



Stakeholders Interactions and Corporate Social Responsibility in the Mining Industry

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Abstract

Corporate social responsibility and stakeholder theory are two areas that have gains terrain in attracting scholars' attention in different fields. Thus, research studies in CSR have concluded that, despite the global perception about CSR, the concept is perceived and applied in different ways through different contexts. Consequently, CSR appears to have no boundaries and therefore, it becomes necessary to analyse some elements inherent to CSR according to specific contexts such as country level and industries to name a couple.

The purpose of this thesis is to explore CSR from a stakeholder perspective, emphasising the relevance of stakeholders and their perceptions of CSR in the Chilean mining industry. While there is significant research on CSR, there is far less of an understanding about specific stakeholders within the extractive industry, particularly in a developing country like Chile.

The main contributions are as follows. First, it attempts at to better understand multi-stakeholder perceptions of CSR in connexion with mining industry impacts. In this sense, findings suggest recognition of mining in the economic dimension but at the same time a rejection of mining activities, particularly due to a perceived trade-off mindset between benefits and overwhelming impacts in the environmental dimension.

Secondly, the thesis has examined the mechanisms stakeholders employ in order to influence more responsible corporate behaviour. In regards this, findings identify five mechanisms which vary across stakeholders, which in turn are influenced by the level of involvement as passive or active stakeholder in relation to those mechanisms.

Finally, the research has explored how stakeholder groups perceive the salience of other stakeholders in relation to CSR and the impact of salience attributes on stakeholder interactions. Stakeholders in this regard, identify two groups; definitive (the most salient) and latent (low degree of salience) stakeholders and, the attribute of power as the main driver for interactions amongst stakeholders. Overall, the outcomes of this thesis contribute to better understand CSR from stakeholders' eyes, which open opportunities for both, stakeholders and companies, in order to enhance and improve interactions and development in the mining sector.

Statement of Candidate

I certify that the work in this thesis entitled “**Stakeholders Interactions and Corporate Social Responsibility in the Mining Industry**” has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree to any other university or institution other than Macquarie University.

I also certify that the thesis is an original piece of research and it has been written by me. Any help and assistance that I have received in my research work and the preparation of the thesis itself have been appropriately acknowledged.

In addition, I certify that all information sources and literature used are indicated in the thesis. The research presented in this thesis was approved by the Faculty of Business & Economics Human Research Ethics Sub Committee, Approval Reference 5201100550(D) on 20th July 2011.

Hector Viveros
Sydney, January 18th, 2014

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Chapter I

Research overview

CHAPTER I: RESEARCH OVERVIEW

1.1 Introduction

Corporate Social Responsibility (CSR) is not a new concept for either scholars or managers. CSR ideas and actions have been incorporated into business practices for a long time. Furthermore, this concept can be easily traced to the 1950s (Carrol, 1999). In recent years, CSR has been in the public and private conscience, as both a question about, and an answer to the role of business in society. As a result, some companies have become the leaders and, sometimes, drivers (Beckman et al., 2009) in terms of social responsible actions. However, it seems that the CSR agenda is not only set down by companies. Some researchers argue that stakeholders are playing an important role in the CSR scenario. As Rwabizambuga (2007) pointed out, in some economies companies are pressured by stakeholders to adopt CSR.

Today, people throughout all business contexts try to be aware of their business's externalities in terms of its environmental and social effects. Different stakeholders such as communities, NGOs, government agencies and investors, to name a few, are part of the social eyes by which companies are being observed and evaluated in these contexts. In some way, this highlights the fact that CSR, stakeholder theory and its derivatives have become a popular subject in business and the academic world.

Freeman (1984) is seen as responsible for setting up the debate in his seminal work *Strategic Management: A Stakeholder Approach*, under the premise that 'The stakeholder approach is about groups and individuals who can affect the organization, and is about managerial behaviour taken in response to those groups and individuals' (p. 48). Since that work, scholars have developed several lines of research attracted by stakeholder theory (Laplume et al., 2008, Stoney and Winstanley, 2001) resulting in different approaches such as Stakeholder Influences (Frooman, 1999), Stakeholder Salience (Mitchell et al., 1997) and Stakeholder Networks (Rowley, 1997), to highlight a few.

The popularity of stakeholder theory reflects, in some way, the salience of this concept and even more, the link between stakeholders and CSR. Hence, stakeholders are a 'core

competence' (Post et al., 2002, p. 25) that should be aligned to CSR. As Post (2000, p.41) pointed out, "“communities” of people with specialized knowledge, interests, or risks can become a critical business relationship...’.

Due to faster and more complex changes in society in terms of globalisation, technology, environmental and social awareness, among others, interactions among stakeholders and their consciousness about local and global issues are increasing. To date, thanks to technological advances, stakeholders have powerful tools to overcome old barriers such as geographic distance to interact and dialogue between and among distant stakeholders. In this sense, Post et al. (2002) stressed the stakeholder management idea considering that a diversity of groups have to be present in organisations and highlighted interactions with changing and evolving stakeholders. In Rowley's words, stakeholder research must consider not only 'dyadic relationships' (Rowley, 1997, p. 906).

Despite the fact that research about CSR and stakeholder theory has grown significantly in recent years and that the debate has been installed transversally across the academy and the business world, little attention has been paid to interactions among stakeholders. Some exceptions are presented by Butterfield et al. (2004) who examined the way stakeholder groups face common issues throughout alliances. As a result, Butterfield et al. present a model of collaboration amongst non-profit stakeholders based on stakeholder theory. In a similar approach, Neville and Menguc (2006) studied stakeholder's relationships arguing a lack of research in the field, both theoretical and empirical. They used the concept of stakeholder multiplicity to refer to 'complex interactions between stakeholders within the stakeholder network' (Neville and Menguc, 2006, p. 380). Nevertheless, a stakeholder approach on CSR that considers multiple stakeholders as its research focus remains under-examined in stakeholder literature.

1.2 Research Rationale and Questions

The current understanding about corporate social responsibility (CSR) is influenced by Freeman's stakeholder theory and other stakeholder approaches (Stark, 1993). In summary, the stakeholder approach is that CSR is driven by a company's relationships

with both internal and external groups and individuals. The link between stakeholders and a company is highlighted by reference to corporate responsibilities.

Most scholarly research has been into understanding and improving the link between a company and its stakeholders. It seems that something is missing, and this approach does not cover all the bases (Frooman, 1999; Rowley, 1997). Until now, a multi-stakeholder perspective has not been broadly investigated in the stakeholder literature (Crane and Livesey, 2003). Consequently, scholars have called for further research that takes into account the stakeholder perspective of CSR from a broad range of stakeholders (Harrison and Freeman, 1999). This is in order to better understand companies' impacts (Jenkins, 2004). Therefore, the first research question is: **How do stakeholders perceive CSR in the mining industry in Chile?**

One of the principal contributions in understanding stakeholder interactions was developed by Rowley (1997) using network theory to explain stakeholder influences. Further, Mitchell et al. (1997) proposed a theory of stakeholder salience, and outlined a typology of stakeholders using attributes that influence or drive salience and its relationship. Frooman (1999) built on resource dependence theory as a means of understanding the impact stakeholders have in influencing companies' decision making. Later, Neville and Menguc (2006) developed a theoretical framework called stakeholder multiplicity. This approach refers to 'complex interactions between stakeholders taking as a reference governments, customers and employees' (p. 377). Furthermore, since stakeholders are particularly relevant to companies under the stakeholder theory umbrella, the literature has addressed the interactions between companies and different groups (Burchell and Cook, 2008; Waxenberger and Spence, 2003). However, the stakeholder view of the mechanisms for interactions has been under-explored, representing a gap in research regarding this topic (O'Connell et al., 2005). Hence, a second research question in this thesis is: **What mechanisms do stakeholders use to influence CSR?**

Stakeholders are not isolated entities. Instead, like any other group, they may (or may not) be interacting, communicating and collaborating with each other when an issue that affects them arises. Taking up this idea, Crane and Livesey (2003) state that communication among stakeholders 'in all its forms, is clearly vital' (p. 52). Still, even though these interactions seem important, they are at the same time neglected in terms

of research studies. Interactions, ‘new forms of participation’ and ‘interdependencies’ (Presas, 2001, p. 203) among stakeholders occur daily. However, as multi-stakeholder situations, solutions to complex situations are not absent from problems (Lawrence, 2002; Payne and Calton, 2002) and social groups do not necessarily interact or relate to each other, which is another interesting aspect that, according to Freeman and Evan (1990) and Rowley (1997), should be investigated. Therefore, the final question addressed in this thesis is: **How do stakeholders perceive salience amongst them?** In other words, the interactions amongst diverse stakeholders are a subject that is recognised as needing attention. These questions are addressed in chapters 2, 3 and 4 respectively.

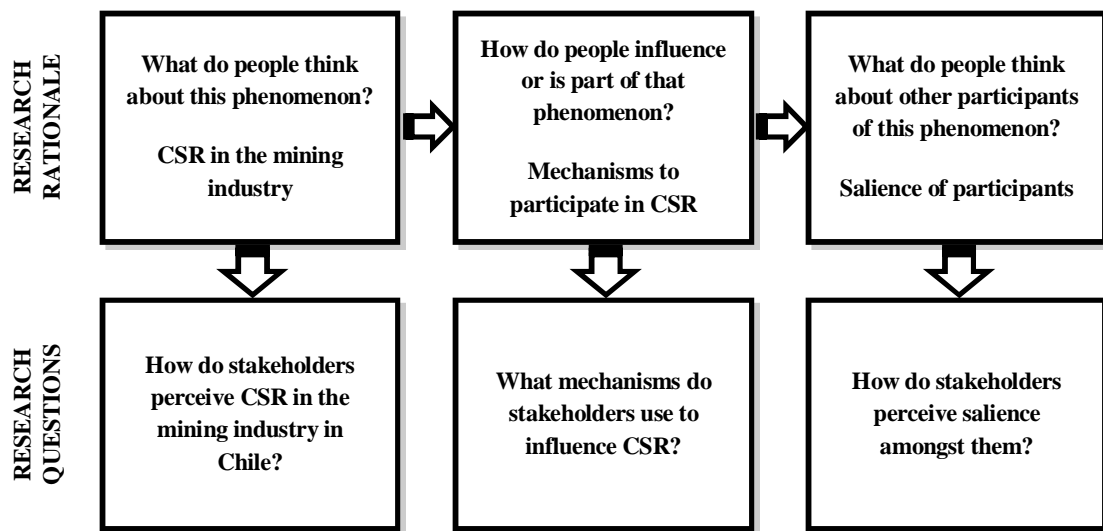


Figure 1. Research rationale and questions

1.3 Thesis Outline

This thesis is developed according to the PhD by publication format. This format consists of three written papers for publication in peer review journals but need not have been published. Thus, this thesis is structured in five chapters, three of which are papers prepared for publication in peer reviewed journals. Chapter 1 presents an overview of the research; the literature review examined in CSR and stakeholder theory as the background for this study, and to define the research methodology. Chapters 2, 3 and 4 comprise papers that address the three related research questions.

Chapter 2 is titled **‘Examining Stakeholders’ Perceptions of Mining Impacts and Corporate Social Responsibility’** and corresponds to the first research paper. It explores the effects of mining as perceived by different stakeholder groups and their perceptions of CSR. This paper synthesises the positive and negative impacts of mining as related to the diverse understanding of CSR. Despite the recognised economic contribution of the mining industry, this is not identified as a fair or equal trade-off against its negative effects in order to change stakeholders’ views about mining. Further, it suggests common perceptions of CSR as responsibilities for mining’s effects on social and environmental domains, but it also highlights the view of CSR as a rhetorical or even non-existent topic. These perceptions of CSR question whether stakeholders have any real involvement in encouraging or pursuing responsible corporate behaviour. Hence, the next chapter looks at stakeholder participation and the mechanisms stakeholders perceived they use to influence CSR. An early version of this paper was presented at the 27th British Academy of Management Conference in Liverpool, UK.

In chapter 3, the paper **‘Unpacking Stakeholders Mechanisms to Influence Corporate Social Responsibility’** examines the diverse mechanisms stakeholders use to influence CSR. This chapter identifies five mechanisms by which stakeholders participate in CSR. These mechanisms vary across stakeholder groups as well as according to whether their involvement is active or passive. Thus, stakeholders are delimited by the means and by the restrictions of passive rather than active attitudes in their participation. This article suggests further exploration of attributes that might enable participation and interactions between different stakeholders. Hence, chapter 4 explores the perceived salience amongst stakeholders.

Chapter 4 presents research paper 3, **‘Who are the Salient Stakeholders? A Perspective from the Chilean Mining Industry’**. This paper examines how stakeholder salience is perceived amongst stakeholders using the approach proposed by Mitchell et al. (1997). Findings in this paper indicate two categories of stakeholders. The categories arise in terms of stakeholder relevance and their interactions with others driven by the attributes of power and legitimacy. An early version of this paper was

presented at the 27th Australian and New Zealand Academy of Management Conference in Hobart, Australia.

Finally, Chapter 5 summarises the findings and highlights the contributions and implications derived from this research in terms of stakeholders and CSR. Tables and figures in this thesis are numbered from the beginning of each chapter. The thesis extends our understanding of these themes from a stakeholder perspective, particularly in the context of the mining industry. Further, it also provides directions for further research. Table 1 shows the outline of this thesis.

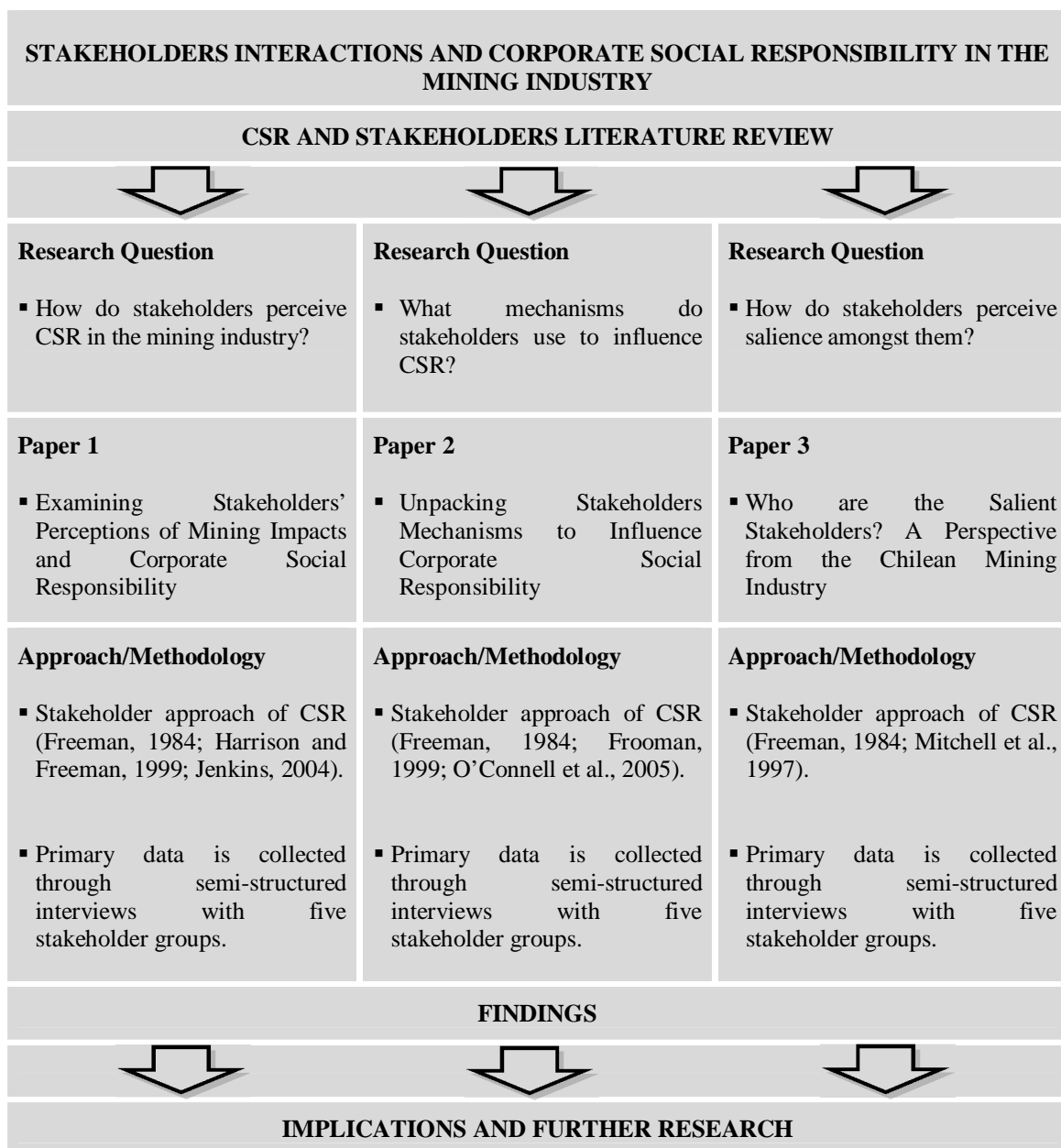


Table 1. Thesis outline

1.4 Methodology

1.4.1 Research approach

As stated by Thomas (2009, p. 71), the discussion about an approach to research is about 'how you think about the social world'. In this sense, there is a system of principles as the foundation for research. At a basic level, an assumption on fundamental issues such as ontology and epistemology influences the structure and process of social research (Sarantakos, 2005). Assumptions such as ontology refer to the 'events that exist in the social world' and epistemology refers to 'our knowledge of the world' (Thomas, 2009, p. 87). Similarly, Willis (2007, p. 8) defines ontology in terms of fundamental assumptions as 'the nature of the truth' and epistemology as 'what it means to know'. Moreover, ontological and epistemological concepts follow the paradigm that guides any research. In this particular study, elements of the symbolic interactionism paradigm as described by Blumer in Sarantakos (2005, p. 43) seem to be appropriate in the sense that:

'human beings act toward things on the basis of the meanings that these things have for them' and 'the meaning of such things is derived from, and arises out of, the social interaction that one has with one's fellows'.

In this sense, a symbolic interactionism paradigm assumes a constructionist ontology and an interpretive epistemology (Sarantakos, 2005) that leads to a qualitative methodology.

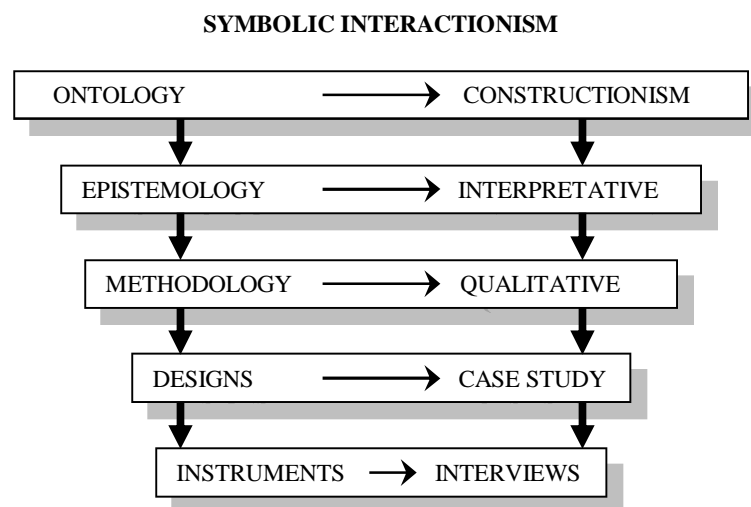


Figure 2. Foundations of research (adapted from Sarantakos, 2005)

In the words of Morgan and Smircich (1980), a research methodology should be selected according to the nature of the social phenomenon the research is studying. Thus, according to Denzin cited in Willis (2007, p. 161), qualitative research considers the different aspects present in human relations, and is also connected to ‘cultural and interpretative studies’ (Denzin and Lincoln, 2008, p. 3). Moreover, it has been recognised as a craft for research (Prasad, 2005). As described by Van Maanen (1979, p. 520), a qualitative methodology is:

‘at best an umbrella term covering an array of interpretive techniques which seek to describe, decode, translate, and otherwise come to terms with the meaning, not the frequency, of certain more or less naturally occurring phenomena in the social world.’

In contrast to quantitative research, the use of qualitative research makes it possible to get a description of a situation in a real context, keeping the meaning participants give to their actions (Gephart, 2004), while addressing issues of ‘description, interpretations and explanation’ (Bluhm et al., 2011, p. 1869).

As the focus of my research is about stakeholders and CSR, adopting a qualitative approach is appropriate for this kind of inquiry being that this approach ‘has potential to rehumanize research and theory by highlighting the human interactions and meanings that underlie phenomena and relationships among variables...’ (Gephart, 2004, p. 455). Finally, a qualitative methodology is appropriate in stakeholder research in terms of a better and deeper understanding about stakeholder experiences and the way they interpret them (Bluhm et al., 2011).

1.4.2 Method

The research questions in this thesis are exploratory and inductive (Post and Andrews, 1982) in the sense that they look for a better understanding of a phenomenon that has not been widely examined and can set up the base for further research in the topic. Thus, through this approach, it is possible to analyse and interpret perceptions of multiple stakeholders about CSR and their understanding, involvement and evaluation of different participants in the mining industry. In this sense, a case study method is suitable for this research. As Yin (2003) stated, studies guided by a ‘how’ inquiry are

mainly conducted using case study methods. Moreover, this is a proper method when research deals with interactions between a particular social phenomenon and its context (Dubois and Gadde, 2002).

Yin (2003, p. 13) defines a case study as ‘an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident’. Supporting case studies, Willis (2007, p. 240) states some advantages in using this method:

- ‘It allows you to gather rich, detailed data in an authentic setting.
- It is holistic and thus supports the idea that much of what we can know about human behaviour is best understood as lived experience in the social context.
- Unlike experimental research, it can be done without predetermined hypotheses and goals.’

In this sense, Stake (1995) defines a case as ‘instrumental’ when a particular case is examined to accomplish something other than the case as such, for example, a particular issue as a key phenomenon to the research enquiry. In this research, as an instrumental case study, the responses of different stakeholders to mining activities are the core interest rather than any organisation in particular (here, a mining company). Hence, the case study in this inquiry is instrumental.

In this research I decided to use an embedded case design. As described by Scholz and Tietje (2002) and Yin (2003), this design involves incorporating different units of analysis within a case such as participants in a network. Considering that CSR is seen as a multi-stakeholder construct (MacMillan et al., 2004; Wood et al., 2006), this research addresses a multi-stakeholder perspective. Thus, I use five units of analysis represented by five groups of stakeholders (unions, government, community, NGOs and media). Although stakeholders in the mining industry are not limited to these five groups, after a process of reviewing the literature, including academic papers and public reports, it is possible to consider them as a representative and relevant cluster to investigate the nature of my enquiry. Sarantakos (2005, p. 216) highlights some strengths of this method in terms of producing ‘first-hand information’, ‘personal experiences in the field’ and a ‘focus on direct and verifiable life experiences’, to name a few. Indeed, as

suggested by Eisenhardt (1989), it's important to stress the contribution of this approach in studies related to social dynamics and novel research areas, and also a 'concern with the context regarding behaviour and situation as inextricably linked in forming experience' (Cassell and Symon, 1994, p. 7). Moreover, researchers can get a better understanding about social interactions as a result of theoretical discussions and empirical research (Gray and Wood, 1991).

In terms of case selection, Eisenhardt (1989, p. 537) states that 'random selection is neither necessary, nor even preferable'. Moreover, case studies for specific purposes tend to contribute novel knowledge (Harrison and Freeman, 1999). In a similar line, Stake (1995, p. 4) points out that 'the first criterion should be to maximise what we can learn' by selecting representative cases, which is why case selection in this research is purposive.

Relevant participants (Miles and Huberman, 1994) were identified from a review of the literature, Chilean mining reports and purposive sampling (Patton, 2002). Accordingly, I have selected a range of stakeholders (described as units of analysis) in two matched mining regions in Chile. These regions were selected after considering their relevance in mining and similar characteristics. Hence, this selection provides a good opportunity to understand CSR in mining and derive some insights for this research.

1.4.3 Data gathering and analysis

Interviews were chosen as a suitable format for data gathering with different stakeholders because this is a technique broadly used to gather data in qualitative studies (Creswell, 1998), especially because of their potential to gain insights from people in terms of personal opinions and experiences around a particular phenomenon (Arksey and Knight, 1999; Denscombe, 2010). Firstly, stakeholders invited to participate in this research were recruited in a similar basis arranging meeting by telephone and face-to-face. In this way, I briefed the objective and scope of the research to potential participants. After acceptance, all participants gave their written consent prior to proceeding with a tape-recorded interview. In order to encourage participation, anonymity was assured to all interviewees. Then, the interview was conducted in a

flexible way in a confident environment in order to obtain a natural conversation (Minichiello, 1995).

In total, as shown in table 7, 51 participants provided data in face-to-face semi-structured interviews conducted in Spanish by the same researcher. Questions were guided following an interview guide according to the theme investigated (see Appendices). Semi-structured interviews provide flexibility in terms of covering themes through in-depth questions, allowing the emergence of new enquiries, and to introduce more questions to enhance particular issues or when unforeseen aspects emerge (Easterby-Smith et al., 1991). Interviews were undertaken during three months in Chile. The duration of these interviews ranged from 45 minutes to two hours, depending mainly on the interviewees. Some people are more open to discuss particular topics and providing details, whilst other people get straight to the point, not allowing time for engagement or new discussions. These interviews were tape-recorded, transcribed and translated for further analysis.

Table 7. List of participants		
Stakeholder Group	Interviewee's Role	Number of Interviews
Communities	Community board presidents (10) and representatives of local communities (13)	23
Government	Regional ministry secretaries (4), local government managers (6)	10
Unions	Union presidents (3), representatives of mining federation (2)	5
NGOs	NGOs (4), NPOs directors (5)	9
Media	Press directors	4
Total		51

As mentioned in the previous point, this research uses a qualitative approach and, as such, data analysis using inductive thematic analysis (Dey, 1993; Easterby-Smith et al., 1991; Miles and Huberman, 1994). This kind of approach in analysing qualitative data is seen as appropriate and relevant (Boyatzis, 1998; Braun and Clarke, 2006). Through thematic analysis, researchers can examine and focus on ideas that are present in an

implicit and explicit way (Namey et al., 2008). Thus, this method allows the researcher to identify relationships amongst concepts and analyse themes within a dataset.

Miles and Huberman (1994) describe the thematic process in three steps. First, data is reduced by choosing and simplifying the data collected. As a result, ideas and concepts will be developed and included in the next stage, data display. This stage will organise and compress the information through tables and quotations. Finally, conclusions are made based on organised concepts and ideas previously displayed. Furthermore, Braun and Clarke (2006) provide a more detailed step-by-step guide to conduct thematic analysis, describing the process through six phases as showed in table 8. In order to facilitate and secure the research analysis, I worked using NVIVO 9 software. This software provides different tools to code, compare and analyse the data embedded obtained through interviews. Finally, notes taken during the interview process were also analysed and compared. This cross-checking allows complementing themes previously identified and codified in order to achieve analytic closure (Miles and Huberman, 1994).

Table 8. Phases of Thematic Analysis. Braun and Clarke (2006).

Phase	Description
Familiarizing yourself with your data.	Transcribing data (if necessary), reading and re-reading the data, noting down initial ideas.
Generating initial codes	Coding interesting features of the data in a systematic fashion across the entire data set, collating data relevant to each code.
Searching for themes	Collating codes into potential themes, gathering all data relevant to each potential theme.
Reviewing themes	Checking if the themes work in relation to the coded extracts (Level 1) and the entire data set (Level 2), generating a thematic ‘map’ of the analysis.
Defining and naming themes	Ongoing analysis to refine the specifics of each theme, and the overall story the analysis tells, generating clear definitions and names for each theme.
Producing the report	The final opportunity for analysis. Selection of vivid, compelling extract examples, final analysis of selected extracts, relating back of the analysis to the research question and literature, producing a scholarly report of the analysis.

1.4.4 Ethics approval

As part of the research protocol at Macquarie University, ethics approval is mandatory before proceeding with research that involves human participants. Research protocols consider matters related to confidentiality, consent and well-being of any participant. Accordingly, an ethics application form was submitted to the Faculty of Business & Economics Human Research Ethics Committee. The ethics application was approved by the committee on July 20th, 2011 under the reference number 5201100552(D) (see Appendix 2). An information statement and consent letter was prepared using the standards and guidelines of the Ethics Review Committee (Human Research) at Macquarie University. This letter provides information about the research project in terms of its aims and scope. It also contains the acknowledgement of potential interviewees that their participation is voluntary, explains the interview process, confidentiality, and supplies the research supervisor's name and contact information in case of doubts or complaints.

1.4.5 Research context

The research is undertaken in the context of the mining industry. As stated by Cowell et al. (1999), the mining sector is central to the discussion about CSR. This industry exhibits characteristics from both sides of the debate. On one hand, mining companies have a questionable reputation because of their impact on the environment. As noted by Warhurst (2001), the main environmental disasters that have occurred are related to this industry sector. The damage that can be done by mining operations is clear and unless companies are aware of the potential risks and are proactive about their processes to manage those risks, environmental degradation can be significant. On the other hand, the mining industry has a strong positive impact on a country's economy, making mining operations highly substantial and influential (Dorian and Humphreys, 1994). In this particular industry, stakeholders are especially relevant because in developed countries, they have a key role in pushing companies to pursue socially responsible actions (Rwabizambuga, 2007). For a developing country framework, however, the case may not be the same and stakeholders' contributions to CSR could vary. The literature indicates that a stakeholder's influence and varying levels of engagement

(Kepore and Imbun, 2011) might clarify the roles that stakeholders and companies play in terms of CSR (Hutchins et al., 2007).

CSR in the mining industry has attracted researchers because of its troubled and controversial activities. Some scholars have highlighted concerns in the mining sector (Joutsenvirta, 2009) arguing a corporate tendency to justify their actions rather than respond to stakeholder's critiques about companies' practices. Thus, mining companies appear to approach CSR by following codes, standards and international guidelines related to CSR. They do this to improve their performance, obtain benefits (Sullivan, 2005) and mitigate further stakeholder sanctions (Chatterji and Toffel, 2010). This tends not only to highlight environmental responsibilities within the mining industry but also to translate them into real actions inside and outside companies, filling the gaps that non-existence or weak law enforcement in some countries have opened (Rasche, 2010).

Further, despite the extent and depth of CSR research, scholars recommend and call for studies that consider specific contexts and industries (Cottrill, 1990; Griffin and Mahon, 1997). In this way, it is possible to capture the uniqueness of a specific reality and, in the words of Griffin and Mahon (1997, p. 10), 'the different configurations of stakeholders and their differing degrees of activism on particular issues'. Moreover, conducting research in an industry like mining allows to address the call made by Harrison and Freeman (1999) in terms of 'fine-grained ideas about each stakeholder group' (p. 484). In other words, research about stakeholders and CSR in this industry is an inviting challenge.

The empirical basis of this research is the Chilean mining industry. Since 2010 Chile is a member of the Organisation for Economic Cooperation and Development (OECD). In this sense, Chile is the only country in South America that has joined this organisation, which is a symbol of the political and economic stability that Chile has achieved in the last decade. The statistical profile reports some interesting figures regarding the socio-economic characteristic of the Chilean economy. According to the latest information (2013), the GDP per capita was \$22,416 and an annual GDP growth rate of 5.6%, a much higher rate than the 1.5% average in the OECD. With a population of 17.4 million, the level of unemployment was 6.4%, lower than the 7.9% average of the OECD countries.

Chile is well known as a mining based economy and some economic statistical data supports this assertion. According to the Consejo Minero de Chile (Chilean Mining Council) (2013), mining exports accounted for 59.7% of total Chilean exports in 2012 and on average, 58.6% over the last five years. Similarly, in 2012, foreign direct investment (FDI) in the mining sector has accounted for 35% of the overall FDI in Chile. Regarding employment rates, the industry accounts for 12% of employment at a national level which represents about 800 thousand direct and indirect workers. In terms of contribution to the GDP, during 2012 accounted for 13%, representing the most relevant sector in the country.

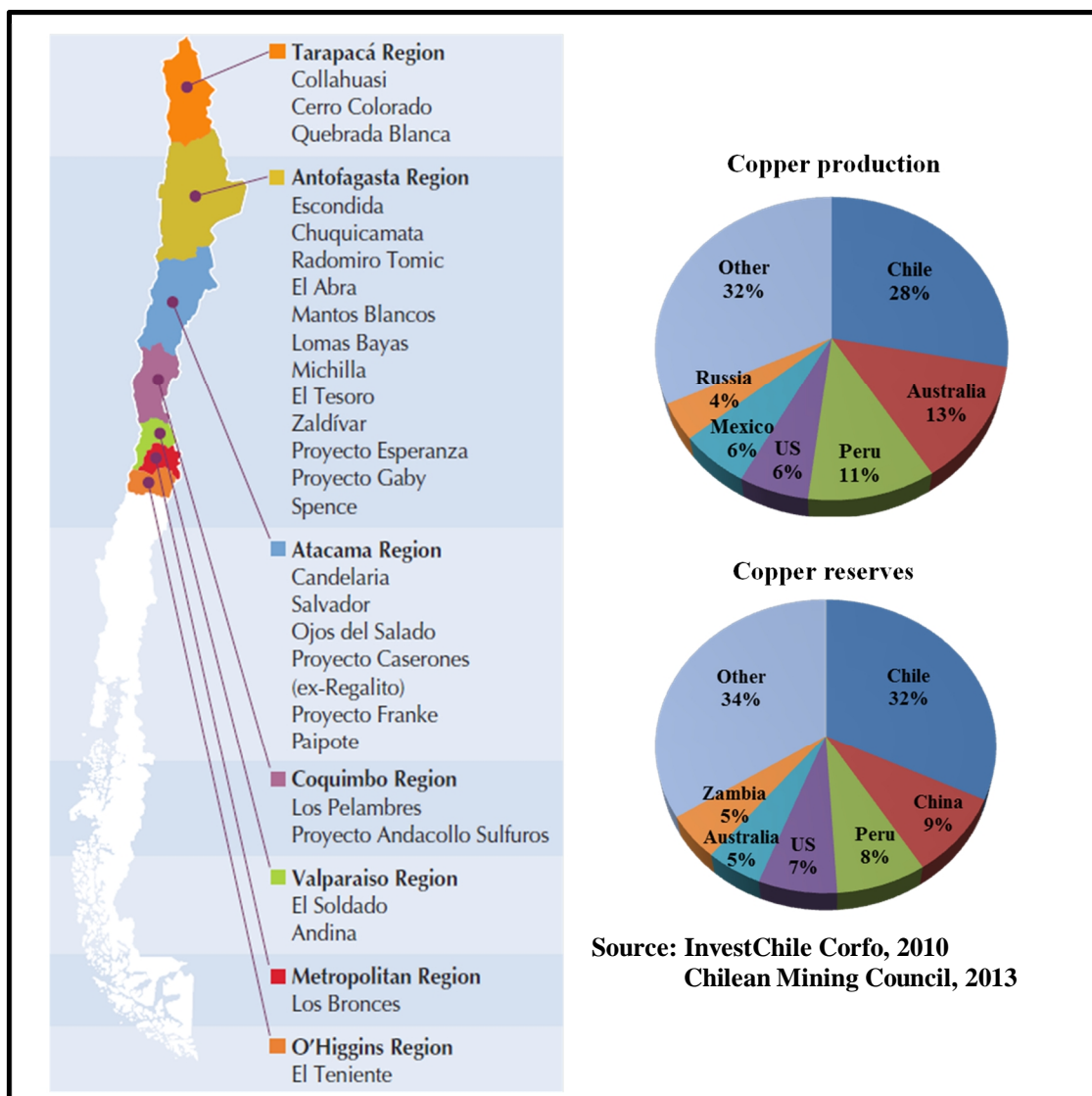


Figure 2. Chilean mining industry

The main mining commodities are copper, gold, silver and molybdenum, with Chile the principal world producer of copper, having estimated production and reserves of 28% and 32% respectively (Fig. 2). Mining ore is exported mainly to Asian and European markets, with China being the main consumer of copper (43%) followed by the European Union (17%). Chile ranks in the top 10 mining economies (out of 79 jurisdictions) as ranked in the Policy Potential Index (McMahon and Cervantes, 2011), an annual survey of metal mining companies to assess attractiveness in terms of mineral endowment and public policy. Even more, Chile is the only jurisdiction that consistently ranks in the top 10 outside North America. These figures confirm the relevance of the mining industry to Chile, and as a result, mining is recognised as Chile's growth driver.

Thus, Chilean economy relies on this industry due to its greater contribution in terms of GDP, export rates and employment. However, the counter side to these figures is the effect of mining activities on the environment, for example, pollution and water scarcity, as well as the consequences for diverse stakeholders. Amongst the groups most affected by mining operations, it must be mentioned the communities that are geographically located around mining areas. Thus, due to the dependence on this industry, the government has a key role in order to attract and secure investments in the sector but also to maintain a balance between sustainable and responsible economic growth and the potential negative outcomes.

Fieldwork for this research was undertaken during three months across two matched regions for mining activity in Chile. Participants were identified from literature review, documents relevant to the Chilean mining industry and purposive sampling to identify relevant players (Miles and Huberman, 1994) living in mining areas and, having knowledge and experience in dealing with mining activities. This makes them a good source of information with proper understanding of the phenomenon under study (Creswell, 1998). Thus, interviews were conducted with multiple stakeholders recruited in a non-bias manner in a similar basis after stakeholder mapping, identifying and selecting the following groups:

Communities

This stakeholder group includes people living around or within the area of impact from mining operations. These communities have people that identify themselves as having a diverse background, including indigenous and non-indigenous. Although diverse in their composition, these communities have a common factor, namely, they coexist on a daily basis with the impacts (both beneficial and detrimental) of mining companies that have settled in the territory. This stakeholder group considers community board presidents and representatives who are the local voices that express concerns and necessities to authorities and in this case, to mining companies.

Unions

Another stakeholder group are the unions representing mining workers. The unions are highly relevant due to their perceived power, expressed through the unions and the mining federation. Unions have gained importance and recognition at local and national level because they are strong associations with the ability to paralyse mining operations, thus causing millions of dollars in losses to companies. Union presidents and regional representatives of the mining federation are the strongest agents within this stakeholder group.

Government

The government includes both local and regional authorities representing the ministries of mining and environment. They undertake law enforcement and regulation in their respective ministries in order to ensure regional development of matters within their jurisdiction. As well as the regional secretariats representing government ministries; municipalities undertake the local administration and the investments associated with community development. Even though these organisations are really entities for local administration (and not as government agencies), communities and other stakeholders, perceived these bodies as another government body.

NGOs

For the purposes of this research, this group includes non-governmental (NGOs) and not-for-profit NPOs organisations. This stakeholder group lead the discussion about sustainable development, corporate social responsibility and environmental matters in the region. As organisations, they cooperate with different stakeholders, from

communities, government agencies to companies. These stakeholders act as consultants - especially in controversial sectors such as the mining industry. They provide research as well as the meeting point to debate about regional development and mining in regions clearly dominated by this sector.

Media

The final stakeholder group included in this study is the local media. This stakeholder is represented by local newspapers because they are identified as the key means of informing the community about regional news. Although there are other forms of media, for example, radio and television, these are seen as less effective means of disseminating regional and local information. Radio is identified as more entertainment-oriented form of media, and television is identified as a centralised media focused on news and issues related to Santiago, the capital city of Chile. Although there are a couple of local TV channels, they remain focussed on entertainment and considered a less attractive medium in terms of communication and information about local matters.

1.5 Literature Review

1.5.1 An overview of corporate social responsibility (CSR)

CSR researchers have provided several different definitions of the concept arriving at different conclusions, despite considering similar terms. De Bakker et al. (2005) analysed a period of 30 years on CSR research concluding there is no consensus in terms of a definition. The level of analysis and theoretical orientations is evolving and results in different theories and approaches. However, despite different definitions or approaches, the concept has been installed and it's here to stay longer.

CSR presents itself as a rich field to investigate. Several approaches have been proposed to understand this concept and its implications for business and society. The main developments in terms of conceptual perspectives to understand its underlying ideas can be found in different research efforts. One of these approaches was developed by Freeman (1984) who stated the salience of stakeholders on business providing a model to visualise the relationship among different actors. Freeman described a stakeholder as 'any group or individual who is affected by or can affect the achievement of an organization's objectives' (p. 46). In this sense, as a result of a company's operations, positive or negative externalities can affect these groups.

Another approach, this time linking social responsibility and performance, is corporate social performance (CSP). Wartick and Cochran (1985) defined CSP as 'the underlying interaction among the principles of social responsibility, the process of social responsiveness, and the policies developed to address social issues' (p. 758). Later, this concept was extended to consider 'observable outcomes' (Wood, 1991, p. 693) and reoriented to include micro and macro principles of CSR, corporate culture and social impacts (Swanson, 1995) in the business and society. In simple terms, CSP is developed under the idea that business has a responsibility to society for any harm or problem caused directly or indirectly (Wood, 2010). A measure or indicator of a company's CSR failure or success that considers different outcomes and not merely financial results can be obtained through CSP.

Following the trend, Carroll (1991) outlined the major components for CSR in a pyramid model. This approach is based on economic responsibilities as the foundation

of the model. The next layer is the legal aspect considering that any business should operate under the frame of law. Then comes the ethical aspect which encompasses obligations to act in the best way. Finally, the top of the model is represented by philanthropic responsibilities to the community. At the same time, Klonoski (1991) proposed a framework for considering theories under three conceptual headings: fundamentalist (business as an economic distinction with no responsibilities to the society, just business under the rules of the game), moral responsibility (companies are morally responsible for their actions) and social business (social aspect as a key issue).

Based on strategic management and competitive advantages, Hart (1995) built on a resource-based view (RBV) to link CSR concepts. This attempt was focused on the environmental point of view arguing that the traditional lens focuses on 'political, economic, social and technological aspects to the virtual exclusion of the natural environment' (Hart, 1995, p. 986). Hart stated an increase on competitive advantage through environmental responsibility strategies such as pollution prevention, product stewardship and sustainable development. Following the same approach, Russo and Fouts (1997) concluded empirically that there is a positive relationship between environmental and economic performance. Furthermore, a RBV can be applied to CSR matters.

In order to organise the extent CSR literature, Garriga and Mele (2004) presented four clusters of CSR theories grouping them according to: instrumental, political, integrative and ethical theories. The first group, instrumental theories, identifies the CSR concept solely as an instrument to get and improve profits. In other words, concepts centred on profits and perhaps some social considerations if it is possible to get returns from them. The second group, political theories, relates to influence and power of companies over society. The third group considers integrative theories, inferring that responsible actions are integrated to business as a response to social demands in a specific moment. This approach explains social behaviour that faces and integrates particular issues without necessarily thinking about the future and long-term social strings. The final cluster, ethical theories, are founded and driven by ethical principles that aim for a better society.

Finally, considering national differences and cultural backgrounds, Matten and Moon (2008) have developed a framework for CSR. In attempting to understand the differences in CSR among countries, these scholars proposed a conceptual framework named 'Implicit and Explicit CSR'. This new approach defined two types of CSR. Implicit CSR is made up of values, norms and rules defined as a company's requirement to meet its social obligations. Alternatively, explicit CSR considers company policies, programs, and strategies to meet social interests. The difference is that Explicit CSR depends on self-imposed corporate policies rather than external (formal) policies from institutional or governmental authorities as in Implicit CSR.

Schwartz and Carroll (2008) suggest value, balance and accountability as core elements to integrate CSR, business ethics, sustainability, stakeholder management and corporate citizenship approaches in the ongoing and persistent question about how a business has to deal with concerns related to society and the business itself. Integrating CSR and different management practices could provide incentives, pressures and benchmarking to promote responsible practices (Arya and Bassi, 2009).

To date, despite different attempts to explain and understand the CSR phenomenon through clustering theories (Garriga and Mele, 2004), proposing new frameworks (Matten and Moon, 2008) and models (Geva, 2008), and constructing indexes (Gjølberg, 2009) or strategies to implement CSR (Maon et al, 2009), just to name a few, there is no unique theory that explains the whole concept and embraces the matters that CSR has set up. In terms of a deeper understanding, it seems to be a reasonable approach to build on a particular theory according to the reality of the case, situation or environment that needs to be evaluated. Table 2 below shows selected references in terms of CSR perspectives.

Table 2. CSR Perspectives	
Description	Selected References
Stakeholder theory The relationship among different stakeholders who are affected or can affect the organisation. Government, competitors, customers, employees, civil society, suppliers and shareholders are considered in the original theory.	Freeman, 1984 Freeman and Liedtka, 1991 Donaldson and Preston, 1995
Corporate social performance The relationship between social responsibility, responsiveness, policies and outcomes. It considers the link between social and economic performance.	Wartick and Cochran, 1985 Wood, 1991 Swanson, 1995
Pyramid of CSR Describe components of CSR as: philanthropic, ethical, legal and economic responsibilities.	Carroll, 1991, 1999
Foundational aspects on CSR CSR theories classified in terms of fundamentalism, moral responsibility and social business.	Klonoski, 1991
Resource-based view Natural resources as a new approach to environmental responsibility.	Hart, 1995 Russo and Fouts, 1997
CSR clusters Four clusters of CSR theories: ethical, instrumental, integrative and political.	Garriga and Mele, 2004
Explicit and implicit CSR An approach considering national differences in terms of cultural, political or economic background.	Matten and Moon, 2008

1.5.2 The ongoing debate

The idea that business should be conducted in a responsible way, both socially and environmentally is not something new. In fact, the CSR concept might sound merely a new edition for an old book. No matter how many different attempts and approaches scholars have made, there is a consensus that a business has responsibilities to society. How, when and to whom remain the unsolved part of the question.

From an early stage, the CSR discussion has focussed on the link between business and social responsibility. Some scholars such as Freeman and Liedtka (1991) suggest a social view in which business ought to be aware of its effects on stakeholder groups. Following the same argument, Carroll (1999) considered that business ought to use its resources to advance social welfare, applying a community service view. Nevertheless, despite all the research on the benefits of CSR and the way in which it deals with the

triple bottom line (mostly taking an optimistic view by identifying CSR as pro-benefit more than costs), there are critics who identify CSR merely as an anti-business practice or an activity that undermines shareholder value. One of the main critics was Friedman (1970) who stated that the main concern for business is businesses and profits, leaving social concerns to others groups. As Friedman pointed out:

What does it mean to say that “business” has responsibilities? Only people can have responsibilities. A corporation is an artificial person and in this sense may have artificial responsibilities, but “business” as a whole cannot be said to have responsibilities, even in this vague sense. (Friedman, 1970, p. 173)

In other words, serving shareholder interests is the core of the business and any other activity can be distractive or produce uncertainty in the organisation. Hence social responsibility has a negative impact on the ultimate business objective: to maximise profits. With this sentence Friedman brought to the debate the assumption that CSR is ‘pure rhetoric’ (Friedman, 1970, p.174) because managers have to act in the best interest of the company and not to prevent or assume social constraints. Conversely, Mulligan (1986) has a contrary view and responds to Friedman’s thesis arguing that ‘Friedman’s case is based on a questionable paradigm; a key premise is false; and logical cogency is sometimes missing’ (Mulligan, 1986, p. 265). According to Mulligan, business managers can actually take socially responsible actions and do not necessarily end up, as Friedman stated, losing the focus on business and the return on investments for shareholders. Furthermore, embracing CSR can play a key role in important areas such as strategic and operations management.

Despite long-term discussion and debate in business and management by scholars and practitioners, tensions still exist around the scope and aims of the CSR concept (De George, 2008). As mentioned, scholars address the CSR debate from different angles and perspectives. Dubbink (2004) compares CSR with the theory of the market arguing that the concepts clash, suggesting that CSR needs an adaptation to contemporary issues (Dubbink, 2005) and the debate refocussed to emphasise aspects such as institutional roles and their incentives for responsible corporate behaviour (Hiss, 2009). In this sense, the conception of responsible corporate behaviour has shown a shift in business and

society that raises social expectations about corporate roles in society (Hollender, 2004). This notion can be reinforced by adding virtue to business practices (Moore, 2003; Vogel, 2005) based on positive obligations, developing a collective notion of responsibility and not merely avoiding harmful practices (Wettstein, 2010). Finally, the ongoing debate around CSR also emphasises the areas where research has been done. Thus, the main criticism relating to gaps in CSR research is that its focus is mainly in developed countries rather than developing economies (Egri and Ralston, 2008). Given this gap, additional studies are necessary. For example, Kolk and Van Tulder (2010) highlight five areas for further research: institutions, dynamics within industries, firm-specific resources and capabilities, and downstream and upstream perspectives.

Another controversial critic refers to the feasibility of companies complying with their goals and promises in terms of CSR. Differences between clear objectives and achievements are pointed out by Frynas (2005). In this study, Frynas addressed multinational companies facing troubles in the oil sector to comply with CSR initiatives, which is clear evidence of a gap between statements and real actions. A similar critique is presented by Newell (2005) who highlighted the differences in terms of background and development across countries and concluded as a result of these differences, that 'CSR can work, for some people, in some places, on some issues, some of the time' (p. 556). In this sense, assumptions and conditions cannot be extrapolated as a unique model for CSR.

Perhaps because of a lack of a common or universal definition about what CSR really is (Karnani, 2011) or encompasses, outcomes are going to be inconsistent. In McWilliams' words, in an editorial introduction for a CSR issue, 'It is impossible to measure what we cannot define' (McWilliams et al., 2006, p. 10) and, as a result, the field has a broad range of theoretical perspectives, research designs and methodologies (McWilliams et al., 1999). Hence, to get a better understanding of what CSR really means, Dahlsrud (2008) analysed 37 definitions to conclude that the general underlying ideas are consistent across the definitions. In a similar way, Okoye (2009) theorised on whether a final concept or definition is necessary and pointed out that CSR is an essentially contested concept. To date, theoretical and empirical researches have allowed the CSR concept to evolve in a dynamic way (De Bakker et al, 2005; Geva,

2008) as exemplified in selected references in table 3. Without exception, CSR definitions consider the triple bottom line as an essential part of the concept. In some way, the definitions express the idea of the relationship among business, environment and society.

Table 3. CSR

Description/definition	Selected References
'Business actions and decisions must be made on grounds beyond economic and technical interests of the company, at least partially'	Davis (1960, p.70)
'To use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud'	Friedman (1970, p.178)
'Corporate social responsibility is the notion that corporations have an obligation to constituent groups in society other than stock- holders and beyond that prescribed by law or union contract'	Jones (1980, p.59)
'The obligation of the firm to use its resources in ways to benefit society, through committed participation as a member of society, taking into account the society at large and improving welfare of society at large independent of direct gains of the company'	Kok et al. (2001, p.288)
'In general, corporate sustainability and, CSR refer to company activities – voluntary by definition – demonstrating the inclusion of social and environmental concerns in business operations and in interactions with stakeholders'	Van Marrewijk (2003, p.102)
'Responsibility of an organisation for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour that contributes to sustainable development, including health and the welfare of society; takes into account the expectations of stakeholders; is in compliance with applicable law and consistent with international norms of behaviour; and is integrated throughout the organisation and practised in its relationships'	ISO 26000 (2010, p.3)

Furthermore, one of the most recent critical analyses came from an article by Aneel Karnani published in the business section of *The Wall Street Journal* entitled 'The Case Against Corporate Social Responsibility' (Karnani, 2010). According to Karnani, CSR is misguided and in his own words 'fundamentally flawed'. Thus, it is possible to find out different arguments for and against CSR as shown in table 4. However, despite the wide range of arguments, CSR is still open to new approaches. As Lockett et al. concluded, the state of the art of CSR is a 'continuing state of emergence' (Lockett et al., 2006, p. 133).

Table 4. CSR Critiques

Reference	Argument for	Description
Davis, 1973	Self-interest	Firms should take actions now to ensure a prosper long-term assuming a sustainable view.
Mulligan, 1986	Managers can follow a CSR path	Firms can pursue social responsibility and get the benefits of it. Managers won't lose the focus on business or shareholders' interest. In fact, CSR can be integrated to strategic and operational management.
Klonoski, 1991	Companies as social institutions	Businesses and managers are in nature a social construct which have to open their economic view to social concerns.
Carroll, 1999	CSR has a bright future	CSR addresses the relationship between business and society which is a main issue for society. Thereby its spread among scholars and business people is increasing day by day.

Reference	Argument against	Description
Friedman, 1970	Maximize profits	Companies have only responsibilities to shareholders in terms of profits. Its only responsibility is to use resources to increase profits through a framework of free competition and under the market rules.
Davis, 1973	Lack of social perspective	Managers have business skills which are not necessarily related to 'soft' or social skills. Their points of view are analysis basically based on economic terms such as cost-benefits analysis.
McWilliams et al., 1999 Margolis and Walsh, 2003	Conflicts on research design, methods and results	Findings on research related to CSR consequences or performance have a lack of consistency mainly because of flaws on design and methods.
Frynas, 2005	Gap between promises and actions	Companies leading CSR have failed to accomplish CSR goals and objectives previously defined and stated by themselves.
Newell, 2005	CSR can works for some ones	A unique CSR model only works for some companies and under certain characteristics. This is because of the natural differences across cultures, countries, sectors or organisations.
McWilliams et al., 2006 Karnani, 2011	Lack of a clear definition	CSR foundations are blurry in terms of concepts and scopes. As a result, a vague definition cannot guide businesses to comply CSR claims.

1.5.3 A stakeholder approach to CSR

As noted in the CSR literature, stakeholder theory has been concurrently linked to research in CSR (Barnett, 2007; Clarkson, 1995; Lindgreen et al., 2012). Using the stakeholder approach, some scholars address CSR research by discussing how different players fit into the CSR scenario. Moreover, as companies are but elements in the wider social order, their activities and externalities are frequently monitored and questioned by authorities and social actors. In this sense, and responding to the demand of some stakeholder groups, companies sometimes address CSR from a stakeholder perspective.

This theory has been analysed and extended since Freeman (1984) through his seminal work, *Strategic Management: A stakeholder Approach*, introduced the stakeholder topic into the CSR debate. According to Freeman, the concept of a stakeholder refers to ‘any group or individual who is affected by or can affect the achievement of an organization’s objectives’ (p. 46). In this sense, as a result of a company’s operations, positive or negative externalities can affect these groups (table 5 provides more examples of the stakeholder concept). According to Freeman and Liedtka (1991), this theory is sufficient to explain the relationship between business and society so the CSR concept can be put aside. Accordingly, stakeholder theory takes into account different groups as a network that surrounds company activities. One of the questions that present this theory relates to the identification of stakeholders and their position in terms of relevance in the stakeholder map. Some scholars consider power dependence as one aspect to evaluate (Freeman and Reed, 1983; Jawahar and McLaughlin, 2001) and legitimacy as another attribute to assess stakeholder importance and value (Hill and Jones, 1992; Langtry, 1994).

Consequently, and integrating the attributes previously mentioned, Mitchell et al., (1997) addressed the complexity in identifying and considering different groups of stakeholders. These scholars expand the notion of stakeholder theory, appealing to the process of stakeholder identification in order to prioritise them in relation to their salience. In this sense, the authors define salience as ‘the degree to which managers give priority to competing stakeholder claims’ (p. 869). Thus, the salience of different stakeholders is assessed according to the presence or absence of three attributes: power, legitimacy and urgency. Through these attributes it’s possible to identify and determine

which stakeholders are more salient or influential. The combination of these attributes creates different categories in terms of salience. These categories vary from latent, expectant to definitive stakeholders and represent a low, moderate and high salience respectively.

Table 5. Stakeholders	
Description/definition	Selected references
‘Any group or individual who is affected by or can affect the achievement of the organisation’s objectives’	Freeman (1984, p.46)
‘Stakeholders are those groups who have a stake in or claim on the firm. Specifically we include suppliers, customers, employees, stockholders, and the local community, as well as management in its role as agent for these groups’	Evan and Freeman (1988, p.79)
‘The corporation is constituted by the network of relationships which it is involved in with the employees, customers, suppliers, communities, businesses and other groups who interact with and give meaning and definition to the corporation’	Wicks et al. (1994, p.483)
‘Stakeholders are groups or individuals who <i>either</i> are such that the firm's decisions to act, or decisions to not act, have been or will be to a significant extent causally responsible for their level of well being, or <i>else</i> have some independently identifiable moral or legal claim on the firm which the firm's actions violate or respect’	Langtry (1994, p.433)
‘Persons or groups that have, or claim, ownership, rights, or interests in a corporation and its activities, past, present, or future. Such claimed rights or interests are the result of transactions with, or actions taken by, the corporation, and may be legal or moral, individual or collective’	Clarkson (1995, p.106)
‘Any individual or group that maintains a stake in an organisation in the way that a shareholder possesses shares’	Fassin (2009, p.116)

After Freeman’s conceptualisation of the stakeholder idea, Clarkson (1995) goes further to classify stakeholders into two groups. For Clarkson, the concept of stakeholder relates to ‘persons or groups that have, or claim, ownership, rights or interests in a corporation and its activities’ (p. 106). Following this notion, stakeholders are classified as primary or secondary. In these categories, primary stakeholders are those who are vital for the company survival. On the contrary, secondary stakeholders are not an essential part nor involved in transactions with the company. Thus, shareholders,

employees, communities, consumers and suppliers are identified as primary, whilst the media or NGOs are categorised as secondary.

Alternatively, and following a similar path, Kaler (2002) grouped stakeholders into three segments: claimant, influencer or combinatory. In this sense, claimant stakeholders are identified as those with specific roles and legitimate claims in relation to their interests and the company's. The second group, as indicated by their name, includes stakeholders with any kind of influence on the company. Consequently, combinatory stakeholders are claimant and influencer at the same time.

Thus, stakeholders are identified as a relevant part of setting the context for corporate responsibilities (Waddock, 2004). Furthermore, Wood and Jones (1995) highlighted the role of stakeholders in CSR research as being the source of expectations about a company's expected performance and the recipients of corporate actions and output, and go on to evaluate whether companies met those expectations and what impacts they made.

After Freeman's model, the stakeholder approach has continued evolving and has been broadly studied (e.g., Agle et al., 1999; Donaldson and Preston, 1995; Fassin, 2009; Frooman, 1999; Mitchell et al., 1997; Rowley, 1997). However, only a few studies have paid attention to aspects of specific groups such as perceptions, attitudes and expectations (Miles et al., 2006; Morsing and Schultz, 2006) between different stakeholder groups as in the call made by Harrison and Freeman (1999). Using this approach companies can address their responsibilities to each group, identifying and defining stakeholders, to finally consider their special and particular needs (Clarkson, 1995).

1.5.4 Stakeholder interactions

The stakeholder approach has gained relevance as a result of CSR research being so broadly treated. As part of the stakeholder theory, studies pay special attention to stakeholder relation issues, seen as a key area of interest for organisations and a topic broadly discussed (Laplume et al., 2008) in relation to promoting ethical business (Goodstein and Wicks, 2007). Literature in this area addresses different ways or forms of interactions such as engagement (Schouten and Remm, 2006), the influence of some

groups in the engagement process (Holzer, 2008) and the communication of CSR activities through external stakeholders (Morsing, 2006). Studies have also been oriented towards examining partnerships (Selsky and Parker, 2005) and alliances (Arya and Salk, 2006), and particularly the dialogue between companies and civil society organisations (Burchell and Cook, 2006, 2008) and the way it has been conducted (Jackson and Bundgard, 2002). This is in order to better understand the process of dialogue with legitimate stakeholders (Waxenberger and Spence, 2003) and their participation and involvement in the CSR process (Morsing and Schultz, 2006) as a way to improve legitimacy and interactions (Elms and Phillips, 2009; Schaefer and Kerrigan, 2008). Similar attention has been paid to stakeholder pressure to engage firms in social practices (Campbell and Slack, 2006) as well as a driver for CSR (Brammer and Millington, 2004a, 2004b).

In this sense, the idea of interactions seems to explain a range of diverse actions in relation to particular issues. Furthermore, interaction between a company and its stakeholders can improve and strengthen relations while developing an understanding of responsible practices (McNamee and Gergen, 1999). This is because stakeholders make sense of CSR through their experiences in dealing with companies (Freeman et al., 2004), and particularly because stakeholders tend to express their concerns and ideas about specific topics or issues in a network of influences. Accordingly, companies have to deal with interactions between two or more participants from the stakeholder map (Rowley, 1997). This is sometimes, translated into divergent and even conflictive situations in relation to stakeholder expectations and evaluation of CSR (Hillenbrand and Money, 2009). Consequently, the growing recognition of studies addressing the interactions between companies and stakeholders (Freeman and Evan, 1990; Mitchell et al., 1997; Savage et al., 1991) have gained terrain. This focus of attention, however, has left aside research that accounts for the interactions amongst stakeholders, as pointed out by Freeman and Evan (1990) and Rowley (1997). Just as with any social group, stakeholders will not always relate to each other, and this results in an area of interest that demands further analysis.

When different groups interact with each other, there will be a convergence or divergence of each stakeholder's perception of the issues in mind. This may result in a

collaborative relationship or in a clash of goals or conflicted interaction due to differences in understandings, relevant problems or considered solutions to the matter under discussion (Fiol and O'Connor, 2002; Fiol et al., 2009). Moreover, interactions may be complex if multi-stakeholders are considered across or even within the same industry (Nowell, 2010). In this regard, Mitchell et al. (1997) argued that stakeholder relations are based on the salience of different participants, and that salience is built on the attributes of power, legitimacy and urgency. Thus, interactions may be conditioned to, amongst other factors, the perceived salience and the potential contribution for further relations. Accordingly, social interactions should be addressed by taking into account the diversity of participants (Clarkson, 1995; Magness, 2008), the context in which they interact (Nowell, 2010), the way interactions are conceived (Berger et al., 2004; Onkila, 2011; Seitanidi and Crane, 2009) and the perceptions of the matters as well as stakeholders' characteristics (Hillenbrand and Money, 2009; Mitchell et al., 1997).

An example of the extant literature on CSR and stakeholders in table 6 provides some arguments and findings in terms of stakeholder interactions which, as suspected, focuses mostly on the dyadic relation of company-stakeholder (Rowley, 1997). Thus, despite the fact that scholars are continually focussed on the stakeholder approach to CSR, it is possible to identify gaps in the research about stakeholder interactions and specific groups of stakeholders. Whilst the interaction between companies and their stakeholders remains an important point of discussion, most of the research into interactions relates to stakeholder engagement and the relationship between two players, the company and the stakeholder. Consequently, it is important to inquire into the kinds of perceptions that exist amongst stakeholders in relation to CSR and to review different kinds of stakeholder participation in the CSR debate.

Table 6. Theme: Stakeholder Interactions

Authors	Key arguments/findings
Jackson and Bundgard, 2002	The survey process as a tool for promoting dialogue and stakeholder inclusion.
Waxenberger and Spence, 2003	It's necessary to ensure a dialogue with key stakeholders who have legitimate claims on the company.
Brammer and Millington, 2004b	Differences in charity management amongst corporations due to managerial perceptions of stakeholder pressures, company size and industry.
Simon et al., 2005	Employees' commitment and active participation as a key to developing CSR activities.
Thompson and Driver, 2005	To foster and promote the CSR agenda, stakeholder champions should work in parallel with regulatory bodies to articulate stakeholder interests.
Burchell and Cook, 2006	NGOs and companies are engaging in dialogue. However, outcomes of stakeholder dialogue still remain unclear.
Campbell and Slack, 2006	Companies contributing to charity respond to stakeholders because their level of exposure or visibility makes them a target for stakeholders' claims.
Morsing, 2006	Communicating CSR initiatives via external stakeholders helps to build, reinforce and improve corporate identification amongst internal stakeholders.
Morsing and Schultz, 2006	A shift in CSR communications from 'informing and responding' to 'involving' in order to improve legitimacy, reputation and stakeholder relations.
Schepers, 2006	NGOs influencing MNCs in terms of CSR activities in developing countries.
Collier and Esteban, 2007	Employee motivation and commitment to CSR is affected by context and perceptions.
Goodstein and Wicks, 2007	Emphasis on stakeholders' responsibility as focus of attention can create better companies and markets.
Mathis, 2007	Proactive companies in terms of CSR activities have a better position to influence the policy-making process.
Holzer, 2008	A political coalition perspective to understand stakeholder influences considering levels of power.
Schaefer and Kerrigan, 2008	A tendency to engage in CSR activities to repair industry legitimacy.
Muthuri et al., 2009	Employee voluntarism encourages cooperation between companies and communities building social capital under three dimensions: networks, trust and norms of cooperation.
Peloza and Falkenberg, 2009	Collaboration between NGO and companies can reach CSR goals through an integrative involvement process instead of transactional or philanthropic.
Valor and Merino de Diego, 2009	A dynamic of conflict-cooperation. Cooperation between NGOs and companies as a result of NGOs' conflictive strategies.
Brueckner and Mamun, 2010	Differences between community and corporate understandings in terms of CSR.
Kourula, 2010	The link business-NGO is based on three engagement strategies; sponsorship, dialogue and partnership.
Van Huijstee and Glasbergen, 2010	NGOs influence strategies as: different types of contrasting strategies, interplay between contrasting strategies and the dynamic relation between company-stakeholder resource dependence relationship.

1.5.5 CSR and mining in Chile

In Chile, corporate social responsibility was understood, initially, as the individual contribution from business owners and shareholders to charities and organisations associated with religious movements. This is in some way due to the conservative culture and background linked to the Catholic Church. Thus, in the late 1980's legislation was passed to regulate company donations (Act 18,681). Through this new Act, donations to educational entities such as universities and institutes are made tax deductible. Later legislation (Act 19,247) promoted and provided an incentive for private donations to improving the quality of education. Thus, the concept of CSR in Chile has evolved from individual contribution - guided primarily by moral or religious principles - to a more regulated activity supported by law. Despite companies' concerns and collaboration in terms of CSR however, CSR appears to remain a short-term approach that is more oriented to repairing the detrimental effects caused by companies (e.g. pollution, environmental damage, etc) rather than proactive preventative measures. Consequently, and due to social pressure from different stakeholder groups such as NGOs, governmental agencies and social organisations, it is possible to appreciate changes in the way a company approaches its social responsibility nowadays.

In this way, stakeholders' perceptions have changed in relation to CSR. Almost a decade ago, Haslam (2004) and Aguero (2004) pointed out the lack of perception of CSR in Chile in relation to promotion and demand by some stakeholders, including NGOs and government. In order to capture a 'picture of the state of the art' of CSR, Haslam (2004, p.2) used an online search adopting the keywords 'Chile corporate social responsibility'. The search returned 105 'hits'. In a similar attempt, Beckman et al. (2009) in 2008, obtained 399,000 hits. An identical search in 2013 displays 2,950,000 hits and this demonstrated that in Chile, CSR (at least as concept) has gained terrain. According to Balch (2008), an understanding of CSR can be seen in the Chilean context, in which the term 'corporate social responsibility might not have a wide resonance among the public but the principles of a more socially active private sector do'. Furthermore, the creation of not-for-profit organisations and research agencies such as Fundacion ProHumana and Accion RSE amongst others, has highlighted the debate about responsible corporate behaviour in order to promote CSR.

Within the mining industry in particular, Chile has used its abundant natural resources to generate and attain greater development in comparison to other South American nations. This however, still leaves challenges for the social and economic aspects of this development. For example, the levels of social inequality still remain higher than the rest of the OECD countries. According to the United Nations report (PNUD, 2000a), the levels of social inequality in Chile remain one of the highest in the South American region. Thus, the mining industry as one of the main contributors to the economy in the country should develop in a way that not only provides economic growth but also social equality and prosperity. In this sense, mining industry companies play a relevant role in social prosperity accompanied by economic development. It is at this point that CSR emerges as a critical area of development in order to reach a balance between social contribution and economic performance.

Table 7. CSR activities in mining companies

Workers

- A modern working environment
- Strong and participatory unions
- Workplace safety and working conditions
- Salary policy

Implementing Social Responsibility

- Housing policy
- Focus on education
- Investment in human capital

Other activities related to CSR

- Promoting social and sporting clubs
 - Integration of environmental concerns of the community
 - Artistic and cultural activities
 - Cultural heritage, respect and support for indigenous communities
-

Source: Adapted from Chilean Mining Council 2004.

In trying to maintain the contribution to development from the mining industry, the evidence remains unclear; or as Graulau (2008) points out, divergent; with respect to CSR's contribution to development. CSR therefore warrants further research, since mining companies are a critical contributor and partner in attaining social and economic development. Smith (2003) highlights the idea that CSR is no longer about whether to commit to social responsible activities, but how to commit. In this sense, according to the Chilean mining council (2004), companies address CSR in the areas indicated in table 7. However, among these companies, there are similarities and differences in the manner in which they plan, interpret and deal with CSR activities. This implies that differences arise from the management of social issues like stakeholder engagement and stakeholder perceptions of a company's real commitment and purpose. This is an important process and companies should be clear about which stakeholders must be considered, either have been defined by the company, self-declared or legitimised by relevant players. This is especially relevant when perceptions of distrust are highlighted in a report by PNUD (2000b) who adverted the high levels of distrust between companies and different stakeholders in Chile.

Moreover, because of the intensity of mining activities in Chile (as previously illustrated in figure 2) social activists and different stakeholder groups have found evidence to debate and highlight the diverse impacts associated with productive activities in this sector. In this sense, Pegg (2006) states that mining areas are characterised by higher levels of social inequality and the issues associated with this inequality. This inequality increases social conflicts, distrust and discontent. Therefore, the complexity of CSR in the mining sector in Chile seems to be balancing the need to make profits for business and welfare for society but integrating stakeholders in the decision making process in order to take into account their concerns and interests. Thus, undertaking research into the perceptions of different stakeholder groups by economic sectors is a starting point for moving ahead with CSR.

1.6 References

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Chapter II

Examining stakeholders' perceptions of mining impacts and CSR

CHAPTER II: Examining Stakeholders' Perceptions of Mining Impacts and CSR

2.1 Abstract

Purpose: This paper aims to provide a better understanding of multi-stakeholder perceptions of CSR in connection with mining industry impacts. While there is significant research about CSR, there is a lack of understanding in the area of considering specific stakeholders within the extractive industry, particularly in a developing country like Chile.

Design/methodology/approach: This research takes a multi-stakeholder approach built on qualitative methodology. Primary data is obtained through semi-structured interviews with communities, government, unions, NGOs and media. Thematic analysis was conducted using NVIVO 9 software.

Findings: The findings reveal that stakeholders perceive mining impacts on social and environmental domains negatively in contrast to a positive perception in connection with economic impacts. The results also reveal that across stakeholder groups CSR is identified mainly as a social and environmental responsibility. Some stakeholders also identify CSR negatively, perceiving it as a mere construct, as a marketing campaign. Other stakeholders treat it as a non-existent attribute or concept. These perceptions also reflect the relation between mining impacts and CSR understandings.

Research limitations/implications: This study hopes to expand on current research and spur more studies on CSR in the Chilean context. The limitations of this paper relate to the range of stakeholders included in the interviews. Although five groups of stakeholders are considered a broad range, additional groups may have included shareholders or customers, for example. However, to access these groups is significantly complex due to restraints on time and resources because mining company shareholders and customers are residents or based overseas.

Originality/value: This paper contributes to a better understanding of CSR in the Chilean mining industry, being this sector a key player in the national economy. Like any other mining country, Chile faces some issues regarding stakeholder and mining activities. To overcome potential issues and threats within this industry, organisations need to understand how multi-stakeholders perceive and understand CSR within this industry.

Keywords: corporate social responsibility, stakeholder perceptions, mining, Chile.

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2.2 Introduction

In countries whose economies are highly dependent on their natural resources, the contribution to gross domestic product (GDP) from mining companies is immensely relevant and cannot be ignored. According to Dorian and Humphreys (1994), the benefits of this industry and its effects have significant impacts and sometimes can define a country's economic growth, and assume a special emphasis in developing countries. The relevance of CSR within the mining industry takes on special significance, particularly since CSR is usually considered in terms of an economic contribution. It is CSR's economic contribution that becomes its most noticeable social impact (Visser, 2008). Despite this economic contribution, however, organised social groups and particular stakeholders discourage mining because of its attendant negative impacts (Kapelus, 2002) and because the concept of CSR within the mining industry is ambiguous. This is especially critical in developing economies that are rich with natural resources (Hilson, 2012).

According to Jenkins (2004, p.24), CSR within the mining industry 'is about balancing the diverse demands of communities and the imperative to protect the environment with the ever present need to make a profit'. Thus, CSR is generally analysed in three domains – social, environmental and economic – and they are also relevant factors in corporate sustainability and sustainable development (Elkingon, 1997; Steurer et al., 2005). This approach to CSR is often associated with research into stakeholder relations (Clarkson, 1995; Snider et al., 2003) considering a broad range of stakeholder groups that will be affected by companies' operations. It also addresses additional corporate responsibilities beyond the traditional economic perspective (Ambec and Lanoie, 2008; Margolis and Walsh, 2003). These additional corporate responsibilities include social and environmental impacts. Thus, to understand CSR, scholars must take into account

participation across a range of active stakeholders (Orlitzky and Benjamin, 2001) highlighting the necessity to uncover CSR understandings across different contexts and industries (Cramer et al., 2004).

Of course, CSR is not the sole proactive way to measure or account for companies acting responsibly within a society. In fact, according to Hamman and Kapelus (2004), CSR is understood to be more of a reactive response to multiple stakeholders – communities, government and NGOs to name a few – and these stakeholders' criticisms of mining's impact on the community and the environment. Warnars (2012) points out that CSR is also recognised as a source of tension between companies and stakeholders. In some cases, this tension can intensify conflicts, especially between communities and mining firms. This may be because mining companies do not practise CSR as an integrated part of their operations, but only adopt the rhetorical aspects of CSR against the reality of their practices (Slack, 2012) and stakeholder views. Thus, the aim of this study is to examine stakeholders' perceptions in the Chilean mining industry, particularly in relation to mining impacts and CSR. How stakeholder groups in Chile perceive CSR and its impacts in relation to the mining industry has important implications. Stakeholder perceptions are directly collected from the stakeholders' judgements, which in turn provide lessons for how this industry is viewed in this regard in the eyes of stakeholder groups. This paper begins with a brief review of literature about CSR, stakeholders and the mining industry and is followed by a description of the method. The next section provides findings with a final discussion and conclusions.

2.3 CSR and Stakeholders

The CSR literature offers several constructs for interpreting and applying CSR. Despite long term debate by business and management, however, differences of opinion exist over the definition and scope of CSR (De George, 2008). Research has attempted to map the terrain (Garriga and Mele, 2004; Taneja et al., 2011) in order to establish and organise the studies and to derive a common concept that accounts for the different criteria and purposes (Windsor, 2006). Generally, normative and instrumental perspectives are used to approach CSR (Donaldson and Dunfee, 1994). This normative view adopts the perspective of the ethical obligations businesses have to society,

regulated by "doing the right thing". This normative approach has been criticised by some academics because of its overemphasis on the idealism of business in society (Dentchev, 2009). An alternative view is the instrumental approach to CSR that adopts a neutral consideration of ethics and, instead, highlights CSR's role in improving profitability. This instrumental approach to CSR should, according to Ameshi and Adi (2007) be constructed using instrumental business language in order to achieve credibility. The risk to stakeholders from the instrumental approach is, however, that companies might emphasise the status of being a responsible business rather than looking for social benefits (Gond et al., 2009).

To date, an understanding of CSR through stakeholder perceptions of it remains fertile terrain. Perhaps, the lack of common definition or the different understandings of what CSR really encompasses (Karnani, 2011) leads to diverse outcomes. Moreover, not only are there diverse definitions or understandings, but stakeholder groups themselves vary as much as the expectations about CSR and the likely impacts by companies. As pointed out by Calvano (2008), the gap in stakeholder perceptions is one of the elements that gives rise to conflicts between companies and stakeholders. Wood and Jones (1995) identify three roles for stakeholders. Firstly, stakeholders are the source of expectations for a company's performance. Secondly, they experience the effects of companies' activities and, thirdly, they evaluate companies' outcomes in terms of stakeholder expectations; and the effects on them. Of course, from a stakeholder perspective, CSR will be evaluated on the basis of how a company meets the stakeholder demands and expectations (Ruf et al., 2001). Thus, stakeholders will perceive CSR according to the stakeholders' own demands and interests (Fiedler and Kirchgeorg, 2007; Hillenbrand and Money, 2007).

Stakeholder perceptions of CSR might clarify roles stakeholders have on CSR (Hutchins et al., 2007). It is necessary however to remember that 'CSR can work, for some people, in some places, on some issues, some of the time'. Therefore, the various assumptions and conditions about CSR cannot be extrapolated into a unique construct (Newell, 2005, p. 556). It is important to remember that, to gain a better understanding about specific CSR contexts and experiences, is necessary to recognise what stakeholders understand and distinguish about CSR. In many cases, the diversity of

stakeholders translates into a diversity of interests and objectives, as well as fundamental notions of CSR. These interests sometimes converge or diverge into confronting scenarios involving social, environmental and economic domains (Steurer et al., 2005). In such circumstances, stakeholder views on CSR are not only diverse across groups, but sometimes even within the same group.

2.4 CSR and Mining: An Ongoing Tension

The mining industry has been identified as a sector in which social responsibilities as well as sustainability are central issues in the debates that occur within responsible companies (Cowell et al., 1999). Mining outputs and benefits have a significant effect and influence on economic growth. This is particularly so in Latin American economies for which natural resources are one of the principal economic sectors and their impacts are particularly emphasised in developing economies (Dorian and Humphreys, 1994).

Mining activities, however, are also characterised by irreversible effects on landscape and potential long term damage to the natural environment (Ali and O'Faircheallaigh, 2007). The most notorious impacts are not only on the environment, but also on the social economy of the nation. There is a special interest in the effect of mining operations on nearby communities for which lifestyle and health conditions are among the problems that must be addressed continually (Sagebien et al., 2008). As a result, there is an emerging debate among stakeholders that claim to be affected by mining (Kapelus, 2002), with the attendant tensioning of relations between the mining companies and the stakeholders in this sector.

Within the mining context, CSR is usually addressed taking a triple bottom line approach, considering three dimensions: social, environmental and economic (Elkingon, 1997). Thus, this approach takes into account how mining companies may affect stakeholder groups in social (Dyllick and Hockerts, 2002), environmental (Linnenluecke et al., 2007) and economic aspects (Ambec and Lanoie, 2008). The approach to CSR in the mining industry context requires not only a company perspective, but also a stakeholder perspective about the scope and meaning of CSR. This is particularly relevant because of the potential for conflict between a company's

and the stakeholders' expectations as well as the divergences that will exist amongst stakeholders. As found by Eweje (2006), expectations between companies and communities are not the same in relation to CSR. Whilst communities focus on sustainable development, companies focus on demonstrating how responsibly they behave. Furthermore, according to Hsieh (2009), companies operating in developing countries are expected to fulfil uppermost expectations. Thus, scholars have called for more attention to comprehend company impacts considering stakeholder perceptions in order to address their necessities and claims in a tailored way (Jenkins, 2004).

2.5 Method

This paper takes a multi-stakeholder approach based on the analysis of data obtained from semi-structured interviews. The fieldwork for this research was undertaken during three months in Chile in 2012. Participants were identified from a literature review, documents related to the Chilean mining industry and purposive sampling to identify relevant players (Miles and Huberman, 1984).

The interviewees were similarly recruited from two matched mining regions after stakeholder mapping that identified and selected the following key stakeholder groups: community, government, unions, NGOs and media. First, meetings were arranged by telephone and face-to-face to discuss and inform potential participants about the scope of the project and the interview. All participants were assured of anonymity, especially the community and union representatives. This was done to ensure honest and direct answers based on experiences and perceptions. Interviewees provided their written consent prior to proceeding with a tape-recorded interview.

The study comprises 51 participants undertaking a face-to-face, semi-structured interview. During the interview, participants were asked questions such as: “What does the CSR concept mean to you?”; “What kind of impact results from the mining industry?”; “What are the relevant aspects of this industry?”; “What do you believe CSR means in the mining industry?”; “What do you think are the relevant aspects of CSR in the mining industry?”; “How do mining companies act in a manner that is socially responsible?”. These questions guided the topic and provided further discussion in a

flexible and natural conversation that allowed the researcher to introduce more questions when unforeseen and interesting areas emerged (Easterby-Smith et al., 1991).

The interviews were conducted in Spanish by the same researcher. On average, each interview took about one hour. Only two interviews differed in the length of time with one taking two hours and the other taking about 45 minutes. The interviews were transcribed and translated into English. The data was analysed using inductive thematic analysis to identify concepts or themes within the gathered data (Boyatzis, 1998; Braun and Clarke, 2006) using NVIVO 9 software. This technique allows working with coded information to identify common themes and insights (Miles and Huberman, 1984; Yin, 1994) as well as relationships between concepts amongst different stakeholder groups. Later, in order to assure analytic closure (Miles and Huberman, 1994), coded material was reviewed and complemented with notes taken during the interview process.

2.6 Findings

This section presents findings in two aspects. The first relates to the elements that stakeholders perceive as impacts in terms of positive as well as negative effects by corporate activities. The second describes how stakeholders understand CSR within the mining industry. Findings are presented considering three dimensions: social, environmental and economic.

2.6.1 Impacts of mining industry

In the process of this research, participants identified mining impacts associated with three major themes – social, environmental and economic – as shown and summarised in table 1. In the social domain, mining impacts were addressed in respect of the following topics: cost of living, demographic growth, education, family, health and indigenous issues. From a social perspective, mining impacts have been appraised mainly as negative effects across stakeholder groups. The only exception is the perception concerned with impacts on education. In this sense, there is a general perception amongst stakeholders that mining companies have impacted local areas positively, helping communities and also the government by providing better quality education. However, some participants are critics regarding this issue, in the sense that a

positive contribution is merely self-help to their own advantage in order to obtain and secure skilled people to work in their operations due to a shortage of qualified workers.

Table 1. Stakeholder Perceptions of Mining Impacts

Impacts	Community	Unions	Government	NGOs	Media
Social					
Cost of living			-	-	
Demographic growth	-		-		
Education	+		+	+/-	
Family	-		-		
Health	-	-	-		
Indigenous	-		+/-	-	
Environmental					
Energy consumption		-			
Flora and fauna	-	-	-	-	-
Pollution	-	-	-	-	
Water consumption	-	-	-	-	-
Economic					
Development	+	+	+	+	+
Economic growth	+	+	+	+	
Local employment	+/-		+/-	+	+
Tax and royalties	-		+/-		+

+/- ambiguous perception that could be positive or negative

In regard to the environmental domain, mining impacts are perceived by almost every stakeholder group highlighting the following topics: energy consumption, flora and fauna, pollution and water consumption. The intensity of mining operations in stakeholder eyes was addressed as responsible for increasing environmental issues. Stakeholder criticisms arise against mining companies to point out the significant effects on the endangered flora and fauna as well as the quality of air and water supplies. These impacts are also extended to effects on health in communities located around mining sites produced by airborne particles and the mining process itself. Furthermore, major complaints and concerns relate to water issues. In this sense, mining sites are located in deserted and remote areas and water consumption is highly intensive in their operations. Thus, this activity has increased water scarcity amongst communities, particularly in geographic areas where water is already an issue.

The main economic impacts that were identified were development, economic growth, local employment and mining royalties. Stakeholder groups are aware of the industry's positive impact on development and economic growth. Across all the different

stakeholder groups there was broad acknowledgment of mining's contribution to the national economy. The mining industry is identified as the main driver of economic development in the country. However, despite the positive economic effects and dynamism provided by mining, some stakeholders criticise the fact that economic growth has not been shared with the affected communities. In particular, local employment did not record a rise. Similarly, communities and governmental manager stakeholders identified neglect in respect of royalties paid by mining companies. A perception of insufficient royalty rates in comparison to mining companies' revenues persists amongst interviewees. Critics claim that companies in this regard have overlooked their responsibilities. To provide a better idea about these impacts, table 2 presents exemplary quotations from the interviewees about mining impacts in the three domains identified.

Table 2. Mining Impacts | Exemplary quotations

Dimension	
Social	
Cost of living	“Also the impacts can be negative and cause many negative externalities. I’d say that the first is the expensive cost of life, because not everybody works either in the mining industry in this region or in the country. I mean the cost of housing, the cost of food, of basic services, of clothing, of transport and it is staggering. So, not everybody earns one million pesos. Many people here live with the minimum salary” [G]
Demographic growth	“A kind of demographic explosion in our cities is produced and consequently services, public spaces, public transport can’t cope with the demand that’s produced by the floating population and that damages the quality of life in general” [G]
Education	“From my perspective, there is a double standard. On one hand, [mining] is concerned about education and development of human capital, but one of the reasons is because mining also requires skilled human capital that does not exist today in the region. So, they are more involved in educational issues to achieve having skilled people” [N]
Family	“Did I mention a negative impact is on the family? Here there are many separations, divorces, infidelity, domestic violence and alcohol and drugs consumption. There’s an issue that’s very serious, because of the consequences it leaves on the children, it reproduces dysfunctional models of families. The mining industry is going to continue working for many years and shifts are a lifestyle. This is not going to disappear either, but that generates family dysfunctions” [G]
Health	“This city is declared a saturated zone, so it’s like bad quality of life, so people who come to live here know they’re going to get sick, sooner or later they’re going to get sick. There are sicknesses connected to the fact of breathing heavy metals and pollution in the environment” [C]
Indigenous	“In the area of the highland, ancient traditions and way of life have been lost ... we see how traditional way of life, cultivation traditions have disappeared” [N]
Environmental	
Energy consumption	“In terms of energy they have the cheapest energy, of course they use water excessively as if it was a wholesale market, but the fee for them is extremely cheap. Of course they pay for a certain amount of energy. I have the prices of this energy but it is not the same as we get, proportionally it is a lot cheaper” [U]
Flora and fauna	“For me the environmental issue, pollution, dust, is tremendous. Water, flora and fauna, the animals, the geoglyphs and heritage is lost many times due to the environmental impact” [M]
Pollution	“As an ordinary citizen or as a native from here in this area, we have conflicts with mining companies because of the contamination, fumes and dust. Also, we can mention the acids because all the process is performed by means of leaching” [C]
Water consumption	“I think that the most important, the strongest and the most terrible environmental impact is connected with water. Mining companies have taken water resources, including fossil resources” [N]
Economic	
Development	“Undoubtedly it is an economic impact, powerful, fast and I believe there is no other activity that is faster growing than mining to cause that amount of jobs, at that speed as the mining industry” [N]
Economic growth	“One could say that’s positive because it dynamizes the region in some cities more than others, logically they generate jobs. They provoke a kind of process that renovates certain services for the same activity. Then it appears as if the cities are having a real explosion in growth” [G]
Local employment	“Well, more than anything else, they need to make a bid for local people like giving them job opportunities, training them. If they offer a job in the newspaper or internet, nobody from here applies for it. They come from [other cities] or are foreigners” [C]
Tax and royalties	“I’d prefer they pay a decent royalty like companies pay in other countries; for example, companies here in Chile practically don’t pay taxes and in their country [of origin] they pay from 30% to 40% over production” [C]

C: Communities; G: Government; N: NGOs; U: Unions; M: Media

2.6.2 Different understandings on CSR

Findings show that interviewees associate CSR with activities that are focused mainly on social and environmental responsibilities. Some stakeholder groups also address CSR as a corporate compensation for damage done to society as well as to the environment. These responsibilities are also perceived as part of sustainable development, integrating the CSR construct simply as sustainability. However, amongst stakeholders, CSR has also a negative connotation, perceived as associated with marketing campaigns designed to rectify the generally negative perception of mining activities, or simply as a concept that does not exist. Table 3 summarises findings about understandings of CSR by stakeholder group.

Table 3. Stakeholders' Understanding of CSR					
CSR as	Stakeholder Groups				
	Communities	Unions	Government	NGOs	Media
Social responsibility	✓	✓	✓	✓	✓
Environmental responsibility	✓	✓	✓	✓	✓
Corporate compensation			✓	✓	
Sustainability		✓	✓		
Marketing campaign	✓	✓		✓	✓
Inexistent concept	✓	✓		✓	✓

In general, across all stakeholder groups, CSR is primarily understood as a concept that addresses company responsibilities from social and environmental perspectives. In relation to the Chilean mining industry, stakeholders insist that companies have responsibilities to society and its environment, highlighting a company's role in locations impacted by mining operations. In this sense, stakeholders address social responsibilities that companies have to communities living in and around the mining influence area. Similarly, this view is also shared in terms of an environmental dimension of CSR, highlighting the negative externalities due to the mining activities. Therefore, CSR is perceived as the way companies should be accountable for damage done to the natural environment.

Even though an economic aspect is declared as a component of CSR, this domain is not perceived as such by every stakeholder group. This appreciation is indicated as an economic compensation or mitigation in exchange for mining impacts. Unions and government also have the notion of CSR as a construct related to responsibilities in the sense of sustainable development. Thus, CSR in mining, in the words of a local government manager, also “means somehow to make it sustainable”.

Interestingly, stakeholders not only consider CSR in terms of initiatives as responsibilities to concerns and contingencies associated with the natural environment and society, particularly to immediate social groups around mining operations. Thus, the results also show negative views of CSR, where two sentiments stand out across every stakeholder group with the government as the only exception. The first one looks at CSR as public relations and as an elusive concept tending to clean up the image of mining companies. Amongst these groups exists the idea that companies use this concept as a marketing strategy to communicate and expose aspects that are favourable to them in order to clear up and highlight how this industry contributes to society. However, these marketing campaigns do not mention or recognise the negative effects associated with their operations in mining areas. Moreover, stakeholders from these groups also believe that CSR is an idea that simply does not exist at all. The notion of mining companies as responsible players simply does not fit with some stakeholders, who actively reject the idea of a mining industry fully and sincerely engaged in CSR. Finally, to illustrate these appreciations, table 4 presents exemplary quotations of understandings of CSR by stakeholder groups.

Table 4. CSR understandings by stakeholder group | Exemplary quotations

	Communities	Unions	Government	NGOs	Media
Social Responsibility	"the concept of CSR is broad, but the issue for me is that the company should be socially responsible with what happens within the community in the aspects that most interest us, for example in agriculture, health"	"the concept of CSR is that the company needs to be in charge of the surroundings and needs to be responsible for the communities. The company needs to be in charge of living in peace with people who live in the cities where minerals are produced"	"CSR as we see it, is how the mining company becomes responsible for what the mining industry is...CSR is mainly connected with direct activities, which are not productive activities necessarily, so they look for the benefit of the communities that are affected"	"I believe that CSR points out that the company is also attentive to the community's needs in which it operates, to collaborate for the welfare of the inhabitants of that community and help on key issues"	"Well, it is the relationship between business and community. That's the basic concept of CSR. It's the contribution the industry can make to community development"
Environmental Responsibility	"I consider that CSR precisely corresponds to responsibility that the company has to try by all means to execute their work and try to avoid as much as possible any environmental contamination in the atmosphere and water"	"CSR means that the person who offers me a job has to see beyond the job... it's about the consequences at the end of the job and the impact on environmental and social issues"	"This refers to the behaviour a company should adopt in respect to the natural environment where they develop their activities. It's like answering to ethical behaviours"	"To assume the responsibility of what has happened. You say: I am contaminating and therefore, it's going to have a mitigation policy"	"For me that concept is linked to the fact that if I'm in a specific area, I'm taking resources, I'm obtaining profits for that, but it doesn't mean that I'm an isolated player or that I don't have any kind of contact or responsibility with the surroundings. Let's talk natural environment or the community"
Corporate Compensation			"The company that comes and settles here somehow they have to invest in everything. They invest in the impact their settlement causes here...I mean, somehow they have to mitigate with economic resources, being responsible for their insertion here in the area, reducing somehow the problems and not to increase them"	"I'd say it's like trying to return the favour a bit, to compensate. As a compensatory measure in terms of saying, I generate such impacts and somehow I compensate those impacts"	
Sustainability		"I've heard that a million times, and I prefer the one that defines it as to develop the city sustainably without causing impact to the environment or people's lives; that's absolutely related to sustainable development"	"I think that CSR has more to do with sustainability than with talking about the environment. The fact that we have sustainability means that we need to have the three central themes that form it"		
Marketing Campaign	"For me it means a concept that is disguised to benefit the company. That's it. A concept designed to disguise what the company does poorly. Not what they should do. Because what they should do are other things and CSR comes to disguise this, to put a disguise on what they are doing, to put a positive image of what they are doing"	"I think that CSR is nothing more than make-up. [Companies] take advantage of it to show themselves as a company with a high CSR. They use the media, the great economic power they have to show themselves before the community as a very socially responsible company"		"The perception I have, it implies to invest a little. It means publicity in sensitive areas for the society, but this doesn't imply a very long term work. It is a very short term work also because of the logic the company has. The company doesn't have a long term vision related to social issues"	"Look, for me it is a subtle way that some companies have to say they do not do much environmental damage, so that's why they have that kind of policy"
Inexistent Concept	"The word itself says it all. It's a social concept but I think that that concept of CSR is more a financing responsibility. I think that social responsibility doesn't exist"	"Nowadays in Chile talking about social responsibility is a myth or a joke because it doesn't exist. CSR does not even exist at a government level. It doesn't exist and even less within companies"		"Today, from a miner perspective it is a bribe, a social bribe, a purchase of conscience. I have not seen that there is a real CSR...A way to cover the damage buying conscience with the economic power [mining companies] have"	"Let's see, I'm quite reluctant about that concept. I think that strictly speaking, quite objectively what companies do is to whitewash, nothing else. From my point of view, from what I see, from what I read, from what they send, from what they announce in their public reports or in their campaigns, pure CSR doesn't exist"

2.7 Discussion

2.7.1 Two views on mining impacts

The findings show some common mining impacts. Generally, stakeholders have evaluated social impacts negatively, with only the effect on education showing a positive outcome. Similarly, stakeholder groups consistently evaluated the environmental impacts of the mining industry negatively. The views across the various stakeholder groups varied only to the extent of the evaluation of various topics within the categories considered. Whilst mining impacts are generally considered negative for the social and environmental areas, stakeholders are less aligned on specific issues. For example, concerning the social dimension, stakeholders such as unions, NGOs and the media do not mention or perceive the same effects or concerns on topics addressed and adversely evaluated by communities or the government. Therefore, it seems that media, NGOs and unions are unaware of some aspects noticed by other stakeholders. This unawareness or reluctance in the case of unions as analysed by Preuss (2008) is quite relevant. An active engagement and participation is key to enhancing and developing corporate practices that pursue a more responsible behaviour (Simon et al., 2005) as well as collaboration between stakeholders and companies (Muthuri et al., 2009). Thus, because some stakeholders don't perceive or notice other stakeholders' concerns, it's worth questioning why stakeholders such as media and unions seem to be insensible to social and, in some cases, environmental matters. Results across dimensions also raise questions about the role and contribution by some stakeholders. For example, why do the media (as stakeholders) seem unable to perceive social grievance when this is easily identified by other groups.

Conversely, in the economic domain, mining impacts are perceived as a positive influence. This is shown as a general conception amongst stakeholders that the mining industry has been a key player in economic development, and arguing the relevance and contribution of mining companies in the economic context. As in the environmental dimension, there is a shared perception, although in this case positive, that mining companies have impacted and contributed positively to economic development not only in their areas of operation but also at a national level. However, despite this positive

appraisal across the stakeholders, it is necessary to pay attention to aspects related to impacts in the social and environmental domains rather than concede an overarching importance to economic issues (Marcus et al., 2010). This is particularly relevant in this industry where the social licence to operate is so important and desirable. Thus, acting in a responsible and sustainable way (Perrini and Tencati 2006) mining companies will be able to pursue better relations with stakeholders in the long term. In this sense, there is a special call to integrate the social and environmental domains which, according to stakeholders, seems to have been left aside.

2.7.2 Mining impacts and CSR understanding

As described in figure 1, mining impacts are related to stakeholder perceptions on CSR and how these groups appraise CSR in the mining industry. These perceptions highlight how CSR requires companies to be responsible by way of providing sustainable development in the areas affected by mining operations (Mutti et al., 2012) or through corporate compensation (Reed, 2002). In this sense, positive mining impacts are translated into a positive view of CSR mainly related to a sustainable view. As a result, stakeholders perceive that companies need to be sustainable in order to continue their activities for longer periods (Perrini and Tencati, 2006). Accordingly, sustainability and CSR become interchangeable concepts to address sustainable development within this industry. This last perception reveals an overlap between stakeholder understandings of CSR and sustainability. These perceptions are in line with results found in previous studies where social responsibility in mining is understood as an instrument to reach sustainable development (Hilson and Murck, 2000; Hamann, 2003; Hamann, 2004). On the other hand, positive impacts in mining also identify CSR with indemnification and economic reparation. This view is stressed in particular by representatives of government and NGOs. Additionally, because the impacts of mining are primarily on local communities, companies are called to compensate local communities as well as to contribute sustainably. This would be expected due to these groups having broader organisational knowledge about mining companies and their corporate awareness and aspirations affecting their notion of CSR (Van Marrewijk, 2003). Furthermore, these findings show how perceptions have changed in relation to CSR. Almost a decade ago, Haslam (2004) and Agüero (2004) pointed out the lack of perception of CSR in Chile in

relation to promotion and demand by some stakeholders, including NGOs and government. In this sense, in order to obtain a ‘picture of the state of the art’ of CSR Haslam (2004, p.2) used a search online with the keywords ‘Chile corporate social responsibility’ obtaining 105 ‘hits’. In a similar attempt, Beckman et al. (2009) obtained 399,000 hits in 2008. The same search in 2013 displays 2,950,000 hits, which in some way shows that CSR in Chile, at least as concept, has gained terrain. According to Balch (2008), an understanding of CSR can be seen in the Chilean context, where the term ‘corporate social responsibility might not have a wide resonance among the public but the principles of a more socially active private sector do’. Accordingly, findings in this paper indicate higher awareness and criticism of CSR by all stakeholder groups in general.

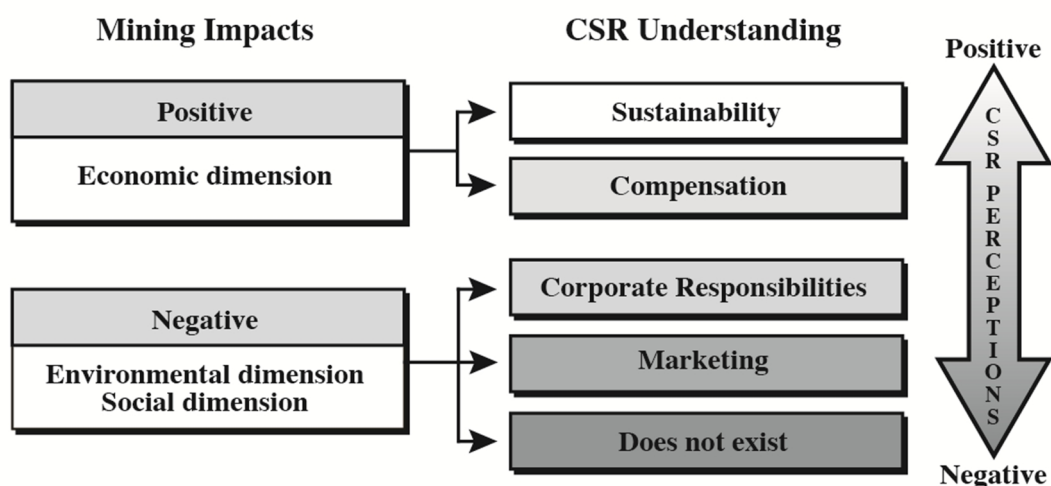


Figure 1. Descriptive Model of Mining Impacts and CSR Perceptions

Similarly, based on the interviews conducted across all stakeholder groups, the negative impacts within the social and environmental dimensions affect the way participants perceive CSR. Thus, mining impacts and externalities affect the way stakeholders understand CSR, focussing on the mining companies’ responsibility for their impacts on the natural environmental and communities. The stakeholder perception is that mining companies are accountable to every stakeholder group from both social and

environmental perspectives. This concerns the responsibility towards local communities as well as the responsibility for the affects of pollution on the environment and for water scarcity, to name only two. This notion of the social and environmental domain of CSR reflects the reputation that mining companies have for disregarding or aggravating stakeholder issues (Kemp et al., 2011; Pegg, 2006). The natural environment is another relevant aspect for which mining companies should be held accountable, particularly because of the invasive productive process for extracting the minerals and the visible consequences on landscape and territories around mining operations. This is also suggested by Yakovleva and Vazquez-Brust (2012) in an Argentinean mining sector study, where the environmental issues are highlighted as a key aspect of CSR.

This social and environmental approach for CSR is shared by all stakeholder groups in this study. This in turn emphasises the need for accountability for issues that communities face as a result of mining as well as for the potential benefits in areas such as education and health. Peinado-Vara (2006) points out that approaches in social and environmental areas are central to groups such as NGOs in Latin America and at the same time indicates the necessity of improving relations with government and communities. These findings do not differ from other scholarly work (Bridge, 2004; Franks, 2009; Reed, 2002), and indeed these perceptions seem to be recurrent throughout the mining industry, particularly when addressing social and environmental issues. Actually, according to Newenham-Kahindi (2011), there is a gap between the way companies face social and environmental matters in relation to stakeholders in poor areas. This situation puts some pressure on companies to deal with their stakeholders. In addition, these perspectives highlight the necessity for CSR as a social contribution but without neglecting the natural environment. Thus, the stakeholder perceptions that are documented in this study are in line with Gifford and Kestler (2008) in the sense that CSR in the mining industry should add benefits in order to gain legitimacy and the so-called social licence to operate.

Finally, negative impacts in the industry are also associated with a negative view of CSR expressed by stakeholders, with the exception of the government, which stresses their concerns that CSR is a mere marketing tool for mining companies. It is designed only as a way to manage corporate image and not as a real contribution to stakeholder

concerns. These perceptions support the arguments advanced by PNUD (2000b) who adverted the high levels of distrust between companies and different stakeholders in Chile. In this sense, CSR is perceived purely in an instrumental way. It is clever marketing or good public relations for companies to portray themselves as responsible businesses rather than to focus on real improvements (Gond et al., 2009). Furthermore, the idea that CSR doesn't even exist is also considered by some groups, which shows the tension between these stakeholders and companies in terms of a real social commitment. These drastic perceptions support Slack's conclusions (2012) about the conflicts and tensions in this industry and the negative view of any link between mining and CSR. Even considering the fact that mining companies have also positive impacts, perceptions do not change and the economic aspect is not seen as a trade-off to affect stakeholders' negative views. This reinforces the idea that CSR reflects mere rhetoric and management of public image regardless of the effects on society and the natural environment.

2.8 Conclusion

This paper provides an overview of the perceptions of a range of stakeholder groups about the impact of the mining industry and CSR in Chile. The study's results lead to the following conclusions. First, it is possible to identify that the various stakeholder groups evaluate mining industry impacts in a similar way. The mining industry's impacts on social and environmental factors are perceived negatively, especially in the environmental dimension. The sole exception to the negative perception for the social dimension arises from the positive benefits and contribution by mining companies to the improvement of educational areas such as training programs and up-skilling. Of note, however, is the fact that not all stakeholder groups identify the same topics as being relevant. For instance, unions and the media do not recognise some issues that are particularly important to other stakeholders. As an example, in the social domain, the only issue of concern to unions is workers' health. This could be interpreted as a lack of interest in social issues by unions. In the case of the media, lack of attention to these issues might respond to a focus on benefitting or enhancing other matters such as environmental concerns.

Secondly, the only dimension that was assessed by all stakeholders as providing positive impacts was the economic dimension. The only exception to this was queries and doubts associated with a major contribution in terms of mining royalty. In respect to the economic benefits, however, stakeholders were also clear that trading off economic dividends and profit at the expense of damage to the natural environment and social grievances is neither sustainable nor responsible in the long term. Thus, mining impacts and the understanding of CSR as described in figure 1 show that the perception of CSR is influenced by stakeholder assessment of mining impacts. This assessment shifts from the negative view that CSR is not an answer to negative mining impacts to a more positive notion of CSR linked to sustainable development.

Thirdly, there are a number of common understandings of CSR across all stakeholder groups. Primarily, CSR is perceived as a company's responsibility for the effects on social and environmental domains. In some cases, however, CSR is also viewed in terms of the manner in which companies offset stakeholder concerns about mining impacts, through economic compensation and sustainable development within the geographical areas in which they operate. Nonetheless, amongst the same stakeholder groups (the government being the only exception) there is also a perception that CSR is merely rhetoric, that it is used solely to address the mining industry's negative reputation. This negative perception arises from the instrumental orientation of CSR. These findings call for special attention to stakeholders in this industry. This is particularly so given that this negative understanding of CSR is growing within Chilean stakeholder groups despite the fact that mining has been Chile's primary economy driver and source of development.

Fourthly, despite the inevitable controversy in an industry like mining, different perceptions in terms of mining impacts as well as understandings of CSR may motivate stakeholders to negotiate with companies and other stakeholders in order to resolve the perceived issues and tensions related to the conflicted dimensions. This could be an opportunity for stakeholders to use CSR in a practical way to manage the level of debate about CSR in order to foster convergence on critical matters. A multiple view of CSR can, however, result in a sterile debate. When multiple perspectives clash, the resultant

discussion may provide no practical or real outcome, with CSR having no clear impact due to the variety, and in some cases, divergent focuses.

Finally, the findings question whether the common ground and shared concerns arising from stakeholder perceptions might enhance the likelihood of stakeholders engaging in and undertaking action with other stakeholder groups. Moreover, it raises the question about the complexity for companies to work, engage or negotiate with multiple groups and also the extent to which these stakeholders can influence other stakeholder groups to adopt their positive or negative perceptions about mining. Thus, further research should examine ways for stakeholders to be involved in the CSR process in order to drive companies to greater responsible behaviour in relation to CSR.

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Chapter III

Unpacking stakeholder mechanisms to influence CSR

CHAPTER III: Unpacking stakeholder mechanisms to influence CSR

3.1 Abstract

Purpose: This paper aims to understand stakeholders' participation and the mechanisms employed by stakeholders in order to influence corporate social responsibility.

Design/methodology/approach: Qualitative methodology is applied in this study. Semi-structured interviews are conducted with 51 stakeholders comprising five stakeholder groups. The analysis is conducted using NVIVO 9 software and inductive thematic analysis.

Findings: The paper's findings conclude that the influence wielded by stakeholders to drive mining companies to act more responsibly is founded in five principal mechanisms: demands, communication, counselling, control and engagement. The manner in which stakeholders use these mechanisms varies across stakeholder groups. Some stakeholders adopt a single mechanism, as is the case for communities and media. Other stakeholder groups, such as NGOs, adopt multiple mechanisms. The paper also identified that the degree of participation through these mechanisms varies from passive (in the case of communities and unions) to active involvement for groups such as government and media. NGOs are the only stakeholder group that appear to adopt both active and passive participation, depending on the mechanisms under consideration.

Research limitations/implications: Participants in this study are limited to five stakeholder groups. This reduces generalization of results as interviews are restricted to a reduced number of groups. Other stakeholders must be included in further studies to expand their scope as well as the range of participations they encompass.

Originality/value: Despite detailed investigation of corporate social responsibility, studies considering a stakeholder perspective in the mining sector remain limited. This paper shifts the focus to consider the way stakeholders respond to and impact CSR, considering their participation in the respective mechanisms employed for this purpose.

Keywords: mechanisms, corporate social responsibility, stakeholder participation, mining, Chile.

3.2 Introduction

There is a prolific amount of research addressing CSR and stakeholder theory (Laplume et al., 2008; Lockett et al., 2006). Scholars still argue however that despite these studies there remains a need for further study particularly linking CSR with stakeholder perceptions (Basu and Palazzo, 2008; Calvano, 2008). This need is amplified in relation to a lack of research into approaches (Aguilera et al., 2007) that consider actual cases and scenarios across different contexts. This additional research might narrow the existing gap in the CSR literature (Starkey and Madan, 2001). Frooman (1999) mentions three research streams that may assist in this regard. First, literature is used to identify stakeholder groups and to consider their special and particular needs (Clarkson, 1995; Donaldson and Preston, 1995; Magness, 2008). Secondly, research focuses on establishing stakeholders' wants and interests (Bhattacharya and Sen, 2004; Dawkins and Lewis, 2003; Polonsky and Ottman, 1998). Thirdly, the final area of research reviews the way stakeholders are able to influence companies and as a result, achieve the stakeholder's purpose (Hendry, 2005; Rowley, 1997; Rowley and Moldoveanu, 2003).

Researchers have also investigated mechanisms for interaction between companies and stakeholders. In particular, studies often address issues of cooperation, engagement or consultation (Burchell and Cook, 2006; Green and Hunton-Clarke, 2003; Morsing and Schultz, 2006). These mechanisms may be used by companies in order to integrate key players and create collaborative relationships with different stakeholder groups (Plaza-Ubeda et al., 2010; Rueda-Manzanares et al, 2008). A stakeholder view of these matters, however, seems to be neglected or left aside. Instead, studies tend to focus on a corporate perspective of these mechanisms. In order to bridge this gap, scholars have asked for empirical research in relation to these mechanisms (O'Connell et al., 2005) and for a change to a stakeholder view. This is because given the different nature and type of stakeholders (Clarkson, 1995; Freeman, 1984; Henriques and Sadorsky, 1999), their actions (or inactions) and mechanisms to influence companies' activities in terms of CSR will not necessarily be the same.

Thus, this paper shifts the focus to a multi-stakeholder perspective and to the mechanisms by which these stakeholders respond to and influence CSR, both as an

active participant or a passive participant. The research question is: what mechanisms do stakeholders use to influence CSR? This question takes into account the level of either active or passive behaviour by the stakeholder with such mechanisms. The paper, first, provides a review of stakeholder participation in CSR, followed by the method used to analyse the data collected during fieldwork. Finally, it provides a discussion of findings and conclusions.

3.3 Mechanisms and involvement to participate in CSR

A review of the literature dealing with stakeholders reveals that most research into stakeholder interactions adopts a single-company perspective or objective. That is, the way companies understand and address stakeholders and the mechanisms they employ to approach them. In this sense, scholars have described how companies engage with stakeholders in order to improve relationships and management through communication and dialogue (Friedman and Miles, 2004; Kaptein and Tulder, 2003). However, despite the extensive research undertaken, there remains a gap in understanding the stakeholder perspective of interactions with companies. In this regard, Welcomer (2002) found support for the conclusion that stakeholders play a role in affecting the manner in which companies approach stakeholders concerns.

The notion that stakeholders might influence companies was also investigated by O'Connell et al., (2005), which argued that companies are obligated to validate and accept some mechanisms whereby stakeholders can exert supervision, promote participation and address their concerns. O'Connell et al. reviewed four mechanisms used by stakeholders to interact with companies in order to discuss their concerns. In some industries, certain stakeholder mechanisms are sustained by law. For example, internal subunits mandated by the government to manage stakeholder issues. Similarly, statutory stakeholder participation is another means by which stakeholder involvement is enforced. Another stakeholder mechanism is statutory access to information. In this sense, information can empower stakeholders and direct stakeholder activism to pressure companies to adopt particular courses of action. Some scholars suggest, however, that it is attributes such as power, legitimacy and urgency (Mitchell et al., 1997) that ultimately affect the mechanisms used by stakeholder groups (Eesley and Lenox, 2006) and the likelihood of positive or negative responses by the companies.

Accordingly, mechanisms to engage companies in socially responsible practices may also be influenced by actions that are undertaken by diverse groups (Carmin and Balser, 2002) which act, not as isolated players, but involving different participants from the stakeholder map. In this sense, Aguero (2004) points out that in Latin American countries, pressure from social movements is one of the pillars that influences CSR. Thus, through group participation or forming alliances and partnerships (Kochan and Rubenstein, 2000), stakeholders are able to increase their efficacy in establishing the matters they want companies to address. For example, a study by Neville and Menguc (2006) considers three stakeholder groups – government, customers and employees – and analyses their relationships and influence on environmental issues. Neville and Menguc argue that alliances may be affected by the convergence of stakeholder attitudes towards companies, the issues that impact on them, and other matters they perceive as relevant. In the same way, the authors also point out that, in terms of influence, the government stands out as the more influential stakeholder, and that consumer influence is greater than employee influence in relation to CSR matters.

While recognizing the importance of different mechanisms in fostering and driving responsible behaviour, stakeholder involvement in these mechanisms is also a relevant part. Rowley and Berman (2000) highlight some considerations stakeholders take into account when taking action against (or in support of) companies. Thus, the likelihood and nature of stakeholder actions will vary depending on the company against which it is directed (i.e. MNCs, SMEs, etc.), the industry's characteristics (i.e. mining, chemicals, etc.), the issues being addressed (i.e. water consumption in mining, pollution, etc.), the stakeholder environment (i.e. level of stakeholder salience) and the institutional context (i.e. industry impact on a national economy). However, because the diversity within the stakeholder pool, their roles, interests and priorities (in terms of their participation) will also vary (Wolfe and Putler, 2002). This diversity, according to Cordano et al. (2004), can be found between and within stakeholder groups. Furthermore, stakeholders that perceive similar issues as the focus of their concerns will be motivated to assume an active role and to take further action to pressure and influence a company's activities (Butterfield et al., 2004). Thus, some stakeholders are more involved than others in terms of taking actions to express or defend their interests (Vos, 2003). Therefore, stakeholders might influence companies in order to impact on

the CSR practices that are related to their interests and concerns. Accordingly, and because of the different and distinctive nature of the various stakeholder groups (Clarkson, 1994, 1995; Goodpaster, 1991; Verdeyen, et al., 2004), there is a variation in their involvement to use such mechanisms.

Given this variation, in this paper, stakeholders are classified by how active or passive (Grimble and Wellard, 1997) they are, in relation to their use of different mechanisms to pursue CSR. In this sense, rather than considering that stakeholders will use the mechanisms at their disposal in a similar way, stakeholder involvement explores the dichotomy in their participation in CSR. An active view emphasises an energetic and strong position taken to prevent potential issues affecting stakeholders as well as driving changes and improvements. It is these changes and improvements that in turn drive more responsible corporate behaviour. It involves standing up for one's rights and expressing concerns. Conversely, instead of a bustling participation in matters that affect or could affect stakeholders, a passive approach represents a symbolic behaviour that fails to express or stand up for needs and concerns. Thus, through involvement, stakeholders ensure companies and other stakeholders are kept aware of their expectations and concerns while letting those expectations influence through different means. Therefore, this paper considers the stakeholders perspective through a consideration of the stakeholder as an active or passive player in CSR and according to the mechanisms identified.

3.4 Method

This paper adopts a qualitative approach to analysing in-depth stakeholder perceptions (Patton, 2002). As stated by Miles and Huberman (1994), this approach allows an understanding of the way participants comprehend situations and how they take action on a day-to-day basis.

Semi-structured interviews were conducted with a range of stakeholders recruited after stakeholder mapping. Meetings were arranged by telephone and face-to-face discussions to inform potential participants about the scope of the project and the interview. Prior to proceeding with a tape-recorded interview, participants provided their written consent. Anonymity was assured to all interviewees, especially to representatives from

communities and unions, enabling full participation of sharing their experiences and perceptions. The total sample for this study was 51 face-to-face interviews conducted in Spanish by the same researcher. The average interview length was one hour. The longest interview took about 2 hours whilst the shortest interview was about 45 minutes. The interview process was conducted in a flexible way in order to obtain a natural conversation in a confident environment (Minichiello, 1995). Questions such as “What do you think is your role as stakeholder?”; “As stakeholder, how can you contribute to CSR?”; “How can you help companies to be socially responsible?”; “Do you think you have an active role as stakeholder?” were part of the guide used to obtain their understanding and perspective of the topic investigated.

Later, the interviews were coded, transcribed and translated into English. Each interview was then processed and analysed using NVIVO 9 software. Thematic analysis was used to identify common themes, insights and perceptions of participants (Braun and Clarke, 2006; Creswell, 2003; Miles and Huberman, 1994) as well as relationships between concepts amongst different stakeholder groups. Interview notes taken during the interview process were also analysed and compared, seeking and complementing themes previously codified. This cross-checking allows researchers to reach analytic closure (Miles and Huberman, 1994).

3.5 Findings

In this section we present findings focused on two aspects. First, findings show the mechanisms identified by stakeholders to contribute to CSR followed by stakeholders' views on their level of involvement. Thus, as shown in table 3, stakeholders consider five mechanisms to impact or drive CSR established as demands, communication, control, counselling and engagement. In order to assess stakeholder's involvement, two levels were considered: stakeholders actively and passively involved. Table 1 presents findings by stakeholder group and table 2 gives exemplary quotations about the mechanisms used to contribute to CSR and about stakeholder involvement that were emphasised by interviewees.

Table 1. Stakeholders' mechanisms and involvement in CSR

Mechanisms	Community	Unions	Government	NGOs	Media
Demand	✓				
Communication				✓	✓
Counselling			✓	✓	
Control		✓	✓	✓	
Engagement		✓	✓	✓	
Involvement					
Active			✓	✓	✓
Passive	✓	✓		✓	

Demands

Communities are the only stakeholder group that identifies that the way to contribute to CSR is to demand that companies be accountable for their impacts. This group recognises itself, indigenous and non-indigenous, as the one with the rights to ask and demand that companies be responsible because they are the stakeholder group directly affected by mining activities. From this perspective, communities clearly express that its only means of contributing to CSR is through actively demanding solutions to social and environmental issues associated with mining. In this sense, some interviewees recognise that putting pressure on companies by stating their requirements and submitting petitions has resulted in companies taking improved actions to become more socially responsible.

Communication

Amongst some stakeholders there is the notion that communicating and informing company activities as well as mining externalities is the best way for them to impact CSR. In the case of unions, they provide the voice for workers and communicate what companies do and also deploy whistleblowing avenues about questionable practices. Similarly, NGO stakeholders perceive their role as reporting on company activities in order to activate the social demand required to pressure companies to embrace CSR. Media is a further stakeholder that identifies itself as social communicators of company CSR practices in order to highlight commitments and compliance with social and environmental responsibilities.

Control

There is recognition amongst some stakeholders that controlling companies' practices is the best way they can contribute to companies being truly committed to CSR. This view is shared by unions, government and NGOs representatives. Control from an external perspective is seen in terms of norms, standards and legislation in the case of government managers as well as the NGO group. Also, there is an internal control from the unions' perspective who indicate necessary audits from people working within companies because of their knowledge about processes and procedures which are not known by other players. These stakeholders also refer to themselves as a type of 'watchdog' within the industry.

Counselling

Due to the perceived role of some stakeholders by society, stakeholders are seen as active advisers in relation to CSR and mining practices. In this way, governmental stakeholders clearly identify themselves as the entities called upon to manage regulation, control and transparency. This allows them to obtain accurate knowledge and to advise companies (as well as other stakeholders) on how to engage and apply responsible practices in order to reach CSR. Similarly, NGO representatives see themselves as contributors to CSR by advising communities and companies on how to engage and communicate with communities as well as on how to align company objectives with community perspectives and necessities.

Engagement

Some stakeholders, particularly unions, government and NGOs, highlight one aspect of their role as that of a connector between communities and companies. These stakeholders look for collaboration and participation between the communities and the companies, and attempt to act as a liaison, linking various stakeholders with companies through joint projects and planning activities. In this way, they can relay the concerns of local communities to the companies and vice-versa and try to involve different players in order to discuss, debate and find common ground about the impact of the mining activities.

Stakeholders' involvement

In evaluating the contribution to CSR of the different mechanisms that were identified by stakeholder groups, the results identify the level of participation of each stakeholder group with each mechanism identified. The government and the media are identified as being active participants with the mechanisms previously recognised. These two groups perceive and highlight the relevance of active participation by stakeholders in order to achieve changes and improvement on social and environmental issues. Conversely, despite the mechanisms that are utilised by communities and unions, the impact of these mechanisms on company behaviour is diminished by the more passive level of involvement adopted by these stakeholders. Communities recognise that their low or passive participation in CSR, even though they are perceived as a demanding stakeholder, results in not fully influencing company practices. Similarly, despite unions wielding significant power in the mining industry, a passive participation as stakeholders would be contrary to the mechanisms by which they are perceived to influence CSR. A case that presents both active and passive participation is that of NGOs. This group is identified as actively involved in CSR, but only in relation to the mechanisms of controlling and counselling. For communicating and engaging, NGOs demonstrate a degree of passiveness which tends to hamper its potential as an influential stakeholder in the mining industry.

Table 2. Stakeholder's involvement and mechanisms to contribute to CSR | Exemplary quotations

	Mechanism	Involvement
Communities	Demand “we have to act and demand. Demanding the commitments. The problem is we haven't done it, we haven't demanded. I think now we are more informed with the agreement 169, now we are well informed and we have done seminars and we are not so ignorant now”	Passive “I think we have so much further to go. Because sometimes things happen and then we just react and tend to act. We are as one saying goes a little slow.
	Control “Making audits, always, everywhere. Oversee that regional bodies do the corresponding audits in terms of health, environment” Engagement “We're very committed to the city because we're always contributing...Our mission has always been to help the community in all ways”	Passive “We are aware that we have a major role in this task, a major role on the basis that we have the economic potential to do some works, research studies, to acquire knowledge to go to debate. Then, we should be leaders, but that is what we have not taken advantage of, we haven't led. We ought to be leaders on these issues, and we, mine workers, have been very passive”
Government	Counselling “If they're [companies] going to be in charge or going to assume in terms of CSR they should be talking with us. I mean, to always work together, in the sense that here we have many professionals who have something to say or something to contribute or to advise in terms of where each company should reply”	Active “We are more executives; we try to make things real. We try to anticipate any event so try to do what we can, according to the things we have at the time. So we always ask to be part of, get involved and informed about what is being done or will be done. This in order to say what we agree, see what are the effects, to diagnose and to give approval”
	Control “We contribute to control that companies fulfil that role, facilitating the process but not making the norms more flexible. I think that in the future, if companies are not able on their own to generate externalities, we should be able to generate the necessary policies and regulation so the companies obey them”	
	Engagement “What we look for is a way to try to get them involved in the participation of the indigenous at the beginning of the project. There are very few companies that answer to that or there are very few companies that come to present their projects that way”	

Table 2. Continued

	Mechanism	Involvement
NGOs	Counselling “By being honest. Better I don’t tell you about the fights we’ve had [with companies]. That is, stop doing charity and start doing something that’s sustainable. And to have standards to check each project using a base line”	Active “There is a multidisciplinary team that we are all the time generating initiatives, trying to go further. Even many times we have to try to break some paradigms, try to have a long-term vision, more macro ... We know that mining will not last forever, therefore, our regional support and development cannot be based on something that is bread for today and hunger for tomorrow. Then we must have a vision to go much further and we are working in that direction. We present initiatives, we work on projects, we are trying to strengthen other sectors”
	Control “we only have dedicated to denounce in a serious way, with photos, with videos, with studies we have done”	
	Communication “Deep down what we have to do is to activate the social demand. That is, to give the necessary arguments in order to have the social demand...What we do is to give the proper knowledge and to distribute the knowledge so as to have the entire society realising, not only the person who’s affected with the smoke, but politicians and everybody else to understand that this is an issue that affects not only one person but also as a society”	Passive “It’s something that we take so superficially. We do not care to have resources for that, or plans to set talks. It’s something that goes well at the time, nothing more. It’s just improvised and spontaneous ... Look, in the sense that sometimes we have been called when [mining] projects have come to a community. It has been a reaction to a project”
Media	Engagement “Direct connection to the community and companies. That is as a coordinating body. I would say that social connectedness is a strategic priority for the community to know what is really going on because suddenly there is no association and participation of all stakeholders and all sectors”	
	Communication “What we can communicate about the company is going to be helpful because, as we were commenting recently, we are the link with the community... If people don’t know through the media, it’s difficult for them to do it differently, so as long as we can inform about some of the activities the companies are organising it’s going to be of benefit, not only for the companies but also the community is going to be able to know what each company is doing”	Active “Generally we are proactive. We try to find some news, some information. In fact, several news topics have come up here, we have talked about them before they are properly treated and then they have exploded in different areas, economic, social or cultural, politics”

3.6 Discussion

3.6.1 From single to multiple mechanisms

From the stakeholder perspective, Rwabizambuga (2007) argues that CSR is significantly affected by stakeholder action and the pressure that stakeholders bring to bear on companies to pursue socially responsible activities. Thus, stakeholders may affect and contribute to CSR through different mechanisms. Findings show that stakeholders in the Chilean mining industry adopt different mechanisms to contribute to CSR and set their level of involvement. These results find support on Kepore and Imbun (2011) who indicate varying levels of stakeholder influences and the way these influences contribute to CSR outcomes. In this sense, stakeholders identify these mechanisms as demand, communication, control, counselling and engagement.

The first mechanism (which is identified by communities only) refers to a narrow participation in CSR through the use of making demands. Thus, communities see themselves primarily as demanding entities, requiring responsible actions from companies and governments. They perceive themselves as claimants who demand that companies contribute to the community's social development as well as accountability. Although claims directed at governmental stakeholders help promote the CSR agenda by articulating stakeholders' interests (Thompson and Driver, 2005), this view does not demonstrate an active involvement by communities. On the contrary, despite the fact that this group acknowledges this mechanism as the only way to influence the CSR agenda, they also recognise a certain passiveness in their actions, behaving as merely receptors without participation. Communities are not active stakeholders that tend to seek alternative mechanisms in order to collaborate with other stakeholder groups or engage with mining companies. Furthermore, despite that a community perspective is relevant in the CSR debate (Brueckner and Mamun, 2010), communities in Chile are not contributing in a variety of alternative ways. On the contrary, community stakeholders approach CSR solely from a demanding perspective, a perspective that provides a more limited contribution within the stakeholder map. This demanding role does not help to influence the CSR debate nor establish a set of expectations about an accountable company. This represents a missed opportunity, particularly in the case of a

primary stakeholder (Clarkson, 1995) and the one, perhaps, with the greatest degree of salience in relation to mining (Kapelus, 2002).

The findings also identify communication as another mechanism used by NGOs and media stakeholders as a way to promote and subscribe to CSR. Within the mining industry, these stakeholder groups perceive that driving a responsible behaviour requires them to act as a channel of communication to inform other stakeholders about a company's practices or to report negative aspects of the effects of mining operations. In these situations, communication is used as a mechanism to pressure and drive CSR. The media might trigger other stakeholders' attention towards companies in order for them to apply pressure for social and responsible behaviour (Campbell and Slack, 2006). This is especially emphasised in the case of MNCs who tend to have good visibility in the media, as pointed out by Capriotti (2009), and are thus more likely to be the subject of social scrutiny. Therefore, these companies will be judged and perceived from the content of any media reports (Wang, 2007). Similarly, NGOs have recognised that communication, as a mechanism, plays a relevant role in influencing CSR. Thus, NGOs act as a link with other stakeholders to report and inform about CSR issues and company activities and at the same time to collaborate in achieving social and environmental goals, as described by Peloza and Falkenberg (2009). NGOs in Chile, especially in the mining sector, sense that they are best placed to assume broader roles in order to drive companies towards responsible behaviour. This perception, of going further than merely setting and monitoring standards as considered by Vogel (2005), creates for these stakeholders the role of being a valid channel to inform and alert; not only companies about their performance, but also critical issues affecting society in general.

Stakeholders using this mechanism to influence and promote CSR, however, are in turn the subject of scrutiny in terms of accountability and impartiality. Media and NGOs have an "open flank" when they are criticised for their blurry and double role. On one hand, they use this mechanism as a channel for companies promoting their CSR practices and, on the other hand, use this mechanism in a more proactive social watchdog manner. Either way, the media as businesses depend on advertising, and mining companies are frequent advertisers. Similarly, some NGOs work with or for

companies and also depend on a budget associated with and funded by mining projects. This gives rise to questions. For example, to what extent do these stakeholders use this mechanism and still be an impartial watchdog if they receive advertising revenue or project funding from mining companies?

Counselling as a mechanism is integrated into another option to influence CSR. Expert opinions such as research centres and environmental NGOs are a valuable resource for other stakeholder groups and companies. Accordingly, NGOs and government in Chile are also able to exert pressure by counselling in order to impact a company's performance in terms of CSR. Thus, the government as stakeholder actively contributes to CSR advising, especially in cases of mediation and planning, between communities and companies, encouraging a company to act responsibly in respect of a particular community. Through counselling as a mechanism, government agencies working with other stakeholder groups, as discussed by Thompson and Driver (2005), might be able to foster and promote the agenda in terms of CSR. As an advisory partner, regulatory bodies as well as NGOs tend to influence CSR based on partnerships (Kourula, 2010) in contrast to confrontational mechanisms and strategies such as the dynamic conflict-cooperation used by some NGOs and described by Valor and Merino De Diego (2009). Furthermore, in order to anticipate and avoid conflicts with stakeholders, companies engage researchers, former NGOs and government representatives as employees or consultants (Mirvis, 2000).

Amongst the mechanisms identified by unions, government and NGOs, control and engagement are considered as the most useful means. Union interviewees predominately described themselves as internal controllers as their contribution to CSR. Their commitment to succeeding to have a company acting responsibly starts with accountability processes as a means of controlling a company's transparency and this is done internally. This mechanism is in line with the arguments of Simon et al. (2005) in terms of participation of workers as auditors being key to developing CSR practices. A union's engagement, however, is mainly seen as an economic contribution to local programs or specific community activities; not as a strong commitment or participation with other legitimate social actors. This results in isolated actions with a low CSR impact. The findings also indicate governmental bodies are perceived as being able to

control, yet at the same time, are capable of engaging mining companies and other stakeholders. This is in order to ensure that mining practices comply with lawful and regulatory industry requirements. This mechanism is performed through the constant monitoring of companies and their CSR activities. By doing this, the government is able to mediate corporate behaviour in the sector through regulation, monitoring and institutionalised norms as well as by a dialogue to engage companies in a CSR philosophy, as stated by Campbell (2007). This mechanism suits the government's role in overseeing company practices, especially in the mining industry. This is because companies tend to align their CSR practices to government's expectations, as found by Yakovleva and Vazquez-Brust (2012) in relation to mining in Argentina. These results also find support from Dobers and Halme (2009) who highlight the government's duty as an active controller in mining in order to drive CSR, particularly in developing countries. Thus, the government can play a key role due to its consciousness and awareness of mining impacts, portraying it as a conscious and alert stakeholder. The government has primary responsibility for regulation, control and providing incentives to attract and secure investments and development in the industry. Accordingly, the involvement of the government as a stakeholder is especially relevant when mining activities have a tremendous impact in the country. These notions are in line with Lambert's (2009) arguments in terms of the government being responsible for providing settings to secure accountability and consideration of social and environmental issues. Furthermore, a high level of commitment and regulation of mining practices can improve the legitimacy of the government in the face of increasing public scrutiny within this industry (Kapelus, 2002).

Similarly, NGOs also recognise control and engagement as mechanisms to influence CSR. NGOs are usually identified by their strategic relevance and influence on companies through these mechanisms (Schepers, 2006; Van Huijstee and Glasbergen, 2010). The diverse range of mechanisms employed by NGOs, however, also gives rise to some criticisms. This group has broadened the mechanisms that promote CSR as more than the control actions described by Dobers and Halme (2009). They are able to communicate and engage other stakeholders in CSR activities (Peloza and Falkenberg, 2009) and at the same time act as advisers, providing counselling to different parties. This group also participates in examining and surveying mining companies in terms of a

proper operation according to legal norms and standards. This broad spectrum, in terms of their activities and contributions, however, shows traces of contradictions that might test the legitimacy of these groups as stakeholders. Due to their use of such a wide range of mechanisms, they are criticised, not only by other stakeholders, but by themselves as ambivalent players (Arenas et al., 2009). Thus, as stakeholders, NGOs may play a role as a watchdog in order to control mining activities but at the same time as counsellors on some CSR issues. This results in suspicions and questions about the extent to which they participate as unbiased entities.

3.6.2 Does stakeholder involvement matter?

The findings in this paper conclude that stakeholders use different mechanisms in order to influence CSR. In addition to having an influence on CSR, the fact that stakeholders have an interest in, and actually participate in these mechanism, plays a considerable role. Through their active participation in standing up on various matters, stakeholders can make particular CSR issues more visible for companies and more visible to other stakeholders, thereby getting their attention. The findings also show that despite these mechanisms being relevant and playing an important role, the level of participation or involvement by each stakeholder with each mechanism varies from active to passive involvement.

This is the case for NGOs for which participation shifts from passive to active involvement depending on the mechanisms being considered. Amongst the mechanisms adopted by NGOs, communication and engagement demonstrate a lack of active participation. The lack of good channels of communication (as well as adequate processes for engagement) means that the impact the NGO group might exert is diminished because of its absence of connection with other participants. Despite the fact that NGOs have these mechanisms at their disposal, their efforts and impacts remain unproductive while NGOs remain a passive participant. This is a missed opportunity on the part of the NGOs to involve others in examining and discussing aspects of and issues around CSR. Thus, while these mechanisms are relevant, their impact upon companies and other stakeholders is hampered. Active communication and engagement can strengthen the degree of influence that an NGO might wield. As well, they complement and even enable a synergy to develop with other mechanisms that are used

by those NGOs that adopt an active player position. By way of example, communication complements the mechanism of control and counselling.

A passive involvement also has an impact on influence, particularly for stakeholders with limited resources. For instance, as a stakeholder, communities are limited to the single mechanism of demand as a means of influencing CSR. Even though companies might respond to the demands made by a community in order to maintain or improve relations (Delmas and Toffel, 2004), a community's lack of active participation diminishes the single mechanism available to this group to become an influential and relevant player. Passive stakeholders struggle to set their claims and their desired outcomes in terms of CSR even when they have a number of different mechanisms available to them. For example, unions identify with mechanisms such as control and engagement. However, despite having such mechanisms available to them, the passive nature of union action diminishes their potential to contribute to driving companies to exercise more responsible behaviour. In this sense, unions appear to be conscious of the benefits that CSR offer and the opportunities they have to influence corporate behaviour through acknowledged standards and guidelines (Waring, 2005). This is particularly relevant in terms of corporate image and the sensitivity by which labour matters push mining companies towards accountable actions. Participation, however, relates primarily to working conditions issues. This relegates their involvement in causes associated with other social and environmental issues. Consequently, despite being aware of CSR, unions tend to miss the chance to promote and influence deeper changes within the Chilean mining industry.

In contrast, the results from government and media stakeholders indicate active participation in using the mechanisms previously addressed. This active participation resulted in greater influence from the same mechanism. Governments play an active role through a variety of mechanisms in order to ensure the lawfulness of company operations and to encourage appropriate activities in terms of social responsibility. Thus, as highlighted by Windsor (2009), an active government as stakeholder is able to advocate and pressure companies to adopt CSR practices on a voluntary basis or through governmental regulations. Failure to meet governmental control and regulation may result in fines or in having permits and licences to operate denied (Kassinis and

Vafeas, 2006). Similarly, the media's active involvement contributes to enhanced CSR consciousness as well as encouraging efforts from other stakeholders. This active participation drives other stakeholders to communicate and stimulate other players to be part of the CSR debate. In doing this, an active media may influence CSR by directly or indirectly changing stakeholder opinions and perceptions about companies and their CSR practices. This is especially significant for companies because negativity in media reports may be reflected in different aspects such as stock prices (Chan, 2003). Consequently, through an active involvement, the government and media may align with other groups in order to obtain results and achieve their goals, especially through mutual influence amongst stakeholders (Zietsma and Winn, 2008) and their respective mechanisms to obtain influence.

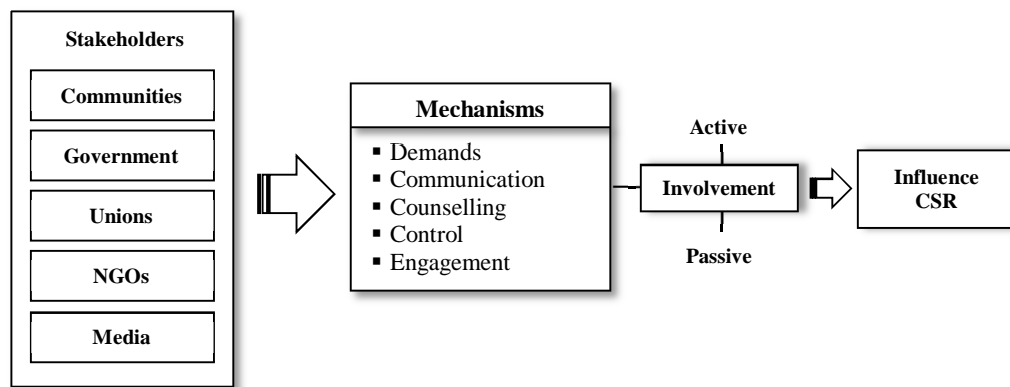


Figure 1. Stakeholders' mechanisms and involvement.

3.7 Conclusion

In this study, I have identified the existing mechanisms available to stakeholder groups within the Chilean mining industry. These mechanisms offer a feasible way for improving and influencing CSR from a multi-stakeholder perspective. The mechanisms' effectiveness is evaluated within the concept of active or passive participation in the identified mechanism (see figure 1).

The findings reveal that stakeholders use five mechanisms to contribute to CSR. The use of these mechanisms varies across stakeholder groups as does a stakeholder's level of involvement. Some stakeholder groups, for example, communities and media, perceive themselves as having a limited role. Whilst communities pursue responsible practices from mining companies using the mechanism of demand only, the media highlight information for other stakeholder groups about companies' practices. Similarly, and despite the ostensible power of unions within the industry, their mechanisms are limited to control and engagement. In contrast to these narrower views, government and NGOs have broader mechanisms with which to participate in CSR. They promote and subscribe to CSR through communicating and engaging other stakeholders, as well as by counselling and controlling.

The results suggest that the effectiveness of particular stakeholders in CSR is delimited not only by the mechanisms identified but also by the restrictions imposed as a consequence of a passive attitude in terms of level of participation. Thus, amongst stakeholders, the level of involvement in approaching CSR, on one hand, reflects the potential that some groups have to influence and take part in CSR through different mechanisms. On the other hand, it shows that a passive involvement restricts a stakeholder's capacity to contribute and influence the CSR debate. Despite the fact that a stakeholder group may have several mechanisms with which to influence CSR, it is in fact the stakeholder's level of involvement or active participation that is even more crucial in impacting corporate behaviour in terms of social responsibilities. In this sense, comparatively, a stakeholder's active participation, even those with limited mechanisms, might have deeper and broader impacts in terms of influence rather than other stakeholders using several mechanisms but lacking active involvement. These passive players remain as mere spectators in the stakeholder map, with little or no contribution in improving corporate responsibilities. Given the mechanisms and involvement identified in stakeholders' influencing CSR in the mining sector, this work contributes to extend the literature on stakeholder theory and the mechanisms by which stakeholder groups impact CSR in a developing economy such as Chile.

3.8 References

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Chapter IV

Who are the salient stakeholders? A perspective from the Chilean mining industry

CHAPTER IV: Who Are the Salient Stakeholders? A Perspective from the Chilean Mining Industry

4.1 Abstract

Purpose: This paper examines stakeholder salience from a multi-stakeholder perspective. Based on the analysis of the data collected through interviews with five stakeholder groups within the Chilean mining industry, the paper draws conclusions about how stakeholder groups perceive other stakeholders' salience in relation to corporate social responsibility and the attributes of power, legitimacy and urgency.

Design/methodology/approach: The data for this paper was collected using semi-structured interviews with representatives from different stakeholder groups. Stakeholder salience was evaluated using thematic analysis in order to examine how stakeholders perceive different attributes of salience and the impact of those attributes on stakeholder interactions involving CSR.

Findings: The findings indicate that the stakeholder groups comprising community, government and unions are perceived as being definitive stakeholders and, therefore, the most salient. Stakeholder perceptions vary, however, in regard to NGOs and media these two stakeholder groups are perceived as being latent stakeholders with a low degree of salience. The paper also concludes that the attributes of power and legitimacy are the principal influences on interactions amongst stakeholders.

Research limitations/implications: The interviews conducted for this study addressed only five stakeholder groups. In addition, no particular issue or crisis arose during the research project that would affect these stakeholders' perceptions of the attributes investigated.

Originality/value: Research into stakeholder theory and particularly stakeholder salience has been conducted mostly from a managerial perspective. By adopting a multi-stakeholder perspective, it is possible to shed light on how stakeholders perceive other stakeholder groups. In particular, it shows how stakeholders perceive their salience as well as the effect of particular attributes of salience affecting stakeholder interactions and corporate social responsibility.

Keywords: stakeholder salience, power, legitimacy, urgency, corporate social responsibility, mining, Chile.

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4.2 Introduction

The stakeholder approach developed by Freeman (1984) identified the salience of stakeholders for business. This approach provides a model by which to visualise the relationship amongst different players. Freeman defined a stakeholder as ‘any group or individual who is affected by or can affect the achievement of an organisation’s objectives’ (Freeman, 1984, p. 46). Since Freeman first propounded his model, the stakeholder approach has been broadly studied (Agle, Mitchell, & Sonnenfeld, 1999; Fassin, 2009; Frooman, 1999; Mitchell, Agle, & Wood, 1997; Rowley, 1997). Research in this field has assisted companies in addressing their responsibilities to each stakeholder group, to identify and define stakeholders and to consider the special and particular needs of stakeholders (Clarkson, 1995). These studies tend to focus on the dyadic company-stakeholder (Rowley, 1997), adopting a managerial perspective in order to answer questions such as “to what” and “how” to pay attention to stakeholder influences and interactions (Donaldson & Preston, 1995; Frooman, 1999; Jones, 1995). Identifying stakeholders and their likely degree of influence, however, is not a simple task (Frooman, 1999). Different stakeholder perceptions are relevant to every player on the stakeholder map. Awareness of and reflection on the role of other stakeholders (Bendell, 2000) affects especially the relationship and influences amongst stakeholders. Hence, stakeholders should be aware of how other groups perceive them (Arenas, Lozano, & Albareda, 2009).

In CSR terms, the diversity in the stakeholder map is associated with different groups that are identified by particular characteristics or attributes. Examples of these characteristics or attributes include the level of influence on or legitimacy in their participation in the CSR discussion. While these groups may have common concerns, priorities and objectives, their diversity, divergences and disagreements tend to emerge.

In this sense, how stakeholder groups perceive each other, the effect of their perceptions and the likelihood of interaction with each other is a relevant aspect to consider and investigate.

Further, studies relating to stakeholder approaches within developing countries remain particularly limited. There are even fewer research studies on the Latin American mining sector for which only some studies address CSR and stakeholder topics (see Duarte, 2010; Slack, 2012; Yakovleva & Vazquez-Brust, 2012). Moreover, in developing economies, matters relating to responsible corporate behaviour (in the CSR context) are usually presented in a less institutionalised form (Visser, 2008). In Latin America especially, a lack of statutory regulations and enforcement processes has resulted in diverse issues within the social and environmental domains (Grynspan & Kliksberg, 2008). Therefore, enquiry into the implications of perceptions and interactions amongst stakeholders has, as stated by Mahon et al. (2004), not been investigated very well.

Using stakeholder theory, Mitchell et al. (1997) identified three attributes by which to assess stakeholder salience. The attributes are power, legitimacy and urgency. This paper uses the approach identified by Mitchell et al. but adopts a perspective based on multi-stakeholders and their perceptions (Rowley, 1997). Thus, the research question covered by this paper is how do stakeholders perceive other stakeholders' salience and what effect does this perception have on stakeholder interactions in relation to CSR in the mining industry? This study incorporates communities, government, unions, NGOs and media as the stakeholder groups. Understanding stakeholder salience from a multi-stakeholder perspective can shed light on matters such as collaboration and relations amongst stakeholders (Harrison & Freeman, 1999). The paper begins by introducing the stakeholder salience approach, followed by a description of the method, findings and discussion.

4.3 Stakeholder salience approach

The stakeholder salience framework developed by Mitchell et al. (1997) contributes to a better understanding of the extent to which corporate stakeholders are relevant and how they influence corporate activities. Stakeholder salience highlights particularly the level of influence that certain stakeholders have in the presence or absence of the three attributes: power, legitimacy and urgency. Companies will pay attention to stakeholders that possess these attributes and tend to give priority to influential stakeholders that are perceived as powerful and legitimate, and possessing a certain level of urgency in relation to their claims. Stakeholders having a dominant position on critical resources have the power to influence decision-making (Salancik & Pfeffer, 1974). Similarly, legitimacy as an attribute refers to the ‘generalised perception that the actions of an entity are desirable, proper or appropriate within some socially constructed system of norms, values, belief and definitions’ (Suchman, 1995, p. 574). Finally, urgency as the third attribute relates to the ability to command an immediate solution to stakeholder claims (Mitchell et al., 1997). Based on Mitchell et al. (1997), table 1 sets out the possible combination of these attributes and the respective typology.

Stakeholder groups that possess a single attribute are considered latent and hold a low degree of salience. Consequently, these latent groups might be classified as ‘dormant’ for those who possess power, ‘discretionary’ in the case of legitimacy and ‘demanding’ in the case of urgency. Stakeholders that possess two attributes are considered expectant stakeholders with a moderate degree of salience. Within this category, stakeholders with power and legitimacy are ‘dominant’, power and urgency are ‘dangerous’; and legitimacy and urgency are ‘dependant’. The final type of stakeholder possesses all three attributes. These stakeholders are classified as definitive stakeholders with the highest level of salience. Non-stakeholders are those who do not have any attribute and as a consequence, lack of salience.

Table 1. Stakeholder typology and salience		
Attributes	Stakeholder Type	Stakeholder Salience
P + L + U	Definitive	High
P + L	Expectant Dominant	Moderate
P + U	Expectant Dangerous	Moderate
L + U	Expectant Dependant	Moderate
P	Latent Dormant	Low
L	Latent Discretionary	Low
U	Latent Demanding	Low
None	Non-Stakeholder	

P= Power, L= Legitimacy, U= Urgency

4.4 A different angle: Salience from the stakeholder perspective

The literature on stakeholder theory and particularly on stakeholder salience has, for the most part, focused on how managers assess stakeholder salience. Agle et al. (1999) examined stakeholder attributes, salience and the values held by CEOs values. They found a significant relationship between values, salience and social performance. Similarly, an analysis was undertaken by Magness (2008) to evaluate the impact of environmental incidents in mining on decision-makers and stakeholder salience. Using the Mitchell et al. (1997) framework, Magness examined shareholder and manager dynamics and concluded that a stakeholder's position is established and prioritised by decision-makers at different levels. Fernandez and Nieto (2004) identified different perceptions amongst managers in the Spanish manufacturing sector in terms of stakeholder attributes, when power was an attribute that influenced the salience of some stakeholders. Parent and Deephouse (2007) applied the same framework to analyse the way managers identify and prioritise stakeholders, finding support for stakeholder attributes and the perceived salience.

While the dyadic company-stakeholder interaction has been broadly studied, we argue that a stakeholder-stakeholder focus must also be examined. Stakeholder groups are not isolated players on the stakeholder map. On the contrary, stakeholder groups form an extended network of interconnecting relationships and interactions (Neville & Menguc, 2006), including cooperation, collaboration and influences (Post, Preston, & Sachs, 2002). Stakeholders may cooperate, influence or align with other stakeholders in order

to obtain responses to their claims, achieve their goals and to put some pressure on companies (Zietsma & Winn, 2008). These interactions might be influenced by the perceived salience of other stakeholder groups. Accordingly, a stakeholder that is perceived as being powerful may influence other groups to join a specific campaign. Similarly, stakeholders requiring an immediate response may attract attention and a collaborative response to support their cause because they are perceived as being legitimate. Furthermore, mutual perceptions of stakeholders are relevant in shedding light on stakeholder influences and interactions. It is interesting to apply the stakeholder salience approach to evaluate stakeholders, by shifting from a managerial perspective, and focussing on the mutual perception of each stakeholder salience. As stakeholder groups differ by nature, their perceptions of other stakeholders within the same context may vary. Accordingly, examining stakeholder attributes from a multi-stakeholder perspective contributes to a better understanding of stakeholder relations and interactions.

4.5 Method

This paper adopts a qualitative approach, which is suggested for assessing perceptions and experiences of social phenomena (Denzin & Lincoln, 2008). This paper reports the results of the analysis of how stakeholders perceive salience based on power, legitimacy and urgency as attributes. To obtain stakeholders' agreement to participate in this research, contact was made by telephone in the first instance (although in some cases face-to-face) and the researcher briefed potential participants on the objectives of the study. Participants provided written consent prior to proceeding with a tape-recorded interview. To encourage full participation, all interviewees were assured of anonymity and the interview process was conducted in a confidential environment. This facilitated a more relaxed conversation (Minichiello, 1995). All interviews were conducted in Spanish by the same researcher and tape-recorded, transcribed and translated into English. On average, interviews took about an hour, with 45 minutes for the shortest interview and about 2 hours for the longest one. The total number of interviews was 51.

During the interviews, participants were asked to provide an assessment of the presence or absence of power, legitimacy and urgency in five stakeholder groups (Harvey & Schaefer, 2001; Myllykangas, Kujala, & Lehtimäki, 2010). Drawing on Mitchell et al.

(1997), and as was done in Ryan and Schneider (2003), this study deliberately differentiates between the three attributes. The various stakeholder representatives were shown a card with the definition of each attribute, suggesting explanations for the definitions and asking them to focus their answers on the mining industry as their primary consideration. Thus, participants assessed the attributes as:

- *Power... ‘A relationship among social actors in which one social actor, A, is able to get another social actor, B, to do something that B would not have otherwise done’.*
- *Legitimacy... ‘A generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within a socially constructed system of norms, values, beliefs or definitions’.*
- *Urgency... ‘The degree to which stakeholder claims call for immediate attention’.*

Later, additional questions about these attributes and stakeholder interactions were made in order to obtain and expand insights about the characteristics and effects of these attributes in their interactions with other stakeholders in the context of social responsibility in mining. Responses were transcribed and translated into English. Later, using NVIVO9 software, the material was coded and categorised in order to compare and identify commonalties (Miles & Huberman, 1984; Spiggle, 1994). Finally, we reviewed the coding and cross-checking with notes to achieve analytic closure (Miles & Huberman, 1994).

4.6 Findings

The participant responses were clear about the absence of the attribute. In some cases, however, participants also highlighted that despite some stakeholders possessing some attributes; they were perceived as “so-so” or “more or less”. These perceptions relate to a certain degree or level of the attributes. This situation was addressed by Neville, Bell, and Whitwell (2004) who stated that the current approach does not consider different levels of attributes. Similarly, Parent and Deephouse (2007) coded these attributes in terms of present, varying or absent. An option to overcome this may be to categorise

attributes as high, medium and low (Myllykangas et al., 2010). Nevertheless, participants were unable to evaluate or differentiate between medium and low levels, as they felt a more accurate response to assess the attribute as moderate when the degree was not clear.

Definitive stakeholders

Results in table 2 show the similarity in how stakeholder groups perceive the attributes of other stakeholders in relation to power, legitimacy and urgency. Communities, governments and unions are perceived as possessing the three attributes, which makes these groups definitive stakeholders.

Table 2. Perceived stakeholder attributes amongst stakeholders					
Stakeholder	Community	Government	Unions	NGOs	Media
Community	-	P, L, U*	P, L, U*	L*	P
Government	P*, L, U	-	P, L, U*	L*	P*
Unions	P*, L, U	P*, L, U*	-	L*	P*
NGOs	P*, L, U	P, L, U	P, L, U	-	P*
Media	P*, L, U	P, L, U	P, L, U	L*	-
Stakeholder Attributes: P= Power, L= Legitimacy, U= Urgency, *=Moderate					

Communities are evenly assessed across stakeholder groups. They are recognised as legitimate actors with urgency in their claims and demands. In terms of the attribute of power, this is identified as moderate because the power of communities is considered as inferior in comparison with other groups such as unions or government.

Legitimacy in government is an attribute recognised by every group as well as power and urgency. Although government is identified as a powerful stakeholder with urgency (as a result of its objectives as institutional actor), unions do not consider their power and urgency as a key attribute in criticising the government's role and actions in respect of mining companies. This view is shared by communities in terms of urgency, pointing

out that government participants are not diligent enough in their practices and actions, for which reason they are assessed as moderate.

Similarly, unions are identified as a powerful group on the stakeholder map. This group is legitimised by other stakeholders who criticise only the union's degree of urgency. While unions are identified as a group with urgency by communities and government, the degree of urgency is not considered to be at the same level as other stakeholders. The reason for this is that mining workers pursue economic reasons as arguments solely to support their sense of urgency. Because this is seen as a selfish motive with a lack of social sense, this group's degree of urgency is identified as moderate.

Latent stakeholders

Perceptions of salience and type of stakeholder vary in the cases of NGOs and media groups. Although NGOs are identified as a latent stakeholder, there is a commonly held perception across stakeholder groups that the legitimacy of NGOs is relative. Most respondents did not identify NGOs as having a strong sense of urgency. Similar results are found for the media and its salience. Most participants identify the media as a latent stakeholder with relative power (although a lack of legitimacy) and with no sense of urgency in relation to their activities, demands or claims. To illustrate these perceptions, table 3 presents exemplary quotations on how these five groups are perceived amongst stakeholders in terms of power, legitimacy and urgency.

Table 3. Exemplary quotation | Multistakeholders' perceptions about attributes by group

Communities

P... "I think that communities have power because they're respected because they're valued, but within some communities there's a lack of organisation, and much ignorance about many things"

L... "I think that mostly, yes. I've heard that some of them take advantage of the circumstances and try to ask for more things. But in my opinion most indigenous communities are legitimate"

U... "Yes, communities need support. They have urgencies in environmental, social and cultural issues"

Government

P... "Of course they have power. They can give or remove patents and they can expire any [mining] permit"

L... "[governments] have legitimacy because they're elected by the people"

U... "I think that the local government has urgency because they are starting demands and also acting together with the citizens"

Unions

P... "Yes, they do have power. They have a lot of power and they know it. Something so simple like one day of strike in a mining company means at least 100 million dollars in losses"

L... "They are legitimate, but I think they should use that legitimacy for also having a social role much richer, much more positive to the community. Not looking at their own benefit but also seek the benefit of the community"

U... "Yes, unfortunately their demands are urgent. But I repeat, from a selfish perspective, they do not think about the community"

NGOs

L... "I think that those are a bit weaker in that respect. I don't understand much about NGOs. I think they do have legitimacy. They have norms and professionals that perform a legitimate role"

Media

P... "Yes, they have power but just to communicate, not power to decide. It's also like an influence but it depends on how they communicate the news"

Stakeholder Attributes: P= Power, L= Legitimacy, U= Urgency

Effects of salience attributes on stakeholders' interactions

The effect of each attribute was identified in order to better understand the impact of attributes on stakeholder salience in interactions. These attributes affect the way stakeholders relate to each other because the degree to which a stakeholder possesses the attribute affects the actions that a stakeholder is able to take. Thus, stakeholders that possess power, legitimacy and urgency (as identified in the previous part of the study)

are perceived by multi-stakeholders as being able to exert distinctive actions in terms of stakeholder interactions.

First, amongst the three attributes for salience, power emerges as the attribute that is perceived as the most influential on stakeholder interactions. According to participants, through power it is possible to supplement a lack of other attributes such as legitimacy or urgency. For example, as a stakeholder group, communities are recognised as possessing legitimacy and urgency, but having limited or almost non-existent power. This means that despite having been identified as a legitimate stakeholder, communities are weak in their relationships with other stakeholder groups and not able to influence or attract relevant players. Even though communities may exert limited pressure in conversations or negotiations over CSR, their influence still remains incipient.

Secondly, legitimacy is associated with credibility and transparency. It is a desired quality that encourages other stakeholders to imitate stakeholders possessing this attribute. One of the characteristics most commented on and highlighted by interviewees is the shared view that stakeholders possessing legitimacy are identified as ideal strategic partners. Despite this perception, however, stakeholders possessing power are identified as being able to go beyond legitimate actors in the way in which they interact and influence the relationships between stakeholder groups. Powerful stakeholders not only influence other groups, but they also exert pressure to speed up the decision-making process and have access to key actors within the stakeholder network.

Finally, urgency is seemingly identified as a rather irrelevant attribute in terms of stakeholder relations. Interviewees agreed that urgency allows stakeholders to set up the debate and to enhance discussion in relation to CSR. Stakeholders recognise that urgency may call attention to specific issues and may, perhaps, attract the necessary support. Nevertheless, this support is subject to other stakeholders' power. Thus, if stakeholders with urgency are able to engage powerful groups, the level of influence of both groups in the CSR debate will be higher. These characteristics are not only associated with the attribute of urgency because stakeholders holding a certain degree of power are also able to establish their concerns as well as obtain the necessary attention and support in relation to CSR matters.

Urgency itself, however, does not get the requisite attention that stakeholders with power or legitimacy are able to command. Furthermore, in terms of stakeholder interactions, this attribute does not generate significant changes on other groups, being relegated to a third place behind power and legitimacy. Exemplary quotations about these effects in stakeholder interactions in relation to power, legitimacy and urgency are presented in table 4.

Table 4. Effects of Salience Attributes on Stakeholders Interaction

Stakeholders with Power can...	Exemplary Quotations
▪ Encourage dialogue and engagement	“[power] it’s a good factor, because with power you can make good things, encourage others and create a spirit of development” [C]
▪ Influence other stakeholders	“[power] can affect decisions. It can change the decision-making. I mean, it can favour or disfavour decisions” [N]
▪ Pressure other stakeholders	“We want problems to be solved fast, and we know that it needs to be solved fast. So we feel the pressure...and we notice that there is a fast interaction between people and the communities...we are involved but to put pressure on” [M]
▪ Provide empowerment and leadership	“it empowers you, like the power authority gives you, so you can have the power of leadership” [G]
▪ Orient and organise stakeholders	“what we can do, because we have the power to do it, is to coordinate some kind of action so it is focused to some programmatic line...to satisfy some specific needs” [G]
▪ Have access to relevant stakeholders	“with power you have networks. It’s about having people with good contacts in powerful circles so you can talk directly with the person who is able to leverage resources and do things” [N]
▪ Attract support and contributions	“I think that today, people and companies come to us to sign-up agreements and to work with us because they know very well that we work with an important quantity of groups” [G]
▪ Set up the debate about CSR	“it has a positive impact in the sense that we are giving the guidelines of what we think it should be or what we need” [C]
Stakeholders with Legitimacy can...	Exemplary Quotations
▪ Encourage dialogue and engagement	“I’ve always thought that what happens with companies and other groups is that they establish communication, relationships and links only because we are a legitimate group” [C]
▪ Provide credibility and recognition	“I think that legitimacy does favour relationships because there is credibility between people. There’s a certain degree of acceptance of other stakeholders” [U]
▪ Encourage imitation	“When others see we have legitimacy, they say: if they have it [legitimacy] we can obtain it too and be able to meet them and make bigger things” [C]
▪ Be seen as strategic partner	“at the end, legitimacy represents authority. The authority to discuss things. I mean, when you are a legitimate actor other actors are going to call you and work with you” [N]
Stakeholders with Urgency can...	Exemplary Quotations
▪ Attract support and contributions	“I know that companies and others are keen to help. In emergencies they do it” [C]
▪ Set up the debate about CSR	“[people] should come to see what’s going on here... for example, instead of helping sport groups to buy tickets to travel, why not spend money in something more concrete, something people could see and use” [C]

C: Communities; G: Government; N: NGOs; U: Unions; M: Media

4.7 Discussion

4.7.1 Perception of stakeholder salience

In relation to how the five stakeholder groups perceive the degree of salience amongst themselves, the findings identify three stakeholder groups – communities, government and unions – as definitive stakeholders. According to the model put forward by Mitchell et al. (1997), these groups possess power, legitimacy and urgency. They are able to exert strong influence with the highest level of salience. Of the stakeholders identified as possessing the attribute of power, communities were identified as having a lesser (albeit existent) degree of power in comparison to government and unions. Although communities are considered legitimate actors with the right to ask for prompt solutions to their demands (Fernandez & Nieto, 2004), the attribute of power seems to lack intensity. Perhaps, as was stated by some participants, this is due to a lack of trust amongst communities and the need for better levels of organisation and professionalism. This aspect is especially highlighted in relation to engaging others as well as setting their issues on a regional agenda. As shown in figure 1, government and unions can be plotted in the intersection of the three attributes but communities, unlike government and unions, are not represented at the same level due to an inferior plane of power (the dashed area), almost out of the area of the most salient stakeholders.

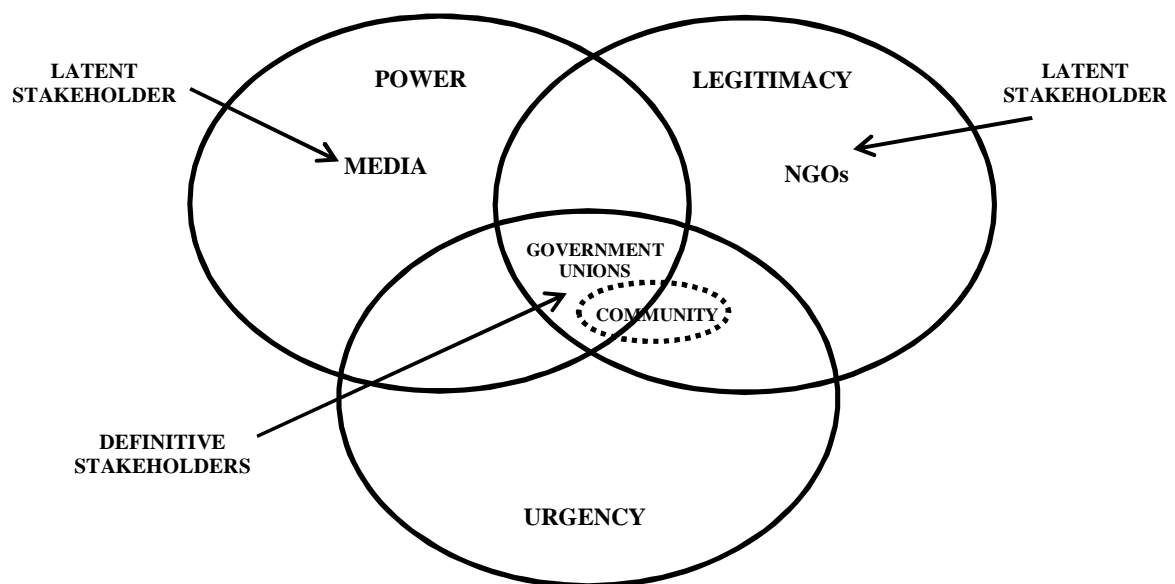


Figure 1. Stakeholder's perception on salience

By contrast, government and unions were identified as powerful groups and, in the case of the government, as a definitive stakeholder with institutionalised power supported by law. This view is supported by its objective as an organisation that pursues national welfare and development (usually framed by time constraints in relation to regulation and legislation). This perception was also identified by Harvey and Schaefer (2001), although from a managerial perspective. They suggested governmental and regulatory agencies are definitive stakeholders due to the legislative authority that is the foundation for their salience. This salience is usually associated with environmental demands, for which government is considered to have a high degree of salience (Fernandez & Nieto, 2004).

Unions were also identified as highly salient stakeholders, principally due to their level of influence and power over companies. Unions have a strong association with collective power (which is reflected by taking strike or other industrial action during negotiations with companies). Nevertheless, union claims and aspirations were not regarded as highly imperative or urgent. On the contrary, the value of unions as a legitimate stakeholder has been questioned by some stakeholder groups such as communities and government, who perceive unions as having selfish motives and sometimes a narrow view about social issues towards other stakeholders.

It is interesting that communities, government and unions are identified as having the highest degree of salience. This perception may be related to the status of primary stakeholder defined by Clarkson (1995) and based on the possibility that companies may have contractual commitments with these groups. Thus, salient stakeholders, particularly those with high levels of power and legitimacy, are more likely to impact CSR and obtain a better response from companies in terms of responsible behaviour as noted by Eesley and Lenox (2006).

As for the media and NGOs, the perceptions of their salience was divergent. Most participants identified the media as a latent stakeholder with relative power. Its role as an observer and communicator allows it to criticise and inquire into company practices as well as into other stakeholder activities. Despite the view that the media is a player with power, it is not seen as a legitimate stakeholder in the industry. This lack of legitimacy is consistent with the common perception across stakeholder groups that the

media is not completely neutral. Participants argued there is a gap between reality and biased convenience involving complaints about mining companies that are clients of the media for their advertising.

Similarly, NGOs were identified by each stakeholder group as a latent but legitimate stakeholder. Stakeholders, however, only assessed NGOs legitimacy as moderate. This is because stakeholders are concerned that NGOs mostly do not operate in the mining areas. The other concern is that they have little knowledge of NGOs activities. These results are consistent with Harvey and Schaefer's (2001) arguments about NGOs and their lack of visibility. It highlights that the greater acknowledgment and public recognition, the greater the stakeholder legitimacy.

These perceptions are also in line with Clarkson's (1995) classification in terms of relegating media and NGOs as stakeholders to a second level of salience. Although Clarkson argued a lack of formal relation or engagement with companies to classify them as secondary stakeholders, these findings indicate that in the eyes of the various stakeholders, the media and NGOs remain for other reasons in a secondary category as stakeholders with moderate salience.

4.7.2 Implications of perceived salience for stakeholder interactions

The findings on how various attributes affect stakeholder salience and a stakeholder interaction with other stakeholders provide interesting insights. In this sense, the results from the findings are that stakeholder interactions are linked to the effect that the attributes – power, legitimacy and urgency – have on the perceived salience of stakeholders.

Amongst the three attributes, as described in the previous table, it is the attribute of power that appears to be the most influential, at least in terms of its effect on stakeholder interactions. Stakeholder groups recognise the relevance that power has as a means of boosting communication among the different actors. Stakeholders with power are more able to congregate and motivate other stakeholders and participants, as well as exert greater influence over them. This power, however, is mainly associated with resources or economic power, along with the social influence that goes with it. Legitimacy brings overall trust to relationships amongst stakeholders. This attribute is

associated with transparency and the ability to be seen as a credible participant within the stakeholder map. Stakeholders with power, however, might be able to surpass those characteristics due to the ability to influence and approach key players. In this way, they situate themselves in a focussed and influential position in relation to the interactions with other stakeholder groups. They are then able to establish and set up the discussion about CSR issues pertinent to their interests and necessities. In terms of the effects of urgency, stakeholders relate it to the ability to congregate support, highlighting the immediate requirements, particularly in the case of communities when they are impacted by environmental and social crisis. For example, some communities are able to appeal for assistance in situations such as water scarcity or for the reconstruction of roads to connect isolated communities after flooding and catastrophes. Hence, this call for attention also contributes to bring up and establish the discussion in terms of what is needed by way of CSR practices as shown in figure 2. It is interesting to highlight that the effects of urgency (setting up the debate and attracting support) and one usually associated with legitimacy (incentive to engage in dialogue) are also identified and addressed as part of the impacts of the attribute of power.

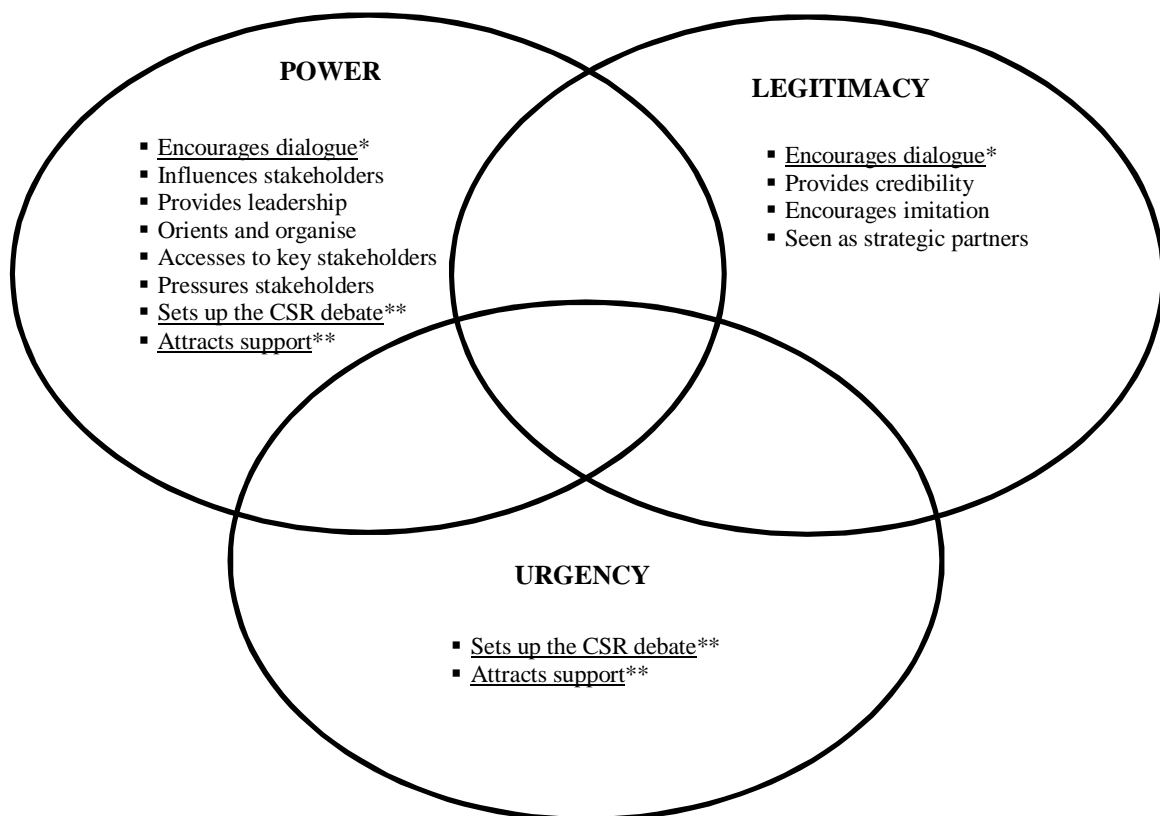


Figure 2. Effects of salience's attributes on interactions

The results concerning the attribute of urgency are in accordance with the findings by Neville et al. (2011). Neville et al. argued that despite the importance of urgency, from a managerial perspective though, it is not a particularly relevant attribute to salience and stakeholder identification. Furthermore, a stakeholder that lacks power to influence or that lacks credibility as a legitimate actor within the stakeholder network is not considered salient at all. Stakeholders within the Chilean mining sector principally recognise stakeholders possessing the attributes of power and legitimacy. This is particularly so because of the overriding role of powerful groups, as mentioned by Frooman (1999). Stakeholders possessing these attributes are recognised as necessary for relations and the desired interactions to influence social responsibility. Interactions amongst stakeholders are, therefore, predominantly driven by powerful stakeholders. This is represented in figure 3, where stakeholder salience and its effects on interactions is plotted.

This does not mean that stakeholders claiming urgent attention are unable to exert influence or play a role in order to pressure other stakeholders and companies to pursue responsible actions. Urgency has only a temporal effect and its usefulness relates to the debate about stakeholder necessities. Groups with urgency are able to speak up in order to get the attention of others. However, the attribute of power has the same effect as urgency in terms of setting the debate about CSR. It also stimulates interactions through the attention and support for stakeholders' needs, amongst other effects. These two characteristics are also added to the other effects of power, which is why this attribute is considered the most relevant across stakeholders for interactions amongst different groups. Thus, even if a stakeholder does not possess urgency but possesses power, that stakeholder can influence stakeholder relations and pressure for a more corporate responsible behaviour, and inclusion with and participation from other stakeholder groups. For example, the media is perceived as a stakeholder that possesses only the attribute of power. This is enough for the media to exercise the same influence as stakeholders with urgency because the effects of urgency on stakeholder interactions are also perceived as part of the impacts of powerful stakeholders. This means that a powerful stakeholder with no urgency may command the same attention (or even more) than a stakeholder claiming immediate attention. In this sense, as shown in figure 3, the effects of urgency as an attribute are ascribed as part of the effects of power in the

interactions amongst stakeholders, which is useful for powerful stakeholders that lack urgency. Therefore, the capacity to mobilise stakeholders to interact and participate as well as the authority to influence relations amongst them will remain sustained by powerful and legitimate groups.

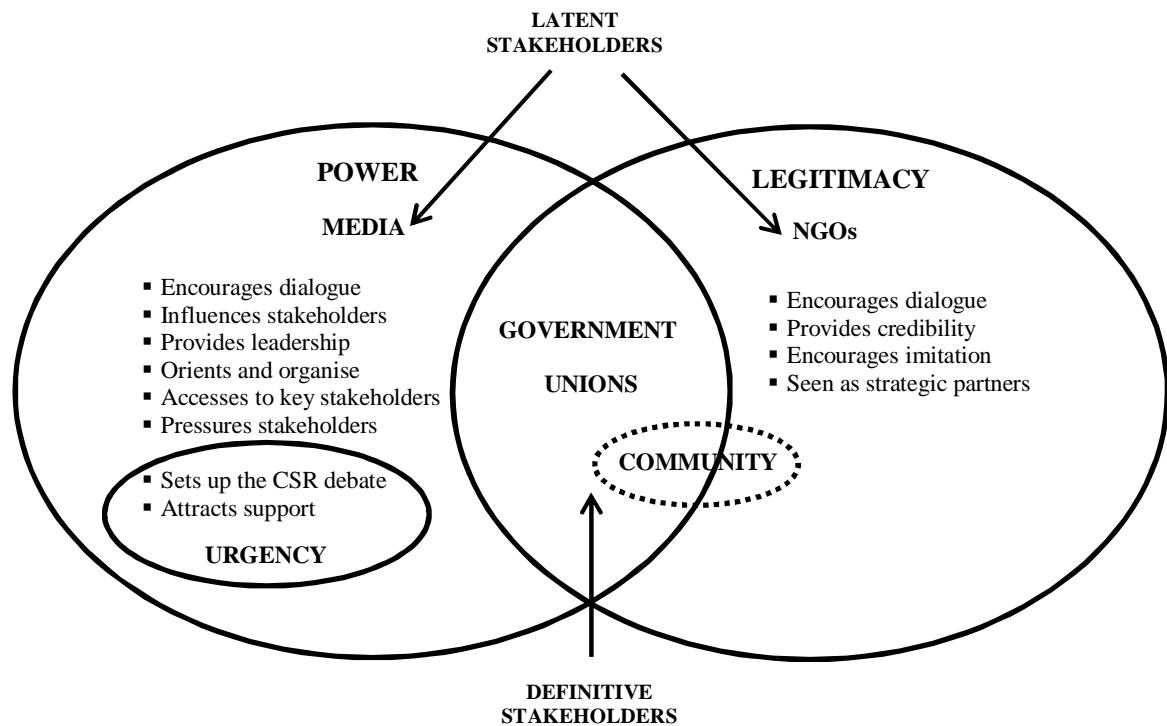


Figure 3. Stakeholder salience and effects on interactions

Pfarrer et al. (2008) point out that particular issues and context generally also impact on stakeholder salience. By way of example, communities tend to gain a greater degree of salience in circumstances in which they are directly affected, such as in environmental matters. This is particularly the case in the mining industry because stakeholders classify mining as a controversial industry, directly affecting the environment and society. Another example involves the media as stakeholder with the attribute of power. As Pfarrer et al. (2008) indicate, in terms of the media's relevance and influence, this group gains salience in interactions amongst stakeholders through the potential influence exerted, particularly in environmental crisis or sensitive social matters.

The findings in this study indicate that interactions amongst stakeholders are subject to the degree to which a stakeholder is perceived as salient by other stakeholders and to the characteristics associated with the attributes of salience. Thus, the dynamics in stakeholder relationships do not depend only on shared interest, as was pointed out by Heugens et al. (2002) and Neville and Menguc (2006). Relationships will also be driven by the adjunct effects of salience attributes that stakeholders perceive in other groups. In this sense, stakeholder interactions are closely linked to stakeholder salience and its attributes.

4.8 Conclusion

This paper draws on the approach of Mitchell et al. (1997) to shed light on stakeholder salience and the effects of the various attributes that drive salience; and provides qualitative evidence that contributes to advancing stakeholder salience from a multi-stakeholder perspective.

First, the findings indicate that amongst stakeholders, differences in salience are mainly related to the perceived salience of stakeholders towards NGO and media groups. In this sense, participants perceive two types of stakeholders in terms of salience. The first type is the definitive stakeholder which includes communities, government and unions. Thus, based on the salience approach, these stakeholders are perceived as being the most likely to influence company behaviour. Stakeholders note a daily interaction between these groups and mining companies. Unions are essential participants in a company's regular operations and well known for their negotiating power over companies. Communities have a significant role through their co-existence with mining operations on a daily basis. Additionally, the government is also considered to be an important actor because of its regulatory role and ability to enforce those regulations.

A second group of stakeholders is formed by media and NGOs. These stakeholders are identified as latent stakeholders. Despite that NGOs have been perceived as legitimate actors, do not stand out as stakeholders and even less as stakeholders that possess power. The media's lack of legitimacy seems to be supplemented by the power perceived by other stakeholders. Accordingly, this group is considered to have a lesser degree of salience (as a combination of the three attributes) in regard to mining issues.

Secondly, the various attributes that drive salience provide a means of analysing interactions between stakeholders in terms of how they perceive each other through the characteristics associated with these attributes. Thus, it is possible to appreciate that stakeholders possessing power are identified as the most influential in stakeholder relationships. Legitimate groups may also influence interactions but their influence is limited compared to powerful groups. The results also indicate that urgency as an attribute does not play a significant role in influencing and impacting interactions amongst stakeholders. Furthermore, its effects are also ascribed to power. Accordingly, these outcomes suggest that the interactions amongst stakeholders are primarily led by those stakeholders perceived as powerful and legitimate.

Thirdly, this paper contributes to the stakeholder salience framework proposed by Mitchell et al. (1997) by shifting the understanding of salience and addressing it from a multi-stakeholder perspective. Accordingly, stakeholder analysis in terms of social responsibility and interactions should be analysed by considering each stakeholder's perceptions of these attributes. This helps to identify the key groups that lead or influence groups. This is particularly important in an industry such as mining, which is highly criticised for its impacts. Thus, these results provide insights into the continued development of appropriate approaches and contribute in theory-building in terms of a shared perception of stakeholder salience in CSR.

It is well known that companies look to identify stakeholders in order to improve management and engagement and also to obtain social licence to operate and avoid potential conflicts. Therefore, stakeholder analysis should also focus on the interactions amongst stakeholders rather than on analysing stakeholders as isolated and independent groups. This is particularly pertinent in an industry like mining.

Finally, one outcome of understanding stakeholder interactions in the mining industry is the recognition that the interrelationships amongst stakeholders are driven by more than similar objectives and desires. This recognition is also complemented by the perceived salience between different stakeholder groups. A key reason for stakeholder interaction is the perceived attributes of salience amongst different actors and the effect ascribed to these attributes. Recognising these perceptions allows for a better understanding of a

stakeholder's willingness to interact with each other in terms of their impact and influence on social responsibility in mining.

4.9 References

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Chapter V

Conclusions & implications

CHAPTER V: CONCLUSIONS AND IMPLICATIONS

5.1 Introduction

This thesis addresses CSR and stakeholder interactions in the Chilean mining industry. By adopting a stakeholder perspective the thesis explores how different stakeholder groups perceive CSR, the diverse mechanisms employed by groups in order to influence CSR, their salience for CSR, and how this perceived salience influences the interactions amongst them. The first part of this thesis provides a theoretical background on CSR and stakeholder theory. Chapters two, three and four answer three questions that have guided this research. The findings and discussions in those chapters provide theoretical and practical implications that are highlighted throughout this thesis. Consequently, the following sections summarise and emphasise the most relevant aspects of those chapters and provide theoretical and practical implications. Finally, the limitations of this research are discussed and recommendations are made for future research.

5.2 Addressing research questions

This thesis contributes to a better understanding of how multiple stakeholders perceive CSR. It considers the ways in which stakeholders contribute to improving socially responsible behaviour. It also takes into account how each stakeholder perceives the attributes and overall salience of other stakeholders and how these attributes affect interactions amongst them in order to influence CSR. Accordingly, earlier chapters will be addressed as stakeholder perceptions of CSR and mining, stakeholder mechanisms to influence CSR, stakeholder salience and interactions to finally provide an integrated glance at findings regarding stakeholder groups.

5.2.1 Stakeholder perceptions of CSR and mining

Chapter 2 examined how different Chilean stakeholder groups perceive mining and CSR. Within the diversity of stakeholders considered, there is a common perception across all groups that the mining industry has several negative consequences in respect to social and environmental matters. Evidence presented in this chapter focuses on negative impacts, while recognising that mining has generated positive outcomes too.

Indeed, stakeholders are generally thankful for the positive contribution of mining. Nevertheless, stakeholders emphasise that they cannot overlook the adverse outcomes of mining merely because it makes a positive economic contribution. There is a common and shared sentiment against a trade-off perspective to match up negative impacts on social and environmental issues with positive economic outcomes.

Parallel to mining impacts, CSR has been addressed as an answer to mining impacts. It is important to mention that rather than look for a definition of CSR, this research has focused on the stakeholder perception of CSR. Thus, it has been possible to highlight that while stakeholders are familiar with the term, there are different appreciations of CSR, varying from a comprehensive and integrative view to an opposite perception of the idea of CSR. That is, CSR is perceived as how companies are accountable for social and environmental impacts, their obligations in these matters and the economic compensation that they are prepared to provide. CSR has also been treated as a negative and hostile concept which identifies CSR as a mere tool for companies to mislead stakeholders in order to ‘greenwash’ their image and cover their lack of authentic responsibility. Such a view, which was held by all stakeholders except for the government, is completely opposite to the idea of mining companies as responsible entities.

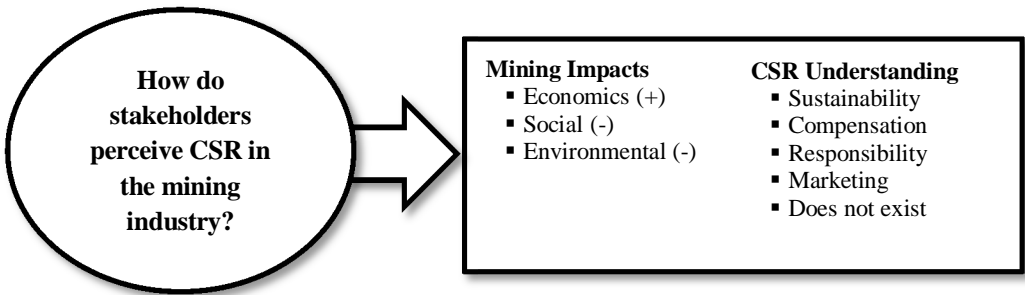


Figure 1. Findings in research question 1

Accordingly, there are multiple and sometimes clashing perspectives demanding more responsible corporate behaviour. This may, in turn, enhance the debate and discussion from multiple stakeholders about the real meaning of CSR. The debate and discussion is particularly challenging and useful in a growing economy like Chile’s in which stakeholder expectations for the mining sector are becoming more demanding. However, findings about different understandings of CSR might also lead to confusion

and even towards a dead-end if stakeholders are not in tune with their actual expectations from CSR.

Thus, it has been possible to examine shared concerns about the mining industry's impacts and their views on CSR. Through the stakeholder lens it is possible to recognise what each stakeholder perceives as its relevant and specific concerns. This valuable insight may help in reaching an understanding about a particular stakeholder's needs and desires and this may result, in turn, in the ability to collaborate in achieving changes in areas where stakeholders believe more responsible corporate behaviour is required. It may also be an incentive to debate the issues over which there are conflicts or issues for which tensions and divergences are perceived. Finally, as stakeholder groups increase in numbers and expectations, questions arise about how these groups may eventually affect CSR, which has led to the next question.

5.2.2 Stakeholder mechanisms to influence CSR

Chapter 3 examines the different mechanisms that particular stakeholder groups use to influence CSR and their degree of involvement and influence. It was argued that stakeholders, in order to participate in CSR, employ different mechanisms to influence and address their concerns about the CSR issues companies should address. The findings are that stakeholders adopt five mechanisms: demands, communication, counselling, control and engagement. The use of these mechanisms varies across stakeholder groups. It is possible to find stakeholder groups employing only one mechanism, for example, communities and the media; and other groups using up to four of these mechanisms, for example, NGOs. It was also found that multiple stakeholders may use the same mechanism as in the case of unions, government and NGOs, all of whom consider engagement and control as their optimal ways to impact CSR.

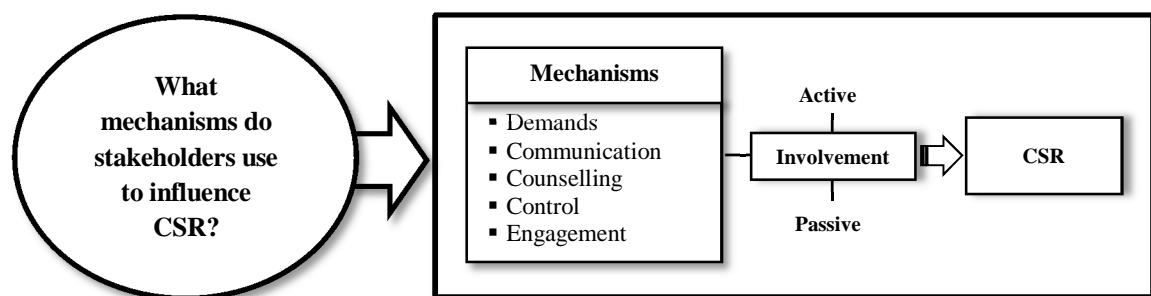


Figure 2. Findings in research question 2

In addition to these mechanisms, it was shown that stakeholders utilise these mechanisms from a dichotomised perspective, considering an active and passive involvement. Moreover, the degree to which multiple mechanisms will have a voice, participate in and influence CSR, depends on the level of involvement that stakeholders exert over these mechanisms. Thus, despite some stakeholders having a set of mechanisms at their disposal, some stakeholders' passiveness in their approaches causes them to have an invisible and less relevant participation than other more active stakeholder groups. This narrows their contribution and capacity to influence the CSR debate, diminishing their status to that of mere bystanders instead of enhancing their contribution and role in the stakeholder network.

5.2.3 Stakeholder salience and interactions

In chapter 4, the research into stakeholder salience is undertaken by examining three attributes of salience: power, legitimacy and urgency. That chapter first analyses the salience perceived by stakeholders in relation to other groups. Secondly, it examines the effect of these attributes on stakeholder interactions. This examination is conducted in the context of CSR and how the attributes affect the ability of some stakeholders to exert influence on other stakeholders in terms of the characteristics that would enable interactions amongst stakeholders to influence CSR. Rather than adhere to a traditional managerial perspective for evaluating stakeholder salience, the stakeholder perspective was considered an appropriate focus of attention in order to provide new insights in an exploratory research project like this one.

Findings in this chapter reveal that government, unions and communities are considered to be the most salient groups, and in turn are the most likely to influence CSR. At a lower level of salience are NGOs and the media. In further analysis, it was identified that the attributes of power and legitimacy are the most relevant in influencing interactions amongst stakeholders. In relation to urgency, however, and despite this attribute having some effect (albeit more limited) on interactions amongst stakeholders, there is an overlap between its effects and those identified in the attribute of power. In short, the ability to attract support and set up the CSR discussion is not a unique effect of urgency. These effects, amongst others, are also ascribed to power. Consequently, powerful stakeholders are able to exert the same effect as those possessing urgency and

claiming immediate attention. Therefore, power and legitimacy (as attributes) are most effective in enhancing and encouraging interactions amongst different groups, and have a broader and deeper effect in motivating more responsible corporate behaviour.

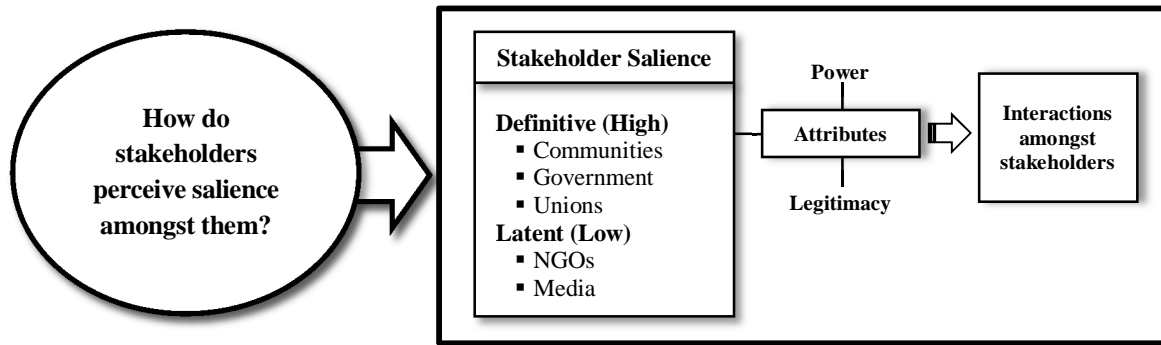


Figure 3. Findings in research question 3

Finally, the following figure illustrates the research findings throughout this thesis, taking an integrated view of the three research questions and respective findings.

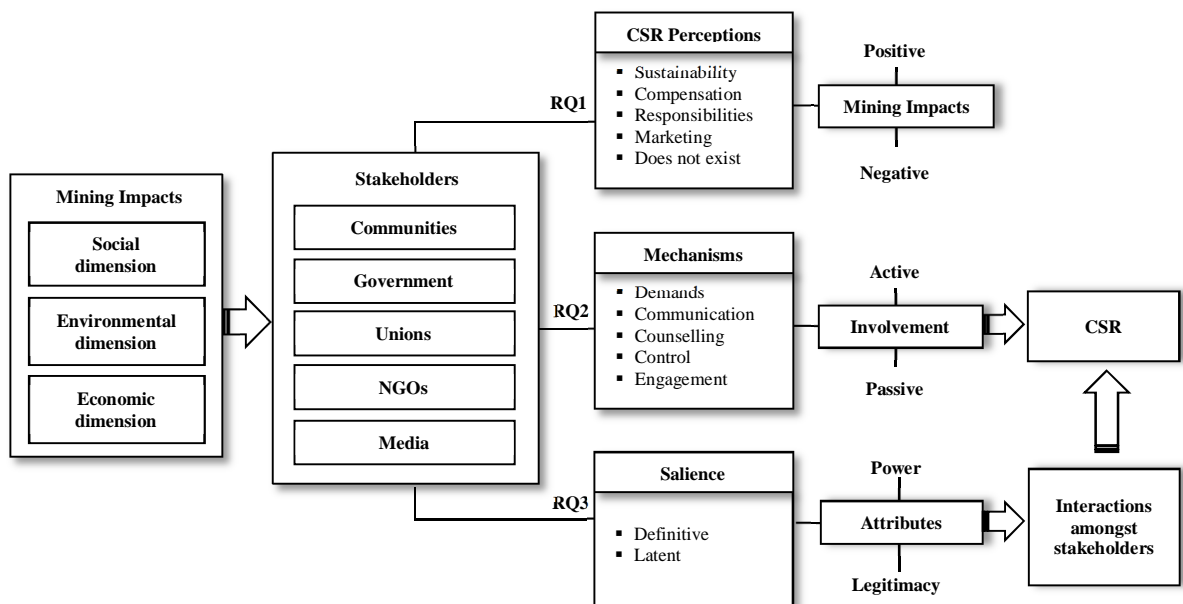


Figure 4. Integrated view of research questions and findings

5.2.4 Stakeholder groups: Findings at a glance

Communities

As a stakeholder, the community has been identified as one of the most critical groups in respect to the mining industry. This status arises because this group is impacted most directly by the direct negative impacts of mining. These overwhelming negative impacts sometimes surpass the benefits that mining provides them (see chapter 2). As discussed in earlier chapters, the findings reveal that communities have adopted a passive position in terms of CSR. As a primary stakeholder (and as found in chapter 4), this group is perceived as a salient stakeholder, which gives it a relevant position to pursue responsible behaviour from companies. As a stakeholder it also has the incentive to pursue the debate about appropriate CSR behaviour. Nevertheless, low levels of power, interpreted by the constraints in terms of economic resources and a lack of influence in social circles, has relegated this group to that of a more voiceless and stagnant player in the stakeholder network. In addition, this poor involvement is aggravated by its views regarding influence and participation in the CSR debate. This outlook is consistent with the mechanism that this stakeholder identifies as its only way to contribute and influence CSR from a community perspective (see chapter 3). This group takes a demanding position at its way to face up to and deal with mining companies and other participants within the sector. In some ways, this group relies on the premise that other stakeholders and companies are aware of their grievances and the issues affecting it. Thus, from a community perspective, the urgency of their claims plus its recognition as a legitimate player should be enough to gain recognition by others and a relevant place on the stakeholder map. However, as found in chapter 4, urgency as an attribute is not sufficient to obtain recognition and identification from other groups. Furthermore, due to a perception of embeddedness and the effects of urgency ascribed in power, a lack of power leaves stakeholders aside the area of influence. Hence, communities, despite having urgent claims, tend not to have a strong voice and influence due to a low (almost inexistent) level of power. Therefore, their demanding but passive approach in practice diminish their position and recognition in the stakeholder network and, accordingly, fail to stimulate and incentivise CSR in order to develop a better coexistence with mining.

Unions

The findings throughout this research also provide insights regarding the power of unions as a stakeholder. As indicated in chapter 4, mining unions are considered to be a definitive stakeholder with high potential for strong influence in mining in respect to CSR. Nevertheless, this group remains a passive player in comparison to the manner in which it could exert influence over companies and other stakeholders to adopt responsible behaviours. This passivity may relate to their lack of awareness or selfishness regarding issues in a social dimension (see chapter 2). Even though unions recognise their capabilities to influence CSR through the mechanism of control (see chapter 3), this has not translated completely into practice. They tend to focus primarily on matters that directly affect workers without giving attention to other stakeholders' demands. This disconnection with other stakeholders and participants in the industry is evidenced, for example, in a lack of engagement with communities. This is a particularly sensitive point due to the communities having been identified by unions as the players in the mining industry that should be paramount in receiving their assistance in the first place, a situation that has not happened so far.

Government

As for the government, based on the findings of this research, it is aligned with other stakeholders in terms of the effects of mining on the economy, both its positive contributions as well as its negative impacts in the natural environment and in the social domain (see chapter 2). Amongst stakeholders, however, the government is the only group without a negative perception of CSR. Recognition of the potential for CSR in the mining sector is accentuated predominantly by an integrative and sustainable development perspective. Its active involvement in the CSR debate through different mechanisms allows the government to be a referent and driver in terms of influencing and enhancing responsible practices. A double role as advisor and controller makes it a central actor within the stakeholder network. In addition, its commitment in terms of engagement between companies and stakeholders (see chapter 3) has greater chances of success due to the government being considered by other groups as a legitimate powerful stakeholder. This also provides increased opportunities to promote and influence the interactions amongst stakeholders and between different groups and companies (see chapter 4). Therefore, the government has a key role in terms of CSR.

NGOs

NGOs are identified as a group committed to work for the public interest by looking for private and public accountability to ensure better and responsible corporate practices. In this sense, NGOs are a legitimate, albeit weak actor in the mining sector. Its perceived degree of salience is lower than stakeholders such as unions and government (see chapter 4). As a group, NGOs may exert an active participation as watchdog stakeholder in order to provide some control over mining practices as well as advising different sectors in areas of social and environmental responsibility. Nonetheless, they have been unable to develop stronger links with other stakeholders or proper channels to communicate their own agendas, goals and current activities undertaken to address CSR. Furthermore, this lack of a proper connection with other groups diminishes its influence and in some way contributes to criticisms about its presence and role in mining (see chapter 3). Thus, despite holding similar views to other stakeholder groups about mining impacts and CSR (see chapter 2), its influence in the CSR debate remains low. This group may provide an incentive for the discussion about CSR issues needing attention, but it continues to rely on the participation of influential stakeholders to reach key actors and to pressure for responsible behaviour. This is despite others' recognition of it as a serious and strategic stakeholder in the industry.

Media

As found in chapter 2, the media's perception of mining impacts is aligned with other stakeholders' views over their environmental and economic dimensions. A gap in the social view of the negative effects of mining, however, as identified by other groups, gives rise to questions about this gap in case of a media backlash. This is particularly significant as the media considers its role as an active communicator for influencing and contributing to improvements in corporate behaviour in mining in respect of CSR (see chapter 3). This blind spot translates into neglect of developing views about social matters, perhaps due to the media's economic dependence on mining advertising. As a result, trust and reliance on the media as a watchdog and transparent communicator is questioned. Further findings indicate that the media, despite being perceived as a powerful actor, is also identified as a group with a lack of legitimacy. Consequently, it is not perceived as a credible stakeholder (see chapter 4).

5.3 Implications for theory and practice

This thesis provides theoretical and practical implications. The theoretical implications of this research shed light on CSR and stakeholder theory taking into account a stakeholder perspective. This study also provides insights regarding the attributes of the stakeholder salience approach, particularly in a controversial sector such as mining. Thus, papers presented throughout this thesis contribute to the literature regarding CSR and stakeholder theory in the context of mining in a developing country. Additionally, implications for practice relate to stakeholder perceptions about critical issues and participation in CSR. This can assist stakeholders and managers in the industry in improving channels and mechanisms for inclusion and collaboration amongst stakeholders and between companies and stakeholders.

5.3.1 Theoretical implications

CSR as a research field can encompass a broad range of theoretical perspectives (McWilliams et al., 1999), giving scholars a window into a range of themes through which to view the concept. From a theoretical perspective, this research is based on a stakeholder approach to corporate social responsibility. This approach has been broadly applied considering its different mainstreams (Donaldson and Preston, 1995; Stoney and Winstanley, 2001). Moreover, when CSR is the issue, researchers tend to use a stakeholder approach (e.g. Abreu et al., 2005; Papsolomou-Doukakis et al., 2005). However, stakeholder theory and its derivatives still remain under scrutiny (Agle et al., 2008; Antonacopoulou and Meric, 2005; Fassin, 2009; Freeman et al., 2004; Key, 1999; Neville et al., 2011).

As mentioned in the literature review and chapter 2, CSR encompasses several meanings and broader aspects in their definition and practice, stakeholder groups being a key aspect to set up the context for CSR (Waddock, 2004; Wood and Jones, 1995). Accordingly, this research has emphasised the salient role of stakeholders in CSR. This study provides a contribution to better understand CSR from a stakeholder perspective because, despite the broad literature in CSR and stakeholder theory, a managerial approach remains predominant. Although this research investigates CSR, it does not seek to provide a comprehensive definition of CSR. Instead, using an examination of

stakeholders' understanding of CSR, this research provides a first-hand comprehension of the CSR phenomenon in real context..

Firstly, findings in this thesis suggest that the understanding of CSR is linked to mining impacts, highlighting the pivotal contribution of elements in the economic dimension, as previously suggested by Visser (2008). However, despite a positive contribution in an economic sense, the social and environmental areas remain as a secondary concern, or are simply left aside. Thus, the social and environmental dimensions must be a priority within the sector in order to reach an integrative CSR approach in all its constituents. This thesis concurs with, and supports Marcus et al. (2010) regarding the relevance of elaborating an integrative CSR approach in mining, going beyond views that only tackle issues on the surface, neglecting the social and environmental domains in this industry. The findings in this thesis also contribute to the theory supporting scholars' arguments that CSR and its dimensions are related and therefore incapable of detaching each other (Elkington, 1997; Lehtonen, 2004). Accordingly, addressing one dimension while neglecting others is seen as a completely insufficient approach, because rather than making a contribution, it undermines the real meaning of CSR. Furthermore, this research has added empirical evidence in support of the ongoing debate about CSR in mining. In this sense, Slack (2012) has argued that CSR in this industry adopts only a rhetorical view, pointing out the differences between the theory and the reality of CSR practices. This view brings back Friedman's phrase, about CSR as 'pure rhetoric' (1970, p.174), which is also the conclusion of other stakeholder groups in this industry.

Secondly, this research suggests an anti-trade-off sentiment across stakeholders, echoing the literature that indicates that it is not a simple task to align the outcomes of CSR's dimensions. For example, Husted and Jesus de Salazar (2006) point out how difficult it is to align economic aspects, such as profits, and matters within the social domain. Similarly, concerns about the natural environment have guided trade-offs that ultimately prove to be detrimental to the advancement of the other two dimensions (Angus-Leppan et al., 2010). This contributes to the way that recent literature in CSR and stakeholder theory addresses the (inconvenient) idea of trading-off interests amongst stakeholders and companies rather than adding value to the relationship with stakeholders (Harrison et al., 2010; Harrison and Wicks, 2013). Therefore, approaching

stakeholders with a trade-off mindset is a missed opportunity to meet stakeholders' interests in a sincere and realistic way, and as stated by Freeman (2000, p.9), a 'political and institutional trap'.

A third theoretical implication of this thesis relates to the mechanisms to participate in CSR, taking a stakeholder perspective. In this sense, the mechanisms that stakeholders employ to affect CSR have been acknowledged previously (O'Connell et al., 2005; Welcomer, 2002). Accordingly, this research has also contributed in this way, by addressing the mechanisms that stakeholders in the mining industry undertake in the search for more responsible corporate behaviour. By identifying these mechanisms this thesis has provided evidence of the practical means that different groups use. Further, while some of them have been previously identified in the literature, new insights have been identified. For example, communities considering that the only way they can contribute to CSR is to play a demanding role, and the opposite view, than that of NGOs and government employing several mechanisms. The findings have also identified a dichotomised level of involvement in these means, as active or passive involvement. Thus, despite the mechanisms stakeholder have at their disposal, involvement plays a key role in influencing CSR and reflects the potential some groups have (Vos, 2003), which may be restricted and diminished due to passiveness in their actions. Hence, this thesis has addressed the challenge set by scholars who highlighted the need for research in this area from a multi-stakeholder perspective (O'Connell et al., 2005).

Fourthly, through the lens of stakeholders, scholars and practitioners can be assisted in recognising and establishing a more proper approach to CSR, avoiding the dyadic company-stakeholder link (Rowley, 1997) which has been commonly used, and shifting the view to a stakeholder-stakeholder perspective. Thus, stakeholder theory and other stakeholder approaches such as stakeholder salience can provide novel insights by considering what stakeholders have to say, and the issues they perceive as most relevant to be addressed by companies. In this sense, stakeholders can provide relevant, accurate and first-hand information about their perceptions of CSR and how they perceive other actors in the stakeholder network as well as information about the likelihood of

potential interactions to collaborate in different forms, such as building alliances, partnerships or just exchanging relevant information for further actions.

Stakeholders can collaborate to pursue responsible actions from companies as well as to pressure other stakeholders to get them involved in networks of collaboration, particularly those salient and powerful stakeholders that have access to companies and other key players. Hence, they will be more likely to have a deep impact in pursuing CSR practices. Furthermore, the stakeholder perspective in this thesis emphasises assessing their perceptions in terms of what is at stake in the CSR dimensions and their characteristics that are associated with salient attributes (Mitchell et al., 1997) for potential interactions. Accordingly, identifying what stakeholders perceive about CSR and their potential partners would be a useful way to assure that appropriate stakeholder groups are considered to initiate joint activities in order to involve the most salient participants in a multi-stakeholder context.

Stakeholder theory still presents itself as a fertile terrain for further development and discussion. At the core of stakeholder theory lies the premise that companies have a bi-directional relationship with different stakeholder groups, being influenced by and also influencing stakeholders. However, interactions amongst stakeholders are also part of the means through which stakeholders participate and exert influences. In this way, different groups may also influence CSR in order to achieve their desires and needs in joint efforts. This is of course, subject to the perceptions of salient stakeholders and what each stakeholder's attribute 'bring to the table'.

Finally, the salience approach (despite its contribution to the theory) still remains limited to a few studies primarily taking a managerial approach (see Agle et al., 1999; Driscoll and Starik, 2004; Eesley and Lenox, 2006; Henriques and Sadorsky, 1999; Pajunen, 2006; Parent and Deephouse, 2007). Thus, research focusing mainly on a managerial perspective assumes a dyadic company-stakeholder view that is likely to underestimate the effects and contributions of stakeholder interactions in CSR. Furthermore, research concerning salience perceived through stakeholder eyes, as observed by Neville and Menguc (2006), has been lacking. The findings from this exploratory research show that empirical evidence on stakeholder salience from a multi-stakeholder perspective provides an alternative and fruitful starting point. Highlighting

this approach, this work contributes to the theory supporting the arguments of Neville et al. (2011) by revisiting the role urgency plays as an attribute of salience. While their arguments indicate that urgency is not relevant in assessing and prioritising stakeholders, this research suggests that this attribute is relegated to a less relevant position after power and legitimacy. Further, it is also suggested that the effect of urgency on interactions is a corollary of the effect of the attribute of power. Consequently, stakeholders with power can complement a lack of urgency and the attribute of urgency itself has a low effect in motivating interactions amongst different stakeholders. While salience is dependent on the three attributes, evidence shows that power plays a key role in gaining high levels of salience, being identified as the most influential attribute. Similar results (though in another sector and from a managerial perspective) are provided by Parent and Deephouse (2007).

Therefore, findings in this thesis also underpin the argument that it is important to keep developing the salience approach and also how attributes of salience encourage varied interactions in different ways amongst stakeholders, expanding on the work of Frooman (1999) and Neville and Menguc (2006). This point is relevant for stakeholders dealing with social and environmental issues and assumes a different perspective from the traditional literature on stakeholder management. Finally, this thesis has answered the call to contribute to the extension of CSR and stakeholder theory by focusing on the understandings, mechanisms and salience of multiple stakeholders when CSR is discussed. In addition, this thesis provides some elements that future researchers could use to conduct a broader examination and gain deeper understanding about CSR and stakeholders in this or other sectors.

5.3.2 Practical implications

Anti-trade-off sentiment and the need for consensus in what CSR stands for

A principal implication of this research arises from the fact that the various stakeholders agree on the impacts of mining and their determination not to negotiate on or accept economic contributions as a trade-off for mining's negative effects. A poor CSR outcome in some dimensions does not compensate (in any degree) for strong CSR outcomes in other areas. In the mining context, Chilean stakeholders highlight how

some specific CSR dimensions have been neglected or ignored in contrast to the focus applied to the economic dimension. Moreover, regardless of economic support, CSR cannot be used as a tool for trading-off outcomes amongst the social, environmental and economic dimensions. An authentic CSR approach cannot be applied as a 'bank account' using positive outcomes as 'deposits' and practices as 'savings' in order to back-up negative impacts as withdrawals from CSR capitals.

Despite the difficulties and challenges that an integrative approach implies, all stakeholder groups ask for and highlight the need for a review and a change in the way companies address and apply CSR. Therefore, this implication is particularly relevant for mining companies. Stakeholders in this industry are aware of the impact of mining through the three dimensions (social, economic and environmental). However, special attention is required for issues relating to the natural environment and to social issues. Nonetheless, this attention should not diminish the economic contribution that has been made by sacrificing one dimension for the benefit of another.

This raises another issue that directly arises from stakeholder perceptions of CSR. As noted previously, the findings indicate that stakeholders hold different and conflicting understandings of CSR. This represents a threat to the practical usefulness of CSR, particularly when stakeholder perceptions are vague or there is no stakeholder consensus on CSR. As well, there is the controversial negative view attributed to CSR in the mining industry. In this regard, disagreements, lack of awareness or simple lack of attention to issues may result in conflicts between companies and stakeholder groups. This may be due to a lack of consensus about which matters should be addressed and how companies should act.

In order to get a successful CSR approach, companies cannot neglect stakeholders' perceptions on what they think is affecting them and what CSR should address. Clearly, CSR as a construct should be analysed considering its three basic constituents from a stakeholder perspective. Moreover, due to the varied nature of stakeholder groups, special attention has to be paid to the broad relativity and, arguably, understanding of CSR, as pointed out by Newel (2005). In this way, it is feasible to reinforce commonalities that may potentially improve CSR outcomes as well as dealing with

divergences in matters that stakeholders perceive in terms of what CSR should address and prioritise.

Accordingly, from an operational perspective, CSR is perceived as the activities carried out in a desegregated way with isolated actions that do not provide the contribution expected or desired by stakeholders. Rather than integrated and planned activities involving different stakeholder groups, there is a prevailing sentiment that small and isolated groups have been given beneficial treatment. This suggests that companies have not used a due consultative or participative process and this, in turn, reinforces the negative views that mining companies use CSR as a marketing strategy to merely appear responsible to stakeholders. Thus, with multiple stakeholders in a controversial industry such as mining, attention should be placed, firstly, in developing a shared and common understanding of CSR and what it provides. This can be done through participation and consultation with different stakeholders using an integrative approach in order to align perceptions around CSR and enhance the final outcomes in all dimensions.

Communities: What are they waiting for?

Despite a transversal recognition by stakeholders that communities are a paramount stakeholder, communities remain a passive stakeholder in the mining industry. This applies to either indigenous or non-indigenous groups. There is no doubt amongst stakeholders of the impacts of mining activities on communities. Even more, from a managerial perspective, it is clearly stated that relations with communities are key in the sense that managers 'believe that community involvement is a business imperative' (Altman, 1998, p.222). According to Humphreys (2000), communities have been gaining recognition amongst other stakeholders and have become a key player for mining companies, particularly from a strategic point of view. In the Chilean mining sector, however, communities remain in a passive state that diminishes their level of influence and participation in CSR. Consequently, it is suggested that communities need to act more proactively in order to, for example, build alliances with other stakeholders beyond the limits of traditional community organisations.

Further, the communities are relevant players but with insufficient power to influence others. In both indigenous and non-indigenous communities, it was found that issues regarding a lack of representativity and organisation (such as internal disputes within and amongst communities) prevent them from reaching key players and companies in an organised way. They also tend to lack the appropriate attitude (for example, being active and open to engagement) to achieve their objectives. Expanding the scope of their interactions with other stakeholders, rather than just with their community peers, can help to secure support and collaboration. Thus, communities should look for collaborative interaction with powerful stakeholders such as unions, particularly because this group is perceived as one of the most salient stakeholders within the mining industry. Unions can provide communities with access to other key players. Consequently, collaboration with other stakeholders can give communities the necessary support to pressure companies and broaden the debate about what communities expect from companies in terms of CSR. Hence, through interactions to engage other stakeholders, communities can create a point of leverage for requisite actions in relation to their claims. Thus, community can influence the way companies address CSR by enhancing the relationship between them in order to improve corporate behaviour on social issues (Humphreys, 2000).

Unions and media, uninterested or unaware of social matters?

In order to reach social consciousness (as well as improvement in corporate behaviour) powerful stakeholders such as unions and the media should re-think their attitudes and positions. There is clear recognition that the media are able to exert great influence on companies to improve CSR behaviours (Baron, 2005; Siegel and Vitaliano, 2007). This is particularly because the media are the main source of information for stakeholders (McWilliams and Siegel, 2001). Similarly, the significance of mining unions is not unknown and less ignored by stakeholders and companies.

Both the media and unions should shift or re-orient their views towards a broader social perspective and consider integrating different players in the stakeholder network to create common ground and trust in order to interact as responsible groups. In this way, it is possible to influence and enhance corporate responsibilities, addressing and meeting demands from different players. Furthermore, through interactions with other

stakeholders, acknowledging their necessities and paying special emphasis in social matters, it is possible to reinforce their positions. For instance, while the media's power to influence stakeholders' opinions and perceptions is recognised, a perceived lack of legitimacy cannot be overlooked. Hence, by participating in and recognising other stakeholders' social concerns, conflicts and grievances, the media could improve its reputation and social recognition in order to gain legitimacy, which is the main attribute absent in the media, according to stakeholders.

On the other hand, despite union capacity to impact companies, other stakeholders perceive unions to be selfish and lacking interest in social matters affecting other stakeholders. This drives the perception of unions as stakeholders only being involved in issues regarding workers such as health and working conditions while disregarding a range of social issues. Accordingly, current union actions are missing the opportunity of participating in improving CSR in the industry, participating in collective actions and reaching agreements as ways to improve and drive corporate responsible behaviour. This situation points strongly to the role unions are playing as a stakeholder group and the need for a critical assessment of their participation in society.

Further, stakeholder groups such as NGOs and communities have recognised that unions do not acknowledge their stakes as participants in the mining industry. Similarly, the media have not paid enough attention to social issues in this regard. At the same time, these groups have confirmed the necessity of collaborative relationships with stakeholders capable of major influence for changes and transformations within the industry, unions and media being called on to step up to these matters.

Powerful stakeholders should support and encourage stakeholder's involvement

In practical terms, the recommendations in this thesis are driven by findings about stakeholder salience. The research has identified that the attributes of power and legitimacy are the most influential aspects for salience, but powerful stakeholders are key in terms of interactions. Mining stakeholders in Chile consider that stakeholders possessing the attribute of power are far more influential on CSR, surpassing legitimate stakeholders or the urgencies they may have or claim. Therefore, these groups are able

to trigger interactions amongst each other in the search for improvements and influences in CSR.

As found throughout this research, some stakeholder groups lack proper levels of involvement in order to participate in the CSR debate. Indeed, despite stakeholders agreeing on neglected areas affected by mining, further action should be taken and encouraged by those stakeholders that hold a more salient position. In this sense, the government and unions, through sanctioning and bargaining power respectively, are in a position not only to exert pressure on companies to undertake and perform CSR activities, but also to encourage other stakeholders, especially those who remain passive spectators (due to their lack of interest or a lack of salience) to influence the debate in terms of CSR.

This involvement requires the ability to establish interactions based on trust and collaboration not only on shared issues perceived as common to every stakeholder, but also addressing specific matters related to the less influential groups. Thus, integrating non-salient stakeholders' perspectives, for example, NGOs and communities with low level of power, it is possible to discuss and address the sensitive concerns around social factors (health, family, education, etc.) and environmental criteria (water and energy consumption, flora and fauna, etc.). In order to achieve this, it becomes pivotal to sensitise and improve stakeholders' perceptions in relation to these points. This will enable powerful stakeholders to respond to indications and concerns of non-salient participants, with potential to build collaborative interactions.

In the context of this research, unions and government are identified as two of the most powerful players in the mining industry, which places them in a good position to debate, propose and engage with other stakeholders. Since unions are such a strong player (reflected in their powerful position in terms of economic resources and ability to negotiate), and similarly the government as regulator and sanctioning player, these groups can lead initiatives to achieve more responsible behaviour within companies. This is true, not only by exerting control (e.g. following-up and reporting standards, particularly those related to the natural environment such as ISO14000 and GRI indicators) but also by engaging with other stakeholders in the industry.

Governments, but particularly unions, may participate in many instances engaging other stakeholders with low or null access to relevant players (e.g. managers and executives in charge of CSR issues within the industry). This is in order to develop meaningful and lasting relationships, as is exemplified by Tufts (1998) and Johns and Vumal (2000), in partnerships and alliances between unions and social groups to deal with social concerns. In this way, unions can expand their participation into a social arena and build powerful ties with other stakeholders looking to influence and improve companies' behaviours.

Therefore, powerful stakeholders encouraging social interactions amongst stakeholders can drive social change in the search for corporate responsibility by including and empowering less salient stakeholders to actively participate in activities concerning CSR as well as influencing critical decisions in this regard.

A careful approach to the mechanisms considered to influence CSR

Another interesting insight that emerged in this research relates to the ways stakeholders select the means to participate in CSR. These mechanisms constitute a significant component in stakeholder interactions and CSR as potential avenues for improvement and success in terms of stakeholder management and CSR. In this respect, the next recommendation refers to the mechanisms and the opportunities they represent, particularly for communities. Similarly, the contingency that embracing multiple mechanisms may represent for stakeholders such as NGOs in further discussion about CSR.

Despite the varied mechanisms identified by stakeholders to make an impact on CSR, communities consider that their participation as a demanding stakeholder is the only way to pursue CSR. According to this narrow view, communities have missed chances and ways to be part of the debate. To worsen the scenario, communities maintain a passive approach regarding companies and CSR. The findings, however, suggest that communities may broaden and adhere to other forms of participation. For example, they could quite satisfactorily be part of the engagement process in conjunction with other stakeholders such as NGOs and government. In this way, communities will have the opportunity to take part in CSR and interact with other stakeholders. This in turn may

give them the chance to be actively visible in the stakeholder network and in further actions concerning CSR activities. Even more, they could also participate and collaborate in communicating CSR jointly with other stakeholders such as the media, particularly through the use of technology available in social media, to improve their interactions with other groups and companies (Du et al, 2010).

On the other hand, in an opposite situation, it was found that some stakeholders deploy several mechanisms, which eventually may compromise their reputation as a player with no defined role or pursuing ambiguous activities in the CSR field. In particular, NGOs appear as a stakeholder intervening by various means, from communication and counselling to control and engagement. Consequently, embracing multiple ways to participate in CSR raises concerns around the transparency and being involved in forms of behaviour that could be interpreted as playing ‘both sides of the fence’. This does not mean that multiple mechanisms represent a bad approach. It just has to be taken carefully, avoiding potential tensions that may surge due to activities that may be seen as working on behalf of companies rather than impartial activities in the search for accountable practices.

Finally, this research recommends that the mechanisms identified by stakeholder groups should be taken into account and debated by managers and across stakeholders. This is because these mechanisms represent, within the context of mining, chances for interactions, first amongst stakeholders and, secondly, between companies and stakeholders. Accordingly, this may align the debate and collaboration in searching for improvements in companies’ behaviour considering the way these groups influence and participate in CSR.

5.4 Limitations and recommendations for further research

This research presents certain limitations that are worth noting in order to provide possible avenues and suggestions for further research. The first limitation relates to the geographical focus of this study. The context in this research has been the mining industry in Chile. However, despite the regions and stakeholder groups covered in this research, there are other mining regions that can also add insights to the findings in this research. Consequently, further research may replicate the present study incorporating

more regions to complement and test the findings suggested in this thesis. Furthermore, at a country level, the findings in this research are confined to the Chilean context, which is the reason why it is recommended to expand this study to address the mining industry in other mining countries in the region (e.g. Argentina, Bolivia, Peru) as well as in other continents such as Africa or Oceania.

Comparisons between countries with different levels of development are also another opportunity for further investigation. Particularly because the principal mining companies come from developed economies (North America or Australia) and most of these mining companies operate in the developing countries of Latin America, Asia and Africa, this sector represents a greater degree of complexity in respect of CSR. A developed country philosophy will not necessarily match a developing country's reality. Different levels of development in terms of economic, institutional and legal frameworks will create different CSR drivers. In this sense, Jamali and Mirshak (2007) argued that existing evidence suggests that differences in cultural backgrounds affects the dynamic through which companies apply CSR and through which they obtain varied responses. This idea is also supported by Matten and Moon (2008) who consider that different economic systems depend on institutions, ethics and social relations. Therefore, differences are expected in the manner in which companies and particularly stakeholders perceive CSR.

A second limitation relates to the participants in terms of the number of interviewees and range of stakeholder groups included, as well as potential bias in their perceptions. Although the range of stakeholders in this study is broad, it is beyond the scope of this thesis to consider additional stakeholder groups such as shareholders or customers. This is mainly because most mining company shareholders and customers are either resident or based overseas, or both. Thus, to access these groups is significantly complex due to restraints on time and resources. In terms of stakeholder biases, this is a risk that is always present in any investigation that includes interviews and individual perceptions of issues. Participants may exaggerate their opinions or try to accommodate their answers to expected social standards. Using documents and interviewing multiple sources has helped to minimise this bias. For future research, it will be necessary to

analyse how shareholders and managers perceive other stakeholder groups in terms of their salience and contribution to the CSR agenda.

Further, as suggested by Pfarrer et al. (2008), the degree of salience may vary depending on the type of problems with which a company must deal, for example, stakeholders' claims regarding environmental crises. Therefore, it is also recommended that an analysis be done on stakeholder salience in the context of specific episodes or crises of an environmental nature. Moreover, findings in this thesis suggest that urgency is not considered a relevant attribute influencing CSR and interactions amongst stakeholders. This is a reason why further ramifications could assess the role of urgency in a case-based study during a particular mining crisis. This is especially so for the purpose of this thesis, because no temporal dimension or particular matters were in issue at the time the interviews were conducted. In this situation, the method of longitudinal research may also be taken into account to consider a temporal factor and thereby reduce potential bias. Similarly, it is recommended to assess the issues covered across this thesis from a managerial perspective. Accordingly, through interviews with managers in charge of CSR or sustainability departments in mining companies, it should be possible to yield relevant insights about the questions and conclusions posed in this research to further compare both managerial and stakeholder perspectives.

Another limitation relates to participants in the stakeholder group being labelled as communities. In this group, while some participants may identify themselves as having an indigenous background, sometimes they are part of a bigger community or a network of communities with a mix of backgrounds that coexist and face mining impacts in the same territory. Thus, it was found that the configuration of communities sometimes produced complex results. In this sense, it is possible to identify communities with no indigenous backgrounds, different indigenous backgrounds (ethnicity), and thus a mix of indigenous and non-indigenous living in the same area, and so on. Accordingly, for the scope of this research, interviews with indigenous and non-indigenous were initially identified and codified in separated tables. However, it is worth noting that, after analysis, there were no differences in their perceptions and findings so the discussion of these results and exemplary quotations were not displayed separately, being treated as part of one whole community. Further studies may analyse in-depth indigenous issues

considering a temporal dimension in the analysis of CSR by dimension. For instance, environmental matters in terms of water scarcity and land rights, might take into account a particular ethnic group under the umbrella of indigenous legislation (Covention 169). Thus, issues identified in this research may be expanded to consider specific ways of interacting to tackle environmental concerns (e.g. seminars, round tables, partnerships, etc.) between a particular indigenous group and powerful stakeholders (e.g. unions or government), or in joint efforts, if possible, with less salient stakeholders (e.g. NGOs or the media).

Finally, another recommendation for further research regards Mitchell's et al. (1997) model and the differences in the level of the attributes considered. In this way, stakeholders with one attribute (any of them) represent latent stakeholders (dormant, discretionary or demanding). However, Mitchell's model does not consider different levels of one attribute present across stakeholders. For example, what happens with stakeholder salience when two different stakeholders have the same attribute but on different levels (e.g. high, moderate, low)? In practice, that might be two dormant stakeholders but, for instance, with different levels of power. Similarly, it is possible to consider the case of definitive stakeholders with high levels of power as well as definitive stakeholders with minimal or low levels of power (e.g. communities identified as possessors of power but, at such a low level, as to be almost incipient). The same scenario is possible with the other attributes in terms of differences in the levels of legitimacy and urgency. Therefore, stakeholders with differences concerning the same attributes might receive different treatments. Thus, further studies should address this consideration in order to investigate how salience is affected or changed when different levels of the attributes are taken into account.

5.5 Concluding remarks

The enquiries that are the subject of this study have prompted a review and discussion of the literature on CSR and stakeholder theory. The discussion was set out in three research papers. In summary, the research questions have been investigated and analysed from a multi-stakeholder perspective. Filtering these questions through the lens of the current literature it has been possible to:

- explore what stakeholders perceive in terms of CSR through a multi-stakeholder perspective, examining mining impacts and the different, and in some cases, conflictive perceptions of CSR within this industry;
- identify the diverse mechanisms that stakeholders use to participate and contribute to CSR, taking into account their level of involvement; and
- identify which stakeholders are perceived as the salient stakeholders, moving away from the traditional managerial perspective, shifting the view to a multi-stakeholder perspective, and setting out the attributes that influence interactions amongst stakeholders.

In summary, throughout the research presented in this thesis, I have desired to contribute to research in CSR and stakeholder theory, topics that personally have attracted my attention and helped to develop my passion for research. Finally, a key message in the words of Waddock et al. (2002, p.132):

‘Businesses today are experiencing profound pressures to reform and improve stakeholder-related practices and their impacts on stakeholders and the natural environment – in short, to manage responsibly as well as profitably.’

However, I think that it is necessary to add to this thought that, to manage responsibly, it is also necessary to see business through the stakeholders’ eyes in order to comprehend the reality of their actions and emotions, which will almost certainly have an impact on business and society.

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APPENDICES

Interview guide

Research ethics approval

Information and consent letter

Appendix 1: Interview Guide

<p style="text-align: center;">STAKEHOLDER INTERVIEW GUIDE</p> <p>Participant (code): Group: Date:</p>
<p>Theme 1. CSR and mining impacts</p>
<p>Core questions</p> <ul style="list-style-type: none">▪ What does CSR mean to you?▪ What do you believe CSR means in the mining industry?▪ What kinds of impact result from mining industry?▪ What are the relevant aspects of this industry?▪ What do you think are the relevant aspects of CSR in the mining industry?▪ How do mining companies act in a manner that is socially responsible?
<p>Notes</p>

STAKEHOLDER INTERVIEW GUIDE

Participant (code):

Group:

Date:

Theme 2. Stakeholder participation and mechanisms

Core questions

- What do you think is your role as stakeholder?
- As stakeholder, how can you contribute or influence CSR?
- How can you help companies and other stakeholders to be socially responsible?
- Do you think you have an active role as stakeholder?
- Have you been involved in any CSR activity?
- How does participation take place?

Notes

STAKEHOLDER INTERVIEW GUIDE

Participant (code):

Group:

Date:

Theme 3. Stakeholder salience and interactions

Core questions

- Considering **POWER** as '*A relationship among social actors in which one social actor A can get another social actor B, to do something that B would not have otherwise done*'
- Considering **LEGITIMACY** as '*A generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs or definitions*'
- Considering **URGENCY** as '*The degree to which stakeholder claims call for immediate attention*'
- Can you identify other stakeholders with this attribute (P, L, U)? Whom?
- As stakeholder, do you think you have P, L, U?
- Do you think P, L, U affect CSR? If so, how?
- Do you think P, L, U affect the interaction with other stakeholders? If so, how?
- Do you think some attribute is more relevant than others? If so, which one?

Notes

Appendix 2: Research Ethics Approval

MACQUARIE
UNIVERSITY



Faculty of Business & Economics
Human Research Ethics Sub Committee
Building E4A, Room 707
MACQUARIE UNIVERSITY NSW 2109

Phone +61 (0)2 9850 4826
Fax +61 (0)2 9850 6140
Email yanru.ouyang@mq.edu.au

20 July 2011

Prof. Paul Gollan
Faculty of Business and Economics
Macquarie University, NSW 2109

Reference: 5201100550(D)

Dear Prof. Paul Gollan

FINAL APPROVAL

Title of project: *Stakeholder interactions and corporate social responsibility in the Mining Industry.*

Thank you for your recent correspondence. Your response has addressed the issues raised by the Faculty of Business & Economics Human Research Ethics Sub Committee, and you may now commence your research. The following personnel are authorised to conduct this research:

Paul Gollan - Chief Investigator/Supervisor
Hector Viveros - Co-Investigator

Please note the following standard requirements of approval:

1. The approval of this project is **conditional** upon your continuing compliance with the *National Statement on Ethical Conduct in Human Research (2007)*.
2. Approval will be for a period of five (5 years) subject to the provision of annual reports. **Your first progress report is due on 20 July 2012.**

If you complete the work earlier than you had planned you must submit a Final Report as soon as the work is completed. If the project has been discontinued or not commenced for any reason, you are also required to submit a Final Report on the project.

Progress Reports and Final Reports are available at the following website:
http://www.research.mq.edu.au/researchers/ethics/human_ethics/forms

3. If the project has run for more than five (5) years you cannot renew approval for the project. You will need to complete and submit a Final Report and submit a new application for the project. (The five year limit on renewal of approvals allows the Committee to fully re-review research in an environment where legislation, guidelines and requirements are continually changing, for example, new child protection and privacy laws).
4. Please notify the Committee of any amendment to the project.
5. Please notify the Committee immediately in the event of any adverse effects on participants or of any unforeseen events that might affect continued ethical acceptability of the project.
6. At all times you are responsible for the ethical conduct of your research in accordance with the guidelines established by the University. This information is available at: <http://www.research.mq.edu.au/policy>

Faculty of Business & Economics Human Research Ethics Sub Committee
MACQUARIE UNIVERSITY

http://www.research.mq.edu.au/researchers/ethics/human_ethics

www.mq.edu.au

- 2 -

If you will be applying for or have applied for internal or external funding for the above project it is your responsibility to provide Macquarie University's Research Grants Officer with a copy of this letter as soon as possible. The Research Grants Officer will not inform external funding agencies that you have final approval for your project and funds will not be released until the Research Grants Officer has received a copy of this final approval letter.

Yours sincerely

Alan Kilgore
Chair, Faculty of Business and Economics Ethics Sub-Committee

Faculty of Business & Economics Human Research Ethics Sub Committee
MACQUARIE UNIVERSITY

http://www.research.mq.edu.au/researchers/ethics/human_ethics

Appendix 3: Information and Consent Letter

FACULTY OF BUSINESS AND ECONOMICS
DEPARTMENT OF MARKETING AND MANAGEMENT
<http://www.mm.mq.edu.au>



Project: Stakeholder Interactions and Corporate Social Responsibility in the Mining Industry

INFORMATION STATEMENT AND CONSENT FORM

My name is Hector Viveros. I am a PhD candidate at Macquarie University in Australia. As an important part of gathering my research data for my PhD, I need to interview you. The interview will take about 45 minutes and I will be please to schedule it at a time and on a day that you nominate.

The research topic is Stakeholder Interactions and Corporate Social Responsibility (CSR) in the Mining Industry. The goal of my research is to better understand interactions among stakeholders and how these interactions can affect CSR. My interview with you will be focus on two key issues:

- The relationship among stakeholders in term of interactions and influences; and
- The relationship between stakeholders and CSR in the mining industry

During the interview, I will ask for your opinions and personal reflections on these topics. No additional participation from you is required. **Your participation is voluntary and there are no consequences if you decided to participate or not. You also may skip questions or withdraw at any time.** The interview will be recorded and as soon as practicable be de-identified with a corresponding code, and only the research team (my supervisor and I) will have access to your interview transcript. Any information from you will be kept confidential, in a secure digital archive. Original recordings will be erased five years after this study.

This research is being conducted to meet the requirements for the degree of Doctor of Philosophy (PhD) under the supervision of Professor Paul Gollan, phone number +61-2-9850 8565, email paul.gollan@mq.edu.au of the Department of Marketing and Management, Faculty of Business and Economics.

Many thanks for your assistance in advance.

ACKNOWLEDGEMENT AND CONSENT

I acknowledge that the aims and objectives of this research project have been explained to me. I understand the aim and objectives and I understand that my participation is voluntary and there are no consequences if I decide to participate or not. I also may omit to answer questions or withdraw from the interview at any time. I have had the opportunity to ask questions and obtain proper answers to them. I understand that any information I provide will be use for research purposes and will be kept confidential by the research team. I understand my personal details will not appear in the results or further publications. Finally, if I request it, I can obtain a summary of the research results via email.

I have been provided with a copy of this form signed by a Research Team member.

☐ I would like a summary of the research results once it's completed.

_____ Participant's name	_____ Participant' signature	_____ Date
_____ Research Team's name	_____ Research Team' signature	_____ Date

The ethical aspects of this research have been approved by the Macquarie University Ethics Review Committee (Human Research). If you have any complaints about any ethical aspect of your participation in this research you may contact the Committee through the Director, Research Ethics (telephone +61-2-9850 7854; email ethics@mq.edu.au). Any complaint you make will be treated in confidence and investigated, and you will be informed of the outcome.