continuation of the company's business within the Sunday's River Valley. The data analysis technique adopted within the research was deductive thematic analysis as described by Pearse (2019).

A review of the literature was undertaken to identify various propositions for the research and from which a theory-driven coding memo was developed. From the literature analysis, various themes were identified which include, observed

interactions, ability, benevolence, integrity, trustworthiness, and increased social capital.

1.5 JUSTIFICATION FOR THE STUDY

Stakeholder relationships can be complex to analyse and even more difficult to manage. Various authors have prescribed solutions to managing these interactions and relationships. Mitchell, Agile and Wood (1997) suggested prioritizing stakeholders according to their power and legitimacy of demands as this would aid in separating legitimate stakeholders from non-stakeholders. Crane (2020) suggested that stakeholders should not be categorized, prioritized, or traded off one against the other, but rather a different perspective should be explored. This research aims to build on Crane's (2020) view of connectedness amongst stakeholders and how this can have an impact on increased trust across the stakeholder system. If the assumption is that actions of a focal firm towards a stakeholder might have implications for other stakeholders, then it is within the firm's interest to understand and harness these actions to either further enhance their perceived trustworthiness or use them in trust-building.

Within stakeholder theory, there is a plethora of information regarding the analysis and management of stakeholder relationships. Trust is considered to be a key attribute in allowing a firm to develop productive relationships with its stakeholders (Fukuyama, 1995). The trust that is developed between a firm and its stakeholders is likely to develop into a source of competitive advantage that the firm can leverage to obtain support and resources (Barney and Hansen, 1994). There are several conditions that lead to trust in an interaction. These have been considered by various authors within the literature, ranging from a single characteristic to the requirement of multiple characteristics for the development of trust (Butler, 1991; Mayer, Davis and Schoorman, 1995; Ridings, Gefen and Arinze, 2002). From a review of the literature, three characteristics are prominently proposed as key factors driving the trustworthiness perceptions of a trustee. These three characteristics include ability, benevolence, and integrity (Mayer, Davis and Schoorman, 1995). Therefore, trustworthiness perceptions can be formed through observations when firms engage with stakeholders in a manner that portrays these attributes. To manage vulnerability

within the trust relationship, stakeholders may search for cues or signs to obtain a level of certainty or security before associating themselves with a firm (Crane, 2020). Therefore, a firm's actions towards a stakeholder can provide signals regarding a firm's trustworthiness, influencing the quality of the relationship the firm has with other stakeholders (Ferrin and Dirks, 2003; Crane, 2020). Trust can promote cooperative behaviour between organizational stakeholders which enables the strengthening of relationships between a firm and its stakeholders, leading to a form of competitive advantage (Barney and Hansen, 1994). Therefore, trust is considered an important factor enabling the success of an organisation (Pirson, Martin and Parmar, 2017). Crane (2020) confirms that ability, benevolence, and integrity are trust-building actions through the trustor's perceptions of the trustworthiness of the trustee, however, current arguments in the stakeholder trust literature have continued to explore the idea of different dimensions of trustworthiness and the acknowledged importance of these to some stakeholders in the development of trust. Therefore, the more the stakeholder believes that the organization will fulfil their commitments to the relationship, either through the development of perceived trustworthiness by the firm's displaying characteristics of ability, benevolence, integrity, or other attributes, the more likely there is to be a satisfactory level of trust within the relationship.

When stakeholders exhibit increased levels of trust towards the focal firm it can lead to increased social capital. Social capital theory has received attention as an avenue through which to understand the value creation process within a firm (Son, Kocabasoglu-Hillmer and Roden, 2016). Various authors have investigated the performance implications of social capital and identified positive links between the two (Lawson, Tyler and Cousins, 2008; Carey, Lawson and Krause, 2011).

This case study aims to focus on how at an organizational level, a firm's actions towards a salient stakeholder can influence the perception of trustworthiness of observing stakeholders. Therefore, stakeholders that observe an interaction between a focal firm and a s single salient stakeholder may extract information regarding the firm's ability, benevolence, and integrity that may or may not lead to the perception of the trustworthiness of the firm. Consequently, the study aims to investigate the following propositions: (1) Firm engagement with a single salient stakeholder will

provide cues that may influence the perceived trustworthiness of a firm to observing stakeholders. (2) A firm that shows its ability towards a salient stakeholder engenders increased levels of trustworthiness in the firm by a stakeholder that observes its actions. (3) A firm that shows benevolence towards a salient stakeholder engenders increased levels of trustworthiness in the firm by a stakeholder that observes the firm's actions. (4) A firm that shows integrity towards a salient stakeholder engenders increased levels of trustworthiness in the firm by a stakeholder that observes the firm's actions. (5) Increased levels of trustworthiness of a firm that arises from a stakeholder observing a firm-stakeholder interaction, will result in the increased social capital of the firm.

1.6 RESEARCH GOALS

The research aimed to evaluate how the Sterile Insect Release programme, operating by the firm in the Sunday's River Valley, was given a second chance through engagement with a salient stakeholder and how the interaction was observed by a wider group of stakeholders leading to perceived stakeholder trustworthiness and social capital. The objectives of the study included the following:

- To analyse how a firm's ability, benevolence, and integrity enable or do not engender the development of a firm's trustworthiness amongst its stakeholders.
- To analyse how the firm's engagement with a salient stakeholder enables or does not engender increased levels of trustworthiness in the firm by the stakeholders that are observing its interaction with a salient stakeholder.
- To analyse the benefits of social capital gained through increased levels of stakeholder trust.
- To identify good practice guidelines for firm engagement with salient stakeholders to ensure the correct cues are portrayed to observing stakeholders for the development of the trustworthiness of the firm.
- To make recommendations related to management practices that will support the development of trust.

1.7 SIGNIFICANCE OF THE STUDY

The study aims to provide insight as to how a firm's interactions with a salient stakeholder can influence observing stakeholders' perception of the firm's trustworthiness. The results of the study are important for the firm as it may or may not provide them with the knowledge, they require to improve their interactions to ensure they build stakeholder trust and increase their social capital within the various markets they supply. The study suggests that, from a management perspective, purposeful actions can be leveraged by the firm to magnify its perceived trustworthiness. This could have a significant impact on firms that have limited or finite resources. The research hopes to provide managers with evidence that acting with ability, benevolence, and integrity when dealing with stakeholders can lead to perceived trust in the firm from observing stakeholders.

The study also addresses a gap in the trust literature at a stakeholder level (Schoorman, Mayer and Davis, 2007; Harris and Wicks, 2010; Crane, 2020). The intended contribution of this research is to add to stakeholder theory by considering how connectedness amongst stakeholders could lead to the development of trust in a wider group of stakeholders.

1.8 LIMITATION OF THE STUDY

Limitations occur in all studies. Kalu and Bwalya (2017) posit that despite the advantages of qualitative research, the trustworthiness of the data is often questioned. Therefore, it is important to take into consideration that qualitative research may have limitations that require acknowledgment.

Within qualitative research, and due to the nature of the data, it is not possible to conduct any form of statistical rigour which means that one can't easily extend the findings to a greater population with any form of certainty (Atieno, 2009). Pearse (2021) states that ideographic generalization, based on explanatory case studies, is feasible and appropriate in deductive quality research, however, it is difficult to implement effectively. In this qualitative study, the data were coded, and themes were

identified in the data by a single person with the analysis being discussed with a supervisor. This meant that one was able to obtain consistency in the methods, but the data potentially could have been strengthened by multiple perspectives in establishing the codes and themes within the data.

For qualitative research to be robust one needs to consider the transparency, accountability, and reflexivity on the part of the researcher to account for decisions made throughout the research process (Kalu and Bwalya, 2017).

1.9 OUTLINE OF THE STUDY

The study is presented in 5 chapters:

Chapter 1 provided a general introduction to the study. The chapter further presented the key concepts, the research problem, an overview of the research methodology, the importance of the study, states the research goals and objectives and provided an outline of the chapters contained in this study.

Chapter 2 addresses the literature which is currently available for this field of study and presents an overview. The chapter starts with a review of stakeholder theory followed by an overview of the proposed conceptual model adapted from Crane (2020). The proposed model, based on the reviewed literature, attempts to address social capital as a positive outcome of the perceived trustworthiness in the observing stakeholders. Furthermore, the chapter builds the propositions to be addressed in the research.

Chapter 3 describes and justifies the research methodology that was used for the dissertation and explains the process which was followed in carrying out the research. The Chapter includes a discussion of the research paradigm and the ethical considerations that were considered for quality assurance. The chapter concludes with a description of the process of data analysis.

Chapter 4 presents the key findings gathered during interviews and discusses those in relation to the propositions of the study. The chapter further provides a discussion of the findings in light of the published literature.

Chapter 5 provides a conclusion of the study, which serves to restate the key contributions of the study. This chapter discusses the implications of the findings with regards to stakeholder management and its implication on the performance of a firm, acknowledging the research limitations and delimitations as well as presenting recommendations for further research.

CHAPTER 2. LITERATURE REVIEW

2.1 INTRODUCTION

Stakeholder theory, and aspects thereof, have been well published since the inception of the theory in the early 1980's. With a comprehensive body of literature published, the current questions focus on how stakeholder theory will progress and meet the challenges of its documented success (Agle et al., 2008). Agle et al. (2008), reviewed the literature and noted three strands within the published works: firstly, literature covering the basic debate of stakeholder vs stockholder; secondly, literature that is focused on instrumental development of the theory of stakeholder approaches; and thirdly, literature the leads to the new questions and propositions within the theory. Stakeholder theory provides a platform from which scholars and managers can apply various principles of the theory in order to understand the relationships between firms and their stakeholders. The use of this theory can also assist managers in understanding and harnessing some of the performance outcomes of these relationships (Jones, Harrison and Felps, 2018).

Trust has been shown to promote cooperative behaviour between organizational stakeholders and, as a result, enables the strengthening of relationships between a firm and its stakeholders which can lead to a form of competitive advantage for the firm (Barney and Hansen, 1994). Therefore, trust is considered an important factor enabling the success of an organisation (Pirson, Martin and Parmar, 2017). Trust judgments between firms and their stakeholders may be formed based on selective perceptions (Harris and Wicks, 2010). Crane confirms that ability, benevolence, and integrity are trust-building actions; however, current arguments in the stakeholder trust literature have continued to explore the idea of different dimensions of trust and the acknowledged importance of this to some stakeholders. Therefore, the more the stakeholder believes that the organization will fulfil their commitments to the relationship, through the trust antecedents of ability, benevolence, or integrity, the more likely there is to be a satisfactory level of trust within the relationship.

Both Pirson, Martin and Parmar (2017) and Crane (2020) have focused their recent research on stakeholder trust and agreed that trust is important in the success of an organization. Research in the area of stakeholder trust is at its infancy and a gap has been identified in the trust literature at the stakeholder level (Schoorman, Mayer and Davis, 2007; Harris and Wicks, 2010; Crane, 2020). Therefore, a conceptual model is proposed that will add to current stakeholder theory by considering how the treatment of a single salient stakeholder could lead to the development of trust in a wider group of stakeholders and increased social capital for the focal firm.

2.2 STAKEHOLDER THEORY

Stakeholder theory was introduced by organizational theorist Ian Mitroff in the early 1980s and emerged in the 1990s as a counter-argument to the belief that the core purpose of a firm is to create value for its shareholders (Freeman, 1984; Strand and Freeman, 2015). There is currently no true consensus on the definition of a stakeholder and it remains an ongoing debate within stakeholder theory (Mitchell, Agle and Wood, 1997; Kakabadse, Rozuel and Lee-Davies, 2005). Phillips, Freeman and Wicks (2003), stated that 'stakeholder' should be considered a powerful term, as it has significant conceptual breadth. Due to its breadth, the term has different meanings within the context of different scopes within the literature. Freeman (1984, p.46), in his seminal work on stakeholder theory, defined a stakeholder as "any group or individual who can affect or is affected by the achievement of an organization's objectives". To date, it is one of the most frequently cited definitions in the literature. Various authors have put forward their versions which tend to vary in how inclusive they are.

Mitchell, Agle and Wood, (1997) introduce power as a key component within the definition, arguing that stakeholders are people or groups who have the power to directly affect an organization future. However, even with the absence of power, they may be considered stakeholders from an organizational perspective if they have both urgency and legitimacy. Some individuals, groups, and organizations are easily defined as stakeholders because of their importance or power. These stakeholders are known as primary, legitimate, or salient stakeholders. Other authors advocated for

a broader consideration of people, groups, or organizations to be considered as stakeholders. Johnson, Scholes, and Whittington, (2008, p.856) define stakeholders as "those individuals or groups who depend on the organization to fulfill their own goals and on whom, in turn, the organization depends". Nutt and Backoff (1992) similarly defined stakeholders as any parties who would be affected by or would affect an organizations strategy. Miles (2017), provided a theoretical and empirical evaluation of stakeholder definitions from a broad literature base. The work attempted to sort, filter, and order stakeholder theory and stakeholder definitions to produce a comprehensive classification of stakeholder theory. Miles (2017) advocates that further scholarly debate will not ensure agreement on a universally accepted stakeholder definition. However, these debates could lead to definition improvements which will ensure that theory develops further to enable a better understanding of the organization in stakeholder terms (Miles, 2017).

Stakeholder theory addresses the relationships between organizations and their stakeholders as well as the processes and outcomes related to these relationships (Jones and Wicks, 1999). This requires firms to invest their time in stakeholder behaviours, values, and contexts to ensure that they align their stakeholder interests to their vision of what they stand for. Freeman (1984) proposes three levels of stakeholder analysis: the rational level, the process level, and the transactional level. The rational level focuses on how stakeholders are perceived by the firm, the process level focuses on the operationalization of the stakeholder relationships into the firms' procedures, and the transactional level determines how these relationships are bargained daily. The above levels of analysis should drive the planning and implementation of the firms' strategic objectives and drive management's core focus. Harrison, Freeman and Cavalcanti Sá de Abreu (2015) state that stakeholder theory provides an efficient, effective, and ethical way of managing organizations. They break down this statement by explaining what is meant by each. It is efficient and effective, in that when stakeholders are treated correctly, they will reciprocate with a positive attitude and behaviours towards the firm, and because the energy of the stakeholder can be harnessed for the fulfilment of the organization's goals (Harrison, Freeman and Cavalcanti Sá de Abreu, 2015). Managing stakeholders correctly also improves the firm's information upon which good decisions can be made. The correct treatment of

stakeholders may lead to synergistic opportunities (Mitchell, Agle and Wood, 1997), as well as shared value (Freeman, 1984). Harrison, Bosse and Phillips, (2010) explain that a firm that manages its stakeholder allocates more resources to its legitimate stakeholders than is necessary to retain their loyalties in the productive activities of that firm. Therefore, fundamental to the success of a firm is its ability to define its stakeholders, identify their interests, and interpret how they relate to their interests. Stakeholder theory requires the firm's managers to acknowledge the legitimacy of diverse stakeholder expectations (Donaldson and Preston, 1995). In doing this the firm has a responsibility to its stakeholders and therefore is required to respond appropriately from a moral perspective.

It is worth noting that various authors still identify a key shortcoming in stakeholder theory, which is the problem of stakeholder identity (Phillips and Reichart, 2000). Within the stakeholder theory, numerous authors have proposed methods of identifying those individuals or groups that are considered stakeholders and those that are not (Mitchell, Agle and Wood, 1997; Bryson, 2004; Wood et al., 2021). Therefore, the ability to determine who and what matters is of key importance in the practical use of the theory for management. The management team of a firm is in a unique position in that they are the only group within the firm to be in a relationship with all other stakeholders. This, along with their direct ability to control decisions within the firm, places significant emphasis on their ability to adequality identify and consistently deal with the claims of all other stakeholders (Hill and Jones, 1992). Their ability to get this critical process correct will determine if the firm can sustain any form of competitive advantage.

2.3 STAKEHOLDER LEGITIMACY AND SALIENCE

Stakeholder prioritization was thought of by many as a complex interaction between a firm's attributes and its ethical stance, which in turn informs their perceptions of their stakeholders and defines the firm-stakeholder interaction (Mitchell, Agle and Wood, 1997; Elms, Berman and Wicks, 2002; Boesso and Kumar, 2009). In their seminal works, Mitchell, Agle and Wood (1997) proposed that stakeholder theory was missing

the ability to reliably separate stakeholders from non-stakeholders. Their work presented a theoretical-grounded approach to stakeholder salience while maintaining the key attributes of some of the earlier simplistic models of stakeholder salience and legitimacy. They identified that, within the literature, there were several narrow definitions and an attempt to highlight the fact that managers simply cannot address all stakeholder claims. No framework existed that could reliably separate stakeholders from non-stakeholders. Mitchell, Agle and Wood (1997) proposed a model focusing on how power and legitimacy interacted in combination with another attribute, urgency. Their stakeholder typology framework is presented in Figure 2.1.
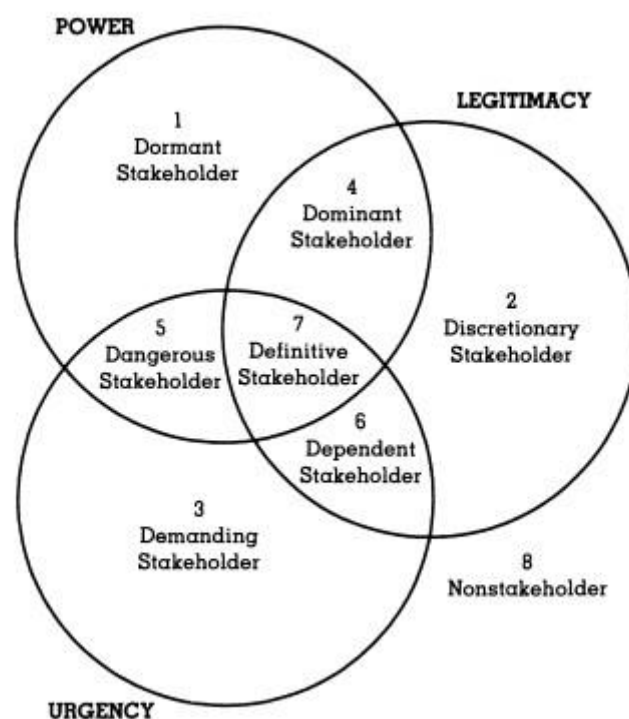
Figure 2.1. Mitchell, Agle and Wood's stakeholder typology (1997, p.874).

These interactions allowed the model to differentiate between stakeholder and their expectations of a firm. The paper focuses on power as the degree of influence a stakeholder has on the firm, legitimacy when the stakeholder's expectations are perceived as consistent with the firm, and urgency as the degree to which the stakeholder required urgent attention to their demands. Mitchell, Agle and Wood's (1997) contribution assisted management by providing a tool to improve management ability and resolve legitimate stakeholder expectations by demonstrating the

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importance of power, legitimacy, and urgency. This equipped firms to prioritize salient stakeholders.

Bryson (2004) offered several techniques for stakeholder identification and analysis which could assist a firm's management with meeting their mandates and creating value. Similar to Mitchell, Agle and Wood (1997), one of the techniques presented by Bryson involved plotting the firm's stakeholders on a power versus interest grid (also discussed and explained in Ackermann and Eden, 2011). This involved a two-by-two matrix in which stakeholders are divided into four categories, namely, players, subjects, context setters, and the crowd (Figure 2.2).
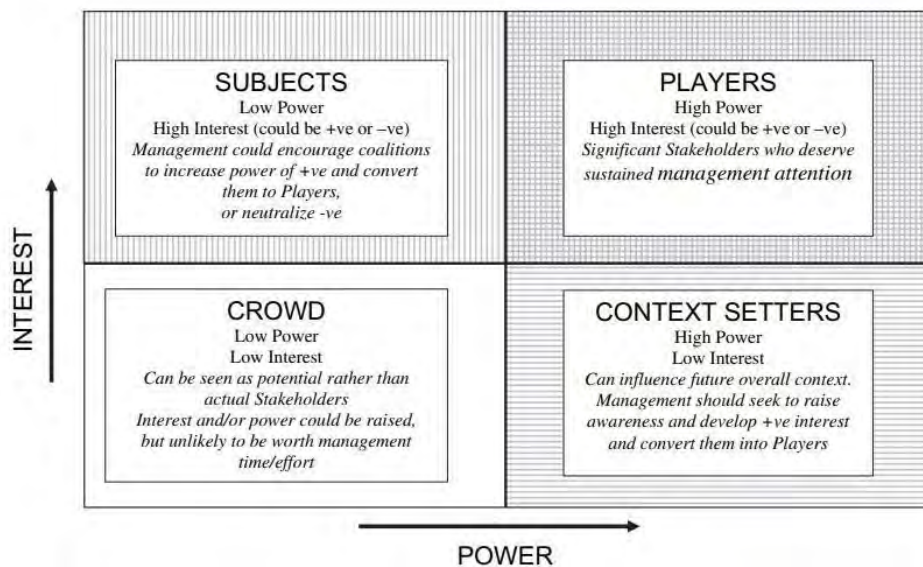
Figure 2.2. Stakeholder power-interest grid (Ackermann and Eden, 2011, p.193).

Stakeholders with high power and high interest are considered 'players', these stakeholders require significant attention from the firm's management. Similarly, a high level of attention needs to be given to 'subjects' who have high interest but lower power than that of the players. 'Context setters' have high power but low interest, therefore, it is important for management to develop awareness within this group and to maintain a presence as this group of stakeholders could potentially influence future context.

Finally, the 'crowd' are stakeholders that have low power and interest. These stakeholders require management to be aware of their presence but do not require

direct attention from the management. The use of a grid of this nature allows management to manage their stakeholders strategically (Ackermann and Eden, 2011).

The literature presents numerous methods of stakeholder identification and analysis, each with its focus and perspectives (Mitchell, Agle and Woods, 1997; Newcombe, 2003; Bryson, 2004; Ackermann and Eden, 2011; Wood et al., 2021). The wise use of stakeholder analysis can assist in framing issues that can be resolved in ways that are both technically feasible and politically correct (Bryson, 2004). In a recent article Wood et al., (2021) evaluate the current topics involved in stakeholder identification and their assessment of salience through an in-depth analysis of the use of Mitchell, Agle and Wood's (1997) salience model's use as reported in the literature. A key conclusion from this paper notes that the stakeholder conceptualization of the firm depends on the perception of its managers. Managers may or may not accurately perceive who the salient stakeholder is and therefore this presents an issue when determining and interpreting some of their non-contractual claims and harms (Wood et al., 2021). The paper posits that stakeholder identification and salience will assume new meaning as there is notable a movement towards greater performance and equity, greater value creation, happiness enhancement, and inclusion for all stakeholders as a standard practice.

However, there are still many unanswered questions within stakeholder theory. Barney and Harrison (2020) reviewed and summarized a few key contributions from various authors who attended a workshop to discuss common ground within the theory as well as propose research areas that require further inquiry. What was evident from the workshop is that there is no consensus on the applicability of stakeholder theory to general management. With this in mind, the authors list twelve tensions within the theoretical literature that required further consideration and refinement. Within this article, it mentions the contribution of Crane's 2020 paper, 'Revesting who, when and why stakeholders matter: trust and stakeholder connectedness', which provides a meaningful extension of the trust literature within stakeholder theory, by discussing how the actions of a firm towards a stakeholder can influence the extent to which other observing stakeholders are willing to make themselves vulnerable (Barney and Harrison, 2020). Crane's work suggests that a firm's focus on trust will result in value

creation. This would be accomplished through mutually beneficial and productive trust relationships with its stakeholders (Crane, 2020). As already noted, research in the area of stakeholder trust is at its infancy and further developments in this area of research can build on stakeholder theory (Harris and Wicks, 2010; Crane, 2020).

2.4 TRUST AND STAKEHOLDER THEORY

Trust has been recognized as an important factor in establishing organizational relationships, significantly influencing both behaviour and performance in strategic alliances and stakeholder engagements. Freeman (1984) posited that the key focus of stakeholder theory is the jointness of stakeholder interests. Crane (2020) noted that the connectedness amongst stakeholders could lead to the development of trust in a wider group of stakeholders through the observation of the way a focal firm interacts with a salient stakeholder. Therefore, the importance of the firms' ability to accurately identify the salient stakeholders can have an impact on the firm's ability to develop the necessary trust required to obtain a competitive advantage.

Managing trust at an organizational level, as well as trust within stakeholder relationships, is a key element of organizational success, which is a concept that is generally accepted and well understood within the literature (Pirson and Malhotra, 2008; Kumar, Capraro and Perc, 2020). Trust and trustworthiness are important aspects of successful social and economic interactions, and they are essential for cooperation, fairness, and honesty within a relationship (Kumar, Capraro and Perc, 2020). It is generally accepted that building trust and trustworthiness within a relationship requires effort and relies on accepting a degree of risk on behalf of the trustee.

2.4.1 Defining trust and trustworthiness

Definitions of trust vary between disciplines and the alternative meanings have made it difficult to clearly define within the scholarly construct (Rousseau et al., 1998; Bachmann and Zaheer, 2006). However, there is a general agreement within the

literature that trust is critical in a business context. Trust in a business context cannot be bought or forced upon a stakeholder in an interaction. The way in which a firm conducts itself both in its direct dealing with stakeholders and their everyday business allows trust to be built over time, therefore every interaction is an opportunity to build relationships and nurture trust. In doing so, stakeholders begin to trust that the firm has their best interest in mind. Heyns and Rothman (2015), through their research on the dimensionality of trust, identified that trust was strongly associated with trustworthiness and that integrity had the strongest effect on trust. This was followed closely by benevolence and ability. Pirson, Martin and Parmar (2017, p.5) defined trust as "the willingness to be vulnerable to an organization based on a positive expectation along different trustworthiness dimensions". This definition appears to be an adaption from the definition proposed by Mayer, Davis and Schoorman (1995, p.709) in their in-depth review of the trust literature, where they defined trust as "the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other party will perform a particular action important to the trustor irrespective of the ability to monitor or control that other party". It is important to distinguish between interpersonal, and stakeholder trust. In the former, it is the willingness of an individual to be vulnerable to another (Crane, 2020) whereas, in the latter, it is the willingness of a stakeholder to be vulnerable to a business (Pirson and Malhotra, 2011). Trust generally involves accepting some level of vulnerability or risk in the actions of another (Greenwood and Van Buren III, 2010).

Scholars have explored the varying benefits of trust which has enabled a good understanding of the construct and why it is important in both a social and economic environment. However, trustworthiness as a concept has received less attention and is a term often used interchangeably with trust in the literature (Fukuyama, 1995; Rousseau et al., 1998; Reiersen, 2018). Hardin (2002) noted that trust is primarily mentioned in the literature even though implicitly much of this literature is primarily about trustworthiness and not trust per se. Kiyonari et al. (2006) further noted that the actual relationship between trust and trustworthiness has escaped empirical attention within the literature. They concluded that this was a result of the tendency to confound the two concepts of trust and trustworthiness in theory as well as within the various research fields.

Trustworthiness refers to attributes of a trustee that inspire trust, whilst trusting is something that the trustor does (Heyns and Rothmann, 2015). Therefore, trustworthiness and trust should be considered as separate constructs. The best mechanism for creating trust is to establish and support trustworthiness (Hardin, 1996). It makes no logical sense to trust someone or an organization that is not trustworthy. Therefore, the concept of trustworthiness is a key element in understanding and predicting trust levels within a relationship (Colquitt, Scott and LePine, 2007). In defining trust Mayer, Davis and Schoorman (1995) and Rousseau et al., (1998) both include the expectation that a party within the relationship will perform a specific or particular action. One can consider the expectation of trustworthiness as a driver of this action (Colquitt, Scott and LePine, 2007). In a perfect scenario, one would decide to trust someone based on their trustworthiness and one's trustworthiness should inspire trust within the trustor (Flores and Solomon, 1998). Trustworthiness is defined as "the evaluative appraisal that an individual is worthy of trust", which means that trustworthiness is associated with moral behaviour, honesty, and the ability to be relied upon (Brenkert, 1998, p.300). Barney and Hansen (1994) noted that an exchange partner who is worthy of trust (ie. trustworthy), is one that would not look to exploit the other's exchange vulnerabilities. This definition follows on from a definition of trust provided by Sabel (1993). They further noted that while trust is an attribute of a relationship between exchange partners, trustworthiness is an attribute of individual exchange partners (Barney and Hansen, 1994).

2.4.2 Antecedents of trust

The study acknowledges ability, benevolence, and integrity as the three main components of trustworthiness and therefore as antecedents in the development of trust (Mayer Davis and Schoorman, 1995; Heyns and Rothman, 2015). These antecedents of trust are important constructs in the development of trust. Due to the context-specific nature of trust, various authors have proposed attributes that include competence, integrity, benevolence, transparency, and reliability. Mayer, Davis and Schoorman (1995) provide a comprehensive list of trust antecedents. For the purpose of this study; ability, benevolence, and integrity will be considered as the main

attributes of trustworthiness, as they have been identified as common within the literature, and in agreement with Mayer, Davis and Schoorman (1995) and Heyns and Rothman (2015). Also, ability, benevolence, and integrity have been noted to explain up to 80% of the decision to trust (Heyns and Rothman, 2015). Greenwood and Van Buren III (2010) posit that the absence of any one of the three factors listed above would undermine all perceptions of trustworthiness. Colquitt, Scott and LePine (2007) identified that all three factors provided distinct avenues to fostering trust. They showed that not only were they all highly correlated with trust but all three showed unique relationships with it. For clarity, ability, benevolence, and integrity will be further defined and discussed.

2.4.2.1 Ability

Ability involves having a defined level of competence, expertise, and capabilities within one's field, skills, and good judgment in performing a required task or service. Ability, at the firm level, refers to the capacity to perform as expected (Crane, 2020). Therefore, it is an acquired or natural capacity that allows an individual or organization to perform successfully. Mayer, Davis and Schoorman (1995, p.717) further define ability as "that group of skills, competencies, and characteristics that enable a party to have influence within some specific domain", and ability captures the 'can-do' component of trustworthiness (Colquitt, Scott and LePine, 2007). Various authors have proposed similar definitions which involve both a defined set of skills that enable the individual or firm to have some form of influence in a specific area (Ridings, Gefen and Arinze, 2002). Generally, it is conceptualized as the capacity of the trustee to perform the intended behaviour. Numerous authors consider ability as an essential element of trust (Mayer, Davis and Schoorman, 1995). Lower levels of ability displayed during an interaction could result in a perceived higher risk to the trustee who is in a vulnerable position reducing trust levels or the perceived trustworthiness of the firm or organization. At an organizational level, the perceived ability of a firm is considered essential when partners are sought out for collaboration (Svare, Gausdal and Möllering, 2020). Low levels of ability shown by a focal firm engender higher risks for

collaborating stakeholders. If a firm's ability is questionable, it would negatively impact its reputation and market position, thereby influencing its perceived trustworthiness.

2.4.2.2 Benevolence

Benevolence is the desire of an organization to satisfy the needs of its stakeholders (Crane, 2020). In an organizational context, it is the belief that the organization wishes the stakeholder well and that the stakeholder's needs are as important as the firm's profit motives (Mayer, Davis and Schoorman, 1995; Colquitt, Scott and LePine, 2007). Benevolence is perceived by stakeholders when concern, care, and interest are expressed by the organization to its stakeholders. It effectively covers the 'will-do' component of trustworthiness, and it is closely associated with synonyms such as loyalty, openness, supportiveness, and the genuine interest in other parties' welfare, along with the faith that they are motivated to seek joint gains out of the relationship (Colquitt, Scott and LePine, 2007; Reiersen, 2018). This may even mean the firm or organization may decide to forgo financial gains for future strengthening of relations and the development of trust (Mayer, Davis and Schoorman, 1995).

2.4.2.3 Integrity

The concept of integrity has been frequently described within the literature as an important dimension of human perception (Di Battista, Pivetti and Berti, 2020). It is associated with various moral aspects of the trustee such as honesty, fairness sincerity, morality, credibility, reliability, and promise-keeping (Colquitt, Scott and LePine, 2007; Huberts, 2018). Integrity is defined as "the quality of being honest and having strong moral principles that you refuse to change" (Cambridge Dictionary, 2022b). Greenwood and Van Buren III (2010) describe integrity as a perception that a trustee adheres to a set of principles that the trustor considers worthy. They argue that integrity is a wider construct than the mere adherence to a set of values or value congruence between the trustee and trustor. Crane (2020) refers to integrity as the idea that an organization's actions are considered fair and that organisation operations are performed according to a strict moral code. Integrity and transparency are related,

and both have the ability to create or undermine stakeholder trust. Therefore, integrity reduces uncertainty in interactions by imposing a code of ethical conduct and building a perception of trustworthiness. Integrity may also refer to the harmony between thoughts speech and deeds, in other words, doing the right thing even when no one is scrutinizing you (Hurberts, 2018).

2.5 MODEL OF TRUST

Crane (2020) proposed a trust model in which the perceived trustworthiness of a focal firm could be developed through stakeholders' observations of an interaction in which a focal firm displays trust antecedents of ability, benevolence, and integrity towards a salient stakeholder.
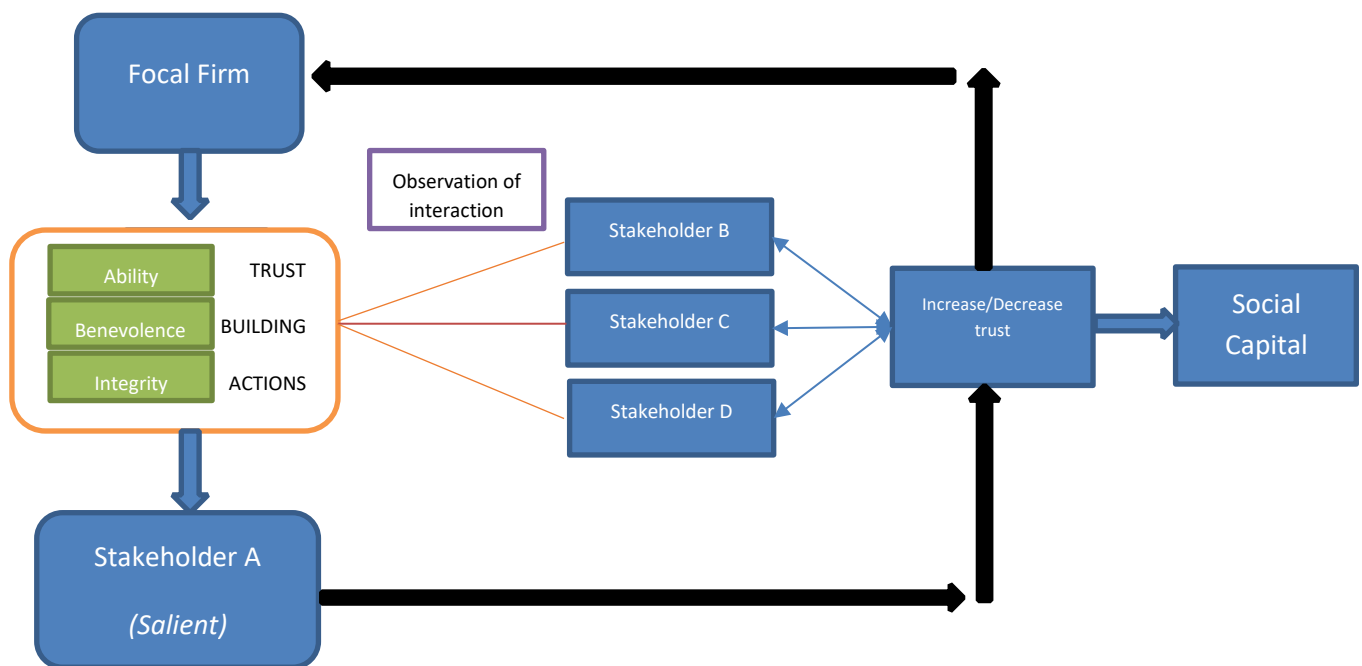
Figure 2.3. A model of trust adapted from Crane (2020).

The model presented above, in Figure 2.3, is an adaptation of the model presented by Crane (2020). The model only focuses on ability, benevolence, and integrity as trust-building actions and, strictly from a theoretical perspective, attempts to build on the work of Crane (2020) by incorporating a feedback loop between stakeholder A and

the focal firm and looks at addressing social capital as a positive outcome of trust, from stakeholder observations of the salient stakeholder-firm engagements. Stakeholder A, in this model, also differs in that it is considered a primary or salient stakeholder. With a large body of literature supporting the notion that stakeholder theory requires the favourable treatment of salient stakeholders (Mitchell, Agle and Wood, 1997), the above framework considers that the benefits of favourable treatment can be generalized among a greater stakeholder system (Crane, 2020). The model looks to address connectedness among stakeholders and attempts to explain the mechanisms that connect stakeholders which could, through the development of perceived trustworthiness, lead to increased social capital for the focal firm.

The model further aims to add to organizational impression management by considering the connectedness of stakeholders within a system and that building actions such as ability, benevolence and integrity can increase the perceived trustworthiness of a firm (Doh and Quigley, 2014; Crane, 2020). This in turn leads to either increased or decreased levels of trust in stakeholders that observe these trust-building interactions/engagements, which will impact social capital.

2.6 DEVELOPMENT OF THE STUDY'S PROPOSITIONS

The relationship between a stakeholder and a firm is based on trust and as a result, there is a degree of vulnerability for both parties (Dawkins, 2014). Salient stakeholders are generally prioritized by a firm's management as they possess several attributes that warrant this attention. The seminal contribution to stakeholder theory by Mitchell, Agle and Wood (1997) identifies salient stakeholders as those that possess attributes of power, legitimacy, and urgency. The ability to differentiate stakeholders based on these three factors provides managers with the ability to decide how and when to respond to a firm's stakeholders. Crane (2020), suggests that rather than prioritizing stakeholders as suggested by Mitchell, Agle and Wood (1997), one should consider the connectedness among stakeholders and explore how this could increase trust across the stakeholder system. Trustworthiness perceptions can be formed through

observations when companies engage with salient stakeholders in a manner that portrays ability, benevolence, and integrity.

To manage vulnerability within the trust relationship, stakeholders may search for cues or signs to obtain a level of certainty or security before associating themselves with a firm. These observations are an attempt to identify signs of trustworthiness within the firm. Dunford et al. (2015) identified that stakeholders may build trust from observations by generalizing actions demonstrated by a firm towards a stakeholder. Therefore, a firm's actions towards a salient stakeholder can provide signals regarding a firm's trustworthiness. This may affect the quality of the relationship the firm has with other stakeholders (Ferrin and Dirks, 2003; Crane, 2020).

Proposition 1:   Observing a firm's engagement with a single salient stakeholder will provide cues to observing stakeholders about the trustworthiness of the firm.

Liu et al. (2018) identified that a stakeholder's level of engagement is related to their willingness to invest their resources. Investing these resources in a relationship increases the vulnerability of the stakeholder and therefore, to do so willingly, there needs to be a level of trust. This level of engagement, leading to trust, results in stakeholders being more likely to have a sense of empowerment which in turn can lead to the stakeholder associating strongly with the firm or brand (Vivek, Beatty and Morgan, 2012; Liu et al., 2018). Therefore, a stakeholder that associates strongly with a firm or brand is more willing to trust the relationship than those that are less engaged.

Stakeholder trust is earned through consistent engagement by the firm with its stakeholders and is generally formed over a period of time. In business, trust is a powerful asset to a firm, and as such the firm should manage all stakeholder interactions with care to ensure that there is no ambiguity regarding their perceived trustworthiness (Crane, 2020). The development of trust can lead to an environment in which the trustee and trustor develop a form of psychological safety. This enables organizations and stakeholders to accept criticisms, discuss mistakes and express thoughts openly thereby increasing trust within their relationship, which has the potential to create a source of competitive advantage for the firm (Barney and Hansen, 1994; Edmondson, 1999).

Within the literature, there are numerous references to the trust-building actions that firms should ensure they portray (Mayer, Davis and Schoorman, 1995; Pirson and Malhotra, 2011; Brown, Buchholtz and Dunn, 2016). Of these actions, ability, benevolence, and integrity are considered by most to be critical to building trust. Contingent theory of trust formation explains that there are different dimensions of trustworthiness and, depending on the type of stakeholder relationship, one may be required to treat each stakeholder differently to obtain trust. From an organizational perspective, this involves the firm's leadership creating tailored responses and messages that perform trust-building dimensions for each of the stakeholders within and external to the organization. Putting this into practice, at a managerial level, is not feasible within an organization.

It is possible to have a transfer of trust from one stakeholder to another through trust-building actions on an organization being observed by multiple stakeholders (Crane, 2020). The current business environment enables information sharing and increases the likelihood that various stakeholders are interconnected. Therefore, the way in which a firm engages with a stakeholder may determine to what extent other stakeholders are willing to engage with the firm and build trust. Sherwill et al., (2007, p.505) refer to connectedness as "the existence of groups of individuals in society and the connections both within and between these groups, from micro and macro levels". Connectedness is considered to form part of social capital (White, 2002), and social capital is thought to facilitate cooperation between stakeholders by lowering the cost of the relationship. Understanding or observing the position of key stakeholders may in turn lead to the accommodation of their views and values into one's own perceptions and actions (Sherwill et al., 2007). In doing so, a transfer of trust occurs and results in the increased likelihood of collective action between the stakeholders.

Organizational ability, organizational benevolence, and organizational integrity are considered the most pertinent dimensions of trustworthiness. Therefore, a firm conveying these attributes towards one stakeholder will provide cues for observing stakeholders of the trustworthiness of the organization, resulting in a trust transfer.

> *Proposition 1a: Observing a firm's engagement with a single salient stakeholder will provide cues to observing stakeholders about the ability of the firm.*

Proposition 1b: Observing a firm's engagement with a single salient stakeholder will provide cues to observing stakeholders about the benevolence of the firm.

Proposition 1c: Observing a firm's engagement with a single salient stakeholder will provide cues to observing stakeholders about the integrity of the firm.

Social capital theory has received increasing levels of attention as an avenue through which to understand the value creation process within a firm (Son, KocabasogluHillmer and Roden, 2016). As with many of the concepts discussed within this review, social capital does not have a commonly agreed-upon definition. The definition will depend on the discipline and level of investigation adopted by the study (Robison, Schmid and Siles, 2002). Social capital definitions generally fall into three categories, those that focus on relations that an actor maintains with other actors (external), those that focus on the relationships among actors within a collective (internal), and those that consider both types of linkages. Putman (1995, p.67) defines social capital as "features of social organization such as networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit". In this definition, Putman (1995, p.67) takes an internal perspective on social capital. Within an organisation, the success that is generated from stakeholder relationships and networks, both internally and externally may be attributed to social capital. The outcome of the success may be tangible or intangible and may result in shared value and future opportunities. Nahapiet and Ghoshal (1998, p.243) take an external view and define social capital as "the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit. Social capital thus comprises both the network and the assets that may be mobilized through that network".

Authors who have investigated the performance implication of social capital have generally identified positive links between the two (Lawson, Tyler and Cousins, 2008; Carey, Lawson and Krause, 2011). Social capital refers to the goodwill that exists between two actors. This is generated in trust built through positive engagements over time. It can be considered the relationship established between firms, institutions, and

people, which stems from a strong sense of belonging. It is a multi-dimensional concept that includes key aspects such as trust (Putman, 1995).

Li (2005) concluded that, from a social capital perspective, trust and shared vision are important in knowledge transfer. Li (2005) identified that trust was an influential factor in inter-organization relationships, although the study only represented exploratory steps towards a contingency perspective.

> *Proposition 2: Perceptions of a firm's trustworthiness will result in increased social capital between the firm and its stakeholders.*

The above propositions, developed from a review of the literature, can be depicted in the conceptual model presented below in Figure 2.4.
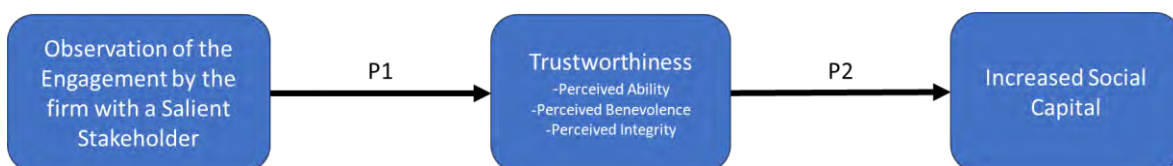
Figure 2.4. Conceptual model of the development of trust and social capital based on a focal firm's interactions with a salient stakeholder.

2.7 CHAPTER SUMMARY

The chapter focused on various aspects of trust and trustworthiness. The literature reviewed in this chapter attempts to position the research problem within the context of trust literature and stakeholder theory and attempts to further add to these fields by considering how stakeholder connectedness could lead to the development of trust in a wider group of stakeholders in the event that they observe and recognize ability, benevolence, and integrity in the firm's interactions with a salient stakeholder. The review emphasizes the importance of the firms' ability to accurately identify their salient stakeholders and addresses the potential impact this could have on the firm's ability to develop the necessary trust required to obtain a competitive advantage.

Each of the above aspects was discussed and based on those discussions various propositions emerged. These propositions are listed in Table 2.1 below.

Table 2.1. Propositions for the research study.

Proposition 1	**Observing a firm's engagement with a single salient stakeholder will provide cues to observing stakeholders about the trustworthiness of the firm.**
Proposition 1a	Observing a firm's engagement with a single salient stakeholder will provide cues to observing stakeholders about the ability of the firm.
Proposition 1b	Observing a firm's engagement with a single salient stakeholder will provide cues to observing stakeholders about the benevolence of the firm.
Proposition 1c	Observing a firm's engagement with a single salient stakeholder will provide cues to observing stakeholders about the integrity of the firm.
Proposition 2	**Perceptions of a firm's trustworthiness will result in increased social capital between the firm and its stakeholders.**

CHAPTER 3. RESEARCH METHODOLOGY

3.1 INTRODUCTION

The chapter outlines and details the research process and design undertaken in the assimilation and analysis of the information related to the research topic. This includes a description of the methodology used to assimilate the qualitative data, including a discussion of the research paradigm. The chapter further describes the participants, the methodology utilized in sampling participants for the research, and their association with the entity of interest within the research framework. For the purposes of deductive thematic analysis, a coding manual, informed by the theoretical framework, was developed. The chapter also deals with issues associated with research quality, ethical considerations as well as confidentiality.

3.2 RESEARCH DESIGN

Research design can be described as an overall strategy or action plan that is chosen and implemented to integrate various components of a study coherently and logically (USC Libraries, 2021). This ensures that the research problem and objectives of the study are adequately addressed. Yin (2014, p.28) defines research design as "the logical sequence that connects the empirical data to a study's initial research question and ultimately, to its conclusions". The research design adopted in this study was an explanatory case study that was analysed through qualitative methods.

A research process has three major dimensions; methodology, ontology, and epistemology (Guba and Lincoln, 1994; Terre Blanche and Durrheim, 2006). The research methodology is only one of the three elements of a paradigm and refers to a model that is used to conduct research within the context of a particular paradigm (Wahyuni, 2012). Guba and Lincoln (1994) define a paradigm as a basic set of beliefs or worldviews that guide research actions. The research paradigm is said to be a set of fundamental assumptions and beliefs to explain how the world is perceived, this

then serves as a thinking framework that a researcher can use to guide their research (Jonker and Pennick, 2010). Therefore, paradigms are essential within research, as they provide the beliefs and views which dictate how the research topic should be studied and the results interpreted (Kivunja and Kuyini, 2017). In their paper, Sobh and Perry (2006) stated that the core issue faced by a researcher should be the acknowledgment of a specific paradigm in which the research is conducted and not simply the choice of research design or methodology.

The study adopts a post-positivist paradigm (Guba and Lincoln,1994; Ryan 2006). Fox (2008) describes post-positivism as an approach to knowledge through an implicit assessment of the nature of reality. Taylor and Medina, (2011, p.3) acknowledge that the post-positivist paradigm "aims to produce objective and generalizable knowledge about social patterns, seeking to affirm the presence of universal properties/laws in relationships amongst pre-defined variables". In the post-positivist paradigm, the researcher requires an ability to see the entire picture while striving to engage in social construct and undertakes a learning rather than testing role (Ryan, 2006). Given the constructs being investigated in this study, the way trust and trustworthiness are perceived by the individuals being interviewed is central to the understanding of how a firm's interactions can lead to perceived trust and increased social capital.

Atieno (2009) posits that a researcher needs to consider the methodology used to discover central themes and analyse core concerns to fully understand phenomena deeply and in detail. Qualitative research is a process of inquiry that focuses on interpretation and meaning which aims to explore social or human issues (Sale and Thielke, 2018). Therefore, qualitative research within the post-positivist paradigm, focuses on an in-depth understanding of a social phenomenon based on experiences and noted conduct and attempts to avoid any form of generalization (Taylor, Bogdan and DeVault, 2015; Alharahsheh and Pius, 2020). This study makes use of deductive qualitative research, which is differentiated from other qualitative approaches in that it the theoretical propositions that are derived from a review of the literature (Boyatzis, 1998; Fereday and Muir-Cochrane, 2006; Hyde, 2000). These propositions were then applied to the collection and analysis of data.

A qualitative approach was considered appropriate for this study as an in-depth understanding was required as to how stakeholders perceived interactions between the focal firm and salient stakeholders. This required one to obtain insight into their encounters through the collection of descriptive data obtained through the participant's experience and noted conduct (Taylor et al., 2015). The qualitative approach is further strengthened through the study focusing on trust and trustworthiness, which are considered subjective terms and explored through the respondent's experiences and insights with the case study.

3.3 RESEARCH METHOD – CASE STUDY

This study makes use of a case study approach within a qualitative research design (Starman, 2013; Ebneyamini and Moghadam, 2018). Dul and Hak (2008) noted that a case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between the object of study and context may not be clearly evident. It copes with the technically distinctive situation in which there will be many more variables of interest than data points, and as one result relies on multiple sources of evidence, with data needing to coverage in a triangulating fashion, and as another result benefits from the prior development of theoretical propositions to guide data collection and analysis". The method involves the construction and building of theory with the intention of understanding real-life phenomena through the researcher's in-depth understanding of the agents' perspectives (Riege, 2003). Zainal (2007, p.43) states that a case study can be defined as "a research method which enables a researcher to explore, and investigate contemporary real-life phenomenon through detailed contextual analysis of a limited number of events or conditions, and their relationships." Wahyuni (2012) similarly defines a case study but emphasises that the study takes place in a natural context. Ebneyamini and Moghadam, (2018) posit that case study research is a powerful method to realize both practical and theoretical aims and can be seen as an essential tool in the analysis of social situations (Zainal, 2007). Taking this into account, the case study focuses on the understanding of stakeholder interactions and how, through

stakeholder connectedness, this may lead to perceived trustworthiness in a focal firm, increased social capital, and potentially a competitive advantage.

3.4 METHODS OF DATA COLLECTION

Semi-structured, in-depth interviews were held with three senior executive members of the firm, two senior agronomists who worked at an influential organization within the Sundays River Valley, and six citrus growers. The interviews focused on incidents between the focal firm and salient stakeholders and how these interactions may or may not have led to perceived trustworthiness on behalf of the firm.

3.4.1 The Critical Incident Technique

In the design of the interview questions, the study adopted the Critical Incident Technique (CIT) methodology to explore these contextual details in incidents of interest, deemed to have been of critical importance (Cope and Watts, 2000). Originally the CIT was developed as a quantitative methodology, but the method has been used successfully in qualitative studies (Kaulio, 2008; Coetzer, Redmond, and Sharafizad, 2012; Cunnigham, De Bruin and McAuliffe, 2020). Flanagan (1954, p.1) defines an incident as "any observable human activity that is sufficiently complete in itself to permit inferences and predictions to be made about the person performing the act. To be critical, an incident must occur in a situation where the purpose or intent of the act seems fairly clear to the observer and where its consequences are sufficiently definite to leave little doubt concerning its effects". Chell, (2004, p. 48) defines CIT as "a qualitative interview procedure, which facilitates the investigation of significant occurrences" with the objective of the interviewer being to understand the incident from the perspective of the participant while considering various elements. Through semi-structured interviews, the CIT aims to capture thought processes, the respondent's frame of reference, and their individual feelings regarding an incident or series of events, which are meaningful to the respondent (Chell, 2004).

3.4.2 Semi-structured interviews

The key aspect of a good interview is to facilitate the interviewees to share their experiences regarding a particular social phenomenon being observed by the interviewer (Wahyuni, 2012). The study adopted a semi-structured interview process. This allows the research the merit of using a list of interview questions while ensuring sufficient freedom to delve into topics of interest that may have presented themselves during the interview process (Leedy and Ormrod, 2013). The use of an in-depth interview process was considered to be an appropriate form of data collection in this qualitative case study. This was due to the acknowledgment that to obtain the depth of information required, the researcher would inevitably be required to probe for further explanation and possible examples (Kvale, 1996).

An interview guide was prepared (Appendix 1), along with a set of interview questions, and sent to the respective participants at least 48 hours before the interview took place. Consent was obtained from all interviews for the interview to be recorded. The researcher made use of otter.ai as a platform to record the conversation verbatim. After each interview, the recording was checked against the text to ensure the accuracy of the data. Where necessary corrections were made to the text. The text document was provided to the interviewee to ensure that the conversation had been recorded accurately and to provide the interviewee with an opportunity to consider additional information. Where required, follow-up interviews were conducted to close gaps between the response provided by the participants or to probe for additional information on emerging themes.

3.4.3 Population and sampling

The population of a study is a group of individuals that have been selected on the basis of inclusion and exclusion criteria that relate to the variables being studied. Sampling a population in qualitative research, helps the researcher identify sources rich in information, therefore it is imperative that the researcher provides detailed information regarding the sampling methodology and explain the appropriateness of the chosen method (Marshall and Rossman, 2014; Kalu and Bwalya, 2017).

For this study, the population included members of the focal firm, agricultural advisors, and citrus growers that may or may not have attended a meeting requested by the firm in July 2017. The citrus growers were identified based on salience to ensure that a suitable mix was obtained to understand the different perspectives of the incidents. Therefore, the study adopted purposive sampling as the appropriate form of sample selection to ensure a broad perspective was obtained on the variables being studied (Campbell et al., 2020). Within qualitative research, the sample need not be random or large as participants can be purposively selected with the aim of increasing the depth of understanding in addressing the research propositions (Campbell et al., 2020). Therefore, purposive sampling can be used to identify and select participants that are most likely to yield the most useful and appropriate information. Campbell et al., (2020) state that one adopts a purposive strategy based on the assumption that, given the aims and objectives of the study, specific kinds of people may hold different and important views pertinent to the study proposition and therefore need to be included in the sample.

Due to the qualitative nature of the study, the research will investigate the experiences of a small sample of research participants. The sample size must be large enough to make reasonable interpretations about the sample (Kumar, 2002). Braun and Clarke (2006) consider a sample size of 6 to be sufficient in a qualitative study. A sample size of 11 interviewees will be targeted, as this should provide a satisfactory level of saturation, or information power, within the data set (Malterud, Siersma and Guassora, 2016). The sample will be broken down as follows: three senior executive members of the focal firm (present at the 2017 meeting), two senior technical advisors, and six citrus growers from the Sundays River area in South Africa.

3.5 DATA ANALYSIS

Data analysis involves a process of assembling or reconstructing data that is true to the original participant's accounts, in a meaningful or comprehensible manner so that it is transparent, rigorous, and thorough (Noble and Smith, 2014). All interviews conducted in this study were recorded and transcribed verbatim. The recorded

transcripts were used as a basis for analysis. The original recording and verified transcripts were stored in a cloud storage facility for easy access and safeguarding. This meant that the data could easily be accessed if further analysis, re-analysis, or checking was required. The modified conceptual model of Crane (2020) served as the basis for the interview questions (Appendix 1) and was used in developing the thematic coding (Appendix 2). The seven steps identified and detailed by Pearse (2019) were followed in carrying out the deductive thematic analysis. Braun and Clarke (2006) identified this method of analysis as suitable for determining, analyzing, and reporting patterns or themes within interview data.

The seven steps included developing a conceptual model from an extensive literature analysis, using the literature and conceptual model to identify research propositions, developing a codling manual, setting up a question matrix from the propositions and coding manual, and conducting in-depth semi-structured interviews to collect the data, data analysis, and finally reporting and discussing the data with reference to the appropriate literature. The data analysis was conducted in three stages, firstly the coding manual was applied to the analysis of the data collected, secondly, the data was matched to the propositions (or identified themes) to determine if the propositions explain the data. Lastly, pattern matching was applied to the data to compare the dataset with the competing frameworks or theories.

3.6 RESEARCH QUALITY

The trustworthiness of qualitative data has often been questioned by quantitative researchers. This is due to the way each area of research addresses the traditional concepts of validity and reliability of the data (Anderson, 2010; Marshall and Rossman, 2014; Kalu and Bwalya, 2017). Various authors have noted that validity and reliability should be key components of the trustworthiness of qualitative research (Shenton, 2004). Morse et al. (2002) take this further in stating that in the absence of these components the research becomes insignificant and loses value and credibility.

Four criteria have been identified to judge the validity and reliability of qualitative research (Lincoln and Guba, 1985; Shenton, 2004). Louw, Pearse and Dhaya, (2012)

utilized credibility (related to internal validity), transferability (external validity or generalization), dependability (reliability), and confirmability (associated with objectivity) as quality benchmarks, as they have been identified as comparable to validity and reliability in quantitative research (Riege, 2003). The four criteria are discussed below in relation to the research case study.

3.6.1 Credibility

Demonstrating credibility in qualitative research requires the honest and transparent reporting of any biases and other potential confounders identified within the study process (Johnson, Adkins and Chauvin, 2020). Riege (2003) noted that credibility relates to the endorsement of research findings by the research participants and establishes if the research findings accurately represent the participant's original views (Anney, 2014).

Therefore, credibility within the study was ensured by providing participants with an opportunity to view the interview dialogue and determine its accuracy as well as providing the participants with feedback related to the degree to which their views had been captured accurately (Creswell, 1994). Participants were afforded the opportunity to make any necessary changes to their responses and provide additional information if they deemed it necessary. All participants were also provided with a summary of the analysed data.

3.6.2 Transferability

Transferability is the understanding of how closely the study findings fit outside of the study situation (Noble and Smith, 2015). The intent of qualitative research is not to generalize findings, but to form a unique interpretation of events. This research study is not concerned with the generalisation of findings, but with the transferability of the research findings.

In order to ensure transferability within the study, the case study was analysed from three separate perspectives. Firstly, the perspective of the focal firm's senior management, secondly the citrus growers who were present at the meeting, and finally from another stakeholder who had an interest in the case. This allowed for comparison between the three different perspectives of the case. Transferability was also ensured through cross case-analysis in an attempt to allow for comparisons between multiple cases (Khan and Van Wynsberghe, 2008).

3.6.3 Dependability

Johnson, Adkins and Chauvin (2020) noted that to ensure dependability, the research method must be reported in sufficient detail to ensure that the reader can ascertain if the correct research practices had been followed and if the research methodology is reproducible. Dependability seeks to ensure "stability and consistency in the process of inquiry" (Riege, 2003, p. 81). In this study, dependability was ensured through a detailed study methodology and ensuring consistency within the inquiry process by using OtterAI to record all interview data (Riege, 2003). Additionally, all interview data was archived for future reference. The dependability of the data was further ensured through the acknowledgment and awareness of the research to safeguard against their theoretical position and biases.

3.6.4 Confirmability

Riege (2003) notes that confirmability is focused on the quality of the data interpretation, it is concerned with the logical and unprejudiced manner in which the data is interpreted. Shenton (2004) stated that researchers should take the necessary steps to demonstrate that findings emerge from the collected data and are not attributed to their own bias. Confirmability, within the study, was improved through the archiving of all transcribed interview material which was stored in a cloud-based platform. This method of data preservation ensures the original data was safely stored and could be used for reanalysis when required.

3.7 ETHICAL CONSIDERATIONS

Qualitative research often requires the researcher to involve themselves in situations and relationships which are complex and unpredictable (Reid et al., 2018). Where the dynamics of human interaction occur, ethical considerations should be continuously considered. Ethical issues can arise during the interview process (Sanjari et. al, 2014), therefore, standard ethical principles should include respect for the autonomy of the participants where applicable, ensuring confidentially is always maintained, obtaining informed consent at all levels, and ensuring voluntary participation (Scott, 2014).

Ethical approval was obtained from the Rhodes University Ethics Committee (Ethics number: 2022-4930-6525) (See appendix 3 – Ethical approval) to conduct the research and gatekeeper permission was obtained from the Managing Director of XSIT (See appendix 4 – Institution Consent Form). Furthermore, informed consent was obtained from all the interviewees (i.e., the firm's management, technical advisors as well as the citrus growers). For the research, a formal consent form was used, and interviewees were afforded the option to remain anonymous in the reporting of the data (Wiles et al., 2008).

The process of obtaining information through the interview process was transparent and open to encourage the participants to interact and share knowledge without the fear of misrepresentation or fabricated research conclusions. Confidentiality was always observed, and all participants were informed that their information and individual data would be kept anonymous.

3.8 CHAPTER SUMMARY

The chapter outlined the methodology utilized in obtaining and analysing the qualitative data. Data was collected through semi-structured interviews and analysed using deductive thematic analysis. The quality of the data was assured by ensuring the validity and reliability of the data. This was done by taking into consideration the credibility, transferability, dependability, and confirmability of the data. The study complied with the required ethical standards as set out by the Rhodes University

Ethical Committee and confidentially was maintained throughout the interview process and in the reporting of the data. The following chapter presents the research finding as collected and analysed in the interviews and discusses them in relation to the published literature.

CHAPTER 4. RESEARCH FINDINGS AND DISCUSSION

4.1 INTRODUCTION

The chapter aims to present and discuss the findings, of the case study, generated through several semi-structured interviews which were held with various stakeholders associated with a focal firm, XSIT Pty Ltd. The case study explored stakeholder trust and trustworthiness, with the focus on how a firm's interaction with a salient stakeholder, observed by a wider group of stakeholders, may or may not have led to increased levels of trust and social capital in the firm. The findings presented in this chapter are of a qualitative nature and were analysed using a thematic approach. The findings are also presented and discussed in line with the study propositions and objectives as laid out in the previous chapters.

For the sake of completeness, the objectives of the study are listed below, with the chapter presenting the findings for the first three objectives listed. The final two objectives will be dealt with in Chapter 5 of the study:

- To analyse how a firm's ability, benevolence, and integrity enable (or do not engender) the development of a firm's trustworthiness amongst its stakeholders.
- To analyse how the firm's engagement with a salient stakeholder enables (or does not engender) increased levels of trustworthiness in the firm by the stakeholders that are observing its interaction with a salient stakeholder.
- To analyse the benefits of social capital gained through increased levels of stakeholder trust.
- To identify good practice guidelines for firm engagement with salient stakeholders to ensure the correct cues are portrayed to observing stakeholders for the development of the trustworthiness of the firm.
- To make recommendations related to strategic management practices that will support the development of trust.

4.2 THE CASE STUDY

The case study was conducted on a focal firm, XSIT Pty Ltd, and focused on a stakeholder meeting held in the Sunday River Valley in July 2017. XSIT had been present in the valley since 2010 and had supplied a key technology used for the suppression of a phytosanitary citrus pest which, if not adequately controlled can close export markets for the South African citrus growers. It was widely acknowledged by all stakeholders interviewed that the suppression technology had been critical in maintaining access to these markets and, because of this it was made a mandatory pest suppression measure by a large citrus export company present in the Sunday's River Valley. This meant that at the time of the 2017 meeting, all growers utilizing the services of the packhouse would have been required to ensure that all their susceptible citrus varieties were treated with the sterile insect technique programme.

4.2.1 Breakdown of trust

Stakeholder support for the programme, since its inception in the valley, had been positive, with grower uptake of the programme increasing annually. However, several events took place between 2015 and late 2016 that eroded the stakeholder trust in XSIT. These incidents included a change in the delivery mechanism of the product that reportedly resulted in reduced product quality, poor communication of operational issues, concerns around reduced production, and overall sub-par delivery of the XSIT programme to its stakeholders. Another significant contributing factor to the loss of trust was that the above-mentioned issues correlated with environmental conditions, that were extremely favourable for the citrus pest. This in turn had resulted in high levels of fruit damage and loss of production and income for the firm's stakeholders.

> *"…the reality of the poor performance was now pretty evident, you know, we were doing a lot of work to try and keep the guys on the programme and heads above water and there was a lot of negativism around it … there was also a lot of negativity around the management and management style at XSIT."*

These conditions, and the significant damage to the citrus fruit, resulted in the stakeholders questioning the firm's data, the quality of the product, and the SIT programme as a whole. Stakeholders became vocal about their discontent with the firm, and when salient stakeholders publicly began to question the firm's ability to consistently supply a quality product, trust in the firm was further eroded. Pressure from these stakeholders forced the packhouse, who had made it mandatory for citrus growers packing and exporting fruit through their channels to utilize the product, to reconsider their stance on enforced participation. At this point, XSIT management had acknowledged that drastic measures were needed in order to rebuild stakeholder trust and minimize any further loss of business through stakeholders leaving the programme.

In May 2017, XSIT went through a significant change in management, which involved moving from a General Manager (GM) to an executive management team consisting of a Managing Director (MD), Chief Operations Officer (COO), Chief Financial Officer, a Business Development Manager, and a Chief Entomologist and Researcher (CER). This change in management was necessitated to provide additional structure and to support the growth that the firm had experienced within other areas of its business.

Due to various negative incidents and events, there had been a breakdown in the relationship between several the stakeholders in the Sundays River Valley and the firm's management. This breakdown resulted in concerns over the trustworthiness of the firm's data and the ability of the programme to perform as required to meet the necessary phytosanitary regulations imposed on exported fruit.

The findings showed that the ability of the firm to perform as expected was questioned by many growers because of misconceptions regarding the placement of the product supplied by the firm. This resulted in the growers having a preconceived idea of how the product was supposed to perform which differed significantly from how the leadership of XSIT identified the product should be placed within the market.

> *"… at that stage of the 2017 meeting, if you think back to this event and what was the thought process at that stage, it was they were expecting something that was going to solve their problems. That is what I was told by a number of*

citrus growers at that time. I only later fully understood that SIT is a suppression technique and not an eradication technique and therefore it was being incorrectly sold." – XSIT MD.

4.2.2 The Stakeholder meeting

With the potential loss of stakeholders, XSIT management decided to hold a stakeholder meeting to publicly address their concerns. The meeting was arranged and chaired by the Chief Agronomist of the citrus export company and was open to all XSIT stakeholders, including growers that packed through private means. The findings indicated that the intended goal of the meeting, from a stakeholder perspective, was to come to a definitive decision as to whether the XSIT programme should continue in the valley. From an XSIT management perspective, they aimed to address all stakeholder concerns and questions in a manner that promoted openness, honesty, and genuine concerns for the stakeholders to rebuild the broken trust.

All interviewees acknowledged that the meeting had been very well attended with most of the stakeholders in the Sunday's River Valley being present. During the meeting, and on two separate occasions, a salient stakeholder interacted with the XSIT management team which resulted in them publicly advocating for the SIT programme and pledging their commitment to the firm. The findings showed that this had a significant impact on the outcome of the meeting with the stakeholders deciding to continue with the SIT programme and effectively give XSIT a second chance in the Sundays River Valley.

The table below outlines the timeline of some of the key occurrences leading up to and post the meeting held in July 2017, as described during the interviews.

Table 4.1 Timeline of key occurrences within the case study.

Date	Event	Effect on stakeholders and the firm
2016	Forced change of product release mechanism	Reduced efficacy of the product and increased costs for the firm. Stakeholders begin to have concerns regarding the delivery of the product and the efficacy of the product.
Nov 2016 to May 2017	Very high-pressure citrus season	Significant losses of fruit were experienced by growers with a large portion of the blame directed towards XSIT. The delivery of the product by XSIT was inconsistent due to production issues at the facility and the change in the release mechanism.
May 2017	Pressure from citrus growers on the main packhouse to wavier the requirement to be on the SIT programme to pack fruit.	XSIT recognized this as a potential firm-ending event, as the loss of key growers (stakeholders could have a significant impact on the sustainability of the programme in the Sundays River Valley).
June 2017	MD and COO join the firm, an executive committee was appointed to take over from the previous general manager of XSIT.	Was identified as an opportunity for the firm to change the negative perception of the firm's management, but this was not adequately communicated to the stakeholders so the potential positive impact was minimal.

July 2017	Stakeholder meeting	Change in perception of the company during the meeting and, XSIT was given a chance to continue with the SIT programme in the Sundays River
		Valley. Salient stakeholders at the meeting publicly gave their commitment to the firm.
August 2017 – April 2018	Stakeholder monitoring of company performance	XSIT has presented an opportunity to fulfill its commitments and report effectively on its progress. Stakeholder interest in the operational side of the firm increased.

It has been well documented that ability, benevolence and integrity are the key antecedents of trustworthiness (Mayer Davis and Schoorman, 1995; Heyns and Rothman, 2015; Crane, 2020). The remainder of the chapters attempts to analyse the findings of this case study and determine if a firm's ability to interact with a salient stakeholder in a manner that expresses these attributes, provided the necessary visual cues to stakeholders, to not only build trust in the observing stakeholders but also promote social capital.

4.3 OBSERVED CUES AND PERCEIVED TRUSTWORTHINESS

The first proposition within the study stated that observing a firm's engagement with a single salient stakeholder would have provided cues to observing stakeholders about the trustworthiness of the firm. Trustworthiness refers to the attributes of a trustee that inspire trust. It is an evaluative appraisal that an individual or organization is worthy of trust and is therefore associated with moral behaviour, honesty, and reliability (Brenkert, 1998; Heynes and Rothmann, 2015). Therefore, the study focuses on ability, benevolence, and integrity as three antecedents of trustworthiness. The

findings will be discussed according to three sub-propositions identified within Chapter 2, and will be used to determine if they support the main proposition.

4.3.1 Ability and perceived trustworthiness

The first sub-proposition within the study focused on ability as an antecedent of trustworthiness and proposes that observing a firm's engagement with a single salient stakeholder will provide cues to observing stakeholders about the ability of the firm.

Ability at the firm level refers to the ability to perform as expected (Crane, 2020). It is the group of skills that allows one to perform at a defined level of competence, expertise, and capability within a specific field or skill which subsequently allows one to perform a task accurately with the required skills (Mayer, Davis and Schoorman, 1995; Colquitt, Scott and LePine, 2007). The ability of a focal firm to perform as expected engenders reassurance in a stakeholder that the focal firm will meet their expectations, which reduces the perceived risks associated with the interaction, and influences the stakeholder's perceived trustworthiness in the firm. Therefore, ability is considered an essential element of trust (Mayer, Davis and Schoorman, 1995). The findings will be presented and discussed from the perspective of the focal firm, the citrus growers, and the agronomists who were present at the meeting.

The current MD and COO joined the firm a month before the meeting was held. This represented a significant change in the leadership within the organization. Before the establishment of an executive committee, XSIT was led by a GM who took sole responsibility for both the running of the production as well as most of the significant client interactions.

4.3.1.1 Discussing ability and its influence on trust

The misalignment of perceptions, between the firm and its stakeholders, had a negative impact on the stakeholder's trust in the company and their ability to deliver a product that adequately measured up to the stakeholder's expectations. This

breakdown of trust between the growers and the previous management of XSIT was corroborated throughout the interview process. The findings indicate that the firm's ability to supply a consistent product of high quality was the influencing factor, coupled with a mistrust of the information communicated by the firm. Many growers did not feel that the fruit infestation data that was being reported by XSIT was in line with what they were seeing in their orchards.

During the meeting held in 2017, the company was able to portray its ability in a manner that influenced the stakeholder's perception of the firm. The manner in which the MD of XSIT planned the meeting, and how it was conducted had a significant influence on the perceived ability of the company. Several actions were found to have influenced the stakeholder's perceptions. The MD of the firm requested at the start of the meeting that each member of the firm's executive committee move forward to the front of the hall, in which the meeting was held, and stand before its stakeholders. He utilized the opportunity to introduce each member of the management team to the stakeholders and identified their key roles and areas of focus within the firm. This was the first time the executive committee had been introduced in such a manner to the stakeholders and presented themselves in an open forum to answer any questions the stakeholder might have had for the firm.

By providing the stakeholders with role-specific information for each of the management team members within the firm, and portraying them as specialists within their respective fields, the abilities of each of the members were portrayed in a manner that stakeholders, present at the meeting, both understood and acknowledged. The MD of XSIT acknowledged that presenting, in detail, what the firm had done, what they were currently doing and the strategy of what they were planning had, in his opinion, instilled confidence in the stakeholders that were present at the meeting. He also acknowledged that putting all the key employees, working for the company in the valley, in front of all the stakeholders present at the meeting was a turning point in trust development. This approach personalized the interaction at the beginning of the meeting and gave the stakeholders a better understanding of the firm's approach to its daily operational requirements. The findings confirmed that this was in stark contrast to the firm's previous interactions, of a single individual taking ownership of

the entire operations of the firm. The MD also noted that the firm had strategically excluded the previous general manager of XSIT for the meeting as there was an understanding that there had been a breakdown in trust between some of the growers and that person. The MD of XSIT publicly stated that they intended to foster a relationship of openness, transparency, and inclusiveness. All stakeholders who were interviewed confirmed that introducing the new XSIT management team had a positive impact on their view of the company. One of the citrus growers interviewed stated that "whenever you introduce people and give their background and the role they are playing, you know, it builds confidence.

At the meeting, there were two significant interactions between XSIT and salient stakeholders. The findings indicate that these interactions further influence the stakeholder's perceptions of the firm during the meeting. The salient stakeholders, in their interaction with the management, acknowledged that the firm had made mistakes but advocated their support for the company and its new management and urged the observing stakeholders to remain part of the SIT programme in the Sunday's River Valley, as it was a key technology that the citrus industry needed to ensure market access.

The Chief Executive Officer of HABATA was one of the salient stakeholders that confirmed his support publicly for the company and the SIT programme. HABATA is respected in the region for its citrus production as well as its technical knowledge. One of the smaller citrus growers in the region who was interviewed confirmed this by stating, "he is always outspoken and for him to believe that it contributes, and SRCC with their support on the program was very important to the success of XSIT, and then I do think that the punting of area-wide and the bigger guys being prepared to support the system, pulled the smaller guys like myself into that picture." The findings indicated that within the citrus industry in the Sundays River Valley it is common for the smaller citrus growers to base the majority of their decisions on what highly successful growers are doing. Therefore, the acknowledgment of the company's improved abilities within their management team as well as their ability to follow through on their commitments, made during the meeting, influenced the perceived trustworthiness of the firm.

"There were two significant individuals that stood up and spoke on behalf of XSIT. One was the CEO of HABATA and the other the MD of Sunday's River Citrus Company…... and another thing that I came to learn afterward was the significance of the small to medium citrus farmers' interest in what other people are doing in the valley. They actively watch to see what the guys are doing and then they do it. They will often not make a decision until they understand what other people are doing around them."

4.3.1.2 Sub-proposition conclusion

In some respects, the findings presented evidence to support the proposition that observing a firm's engagement with a single salient stakeholder can provide cues to observing stakeholders about the ability of the firm. Within the Sunday River Valley, a large number of growers are reliant on their observations of larger growers to make various decisions. They actively observe what salient stakeholders do before making their own decisions, therefore when the salient stakeholder acknowledged the new management team, their abilities and advocated their support for the firm, this would have provided the necessary cues regarding the firm's ability and have influenced the secondary stakeholder's perceptions of the firm's trustworthiness. Therefore, it is believed to have had an impact on the observer's perceived trust in the firm. However, the findings also presented strong evidence that it was not only as a result of observing a single salient stakeholder interaction with the firm but also the way the firm displayed its ability to all stakeholders present at the meeting that influenced their perceived trustworthiness. Their initial planning to address all concerns was the introduction of each of the senior management team. In addition, the good results obtained in the season after the meeting significantly influenced the stakeholder's perception of the firm's management ability and its ability to deliver a valuable product to the citrus industry. This is believed to have strongly influenced the stakeholder's trust in the firm in this case study.

The above conclusion is consistent with the literature in confirming that ability is a key antecedent of trustworthiness (Mayer, Davis and Schoorman, 1995; Colquitt, Scott

and LePine, 2007; Crane, 2020; Svare, Gausdal and Möllering, 2020). These findings also support Crane's (2020) model, and the model presented within this study in confirming that a stakeholder's observation of interaction can influence their perceived trust and further highlights the role that third parties can play as trust intermediates (Ferrin, Dirks and Shah, 2003; McEvily, Perrone and Zaheer, 2003). Ridings, Gefen and Arinze (2002) focused their research on the effects of trust in virtual communities where they found that virtual communities were more willing to share knowledge when they had developed trust in others' abilities. They found that when one was seen to have knowledge and skills regarding a certain topic, members were more likely to provide and request information as trust was developed through the acknowledgment of perceived ability. This is consistent with the finding of this study where it was shown that perceived ability through introducing the new management team and their respective roles provided key information to the stakeholders regarding the abilities of each of the members and the management team as a whole.

4.3.2 Benevolence and perceived trustworthiness

The second sub-proposition within the study focused on benevolence as an antecedent of trustworthiness and proposed that observing a firm's engagement with a single salient stakeholder will provide cues to observing stakeholders about the benevolence of the firm. Benevolence has been shown by various authors to be a key prerequisite for trustworthiness in a firm (Colquitt, Scott and LePine, 2007; Reiersen, 2018). Benevolence is the desire of a firm to act in the best interest of its stakeholders, and in many instances, firms may even put the needs of the stakeholders above their own (Colquitt, Scott and LePine, 2007; Crane 2020). Firms that are benevolent towards their stakeholders often display characteristics such as loyalty, openness, and transparency in their dealing with their stakeholders as they are genuinely interested in their stakeholder's wellbeing.

4.3.2.1 Discussing benevolence and its influence on trust

The findings of this case study show that prior to the meeting in 2017, there was a discrepancy between how the firm perceived its benevolence towards the stakeholders and the stakeholder's perceptions of the firm's benevolence. That is, from the firm's management's perspective, they felt that they had provided an essential service to the industry, as the SIT programme was not considered economically viable to pursue in the citrus industry, and therefore has to be cross-subsidized. The high financial cost of the programme to XSIT was confirmed by all XSIT management interviewed and it was noted that the SIT programme had been subsidized by sales of other products within the firm. The firm's management confirmed they had continued to provide the programme as they wanted to see it succeed to ensure that the technology of SIT remained available to its stakeholders. They would ensure that the citrus industry was provided with a pest control solution that was internationally recognized by global markets as a prerequisite for trade.

In contrast, the stakeholders (especially the citrus growers interviewed) perceived the technology as too expensive, and due to various reasons already mentioned, they had begun to question the efficacy of the programme as well as the intentions of the firm. The findings showed that from the stakeholder's perspective, they believed that the company was not acting in their best interests and had not provided them with a quality product that was worthy of their capital outlay. In addition to this, the findings suggested that the stakeholders had not been provided with an effective means to substantiate the efficacy of the programme, and they felt that the firm had potentially used this as a means to hide production inconsistencies and poor field results as a result of the delivery mechanism changes. The COO of XSIT confirmed that the SIT moths had been previously delivered with the use of a gyrocopter but due to several incidents the South African Aviation Agency had grounded all gyrocopters used by XSIT and they had been forced to switch to a fixed-wing aircraft for the release of the sterile moths.

Leading up to the meeting in 2017, the new XSIT management team worked closely with a highly respected packhouse within the Sundays River Valley, whose agronomy section had a strong presence on many farms in the Sunday's River Valley. The MD

confirmed that this had allowed them to gain further insights into the stakeholder's concerns and in doing so, they were able to plan to address these concerns in detail at the meeting. XSIT also allowed their Chief Agronomist from the organization to chair the meeting. By doing this the firm was perceived that have given up the right to control the meeting and opened itself up to constructive criticism and created an open forum for debate. The findings indicated that the firm's intention behind the meeting was to portray openness, and honesty and to create a sense of stakeholder inclusiveness to deal with the issues and concerns of all stakeholders within the area. They attempted to portray this by ensuring that they understood the stakeholder's concerns and were able to use the information to develop both a presentation and responses to adequately address them in a manner that brought some closure to the previous matters. XSIT's COO acknowledged that they were aware that the growers were concerned about the number of sterile recaptures as well as the number of moths released per hectare leading up to the meeting. In their planning and preparation, they were able to address these issues by presenting the growers with detailed information on production improvements, acknowledging previous poor release numbers, and providing the growers with a firm plan to rectify the issues to ensure consistent production of a higher quality. The COO explained that the improvement in moth quality would further improve the moth recaptures and that the firm's research department had been working on several strategies to improve moths recaptured under a variety of field conditions.

By doing this, the firm conducted itself in a manner that resulted in them being able to effectively address the majority of the stakeholder's key issues. These actions agree with Crane's (2020) definition of benevolence as he noted that benevolence is the desire of a firm to satisfy the needs of its stakeholders. Svare, Gausdal and Möllering (2020) found that benevolence-based trust was identified as particularly salient for promoting open and honest communication as well as knowledge sharing and innovation.

> "It was very important that the guys had the opportunity, in public, to raise their concerns and negative sentiments. That was very important. If XSIT had tried to suppress that I don't know if the company would have survived. It is my

opinion that if you can get a debate on difficult issues out in the open in my mind it makes a very big difference." – Habata CEO.

Benevolence is perceived by stakeholders when they believe the firm is interested in their concerns and shows a genuine interest in the stakeholders themselves. Despite the SIT programme not providing the firm with a viable source of income the findings showed that the firm was committed to ensuring that they were able to meet the stakeholder's expectations and in doing displayed its benevolence by continuing to provide a product that would maintain market access for their stakeholders.

During, and after the 2017 meeting various stipulations were imposed on XSIT by its stakeholders, with the key stipulation being that the firm would need to provide a specific volume of product and report weekly on its progress. The findings showed that XSIT worked closely with various salient stakeholders, including HABATA, to improve the product delivery as well as the operational reporting structures. This was noted in the findings as a common theme identified by the interviewees, which indicated that the XSIT was prepared to invest financially in a product that would benefit the citrus growers at an additional cost to the firm. This interaction was monitored by a number of the observing stakeholders and was noted as a key factor in their renewed trust in the firm. Therefore, the firm's effort to work closely with HABATA was noted by observing stakeholders and could be seen as benevolence on behalf of the firm which lead to the improved perception of their trustworthiness.

> *"What was really good is that after that meeting XSIT picked up the strings and went on to improve the situation. That was really important to me, and the attitude of never say never and we will go out and get these things right and make a difference. It was an opportunity that XSIT used to correct it and take the business and company further. They injected new management, systems, and life into the company." – Habata CEO.*

The findings confirmed that, after the 2017 meeting, XSIT followed up with a number of salient stakeholders to collaborate with them to further innovate and improve the programme. This was acknowledged by several interviewees, however, was not a common theme throughout the entire data collection process. This provides some

evidence that the firm's willingness to further develop the product and programme to meet the needs of its stakeholders was a visual cue for some of the observing stakeholders as to the benevolence of the firm. In the interview, the Habata CEO confirmed that XSIT was looking to innovate and stated that the firm was working with them to explore different possibilities of releasing the moths.

> *"I think what they are doing now is a good job, I mean their communication is good. They are always looking to be innovative, always looking for different ways to combat the FCM problem." – Citrus grower.*

A final theme that was evident within the findings and would have provided a cue to all observing stakeholders of the firm's benevolence was their request to have an independent person chair the meeting. This decision would have potentially placed XSIT in a vulnerable position whereby providing cues to all the stakeholders present at the meeting that the firm was taking their concerns and wellbeing seriously. It is important to contrast this approach with the firm's previous approach, which included a more forceful approach to taking charge of the meeting, and a single person taking the responsibility for handling XSIT's operations and public interactions. This contrasting approach to the 2017 meeting showed the firm's goodwill towards its stakeholders.

4.3.2.2 Sub-proposition conclusion

The findings showed that, prior to the 2017 meeting, how the management of the firm perceived their benevolence towards the stakeholders and the way the stakeholders perceived it differed significantly. The management of the firm believed they were providing the programme in the best interest of the citrus industry, while the stakeholders felt that the information they had been receiving had been misleading and the firm had not acted in their best interests. It is questionable whether stakeholders observing the firm's interaction with the HABATA CEO during the meeting were provided sufficient cues of benevolence to influence their perception of the firm's trustworthiness, as this did not come through strongly in the analysis.

However, there was strong evidence to confirm that the actions by the firm both during and after the meeting, did influence the firm's perceived benevolence towards the stakeholders with various acknowledgment of the firm's good intentions to not only provide both answers to the stakeholder's concerns but also to work with the stakeholders to further innovate the product to improve its performance. The findings confirmed that the stakeholders had acknowledged the good intentions of the firm during and post the meeting.

Benevolence has been identified within the literature as a key antecedent of trustworthiness (Mayer, Davis and Schoorman, 1995; Colquitt, Scott and LePine, 2007), and the results of this study conform with these findings. Svare, Gausdal and Möllering (2020) identified that benevolence-based trust is identified is a key aspect in the promotion of open and honest communication and knowledge sharing. They identified that this enabled improved levels of collaboration which resulted in greater levels of innovation within networks. The findings within this study showed that benevolence of the focal firm towards a salient stakeholder influenced the perceived trustworthiness of the firm to observing stakeholders which led to a number of working relationships. Some of these focused on improving the XSIT and innovating, further confirming the importance of benevolence in the development of trust within a relationship and in agreement with the findings of Svare, Gausdal and Möllering (2020). Brown, Buchholtz and Dunn (2016) focused their research on repairing lost trust, which holds many similarities to this case study. They noted that in order to re-establish trust, one needs to hold true to promises and be consistent in acting in faith. They identified that moral salience was a function of both moral intensities of the firm's behaviour and the relational intensity of the firm-stakeholder psychological contract. The findings of this study showed that XSIT new management team focused on openness, transparency, and goodwill during their interactions, both with the salient stakeholder and throughout the 2017 meeting. Therefore, the outcome of the meeting confirmed that lost trust was repaired through the actions of the firm at the meeting, in which they presented evidence that the management team was prepared to operate with both moral salience and intensity, which agrees with the findings of Brown, Buchholtz and Dunn (2016).

4.3.3 Integrity and perceived trustworthiness

The final sub-proposition within the study focused on integrity as an antecedent of trustworthiness and proposed that observing a firm's engagement with a single salient stakeholder will provide cues to observing stakeholders about the integrity of the firm. Integrity has been described within the literature as an important dimension of human perception (Di Battista, Pivetti and Berti, 2020), and is associated with various moral aspects of the trustee such as honesty, fairness, morality, credibility, reliability, and transparency (Colquitt, Scott and LePine, 2007).

Greenwood and Van Buren III (2010) described integrity as a perception that a firm adheres to a set of principles that the stakeholders consider worthy, but also argue that integrity is a wider construct. Therefore, for the purpose of this analysis, integrity refers to the idea that a firm's actions are considered fair, and that they adhere to a given moral code that is acceptable to the stakeholder. Integrity and transparency are related, and can create or undermine stakeholder trust.

4.3.3.1 Discussing integrity and its influence on trust

A theme that was prevalent in almost all interviewees' descriptions of the events was the firm had publicly admitted and acknowledged the mistakes that had been made in the past. The firm had not only admitted to these shortcomings but also presented the stakeholders with several actions that the firm intended to pursue to rectify them. This was perceived by the stakeholders interviewed as a positive step in rebuilding the lost trust in the firm, not only from an ability perspective but also through belief in the new management's integrity.

> "…he was positive and said a lot of good things about the direction the company was going in. He also acknowledged a lot of the weaknesses, and I am telling you that was like the first time I'd ever heard that from anyone at XSIT, you know, to stand up in a public meeting and acknowledge that there were mistakes, and they were looking to change them and what they were doing about it". – Citrus grower.

"…and can I just say that what I like and respect about the company is that you associate them with good people." – Habata CEO.

The meeting was arranged and presented in a manner that allowed all stakeholders present to have an opportunity to publicly raise their concerns about the programme and the firm's performance. This placed the firm in a potentially vulnerable position while having to address all questions and concerns in a public environment. The findings showed that the way the meeting was held resulted in the stakeholders feeling a sense of inclusion and as a result, this provided the observing stakeholders with important cues about the firm's integrity.

"Yes, I walked away there feeling that, we must give it another go… when you are included in something you feel part of the solution. Coming out of the meeting you feel included and you feel that your problem is being addressed." – Citrus grower.

During the post the 2017 meeting, there was a commitment made by the COO of XSIT that their data would be both factual and transparent, thereby ensuring that the firm stakeholders are properly always informed concerning the products performance and any operational issues that may impact the firm's ability to deliver the programme. This was confirmed by the firm's COO who stated that the "became, by factual information, more open with regards to communicating all or any information that was required."

This contrasted with the stakeholder's perceptions of the company's data before the 2017 meeting in which data transparency was a concern that came through strongly within the findings. This was noted as a key factor in undermining stakeholder trust in the firm. The findings provided evidence that the stakeholders trusted the integrity of the data presented both at the meeting as well as the subsequent data shared with the growers in the form of newsletters and updates. Data transparency was noted as a key finding supporting the stakeholder's belief in the firm's integrity.

The findings present evidence that the firm's openness and honesty both at the start of the meeting and during the interactions with the salient stakeholder positively affected the stakeholder's perceptions of the firm's trustworthiness. Therefore, it was acknowledged that the interaction with the salient stakeholder did influence the

observing stakeholder's perception of the firm's integrity, however, there were numerous cues throughout the meeting that would have also played a significant role. The introduction of the new management team, several which were known to the stakeholders in the valley, certainly influenced the stakeholder's perception of the firm's ability but also its integrity. The analysis of the data showed that the new management team was recognised by the stakeholders as having integrity as they perceived them, through the interactions, as being honest, open, and transparent.

4.3.3.2 Sub-proposition conclusion

There was sufficient evidence within the findings to indicate that observing stakeholders had identified integrity as a key component of their renewed trust in XSIT. The findings showed that honesty, openness, and transparency were the key attributes that resulted in the stakeholder's perception of trustworthiness in the firm. This was in contrast with the stakeholder's perceptions prior to the 2017 meeting, where they believed inaccurate data and information had resulted in them losing trust in the company's integrity. Greenwood and Van Buren III (2010) noted that the integrity of an organization would be brought into question if there were concerns around opportunistic behaviour, especially if a stakeholder considers themselves vulnerable within the interaction. The above-mentioned findings, related to the loss of trust, could be explained through Greenwood and Van Buren III's (2010) findings. They noted that a stakeholder may act as if they were not concerned about the rights or interests of another party if it meant enhancing their own interests. The findings of the study confirm that many of the stakeholders interviewed felt that the firm had not been totally honest in order to enhance its position within the Sundays River Valley.

The findings did provide evidence that the interaction with HABATA CEO had provided the observing stakeholder's cues regarding the firm's integrity. The influence that the salient stakeholder has on the decisions of observing stakeholders was evident in the findings and the firm's openness, honesty, and transparency within the interaction influenced the perceptions of the observing stakeholders. However, it must also be noted that the way in which the firm conducted itself throughout the meeting also

provided a number of important cues regarding its integrity. This was confirmed by all interviewees in the findings. Connelly et al. (2018) found that managers seeking to improve the efficiency of inter-organizational relationships will do well by performing competently, however, they could improve upon this trust-building by building perceptions of integrity. They noted that managers looking to build trust need to demonstrate impeccable character. Although this study looked at inter-organizational interactions, the findings within the study have similarities to those found within this case study. The introduction of the new management team and the way in which the meeting was conducted provided the cues to observing stakeholders about the competence and character of each of the management team members. This was noted as a key element in the rebuilding of trust in the firm.

The finding of the study further concurs with Shahid and Azhar (2013) who acknowledged that trust is formed when there is honesty and consistency within an interaction when one can fully acknowledge valuable information, when one is willing to deal with tough issues, and when a one is open about their ambitions and motives. Each of the above is required to form integrity-based trust. The management team of XSIT demonstrated and focused on each of the points mentioned by Shahid and Azhar (2013) during the meeting and with their interaction with the salient stakeholder and in doing so demonstrated the necessary integrity required to rebuild some of the lost trust in the firm.

4.3.4 Main proposition conclusion

There is sufficient evidence within the findings to support the proposition which states that observing a firm's engagement with a single salient stakeholder would have provided cues to observing stakeholders about the trustworthiness of the firm. This supports the finding of Crane (2020) who noted that it was possible to have a transfer of trust from one stakeholder to another through trust-building actions in an organization being observed by multiple stakeholders. The findings also confirmed that ability, benevolence, and integrity were shown to be key attributes to building trust, despite some authors have failed to demonstrate significant, unique effects for each

of the three dimensions in developing trust (Jarvenpaa et al., 1998; Mayer and Gavin, 2005). This was not the case in this study and therefore the findings of this study agree with various authors that have identified these three attributes as trust-building (Mayer, Davis and Schoorman, 1995; Colquitt, Scott and LePine, 2007; Greenwood and Van Buren III, 2010; Crane 2020).

In this case study, the firms interacted with a salient stakeholder who was well respected and acknowledged for their technical expertise within their given field. The firm was open, honest, and inclusive in the way in which they conducted themselves both within the meeting and in the interaction with the salient stakeholder. This contrasted with the firm's previous management style and therefore was perceived as having a positive influence on the firm's integrity and ability. The firm's commitment to allowing a third party to chair the meeting was interpreted as the firm acting in a benevolent manner towards its stakeholders as well as their willingness to include the stakeholders in further development of the SIT programme after the meeting.

4.4 PERCEPTIONS OF TRUSTWORTHINESS AND SOCIAL CAPITAL

The current business environment enables information sharing and increases the likelihood that various stakeholders are interconnected. Therefore, the way in which a firm engages with a stakeholder may determine to what extent other stakeholders are willing to engage with the firm and build trust. Connectedness forms part of social capital and social capital is thought to facilitate cooperation between stakeholders through social networking (White, 2002). The final proposition within the study stated that the stakeholder's perceptions of a firm's trustworthiness will result in increased social capital between the firm and its stakeholders.

Stakeholder social capital has been defined as "the goodwill that arises from the pattern of social relations (multiplex and dense) between the firm and its stakeholders realized through members' meta-purpose and shared trust that contributes to the common good of both the stakeholder network and the society defines" Cots (2011, p.334). Therefore, the advantages which may be created through actual and potential resources embedded in social relationships may be regarded as social capital (Leana

and Pil, 2006; Cots, 2011). Social capital does not reside within the entity but rather in the relation between the entities.

4.4.1 Social capital built through trust

During the meeting in 2017, and because of the firm's actions thereafter, XSIT was able to change the stakeholder's perception of the firm's ability, benevolence, and integrity which rebuilt some of the lost trust. As a result of the stakeholder's renewed trust in the firm's ability to meet their expectations, they agreed that the SIT technology was essential in suppressing the insect pest and maintaining access to the global markets and therefore XSIT should be supported. The finding shows that this was a common sentiment between the firm and the stakeholders with both understanding the importance of the technology to the citrus industry and both wanting it to succeed. Cots (2011) notes that the cognitive dimension of stakeholder social capital refers to the degree to which the stakeholders share a common perspective or understanding with the firm.

The finding presented further evidence that the trust built by the firm's new management team both at the meeting and thereafter resulted in increased social capital. This was noted by a willingness of various stakeholders to work alongside the firm to solve the issues that were presented and to further innovate the product for improved control of the pest. This willingness was driven by an improved understanding of the product and the firm's commitment to its stakeholders. Further evidence of social capital was identified through several close working relationships that had been established between the firm and its stakeholders. The XSIT COO indicated that the firm was working closely with the HABATA team to further improve moth quality through different release methods as well as assisting them in identifying an appropriate approach for the programme in other crops of interest to the stakeholder. The XSIT COO described the working relationship as a win-win for both parties involved, and these sentiments were echoed in the interview with the HABATA CEO who indicated that XSIT and the SIT programme were a vital component in ensuring the South African Citrus industry's access to global markets. Within the

interview, he also made mentioned that a working relationship with the growers was essential in developing the XSIT products further to improve the control of false codling moth.

The findings of the study agree with the findings of Nahapiet and Ghoshal (1998), who argued that social capital facilitates the creation of new intellectual capital, with firms that develop particular configurations of social capital being more likely to succeed in innovation and the creation of a competitive advantage. Ahern and Hendryx (2003) research the effect of social capital and trust in health providers. They identified that social capital mediated or reflected how health care was perceived and delivered in various communities. Therefore, the level of general trust, engagement, and reciprocity in a community had an influence on the levels of trust people perceive in their health care providers. Although their findings were focused on a different industry, their findings have a number of similarities to the current study. XSIT's engagement with various stakeholders and their willingness to work closely with the citrus growers in further developing their product influenced the level of general trust in the firm.

4.5 CHAPTER CONCLUSION

The aim of the chapter was to analyse how a firm's ability, benevolence, and integrity can lead to perceived trustworthiness and increased social capital. The findings were presented in line with the objectives of the study and the propositions that were tested. The chapter therefore analysis how ability, benevolence, and integrity, observed in a salient stakeholder-firm interaction may influence observing stakeholders perceived trustworthiness of the firm. The analysis also considered whether the trust could lead to increased social capital.

The finding revealed that the company's interaction with a salient stakeholder, in the presence of observing stakeholders, did influence the observer's perceptions of the firm's trustworthiness. However, it was noted that there were a number of other additional factors outside of this single interaction that was perceived to have had a significant influence on the development of trust. Ability, benevolence, and integrity

were all shown to be antecedents of trustworthiness and noted in the findings as being important in the development of stakeholder trust.

CHAPTER 5. CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter addresses the final two objectives of the study. It begins with a summary of the pertinent findings and uses these to formulate recommendations on how a firm should interact with a salient stakeholder to portray specific cues that may influence an observer's perception of the firm's trustworthiness. The chapter also provides guidance and recommendations for future research, while acknowledging the research limitation, delimitations, and the contribution of the study to stakeholder theory.

5.2 SUMMARY OF FINDINGS

The research aimed to analyse if the perception of trust could be instilled in stakeholders who observe an interaction between a focal firm and a salient stakeholder and if these perceptions of trustworthiness could lead to increased social capital. The research focused on three antecedents of trustworthiness, namely, ability, benevolence, and integrity. Two propositions, as developed in Chapter 2, were investigated through a semi-structured interview process.

The first proposition stated that observing a stakeholder's engagement with a single salient stakeholder will provide cues to observing stakeholders about the trustworthiness of the firm. This proposition was further broken down into three sub propositions which focused on a firm's ability, benevolence, and integrity as providing cues of trustworthiness. A finding that come through strongly, when assessing all three sub-propositions, was the influence that salient stakeholders had on secondary stakeholders, namely smaller citrus growers in the Sunday's River Valley. Secondary stakeholders based most of their decisions on their observations of various salient stakeholders' decision-making processes. This was a decisive factor in understanding

how the firm's interaction with the salient stakeholder would be able to influence the observing stakeholder's perception of the firm's trustworthiness at the meeting.

The first sub-proposition stated that observing a firm's engagement with a single salient stakeholder will provide cues to observing stakeholders about the ability of the firm. The findings of the study confirmed this proposition. The firm was able to display attributes of ability within their interaction with the salient stakeholder that provided sufficient cues to observing stakeholders about its ability. An analysis of the findings showed that the firm was able to demonstrate openness, transparency, and inclusiveness, both in the way in which it interacted with the salient stakeholder and throughout the meeting. The introduction of their new management team and a clear breakdown of each of their roles provided the necessary cues for observing stakeholders assess the ability of the firm to meet the stakeholder's demands and expectations. The firm was also able to honour all its commitments made during the meeting and ensured that its ability was acknowledged through open communication and transparency of its data, post the 2017 meeting.

The second sub-proposition, developed in Chapter 2, focused on benevolence, and stated that observing a firm's engagement with a single salient stakeholder will provide cues to observing stakeholders about the benevolence of the firm. The findings revealed that there was a difference of perception between the stakeholders and firm's management, regarding benevolence, before the 2017 meeting. The firm's management believed they were acting in the best interest of their stakeholders by continuing to provide them with a product that was important for maintaining international market access, even though the product was considered, by the firm, to be financially non-viable. In contrast, the sentiments of the stakeholders differed. They believed the firm had not acted in their best interest, with the firm providing inaccurate data and a product that was ineffective and overpriced. The stakeholder's perception of the firm was swayed during the meeting, with the findings indicating that the stakeholders had left the meeting with a renewed trust in the firm. This was largely due to a better understanding of the product and programme which was gained through the firm's interaction with the salient stakeholder, and from the detailed information provided during the meeting. By involving a strong technical person to

chair the meeting, the firm showed its commitment by giving up full control of the meeting and dealing with all questions posed by the chairman in the public domain.

Lastly, the third sub-proposition proposed that observing a firm's engagement with a single salient stakeholder will provide cues to observing stakeholders about the integrity of the firm. The findings of the study provided evidence that the interaction with a salient stakeholder had provided the observing stakeholder's cues regarding the firm's integrity, both at the meeting and thereafter. The influence that the salient stakeholder had on the decisions of observing stakeholders was strongly evident in the findings, and the firm's openness, honesty, and transparency within the interaction were noted to have influenced this further. However, it must also be noted that the way in which the firm conducted itself and the meeting was acknowledged as a significant factor that provided several important cues regarding its integrity. These cues included acknowledging all previous mistakes, having a third party chair the meeting, opening the floor to questions and constructive criticism in the public domain, and presenting all their data in detail to the stakeholder. This was confirmed by all interviewees in the findings.

Therefore, based on the findings in each of the three sub-propositions it was evident that there was sufficient evidence to support the main proposition which stated that observing a firm's engagement with a single salient stakeholder would have provided cues to observing stakeholders about the trustworthiness of the firm. The findings further confirmed that ability, benevolence, and integrity were shown to be key attributes to building trust. This supports the findings of Crane (2020) who noted that it was possible to have a transfer of trust from one stakeholder to another through trust-building actions in an organization being observed by multiple stakeholders.

The second proposition within the study focused on the potential development of social capital resulting from the perception of the trustworthiness of a firm and stated the perceptions of a firm's trustworthiness will result in increased social capital between the firm and its stakeholders. The findings presented evidence that the trust built by the firm's new management team both at the meeting, and thereafter, had resulted in increased social capital. This was noted by the willingness of various stakeholders to work alongside the firm to solve issues that were raised during the meeting. There was

also a confirmation of the willingness of stakeholders to assist in further product innovation, as they saw the working collaboration with the firm as important for future requirements to market access. The findings indicated that the increased social capital was driven through improved trust in the firm, which was built through the stakeholders improved understanding of the product, renewed optimism and belief in the firm's management team, and an acknowledgment of the firm's commitment to the programme. This led to several close working relationships between the selected stakeholders and the firm.

5.3 IMPLICATIONS AND RECOMMENDATIONS FOR MANAGEMENT

The findings of the study have several managerial implications for organizations that intend to build trust in a wider group of stakeholders. Stakeholder theory focuses on the identification and prioritization of stakeholders, as managers simply are not able to address all stakeholder claims. The accurate identification of the salient stakeholder, that would have the greatest influence within the firm's business environment, is critical in ensuring the firm directs its resources in a manner that will ensure the maximum utilization of stakeholder connectedness. It is recommended that the firm conduct a stakeholder analysis which includes utilizing both Mitchell, Agle and Wood's (1997), and Bryson's (2004) stakeholder models to define the stakeholders that are dominant or players within their business environment. This will provide some guidance; however, it is important that the firm investigate the salience of each of the identified stakeholders and considered which would provide the best opportunity to utilize the stakeholder connectedness through their interactions with them.

Considering the above, a firm's ability to identify and interact with a salient stakeholder that is highly respected should be prioritized, especially if secondary stakeholders have a known interest in the interaction. The ability of management to portray ability, benevolence, and integrity is essential in the development of trust. To portray their attributes effectively the firm should focus on the following:

- Develop strong relationships with key salient stakeholders. In doing so, a level of trust will be developed which will be evident to observing stakeholders in a public interaction between the two.

- Ensure that they are able to generate opportunities for these interactions to be observed. This may mean holding quarterly feedback sessions for all stakeholders in the Sunday's River Valley. The preparation of the firm's management should be such that they are able to ensure that a positive interaction between themselves and a salient stakeholder occurs.

- During all public interactions, focus on maintaining an open, honest, and interactive environment, whereby enticing stakeholders to participate in the discussion would lead to a feeling of inclusiveness. The firm needs to be transparent with its intentions and any data that it presents.

- The firm should ensure that they have clear and effective communication as it is essential in portraying integrity within an interaction. Communication is also an essential part of building trust in a relationship. The ability to follow through on commitments made to stakeholders, and report effectively on them, will continually provide observing stakeholders with the necessary information required to make informed decisions regarding both the integrity and ability of the firm.

- The ability of management to interact with stakeholders in a manner that portrays genuine concern for their points of view and suggestions portrays a firm's benevolence. Therefore, the firm needs to engage with salient stakeholders on a deeper level and understand their specific requirements. In doing so they show a genuine concern for their needs and can include the stakeholders in the development of improved products or services. This would be an important step in ensuring positive outcomes of interactions in a public domain, as the firm would have already built a positive rapport with the stakeholder thereby improving the possibility that the salient stakeholder will advocate for the firm in a public forum debate.

- Observing stakeholders' value inclusiveness is a key priority in developing trust. Therefore, the benevolence a firm displays during an interaction should be

focused on a wider group of stakeholders and not necessarily only focused on the salient stakeholders.

In this specific case, what came through strongly in the analysis was that the firm should ensure that they are able to create opportunities where they can openly address issues and concerns with salient stakeholders in a public forum to stimulate debate around difficult subjects. This will have a positive impact on the observing stakeholder's perception of the firm and lead to the development to stakeholder trust.

The final recommendation is to work closely with their stakeholders on as many aspects of the programme as possible. In doing so the firm's management should focus their efforts, but not limit them to key salient stakeholders. Further, it would be important to develop the stakeholders' feelings of inclusiveness and ensure there is sufficient innovation in the product to address the salient stakeholders' requirements. Regular meeting should be arranged for reporting on the firm's progress and in doing so the firm can make use of the stakeholder connectedness within the Sundays River Valley. These close working relationships will build trust and further improve the social capital between the firm and all its stakeholders.

5.4 RECOMMENDATIONS FOR FURTHER RESEARCH

5.4.1 Delimitations of the study

The study focused on a single case that involved an interaction between a focal firm and a salient stakeholder and how this, when observed by a wider group of stakeholders, influenced the perception of the observing stakeholders concerning the trustworthiness of the firm. This was the scope of the study, which was delimited in its focus on a single relationship between a focal firm and a salient stakeholder in the presence of observing stakeholders. Widening the interview process would have provided different perspectives of the influences of this interaction on the observing stakeholders. This could have included increasing the number of interviews to include stakeholders from different backgrounds, such as private packhouses, and potentially

to identify other instances in which the firm interacted with salient stakeholders in the presence of observing stakeholders.

The study focused only on ability, benevolence, and ability as antecedents of trustworthiness and their impact on the development of trust in observing stakeholders. Within the literature there are numerous references to trust-building actions which includes, but are not limited to, reliability, competence, dynamism and fairness (Mayer, Davis and Schoorman, 1995). Therefore, further research should explore some of these aspects to assess their impact on influencing perceived trustworthiness in a firm through passive observation of an interaction.

5.4.2 Limitations of the study

The study focused on a single case in which stakeholders observed an interaction between a firm and a salient stakeholder. The findings of the study, therefore, relate only to this single case. It should also be noted that the case study cannot be generalized due to the complexity of the relationship between the firm and stakeholders leading up to the observed interaction on which the case study focuses.

The research also focused on the perspectives of seven stakeholders who only represented two of the main stakeholder groups associated with the firm within the Sundays River Valley. Therefore, the findings of such as the study only represent the viewpoint of the citrus growers and a single organization and do not take into consideration all stakeholder groups that may have had a claim to the firm. To add to the research findings, it may be pertinent to consider the perspectives of a wider stakeholder group as this would add to the robustness of the findings.

5.4.3 Future research

This study yielded valuable insights pertaining to the citrus industry in the Sunday's River Valley. From this research, it is evident that, within this industry, specific stakeholders are seen as influencers with the majority of the secondary stakeholders

following the example that these influencers set. Because of this, the influence that the interaction between the firm and the salient stakeholder had on the firm's perceived trustworthiness was potentially enhanced in this instance. In this case, further studies should be conducted to probe and fully understand the influence that salient stakeholders have on the decision-making process of secondary stakeholders, and if this is a common theme throughout the South African Citrus industry. This study could therefore be used as a template to further investigate this influence on other citrus production areas within South Africa to determine if the impact of an interaction of this nature would be as beneficial to the firm.

A noted limitation of the study was the sample size of the stakeholders interviewed. Future studies should aim at not only increasing the sample size but also the variance within the sample. This could potentially provide a different perspective of the interaction, by getting the views of competitive firms and organizations that may have been present at the meeting.

Lastly, the study limited its focus to ability, benevolence, and ability as antecedents of trustworthiness, however, within the literature there are numerous other attributes that have been proven to promote trust. Therefore, further research should consider additional antecedents of trustworthiness such as, but not limited to, voluntary actions, organizational transparency, and organizational responsiveness (Crane, 2020). This will promote a better understanding of the potential cues that firms need to portray during stakeholders' interactions in order to influence the perceptions of observing stakeholders.

5.5 CONTRIBUTION OF THE STUDY

The study provided an insight as to how a firm's interactions with a salient stakeholder could influence observing stakeholders' perception of the firm's trustworthiness. The findings of the study suggested that, from a management perspective, purposeful actions within and interaction can be leveraged by the firm to magnify its perceived trustworthiness. As in this study, this could have a significant impact on a firm that has limited or finite resources and improve its ability to engender trust within a wider group

of stakeholders. Portraying ability, benevolence, and integrity during an interaction with a salient stakeholder can lead to perceived trust in the firm from observing stakeholders.

The study also addresses a gap in the trust literature at a stakeholder level (Schoorman, Mayer and Davis, 2007; Harris and Wicks, 2010; Crane, 2020), and therefore has added to the trust literature by addressing the connectedness between stakeholders to develop trust in a wider group of stakeholders whereby increasing efficiency during interactions and utilizing situational circumstance to build social capital.

The findings of this study present firms with a framework of how to initiate stakeholder relationships that may be used, through understanding stakeholder connectedness, to improve salient stakeholder interactions whereby ensuring that, through the interaction, they are able to portray attributes that lead to perceived trustworthiness in observing stakeholder.

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APPENDIX 1. INTERVIEW QUESTIONS

DURATION IN MINUTES	ITEM
5	**CANDIDATE CONSENT**
	Completed individual consent form
10	**INTRODUCTIONS**
	Welcome participants and give a short overview of the research and aims
	Provide a description of the company and some further background on the SIT programme.
	Go through the information sent out prior to the interview that was presented by email to each participating interviewee.
	Explain the interview process.
50	**INTERVIEW QUESTIONS**
6 Questions (10 min)	BACKGROUND QUESTIONS

	1. Could you please provide me with a little background regarding your history in the SRV and/or association with Xsit, either as an employee or stakeholder.
	
	Follow up questions:
	
	   a. How long have you been in your current position?
	
	   b. What is the current size of your citrus farm/s
	
	   c. Are you an Xsit client?
	
	2. Were you present at the meeting held between Xsit and the SRV stakeholders in July of 2017?
	
	3. How would you describe the perception of the stakeholders towards the company prior to the 2017?
	
	4. How does this compare to the current perception of the company?
	
	5. At present, how would you describe your personal feeling towards the company (either as a stakeholder or employee)?

13 Questions (30 – 40 min)	Questions related to each of the critical incidents identified by the interviewee. Approximately 15min per incident.
	In 2017 there was a meeting between Xsit's senior management and all stakeholders of the SIT programme in the Sundays River valley. The meeting seems to have had a big influence on the relationship between XSIT and the growers, packhouses and technical advisers in the area. Looking back on the relationship between the company and the growers from 2017 until now, can you identify any key events or incidents that have shaped this relationship further, either positively or negatively. [If not mentioned] would you also include the 2017 meeting as a critical incident? If possible, please include a critical incident within the last 12 months that has impacted your or observing stakeholders' views of the company, either positively or negatively. It is important to note that this interview will be based on your recollection of events and your own perceptions of what happened. We will be discussing each event or incident that you recollect in as much detail as possible to improve the quality of the data collected and analyzed.
	ALLOW THE INTERVIEWEE TO DESCRIBE EACH INCIDENT IN AS MUCH DETAIL AS POSSIBLE. UTILIZE SOME OR ALL OF THE QUESTIONS BELOW TO OBTAIN ADDITIONAL DETAIL REGARDING EACH INCIDENT AND THE INTERVIEWEES PERSONAL FEELING TOWARDS THE INCIDENT OR INTERACTION.

1. Can you describe both your feelings and your understanding of the grower sentiment towards the company before the incident?
2. What do you feel the company's intentions were during the interaction?

	3. How do you think this made the observing stakeholders feel?
	4. What specifically did the company do or not do that influenced your perception of the company?
	5. What impact do you believe this had on observing stakeholders' perceptions of the company? How do you know this?
	6. Why do you think the interaction during the incident influenced the perceptions of observing stakeholders?
	7. What impact did the overall incident/interaction have on the relationships between the company and growers in the SRV and you personally?
	8. How do you feel this has impacted the companies and programmes sustainability?
5	**CONCLUSION**
	1. How do you think the relationship between the company and its stakeholders could be improved upon in the future? Provide contact information should the applicant have further questions.
	Thank the applicant for their time.
	EVALUATION: Code and theme observations and discussion outcomes
TOTAL TIME IN MINUTES **60 - 70**	

APPENDIX 2. THEMATIC CODING

Code number	Proposition	Label	Definition	Description of occurrence	Qualifications and exclusions	References
1	Applicable to all propositions	Observing a firm's engagement with a salient stakeholder (O)	When a secondary stakeholder is not involved in, but rather observes an interaction between a focal firm and salient stakeholder, and it influences their perception of the focal firm.	When an observing stakeholder is physically present at the interaction/engagement, and they obtain follow-up information from either of the two principal parties involved in the interaction/engagement either through written or verbal means.	Qualification: Physical presence of the observing stakeholder or information obtained directly from either of the principal parties involved in the observed interaction that relates to the observed engagement. Exclusion: Third party information regarding the interaction that does not come from either the of the principal parties involved in the engagement. Or the stakeholder has direct involvement in the interaction.	Mitchell, Agle and Wood (1997) Greenwood (2007) Cambridge Dictionary (2022)
2	**Proposition 1**: Observing a firm's engagement with a single salient stakeholder will provide cues to the observing	Trustworthiness (T)	The evaluative appraisal that an individual is worthy of trust.	Trust built by an observing stakeholder through their ability to identify ability, benevolence, and integrity on behalf of the focal company when	Qualification: Stakeholder observations and assessments of ability, benevolence and integrity within an observed interaction.	Brenkert (1998, p.300)

	stakeholders about the trustworthiness of the firm			they interact with a salient stakeholder.		
3	**Proposition 1a**. Observing a firm's engagement with a single salient stakeholder will provide cues to the observing stakeholders about the ability of the firm.	Ability (A)	That group of skills, competencies, and characteristics that enable a party to have influence within some specific domain. It is the capacity to perform as expected.	The identification of expertise in a specific field that relates to a requirement of the stakeholder, and results in consistent delivery.	Qualification: The firm's expertise and knowhow which results in stakeholder expectations being met.	Mayer, Davis and Schoorman (1995). Crane (2020)

4	**Proposition 1b**. Observing a firm's engagement with a single salient stakeholder will provide cues to the observing stakeholders about the benevolence of the firm.	Benevolence (B)	The belief that the organization wishes the stakeholder well and that the stakeholder needs are as important as the firm's profit motives. The extent to which the trustee is believed to want to do good to the trustor, aside from an	Actions by the firm that result in which the best interest of its stakeholders is put ahead of their own, which could be financial or market related.	Qualification: The firm acting in the best interest of its stakeholders. Exclusion: Any actions taken by the firm as a result of legal or regulatory requirements.	Mayer, Davis and Schoorman (1995).
			egocentric profit motive.			
5	**Proposition 1c**. Observing a firm's engagement with a single salient stakeholder will provide cues to the observing stakeholders about the integrity' of the firm.	Integrity (I)	The degree to which one adheres to a set of principles that are considered acceptable.	The focal firm operating according to a set of guiding principles that include fairness, consistency, promise fulfilment, reliability, value congruence, and discreetness.	Qualification: Stakeholder identifies fairness, consistency, reliability, honesty, and that notes that the firm conforms with their principles.	Mayer, Davis and Schoorman (1995).

6	**Proposition 2**: Perceptions of a firm's trustworthiness will result in increased social capital between the firm and its stakeholders.	Increased Social Capital (S)	"an instantiated informal norm that promotes co-operation between two or more individuals". Features of social organization such as networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit.	An agreement between the firm and stakeholders resulting in a positive outcome for both parties	Qualification: Close working relationships between the focal firm and stakeholders to add value to the relationship. Exclusion: Any actions that break the trust between the firm and its stakeholders.	Putman (1995, p.67) Fukuyama (2001, p.7) Claridge (2017)

APPENDIX 3. ETHICAL APPROVAL

Rhodes University Human Research Ethics Committee
PO Box 94, Makhanda, 6140, South Africa
t: +27 (0) 46 603 7727
f: +27 (0) 46 603 8822
e: ethics-committee@ru.ac.za
NHREC Registration number: RC-241114-045

https://www.ru.ac.za/researchgateway/ethics/

3 February 2022

craig chambers

Email: g10C7495@campus.ru.ac.za

Review Reference: 2022-4930-6525

Dear Craig Chambers

Title: Stakeholder relationship management and the perception of trust – A case study of a salient stakeholder.

Researcher: Dr Craig Chambers

Supervisors: Professor Noel Pearse,

This letter confirms that the above research proposal has been reviewed and **APPROVED** by the Rhodes University Human Research Ethics Committee (RU-HREC). Your Approval number is: 2022-4930-6525

Approval has been granted for 1 year. An annual progress report will be required in order to renew approval for an additional period. You will receive an email notifying you when the annual report is due.

Please ensure that the ethical standards committee is notified should any substantive change(s) be made, for whatever reason, during the research process. This includes changes in investigators. Please also ensure that a brief report is submitted to the ethics committee on the completion of the research. The purpose of this report is to indicate whether the research was conducted successfully, if any aspects could not be completed, or if any problems arose that the ethical standards committee should be aware of. If a thesis or dissertation arising from this research is submitted to the library's electronic theses and dissertations (ETD) repository, please notify the committee of the date of submission and/or any reference or cataloguing number allocated.
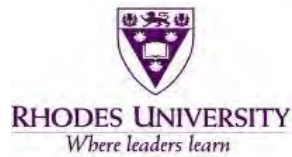
Sincerely,

Prof Arthur Webb

Chair: Rhodes University Human Research Ethics Committee, RU-HREC

cc: Ms Danielle de Vos - Ethics Coordinator

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APPENDIX 4. INSTITUTION CONSENT FORM

Rhodes University

Drosty Road,

Grahamstown,

6139

Xsit Pty Ltd

2 Schalk Patience Road

Citrusdal

7340

September 2021

Dear Mr Elfick

REQUEST FOR PERMISSION TO CONDUCT RESEARCH

I am a registered Master's student at the Rhodes Business School. My supervisor is Professor Noel Pearse (n.pearse@ru.ac.za).

The proposed topic of my research is: Stakeholder relationship management and the perception of trust – A case study of a salient stakeholder. The objectives of the study are:

To evaluate how the Sterile Insect Release programme, operating by XSIT in the Sunday's River Valley, was given a second chance through engagement with a salient stakeholder and

how the interaction was observed by a wider group of stakeholders leading to perceived stakeholder trustworthiness and social capital. The objectives of the study included the following:

- To analyse how the trust antecedents of ability, benevolence and integrity enables or does not engender the development of firm's trustworthiness amongst its stakeholders.
  • To analyse how the firm's engagement with a salient stakeholder enables or does not engender increased levels of trustworthiness in the firm by the stakeholders that are observing its interaction with a salient stakeholder.
- To analyse the benefits of both external and internal social capital gained through increased levels of stakeholder trust.
- To identify good practice guidelines for firm engagement with salient stakeholders to ensure the correct cues are portrayed to observing stakeholders for the development of the trustworthiness of the firm.
- To make recommendations related to strategic management practices that will support the development of trust.

I am hereby seeking your consent to conduct interviews with employees at the company, including requesting access to any documents that may provide additional information regarding any of the critical incidents discussed. To assist you in reaching a decision, I have attached to this letter:

(a) A copy of an ethical clearance certificate issued by the University
(b) A copy the research instruments which I intend using in my research

The research will proceed with semi-structured interviews with consenting participants. The potential interviewees would have been identified their position within the company, their influence over grower decisions and their presence at a meeting held by Xsit in 2017. Prior engagement with the relevant participants will take place, depending on the location of the selected interviewees. Following this, the relevant participants will then be invited to participate using a formal email invite and follow up phone call to schedule the interview. Each interview will be scheduled for an hour. Participants who voluntarily consent to participate will be treated with complete confidentiality if requested. The data collected from this research will be qualitative in nature.

The recommendations from the research are intended to provide the company with a better understanding how stakeholder engagement management can impact the perceptions of

observing stakeholders leading to increased levels of trust and social capital. This letter serves to obtain clearance to conduct this research in the period January 2022 - March 2022.

Should you require any further information, please do not hesitate to contact me or my supervisor. Our contact details are as follows:

Dr. Craig Chambers: g10c7495@campus.ru.ac.za or +27(0) 84 4444 257 Prof.

Noel Pearse: n.pearse@ru.ac.za or +27(0) 466038617

Upon completion of the study, I undertake to provide you with feedback in the form of a written report and a copy of the final thesis.

Your permission to conduct this study will be greatly appreciated.

Yours sincerely,

_____   _____

Craig Chambers   **Date**

Signature by XSIT MD in acknowledgement of the above letter and agreement to commence research.

Mr. Rob Elfick

MD of the RBX group

Date