PUBLIC RELATIONS MODELS AND CORPORATE SOCIAL RESPONSIBILITY IN THE MINING SECTOR IN RICHARDS BAY, SOUTH AFRICA

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DECLARATION

I, **Mlandvo Africa Dlamini**, declare that the contents of this thesis represent my own unaided work, and that the thesis has not previously been submitted for academic examination towards any qualification. Furthermore, it represents my own opinions and not necessarily those of the Cape Peninsula University of Technology.

Mlandvo Africa Dlamini   **March 2016**
Signed   **Date**

ABSTRACT

The history of public relations include facets of "publicity" and "press agentry," and has matured beyond these narrow, tactical functions, rising to accept positioning as strategic communications which can drive corporate social responsibility decision-making that resonate credibly with community stakeholder. The study explored public relations models of communication within stakeholder engagement to establish corporate social responsibility projects in the mining sector in Richards Bay, South Africa. The stakeholder engagement process depends greatly on principles outlined in the King Reports, which includes a stakeholder 'inclusive approach' and ethical guidelines for 'governing stakeholder relationships' and emphasises 'sustainable development'. Furthermore, a socially responsibility business integrates the economic, legal, ethical and discretionary obligation of business to society and further recognizes its place in the broader community. Although qualitative research design was chosen for this study, the research used purposive sampling to select individuals and groups for data collection on the stakeholder communication experience. Six Individual in-depth interviews and one focus group interview were conducted with the organisation's Communities and Corporate Relations team and the community leaders. The research reports that the corporate social responsibility stakeholder engagement process has five stages (consultation, engagement, agreement, decision making and feedback) and there is an evaluation process on community development projects set by the organisation. Consequently, the organisation and the communities both benefit from the corporate social responsibility projects. Additionally, the analysis shows that the model used for stakeholder engagement within corporate social responsibility is the mixed-motive model of public relations. Hence, the relationship between the organisation and its host communities is established and maintained, as well as the social licence to operate and reputation is enhanced. Therefore the research concludes that a public relations' mixed-motive model of communication is best suited for stakeholder engagement in order to establish corporate social responsibility projects in the host communities that can enhance favourable organisation-community relationships. The model intends to achieve equilibrium between the organisation and the community stakeholder. However, further research is recommended into the development of a new African public relations model of communication that encompasses the concept of 'Ubuntu' where the community leader is the final decision maker in consultation with the traditional council.

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DEDICATION

I dedicate this thesis to

His Royal Highness Prince Maquba Mcabango Dlamini, my late father who taught me 'education is the way to go' and instilled a love of lifelong learning from my first day at school. More than being a father he was and still is my role model, my hero, my inspiration, my comforter, my guide, my counsellor and is often in my thoughts. As years passed by I have learned to live with the hole that exists in my heart. The stream of life rolls on, but still the hole in my heart recalls the love, the voice, the smile and the laughter in him. I will continue to embrace 'RESPECT' and 'EDUCATION' as cornerstones in my life, hence learn and grow every day. When my time comes Your Royal Highness to join you and my ancestors, I will come with joy knowing that I followed your teachings until my last day on earth. May your soul live eternal life! SIYINQABA!

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CHAPTER ONE: INTRODUCTION

1.1 Research background (contextual)

The mining sector is one of the most important sectors of the world economy and in many countries it defines the success of their national economy (Yakovleva, 2005). McDonald (2002) contends that economic indicators for South Africa show that the mining sector is the leading economic sector in the country, earning more than 50% from foreign exchange. Historically, the sector contributes approximately 5-10% of tax revenue in local community empowerment (Kearney, 2012). Furthermore, Ramphele (2012) claims the extraction of resources and mining activity in South Africa affects, directly or indirectly, an estimated 2-3 million households, although it only provides employment to one million people. This is worth over R70 billion/pa (US$9.2 billion) in wages and salaries.

Notwithstanding the economic benefits, mining causes irreversible physical environmental damage to topography and creates adverse environmental conditions including the contamination of water, noise and air pollution (Ali & O'Faircheallaigh, 2007; Jenkins & Obara, 2008), social and cultural disruption, and local economic instability (Prno & Slocombe, 2012). Sagebien *et al.* (2008) believe these adverse environmental conditions are harmful to individual health, and can lead to the disruption of communal lifestyles, traditional production methods, cultural norms and values as well as the displacement of communities. Although, Labonne (1999) maintains that the extractive mining industry is expected to contribute to the sustainable development of the community and the region in which it operates. Jenkins and Obara (2008) argue that short-term mining has had a negative impact on economic development as they extract resources and then leave the area after mining depletion (Vintro *et al.,* 2012).

However, Hamann (2003) states that the South African mining industry and the country's history of apartheid, presents challenges and opportunities for corporate social responsibility initiatives as prior to 1994 state supported social development programs were non-existent. Subsequent to 1994, it is mandated that companies support social development and thus, the Mining Charter for South Africa (2009) states that mining communities form an integral part of mining development. Mining companies should conduct assessment to determine the development needs in collaboration with local communities and identify projects within the needs analysis for their contribution to community development in line with Integrated Development Plans, the cost which should be proportionate to the size of investment. Nonetheless, Richards Bay is one of South Africa's key economic nodes. It is home to mega-mining industries which include two aluminium smelters and two heavy mineral refineries (Neil

et al., 2007). KwaZulu-Natal Top Business (2013) describes KwaZulu-Natal's mineral resources as comprising mainly of sand and aggregate, and with most mining operations being in those commodities. Although, Richards Bay is situated in one of South Africa's poorest provinces where poverty and unemployment is high (Lester *et al.,* 2000, 2014), social responsibility initiatives by the mining industries in the region have benefited the nearby areas, transforming them into a prosperous community.

1.2   Rationale (academic background)

Due to increasing mistrust caused by corporate failures towards business in society (Van den Berghe & Louche, 2005), the conduct of business is under growing scrutiny as the role of business in society is on the increase (Golob & Bartlett, 2007) and corporate governance trends shift from compliance to a business imperative (Madhani, 2014). As such mining organisations have to be consistent with international best practices and the recent developments in corporate governance of South Africa, particularly the King Report (2009) in term of rules of engagement and guidelines (Kapelus, 2002). The inclusive stakeholder approach to corporate governance suggests that stakeholders be engaged in the organisation's strategic decision-making process (Rensburg & De Beer, 2011). Furthermore, Frynas (2010:163) highlights the increasing need for governance of corporate activities and suggest that *"corporate social responsibility movement must address governance challenges in order to remain relevant for addressing the crucial issues relevant to stakeholders".* Corporate social responsibility as a business practice needs to address the economic, legal, ethical, and discretionary responsibilities (Carroll, 1979, 1999; Garriga & Melé, 2004; Maignan & Ferrell, 2004). In this sense, governance provides the bases for which organisations define the way power is exercised (Jamali *et al.*, 2008). Although, Jenkins (2004) maintains that majority of power lies with organisations, Stoney and Winstanley (2001) argue that stakeholders need support from a transformed society to influence the organisations' power balance. This means that when negotiating issues of mutual interest and a desire for public good, the organisation and its stakeholders must share equal status (Collins *et al.,* 2005). Additionally, as the corporate social responsibility industry grows bigger there is a need to clarify the roles and powers of communities in direct relationship with mining organisation in South Africa. Hence, this requires more complicated communication strategies. Recent research on corporate social responsibility discourse displays that there have been developments that aim to improve, evaluate and communicate socially responsible practice (Golob & Bartlett, 2007). Therefore, stakeholder engagement as an ethical scheme of collaboration that allows for greater interaction between organisations and its publics (Taylor & Kent, 2014) can be seen as the foundation for the inclusive stakeholder approach to corporate governance that can enhance fairness within the public relations field (Greenwood,

2007). Yet, Masuku and Moyo (2013) suggest that there is a vast need, to trace public relations activities in corporate social responsibility, from the initial planning stage, to determine whether these activities tally well with the corporate goals and objectives, in serving the public, in a bid to create mutual understanding with the organisation. Nevertheless, it can be noted that past studies within the international field of public relations have used five models based on Grunig and Hunt (1984) and Dozier *et al.* (1995) to assess public relations practices in countries such as America, India, Greece and Taiwan. But, South Africa was left out because of its isolation under the apartheid regime (Holtzhausen *et al.,* 2003). Thus far, there is no research that test the models of public relations within the inclusive stakeholder approach when corporate social responsibility initiatives are established.

1.3 Problem statement

Public relations and corporate social responsibility deal with communication and action. In South Africa organisation are obliged to engage with the society within which they operate to implement corporate social responsibility initiatives deemed beneficial to both the organisation and local community stakeholders. Yet, Dr Mamphela Ramphele (in the Mining Design Indaba held in 2012 in Cape Town) confirms that the mining industry in South Africa needs better communication and public relations and a more concerted effort in stakeholder engagement, particularly with communities so they can understand the needs, challenges and opportunities for socio-economic investment (Ramphele, 2012). Furthermore, the approaches, methods and responsibilities in stakeholder communication are not well understood (Crane & Livesey, 2003). Consequently, mistrust of business to society is generated and organisations risk losing reputation as well as a social licence to operate. Thus, understanding the communication process for stakeholder engagement within corporate social responsibility projects is important to develop favourable organisation-community relationships and sound (sustainable) corporate social responsibility projects.

1.4 Research problem

Despite the maturity of public relations over the years and the obligation of organisations to share profits with communities where they operate as well as include them in the decision making process, the mining industry in South Africa needs to understand the public relations model of communication that is used for stakeholder engagement in order to establish or implement sustainable corporate social responsibility projects within the host communities.

1.5   Aim and objectives of the research

The purpose of the study is to explore public relations communication models within corporate social responsibility stakeholders in the mining sector in Richards Bay, South Africa. The overall aim of the research is to understand the communication process between a mining organisation and its host communities.

1.5.1   Research objectives

The main objective of the study is to identify the public relations model of communication used for stakeholders' engagement within corporate social responsibility projects in Richards Bay as well as:

- To determine how the organisation engages with host communities when establishing corporate social responsibility projects.

- To identify the principles embedded in stakeholder engagement on social responsibility projects.

- To establish the corporate social responsibility stakeholders' perception regarding the benefits of corporate social responsibility projects.

- To ascertain the stakeholders' perception on the communication process used to establish corporate social responsibility projects.

1.6   Research question

Based on the research problem, this research seeks to answer the research question: *"What type of public relations model of communication underpins stakeholder engagement within corporate social responsibility projects in the mining industry in Richards Bay"?*

1.6.1   Research sub-questions

To answer the main research question the following research sub-questions need to be investigated:

- How does the organisation engage with the community stakeholder on corporate social responsibility projects?

- What are the principles governing stakeholder engagement on corporate social responsibility projects?

- How do the corporate social responsibility projects meet stakeholders' needs?

- What is the stakeholders' perception of the communication process?

1.7   Research design and methodology

In order to find answers to the previously identified problem, an exploratory research design is adopted. According to Cresswell (2014), exploratory studies are preliminary investigations into relatively unknown areas of research. Therefore an exploratory design is selected as little is known (Babbie & Mouton, 2001) about the communication experiences and relationships between corporate social responsibility stakeholders. Furthermore, a qualitative research approach will be suitable for the study. A qualitative research approach is subjective and oriented towards exploring and understanding the way the social world is constructed (McLeod, 2011), through the study of a small number of cases (Cresswell 2014). A qualitative approach is found suitable because of its subjective ontological stance and its position to accepts multiple realities through the study of a small number of cases hence the researcher develop an understanding of the communication process, without actually directly observing or participating in the phenomenon. Participants will be purposively selected and semi-structured individual in-depth and focus group interviews will be used to gather raw data. Finally, thematic analysis will be employed because the research's intention is specifically about drawing meaning from the 'content' of the raw data and it is a flexible and useful research tool, that provides a rich and detailed, yet complex, account of the data (Braun & Clarke, 2006). The research design and methodology for the study is discussed in details in chapter three.

1.8 Significance of the research

The research will help the mining organisation understand its public relations approaches and method of communication on stakeholder engagement within corporate social responsibility particularly with its host communities to create mutual relationships while meeting organisational goals and objectives to make profit. Furthermore, this research will allow the organisation and the host communities to measure the strength of their relationship, to build understanding and trust between the parties as well as encourage co-operation in developing corporate social responsibility projects that are needed and valued by the community. Additionally, the study will provide reference material for public relations managers, students and individuals interested in applying the models of public relations communication on stakeholder engagement within social responsibility projects. Finally, the success of this exploratory study will provide a base for further research.

1.9 Definition of terms and concepts

The following words may have different meanings in various disciplines. For the purposes of clarity the following concepts need to be defined.

- **Public relations**

Public relations is a management function (Harlow, 1976; Cutlip, *et al.*, 2006) and a strategic communication process in practice that aims to understand people's perception to manage relationships between the organisation and its key publics (Lubbe & Puth, 2000; Cutlip *et al.,* 2006; Grunig, 2006; PRSA, 2009-2014) and further build and maintain reputation (Fombrun, 1996; Hutton *et al.,* 2001; Cornelissen, 2011).

- **Corporate governance**

Corporate governance is a legal requirement that suggests that stakeholders be engaged in the organisation's strategic decision-making process (Rensburg & De Beer, 2011:152) to establish sustainable corporate social responsibility projects that meet corporate goals and satisfy shareholder expectations (Jenkins & Yakovleva, 2006:272) as well as the society in which business operates.

- **Stakeholder engagement**

Stakeholder engagement is a type of communication process (dialogue) that involves organisations' stakeholders in the decision making process (Taylor & Kent, 2014) and seek to balance the triple bottom line (Steyn & De Beer, 2012).

- **Community stakeholder**

Community stakeholder entails involuntary risk bearers (Clarkson, 1994; Post *et al.,* 2002) of individuals or groups of immediate and surrounding regions of organised citizens that represent shared interests of the society and thus regarded as the 'legitimate' stakeholders that possess 'power' to affect business operation (Freeman, 1984) as well as have a sense of 'urgency'.

- **Corporate social responsibility**

Corporate social responsibility is the voluntary discretionary business practice, beyond its legal and economic obligation to do right things for the long-term sustainability of the business and act in ways that balance the diverse demands of communities and favours the development of

the region where the organisation operates (Newbold, 2003), as well as the imperative to protect the environment, while simultaneously making profit (Jenkins, 2004).

- **Corporate social responsibility communication**

Corporate social responsibility communication is the constructive engagement between an organisation and its stakeholders that require listening, dialogical and partnership with (Gonzalenz-Perez & Leonard, 2013) and is linked to mutual understanding (Foster & Jonker, 2005) as well as mutually engaged and responsive relationships that lay a foundation for transparency and accountability (Rensburg & Cant, 2009).

1.10   Organisation of the study

The following structure consisting of five chapters is adopted for the study.

Table 1-1: Chapter outline

Chapters	Chapter outline
Chapter One: Introduction and background to the study	This chapter basically includes an introduction of the thesis topic, a brief explanation of the contextual background, problem statement, research problem, the aims and objectives of the research, research questions, and a brief introduction to the research's methodology, definition of terms making up the research and the significance of the research.
Chapter Two: Literature review	This chapter reviews the theoretical concepts which underpin public relations as a discipline with particular reference to relationship management and reputation management; corporate governance stakeholder management and engagement; and corporate social responsibility including corporate social investment.
Chapter Three: Research design and methodology	This chapter documents the research design, methodology and data collection methods used in the field to gather and analyse data from the research participants and discusses the factors which influenced the researchers' choices as well as the challenges involved in the research process. The data analysis is also discussed.
Chapter Four: Research: findings and discussion	This chapter presents the findings according to the themes which emerged from the research namely: stakeholder engagement, principles governing corporate social responsibility, corporate social responsibility and perceptions. Thereafter the findings are discussed according to the research questions and compared with previous literature.
Chapter Five: Conclusions and recommendations	This chapter summarises the key findings to the research questions and discuss the theoretical and policy implications of the study. It furthermore reflects on the limitations of the study and makes recommendations for future research as the research questions are answered and the research purpose is fulfilled.

1.11   Summary

The chapter provided the background to and rationale for the study, undertaken to indicate the lack of research on the approaches, methods and responsibilities in stakeholder communication and argued that stakeholders be engaged in the organisation's strategic decision-making process. Further, the research problem, objectives and the structure of the thesis were outlined.

The next chapter (Two) reviews existing literature on public relations as a discipline with particular reference to relationship management and reputation management; corporate governance, stakeholder management and engagement; and corporate social responsibility including corporate social investment.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The previous chapter (one) discussed above presented the introduction of this research as in title of the dissertation, the aims and objectives, research questions, research's methodology, definition of terms, and the significance of the research. This chapter of literature review discusses the relevant concepts that relate to the research study and will be designed according to the objectives of the research. Key concepts to be discussed are public relations as an overarching discipline with particular reference to relationship management and reputation management. Furthermore, as organisations existence and activities exist in three areas, namely governance, processes and outcomes. The literature review will thus have a bearing on corporate governance, stakeholder management and engagement with organisational outcomes founded on the implementation of corporate social responsibility sometimes called corporate social investment, reflects excellent public relations.

2.2 Public relations

The rise of modern public relations began in the early part of the nineteenth century (Cardwell & Rubin, 2012; Grunig & Hunt, 1984) between the American railroad's determination to settle the West and the Circus; press agentry, promotion and advertising, particularly display advertising, became commonplace. The latter being the innovation of Phineas Taylor Barnum of Barnum and Bailey Circus (Cutlip & Baker, 2012). Barnum, a profitable businessman, saw publicity and marketing as a means to earn money through publicity, and dispute claims that there is bad publicity (Grunig & Hunt, 1984; Cutlip & Baker, 2012).

According to Cardwell & Rubin (2012), Ivy Ledbetter Lee, called the father of public relations, preferred listening before communicating, but often engaged in propaganda or one-way communication for unpopular clients to keep the public informed; what Lee articulated was a public relations responsibility, which extended beyond their obligations to the client. Another early character was Edward Louis Bernays, who believed that if propaganda did well for war it could do the same for peace and, he argued in his book '*Propaganda*', that the manipulation of public opinion is an important element of democracy (Bernays, 1928). In addition Cardwell and Rubin (2012) maintain that Lee and Bernays were pioneers of the public relations and the principles they applied to achieve public understanding remain valid today.

2.2.1 Defining 'publics' and 'relations'

The term 'public relations' contains an in-built contrast and while some practitioners and scholars present the discipline as having a management of publics/stakeholder focus (Grunig & Hunt, 1984), a relationship focus (Ferguson, 1984; Ledingham & Bruning, 1998), and/or a reputation focus (Hutton, 1999), while others attempt to merge the concepts and define the discipline according to roles, functions and effects as well as according to ethical and responsible practice (Van Ruler, 2004; Grunig & Hunt, 1984; Grunig, 1992). Firstly, the term 'public relations' requires clarification of the words making up the concept because 'publics' are most frequently referred to as stakeholders, groups, people, and individuals as shown in Table 2-1.

Table 2-1: Explaining 'publics' in public relations

Authors	Definitions of publics
Rawlins (2006); Grunig and Repper (1992:128); Grunig (2011)	Publics are synonymous with 'stakeholder' but with differences. Organisations choose stakeholders through strategies while publics choose organisations spontaneously.
Coombs and Holladay (2012:326); Dewey (1927)	Publics are any group involved with the organisation with whom a positive relationship must be maintained to survive a crisis situation. It attaches importance to all parties with an interest or stake in the company.
Cutlip *et al.* (2006)	People who are mutually involved or interdependent to an organisation.
Freeman (1984:48)	Individuals or groups are stakeholders when they are "affected by the decisions of an organisation or if their decisions affect an organisation".
Grunig and Hunt (1984); Grunig and Repper (1992)	Divides publics into four types based on a common problem and consequence.

Thus, publics are the result of a social process, initiated through a common problem, which joins people together and transforms them into a connected social entity (Kim *et al.,* 2010; Grunig & Hunt, 1984). Accordingly, publics are any groups involved with the organisation that are receptive to messages from the organisation, normally aimed at solving a common problem and therefore in public relations terminology could be defined as an audience. Secondly, Jo (2006) states that the second word in public relations, '*relations',* affirms that there is a relationship between the publics and the organisation, which should be the focus of public relations (Ferguson, 1984). According to Steinberg (2007:19), relationship is "*any connection, involvement, or association*". In addition, Surra and Ridley (1991) argue that the definition of relationships includes both objective and subjective realities, which provide a context so each partner "*knows how to behave towards the other and understand and predict and interpret the other's behaviour*". However, Ledingham (2003) believes that relationships are the key to

managing publics. Therefore, According to Shah and Chen (2010:11), publics are not only central to public relations, but good public relations is:

> …*all social efforts for instance economic, legal; ethical which lead organisation and publics toward mutual interest and shared understanding of established social reality.*

2.2.2 Defining public relations within the organisation

Renowned American public relations expert Harlow (1976) uses 88 words in his 'umbrella' definition of public relations, which adds little clarity towards understanding public relations. Harlow (1976:34) states that:

> …*public relations is a distinctive management function which helps to establish and maintain mutual lines of communication, acceptance and cooperation between an organization and its publics; involves the management of problems or issues; helps management to keep informed on and responsive to public opinion; defines and emphasizes the responsibility of management to serve the public interest; helps management keep abreast of and effectively utilize change, serving as an early warning system to anticipate trends; and uses research and sound and ethical communication techniques as its principal tools.*

Scholars and practitioners of public relations acknowledge that the field is purpose driven. On the one hand, Cutlip *et al*. (2006) refer to public relations as a management function that helps organisations establish and maintain mutually beneficial relationships with its publics on whom it depends for survival (Lubbe & Puth, 2000; Broom & Sha, 2013). Similarly but with a different view, the Institute for Public Relations and Communication Management of Southern Africa believes that public relations manages organisation's public strategic relationships and perceptions through communication (Hutton, 1999). In this sense, organisations use communication to build and manage relationships that are important for the survival of the organisation. On the other hand, Cornelissen (2011) emphasises that public relations is a management function that coordinates all means of communications to establish and maintain favourable reputations with key stakeholders. However, according to L'Etang (2004), this definition of public relations moves the discipline from the relationship perspective of "*mutually beneficial relationships*" (Cutlip *et al.*, 2006) to the more concrete "*reputation*", replicating a desire for control (Campbell *et al.,* 2006). Furthermore, McKie and Munshi (2007) argued against the understandings of public relations as a management function, stating that this approach positions the field only as a government or corporate function and ignores the full realm of public relations activities, overpowering links with persuasion and propaganda. Though, scholars conclude that that by joining the terms 'relationships' and 'reputation' with the management perspective, the terms then describe the contemporary practice of public

relations 'relationship management' or 'reputation management' (Cutlip *et al.,* 2006; Grunig & Hunt, 1984).

This practice of public relations as a management function according to Sietal (1995:4) suggests that, "public relations can be defined in terms of four specific functions namely; [a] Research, [b] Action, [c] Communication and [d] Evaluation". Similarly but in a broader perspective Heath and Coombs (2006:7) emphasise that public relations is *"the management function that entails planning, research, publicity, promotion, and collaborative decision making to help any organisation's ability to listen to, appreciate, and respond appropriately to those persons and groups whose mutually beneficial relationships the organisation needs to foster as it strives to achieve its mission and vision"*. In this regard, public relations defines the problem (Clark, 2000), identify action programs, and communicate those programs to gain understanding and acceptance, recommend and execute communication program to implement organisation's activities (Rensburg & Cant, 2009) as well as evaluating the effects of the communication efforts on the public (Sietal, 1995). Therefore, the key to the management function of public relations is to define and accentuates the communication management of the organisation's responsibility as an influential tool to understand people's perception of an organisation through building relationships with them. Consequently, the Canadian Public Relations Society (2014) expanded the definition of public relations to include strategic management that uses communication to achieve an understanding between the organisation and its key publics to further organisational goals as well as serve the publics.

2.2.2.1 Communication management

Grunig (1992) claims that the terms 'public relations' and 'communication management' can be used interchangeably. However, the term 'communication management' contains an in-built contrast that requires clarification of the words making up the concept. On one hand, according to van Staden *et al.* (2007), communication is a two-way process whereby information is sent from one person to another person who in turn reacts by giving feedback. Communication is an "*activity of conveying information through the exchange of thoughts, messages, or information, as by speech, visuals, spirals, writing, or behaviour"* (Okwuchukwu, 2014:4). On the other hand, Hutton (1999) states that the term 'management' indicates "*planning, control, feedback and performance measurement"*. Therefore, communication management refers to a process performed at functional level of an organisation that manages communication between an organisation and its stakeholders (Steyn & De Beer, 2012).

In their seminal work '*Managing Public Relations'*, Grunig and Hunt (1984:6) simplify the definitions of public relations into "*the management of communication between an organization*

and its public". In this regard, communication plays an important role within public relations (Okwuchukwu, 2014). Although communication is a vital tool for public relations, Blewett (1993) argues that public relations practitioners cannot manage the public, or even the outcome of communications between an organisation and its publics. Blewett (1993:15) says:

> *In fact, the appropriate relationship between an organization and its publics—as between a doctor and a patient—is that of co-responsibility, which means that a successful outcome is created through an honest, open and cooperative process… Each party manages his or her part of the relationship, and each party accepts the responsibility and accountability for its portion of the relationship.*

Furthermore, Dozier and Ehling (1992) counter argue that managing communication is not an end itself, but rather it's a step towards an end. In other words, public relations practitioners engage in various communication programs and activities to achieve effects such as behavioural change among target publics (Hong & Yang, 2011). However, Steyn and De Beer (2012) maintain that 'communication management' is an organisational based pattern that conceptualises communication management strategically (De Beer, 2010).

More recently, the Public Relations Society of America (PRSA, 2009-2014) crowd sourced a definition of public relations as a "strategic communication process that builds mutually beneficial relationships between organizations and their publics". The Public Relations Society of America argues that this definition, which is process-driven, is preferable to the previous "management function" definition which was organisationally-driven, and controlled, top-down and one-way communications. Argenti *et al.* (2005) define strategic communication as the organisation's overall strategy in which top management uses communication to advance the organisation's strategic positioning (Hallahan *et al.*, 2007), however, it requires deliberate decision making (Sandhu, 2009). Defining strategic communication in this way suggests that strategic communication is organisation-centric (Deetz, 2001). Strategic implies an organisation's carefully planned idea to manage and evaluate the plans in terms of economic contribution and rational goals. Although, there is little agreement on what public relations strategy is or should be. Scholars agree that strategy is an important component for effective public relations response to organisational issues (Grunig, 1992; Center & Jackson, 2003; Cutlip et al., 2006). Furthermore, Grunig (2006) contents that strategic communication is a 'bridging activity' between organisations and their stakeholders that should be standard procedure that is institutionalised. Consequently, "public relations communication can be understood as the strategic attempt to control the agenda of public discussion and terms in which discussions take place" (Weaver et al., 2006:16).

2.2.3 Contextualising public relations

The definition of public relations is contextualised as a management function (Harlow, 1976; Cutlip, *et al.*, 2006) and a strategic communication process in practice that aims to understand people's perception to manage relationships between the organisation and its key publics (Lubbe & Puth, 2000; Cutlip *et al.,* 2006; Grunig, 2006; PRSA, 2009-2014) and further build and maintain reputation (Fombrun, 1996; Hutton *et al.,* 2001; Cornelissen, 2011). The management function suggests that public relations is performed at functional level of an organisation, while the strategic communication process advocates an on-going deliberate communication interface between an organisation and its publics (Masuku & Moyo, 2013). In this regard public relations a detached function of an organisation that could contribute to an organisation's public responsibility by alerting the organisation on issues of responsibility (Grunig & Hunt, 1984:48) and further use communication strategically to advance the organisation's positioning in the society.

According to Becerikli (2008:15-16), "*the ideological structure of public relations is oriented towards maintaining the existing capitalists system".* By the way public relations activities include corporate social responsibility and are usually located within the external affairs, corporate affairs and community affairs departments. In other words, corporate social responsibility is seen as an aide of public relations, a function of an organisation's external relationships, a peripheral activity, and not something that needs to be embedded across the organisation horizontally and vertically (Masuku & Mayo, 2013). In this regard, corporate social responsibility is a device for public relations practice (Doane & Abasta-Vilaplana, 2005) or "an invention of public relations" (Frankental, 2001: Masuku & Moyo, 2013) that aims to keep good relationship between an organisation and its publics.

2.2.4 Relationship management

Public relations as contextualised in this research undelines on one side a relational perspective of the field in line with relationship scholars that believe that public relations is about establishing and maintaining mutually beneficial relationships with various internal and external key publics (Lubbe & Puth, 2000; Cutlip *et al.,* 2006; PRSA, 2011, 2012). The relationship management perspective is a growing area of interest for many public relations scholars. Center and Jackson (2003:2) emphasize that an organisation with effective public relations will attain positive public relationships and claim relationships as "*the proper term for desired outcomes of public relations*". Furthermore, most public relations scholars are interested in the development of relationships between an organisation and its publics (Ferguson, 1984; Bruning & Ledingham, 1999, 2000; Grunig & Hung, 2002; Hall, 2006; Hung, 2005; Jo & Kim, 2003; Ledingham, 2001, 2003; Ledingham & Bruning, 1998, 2000; Cutlip *et*

al. (2006), but the impact of such relationships on a social level is ignored (Ihlen & Van Ruler, 2007).

As mentioned earlier, communication is an important tool for public relations; it can be used to build and manage relationships between man and those around him as the ability of humans to establish commonality is founded on the ability to communicate effectively (Okwuchukwu, 2014). In this regard, organisations that effectively communicate with its publics build better relationships because management and publics understand each other and cannot behave in ways that negatively affect the interest of the other.

2.2.3.1 Emergence of the relationship perspective

The emergence of relationships as the centre of public relations practice can be traced back to Mary-Ann Ferguson's (1984) conference paper that emphasises relationships as the connection between an organisation and its publics, and relationships should generate benefits for organizations and the public alike (Ledingham, 2006). Grunig *et al.* (1992) insist that the concept of relationships between organisations and their publics is vital to the theory of public relations and organisational effectiveness. In this regard, relationships are key to managing publics thus should be the focus of public relations (Ledingham, 2003).

Public relations scholars have advanced the practice of public relations to relationship management (Broom *et al.*, 1997, 2000; Ledingham & Bruning, 2000; Grunig & Huang, 2000). According to Ledingham and Bruning (1998), relationship management is a strategic management function that makes use of communication to establish, nurture and maintain mutually beneficial organisation-public relationships (Botan & Hazleton, 2006; Clark, 2000). The relationship management perspective shifts away the practice of public relations from an organisation centric position of using communication massages to manipulating public opinion towards combining symbolic communication massages and organisational behaviours to initiate, build, nurture and maintain mutually beneficial relationships (Clark, 2000). Heath (2001) argues that communication is a strategic tool in building organization-public relationships and to meet the objectives of the organisation (Ledingham & Bruning, 1998). This represents a shift for public relations practitioners from output-based activities (e.g., media releases, reports, etc.) to a strategic management function. Jones and Bartlett (2009) focused on maintaining balance and mutual benefits between the organisation and its publics (Ledingham, 2003; Bruning, 2001; Grunig, 1993). This suggests that the behaviour of the organisation and its publics have a consequence on each other (Hon & Grunig, 1999). In this regard, Grunig (1993) noted that the perception of an organisation-public relationship is

improved through communication. Furthermore, Ihlen (2008) indicates that the success of the organisation depends on its efforts to manage its relationship with key publics.

2.2.3.2 Organisation-public relationship

Among the first public relations scholars to develop the concept of relationships in public relations and a theory of organisation-public relationships were scholars Broom *et al.* (1997) who argued that relationships reflect a combination of the planned behaviours of the actors involved in the relationship. The definition of organisation-public relationships was based on extensive literature review of interpersonal communication, psychotherapy, inter-organisational relationships, and systems theories. Broom *et al.* (2000) concluded that systems theory provided a useful framework to understand relationships and define organisation-public relationships in terms of communication as the most significant factor within the relationship that is as follows:

> *Organization-public relationships are represented by the patterns of interaction, transaction, exchange, and linkage between an organization and its publics. These relationships have properties that are distinct from the identities, attributes, and perceptions of the individuals and social collectivities in the relationships. Though dynamic in nature, organization-public relationships can be described at a single point in time and tracked over time* (Broom *et al.*, 2000:18).

Conversely, Ledingham and Bruning (1998) considered the economic, social, political and cultural benefits that occur between an organisation and its key publics to define the term 'organisation-public relationships'. The duo referred to organisation-public relationships as *"the state that exists between an organization and its key publics in which the actions of either entity impact the economic, social, political and or cultural well-being of the other entity"* (Ledingham & Bruning, 1998:62). However, Huang (1998) focused on the relationship outcomes and state that organisation-public relationship is the degree of trust, influence, satisfaction and commitment established between an organisation and its publics. Nevertheless, Hung (2005) believes that it is important to manage consequences that arise as the result of the interdependence of organisation-public relationships. In this regard, the process used to establish relationships or the outcomes produced by the relationship between an organisation and its publics are key factors in the definition of organisation-public relationships (Yang & Grunig, 2005). Hence, an organisation-public relationship is a strategic communication that binds an organisation and its publics together to obtain mutual benefits.

2.2.3.3 Building mutual beneficial relations

Kovacs (2001) reports that identifying the common interests between an organisation and publics, is imperative to effective relationship building. Hutton (1999) explains that public relations from a relationship management perspective should find areas of common interest, values and benefits to create a mutually beneficial partnership as outlined in Table 2-2.

Table 2-2: Building the relationship strategies and outcomes

Authors	Relationship building elements	Outcomes
Broom *et al.* (2000)	Interaction, transaction, exchange and linkage.	Relationships
Hutton (1999)	Mutual interests, values and benefits, mutual trust, compromise, cooperation.	Win-win situations
Grunig (1992)	Reciprocity, trust, mutual legitimacy, openness.	Mutual satisfaction and mutual understanding.
Hon and Grunig (1999)	Access, positiveness, openness, assurance, networking and sharing of tasks.	Trust, control mutuality, satisfaction and commitment.
Ledingham and Bruning (1998)	Trust, openness, involvement, investment and commitment. Mutual positive regard.	Organisation-public relationship. Social, political, economic and cultural benefits.
Kent and Taylor (2002)	Genuine, accurate empathetic understanding, unconditional positive regard, presentness, spirit of mutual equality, and a supportive psychological climate. Mutuality, empathy, propinquity, risk, and commitment.	Dialogue (creates mutual understanding).

In building long-term relationships, Kent and Taylor (2002) argue the element 'trust' is very important and only when trust has declined due to perceived organisational behaviour, transparency becomes a 'critical' relational characteristic. According to Jahansoozi (2007:339), transparency is a major element that helps build trust, and can be viewed as a *"relational condition that promotes accountability, collaboration, cooperation and commitment".* In this regard, the concept of transparency is linked to openness and it is an environmental condition that exists within an organisation and influences internal and external process. However, Turilli and Floridi (2009) argue that organisational transparency depends on factors such as the availability of information, the conditions of its accessibility and how the information, which has been made transparent, supports decision-making. In essence, Jahansoozi (2006) argues that organisational transparency increases the level of trust, accountability, collaboration and cooperation. Collaboration increases when the parties involved are able to trust each other and know that what was agreed upon is actually happening, as according to Jahansoozi

(2007), collaborative relationships develop when parties involved in decision-making become partners rather than adversaries. Moreover, Collins and Kearins (2007) confirm that stakeholder relationships are focused around issues of mutual concern. This implies that relationship building is about mutual give and take between parties involved in the relationship and is consonant with the two-way symmetrical model of public relations (Bruning, 2002). In other words, communication must be two-way in orientation in order to facilitate trust, transparency and accountability as well as effectively build and maintain relationships.

According to Heath (2001), relationship management uses communication as a tool to negotiate organisation-public relationships. Jahansoozi (2006) insists that within organisation-public relationships there is a need in practice for organisations to understand, listen, and develop a dialogue because dialogue strives for mutuality and focuses on building relationships with important publics (Theunissen & Wan Noordin, 2012). Similarly, Kent and Taylor (2002) emphasise that it is important to use a dialogue approach when building organisation-public relationships because this approach serves the interest of both the organisation and the publics. In this regard, both the organisation and publics benefit from participating in the dialogue. Furthermore, a study by Bruning *et al.* (2008) claims that dialogue enables the organisation to identify the needs of the publics and respond proactively. Johansson (2007) argues that in dialogue or relationship, publics are considered to be equal participants. Kent and Taylor (2002) believe mutual equality will allow power to be omitted from the relationship, and that it is possible that an organisation and its publics will thus meet on equal terms and be able to develop mutually beneficial outcomes for recognised problems. Furthermore, organisations should build relationships with key publics that have an impact on their social license to operate (Jahansoozi, 2006). In essence, relationship management is an overall strategic communication goal of public relations. It is argued that good relationships are a result of effective two-way communication and mutual give and take between stakeholders.

2.2.5 Reputation management

On the other side, the contextualisation of public relations in this research undelines a reputation perspective. However, according to Grunig (2011), public relations is more dominated by the relationship perspective rather than the reputation perspective because reputations are largely a product of management behaviour and the quality of organisation-public relationships. Consequently, building and maintaining relationships will improve an organisation's reputation. It is in this regard that the Chartered Institute of Public Relations (2010) incorporates reputation in its definition of public relations, stating that:

> *Public relations is about reputation—the result of what you do, what you say, and what others say about you. Public relations practice is the discipline, which looks after*

reputation—with the aim of earning understanding and support and influencing opinion and behaviour. It is the planned and sustained effort to establish and maintain goodwill and mutual understanding between an organization and its publics.

Similarly, Cornelissen (2011) emphasises that the inclusive aim of public relations is to establish and maintain favourable reputation with strategic publics. This definition of public relations sees reputation as an end rather than a process. Scholars maintain that these moves the discipline from its relationship perspective of "*mutual understanding*" (L'Etang, 2004) to that of reputation (Campbell *et al.*, 2006).

Fombrun who established and edited '*Corporate Reputation Review*' as well as initiated the reputation institute, defines reputation as the sum of the organisational images held by stakeholders and is based on a set of beliefs about an organisation's ability and willingness to satisfy the interest of various key stakeholders (Fombrun, 1996). Barnett *et al.* (2006) in their analysis of 49 definitions found that the definitions were clustered; some scholars see reputation as an asset (value), assessment (judgement) or awareness (perceptions, knowledge and emotions); for example, Fombrun (2001) uses the term *"economic asset"*; Wartick (2002) uses the phrase *"the aggregation of a single stakeholder's evaluation"*, and Ferguson *et al.* (2000) use "*perceptions*". Reputation is therefore believed to be the outcome of the overall organisation's activities (Hutton *et al.,* 2001). Similarly, Fombrun and Van Riel (1997, 2004) posit that reputations constitute subjective collective assessments the publics do about the organisation, and an intellectual picture drawn in the minds of publics about the organisation's past behaviour and related attributes (Grunig & Hung, 2002; Yang & Grunig, 2005). Other scholars define reputation as a collective representation of a socially shared impression (Bromley, 2002) that refers to people's opinion about the past actions of an organisation that describes its ability to deliver valued outcomes to different stakeholders (Doorley & Garcia, 2011). Thus *c*orporate reputation is an overall evaluation of corporate images that shows whether stakeholders see the business as positive or negative over a long time and it is founded on organisation's ability and willingness to satisfy the interest of different key stakeholder.

2.2.4.1 Maintaining positive reputation

There is debate as to whether organisational reputation can be truly managed (Hutton, 2001). Public relations scholars argue that reputation cannot be managed directly but can be managed through building and maintaining relationships (Grunig & Hung, 2002; Yang, 2007; Yang & Grunig, 2005). According to Fombrun (1996), quality relationships are vital precursors to acquire favourable, positive and durable reputations. As a result, managers need to invest heavily in building and maintaining good relationships with key publics. Similarly, Yang (2007)

argues that a favourable organisational reputation is attained through quality organisation-public relationships. Van Woerkum and van Lieshout (2007) maintains that a favourable reputation is a reputation that is: positive, well developed and strong; and thus are durable and not easily changed. In addition, Dowling (2004) upholds that favourable reputation builds confidence and trust whereas poor reputation does not. Furthermore, a favourable reputation is helpful in a crisis, when stakeholders are uncertain about what or whom to trust (Fombrun & Van Riel, 1997). On the other hand a favourable reputation can, according to Roberts and Dowling (2002), induce rigidity, lack of willingness to change and reluctance to adapt.

Furthermore, van Woerkum and van Lieshout (2007) believe that reputation management is *"about monitoring, creating enough credits to overcome the crisis and handling the crisis in a communicatively adequate way".* In addition, relationships with stakeholders enable organisations to influence stakeholder perceptions and feelings about the organisation (Adeosun & Ganiyu, 2013). For the purpose of this research, reputation management is about building and maintain positive organisation-community relationships through strategic communication to generate people's perceptions of trustworthiness and reliability based on past actions of an organisation that describes its ability to satisfy the interest of various key stakeholders. Thus, increasingly scholars acknowledge reputation management as the driving force in public relations (Watson & Kitchen, 2010; Hutton *et al.*, 2001).

2.3   Systems theory

Public relations as a management function and a strategic communication process in practice considers the systems theory which underpins the foundational framework for the practice of public relations. This section discusses the systems theory as outlined in Table 2-3, and focuses primarily on communication and its impact on the organisation and its publics.

Table 2-3: Systems theory

Authors	Definitions	Purpose
Systems theory (Grunig & Hunt, 1984; Cutlip *et al.*, 2006; Dozier *et al.*, 1995; Wilcox & Cameron, 2006; Mehta & Xavier, 2009; Theaker, 2012.)	A framework to summarise the structure and operation of an organisation to understand how it interacts and to build relationships between an organisation and its environment.	To interpret information to adjust and adapt to the environment. To respond to change. To build relationships.

According to Cutlip *et al.* (2006), systems theory is applied in public relations as proponents that help explain what is happening within the internal and external environment and how these environmental changes might affect organisational goals. The systems theory projects public

relations practitioners as boundary spanners who straddle the organisation and its environment and their role is to interpret the environment to the organisation and vice versa (Grunig & Hunt, 1984; Fawkes, 2007); as well as to advise decision makers on how to respond to change (Dozier *et al.*, 1995). This role, according to Fawkes (2007), achieves the highest level of symmetric communication as it aims to attain positive outcomes for all parties. Mehta and Xavier (2009) posits that this is possible if there is two-way flow of information, resources and communication between an organisation and its environment to maintain stability and sustain balance for power (Grunig *et al.*, 2002). However, Mehta and Xavier (2009) argue that the process of feedback is important within the communication process and thus from a system perspective, feedback acts as a control centre for system growth and or death. Hence, the practice of symmetric communication is tied to feedback between the organisations and its publics. According to Lattimore (2007), organisations with open systems use the feedback loop to bring back information pertaining relationship with stakeholders. An open system uses the "two way communication" approach, meaning that communication is reciprocal. However, a closed system does not seek for new information; rather, it considers the organization isolated from the environment, thereby discouraging exchange of information. Therefore, public relations as part of an open system itself uses the feedback loop to establish partnerships between the organisation and its publics. Furtheremore, the open system is relevant and influential to public relations because it seeks to understand and explain how organisations interact with the external environment and how to manage those interactions and bring change to the environment and the organisation, as a result of environment input. Hence organisations seeking to have effective public relations apply an open system approach (Okwuchukwu, 2014).

2.4   Public relations models of communication

According to Hallahan *et al.* (2007), there are two dominating models of communication within strategic communication: the transmission model of communication and an interactive model of communication. The transmission conceptualises communication as a one-way form of communication concerned with the transfer of a message through a channel with a limited feedback (Shannon & Weaver, 1949 cited in Steinberg, 2007). This presents a sender oriented form of one-way communication which is primarily concerned with propaganda. In this regard the communication affects the behaviours of the audience and/or ignores the important role of the receiver in the communication process (Hallahan *et al.*, 2007). Furthermore, Schramm (1955) in Steinberg (2007) introduced an interactive form of two-way communication model whereby the receiver can be a sender vice-versa. The interactive model incorporates feedback, which makes communication a two-way process where the sender of the message also listens to the feedback given by the receiver. In this regards the

sender and the receiver are both actively engaged in communication process (Woods, 2009). Hallahan *et al.* (2007) argues that this kind of communication involves the creation and exchange of meaning by two active participants in a communication activity.
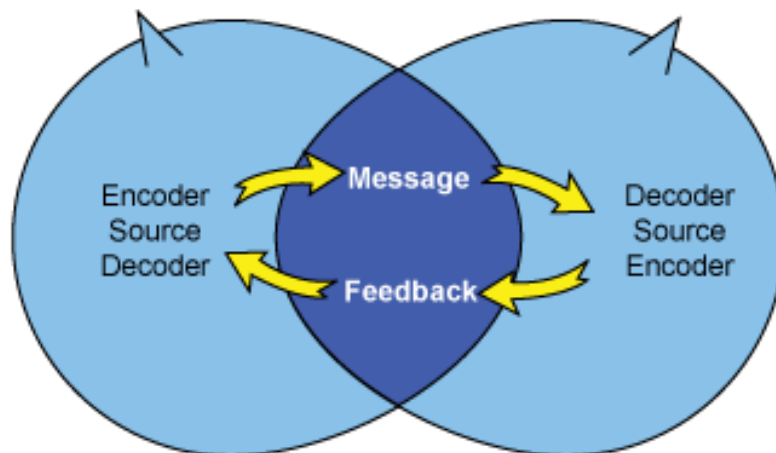
Figure 2-1: An interactive model of communication Adopted from
(Woods, 2009)

Communication scholars have acknowledged the two-way interactive model as ideal for engagement (Hallahan *et al.*, 2007). Hence, Grunig and Hunt (1984) differentiated between the two dominating models of communication to conceptualise four public relations models based on purpose and intended effects (van Ruler, 2004). They described the press agentry and the public information as forms of one-way communication and the symmetrical and asymmetrical models as forms of two-way communication. Subsequently Dozier *et al.* (1995) introduced a fifth research based model that combines asymmetrical practices with the two-way symmetrical model's long term goals. More recently, van Ruler (2004) posited a communication grid comprising four models—information, persuasion, consensus building and dialogue—and seven metaphorical types of public relations practitioners.

Table 2-4: Public relations models of communication

Types (models) of communication	Flow of information	Purpose of communication
Press agentry; Propaganda (Grunig & Hunt, 1984); Town Crier Steward (Van Ruler, 2004)	One-way flow of information	To provide positive publicity for the organisation.
Public information; Dissemination of information (Grunig & Hunt, 1984); Information (Van Ruler, 2004); Traffic Manager (Van Ruler, 2004)	One-way flow of information	To present almost objective reporting with both negatives and positives but slated towards the organisation.
Two-way asymmetric communication; Persuade; Measurement (Grunig & Hunt, 1984); Persuasion (Van Ruler, 2004); Conductor (Van Ruler 2004)	Two-way flow of information (Grunig & Hunt, 1984); One-way (Van Ruler, 2004)	To persuade or change the opinions of the public.
Two-way symmetric communication; Mutual benefit (Grunig & Hunt, 1984); Consensus Building (Van Ruler, 2004); Consultation; Creator; Facilitator (Van Ruler 2004)	Two-way flow of information 'Interpersonal communication'	There is equal influence between the organisation and public. Each participant is able to influence each other.
Mixed-motive model (Dozier *et al.,* 1995; Macnamara, 2010); Dialogue (Van Ruler, 2004; Kent & Taylor, 2002)	Two-way flow of communication	To reach a win-win situation. Collaborators.

2.4.1 The press agentry/publicity model

According to Butterick (2011), the press agentry/publicity model has its roots in the 19th century and is characterised by one-way sender-receiver communication as press agents worked to influence public opinion by creating news. Its flow of information is only from the sender to the receiver, i.e. source-to-receiver communication. The source of the message' (to use the 1949 Shannon & Weaver communication model) controls the channel and content of information (Taylor & Kent, 2014). Press agentry has thus been likened to propaganda (Grunig & Hunt, 1984), which does nothing to distil negative connotations of this practice (Butterick, 2011). In this regard, information presented by the practitioner is incomplete, selective, distorted, or partially true. Grunig and Hunt (1984) state that the press agents did little research aside from monitoring the media in which they sought to place favourable articles about their clients. Therefore, in the press agentry model, organisation keep publics aware of corporate social responsibility projects initiated within their communities.

2.4.2 The public information model

According to Grunig and Hunt (1984), the public information model is one-way communication: publicist to newspaper to reading public that focuses on the dissemination of information as its purpose is in presenting the full picture. However, Butterick (2011) argues that the

dissemination of information model is based on an honest approach to communications as it does not attempt to deceive the recipients but to persuade them by providing accurate information. However, Lee used newspapers and magazines to inform, not manipulate (Cutlip & Center, 1952) although he distributed stories that his clients wanted to tell, but not necessarily ones that editors or readers were longing to know (Cutlip, 1994; Olasky, 1987). Therefore, the information model of public relations is used by the organisation to publish corporate social responsibility implemented within the host communities.

2.4.3 The two-way asymmetrical model

The two-way asymmetrical or 'scientific persuasion' model was developed, based largely on information and propaganda research done for World War I (Guiniven, 2002). According to Grunig and Hunt (1984), this model is characteristic of the type of public relations practiced from the mid-1920s through to the 1950s and is associated with the work of Bernays, who attempted to provide a scientific basis for communication. However Grunig *et al.* (2002) suggest that this persuasion involved communication without concern for publics. Dozier and Ehling (1992) emphasise that asymmetry is a communication model in which a one-way, linear causal effect is predicted and evaluated. In criticism, van Ruler (2004) argues that the two-way asymmetrical model is "*controlled one-way*" communication and disregards the claim that research provides feedback, which is used to manipulate in favour of the organisation's interests (Botan & Hazelton, 2006). In this regard, the public relations practitioner works as an advocate for his or her own organisation and maintains a dialogue with the organisation's publics (Porter, 2009). According to Pieczka (2006), the asymmetric model (persuasion) is a 'closed system model' and is unethical and social irresponsible as it did not recognize the interdependence between organisations and its stakeholders. Pfetsch and Landau (2000) argue the effects of asymmetric constellations on negotiations is such that the stronger party attempts to dominate the exchange through the use of threats, pressure and sanctions to reach favourable outcomes at the expense of the weaker party. Furthermore, this power asymmetry between parties describes unequal relationships between those persons who exchange communications regardless of whether they are small or big; and weak or strong. Moreover, Roper (2005) acknowledges that asymmetrical public relations is a strategy for domination so powerful organisations can avoid criticism and maintain unequal power relations with their stakeholders. Therefore, two-way asymmetrical public relations is applied by either the organisation or its host communities to persuade the other party in a communication process to accept its view or decision.

2.4.4 The two-way symmetrical model

According to Leichty and Springston (1993), the best model of practicing public relations is the two-way symmetrical model of communication which is characterised by the willingness of an organisation to listen and respond to stakeholders' concerns and interest (Grunig *et al.*, 2002); and because excellent organisations stay close to their strategic constituencies (Grunig, 1992). In this regard, the two-way symmetrical model is derived from an open system approach and assumes equity between the publics and organisations to foster change which is achieved through honest dialogue, negotiation, collaboration and understanding (Grunig & Hunt, 1984; Pieczka, 2006). Laskin (2009) argues that in symmetrical communication, research can be used to find a mutually beneficial solution, especially when the goal is to promote open dialogue and honest exchanges in an effort to resolve conflict, 'facilitate' mutual understanding and respect, and to serve as 'mediators' that relay equal communication between the organisation and its public(s) until consensus is reached (Porter, 2009; Van Ruler, 2004).

Furthermore, Grunig *et al.* (2002) believe that the two-way symmetrical model is *"inherently ethical"* as it attempts to ethically balance the interests of the organisation and its publics through the use of research and communication to manage conflicts (Fitzpatrick & Gauthier, 2001). Consequently, long-term mutually beneficial (win-win) relationships are established (Botan & Hazelton, 2006). For public relations to be effective, the best method of communication is one in which organisations display openness, honesty, sincerity, and willingness to change course if necessary. Therefore, the two-way symmetrical communication model allows competing groups in a pluralist society equal access to decision making, and thus maintains functional balances in societies, and would produce good will and harmony in a win-win solution (Grunig *et al.*, 2002). However, *"win-win solutions are not always possible…where there is a compelling priority but little or no business case to justify the additional expenditures needed to meet it"* (MMSD, 2002: xxiii).

According to Pieczka (1997), the two-way symmetrical model is a perfect idea but impracticable as Grunig *et al.* (2002) conclude that multinational organisations do not use such a way of practicing public relations. Furthermore, Dover (1995) contends that the two-way symmetrical model is purely an academic concept that does not have a place in real practice of public relations. Grunig (2001:18) acknowledges that:

> *Symmetrical public relations does not take place in an ideal situation where competing interest come together with good will to resolve their differences because they share a goal of social equilibrium and harmony. Rather, it takes place in situations where groups come together to protect and enhance their self-interest.*

Idyllically the two-way symmetrical model provides a platform for stakeholders to consider and weigh the effects of organisational decisions and actions and have the power to contribute in a specific outcome (Fitzpatrick & Gauthier, 2001). However, L'Etang (2009) argues that the symmetrical model does not account for the power component that influences practice because organisations are not willing to abandon their own interest in favour of accommodating the interest of the publics (Cheney & Christensen, 2001), but would rather take advantage of their powers to advance their own interests (Stauber & Rampton, 1995) and therefore stakeholders and organisations are rarely equal. Furthermore, Fitzpatrick and Gauthier (2001) claim that the fact that the institution most often sets the rules raises concerns regarding the ethics of a process in which the power to establish the operating principles lies in the hands of one party. In other words, even if communications seem symmetrical, the end result is still likely to be asymmetrical, favouring the side with the most power, the organisation (Laskin, 2009). Therefore, for the purpose of this research two-way symmetrical communication facilitate mutual understanding and respect, and serve as 'mediator' between the organisation and it host communities by promoting dialogue between them so to find common ground among their separate and sometimes conflicting self-interests.

2.4.5 Mixed-motive model

In an effort to bring power balance between an organisation and stakeholders, Murphy (1991) uses the game theory to construct a firth and improved conceptualisation of the two-way symmetrical model of Public Relations (Grunig, Grunig, & Dozier, 2002), a two-way research based 'mixed-motive model' from the sender to the recipient *vice versa*. Murphy (1991:127) wrote:

> *The mixed-motive model of Public Relations preserves the central importance of one's own interest, yet acknowledging the power of opposing views.*

Murphy (1991) proposed that, rather than 100 per cent cooperation or accommodation (symmetry) or 100 per cent persuasion (asymmetry), public relations is a mixed-motive game in which the views and interests of the organisation are sometimes justifiably pursued, while on other occasions the views and interests of stakeholders need to be accommodated. Similarly, the contingency theory uses the game theory and argues that two-way symmetrical communication is dynamic and impossible to practice in many instances (Cancel *et al.,* 1997; Cancel *et al.*, 1999; Reber & Cameron, 2003). According to Cancel *et al.* (1997), the contingency theory highlights the continuum between advocacy and accommodation of how a public relations practitioner facilitates communication between the organisation and its external publics. Reber (2013) claims that contingency theory is an alternative to the fifteen year excellence study of best practice in communication management as it is developed as means

to examine the normative stance of two-way symmetrical communication. The excellence theory suggests that normative public relations practice is symmetrical (Dozier *et al.,* 1995; Grunig, 2001; Grunig *at al.,* 2002) and implies that dialogue is important. Although, Grunig and Hunt (1984) argue that two-way symmetric communication is the foundation for excellent public relations practice, Holtzhausen *et al.* (2003) claim that cultural realities of a country challenge the assumption that two-way symmetrical communication as the best way to practice public relations. Furthermore, an Asian study by Taylor and Kent (1999) questions the global dominance of Grunig's excellence study which is 'Western' focussed and is impractical in countries where respect for authority and hierarchy is a cultural value. Furthermore, Reber (2013) posits that the contingency theory on one end of the continuum, advocacy takes a stance of persuasion or coalition building (asymmetrical); however, this portrays a negative image associated with manipulation and mistrust between an organisation and its stakeholders. Consequently, the organisation's ability to foster and maintain a good relationship with the stakeholders is threatened. Yet, it could be used to gain the best position for a win-win solution in a long-term relationship (Grunig, 2001). While, on the other end of the continuum is cooperation or accommodation (symmetrical) which provides a framework for ethical communication. This requires dialogue, negotiation and compromise to meet the needs of the organisation and that of its stakeholders. Therefore, the middle of the continuum is the win-win solution or acceptable position where the organisation and its publics are placed. (Dozier *et al.,* 1995). In this way the conitigency theory combines *two-way symmetrical and two-way asymmetrical"* (Grunig *et al.,* 2002:472) perspectives into one model 'the mixed-motive model' that is used to gain understanding, accuracy and co-operation, "*emphasising that equilibrium must be made between two parties*" (Tindall, 2007:202). Moreover, the mixed-motive model argues that characteristic of publics should be the central focus in the contingency theory (Hallahan, 2001). Likewise, Grunig *et al.* (2002) maintain that the flexibility on levels of accommodation allows the organisation and its publics benefit in this model because they both pursue their own interests (as diagrammed in Figure 2-1) (Grunig & Grunig, 1996).
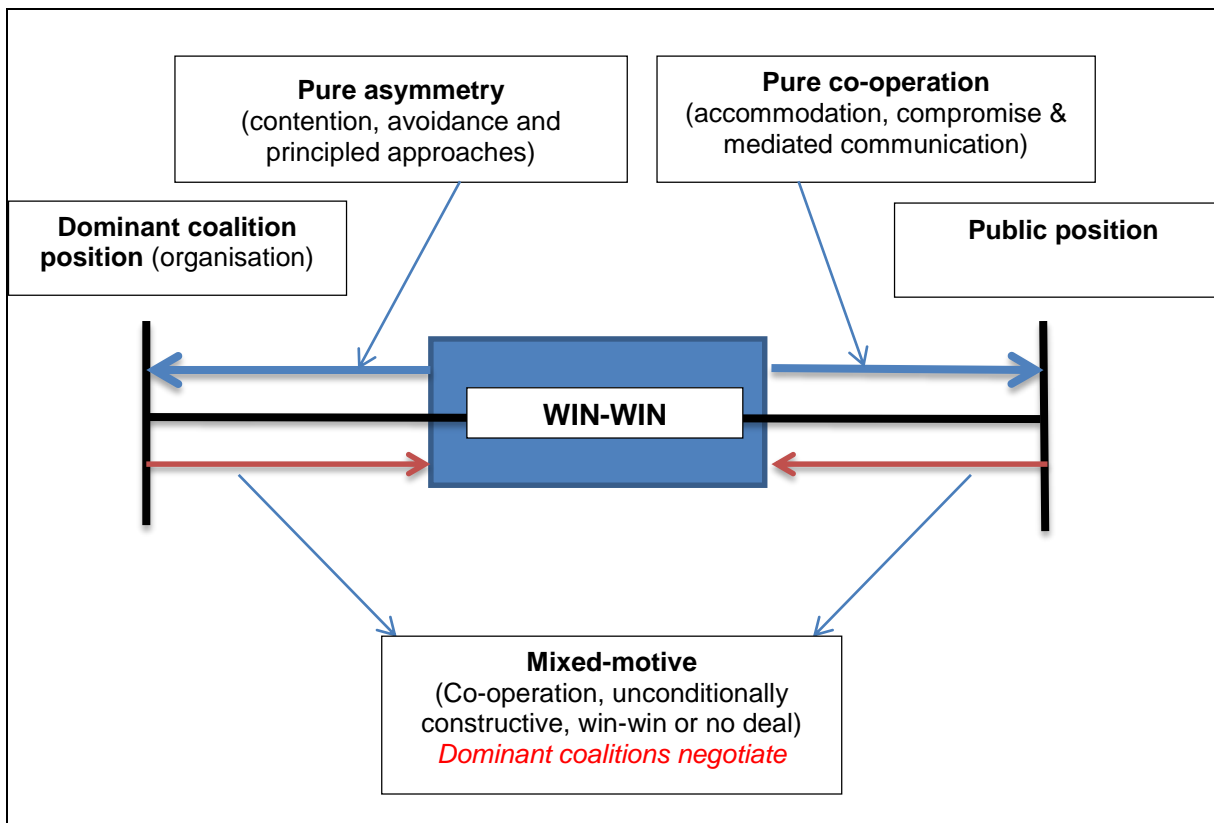
Figure 2-2: Mixed-motive model. Adapted.
(Dozier et al., 1995; Plowman, 1998)

Plowman (1998) adapted Dozier *et al.*'s (1995) model to public relations and identified nine approaches to negotiation communication as *contend, principled, collaborate, compromise avoid, accommodate, co-operate, no conditions constructive and win/win or no deal* on a continuum shifting from 'I win, you lose' to 'we both win or we both lose'. According to Cancel *et al.* (1999:173), accommodation is equated with symmetrical communication as it uses a similar communication style as "*dialogue, compromise, collaboration, and cooperation*". However, Grunig *et al.* (2002:314) argue that accommodation does not represent symmetry because:

> *…the concept of symmetry directly implies a balance of the organization's and the public's interest. Total accommodations of the public's interest would be as asymmetrical as unbridled advocacy of the organization's interests.*

In essence, the models of public relation and communication have evolved from a monologue to a dialogue form of communication. The two-way models namely asymmetrical, symmetrical and the mixed-motive models are all founded on research and at some point in time they use press agentry and/or the information models to fulfil their purpose. The introduction of the

mixed-motive model has moved communication towards collaboration and dialogue as organisation-public communication interacts in an open and ethical manner (Kent & Taylor, 2002). This suggests that participants as actors who are able to be active and initiate as well as receive communication (Van Ruler, 2004) are committed and care about each other (Kent & Taylor, 2002). Therefore, for the purpose of this research, the contingency theory is important because it balances power and foster dialog between an organisation and its publics to establish long-term relationshinships. However, contingent decisions must be made to facilitate co-operation and a win-win situation as well as fit the immediate needs and interest of the organisation and its publics.

2.4.6   Role of public relations in the society

Davis (2002) contends that society does not trust the role of public relations as it is often regarded as a tool of persuasion and propaganda. However, according to Heath (2006), scholars of public relations have never doubted the role of public relations in business, while, others see it as being very much alive in the planning and execution of non-profits, NGOs (non-governmental organisations), even activists (and terrorists), and governmental agencies. Theaker (2012) maintains that the role of public relations in society is necessary and founded on the ideas of democracy and democratic processes in which outcomes such as reasoned, factually accurate, persuasive public debate with publics and organisations wanting to dialogue are favoured by the society, are encouraged (Moloney, 2002). Taylor and Kent (2014) argue that society needs to move away from selfish individualism and embrace practices that are for the good of society. This argument resonates with the notion of two-way symmetrical practice and ideas of deceitful persuasion. Grunig (1993) noted that activities of public relations should establish long-term behavioural relationships between an organisation and its strategic publics. Furthermore, according to Grunig (2011), public relations play a major role in organisational governance and management as well as communication programs for internal and external publics, and its value comes from increasing sustainability across the economic, social and environmental organisational performance. Therefore, the role of public relations in society is to democratically govern and manage communication programs that assist in building long-term relationships between the organisations and the society to achieve the economic, social and environmental goals of the organisation.

2.5   Corporate governance

The previous section discussed that public relations models of communication can be combined to describe the practice of public relations strategic communication process, while the management fuction emphasised public relations as an independent organisational fuction

that alert the organisation on issues of responsibility. Therefore, both the management function and the strategic communication process should be styled with specific reference to the phenomenon of corporate governance as a policy that 'governs organisation's behaviour towards its stakeholders to achieve balance in the triple bottom line. This section provides an outline of corporate governance, triple bottom line and the mining sector's contribution to sustainable developmen.

2.5.1 Overview of corporate governance

Corporate governance has become a buzz word in the communication field, employed to develop a strategic plan for operations. This includes systems and procedures designed to structure authority, balance responsibility and provide accountability to stakeholders at all levels. Corporate governance has no single, universally accepted model, although it is a crucial issue in the agenda of corporate executives and communication practitioners internationally (Gutierrez-Garcia, 2008) with governance setting the tone for companies to define the way power is used and decisions are made (Jamali *et al.,* 2008). Furthermore, discussions on corporate governance refer to principles raised in a variety of documents released since 1990, including the Cadbury Reports (1992, 2006); OECD reports (2004); and the King Reports (1994, 2002, 2009). The Cadbury Reports (1992, 2006) focus on mitigating corporate governance risks and failures. According to the OECD (2004), the reports focus on transparency and the role of stakeholders within corporate governance to achieve enduring social benefits, whereas the King Reports (1994, 2002, 2009) place emphases on stakeholder accountability, risk management and integration, organisational integrity, sustainability and responsibility as key elements founding corporate governance.

Furthermore, the King Report (2009) became necessary because of the anticipated legislative developments in the Company Act No. 71 of 2008. The report emphasises that organisations are interdependent on societies and the environment in which they operate. The report adopts an 'apply or explain' approach to corporate governance and follows a voluntary basis for governance compliance. This leaves organisations to implement voluntary corporate social responsibility schemes, although it is a requirement for companies listed on the Johannesburg Stock Exchange to comply with the report (Visser *et al.*, 2010). In essence, the basic philosophy in the King Reports (1994, 2002, 2009) is the inclusive stakeholder approach to corporate governance. In addition, Chapter 1 of the King Report (2009) emphasises ethical leadership and corporate citizenship, highlighting principles such as ensuring responsibility, sustainability and citizenship from organisations.

2.5.2 Defining corporate governance

According to Cadbury (1992:15; 2006:18), corporate governance is broadly defined as "*a system by which companies are directed and controlled*". Sir Adrian Cadbury states that corporate governance holds the balance between organisational and social goals with the aim of aligning interests of corporations and society. Like Cadbury, the King Report (2002) argues that corporate governance is about balancing between the economic and social goals, and between individual and communal goals. Corporate governance is about the framework of rules, relationship, systems and processes through which directors discharge their legal responsibility to ensure that a business is run properly (Maharaj, 2009; Du Plessis *et al.,* 2011). However, Sweeney (2007) expands the framework of rules to include the control of relationships with the corporate stakeholders. In this regard, corporate governance is concerned with formal and informal organisation-public relationships (rather than a set of transactions) and the general organisational impact on the society (Ehlers & Lazenby, 2004). Furthermore, Claessens (2003) adds that, under such a broad definition, corporate governance includes issues of corporate social responsibility that encompasses respect for culture and the environment.

The OECD (2004:11) states, that "*corporate governance involves a set of relationships between a company's management, its board, its shareholders and other stakeholders*" as directors of the board and trustees of a trust are all responsible for the governance of their enterprise. In addition, an agency-based view presented by Shleifer and Vishny (1997:737) states that "*corporate governance deals with the way in which suppliers of finance to corporations assure*" themselves of getting a return on their investment. However, in philosophical terms, Van den Berghe and Louche (2005) believe that corporate governance is concerned with transparency, accountability and honesty but in methodological terms, it is concerned with achieving greater certainty in the correctness of decisions being taken through a number of checks and balances. In addition, Abor and Adjasi (2007:111) define corporate governance as:

> *The process and structure used to direct and manage the business affairs of the organisation towards enhancing business prosperity and corporate accountability with the ultimate objective of realizing long term shareholder value, whilst taking into account the interest of outside stakeholders.*

This act of accountability is crucial to gain and retain trust (Page, 2005). Corporate governance is a methodology for sustainability and a guard against the blinkered vision that can send an organisation down the wrong path.

2.5.3 Contextualising corporate governance

For the purpose of the study, corporate governance calls on organisations to assume fiduciary and moral responsibilities toward stakeholders (Jamali *et al.*, 2008). Jamali *et al.* (2008) consider corporate governance as one of corporate social responsibility's basic building blocks. This conception is consistent with Elkington's (2006) view of good corporate governance as a foundational requirement for sustainable corporate social responsibility and addresses the legal requirement of organisation and provides the foundations upon which corporate social responsibility practices can be built to enhance responsible business operations (Katsoulakos & Katsoulacos, 2007). Furthermore, corporate governance for South Africa lays a foundation for ethical stakeholder engagement processes upon which sustainable development and corporate social responsibility projects are linked to a social license to operate. This is, in particular, within the mining sector in South Africa where local communities are directly affected by the mining operations in terms of economic, social and mining impacts on their environment (Jenkins & Obara, 2008:1). Therefore, corporate governance is a legal requirement that suggests that stakeholders be engaged in the organisation's strategic decision-making process (Rensburg & De Beer, 2011:152) to establish sustainable corporate social responsibility projects that meet corporate goals and satisfy shareholder expectations (Jenkins & Yakovleva, 2006:272) as well as the society in which business operates.

2.5.4 The corporate governance debate: shareholders vs stakeholders

Corporate governance implementation is influenced by the corporate view of the stakeholders, particularly the shareholder versus stakeholder debate; and the importance the organisation assigns to each stakeholder group. On one hand, the narrow 'shareholder' perspective claims that the organisation is a legal instrument for shareholders to maximise their own interest, as they provide capital to the organisation (Friedman, 1970; Rezaee, 2009; Du Plessis *et al.,* 2011), hence their capital investments provide ownership rights (Mintz, 2005). Barry (2000) argues that shareholders do not own the organisation and thus their choices about the future of the organisation cannot be absolute. However, according to Rezaee (2009), shareholders have legitimate claim and therefore directors have a moral and legal duty to be accountable and responsible for the organisation making good business decisions that maximise shareholder wealth. Freeman *et al.* (2004) emphasize that 'maximising shareholder value' at its worst, involves using *prima facie* rights claims of shareholders to excuse violating the rights of others. Besides, companies have an obligation to society that goes beyond maximising shareholders wealth and profits because they require a licence to operate from local communities (Nordberg, 2011).

On the other hand, the broader 'stakeholder' perspective (discussed broadly in section 2.6) built on strategic management scholar and stakeholder champion, Edward Freeman, who defines stakeholders as everybody who can affect or is affected by business operations (Freeman, 1984), presents an alternative to a strongly shareholder-oriented view of the organisation and encourages corporates to respond to all their stakeholders and suggests that companies and society are interdependent (Freeman, 1984; Donaldson & Preston, 1995; Clarkson, 1994, 1995; Hansmann & Kraakman, 2001; MacMillan *et al.,* 2004; Money & Schepers, 2007; Zollinger, 2009). In a narrow sense stakeholders are risk bearers of the organisation's activities (Post *et al.,* 2002) and therefore have property rights (Rajan & Zingales, 1998) and a legitimate or moral right to claim a share of organisation residual resources (Ayuso & Argandona, 2007). The OECD (2004) principle on corporate governance argues that stakeholders should be respected where established in law (Nordberg 2011). In basic understanding, the stakeholder perspective, which is embraced by 'stakeholder theory', arises from the suggestion that the organisation should meet the needs of all stakeholders including the shareholders (Foster & Jonker, 2005; Hawkins, 2006). According to Spitzeck and Hansen (2010), in corporate governance, the instrumental perspective gives voice to stakeholders while the normative perspective respects moral rights of stakeholders, thus dialogue is open and deliberate and applies a procedural understanding of responsibility and a discursive understanding of responsibility (Palazzo & Scherer, 2006). In essence, shareholder's rights are far from being absolute regardless of how much economists see the organisation as being a private property for shareholders. Stakeholders are critical for the survival of the organisation (Freeman, 1984; Donaldson & Preston, 1995; Letza *et al.*, 2004) and they need to be considered in the system by which organisations are controlled and directed.

2.5.5 Stakeholder inclusive approach to corporate governance

The stakeholder inclusive approach was first encouraged in the King Report (2002) chapter on '*Managing Stakeholder Relationships'*, which states that the inclusive stakeholder approach is built on principles of governance, sustainability and strategy (De Beer & Rensburg, 2011). It emphasises the importance of including all stakeholders in the decision making process about the future of the organisation. In this case directors and management do not only consider the impact that the organisation's decisions will have on the bottom line but the wider social, political and economic impacts of the decisions to achieve long-term sustained growth (King Report, 2009; Du Plessis *et al.*, 2011). In this regard a normative two-way symmetrical approach is encouraged between an organisation and its stakeholders. Furthermore, Steyn and De Beer (2012) believe that a stakeholder-inclusive approach to corporate governance ensures stakeholder cooperation and support through considering, weighing and promoting

their interest. This creates trust between the organisation and the stakeholders whom business success depends on (Freeman, 1984; King Report, 2009), thus gains and maintains social license to operate. However, the King Report (2009) concludes that managing the relationship with stakeholders contributes toward transparency and enables them to determine the value of an organisation. Transparent corporate governance is a prerequisite to make fair and responsible corporate decisions that properly reflect the interests of all stakeholders.

Furthermore, the stakeholder inclusive approach shifts the governance structure from a principal agent to a team production problem, and the critical governance task becomes to ensure effective negotiations, co-operation and conflict resolution to maximise and distribute the joint gains among multiple parties of interest (Ayuso & Argandona, 2007). However, Hansmann and Kraakman (2001) acknowledge the stakeholder approach posits two different kinds of solutions to the problem, namely: first, the fiduciary model of the organisation, in which the neutral coordinators are the board of directors and they act on behalf of all stakeholders. Under the fiduciary model, only shareholders are represented on the board of directors, which looks after the interest of the shareholders. Second, the representative model of an organisation substitutes direct stakeholder representatives for fiduciary directors. In the representative model, two or more constituencies appoint a person to represent them on the board of directors. This person elaborates on policies that maximise stakeholders' joint welfare, regardless of the contribution of each group to the boardroom table. However, in both models of corporate governance the board of directors is seen as an important prayer (Jamali *et al.,* 2008; Van Ees *et al.,* 2009) that lays guidelines to help business rebuild their legitimacy, providing a way to foster social unity between business and society (Oketch, 2004).

2.5.6 *Governing stakeholder relationships*

An approach to stakeholder engagement is outlined in the King Report on corporate governance for South Africa, Chapter 8: *'Governing Stakeholder Relationships'* and explores the scope of power granted to stakeholders in the decision making process (Spitzeck & Hansen, 2010). This implies that governing relationships are two-way symmetric and require a structured process of listening, understanding and interpretation to decision makers. Good corporate governance is about the balance of stakeholders' interest and managing their involvement with the organisation (Chinyio & Olomolaiye, 2010), in such a way that it enables the ideal assessment of stakeholders' diverse interests (Goodijk, 2002), achieving sustainable economic, social and environmental performance growth (Mallin, 2005) and long term value creation as the King Report (2009) explains in principle in Chapter 8 (see Table 2-5). According to de Beer and Rensburg (2011), these include the board's expectations from the top communicator with regard to strategic communication management. Therefore, effective

governance of stakeholder relationships brings quality relationships to the organisation and can be measured by assessing relationship dimensions such as trust, commitment, satisfaction (Ledingham, 2003) and power balance that a stakeholder perceives in the relationship (Spitzeck & Hansen, 2010).

Table 2-5: Stakeholder relationship principles
(King Report, 2009:100-104)

"The board should appreciate that stakeholders' perceptions affect a company's reputation.
The board should delegate to management to proactively deal with stakeholder relationships.
The board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the company.
Organisations should ensure the equitable treatment of shareholders.
Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.
The board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible."

In addition, good governance includes corporate leadership and strategic setting. These aspects involve defining roles and responsibilities, orienting management toward a long-term vision of corporate performance, setting proper resource allocation plans, contributing know-how, expertise, and external information, performing various watchdog functions, and leading the firm's stakeholders in the desired direction (MacMillan *et al.*, 2004; Cadbury, 2006; Page, 2005). The leadership and control aspects of corporate governance cannot be separated but are embedded together and they both define the extent of power accorded to various stakeholders, including managers and constituencies (MacMillan *et al.*, 2004). Leaders in this respect should exercise their flair in directing organisation strategies and operations forward. Such leadership is characterised by the ethical values of responsibility, accountability, fairness and transparency and based on moral duties that find expression in the concept of 'Ubuntu' (King Report, 2009). The duties of leaders in this respect are issuing press releases and conferences, letters to shareholders and annual reports referred generally to as reputation management activities and should in part influence the perception of a firm's reputation by its stakeholders (Carter, 2006).

It is therefore clear that corporate governance reflects the way organisations' address legal responsibilities and provide ethical guidelines used voluntarily by corporate managers to engage not only shareholders but other stakeholders in decision making processes thus ensure stakeholder relationships are governed properly disputes are resolved effectively and highlights good governance that is based on the triple bottom line.

2.5.7 The triple bottom line

Elkington (1994) coined the accounting term 'triple bottom line' which is now used in corporate governance, corporate social responsibility as well as to report on an organisation's performance in three areas: financial, social and environmental aspects of the organisation's activities (Ehlers & Lazenby, 2004). In line with the drive towards corporate governance the King Report (2002) has acknowledged a shift from a single bottom line which embraces the shareholders to a triple bottom line. The argument is on engaging stakeholders as part of a corporate sustainability development strategy.

In a narrow view, the concept of the triple bottom line was first introduced by an economist John Elkington in his book '*Cannibals with forks'* and focuses on economic prosperity, environmental quality and social justice (Elkington, 1999). The expression is often commonly called 3Ps namely profit, planet and people (Nordberg, 2011). Elkington asserts that the triple bottom line adds social and environmental measures of organisational performance to the economic measures and that social issues are separate from environmental and economic issues thus confirms the established fact that organisations have a variety of obligations to stakeholders to be socially and ethically responsible. In a broad view, the triple bottom line expands from a method of accounting into an organisation's management decision making tool. Steyn and De Beer (2012:38) mention the following:

> *…captures the whole set of values, ethics, societal expectations, issues, and processes that organisations must address in order to minimise any harm resulting from their activities, thereby creating economic, social, and environmental value. This requires clarity about the organisation's purpose, and taking into consideration the needs of all its stakeholders and society.*

In this regard, the triple bottom line suggests that decision made should seek to balance economic, social, and environmental considerations, and in principle balances financial growth with corporate responsibility, short-term gains with long-term profitability, and shareholder return with other stakeholder interests (Steyn & De Beer, 2012). Therefore, the triple bottom line is an approach to decision making that balances the economic interest of shareholders with that of society and the environment (Rensburg & De Beer, 2011). Hence, it is a way of considering corporate social responsibility.

The triple bottom line is synonymous to sustainable development. According to Brundtland (1987), the World Commission on Environment and Development report called '*Our Common Future'* highlighted the urgent need to address economic growth in a more integrated way, which would address poverty, inequality and environmental degradation, if real progress was to be made in sustaining human progress for years to come in a way that was socially and

environmentally sustainable and protect the planet for future generations. Banerjee (2008) argues that the concept of sustainable development emerged in an attempt to explore the relationship between development and the environment. In this regard the three components of the triple bottom line, 'economic, environmental and social', are interdependent and mutually reinforcing pillars of sustainable development. Gonzalenz-Perez and Leonard (2013) suggest that economic growth could contribute to the protection of the planet as money was needed to protect it. Furthermore, Brundtland (1987) adds that sustainable development requires:

- A political system that secures effective citizen participation in decision making

- An economic system that is able to generate surpluses and technical knowledge on a self-reliant and sustained basis

- A social system that provides for solutions for the tensions arising from disharmonious development

- A technological system that can search continuously for new solutions

- An international system that fosters sustainable patterns of trade and finance

- An administrative system that is flexible and has the capacity for self-correction

2.5.8   Sustainable development and the mining sector

A major argument against the mining sector contributing to sustainable development is that mineral resources are finite and non-renewable (Cowell *et al.,* 1999) and therefore the opportunities for future generations to access these resources are reduced (Brundtland, 1987). However, MMSD (2002) states that sustainable development is about meeting locally defined goals of the triple bottom line over the long term. However, Hubbard (2009) argues that the triple bottom line implies that firm responsibilities are much wider than simply those that concern economic value of producing products for consumers at profit. It can be based on stakeholder theory, founded on the notion that a firm should measure its performance in relations to stakeholders including local communities (Wood, 2012). A mine can economically contribute to sustainable development by maintaining or enhancing community relations and the well-being of human beings (Hamann, 2003). This entails that organisations need to operate in accordance with community groups that are potentially affected by the operations and to address the needs and interest of all stakeholders when making corporate policies (Hilson & Murck, 2000). These incorporate contributing funds to regional developmental projects and key socio-economic infrastructure such as roads, hospitals, schools and housing (Hilson, 2002). Similarly, Guerra, (2002) emphasises that mineral wealth when developed

should sustain the well-being of humans by contributing to social and economic infrastructure to ensure sustainability after mining depletion.

A stakeholder inclusive approach to community investment is a core requirement of sustainable business development (Ramphele, 2012). Important is engaging stakeholders as part of a corporate sustainability development strategy and it entails that public meetings be held in key decision-making processes (Azapagic, 2003) in which locals can express concerns, provide input and have questions answered by mine personnel, however this requires the mining industry to hold many public meetings and consultations (Hilson & Murck, 2000). Hilson (2002) believes that mines should improve communications with communities for the benefit of local communities. Azapagic (2003) suggests that the mining sector has to engage with its different stakeholders and address their sustainability concerns in order to secure a 'social licence' to operate. This includes participation of stakeholders in deciding on revenue distribution from minerals. Nevertheless, mining companies should allow dialogue and contracts to take place through channels recognised by the community and not through those self-imposed by community leaders or government. Thus sustainable development entails that organisations should invest in generating revenues to ensure future development, environmental protection and long-term livelihood of communities as well as social cohesion that is maintained through stakeholder dialogue and inclusion in the decision-making process and transparency of operation.

2.6   Stakeholder management

The above discussed section on corporate governance reflects the way organisations include stakeholders in the strategic decision making process to govern stakeholder relationships in order to meet locally defined goals of the triple bottom line over the long term. In the following section of stakeholder management, the literature will review the stakeholder definitions, identification of the community stakeholder and stakeholder engagement as an excellent public relations strategy.

Chinyio and Olomolaiye (2010) argue that stakeholder management should be pursued and backed by organisational policy and two-way communication process thus its implementation be empowered directly through individuals tasked with responsibility. Stakeholder management involves identifying, classifying and engaging stakeholders (Cleland, 2002). Today, however, the term '*stakeholder'* is used predominately in business or management contexts and has a number of definitions that vary and are categorised primarily on their inclusivity or exclusivity levels.

2.6.1 Definitions of stakeholders

Zollinger (2009) claimed the term 'stakeholder' has been used since the 1960's when it first appeared in the management literature in a memorandum at the Stanford Research Institute. Stakeholders were originally defined as *"those groups without whose support the organization would cease to exist"* (Freeman, 1984:31). Furthermore, stakeholder definitions are developed in accordance with how organisations allocate stakes and attention to various recognised stakeholders. Dunham *et al.* (2006:25) believe that although "*both wide and narrow definitions have served"* as starting points for stakeholder theorists, these definitions have generated much debate within stakeholder literature (Miles, 2012). For example, some theorists proposed a broad normative and symmetrical definition of stakeholder (Friedman & Miles, 2006; Freeman, 1984; Freeman *et al.*, 2010; Grunig & Repper, 1992; Grunig, 2011) while others proposed a narrower instrumental definition (Clarkson, 1994, 1995; Donaldson & Preston, 1995; Langtry, 1994; Post *et al.,* 2002).

Table 2-6: Defining stakeholders

Author	Definition
Broad definitions	
The Stanford Research Institute (1963, cited in Freeman,1984:46)	"Those groups without whose support the organisation would cease to exist."
Freeman (1984:46); Freeman *et al.*, 2010:9)	"Any group or individual who can affect or is affected by the achievement of the organisation's objectives."
Friedman and Miles (2006:46)	"Any individual or group who can affect or is affected by the achievement of the organization's objectives."
Grunig and Repper (1992:125)	"Stakeholders are people who are linked to an organization because they and the organization have consequences on each other—they cause problems for each other."
Grunig (2011:18)	"Stakeholders are people who might be affected by management decisions or might affect those decisions such as employees or communities."
Narrow definitions	
Clarkson (1994:5)	"Voluntary stakeholders bear some form of risk as a result of having invested some form of capital, human or financial, something of value, in a firm. Involuntary stakeholders are placed at a risk as a result of a firm's activities. But without the element of risk there is no stake."
Donaldson and Preston (1995:85)	"Persons or groups with legitimate interests in procedural and/or substantive aspects of corporate activity."
Langtry (1994:433)	"The firm is significantly responsible for their well-being, or they hold a moral or legal claim on the firm."
Post *et al.* (2002:8)	"The stakeholders in a firm are individuals and constituencies that contribute, either voluntarily or involuntarily, to its wealth-creating capacity and activities, and who are therefore its potential beneficiaries and/or risk bearers."

Within the broader stakeholder view, as outlined in Table 2-6, Freeman's classic definition is the widest definition in literature because it leaves the notion of stake and the field of possible stakeholders explicitly open to virtually include anyone and considers them as legitimate stakeholders (Phillips, 2003). According to Preble (2005), Freeman's definition highlights the link and two-way relationship between the organisation and its stakeholders. Furthermore, Freeman *et al.* (2010) argue that managers of a firm should not only care for the interests of shareholders because there are many parties that have certain stakes in the organisation and can affect its business. In addition, stakeholders are not limited to living entities and may include non-living entities or even mental-emotional constituents, for example; respect for past generations or the wellbeing of future generations (Starik, 1995). Public relations scholars endorse these broad definitions of stakeholders as being those "*affect or affected by*" the organisation in their definitions of stakeholders (Grunig & Repper, 1992*;* Grunig, 2011).

Using a narrow stakeholder view as outlined in Table 2-6, Donaldson and Preston's (1995) definition is pragmatic and emphasises legitimacy, whereas Langtry (1994) highlights the importance of a stakeholder's moral or legal claim. Conversely, Clarkson (1994, 1995) divides stakeholders into two groups: a) primary i.e. those without whose continuing participation the organisation cannot survive; and b) secondary i.e. those who influence or are influenced by but are not essential to the survival of the organisation. In addition, Clarkson (1994) and Post *et al.* (2002) observe stakeholders as risk bearers and the use of risk to denote stake appears to be a way to narrow the stakeholder field to those with legitimate claims, regardless of their power to influence the firm or legitimacy of their relationship to the firm. However, according to Mitchell *et al.* (1997), legitimacy is only one key attribute of stakeholder salient to managers and it can be argued that all stakeholders are instrumental to the firm and its wellbeing (Donaldson & Preston, 1995). Furthermore, the narrow view of stakeholders is based on practical reality of limited resources, time and patience of managers for dealing with constraints from outside the organisation (Mitchell *et al.,* 1997). Therefore, for the purpose of the study stakeholders are individuals or groups with legitimate claims as they are involuntary risk bearers and can affect the operation of the organisation.

2.6.2   Stakeholder theory

According to Freeman (1984), stakeholder theory is a theory of organisational management and business ethics that addresses morals and values in managing an organisation. The fundamental assumption that revolves around the stakeholder theory is that there is a relationship that exists between an organisation and its stakeholders based on mutual interest (Hörisch *et al.,* 2014) as well as value creation for all stakeholders involved (Freeman *et al.,* 2010). Furthermore, the theory is concerned with outcomes that are procedurally fair and is

based on the premise that management must reconcile conflicts of interest that arise between the organisation and its stakeholder groups (Carroll & Buchholtz, 2008). Additionally, according to Stieb (2009), stakeholder theory maintains that business beneficiaries should be transformed from shareholders to stakeholders and stakeholders should be given effective decision-making powers that are equivalent to those held by managers.

The stakeholder theory suggests that organisations are the centre of relationships, emphasising a focus on establishing long term mutual beneficial relationships (Andriof *et al.,* 2002). Lewis (2011) believes stakeholder theory is aimed at explaining how organisations map the field of potential stakeholders and then decide on strategic action in managing relationships with various groups of stakeholders, which are conceptualised as a hub and spokes (Freeman, 1984). In this regard, stakeholder theory ensures that the organisation is accountable to, and balances divergent interests between stakeholders to reduce conflicts and increase profits. Sternberg (2000:51) argues that stakeholder theory, "*effectively destroys business accountability...because a business that is accountable to all is actually accountable to none*". This means that an organisation should be concerned with the stakeholders who can threaten the organisation's survival. Therefore, stakeholder theory helps management identify and model the groups or individuals which are stakeholders of an organisation and describes and recommends methods by which management can give due regard to the interest of those groups or individuals.

2.6.3   *Understanding stakeholder management*

According to Meintjes and Grobler (2014), the management of stakeholders entails three objectives: the governance of stakeholder relationships, stakeholder relationship management and stakeholder engagement. The stakeholder management theory evolved from business management and aims to describe, understand, analyse and manage stakeholders. Although Bakan (2005) argues that business cannot be ethical if it looks only to maximising shareholder value, Freeman (2008) contends that managing stakeholders solves problems associated with the primacy of the shareholders, to creates better consequences (utilitarianism), respects human rights and produces better human character (virtue ethics). Stakeholder management moves the companies' goals beyond the maximization of profit (Argandoña, 1998) to include the external environment (Cornelissen, 2011; Freeman, 1984) and "*corporate planning and business policy*" which focuses on developing and evaluating the approval of corporate strategic decisions as well as a "*corporate social responsibility*". Freeman's (1984) emphasises that stakeholder management is primarily based on assessment and decision-making by the managers.

According to Chinyio and Olomolaiye (2010), the concept of stakeholder management is about the interdependence of relationship between an organisation and its publics and is supported by Grunig and Hunt's (1984) systems theory to build "*strategic constituencies*". Moloney (2002) believe that the management of stakeholders is important to minimise negative impacts and any hindrance to the success of the organisations. Stakeholder management ensures that organisations communicate and maintain support with constituent groups by considering and balancing their immediate interest to create a positive environment for projects, while avoiding any threats to projects and corporate governance, processes and results (Logsdon & Wood, 2002). Stakeholder management is a form of social inclusion that creates positive organisation-public relationships while it weakens barriers to the expertise flowing into and out of the organisation and its publics (Moloney, 2002). However, Chinyio and Olomolaiye (2010) contend that organisations should have an approach to stakeholder management that is linked with the organisational objectives and guides its representatives while engaging their stakeholders. In this regard, stakeholder management stimulates management to establish strategies and guidelines that can be followed at operational level and with the utmost relevant expectations of stakeholders, rather than only considering its own interest (Steyn, 2007).

Stakeholder management allows the public relations practitioner to accurately prioritise stakeholders and resources, and to make strategic decisions to establish long-term relationships with the most important publics and thus enhance organisational effectiveness. Furthermore, stakeholder management advances from a corporate-centric focus in which stakeholders are viewed as subjects to be managed towards a relational and a process-oriented focus of stakeholder engagement (Andriof & Waddock, 2002). Hence communication is two-way between the organisation and the publics. This kind of approach means building bridges between the organisation and its key stakeholders as well as activating and facilitating participation in the decision-making process. Therefore, strategic stakeholder management recognise and address organisations' responsibilities to all their stakeholders for mutual benefit. Hence, organisations need to develop a stakeholder management strategy that considers stakeholder identification and engagement process.

2.6.4   *Identifying stakeholders*

The situational theory of public relations is important in assisting practitioners to identify important publics for the organisation. Botan and Hazleton (2006) believe situational theory defines publics and their opinions as communication behaviour and uses behaviour to develop a typology for identifying publics (Grunig, 1997; Grunig & Hunt, 1984) as it produces the most accurate and useful way of segmenting publics (Jo, 2006). According to Grunig and Hunt (1984), there are four types in which publics can be distinguished based on independent

variables, namely: active, aware, latent and non-publics. Scholars argue that active and aware publics are important as they perceive a problem the same way and are key to establish a sense of community (Grunig *et al.,* 2002). This typology is widely adopted to categorise publics in public relations practice and research (Kim *et al.*, 2008) and ethnically diverse publics (Sha, 2006). Furthermore, this typology allows not only the emergence of different publics for the same issue, but also the possibility of the same person belonging to different publics for issues of different salience (Kim & Ni, 2010). Situational segmentation makes it possible to develop relationships with key publics though two-way symmetrical communication (Grunig, 1992). Thus a situational theory helps organisations identify important stakeholders based on their behaviour and addresses them with the right message (Okwuchukwu, 2014). Situational theory is relevant for the study because different publics in the mining industy require different attention from the organisation. Key publics need to be identified and segmented accordingly, inorder to device effective communication programs to gain understanding and acceptance.

Table 2-7: Topology of stakeholders
(Savage et al., 1991; Mitchell et. al., 1997; Kim et. al., 2010)

Category stakeholder and stakeholder salience	Attribute	Stakeholder sub-category
Latent stakeholders – One attribute, low salience. Managers may do nothing about these stakeholders and may not even recognise them as stakeholders.	Legitimacy	Discretionary stakeholder – Likely to be recipients of corporate philanthropy. No pressure on managers to engage with this group, but they may choose to do so.
	Power	Dormant stakeholder – Impose their will through coercive, utilitarian or symbolic means, but have little or no interaction /involvement as they lack legitimacy or urgency.
	Urgency	Demanding stakeholder – Irritants for management, but not worth considering.
Expectant stakeholders – Two attributes, moderate salience. Active rather than passive. Seen by managers as 'expecting something'. Likely higher level engagement with these stakeholders.	Power and legitimacy	Dominant stakeholder – The group that many theories position as the only stakeholders of an organisation or project. Likely to have a formal mechanism in place acknowledging the relationship with the organisation or project.
	Power and urgency	Dangerous stakeholder – Will be coercive and possibly violent. Note that Mitchell and friends identify these stakeholders, but don't require them to be acknowledged and thus awarded legitimacy.
	Legitimacy and urgency	Dependent stakeholder – Stakeholders who are dependent on others to carry out their will, because they lack the power to enforce their stake.

Category stakeholder and stakeholder salience	Attribute	Stakeholder sub-category
Definitive stakeholders – All three attributes, high salience. Managers give immediate priority to these stakeholders.	Power, Legitimacy and Urgency	Definitive stakeholder – An expectant stakeholder who gains the relevant missing attribute. Often dominant stakeholders with an urgent issue, or dependent groups with powerful legal support. Finally those classed as dangerous could gain legitimacy e.g. democratic legitimacy achieved by a nationalist party.
Non potential stakeholder – Contains no attribute	Possess non	Non stakeholders

According to Carroll and Buchholtz (2008), the stakeholder management process begins by identifying the stakeholders. Savage *et al.* (1991) introduce the concepts of power to influence an organisation and the legitimacy of whose concerns or claims really count within the organisation, while Mitchell *et al.* (1997) propose a normative approach to stakeholder identification based on the urgency of the stakeholder's claim on the organisation. The above three attributes are important for recognizing stakeholders (Mitchell *et al.*, 1997; Agle *et al.*, 1999). Maignan *et al.* (2005) claim that power and legitimacy may be independent but the urgency component sets the stage for dynamic interaction that focuses on addressing and resolving issues. Furthermore, Mitchell *et al.* (1997) developed seen types of stakeholders based on the attributes possessed in various combinations namely latent stakeholders, expectant stakeholders, definitive stakeholders, discretionary stakeholders, dormant stakeholders and demanding stakeholders.

2.6.4.1 Stakeholder salience

From this stakeholder typology above (Table 2-7), Mitchell *et al.* (1997) introduced managers' perceptions to develop a theory of stakeholder salience. Stakeholder scholars argue that the stakeholder saliency is determined by a combination of the attributes' "*power to influence corporation, the legitimacy of stakeholders with the corporation, and urgency of the stakeholder claim on the corporation*" (Mitchell *et al.*, 1997; Agle *et al.*, 1999). In this case, salience refers to "*the degree to which managers give priority to competing stakeholder claims*" (Mitchell *et al.*, 1997:854). The three attributes influence managers in the stakeholder salience to focus on certain kinds of attention and indicate whether stakeholder groups can 'impose their wills' on managers (Mitchell *et al.*, 1997). Similarly, Frooman (1999) put forward that these attributes are variable and socially constructed and are indicators of the amount of attention managers need to give to a stakeholder. Hence, stakeholders that possess more attributes have a better claim.

Although Grunig (2011) asserts that public relations managers must identify and segment active, passive and latent publics from non-publics that might be present in the stakeholder category, he claims that segmented publics are not permanent or stable, they change as situations and organisational consequences change. Scholars believe that it is vital for managers to segment active publics because they have a relationship with the organisation and make issues out of results of decisions by the organisation, especially when organisations fail to communicate with them (Grunig, 2011). Moreover, Mitchell *et al.* (1997) argue that the stakeholder salience model has three variables that are dynamic. The dependent stakeholders can become definitive if their cause is picked up by a dominant stakeholder. Dominant stakeholders can become definitive if their legitimate stake becomes urgent.

Therefore, the community stakeholder is important for the mining sector (Hamann & Kapelus, 2004). According to Crane *et al.* (2004), communities entail individuals or groups of citizens of immediate and surrounding regions organized to represent shared interests of the society and are influenced by the organisation's operations. Clarkson (1994, 1995) emphasises that communities are key members of the group of primary stakeholders. Although, Kapelus (2002) argue that identifying a community is a complex and constructed task. However, the process of legitimizing community stakeholders is necessarily based on judgements that risk favouring one group over another (Jenkins, 2004), and power they possess to stop or delay business operations ranging from protest and sabotage (Hamann, 2003). In addition, the legitimacy of the community as an important stakeholder is founded on region, indigenous and communities associated with the organisation's operations and whether they are directly affected by the operations (Azapagic, 2004). Hence, their claims have the most credibility and thus regarded as the 'legitimate' stakeholders that deserve the organisations utmost attention (Adey *et al.*, 2011). For the purpose of this reseach, community stakeholder entails involuntary risk bearers of individuals or groups of immediate and surrounding regions of organised citizens that represent shared interests of the society and thus regarded as the 'legitimate' stakeholders that possess 'power' to affect business operation as well as have a sense of 'urgency'. This kind of stakeholder is usually aware of the organisation's situation and is active towards misconduct of business. Consequently, mining organisations need to need to put more attention on the community stakeholder because they have a relationship with the organisation and must be engaged in decisions making process of the organisation.

2.6.5 Stakeholder engagement

According Taylor and Kent (2014), the term engagement is rarely define but used regularly in the scholarly literature. Noland and Phillips (2010) state that the term 'engagement' is used in the stakeholder theory and corporate social responsibility literature and emphasises that

stakeholder interaction is a logical and necessary activity of business to capture stakeholder input in project development processes (Bourne & Walker, 2005). Taylor and Kent (2014) argue that engagement is a part of dialogue and through engagement, organisations and publics can make decisions that create and contribute to social capital. Engagement represents a two-way, relational, give-and-take between organisations and stakeholders with the intended goal of (a) improving understanding among interactants; (b) making decisions that benefit all parties involved, not simply the organisation; and (c) fostering a fully functioning society (Heath, 2006), where decisions are made based on informed participative interactions that involve stakeholders.

In general terms, Sloan (2009:26) defines stakeholder engagement as "*the process of involving individuals and groups that either affect or are affected by the activities of the company".* Similarly, Meintjes and Grobler (2014) refer stakeholder engagement as the process of involving stakeholders as part of the central business process of transforming organisations to adapt to changing environments. Greenwood (2007) argues that it is more accurate to say that stakeholder engagement, just in itself, is neither necessarily positive nor negative and defines the concept as a practice undertaken by organisations to positively involve stakeholders in organisational activities. However, Mathur *et al.* (2008) posits that stakeholder engagement is a management technique, an ethical requirement or a forum for consultation, dialogue, partnership and regular supply of information that can be exploited at corporate events, exhibitions and meetings. In this regard, a two-way flow of communication is facilitated and can be exploited through posters, websites, newsletters, and emails (Chinyio & Olomolaiye, 2010). Therefore, in public relations, stakeholder engagement may be seen as a mechanism for consent, control, co-operation, accountability, corporate governance, as a method for enhancing and as a substitute for true trust and as a discourse to enhance fairness (Greenwood, 2007).

Stakeholder engagement is an ethical scheme of collaboration that is mutually beneficial to the organisation and the stakeholders. Freeman *et al.* (2007) define ethical as being honest, open and fair engagement between stakeholders. However, Greenwood (2007) proposes that rather than conceive of stakeholders in either a narrow or broad sense, it may be more useful to consider definitions which depict stakeholder engagement as either moral or strategic. Stakeholder theorists contend that the ethical engagement of stakeholders not only may be part of organisations' larger strategy, but that it ought to be part of the stakeholder engagement strategy (Phillips, 2003; Freeman *et al.,* 2004; McVea & Freeman, 2005). The reasons for this are double: firstly, it is argued that unethical practices endanger the success of the firm; and secondly, as Freeman *et al.* (2007) state, the purpose of any business is and ought to be the creation of value for all those groups and individuals who have a stake in the business. Though,

Collins *et al.* (2005), suggest that stakeholder engagement is about the balance of power between stakeholders. Although, in reality, it is likely that the organisation and its stakeholders are not of equal status as terms to define that cooperation are set by the more powerful party, stakeholder engagement is morally seen as a partnership of equals (Greenwood, 2007). Similarly, Kerr (2004) argues that it is unrealistic in business to expect 'rational' managers who are used to possess power and resources, to easily give them up for a stakeholder engagement process which undermines the business purpose (Rezaee, 2009) in terms of an inequality of resources and negotiating power (Cheney & Christensen, 2001; Leitch & Neilson, 2001). Furthermore, stakeholder engagement is an ethical and communication tool that is influenced by power, trust, satisfaction and commitment, and aims to establish and maintain relationships with key stakeholders (Waddock & Smith, 2000). Moreover, Noland and Phillips (2010) maintain that engagement of stakeholders and moral conduct is integral to a successful corporate strategy.

Stakeholder engagement drives strategic directions and operational excellence for organisations and contributes to sustainable development in a manner in which organisations, their stakeholders and wider society can benefit (Unerman *et al.*, 2007). Zollinger (2009) posits that stakeholder engagement can assist organisations to better understand the interests and concerns of stakeholder groups so that they can make informed decisions about balancing the interests of all of the groups to whom they may have some obligation. Consequently, a sense of ownership of a project is developed as a result of the engagement in project decision-making processes (Mathur *et al.,* 2008). Incorporating ownership as one of the measures for project success is important for the long-term success of a project. Innes and Booher (2004) argue that individuals excluded from the decision-making process bear negative impacts of projects. As such, it is important that decisions are made by people who will bear the main impacts (Meppem & Gill, 1998).

However, within the South African context, Rensburg and Cant (2009) state that due to apartheid history, the engagement of stakeholders has brought about a culture of inclusive and consultative democracy whereby ordinary citizens are accustomed to being consulted on matters of importance. Organisations that are prepared to engage proactively, willing to listen and open to being challenged are more likely to reap considerable benefits. Therefore, successful stakeholder engagement requires a commitment to actively engage with stakeholders, listen, establish relationships, and respond to their needs and interest in a mutually beneficial way. Stakeholder engagement is important for the research to help identify and understand the needs and expectations of those affected by a project, thus get them involved in the design stages up to the implementation stages to ensure that the project meets societal needs and expectations (Mathur *et al.*, 2008).

2.6.5.1 Community engagement

Community engagement is about strategies and actions that include mutual respect, trust, benefits, inclusive participation and flexibility in pursuing goals, methods, and support legitimacy with the community (Moir, 2001). Wallis (2006:2) argues that community engagement is above participation, consultation, service and development within communities; it is better defined as "*a two-way relationship leading to productive partnerships that yield mutually beneficial outcomes*". Through strategies such as community partnerships, consultation, and facilitation, it is argued, that organisations make tangible contributions to the communities around them, and thus to the public good (Winter *et al.,* 2006). Similarly, Somerville and Haines (2008) emphasise that community engagement should enhance democratic values such as accountability, improve the well-being of communities and yield fair and effective decision-making results. Therefore, community engagement is an organisational strategic management and inclusive participation action that help build two-way mutually beneficial partnership with communities through democratic accountability, community development and effective decision making.

Furthermore, Bowen *et al.* (2010) propose three strategies, 'transactional', 'transitional' and 'transformational', for community engagement based on a continuum of community engagement as action and to discern the intentions, processes and interactional styles embedded in such action as outlined in Table 2.8. Within the transactional strategy, organisations communicate with communities to gain access to critical resources. While the 'transitional' strategy moves beyond one-way communication of transactional approaches to engage in dialogue with communities, the transformational engagement requires the competency to engage participants through listening and understanding, and a strong connection with moving beyond talk into action (Schouten & Remmé, 2006). According to Bowen et al. (2010), most research today focus on transactional and transitional forms of engagement, hence transformational engagement strategies are less understood. However, the difference between transactional and transitional engagement is on the level of trust and mutual benefits between the organisation and its stakeholders. In this regard, the benefits extend beyond one party to be jointly beneficial. For example, the community benefits from improved infrastructure while the organisation is accepted within the eyes of the community. This mutual benefit is as a result of the transactional and transitional forms of engagement.

Table 2-8: Community engagement strategies. Adapted.
(Bowen et al., 2010)

	Transactional engagement	Transitional engagement	Transformational engagement
Corporate stance	Community investment or information	Community involvement "Building bridges"	Community integration "Changing society"
Illustrative tactics	Charitable donations Building local infrastructure Information sessions	Stakeholder dialogues Public consultations Town hall meetings	Joint project management Joint decision-making Co-ownership
Communication	One-way: firm-to-community	Two-way: more firm-to-community than community-to-firm	Two-way: Community to-firm as much as firm to-community
Nature of trust	Limited	Evolutionary	Relational
Control over process	Organisations	Organisations	Shared by organisations and communities

According to Thomson and Boutilier (2011), legitimacy is important to social acceptance and is a precursor to credibility and trust. Joint organisation-community benefits are shared ownership of problems and solutions and transformational engagement can be the only meaningful strategy to achieve it. Furthermore, Martin (2010) recommends that engagement beyond transactional approaches is needed to develop mutually beneficial relationships based on trust and two-way dialogue in order to meet community expectations. Besides, Williams and Walton (2013) believe that community engagement allows an organisation to showcase its position on corporate social responsibility, indicating awareness of impacts and stakeholder inclusive decision making. Community engagement is important for the research because it is an action of a stakeholder management program that evolves from managing responses to particular issues, to co-creating solutions to social challenges (Bowen *et al.*, 2010). In this regard, community engagement is a two-way communication process and a stakeholder inclusive decision making that allows for mutual benefits between the organisation and the communities founded on corporate social responsibility initiatives.

In essence, the stakeholder management approach adds value to the system theory as it acts as 'bridging activity' between organisations its communities. Furthermore, community engagement emphasise on the strategic communication process to establish and maintain favourable organisation-community relationships. Therefore, the overall strategy for stakeholder management considers responsibility of the organisation to the community and is initiated on corporate social responsibility or investment.

2.7 Corporate social responsibility

The previous section on stakeholder management entailed the organisation's strategic plan to situationally identify the community as a legitimate stakeholder with a 'stake' and concerns on the management commitment to engage them in the decision making processes of the organisation to establish favourable organisation-community relationships and enhance corporate reputation. In this section, different views of corporate social responsibility and its dimensions are outlined. The literature review ill end by discussing corporate social responsibility communication strategies as well as corporate social responsibility within the context of this research

Corporate social responsibility is the fastest-growing area of public relations and corporate governance and intends to meet various social problems facing communities where an organisation operates, through community enagement in order to help improve their quality of life. Although Grunig (2001) state that corporate social responsibility, sometimes called corporate social investment, reflects excellent public relations, it is perceived differently by different people, either supporting the rights of investors to profit or to the obligation of business to society. Masaka (2008) states that the different views of the term were in part due to varied social issues and societal expectations across international contexts.

2.7.1 Definitions of corporate social responsibility

According to the 'father' of corporate social responsibility, Howard R. Bowen, corporate social responsibility is:

> …the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society (Bowen, 1953:6, 2013:6).

Furthermore, Cochran (2007) maintains that managers have a social responsibility to society as organisations today are allowed to operate on communities because they bring service to the society rather than a way of making profit for shareholders. However, Bowen (1953, 2013) argues that corporate responsibility involves more than following the law and that business has an obligation towards the society in which business resides. According to Bowie (2012), Bowen's work advanced from the belief that many of the largest multinational corporations touched the lives of citizens at many points. Hence, Post (2002) considers that corporate social responsibility encourages corporation to use their power in a responsible manner that is deemed acceptable in society.

More recently, the World Bank's International Finance Corporation interpreted corporate social responsibility as:

> *…the commitment of businesses to contribute to sustainable economic development by working with employees, their families, the local community and society at large to improve their lives in ways that are good for business and for development* (International Finance Corporation, 2010).

Conversely, the European Commission (2014) defines corporate social responsibility as an organisation's responsibility to integrate social and environmental concerns in their business operations and in their interaction with the society. In this sense, corporate social responsibility is the obligation of the organisation to balance the diverse demands of communities and the imperative to protect the environment, while simultaneously making profit (Jenkins, 2004). However, Prieto-Carrón *et al.* (2006), criticise corporate social responsibility definitions as being too generic, arguing that it is possible for corporate social responsibility to do more harm than good if it is not contextualized and adapted to local needs (Freeman *et al.*, 2010). Therefore, corporate social responsibility needs to adapt to local conditions and tailored to the responsibilities and accountability of the organisations to its stakeholders and communities. For example, within the mining sector, corporate social responsibility is a voluntary action that maximises positive and minimises negative social and environmental impacts of mining, while maintaining profits (Yakovleva, 2005). Critics of corporate social responsibility argue that business's single goal is to maximise profit for its owners. Nobel Prize winning economist and one of the major architects of the movement against social responsibility, Milton Friedman, in his book '*Capitalism and Freedom*' emphasizes that:

> *There is one and only one social responsibility of business–to use it 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, 1962:122).

In line with Friedman, Bowie (2012) states that the social responsibility of business is the creation of shareholders' wealth. In addition, Stein (1996) maintains that private organisations were best suited to maximizing the nation's profits. Furthermore, Friedman (1970) continues to outline the role of business in society in an essay published in the New York Times titled '*The social responsibility of business is to increase its profits'.* In the essay Friedman denies that corporate executives have a moral duty to ease chances of increasing profits on behalf of the wider interest of society. According to Hamann (2003), Friedman's argument is encountered on a daily basis by managers in the mining industry. Managers argue that it is government that needs to represent the public interest; however it is likely to neglect this responsibility if companies take it on. In this respect Marsden states that:

> *Friedman's argument is perfectly reasonable in a well-ordered, strong governance context, where whole system needs such as law and order, social justice and conservation, and market failure issues such as monopoly and externalities are relatively well controlled* (Marsden, 2000:11).

However, Vaaland *et al.* (2008:212) state that from a stakeholder management perspective, corporate social responsibility is "*the management of stakeholder concern for responsible and irresponsible acts related to environmental, ethical and social phenomena in a way that creates corporate benefit*". This definition of corporate social responsibility dismisses shareholders in support of stakeholders and ethics (Parmar *et al.*, 2010), as managers do not only think about the best general outcome for society, but also think about how the interest of the organisation's stakeholders can be satisfied. Freeman (1984) argues that managers who respond to stakeholders' concerns make their organisations more powerful and resistant to attacks from outside groups. Nevertheless, Khan *et al.* (2013) maintains that organisations exist in order brings valuable service to the society. Furthermore, within the South African context, Friedman's argument can be disputed and inapplicable and out-dated because:

- It translated in an area defined by wide spread poverty and illiteracy Hamann (2003), and this is particularly applicable to the context of mining which often takes place in remote areas inhabited (if at all) by poor and marginalised communities, where the mining organisation becomes the only source of living (Banerjee, 2001).

- The globally evolving sustainability agenda requires an integration effort from the private sector and civil society. In this regard, companies are increasingly held to account for more indirect and cumulative impacts of their actions (Hamann, 2003:241).

- Various studies show that corporate social responsibility is good for profits (Branco & Rodrigues, 2007:5).

Manne (2006) concludes that the main mistake in arguments of corporate social responsibility is that private organisations are seen as somehow 'public' in nature. The debate entails that the private sector as a principal engine or growth, value creation and managerial resources has an obligation to contribute to the economic growth and sustainability of society (Jamali & Mirshak, 2006). This means that corporate social responsibility acknowledges the problem. Furthermore, corporate social responsibility is a barrier to meaningful conversations about the responsibilities of being a good corporate citizen and its contribution to society (Freeman & Liedtka, 1991). Therefore, it can be summed up that corporate social responsibility is a voluntary organisational activities imposed on an organisation by societal expectations of conventional corporate behaviour and an active partner that improve the lifestyle of the society in which business operates and the welfare of the shareholders.

2.7.2 Dimensions of corporate social responsibility

According to Carroll (1979, 1991), corporate social responsibilities can be conceptualised in the form of a pyramid (see Figure 2-3), Carroll acknowledges the primacy of economic dimensions as the foundation of organisation viability over his three other dimensions, namely legal, ethical and philanthropic (Carroll, 1998; Maignan & Ferrell, 2000; Marsden, 2000). Carroll states that:

> …corporate social responsible firms should strive to make profit, obey the law, be ethical, and be a good citizen (Carroll, 1991:43).

According to Carroll (1995), all the four dimension of corporate social responsibility are morally infused, hence the economic responsibility and the legal responsibility are mandatory (Windsor, 2006). In this regard, corporate social responsibility acknowledges the primacy of economic concerns, but also embraces a broader view which extends beyond the economic and legal responsibilities. However, Brown and Forster (2013) argue from an economic view point that there is some theoretical logic and some empirical evidence that engaging in corporate social responsibility activities increases profits, reduces organisational risks, builds relationships, and enhances corporate reputation and legitimacy (Salazar & Husted, 2008). Hence, other responsibilities cannot be accomplished without the economic responsibilities (Windsor, 2006). Conversely, although the legal responsibilities are mandatory, business organisations need to obey social codification of the society (Khan *et al.*, 2013).

Figure 2-3: Pyramid of corporate social responsibility principles

(Carroll, 1979)

Windsor (2006) states that the *"ethical approach to corporate social responsibility argues defects of morally indifferent business conduct and social advantages of morally-sensitive stakeholder management"*. Donaldson and Dunfee (1994) claim that it is a general custom that normative and instrumental perspectives are used to approach corporate social responsibility, as the normative perspective considers the ethical obligations the organisation has to society, which is regulated by 'doing the right thing'. Moreover, the instrumental perspective allows corporate social responsibility to be neutral on ethics and emphasises the organisations responsibility to the business rather than looking for social benefits (Gond *et al.*, 2009). Consequently, according to Jones (1995), the melding of corporate social responsibility and stakeholder management is embedded in the instrumentalist perspective that posits corporate social responsibility activities will likewise result in financial gains. Thus, the business case reconciles to the stakeholder perspective that legitimate reasons to invest in corporate social responsibility activities must encompass a "*defensible normative core*" which supports and generates economic value (Parmar *et al.,* 2010). Although the ethical responsibility includes functions and practices that are not required by law or forbidden by the society (Carroll, 1991), corporate social performance scholars argue that the attribution of morality to organisations requires that corporate decision making processes be based on principles of responsibility namely the mandatory economic and legal responsibility and arguable philanthropy responsibility (Swanson, 1995; Wood, 2012). In addition, these principles guide organisations respect people, promote 'social good' and to prevent 'social harm' (Wells, 1998; Lantos, 2001). Similarly, instead of considering (exclusively) the economic bottom line, the principles of responsibility lead organisations to consider the triple bottom line (Elkington, 1999). Therefore, a socially responsibility business integrates legal conduct with ethical standards and furthermore recognizes its place in the broader community.

A dimension common to corporate social responsibility is philanthropy. Carroll (1991) argues that often firms believe they are being socially responsible if they engage in discretionary or philanthropic activities as although philanthropy is "*highly desired and prized*", it is less important than the other three domains of social responsibility. Furthermore, philanthropy cannot be considered a responsibility in itself (L'Etang, 1994) as it is an activity beyond what duty requires (Schwartz & Carroll, 2003) and could be based on financial returns (McWilliams & Siegel, 2001) or on ethical reasons (Gonzalenz-Perez & Leonard, 2013; Masaka, 2008). Alternatively, corporate philanthropy, which was once seen as charitable and social contributions (Carroll, 1991), has paved a way for organisations to demonstrate their social responsiveness to the communities in which they operate (Berman *et al.,* 1999) Corporate philanthropy is today an obligation that is not only expected from companies, but is seen as a component of corporate citizenship (Barker & Angelopulo, 2006. In this sense, corporate

citizenship is identified as charitable donations and other forms of corporate philanthropy undertaken in the local community context (Matten & Crane, 2005) and helps organisations establish favourable relationships with the community stakeholders (Berman *et al.*, 1999).

According to Papasolomou-Doukakis *et al.* (2005), corporate citizenship is synonymous with corporate social responsibility and tries to place business in society (Masaka, 2008). The term corporate citizenship implies a sense of community belonging (Matten *et al.,* 2003; Garriga & Mele, 2004; Dentchev, 2009). Citizenship focuses on rights and responsibilities of all members of the community, whom are mutually interlinked and dependant on each other (Waddell, 2000). Matten and Crane (2005) argued that organisations enter the arena of citizenship when government fails to be the 'counterpart' of citizenship. However, organisations are powerful public actors that need to respect the rights of ordinary citizens in society (Matten *et al.,* 2003). Furthermore, individuals and the organisation have equal, but different rights and responsibilities as 'citizens' within the community (Yakovleva, 2005). Therefore, corporate citizenship implies that organisations are "*legal entities with rights and duties, in effect, 'citizens' of states within which they operate*" (Marsden, 2000:11) and thus relates to the relationship between the organisation and the society (Valor, 2005; Marsden, 2000). In this sense, corporate citizenship addresses the relationship between companies and all important stakeholders involving the actual results and the process through which they are achieved (Carroll, 1998). In addition, good corporate citizens operate on a model of collaboration to prove mutual benefits to all parties (Dentchev, 2009). Good corporate citizens carefully consider the influence of an organisation's actions on the community (Altman & Vidaver-Cohen, 2000) and build stakeholder relationships through mutually beneficial practices (Waddock, 2002; Waddock & Smith, 2000) such as contributing towards sustainable development (Windsor, 2001). These practices assist organisations to build social capital, thereby amplifying trust between the organisation and its stakeholders (Adler & Kwon, 2002) and create brand equity and reputation (McWilliams & Siegel, 2000). According to Cornelissen *et al.* (2007), corporate social responsibility contributes to the development of an organisation's corporate identity and overall health though charitable giving (Lev *et al.*, 2010). Nevertheless, taking societal perspectives into account in planning, developing and implementing an operation is seen as necessary to reduce the risks of lowering corporate reputation (Owen & Kemp, 2013). Consequently, corporate social responsibility is a concept of business that is anchored by the relationship between the organisation and the society (Carroll, 1999:292).

2.7.3   Strategic corporate social responsibility

According to Rensburg and De Beer (2011:154), corporate social responsibility is lately referred to as corporate *societal* responsibility to avoid the narrow interpretation of the term as

applying to "social welfare issues only". Van Tulder and Van der Zwart (2006:138-140) claim that corporate social responsibility is shifting from a largely instrumental and managerial approach to one aimed at managing strategic networks where longer-term relationships with stakeholders are considered in the strategic planning of the organisation. The strategic intent is in line with Friedman's (1962:133) economic view where corporate social responsibility is designed to improve the long-term sustainability of the business. Carroll (2001:200) referred the economic motives to as "strategic giving" or "strategic philanthropy", so long as it reaps indirect financial benefits. In this sense Lantos (2001:618) state that organisations give back to their constituencies because they believe it is moral and commendable and it is to be in their best financial interest to do so and it is relationally good for business and the society. Furthermore, the business-society approach developed along with techniques such as (strategic) "stakeholder dialogue" signals the quest for the "balanced organisation", which has a moral identity and combines medium-term profitability with longer-term sustainability.

2.7.4 Communication corporate social responsibility

Luetkenhorst (2004) believes that the core debate within corporate social responsibility is whether organisations should transition from a state of mere compliance to a mode of engagement; and from harm minimization to value creation. In this regard, harm minimisation means that an organisation behaves in a social responsible manner, obey the law and behave ethically. According to Gonzalenz-Perez and Leonard (2013:227), interaction with stakeholders is a crucial aspect of corporate social responsibility and requires dialogue and partnership with stakeholders. In this regard, organisations need to be transparent and open to public questions and scrutiny. Banerjee (2008:62) argues that the rationale and assumptions behind the corporate social responsibility discourse can be summed up as follows:

a) Organisations *should* think beyond making money and pay attention to social and environmental issues.

b) Organisations *should* behave in an ethical manner and demonstrate the highest level of integrity and transparency in all their operations.

c) Organisations *should* be involved with the community they operate in terms of enhancing social welfare and providing community support through philanthropy or other means.

According to Banerjee (2008), these views capture the ideal of corporate social responsibility, which demands that organisations should play a vital role in solving society's problems. According to Lépineux (2005), such supposition is based on the notion that the interest of

business and the rest of society are inextricably connected, and that corporate actions are required to support the economic and social wellbeing of the people who constitute society.

Public relations scholars Grunig and Repper (1992) discuss corporate social responsibility from a strategic perspective, arguing that businesses can benefit from corporate social responsibility primarily by focusing on the communication of corporate social responsibility to multiple publics. Taylor and Kent (2014) state that corporate social responsibility provides a context that allows for greater interaction between organizations and publics through engagement and is essentially enacting corporate initiatives deemed beneficial to local stakeholders. The dual equate engagement with doing good deeds and interacting with the community. Hence, Morsing and Schultz (2006) propose that companies can use three different corporate social responsibility communication strategies based on Grunig and Hunt's (1984) characterisation of models of public relations namely: the stakeholder information strategy, the stakeholder response strategy, and the stakeholder involvement strategy (see Table 2-9). These strategies intend to clarify how companies and stakeholders strategically engage in corporate social responsibility communication and covers the progress from a classical monologue towards a dialogue-based stakeholder relations and mutual benefits (Ihlen *et al.,* 2011) in which both organisation and public share their views and tries to handle the latter's expectations and demands (Baum, 2004; Stoker & Berg, 2006).

Table 2-9: Three corporate social responsibility communication strategies. Adapted.
(Morsing & Schultz, 2006:326)

	The stakeholder information strategy	**The stakeholder response strategy**	**The stakeholder involvement strategy**
Communication ideal	Public information, one-way communication (Grunig & Hunt, 1984)	Two-way asymmetric communication (Grunig & Hunt, 1984)	Two-way symmetric communication (Grunig & Hunt, 1984)
Communication ideal: sense-making and or sense-giving	Sense giving	Sense making ⇩ Sense giving	Sense making ⇕ Sense giving—in iterative progressive processes
Stakeholders	Request more information on corporate CSR efforts	Must be reassured that the organisation is ethical and socially responsible	Co-construct corporate CSR efforts
Stakeholder role	Stakeholder influence: support or oppose	Stakeholders respond to corporate actions	Stakeholders are involved, participate and suggest corporate actions

	The stakeholder information strategy	**The stakeholder response strategy**	**The stakeholder involvement strategy**
Identification of CSR focus	Decided by top management	Decided by top management. Investigated in feedback via opinion polls, dialogue, networks and partnerships	Negotiated concurrently in interaction with stakeholders
Strategic communication task	Inform stakeholders about favourable corporate CSR decisions and actions	Demonstrate to stakeholders how the organisation integrates their concerns	Invite and establish frequent, systematic and pro-active dialogue with stakeholders, i.e. opinion makers, corporate critics, the media, etc.
Corporate communication department's task	Design appealing concept message	Identify relevant stakeholders	Build relationships
Third-party endorsement of CSR initiatives	Unnecessary	Integrated element of surveys, rankings and opinion polls	Stakeholders are themselves involved in corporate CSR messages

Firstly, the stakeholder information strategy presented by Morsing and Schultz (2006) and Schultz and Wehmeier's (2010) is based on Grunig and Hunt's (1984) information orientated public relations model, which aims to accurately inform the public about the organisation; however this communication is one way, i.e. from the organisation to its stakeholders. Morsing and Schultz (2006) argue that trustworthiness in communication is embedded in the organisation itself. Secondly, the stakeholder response strategy is based on the persuasive model and presumes an imbalance from the effects of public relations in favour of the organisation. Thus communication is to change public attitudes and behaviour and thereby persuade them, but not to change the organisation (Grunig & Hunt, 1984; Morsing & Schultz, 2006; Schultz & Wehmeier, 2010). Thirdly, according to Morsing and Schultz (2006) and Schultz and Wehmeier (2010), the stakeholder involvement strategy is founded in dialogue. It points out the possibilities of persuasion but state that it may come from stakeholders and the organisation itself, thus either are willing to and both are able to influence each other. Morsing and Schultz (2006) argue that pro-active commitment by external stakeholders will help the organisation develop and maintain strong stakeholder relationships and be transparent on the discussion and the development of corporate social responsibility initiatives with the stakeholders. These strategies intend to clarify how companies and stakeholders strategically engage in corporate social responsibility communication.

2.7.5 Corporate social responsibility and the mining sector

In an effort to embrace corporate social responsibility in the mining sector, Guerra (2002) states that companies must identify the interest, concerns and objectives of various stakeholders and address their different needs, and this can result to sustainable mining. Gonzalenz-Perez and Leonard (2013) suggest that for mining companies, corporate social responsibility practices should aim at gaining greater sustainability in the industry through well-defined goals leading eventually to sustainability. According to Yakovleva (2005), corporate social responsibility initiatives help reduce risks of community distractions through the building of sound stakeholder relationships and reputation as influenced by organisations' approach to corporate citizenship (Tuck *et al.,* 2005). Hence, companies set up foundations and trusts funded by mining profits to provide social services to communities affected by mining (Jenkins, 2004). In addition, Gonzalenz-Perez and Leonard (2013) argue that the greatest challenge facing the mining sector today is integrating economic activity with environmental integrity, social concerns and effective governance systems. The goal of that integration can be seen as more sustainable development. This requires a robust framework based on an agreed set of board principles, an understanding of key challenges facing the sector and the actions needed to meet them. Therefore, corporate social responsibility must be established in the local context through continual dialogue with the key stakeholder (Hamann, 2003). Responsible mining requires stakeholder engagement. According to Hamann and Kapelus (2004), corporate social responsibility and community engagement plays a crucial role in improving organisation-community relationships and is a prerequisite for the mining sector to obtain and maintain a social license to operate. In general, organisations need to engage with stakeholders to establish relationships to achieve their own outcomes.

2.7.5.1 Social licence to operate

According to Lacey *et al.* (2012), a social licence is earned through negotiation and favourable reputation with stakeholders (Prno & Slocombe, 2012), leading to outcomes that are mutually beneficial (Cutlip *et al.,* 2006) and reflect a good relationship between the organisation and its stakeholders (Franks *et al.*, 2010). The relationship established through effective engagement facilitates communication and mutual understanding when organisations seek and maintain a social licence to operate. Furthermore, developing mutually beneficial relationships creates a platform for balanced negotiations and co-creation of outcomes, where an organisation's actions and behaviours are aligned to community expectations and aspirations. Thomson and Boutilier (2011) contend that the method of communication that organisations apply to interact and engage with local citizens have an impact on the social licence to operate. In addition, a social licence to operate emphasises an enquiry in which human relationships and

development aspirations are of interest (Owen & Kemp, 2013). Therefore, from time to time organisations are expected to engage with local communities to establish strong relationships and constantly maintain a positive corporate reputation as these are the pillars to gain and maintain a social licence to operate.

2.7.6 Contextualising corporate social responsibility

Corporate social responsibility is the voluntary discretionary business practice, beyond its legal and economic obligation to do right things for the long-term sustainability of the business and act in ways that balance the diverse demands of communities and favours the development of the region where the organisation operates (Newbold, 2003), as well as the imperative to protect the environment, while simultaneously making profit (Jenkins, 2004). It is a prerequisite to gain and maintain a social licence to operate (Hamann & Kapelus, 2004). A socially responsible organisation views things little differently, and goes beyond what it is obligated to do or chooses to do because of some popular social need, to do what it can to help improve communities because it is the right thing to do (Robbins & Coulter, 2007:119). Corporate social responsibility is a business process to deliver a positive impact on society through effective communication that should be about listening carefully to stakeholders, as well as to operate in a transparent manner. In this regard, Kim and Reber (2008) point out that management function of public relations can play a positive role in society while corporate social responsibility demand to reduce the self-interest of organisations in its preference and act within society. Therefore, corporate social responsibility is important for this research because it is the referee point in the communication, relationship building, image building and a social license to operate activities of an organisation within the context of communities, in which mining organisations' operate and is linked to mutual understanding as the basis of agreeable action (Foster & Jonker, 2005), and lays a foundation for transparency and accountability for modern business (Rensburg & Cant, 2009). Consequently, corporate social responsibility is implemented as an activity of public relations.

2.7.7 Summary

The literature review outlined public relations as a management function and a strategic communication process in practice that aims to understand people's perception to manage relationships between the organisation and its key publics and further build and maintain reputation. Public relations is implemented as an independent function that could contribute to an organisation's public responsibility. The profession has undergone extensive change in terms of its activities and its importance in modern life. It has evolved from the negative stereotypes of manipulation, propaganda and press agentry to persuasion, collaboration and

dialogue as well as co-operation of stakeholders as part of the strategic management of communication.

Corporate governance, which is defined as a system to manage an ethical organisation, lays the foundation for legal responsibility of an organisation and provides the fundamentals upon which corporate social responsibility practices can be built to enhance responsible business. This foundation for good corporate governance is based on an inclusive stakeholder approach and is essential for sustainable development. Moreover, corporate governance underpins how public relations practitioners manage stakeholders. The stakeholder management concept begin with identifying the community stakeholder, allocate stakes, engage and build relationships with them, similar to public relations.

The review of public relations and corporate social responsibility revealed the existence of four action steps for both public relations and corporate social responsibility. On one hand, public relations defines the problem, plan, program and deal with action and communication then evaluates the programs. Conversely, corporate social responsibility acknowledges the problem, analyse and plan then deal with action and communication similar as public relations and further implement. Similarly to both public relations and corporate social responsibility is the importance of communication, especially when dealing with their stakeholders to maintain mutual relationship and understanding, in order to maximise profit that benefits all stakeholders. This communication requires a strategic two-way, relational, give-and-take stakeholder engagement to facilitate partnership and implement favourable corporate social responsibility projects. Nevertheless, the community engagement strategies and the corporate social responsibility communication strategies emphasise the evolving of public relations communication from a monologue to a two-way dialogue form of communication vital to develop mutually beneficial relationships based on trust and further bolster *"corporate citizenship"*. The different corporate social responsibility communication strategies suggested that the best way to communicate corporate social responsibility engagements is to apply a two-way symmetric communication method, whereas the community engagement strategies emphasise on two-way communication and joint decision making that move beyond talk into action.

The literature review reveals that the link between corporate governance, stakeholder management and corporate social responsibility maintain that all concepts draw strength from the same sources, namely communication, transparency, accountability, honesty, ethics, mutual understanding, partnership, joint decision making and mutual benefits same as public relations. The open system approach is relevant and influential through the boundary spanning, feedback, and dialogue in order to listen and accommodate the interest of the

community stakeholder within organisations. Additionally, research is the center of public relations, stakeholder management and corporate social responsibility. However, the existing literature does not provide much empirical insight into the public relations communication model that underpins stakeholder engagement on corporate social responsibility within the South African context, particularly the mining sector.

The next chapter will discuss the research design and methodology applied in this research to answer the research question, *"What type of public relations model of communication underpins stakeholder engagement within corporate social responsibility projects in Richards Bay"?*

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

3.1   Introduction

The previous chapter (two) discussed literature review in accordance with the objectives of this research. This chapter provides the various research strategies used collect and analyse data for the study. It further outlines how the researcher went about conducting the collection of data to answer the following research question: *"What type of public relations model underpins stakeholder engagement within corporate social responsibility projects in Richards Bay"?* The key research components are also discussed which provide an overall understanding of how descriptive data was collected.

3.2   Research in public relations

According to Lindenmann (2006), research in public relations investigates the whole public relations process and the communications relationships that exist between organisations and its stakeholders. Rensburg and Cant (2009) argue that public relations research logically follows a methodological approach to gather reliable information to understand a phenomenon and thus make informed decisions. Therefore, research in public relations is about the systematic methods aimed at discovering and collecting facts to understanding the communication process and the relationships between an organisation and its key stakeholders.

3.3   Research paradigms

Research paradigms address the philosophical dimensions of social science (Wahyuni, 2012) namely the ontological, epistemological, axiological and theoretical considerations that govern the research.

3.3.1   *Ontological considerations*

Ontology is philosophical belief system about the study of the nature and form of reality, as to what can be known and how (Nieuwenhuis, 2007a; Goertz & Mahoney, 2012). Ontological assumptions have an impact on research topic selection, the formulation of research questions, as well as the strategies for conducting the research. According to Samkange (2012), there are two ontological positions namely:

a) Objective, which implies that there is an external reality that can be studied quantitatively, and

b) Subjective, which states that the real world can be discovered by means of perceptions and consequent actions of those social actors concerned with their existence (Guba & Lincoln, 1994).

David and Sutton (2011) hold that subjectivism believes that *"the world is built on the shared meanings and co-ordinated actions of rational actors, not by external structures and hidden mechanisms"*. The researcher's relationship to the research process is subjective because it is founded on perceptions based on prior experiences of the interaction between the organisation and its community stakeholders and the answer depends on the experience of the social actors. Subjectivity is central to how we arrive at what constitutes reality. This reality can be created through the use of a variety of data and different sources which enable the interpretive researcher to make use of different viewpoints to construct the world through different processes of observation (Henning *et. al.*, 2004). Therefore, subjectivism as an element of ontology holds that social phenomena are created from the perceptions and consequent actions of those social actors concerned with their existence (Guba & Lincoln, 1994). In this regard, reality was constructed through perceptions and experiences of different primary sources that were involved in the communication engagement between corporate social responsibility stakeholders.

3.3.2 Epistemological considerations

According to Nieuwenhuis (2007a), epistemology is the body of philosophy that involves knowledge and embraces how the relationship between the researcher and research subjects is understood. It explains theories of knowledge and on how to get knowledge about the world (O'Leary, 2004). According to Bryman (2004), the epistemological consideration identified two distinct perspectives, namely positivism and interpretivism. On one hand, proponents of the positivism perspective hold that the canons that are utilised in the social world can be applied to the study of society (Mertens, 2005). According to Wheeldon and Ahlberg (2012), positivism holds that there is one universal truth, which is quantifiable and measurable and thus can be studied, captured and understood; hence reality is the same for everyone. Positivism aims to test or describe objective theories and emphasises the relationship among variables (O'Leary, 2004). On the other hand, interpretivism is an epistemology that advocates that as an active social actor rather than an object, meanings can be shared and understood (David & Sutton, 2011; Samkange, 2012). In this sense, human beings are acknowledged as not static but dynamic. Wheeldon and Ahlberg (2012) argue that Interpretivism challenges the concept of a single absolute truth as it holds that knowledge is speculative and therefore not based on a rock solid foundation. Reality is 'socially constructed' (Mertens, 2005) and can be different for different people. Additionally, Blanche *et al*. (2006) conclude that the interpretivist research is

about understanding in context and collects data using qualitative research methods (Neergaard & Ulhøi, 2007). Therefore, the research has taken a interpretivist stance because of the view that not only are the actors of social research different from the natural sciences (Bryman, 2004), but also there must be room for some level of subjectivity in social research since it deals with the human behaviour and not objects and believes that knowledge arises from understanding of symbols and meaning.

3.3.3 Axiology considerations

Ponterotto (2005) posits that axiology concerns the role of the researcher's values and ethics in the scientific process and actively reports their values and biases as well as value-laden purpose to the information gathered from the field. Positivists believe that for the research process to be valid, there is no place for values as it is necessary for the scientist to approach their research in a neutral and objective manner. The positivist research process is about empirical observations and measurement (Wheeldon & Ahlberg, 2012), whereas interpretivists argue that is impossible for research to be completely free of personal values, as research is always biased towards the values and lived experience of the researcher, who should acknowledge, describe, and "*bracket*" his or her values, but not eliminate them (Ponterotto, 2005). Furthermore, the interpretivist research process requires close, prolonged interpersonal contact with the participants in order to facilitate their construction and expression of the "*lived experience*" being studied (Wheeldon & Ahlberg 2012). The aim is to work towards a construction of the social environment that is consistence with the experiences of participants and the methodological assumption may include in depth interviews. Additionally, since no one can truly be unbiased, some groups are more knowledgeable about certain things than other groups due to their positions in society, and they can be considered more qualified to perform research on certain topics as a result (Arneson, 2009). Therefore, the axiological stance of this research is that the research is not free from the researcher's personal values because the researcher is directly involved hence the researcher played a key role in selecting research participants.

3.3.4 Theoretical considerations

According to Roulston (2010), theoretical consideration informs not only the interviews but each stage of the research process from the design of the research, the transcription of interviews etc. She argues that the choice and decisions of researchers of researchers are influenced by theoretical assumptions. In words she said

> *by considering the underlying ussumptions of 'neo-positivist', 'romantic', 'constructinist', 'postmodern', 'transformative'' and 'decolonizing' conceptions of*

qualitative interview, I argue that researchers will be better prepared to design research projects to use interviews in was that are consistent with their epistemology, and theoretical assumptions about knowledge production…How we think about the qualitative interview has implications for how interviews are structured, the kind of questions posed, and how data are analysed and represented (Roulston, 2010:51)

Furthermore, Johnson and Christensen (2008), advocates of rationalism consider 'reason' as the primary source of knowledge. Through the processes of thinking and reasoning, rationalists believe that it is possible to develop an understanding of a subject, without actually directly observing a phenomenon. Bryman (2004) believe that there are two types of theoretical consideration or reasoning in social science research; it is either deductive reasoning or inductive reasoning. According to David and Sutton (2011), quantitative research uses deductive reasoning to test a hypothesis whereas with qualitative research uses inductive reasoning to develop a theory or pattern of meaning as it allows theory to emerge from the raw data (De Vos *et al.*, 2011). Shank (2006) emphasises that an inductive reasoning approach to data analysis converts research data into a possible conclusion. Therefore, the study used inductive reasoning to map the communication process of corporate social responsibility stakeholders to identify the model of public relations that underpins corporate social responsibility in the mining industry.

3.4   Research design

According to Welman *et al.* (2005), a research design is a plan of collecting information from the research participants that will answer the initial question and attain the results that can be associated with the real situation (Yin, 2013). Furthermore, Burns and Grove (2003) argue that the vital role of research design is to minimize the chance of drawing incorrect causal inferences from data. The research design includes research paradigms, philosophies of science and knowledge, strategies of inquiry, methodologies, and techniques and procedures to collect and analyse data (Crotty, 1998).

Furthermore, according Cresswell (2014) there are three important purposes or types of research results: exploratory, descriptive and explanatory, which link closely to its design. Cresswell (2014) believes that the exploratory studies are preliminary investigations into relatively unknown areas of research; descriptive studies describe a phenomenon; and explanatory studies provide a casual explanation of the nature of the relationships studied (Blanche *et al.,* 2006). Therefore this study employed exploratory research because this is a new area of study and intends to yield new insights into the research topic. Furthermore, exploratory research is able to clarify a relationship between two aspects of a situation or a phenomenon (Kumar, 2005), and aims to obtain an in-depth look into all factors, thus gain as

much information as possible in a short space of time (McNabb, 2010) to gain a full understanding of the event or situation, discover new ideas and increase knowledge (Babbie & Mouton, 2001).

3.5   Research methodology

According to Wahyuni (2012), a methodology refers to a model to conduct research that is appropriate to the overall research paradigm. Burns and Grove (2003) refer to research methodology as the procedures used in making systematic observations or otherwise obtaining data, evidence, or information for analysis as part of a research project or study (Ponterotto, 2005). Furthermore, methodology explains how the data will be collected, the participants of the study, the sampling frame as well as the data collection instruments and fieldwork practice. It comprises the underlying sets of beliefs that guide a researcher to choose one set of research methods over another. There are currently three major research approaches to social and behavioural sciences, namely: qualitative research, quantitative research, and mixed research.

3.5.1   *Qualitative research*

According to Neergaard and Ulhøi (2007), qualitative research has an interpretative naturalistic, anti-positivist approach to its subject matter. Denzin and Lincoln (2005:3) broadly claim that:

> *…qualitative research as a situated activity that locates the observer in the world. It consists of a set of interpretive, material practices that make the world visible. These practices transform the world. They turn the world into a series of representations, including field notes, interviews, conversations, photographs, recordings, and memos to the self. At this level, qualitative research involves an interpretive, naturalistic approach to the world. This means that qualitative researchers study things in their natural settings, attempting to make sense of, or interpret, phenomena in terms of the meanings people bring to them.*

According to Maykut and Morehouse (1994), qualitative research approach is exploratory; and allows for the observation of new situations, and is inductive. A qualitative research approach is oriented towards understanding the way the social world is constructed (McLeod, 2011). The descriptive nature of the qualitative research approach depends on words and language, instead of numbers and measurements and it is viewed as best suited for obtaining data on attitudes, perceptions, meanings and the description of social reality (Berg, 1998). These are attributes that cannot be quantified. Furthermore, according to Denzin and Lincoln (2005), the purpose of a qualitative research is to recognize the multifaceted interpretations of human experience, and the iterative relation within social and cultural systems. Therefore, qualitative

research is subjective, value-laden, biased, and an *ad hoc* process that accepts multiple realities through the study of a small number of cases (Cresswell 2014).

Therefore this research used a qualitative research approach to collect and analyse data to understand the communication process of corporate social responsibility stakeholder within the mining industry. This approach was found suitable for the study because of its subjective ontological stance and the fact that it accepts multiple realities through the study of a small number of cases hence the researcher depended on words and language to develop an understanding of the communication process, without actually directly observing or participating in the phenomenon.

3.5.2 Factors which influenced the research design choice

This research is subjective, interpretivist and qualitative in design. It is exploratory as its purpose is to understand the communication process between the mining organisation and the host communities. Hence, inductive reasoning will apply to develop theory from the raw data.

Table 3-1: Summary of factors influencing my choice of design. Adapted.
(De Vos et al., 2011:311; David & Sutton, 2011:76)

Research choices	Explanations
Ontology	The real world can be discovered by means of a systematic, interactive methodological approach.
Subjective	Research that is based on prior experiences and depends on the experience.
Epistemology	Knowledge arises from understanding of symbols and meaning as reality is socially constructed and differs for different people.
Interpretivism	The truth is dependent on the situation.
Result of research	Understanding the meaning in context in a rich and thick description.
Axiology	The researchers' values and experiences cannot be separated from the research process.
Theoretical	Inductive reasoning, which converts research data into a possible conclusion.
Research approach	Qualitative research is oriented towards exploring and understanding the way the social world is constructed.
Reporting style	Researcher provides insight into behaviour displayed and meanings and interpretations that subjects give to their real life worlds.

3.5.4.1 Population

According to Engel and Schutt (2005), a population is the entire set of individuals to which research findings are generalized. Populations are typically huge, and contain too many units to measure and study, thus making it necessary to make a selection from the units (Gravetter & Forzano, 2009).

For this study, the population comprises of the organisation's staff in the department of Communities and Corporate Relations as well as the communities in which the organisation operates. The research was conducted at this organisation because:

- The organisation is the leading mining company in Richards Bay and is the holder of large ore reserves. According to the organisation's 2013 Sustainability Report the organisation engages with all key stakeholders within their sphere of influence and the areas within which they operate; and is proud of its partnerships with the local community, based on trust and mutual benefit.

- In addition, the organisation supports a variety of corporate social responsibility projects within four of the host communities it operates in.

- The organisation operates across four host communities in the Richards Bay area, namely Mbonambi, Sokhulu, Mkhwanazi and Dube, and the corporate social responsibility projects are implemented in these respective areas.

3.5.4.2 Sampling

Sampling is the process used to select a group of individuals from the entire population (Nieuwenhuis, 2007b). According to de Vos *et al.* (2011), a sample encompasses elements or subsets of a population that can be considered for actual inclusion in the research study (Welman *et al.*, 2005) and is commonly known as 'target population' (Burns & Grove, 2003). Furthermore, a sampling frame should be chosen so that its units selected from the population are representative of the population, and thus the results are generalizable (Tharenou *et al.,* 2007). It is when results can be generalised that the research has meaning beyond the limited settings in which they were originally obtained.

According to Welman *et al.* (2005), sampling can be classified into probability and non-probability sampling. With probability sampling each unit of the population has a probability of being included as a unit of the sample frame. However, it is impossible to specify all the units that will be included or excluded in non-probability sampling. Selection of participants depends on the judgement and convenience of the interviewer and the sample represents the whole population although it depends on the availability of information. Hoepfl (1997) argues that in qualitative research there are no strict principles for sample size. Sample size depends on the purpose of the study, and usefulness and credibility of information which is defined by the researcher. Furthermore, qualitative research generally uses non-probability sampling and the research conclusions are evaluated on trustworthiness (Lincoln & Guba, 1985).

In this research, a non-probability sampling technique was employed: purposive sampling was used to select participants from the organisation and the communities. According to Adler and Clark (2011), purposive sampling is desirable for exploratory studies and qualitative research. Procter *et al.* (2010) maintain that purposive sampling is used to select rich cases to generate or test an exploratory framework, and as a means of increasing the utility of information obtained from small samples. Furthermore, purposive sampling can link first-hand experience to a specific area of interest (Streubert & Carpenter, 2011).

The rationale for selecting non-probability purposive sampling was to glean knowledge from individuals with first-hand experience regarding the communication process between the organisation and local communities on corporate social responsibility projects established or developed within their respective areas. On one hand, the purposive sample comprised of the organisation's Communities and Corporate Relations employees (Table 3-2). These people were selected because they are the most suited and the only people closely involved in the engagement process with communities on corporate social responsibility projects.

Table 3-2: Purposive sample – the organisation and host communities

The organisation's Communities and Corporate Relations employees	Traditional Council / Community Leaders
General Manager	Chairman of the Mbonambi traditional council
Communications Manager	The Inkosi (Sokhulu community)
Communities and Corporate Relations team (specialists in: community relations, agricultural projects, local economic development projects, impact, community liaison, rural development)	Chairman of the trust fund (Mkhwanazi community)
	Acting Inkosi (Dube community)

On another hand, community leaders, ranging from *emakhosi[1] (chiefs), Inkosi representative (in the absence of the chief), and members of the traditional councils*, were purposively selected for this study. The rationale for selecting community leaders is that the KwaZulu-Natal Traditional Leadership and Governance ACT, 2005 (Act No. 5 of 2005) mandates the traditional councils as the authorities that regulate communities and champions development in their respective areas. In addition, these people have the community mandate to talk and represent them in any decision making processes regarding their relationship with the mining organisation and have expertise pertaining the subject study.

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[1] Emakhosi-plural of Inkosi

3.6   Data collection methods

Bryman (2004) defines a research method as "*a technique for collecting data*". Silverman (2013:11) outlines four main techniques for qualitative data collection, which are (a) observation, (b) analysing text and documents, (c) interviews, and (d) recording and transcribing. Separately from using secondary sources such as textbooks, publications, online resources and journal articles to obtain theoretical knowledge of the research objectives, the research applied the interview method as the main instrument for the collection of data for the study. Fontana and Frey (2005) claim that interviews are the most common data collection method in qualitative research that provides a flexible way of asking people about their opinions and experiences.

3.6.1   Interviews

According to de Vos *et al.* (2011), an interview is a managed verbal exchange, a dialogue which is designed to exchange information between the researcher and the participants (Nieuwenhuis, 2007b). The aim of qualitative interviews is to obtain rich descriptive data by observing the world through the eyes of the participants (Procter *et al.*, 2010) that will assist the researcher to understand the participant's construction of knowledge and social reality (Mertens, 2005). Procter *et al.* (2010) suggest that the effectiveness of an interview depends on the communication skills of the interviewer (Clough & Nutbrown, 2007), such as the ability to clearly structure questions (Cohen *et al.,* 2007); listen attentively (Clough & Nutbrown, 2007); pause, probe or prompt appropriately (Procter *et al.,* 2010); and encourage the interviewee to talk freely and allow the interviewees to respond freely (Clough & Nutbrown, 2007).

Based on the degree of structuring, interviews can be divided into three categories: structured interviews, semi-structured interviews, and unstructured interviews (Fontana & Frey, 2005). Dunn (2005) states that a structured interview has a set of predefined questions and standardised list of questions that are asked in the same order for all participants. This standardisation is intended to minimize the effects of the data collection instrument and the interviewer on the research results. Structured interviews are similar to surveys, except that they are administered orally rather than in writing. Semi-structured interviews are flexible; make use of an interview guide; and are usually organised around a sequence of predetermined open-ended questions or themes and are open to change as during the course of the interview, the interviewer has a certain amount of room to adjust the sequence of the questions to be asked and to add questions based on the context of the participants' responses (DiCicco-Bloom & Crabtree, 2006; Kvale, 2007). According to DiCicco-Bloom and Crabtree

(2006), semi-structured interviews are conducted once and take between 30 minutes to several hours to complete (Graham, 2008). Semi-structured in-depth interviews are the most widely used interviewing format for qualitative research and can occur either with an individual or in groups (Mack *et al.*, 2005). Oral histories use unstructured interviews to collect data as the conversation is directed by the participant rather than a set of questions (Fontana & Frey, 2005). Unstructured interviews are most useful when the researcher wants to gain an in-depth understanding of a particular phenomenon within a particular cultural context (Minichiello *et al.,* 1990).

Therefore, semi-structured interviews were selected as the means of data collection because they are well suited for the exploration of the perceptions and opinions of respondents regarding complex and sometimes sensitive issues and enable probing for more information and clarification of answers. In addition, semi-structured interviews can be shaped by the interviewee's own understandings as well as the researcher's interests. Both in-depth individual interviews and a focus group interview were conducted.

3.6.1.1 In-depth individual interview

The in-depth interview is a face-to-face one-on-one interview, designed to elicit a vivid picture of the participant's perspective on the research topic (Mack *et al.*, 2005) and is semi-structured in its style (Graham, 2008). Samkange (2012) puts forth that individual in-depth interviews allow the interviewer to explore social and personal matters and are useful in recording an account from the perspective of the individual being interviewed. The rational for in-depth face-to-face interviews is that they are suitable for producing contemporary experiences and knowledge (Silverman, 2004). Further in-depth interviews provide social encounters whereby participants are able to provide accounts of their past actions, experiences, feelings and thoughts (Seale, 2004). In this research two top management people from the organisation i.e. General Manger: Communities and Corporate Relations and the Communication Manager as well as four community leaders were interviewed using this method because they were found to be the most suited and the only people closely involved in the study areas hence they can provide new insight in-depth.

3.6.1.2 Focus group

Group interviews often take the form of focus groups, with multiple participants sharing their knowledge or experience about a specific subject. In addition, Carey and Asbury (2012) state that focus groups can provide insights into attitudes and beliefs that underlie behaviour and by providing context and perspectives that enable experiences to be understood more holistically. Kvale (2007) argues that the aim of the focus group is not to reach consensus on issues

discussed, but to bring forth different views on an issue. Furthermore, focus groups are planned to capitalise on interaction among the group members to enhance the collection of deep, strongly held beliefs and perspectives (Carey & Asbury, 2012). Rabiee (2004) claims that focus groups could provide information about a range of ideas and feelings individuals have about certain issues, as well as illuminating the differences in perspective between groups of individuals. Furthermore, group interviews allow interviewers to get a wider range of experience and can generate rich, detailed data that cannot be achieved with other research methods (Carey & Asbury, 2012). Kvale (2007) maintains that focus group interviews are well suited for exploratory studies in a new domain since the lively collective interaction may bring forth more spontaneous expressive and emotional views. In this research the Communities and Corporate Relations team was interview using this method because the researcher and the team leader felt a focus group will provide more insight other than an individual interview with the team leader as planned earlier. The decision was taken by both the team leader and the researcher. The participants were homogeneous in term of prestige and status. They were experts in different fields and thus would provide more insight in accordance with their expertise. Carey and Asbury (2012:42) state that such homogeneity is useful, because people are more likely to share information with others whom they see similar.

3.6.2 Data collection process

Data collection is done using questionnaires, tests, interview schedules, interview guides and checklists (O'Leary, 2004). Traditionally, qualitative data collection results in large amounts of textual material, with the data analysis process beginning during the data collection process and not after the collection process (David & Sutton, 2011). The data collection process in this research included: the development of an interview schedule; schedule appointments with participants; interviewing participants; recording raw data, transcribe and analyse the data.

3.6.2.1 Interview schedule

According to de Vos *et al.* (2011), an interview schedule is a written questionnaire with predetermined open ended questions that is used by the researcher to guide interviews and engage the participants (Monette *et al.*, 2011; Gall *et al.*, 2003). Furthermore, the interview schedule was structured in a way that 'buzz' words were eliminated to avoid confusion, biasness and intimidating interviewees, and questions were arranged from simple to complex to allow participants to adjust to the patterns of the interview schedule (Bailey, 1982). The interview questions were motivated by the findings from the literature review and designed to guide the researcher to understand the constructs and know what questions to ask to cover the constructs. In addition, with literature informing the questions, it is possible to build theoretical representativeness into the research questions (Eskola & Suoranta, 1998). Open-

ended responses allowed participants to contribute as much detailed information as they desired and it also allowed the researcher to ask probing questions as a means of follow-up (Turner, 2010). Importantly, the questions were structured in a way that did not insult the participants but encouraged them to provide detailed responses to the questions.

In this research the interview schedule (see Appendix A) was informed by the literature review and divided into five sub-sections, namely: corporate governance; corporate social responsibility; communication; relationship and reputation. In developing the interview schedule, particularly attention was given to the creation of open-ended questions, which enable the participants to respond freely as the objective was to get more information about the perceptions of people from their personal understanding regarding the process of communication when developing corporate social responsibility projects. Furthermore, attention was given to the vocabulary used to ensure that the questions were asked in everyday language, unambiguous and easy to answer. The interview schedule was discussed and approved by the supervisor, before being piloted on the MTech Public Relations Management students.

3.6.2.2 Data collection procedure

This research used a purposive sampling method, which is a form of non-probability sampling that is used when the researcher has a purpose for choosing specific people to interview (Trochim & Donnelly, 2006).

The researcher contacted the organisation's head office telephonically on June 17, 2013, to obtain permission to conduct research for academic purposes. Simultaneously, an electronic mail as per the organisation's representative's request with the proposal attached (see Appendix B-1) was sent. Unfortunately, the organisation's representative left the organisation shortly thereafter and was no longer in a position to assist. The researcher then sent a second request to the new organisation representative, together with an electronic copy of the proposal on September 09, 2013 (see Appendix B-2). On September 17, 2013, the organisation accepted the proposal, and a formal letter of approval was sent to the researcher (see Appendix B-3).

On January 20, 2014, a formal letter (see Appendix B-4) was sent to the organisation requesting to conduct interviews with the General Manager: Stakeholder Relations, Communication Manger: Stakeholder Relations and three senior staff within the Communication and Stakeholder Relations department. The organisation representative's personal assistant scheduled interview appointments with the requested internal staff on January 27, 2014, with the first interview being schedule for February 05, 2014. Other

interviews were scheduled for February 18, 2014, and February 21, 2014. However, the last interview with the organisation representatives was conducted at Dube Community Hall where the group went to present on current projects.

Furthermore, there are strict cultural procedures which needed to be met to arrange the interviews with community chiefs (Amakhosi). To obtain an introduction to the local induna[2], the researcher first had to meet with the local councillor of KwaMcebisi area, managed by the Mkhwanazi chief. The induna invited the researcher to attend the traditional council, where after, being introduced, the researcher was able to present the request for interviews to gather data for the academic research to the traditional council and the Inkosi. Due to the fact that the Inkosi was still new in the seat, the council suggested that the researcher meet with the two members of the council who negotiate directly with the organisation on projects implemented in their community. Unfortunately one of the two members allocated by the traditional council is an employee of the organisation. Therefore to reduce any biasness, the researcher chose to interview only one of the two on February 11, 2014.

Because of the distances involved as well as being unfamiliar with the locations of the other communities, the researcher, using telephone numbers supplied by the KwaZulu-Natal department of Co-operative Governance and Traditional Affairs (COGTA) offices in eMpangeni, contacted the acting Inkosi of the Dube community and the chairman of the Mbonambi traditional council to arrange appointments on February 07, 2014, and February 12, 2014, respectively. On February 07, 2014, the researcher met the acting Inkosi of the Dube community at the Esikhawini Magistrate Court and arranged an interview time at his homestead. On the morning of February 12, 2014, the researcher phoned to confirm the meeting with the chairman of the Mbonambi traditional council, but was asked to reschedule the meeting to the following day, February 13, at the Mbonambi tribal court. At that meeting, the chairman introduced the researcher to the traditional council who immediately approved the research and the researcher was able to start the interviews without delay.

However, attempts to arrange the interview with the Sokhulu Inkosi were unsuccessful until the researcher met a community member who was able to arrange an introduction to the son of the Inkosi, and subsequently to the Inkosi. The researcher was able to present his request to the chief on February 23, 2014. The chief, who is in his late 80's, felt he was not the best person to provide this information and immediately summoned his internal council which consists mainly of his children, and it was decided that as a community issue, the traditional

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[2] Izinduna: An isiZulu word for an advisor, leader, ambassador, headman or commander.

council should decide on who should be interviewed. The researcher was asked to return on March 04, 2014, to present the proposal to the traditional council. After accepting the proposal, the traditional council appointed three people to represent the Inkosi in the interview on the same day.

According to Given (2008), the research setting, which is the physical, social, and cultural site that the researcher conducted the study, was on-site in Richards Bay. The interviews took place at the following venues: The organisation's head office; Mbonambi Tribal Court House; Sokhulu Tribal Court House; Dube Community Hall; Dube Inkosi homestead; and the researcher's car. These venues provided the participants with a comfortable and familiar physical environment. Furthermore, interviews conducted within the organisation's premises aided in securing the co-operation of the participants and were convenient for the clarification and provision of additional information. The interviews were conducted between February 05, 2014, and March 04, 2014.

3.6.2.3 Interviewing participants

During the interviews, the interview schedule was used to guide the conversation and to ensure that the conversation did not divert form the topic. According to Bryman (2004), semi-structured interviews do allow the researcher some flexibility during the interviews to adjust the schedule as well as the phasing of the questions.

In this study, the average interview was approximately 50 minutes in length, with the shortest interview being 30 minutes and the longest 1 hour 15 minutes. In each interview the researcher introduced the topic to the participants and informed them that they were specifically invited because of their knowledge on the topic. In total, seven individual face-to-face interviews and one focus group interview were conducted for the research. All the interviews were recorded with the permission from the participants' to facilitate transcription. The interviews with the organisation's management, the Dube and Mkhwanazi communities, were conducted in English. The interviews with the Sokhulu chief, the chairman of the traditional council at Mbonambi community, were conducted in Zulu as the participants felt comfortable with their mother tongue and were thus able to provide detailed information on their experiences, knowledge of practices and processes, to reflect on their experiences and to offer their opinions.

Although it was not originally part of the research methodology to conduct a group interview, it became necessary to do so to gather the data required for the research. A group interview was held with six members from the organisation's Communication and Stakeholder Relations team. Although there were three representatives of the Sokhulu community, they were

interviewed as one person, as per the mandate from the Inkosi and the fact that they presented a united front.

3.6.2.4 Recording raw data

According to Nieuwenhuis (2007c), qualitative data collection techniques involve taking notes, recording the proceedings and relying on the use of observations to obtain data that will guide the researcher to get appropriate answers for the research questions. Bryman (2004) added that qualitative researchers are *"not just interested in what people say but also the way they say it"* and thus to be able to take all these details, they may need to record the interviews and later take time to analyse it.

In this research a digital voice recorder was used to gather and store raw data. Interviewees were tape recorded with their permission. Recording was found suitable to give the researcher an opportunity to get every detail that is required. It allows the researcher to focus fully on the interactions instead of feeling pressured to get the participants' words recorded in the notebook. In addition, the researcher's perceptions of each participant were included in the interview field notes.

3.6.2.5 Transcribe and analyse the data

Interview transcripts make use of a question and answer format to capture how the participants answered each question (Nieuwenhuis, 2007c). According to Davidson (2009), transcription is a careful and representational approach to interpreting recorded data. Furthermore, Rabiee (2004) states that the interpretivist considers transcripts to be 'theoretical constructions' (Lapadat, 2000), and transcription to be a representational and interpretive process (Green *et al.,* 1997) whereby researchers make choices about what to record, and how, in transcripts. Care should be taken during the interview process to avoid noise pollution that might interfere with the recording and make it difficult to transcribe (Easton *et al.,* 2000).

In this research, the researcher transcribed the seven interviews and focus group interview in a question and answer format. The transcription followed the interview discussion, which in some cases did not follow the sequence of questions as represented in the interview schedule. In addition, the researcher did not assume the transcripts were accurate the first time, and listened to the recordings a number of times to check and double-check the transcripts' accuracy prior to analysing the content. The interviews conducted in Zulu language were then translated into English language. David and Sutton (2011) emphasise that listening to the recordings involves a degree of interpretation and selection and so involves an element of analysis.

3.7   Data analysis

According to de Vos *et al.* (2011), writing qualitative data cannot be separated from the analytical process as the researcher engages in an interpretative act when shaping the raw data. According to Welman *et al.* (2005), data analysis is the process of searching for a relationship among categories, form a structure, and interpret raw data collected to produce findings. Regardless of the paradigm used, data analysis is a form of reducing and organizing data that was gathered using qualitative techniques (Mouton, 2001). David and Sutton (2011) argue that qualitative data analysis is a form of grounded theory and inductive reasoning where theory is allowed to emerge from the raw data in order to present a valid reflection of the phenomenon (De Vos *et al.,* 2011; Nieuwenhuis, 2007c).

The qualitative data analysis for the study was carried out by means of thematic content analysis. Nieuwenhuis (2007c) defines content analysis as the process that looks at data from different angles with a view to identifying key concepts that will help understand and interpret raw data. Conversely, qualitative content analysis specifically shows reality through textual data meanings discovery (Silverman 2011). However, Given (2008) claims that qualitative content analysis is called thematic analysis and is the principal technique that is used by qualitative researchers to analyse data. Braun and Clarke (2006) define thematic analysis as a purely qualitative research method for identifying, analysing and reporting patterns within data from exploratory studies. Thematic analysis uses a constant comparative method to generate and analyse data. The constant comparative method focuses more on describing variation in different circumstances of social phenomena (Boeije, 2010). It provides a more systematic way to identify any difference that emerges in empirical data. This process is based on categories that become clear to the researcher only as the analysis proceeds. It has been suggested that thematic analysis, as a flexible and useful research tool, provides a rich and detailed, yet complex, account of the data (Braun & Clarke, 2006). Therefore it is clear that thematic analysis involves the search for and identification of common threads that extend across an entire interview or set of interviews (DeSantis & Ugarriza, 2000), to produce purely qualitative and detailed results.

Table 3-3: Processes of data analysis in thematic analysis
(Braun & Clarke, 2006; Marshall & Rossman, 2011)

Phases of thematic analysis	Data analysis process
Organise the data.	Transcribing data, reading and rereading the data, noting down initial ideas.
Generating initial codes or themes.	Coding interesting features of the data systematically 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.
Review or test emergent understandings of the data.	Checking if the themes work in relation to the coded extracts and the entire data set, generating a thematic map.
Define and search for alternative explanations of the themes and naming them.	On-going analysis for refining the specifics of each theme and the overall story the analysis tells, generating clear definitions and names for each theme.
Producing the report.	Producing the report is 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 report of the analysis.

Furthermore, Wahyuni (2012) states that qualitative content analysis practically uses a coding method to label data. Boeije (2010) claims that coding in grounded theory research is undertaken on three levels: *open coding, axial coding* and *selective coding*. Therefore, in this research the researcher first identified codes from the transcribed data through line-by-line and sometimes paragraph analysis. This is referred to as open coding. According to de Vos *et al.* (2011), this is an appropriate method because categories also become the basis of theoretical sampling. During this phase the researcher broke down data into separate parts which were closely examined and compared for similarities and differences, and where questions were asked about the phenomena as reflected in the data. As the researcher continued to name categories and adding transcripts, the categories were combined. Then the analysis process moved from core concrete codes to abstract categories. Here codes were compared with one another and integrated into categories which created better meaning. In the process, sub-categories were created. This is known as axial coding. David and Sutton (2011) claim that axial codes highlight large units of meaning within which there are lower level codes. In this regard, as categories were compared with one another, they were integrated to form a stronger category more abstract in meaning. At this stage, the researcher kept on questioning the categories to identify similarities and differences. Simultaneously, code notes (memos) were kept with the categories to create meaning. A further level of abstraction was attained, guided by theoretical sensitivity. De Vos *et al.* (2011) refer to it as selective coding. Here, the researcher kept comparing conceptual categories with one another to clarify mutual relationships and organise them into core categories or themes reflective of the meaning

participants attach to their experiences, rather than generating objective truth on the phenomenon. All the data relevant to each category were identified and examined or compared with the rest of the data to establish analytical categories. Thus, the data analysis proceeded in a cyclical manner with the researcher constantly returning to the data with new questions and ideas until a narrative emerged that described the essence of the experience for study participants, and this was further described as a core story. De Vos *et al.* (2011:415) refer to this process as 'inquiry-guided' because *"it is an iterative process of comparing data incidents and categories continuously and repetitively with one another during the stages of data analysis which are in operation simultaneously throughout the analysis"*. Consequently, a conceptual framework was formed based on the interrelationship of the core themes, their sub-categories and the properties of each category. In essence, four analytical themes and eleven sub-categories were formed.

3.8   Research quality

According to Wahyuni (2012), qualitative research seeks to produce credible knowledge of interpretations on organisation and management accounting processes and understandings, with an emphasise more on uniqueness and contexts. Lincoln and Guba (1985) developed four criteria of research trustworthiness to evaluate the quality of qualitative research namely: *credibility* which parallels internal validity, *transferability* which resembles external validity, *dependability* which parallels reliability, and *conformability* which resembles objectivity.

3.8.1   Credibility/internal validity

Credibility deals with the accuracy of data to reflect the observed social phenomena (Wahyuni, 2012). De Vos *et al.* (2011) state that the strength of a qualitative study is for the researcher to place boundaries within the study and to ensure that the subjects are represented as identified. Therefore, the credibility of the study was increased when the researcher accurately acquired the participants as identified in the methodology. Amongst the community leaders it was the 'Inkosi' or the traditional council of that community. Any person outside the traditional council was not included in the study as the researcher believes that person was not informed enough to respond to the researcher's questions. Likewise, within the organisation, all interviewee were from the Corporate Communication and Community Relations department; other people outside the department were not included in the study. However, credibility was tested when the researcher was part of a meeting between the organisation and the Dube community. The researcher observed how the organisation conducts itself to communities and how communities respond. Although participatory observation was not included as part data collection for the study, it was used to substantiate if conduct of the organisation (how they

communicate) towards the community is congruent to their interview responses. Hence credibility of the study is increased.

3.8.2 Transferability/external validity

Lincoln and Guba (1985) suggest that transferability refers to the level of applicability into other settings or situations to generalise qualitative findings to other populations, settings and treatment arrangements (de Vos *et al.,* 2011). A validity problem may lie in the fact that some of the participants may have been bias in expressing their perceptions. For example, the fact that host communities of the organisation are shareholders, created a biased perception. The interviewees could not say anything negative about the organisation they own except one that was not yet part of the shareholding. In reality, no one is immune to biasness in this situation. However, to increase transferability the researcher gathered many different perspectives of data, which can be held up against each other. De Vos *et al.* (2011) indicate that it is the correct method because triangulating multiple sources of data enhances study generalizability. In addition, the researcher selected a small sample and ensured that participants were selected who were knowledgeable on the subject matter. Samkange (2012) holds that transferability supports the idea of small samples in qualitative research. Nevertheless, conducting the interviews within the organisation's premises increased validity of the study as the participants would sometimes use information from the organisation's data base to supply answers to research questions.

3.8.3 Reliability/trustworthiness

Reliability refers to the fact that measurements reflect consistency over time (David & Sutton, 2011). The reliability of a matter is judged by consistency in response and the limitation of error measure. The assurance of the reliability of the data was sought through cross-checking factual information by asking several interview participants about the same concrete incidents. Furthermore, the opportunities provided by the semi-structured interviews schedule to change the wording but not the meaning of questions acknowledge that not every word has the same meaning to every respondent and not every respondent uses the same vocabulary. Clearly, in this type of interview reliability was increased by conveying equivalence of meaning (Denzin, 1989). It is this equivalence of meaning which helps to standardize the semi-structured interview and facilitate comparability (Barriball & While, 1994). During the reporting processing stage the researcher listened to the transcripts repetitively to reduce errors and thus increase the reliability of the transcripts.

3.9   Delineation of the research

The delineation of research is to increase the manageability of a project, thus the study was geographically limited to the Richards Bay area. It did not go beyond the boundaries of Richards Bay, meaning it was not applicable to other cities in KwaZulu-Natal and provinces of South Africa. Furthermore, the study did not cover other communities except the mining organisation's host communities. These are as follows:

- Dube
- Mkhwanazi
- Sokhulu
- Mbonambi

The research focused only on one mining organisation in Richards Bay and corporate social responsibility projects implemented within the host communities of the organisation. Corporate social responsibility projects that were not directed to the communities were not entertained in the study. In addition, the study was limited by the fact that the researcher could not interview members of the community who participate in the annual broader community meetings. This was inconvenient for the researcher because data was collected at beginning of the year, whereas most of the broader meetings (Imbizo) are held at the end of the year. Furthermore, it was not clear whether the same people attend the meetings annually, or whether it is different people.

3.10   Ethical consideration

According to de Vos *et al.* (2011), ethical considerations are important in social science research as human beings are objects of the study. In this study the researcher had a moral obligation to consider the rights of the participants. Vulnerable participants like children and the mentally ill, among others, were not included in the study. Confidentiality, privacy and organisation policies were respected and no deception was entertained in the study.

3.10.1 Permission to conduct the study

Permission to conduct the research was sent to the organisation. Written authority was received from the General Manager for Communities and Corporate Relations (see Appendix B-3). The researcher went in person to the community leaders to seek permission to conduct the study. Because the researcher already obtained the mandate from the organisation, it was easy for the communities to accept the request.

3.10.2 Informed consent

According to O'Leary (2004), informed consent emphasizes the importance of researchers accurately informing participants of the nature of the research. Topics covered in the informed consent for this research are the voluntary participation and confidentiality of information given (see Appendix C).

Rubin and Babbie (2005) claim that participation should be voluntary at all times and no one should be forced to partake in a research study. In this research participants were informed of their rights—voluntary participation and withdrawal at any time without being prejudiced—before any interview took place; no participants were forced to take part in the research. Participants' rights were explained to them prior to their engagement in the research as well as often during the research. The participants with a mandate from the Inkosi were also informed of their voluntary participation and that they could withdraw their participation at any time. In addition, participants were requested to express themselves where they felt not comfortable to answer a question. However, there was no respondent who wished to withdraw from the study.

According to Babbie and Mouton (2001), confidentiality protects participants from being linked to a study as individuals and from the information they provide being publicly divulged, thus only the researcher should be aware of the identity of participants. In this study information provided to the interviewer was not disclosed to anyone; it was used solely for the purpose of the study. Furthermore, information was used in such a way that none other than the researcher knew the source. Names of informants were not used to identify the data.

3.11 Summary

The research approach for the study was qualitative and the design exploratory and non-empirical. It was undertaken in Richards Bay, Kwazulu-Natal, and participants were purposively selected. Semi-structured interviews were utilized and Individual in-depth and focus group interviews were conducted with the organisation's Communities and Corporate Relations Management department and the community leaders. The data was collected and interpreted as follows: first participants were interviewed and tape-recorded; the text was then transcribed for analysis. Based on grounded theory and inductive reasoning, thematic analysis was used to analyse raw data in order to generate theory from data that has been collected. The next chapter will present the findings according to the themes that emerged from the raw data and further discuss the findings in relations with existing literature.

CHAPTER FOUR: FINDINGS

4.1   Introduction

The previous chapter (three) discussed the research design, methodology and data analysis of this research. This chapter presents the findings of this from the analysis of this research. The chapter consist of two sections; the first section presents the findings of this research while the second section discusses and interprets the findings.

Basically the findings presents that the organisation's corporate social responsibility initiatives encompass infrastructural projects and community development projects. On one hand the infrastructural projects include the construction of roads, schools and clinics and are negotiated between the government departments and local communities. Infrastructural projects are aligned with the government objectives within the Integrated Development Plans and Local Economic Development initiatives, and developmental needs of the society. Infrastructural projects are joint projects with the Department of Mineral Resources which are based on a five year plan implemented within the communities. On the other hand the community development projects comprise projects such as hydroponic and agricultural heritage, supplier and enterprise development, and skills development; the projects are negotiated between the organisation and the communities and are decided on by their impact on the development of communities.

A background of the organisation is provided in Appendix D.

4.2   Presentation of the research findings

The findings are presented according to the themes which emerged from the research, namely: stakeholder engagement, principles governing corporate social responsibility, and perceptions. The themes have been analysed and interpreted in terms of the models of public relations adopted for the study.

4.2.1 Stakeholder engagement (Theme 1)

The stakeholder engagement highlighted five concepts that occurred in the communication process between the organisation and its host communities on corporate social responsibility initiatives. These concepts are: consultation; engagement, agreement, decision making and feedback.

4.2.1.1 Consultation

With Infrastructure projects the organisation conduct independent community baseline studies to identify the most urgent infrastructure needs of the community. This research is primarily conducted by the University of Zululand and the University of KwaZulu-Natal. In addition, the organisation partners with the municipalities and regional government departments identify the most relevant corporate social responsibility projects. The municipalities hold public participation forums to gather information; while the regional government offices' participation is to ensure the projects are aligned with the regional development plan.

From the organisation's perspective, the process of consultation with the communities is important:

> *We don't enforce our projects; before we even do, we consult with the communities through the baseline studies. We start with the baseline studies. We involve universities such as University of Zululand, University of KwaZulu-Natal to do a baseline study for us then they give us the basic information as to what is available, this is what is lacking and this is the place we can develop and we take it from there (Organisation representative M).*

> *We meet with the community, we get ideas from the community, and we listen to what the community is saying. We listen and then identify the area; we start our research on the area, we are very sensitive to community needs (Organisation representative V).*

From the communities' perspective, the consultation process begins with the 'Izinduna', who holds meetings with his community members to gather information about the community's needs and interests. This informal research is subsequently presented to the tradition council as it is the role of the traditional councils to identify needs on behalf of their communities prior to consulting with the organisation.

> *We identify the needs, we go out to community members, discuss with them. They have an input in terms of the needs and from there we go back to the table and sit with the organisation, engage and discuss on that until we all agree, get to common ground that this is what the communities needs right now (Community 1).*

> *The Izinduna sometimes identify some of the things that are supposed to happen. The community together with the Education and/or Health Department identifies those schools or clinics that need assistance. We incorporate the findings to our community master plan. If the community says 'no, we are okay now with the schools', then that money tend to be directed to the clinics (Community 2).*

> *Most often, as traditional council, we come with ideas upon the needs of the community (Community 3).*

The consultation process of the organisation and the host communities differ, but the process of consultation is important to both, although different methods are used to clarify community needs.

4.2.1.2 Engagement

The organisation engages with its four host communities on corporate social responsibility projects on two levels: the local authority level and the broader community level.

A. Local authority level

Firstly, the organisation and the host communities engage predominately at local authority level. The local authority is the community traditional council which is chaired by the Inkosi (chief) or his representative, and this is where most of the negotiations take place. Within this local authority level, there are different sub-structures dealing with different interests of the communities (e.g. agriculture, education, health, employment, etc.).

According to the organisation, the community engagement program is structured to meet the needs of the host communities.

> *Our community engagement program has got structures that the organisation has formulated. Those structures have subjects which they discuss with the organisation's representatives, for example, the traditional council is the supreme structure, there are also other structures that deal with employment, we've got structures of business forums, etc. (Organisation representative M).*

> *Inside the traditional council they have certain committees with which we work closely, for instance the recruitment committees which consist mainly of youth who endeavour to open opportunities for recruitment at the organisation. And then there is a heritage committee; there is different committees that work on different aspects depending on the situation. There, in every traditional council there is a committee that will look after compliance for instance of the whole range of the committees that we deal with (Organisation representative V).*

> *Other structures involve rural development, the agricultural structure which is represented in all the four host communities and also the health structure which discusses health issues (Organisation representative S).*

The host communities confirmed that there are community representative structures within the traditional council which were established by the organisation.

The organisation came to abaKhwanazi and established the structures that he wants to work with in terms of communicating with abaKhwanazi (Community 2).

...there are structures available which get involved with the organisation whom is bringing development in our community e.g. one of the trust member(s) sits on the structure that engages with the education of a the local educational leadership (Community 3).

According to the organisation, the community traditional council meetings are the main meeting arena for the organisation and the host community leadership and take place on a monthly basis.

We engage with communities every month, so that is helping to know what the communities really want, so to us communication is like a life blood, and continuous, that's why we are very transparent about it, we interpret what they think and if there is a change of mind, we want to get that so we accommodate those changes (Organisation representative J).

Furthermore, these traditional council meetings provide a platform for the co-presentation of ideas, corporate social investment projects or business proposals, discussions and negotiations between the organisation and the host communities.

Corporate social investment projects, they are based on the request by the traditional council; sometimes they come here with proposals then? (Organisation representative F).

When we start the project, they are the ones who came with the idea. Normally people come with business ideas; if they want to plant a forest we then give some assistant to prepare in whatever it was their idea (Organisation representative J).

Just as we have meetings with the traditional councils we present to the local municipalities; two weeks back we [presented at] the Umfolozi municipality strategic planning session and the organisation presented their plan with the host communities inside that (Organisation representative V).

From the communities' perspective, the organisation presents to them through the various structures established in the traditional council and considers proposals from the communities. Furthermore, communities choose from the organisation's approved projects those which meet the needs of the community.

When we are sitting at the table, we are given a chance to make a range of requirements that meet the needs of our communities. Like now, I must make an example, we are busy constructing a road for R43 million that was given by RBM. When we were at the table we were asked there what do we immediately need now, what are we lacking? Then we said "our road is very bad towards the traditional

courts", and then we agreed that this was our choice. We will leave all other things and complete this type of construction. Besides the road, I remember community 3 people decided on gardening as the agricultural activity. They were given the agricultural activity and they are doing something about it (Community 1).

In terms of the engagement between the organisation and the community I can say it is at higher level (Community 2).

The organisation uses structures that are in place within the Sokhulu traditional council. There are various experts that include people that specialises on agriculture, local economic development and RA, rural development and enterprise development, to mention a few. This entire people individually come to present their proposals to the traditional council, simultaneously take ideas or proposals from the council (Community 3).

From the organisation's perspective, their engagement with the communities may include the involvement of other relevant stakeholders on a particular subject.

We have got meetings each and every month where we engage, we talk about feasibility study and also engaging with the municipalities and also national government, all discussion is around that so that the project must be established in the area. So we become part of the process of discussions to engage through government, the private sector and other interested parties (Organisation representative M).

According to three of the communities, they meet with the organisation and discuss projects at all traditional council meetings.

They don't come and do anything in our communities before they engage with us, the senior management (Community 1).

…when they present to us, the team, as I said before, seats there and we would be engaging, we would be sitting again and we look at whatever we have requested from the organization. We compare what we asked for with what the organisation has specified (Community 2).

The organisation comes back to the community to discuss the proposal. However we sit and negotiate in all instances (Community 3).

However, according to Community 4, the organisation does not collaborate well with the traditional council; they only interact with the traditional council during dissatisfaction protests.

Honesty speaking, there is nothing that the organisation does well in collaboration with the traditional council. The organisation come(s) to the traditional council when they no longer have control of community members due to protest. It is when the community start(s) burning the organisation's properties that they seek [a] meeting

with the council to stop the protest but in other processes the council is left outside. The last time they came to the traditional council was November last year (Community 4).

Furthermore, Community 4 states that the organisation does not negotiate with them.

We are never involved in any negotiations. The organisation sit(s) with the municipality…we are never involved in the planning phase (Community 4).

Conversely, the organisation states that they engage more when there are protests by the community.

We have got meetings each and every month. So if they come and demonstrate, then we address those issues, but it doesn't take away the fact that we engage with lots of them—that's why we got structure, to ensure we agree (Organisation representative M).

We engage with them continuously, not only when there are problems, but when there are problems we engage with them more (Organisation representative F).

However, another community expressed that the organisation engages with people who are unsophisticated and vulnerable.

Although, most of the time you find that they engage with people without proper knowledge of mining; however we look upon government to protect the community where we have little knowledge (Community 3).

B. Broader community level

At a broader community level, the organisation together with the traditional council invite the community to a meeting where the organisation presents what they are doing in the community and also opens the floor for them to come with proposals.

From an organisational perspective, the broader community level of engagement is an annual event.

We also have an Imbizo once a year with every community, which is big (Organisation representative V).

From three of the communities' perspective, the broader community level of engagement builds awareness of the organisation's contribution to the community.

The organisation come and makes presentations. They come to the community and work with us. Conversely, we use to call Izimbizo where we consolidate whatever

project or program and display to them that this is what is going to happen. Just to make the people at a lower level aware that the organisation is there. So, all those communication lines of communication turn to be so effective (Community 1).

Every year the organisation puts up a tent (Izimbizo) whereby all people are invited and are given a platform to raise their concerns (Community 3).

However, according to Community 4, there is no broader community level of engagement.

No Imbizo, nothing. However, a organisation representative came [a] few weeks ago and asks us to give him a date for the Imbizo. This has never happened in 35 years since the organisation started mining here (Community 4).

There are two levels of engagement between the organisation and the host communities. The traditional council is the most important level of engagement while the level of engagement with the broader community is the annual Izimbizo. The traditional council has regular, monthly meetings; the council has committee and sub-committee structures and is the platform for presentations, discussions and negotiations as well as for the *ad hoc* involvement of other stakeholders. Relevant stakeholders include municipalities and regional government departments who will be responsible for the sustainability of projects into the future.

4.2.1.3 Agreement

According to the organisation representative, and irrespective of whether at the traditional council, municipality and community workshops, the organisation will negotiate with the community until an agreement is reached. Agreement is facilitated through the structures in place at the traditional council as well as the organisation's ability to listen and accommodate additional input from the community.

The organisation have workshops with the communities and municipalities and in some cases when the municipality proposes a project and the community proposes another project or if the municipality wants it to be located somewhere and the community want it to be located in the community, we negotiate until we agree (Organisation representative F).

If they don't agree or say that we must revisit it or we must change or we must alter we will do that, otherwise we try and convince them that it is a good project. E.g. we had a big issue with security last year so we presented to the chief and the chief did not agree with our presentation and we changed the whole process from the input that we got from the chief, so we keep our ears on the ground (Organisation representative V).

We got structure to ensure we agree (Organisation representative M).

On the other hand the communities said:

It does happen sometimes that we do not reach an independent consensus but we still proceed cause mostly we call it negotiations; the level goes up to a certain stage where we eventually say we don't agree on this because of 1,2,3. If we disagree we still have got the Department of Energy Mining Resource that come(s) and intervene(s) so that all parties involved are happy with the outcome (Community 1).

The organisation believes is important that they engage with the communities and other relevant stakeholders, for example municipalities, until they reach mutual consensus on projects. Furthermore, government reviews if projects favour both parties and are aligned with the regional development plan.

With infrastructure projects, once we have agreed we eventually go to the Department of Mineral Resources and if the department is happy—usually they are not happy with the first presentation they quiz—they ask, they check and make us go back so they just balance and check if it's fair. The communities understand what they are getting into, it doesn't favour us, it doesn't favour the municipality or vice versa. The municipality is happy, the municipality is going to integrate it to regional development plan and then they make us sign the document, so each community has got one representing, the managing director of the organisation signs it off as well (Organisation representative F).

We don't work alone as a organisation, we work with government and municipalities. The municipalities, NGO and government will always be there even if the organisation is not there so as we work together and we are ensuring that whatever we do is sustainable (Organisation representative M).

In summary, the traditional council structures enable the stakeholders to reach agreement through negotiation.

4.2.1.4 Decision-making

There are two processes in the final decision making stage which are based on whether the project is an infrastructure project or a community development project. In the case of infrastructure projects, which will ultimately be partnered with the relevant government department, regional government approval is required.

Community decides as well as the education department also decides. Even if we touch the issue of clinics, all the stakeholders who engage with the Department of Health they used to come together with us as the community because I think organisation is trying to make us to feel that whatever they are doing to the community belongs to us, we have hands on, we also have to take a decision. We are the decision maker (Community 2).

> *The organisation doesn't take decision(s) on their own but jointly with the traditional council (Community 3).*

In the instance of community development projects, the decision is made by the organisation and the community jointly.

> *Decision comes from the traditional council meeting which include the Inkosi and the Izindunas. That is the meeting where we present and if they are not in agreement with what we do then we go back. We don't go out there and decide this is what we want to do (Organisation representative V).*

> *We got a traditional council that seat[s] every Tuesday of the week, that's where the decisions are taken. Jointly as a committee we make the final decision (Community 1).*

> *We indicated [a] long time ago that if the organisation wants to work with us, he must not impose projects on us. We mentioned that whatever that is going to happen let us be the pioneers of almost the whole thing. So the community and organisation turn to be the pioneers of whatever project that is established, that is a jointly decision that we normally make used of* (Community 2).

However, according to Community 4, the organisation imposes projects onto them as they are never involved in any negotiations except when organisation reports on what they will be doing in the community. The community acknowledges that the organisation will discuss projects with the municipality.

> *The organisation come(s) here to tell us (impose) what will happen; we are never involved in any negotiations. The organisation come(s) to report to us what they will be doing. Most often the organisation sit with the municipality, discuss whatever they want to do then come to tell us. We are never involved in the planning phase (Community 4).*

In summary, three of the communities agreed that decisions are taken jointly by the traditional council and the organisation and formally noted in a meeting. Furthermore, there are two decision making processes as the stakeholders in the infrastructure projects include regional government offices, while community development project stakeholders are the organisation and the community. Conversely, Community 4 believes that the organisation forces them to accept projects already agreed to by the municipality.

4.2.1.5 Feedback

The organisation reports back to its host communities on two levels, the local authority level and the broader community level. On the local authority level, which is the community

traditional council, the communities confirm that the organisation provides feedback to the community.

> *[The organisation] report to the traditional council. First they inform me as the person who sits on the board that we need a space to come and report [back] (Community 2).*

> *When the proposal pass(es), the organisation comes back to the traditional council and the community in order for them to know that there will be a project of this nature that will resume within the community (Community 3).*

According to the organisation, it provides feedback on a broader community level to the community at the annual Imbizo meeting. Here the organisation provides feedback to the host communities by presenting what they have done and what they intend doing in future.

> *The broader community is invited, we present what we are doing in that community, so it is always a two way, also yesterday at the traditional council we presented and afterwards we open(ed) a floor for them to come with proposals and questions (Organisation representative V).*

> *We show them what we did last year, where it is, what we are going to do this year, even before we get to [the] larger community (Organisation representative T).*

> *Over and above that, to the mass meetings (where we call mass communities) and we call that the Imbizo. That's where we give feedback to the broader community (Organisation representative M).*

> *We first present to them before presenting to the broader community, always with their approval (Organisation representative F).*

According to three of the communities, the organisation, together with the traditional council, calls an Imbizo and reports back to the broader community.

> *The organisation comes mostly with the response to our proposals (Community 1).*

> *Let's take for example the issue of the labs that are built around the area of abaKhwanazi. It started from the traditional council to the Department of Education then the organisation went back to the community together using Imbizo (Community 2).*

However, according to Community 4, the organisation does research but never reports back to the community or provide the community with feedback, even on employment promises.

> *They came to tell us that they will employ people from the community thus bring them back to the council [to approve] so we could assess whether they are from the community [but they never did this] (Community 4).*

However, Community 4 acknowledged that the organisation's liaison person did come to them to request for a meeting with the broader community. Nevertheless, the organisation uses other communications means to keep communities abreast on what's happening.

> *We do through the newsletter that we have to the communities called THUTHUKA which is specifically on community projects (Organisation representative V).*

> *Written we have our Inkwazi newsletters for the communities so we communicate and show what we have done (Organisation representative M).*

In summary, the organisation reports back to the community in the regular monthly traditional council meetings and the annual Imbizo. Furthermore, the organisation uses their community newsletter to communicate with stakeholders.

4.2.2 Governing principles (Theme 2)

The research findings on principles governing corporate social responsibility projects highlight how the organisation assessed social responsibility projects. The principles used to assess corporate social responsibility projects differed between infrastructural projects and community development projects.

4.2.2.1 Represented

The host communities are represented in the board of directors in the organisation by a single board member. This member represents all four host communities and is responsible for bringing community opinions and information to the board for attention and consideration in the decision making process. The selection of the community board member is from one of the four traditional council members, each representing their own community. The four representatives meet and appoint one to represent them all in the board (see figure 4-1). This representation presents the community with a platform of engagement and analysis in the planning and implementation of all socio-economic development programs.
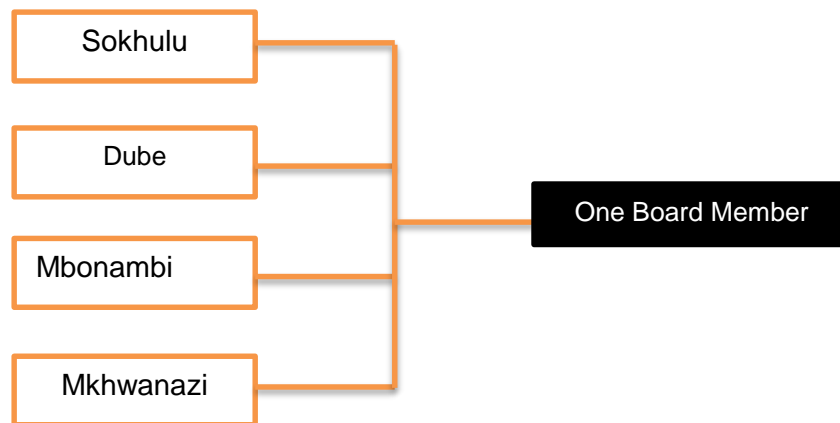
Figure 4-1: Community representation on the company's Board

The organisation's representatives' explained that the representation of the community on the board of the organisation is part of the Blue Horizon BEE transaction.

> *The arrangement that the organisation have with communities was to appoint one person who is going to seat on behalf of all four of them in the board (Organisation representative M).*

> *There is one community representative at the board. He was appointed by the four communities when they get into the BEE transaction, where twenty-four per cent is held by Blue Horizon, a consortium consisting of lead investors and our four host communities. Because in the board BEE has three seats, so the communities have one rotating seat for the four communities. The representative was elected because he led the negotiations. The board member comes from kwaSokhulu (Organisation representative F).*

However, only three of the host communities agree that they are represented on the organisation's board of directors.

> *I am involved with almost all platforms and stages of communication with the organisation. At the organisation I am in top board level, I am a member of the board. At committee level, I am involved on all committees (Community 1).*

> *I am the best medium of communication because I am the senior representative of the community in the organisation processes (Community 1).*

> *We do have that person who seats on the board with organisation and turns to be myself and my colleague (Community 2).*

The community is represented in the board level because there is somebody whom is from the area and is representing all four host communities. This person was first elected to represent Sokhulu community by our traditional council. However, within the 4 communities he was then elected using their own criteria to represent all host communities (Community 3).

One community disputes that they are represented on the organisation board of directors.

We are not represented at all [in] the organisation. There is no one here who sits at the board of directors and present proposal(s) for the Mbonambi people (Community 4).

The host communities are represented at board level as part of the Blue Horizon BEE transaction. First the person is elected in his own community to represent them within Blue Horizons consortium where the communities own 24% shares of the organisation. From there he is appointed to represent all four host communities within the board. The community representative within the board elaborates policies that maximize the joint welfare of all communities.

4.2.2.2 Evaluation

Infrastructure projects are aligned with the objectives of the integrated development plans or regional government and local economic development initiatives, as well as the developmental needs of the society.

According to the organisation, infrastructure projects are developed in partnership with government and thus must be aligned to government objectives.

The municipality regional development plan is informed by other government development strategies so they have their development strategies, national plan, all of that. So that filters down to regional development plan so we as a organisation has to work towards that. We have to be aligned with the regional development plan so we don't just do things anyhow (Organisation representative S).

Over and above that, we use the program of the regional development plan and national economic development program that municipalities and government have to decide where we have to participate (Organisation representative M).

Business organisations, government departments, non-government organisations take over these [infrastructure] projects because there are always there. They are permanent structures for the country (Organisation representative M).

One of the communities acknowledged that projects are evaluated by the organisation while simultaneously communities need to justify them.

When the need arises you just write a letter as a school to the organisation, come get the blessing of the traditional council, we put our stamp and forward it to the organisation and will see it through. Of course sometimes it depends on the understanding and the approach, there are other things that you can't simple say 'I want shoes today and you get shoes, I want a hat today you get a hat'. You should justify and support the reason why you want that and if you are unable to support enough and justify then the organisation cannot supply due to accountability terms. They will fail themselves when they have to account to the seniority so it is for that reason that you find that some of the things are not done, when you have not justified enough (Community 1).

Community development projects are governed by sustainability and their impact on the development of communities and the organisation acknowledges that all projects proposed to the community are based on sustainability and all projects proposed by the community are evaluated on their sustainability and societal impact.

We assess the proposals before it is decided (Organisation representative F).

As a organisation we got a program or a process to filter the projects and we look at what impact the project is going to have: Is it going to uplift the standard of living, is it going to improve the social standard of the people (Organisation representative M).

The organisation has to look at the own budget constraints in a time with economic meltdown. We can't just do hand outs. So whatever we do or whatever we propose to the communities is that we trying to create a more sustainable communities. Mines have a life span and we are people who work on a mine. We don't want to leave a reason behind, we want to leave behind people who are enabled, we have businesses that can continue this and they can serve the broader business community so that is a process (Organisation representative V).

The organisation is supporting because we see that lot of money is not necessarily going back into local people. We believe that there are certain enterprises, certain supplies that can be supplied by local people which can be sustainable run and we want to offer our local people close to our community, close to our mine the opportunity to become sustainable suppliers (Organisation representative V).

We ensure that whatever we do is sustainable because we are not going to support [the projects forever] (Organisation representative M).

But with the LED projects they are sort of once off where we partner with the relevant authority, they bring something, we bring something, we do it and then we leave it and the government agencies will monitor and implement, we don't look after them. Government is prepared to take them over, grant them and the road after we have built it and there is a pothole after 3 years it is no longer the responsibility of the organisation but the Department of Transport to take care of it (Organisation representative F).

> *We ensure that our projects are sustainable that's why we work with NGO's, government departments and municipalities because we know that all those are permanent structures that will always be there (Organisation representative S).*

Only one of the communities commented on how the organisation evaluates projects from communities in the interview and said:

> *From there the organisation looks at the sustainability of the project, then reply yes or no. But they are also guided by their budget on the proposal of the community (Community 3).*

In summary, the principles governing the corporate social responsibility projects differ for infrastructure projects and community development projects. The former is aligned to government objectives and negotiated with government, while the latter is evaluated on sustainability and societal impact.

4.2.3 Mutual benefits (Theme 3)

The research findings on corporate social responsibility highlight the benefits accrued to the organisation and benefits accrued to the communities of the corporate social responsibility projects.

4.2.3.1 Benefits to organisation

The organisation has a legal mandate, as stated in the Mining Charter of South Africa (2009), to consider the mining communities as an integral part of mining development, and as such the communities should be developed.

According to the organisation, they support the host communities far beyond their legal requirement and thus beyond the requirement for their social license to operate from the government.

> *…and we say the organisation, we are responsible beyond mine. We do more than what is expected. There are certain things that are legally expected from us to have our licence to mine but the organisation does more than that (Organisation representative V).*

> *All in all it is the social licence to operate, the rest is just ploughing, for the organisation it is not folding hands but ploughing back to the community (Organisation representative S).*

According to the organisation, education benefits the organisation as well as the communities because when the students finish they come back to work for the organisation.

An example; the organisation assisted Tisand Technical High School. We, as a organisation, benefit in that after these guys finish high school, engineering and all that, some of them are free to come to work for us (Organisation representative S).

If you can find someone with seven distinctions and you support them, you mentor and make sure that they succeed then you know that they will come back to your business, you know you have the best person, you have the best engineer, best metallurgists. Somehow you know he is a future leader of the business (Organisation representative F).

According to the communities, the organisation's ability to renew their license to operate is easy and it enhances the organisation's reputation.

When they [the organisation] are developing and training people, it is easy for them to get the rights and the licence to continue with the mining (Community 1).

The organisation only benefit(s) in term of recognition, (reputation) saying, 'Look what we are doing for the community' (Community 2).

The organisation benefits via government, in order for the licence to be renewed government have to be convinced that the organisation was socially responsible to the community where it operates (Community 3).

However, the communities believe the organisation is forced by legislation to implement their corporate social responsibility projects.

The organisation is very compliant to the social responsibility act where it says every entity that is producing within the community must share the profit with that local community (Community 1).

The organisation is forced by government legislation to bring back something within the communities where he is operating (Community 3).

The organisation is forced by legislation to do what they do to in the community (Community 4).

Furthermore, the organisation saw a need to invest in communities.

The main reason is that there is a need and we are investing back to the communities so it is more of an investment because ultimately we would like between the organisation and the communities to all assist each other (Organisation representative F).

In summary, the organisation does more than meeting its legal and ethical requirement to development the mine communities in their social responsibility projects. The main benefit to the organisation is gaining a social license to operate and enhancing its reputation.

4.2.3.2 Benefit to community

The host communities enjoy a number of benefits directly linked to the organisation's social responsibility projects.

According to the organisation, the corporate social responsibility projects benefit the community as they have improved roads, access to water, health clinics, small business start-ups, education, schools and agricultural development.

> *The benefits for example if we improve the road usually it's easy for them. For example at Sokhulu area, because they don't have good roads they don't have reliable public transport because people in the transport business they don't want to invest because their cars will get ruined easy, so it is good for local business, it is good for the community (Organisation representative F).*

> *With water; we will bring water at kwaMbonambi but when we went to the Uthungulu municipality they said water would be brought to kwaMbonambi year 2022 so for how long they were going to wait? So from our budget we would cut some money to find interim [an] solution while they are waiting for the big pipeline (Organisation representative F).*

> *Even when we build a clinic, people instead of riding a taxi to a hospital in town, they are able to walk into the nearby clinic. Same goes with education, instead of going all the way to look for a school they find it nearby. The issue of health, our HIV AIDS program that we provide to the community, it will provide us with a healthy productive community, people or employees. Conversely, if we improve our health through our program of HIV AIDS, so in the long run it is going to benefit the community (Organisation representative M).*

> *If we have to look at small business development, with the fact that we help people start business(es), they employ people from the community so there is less stress for the organisation with regards to demand for jobs. So they start business and employ their own people in the community, so that benefits us (Organisation representative S).*

> *Other projects, we got people who use their skills to support those projects. For example; under business development we got business specialists who would work with small businesses, give them advice, guides, help them register businesses, so financial also we have some expertise to support that project (Organisation representative S).*

According to the communities, the corporate social responsibility projects assist the community with jobs in the organisation or community, building of health clinics and schools in collaboration with the Department of Health and Department of Education; Schools Maths and

Science program, improved transport, water, agricultural expertise, small business development and housing.

There are people from our community working for the organisation, there are jobs in the community given by the organisation, in many areas as I have mentioned schools, admin, science labs and so forth, that's how the community is benefitting out of the assistance (community 1).

The clinics do address community issues, however the one at Nhlabane is very small to fully address our problems; the one at Nzalabantu operates 24hrs and they do lots of things including giving birth, they do check-up from Blood Pressure, Sugar Diabetics and also HIV and Aids. However, there is [a] shortage of staff nurses. There are also mobile clinics that RBM brings every month (Community 4).

Our children are getting more of education while they are still fresh in their minds. They are not even tired of walking long distances, they get their education while they are still fresh and they are able to catch up. Meaning they have a good progress and a positive progress for them because if they were to be left just travel long distances, when they get to school they tend to sleep immediately, then they are not absorbing anything in term(s) of education (Community 1).

if you touch the issue of laboratory you see that project brings hope to the young stars so the impact of what so ever project that the organisation is bringing to us, definitely just plays a significant role to the community at large (Community 2).

When talking of education, it is a necessary need for the community. When talking of transport, it is a necessary need for the community. When talking of safe water, it is a necessary need for the community. Additionally, the organisation brings expertise within the community, people that help educate local famers on how to look after their livestock. People are also trained to look after projects. If the organisation has brought a project it is therefore within the community to see that project prosper(s) to benefit future generations (Community 3).

Currently the organisation is dealing with our small business SME's, they are developing them, they are giving them jobs, they are giving them houses each, building houses for R500 000.00 (Community 1).

People have benefited houses worth R500 000.00 and many more in businesses and skills (Community 3).

The organisation does support us financially, and provide(s) expertise. We don't even bring any technical team, the organisation used to engage themselves in the technical team. E.g. let say we are building a school, we just say we need something of these nature then they take a full responsibility for that. Draw almost all the sketches whatever, then gives it to us (Community 2).

According to the organisation, the long term prospects and eventual ownership community development projects add to the well-being of the local community.

> *Most of the projects they are most successful and people do take ownership (Organisation representative J).*

> *The method that the organisation is using to engage and to make the people at a lower level to identify the project makes them have that ownership. E.g. if I said am the one who said I need the organisation to build for me the bed, I can even protect that one (Community 2).*

According to the organisation and the communities, the down side of corporate social responsibility projects is that the communities can become dependent on the organisation.

> *But sometime as you give to the people they develop the dependency syndrome, they feel like you need to give more but education, that's where education then come(s) in so where we must try and educate them, advise them to some level we have to hand over some projects to ensure that they are sustainable (Organisation representative M).*

> *Sometimes people don't have an understanding, they keep on wanting, wanting and wanting even the very impractical and impossible (Community 1).*

In summary, the community is aware of the benefits they obtain from the organisation's social responsibility projects and are appreciative of them. The long term prospects of projects, which are successfully implemented, encourage the community to take ownership of these projects and the community benefits with an improved life style.

4.2.4 Perceptions (Theme 4)

The research findings on stakeholder perception highlight the concepts of relationships and reputation.

4.2.4.1 Relationship

The relationship between the organisation and its host communities is based on the organisation's commitment on the partnership and the shared belief that the organisation and the host communities should be good neighbours.

According to the organisation, it has a good relationship with the communities through the traditional councils and that this relationship has benefited from the regular engagement.

We have a very close relationship with municipal mayors; we also have a relationship with the Uthungulu regional municipality which oversee the whole area. In a two way thing, on one hand the traditional council and on the other hand the municipalities that we have a relationship with (Organisation representative V).

Our relationship is like that of a husband and a wife. Today it is good and tomorrow it is something else because we are married, but I would say it is very good looking at the relationship with the leadership (Organisation representative F).

The relationship is good; the people have not come and burnt the organisation; that means the relationship is good. Also it is correct to say that in the community there are also different groupings. The relationship can be good within farmers and also the traditional council (Organisation representative T).

According to three of the communities, their relationship with the organisation is good and mutually beneficial. Communities have trust that the organisation will improve the lives of many people. They emphasise that communication is key when two people are not at ease with each other.

The relationship is very good; they have got a very professional team dealing with communities. The relationship is that of mutual benefit, we benefit as a community through the BEE thing legislated by government thus it become easy for the organisation to get the rights and the licence to continue with the mining. With this kind of beautiful relationship we have a strong hope that the organisation will improve a lot of people's lives (Community 1).

From the traditional council point of view, we may say our relationship is extremely well because there is nothing that exceeds peacefully reaching an agreement and from the community view the relationship is good, I can say 50/50… In the past there had been strikes (protests) but the traditional council and the chief calmed down the people and requested an immediate end of the strike, therefore both parties sit down and discuss their differences. As people absorb the idea from the chief, peace was regained thus committees were created to look upon the outcry of the community and also prevent any further strikes. In conclusion I can say that there is nothing that exceeds negotiating when two people don't see eye to eye (Community 3).

However, one of the communities said that the organisation does not listen to them and that the relationship is one-sided.

The organisation has a liaison person whom he sends to us but that person only listen(s) to the organisation and he does not listen to us. The relationship is 20% I can say. In some of our communities close to the mining, people's houses were damaged, some even fall, but until now the organisation has failed to help rebuild those houses (Community 4).

In addition, the organisation acknowledges that their relationship with the community youth is not always smooth and this is something they are working to improve.

> *The relationship between the organisation and the youth is one that we are working on constantly. We are consistently working to try and engage with the youth at all levels to make them see and understand what a organisation can offer and they have to be responsible to take opportunities. The youth is willing to engage, however at some point they feel exploited like any people in the world and you have to deal with that and find a reason for it. Because sometimes people have very big expectation(s), expectations that are bigger than what the organisation can offer and sometimes the expectations are unrealistic then you get into a realistic view on the matter. Sometime we have to get engaged into a very harsh environment to get the message across (Organisation representative V).*

> *The relationship is not always stable; it is sometimes good, sometime(s) bad and sometimes in the middle but what is good with our organisation is that we know how to monitor it (Organisation representative J).*

According to the organisation, it is committed to developing the community through partnership and is proud of its long-term commitment to the host communities and its success.

> *You compare the area before we come as a organisation, you can see the difference that the community problems have been addressed through schools, clinic; we got more than nine (9) clinics already. We have given skills and all those are actually directly impacting, upgrading the lives of the people (Organisation representative M).*

According to the communities, the organisation is committed to successfully developing the communities in partnership.

> *The organisations shows they are committed to this community, they confirmed the partnership level through the projects that are erecting in the community (Community 1).*

> *There is no other organisation that involves the communities in corporate social responsibility from grassroots level better than this organisation (Community 2).*

Consequently, the organisation's representatives and the communities believe they are good neighbours.

According to the organisation, the relationship is based on the organisation's philosophy "responsible beyond mining" and "being good neighbours".

> *I think we are good neighbours, and in that good neighbourliness we also have to say what about life after the mine. And we say the organisation is responsible beyond mining, we do more than what is expected legally (Organisation representative F).*

So far we are good neighbours, something that we are driving that we need to be good neighbours is that even if am not here, I should be happy for you to go and interview them. I would like to see communities protecting us and talking on our behalf than us talking about what we do and what benefits we are getting but having the communities telling everyone whom they meet (Organisation representative F).

According to the communities, the organisation is a good neighbour as it is always ready to listens to them, to communicate with them and assists the communities in times of need.

Of course we are good neighbours because they listen to us, when we call them they come and we are a family now with the organisation. People must understand that it doesn't mean that when you are a family you always see eye to eye; sometimes you don't see eye to eye. Sometimes the organisation come(s) with an idea where we don't feel happy, we just speak out, look at the idea, maybe throw away the idea; tomorrow they come with another opinion and we look at the opinion and we bring our opinion and mend the two and out of it the result becomes positive. We are a family with the organisation (Community 1).

We are very good neighbours that are jointly or well-connected in all spheres of communication. The organisation does most of the things that are needed by the community (Community 3).

The people view the organisation as a very flexible organisation; has got a reaching hand out there to the community helping and continue with some of the children sponsored by the organisation at universities. In many ways the organisation is very much open to our community (Community 2).

According to the organisation and its host communities, communication is the foundation of the relationship and the basis to establish corporate social responsibility projects in the communities.

I think this organisation does more than any other organisation I suppose in the world to communicate with the communities. We have valuable training on stakeholder engagement and they engage with people all the time. That is the life that we live, it is a mind focus of our environmental work (Organisation representative F).

I would be happy if I just rate the organisation, actually the way they communicates with me, if I can rate, I would say its 100% because whatever we do not like, there is a discussion that continuous until we together find a solution (Community 2).

In summary the organisation and the host communities enjoy a good mutually beneficial relationship based on the traditional council meetings, but the relationship is dynamic. Although relationship with youth needs more attention, the organisation has formed partnerships with the host communities through stakeholder engagement commitment on

social responsibility and revolves around the organisation's philosophy, "responsible beyond mining", hence they are good neighbours.

4.2.4.2 Reputation

The organisation has a good reputation with three of the four host communities because the communities believe that the organisation is doing its best to develop them.

According to the organisation, its reputation amongst the communities is good, especially with the traditional council and with all the people involved or who have benefited from corporate social responsibility projects.

> *We have not done a survey to test the reputation so if I can tell you anything I will be lying because there are ways of testing. However, I can generally say there are segments that are happy and okay with the organisation and there are segments that think that the organisation should be doing more and there are people that think the organisation is terrible (Organisation representative F).*

> *With the elders they see what the organisation is doing because they attend meetings; they are involved thus the reputation is good (Organisation representative H).*

> *I think in the host communities reputation is very good, because they know what we are doing for them. Sometimes their expectations are bigger than what we can offer but with the decision makers and the leaders and the people who know and the people who are in close connection, the reputation is good (Organisation representative V).*

According to three of the communities, the organisation has the reputation of being a 'good organisation'.

> *We are very much grateful and happy indeed because the organisation is the best industry that does best than any of the local industries. If all industries were performing like that I think we should be the richest communities, but the organisation is just by itself, doing the best (Community 1).*

> *The way the organisation works with the community is far excellent. I will repeat that, the way they bring the projects to the community is far excellent because they used to take even that: let's say they are building a school, they use local companies to build the school so whatever the organisation brings to us, he doesn't send other people to come and take our money, that is why the community is saying the organisation is good because he used to say this is one million, employ the local people and let them utilise that one million onto that project. If I could rate the organisation I would say their reputation is 110% (Community 2).*

> *I may say some community members feel the organisation is doing good and some the opposite. We [are] not saying the organisation is 100% good but we can give it at*

least 80% because a majority of things that we request from the organisation, we can see them happening (Community 3).

However, one community had a different perception as the viewed the organisation's reputation as bad.

The reputation is bad because the organisation is forced by legislation to do what they do in the community (Community 4).

Therefore, the organisation has a very good reputation, especially with the traditional council and with the people involved in the discussion within corporate social responsibility projects, although the organisation and the host communities confirmed that with ordinary community members the reputation varies. However, one community believes the reputation is bad because the organisation is forced by law to share its profits with local people.

4.3   Discussion of findings

The previous section presented the findings from interviews conducted with the organisation and the host communities and revealed the existence of a communication process and an evaluation process (see Figure 4-2) used to sift corporate social responsibility projects in isolation. Furthermore, there are other stakeholders that are involved in the communication process on corporate social responsibility and play a significant role in ensuring the organisation and the community benefit equally from the projects. Therefore, in the following

| Consultation |
| Co-presentation of ideas Traditional Council Meetings |
| PRINCIPLES IN PLACE |
| Engagement |
| Agreement |
| Final decision making (REGIONAL GOVT INFRASTRUCTURE) | Final decision making (ORGANISATION AND COMMUNITY) |
| Feedback |
| Mutual benefit |

Organisation   **Host communities**
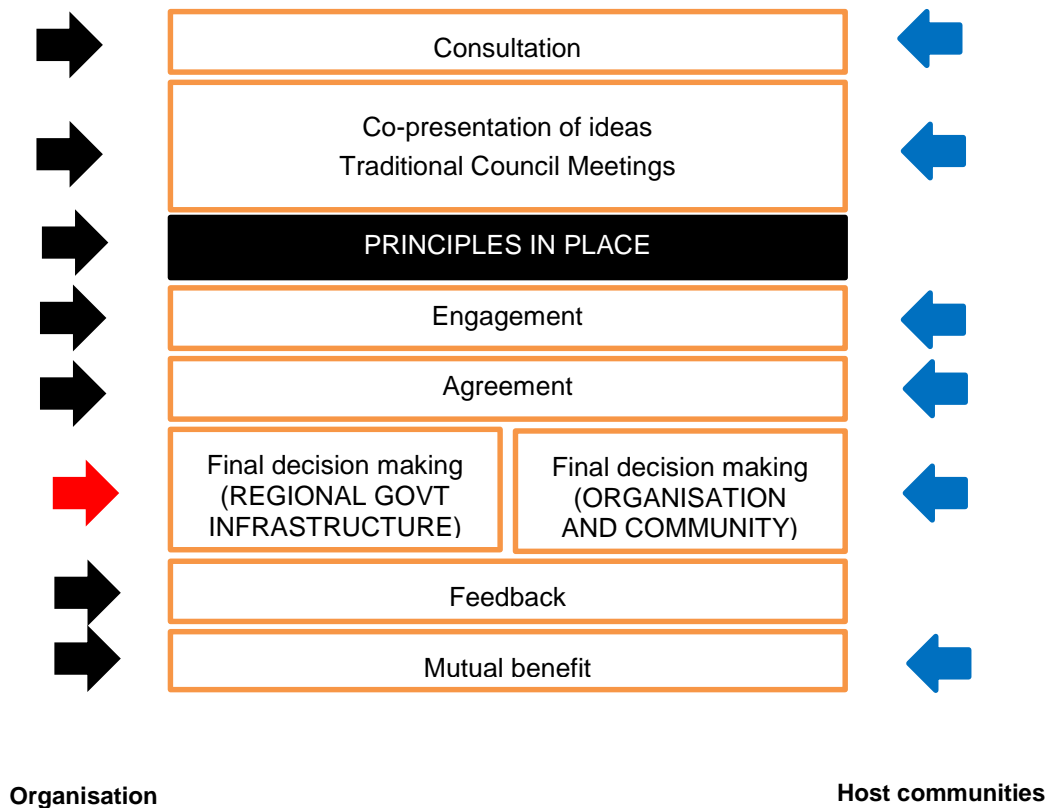
section, the findings will be discussed in reference to the communication process and will be supported by relevant literature reviewed in Chapter Two. The findings are interpreted to answer the main research question and that is regarded as the core story.

Figure 4-2: The communication process between the organisation and its host communities

Consultation: The identification of community needs is through a consultation process. According to the organisation, identification of corporate social responsibility projects begins with an independent base line study into the needs of the community, while the communities begin with the Izinduna holding community meetings in their respective areas to find community needs before proposing these to the organisation. Findings show that the consultation process of the organisation and the host communities differ, but the process of consultation is important to both and begins with the identification of community needs. The findings are similar to those by Botan and Hazelton's (2006) that practitioners of public relations conduct research and listen to publics. However, in the two-way asymmetrical model the results can be used to manipulate in favour of the organisation's interests while Laskin (2009) maintains the results can be used to establish a mutually beneficial solution in the two-way symmetrical model. Therefore, in this case, consultation is an important method used to gather information on the needs and interests of the host communities.

Engagement: The engagement process begins with the co-presentation of ideas. Suggestions, based on the identification of community needs, are co-presented at the traditional council meetings, which is the main meeting arena for the organisation and the host community leadership. The co-presentation of ideas from the community and the organisation in a single meeting signifies a level of transparency and it is little more than the dissemination of information (Grunig & Hunt, 1984). Furthermore, findings show that the organisation is willing to listen to the communities. This finding is similar to Leichty and Springston's (1993) findings which acknowledge that the public relations' two-way symmetrical model of communication is characterized by the willingness of an organisation to listen to stakeholders. According to Jahansoozi (2006), transparency helps build trust, and is linked to openness. This suggests that all stakeholders are equally important. However, findings show that the organisation presentations, which have the projects pre-evaluated according to government objectives, are used to persuade or influence the community (Grunig & Hunt, 1984; Van Ruler, 2004). Furthermore, findings show that communities are made to choose from among the presented projects, one project that meets the needs of the communities. Additionally, the engagement processes take a broader stance where ideas are discussed after being assessed by the organisation. Acceptable projects are discussed and jointly developed by the organisation and the community traditional council. In this phase the organisation is openly in dialogue with the

community and considers each other equal partners. According to literature, parties-in-dialogue are considered to be equal participants (Johansson, 2007) and this mutuality allows for power to be omitted from the relationship (Kent & Taylor, 2002). Conversely, although findings show that the communities may be considered unsophisticated and vulnerable, the organisation engages with the community on a transparent and continuous basis. According to literature, the organisation is favoured in this communication as influence of the community stakeholder and the organisation is rarely equal (L'Etang, 2009; Cheney & Christensen, 2001; Grunig, 2000). In addition, findings show that the traditional council is central to engagement and is the platform for presentations, discussions and negotiations as well as the *ad hoc* involvement of other stakeholders. This is supported by literature where it says successful stakeholder engagement requires a commitment to actively engage with stakeholders, listen to them, build a relationship with them, and then respond to their concerns in a mutually beneficial way. Hence, it is possible that the corporate social responsibility stakeholder can meet on equal terms and be able to discuss and develop mutually beneficial outcomes regardless of the level of knowledge. Therefore, this engagement promotes honest dialogue between the organisation and the host communities. Two-way symmetrical communication is important especially when the goal is to promote open dialogue and honest exchanges (Laskin, 2009).

Agreement: The organisation and the community negotiate with each other until agreement is reached. Findings show that agreement is facilitated through the structures in place at the traditional council as well as the organisation's ability to listen and accommodate additional input from the community. This kind of communication uses a two-way flow of information to build consensus between the organisation and the host communities. Both stakeholders enter the negotiating table with something in mind that they want to achieve from the discussions; they persuade each other until mutual agreement is reached. According to literature, constructive engagement between an organisation and its stakeholders should be communication that is linked to mutual understanding as the basis of agreeable action (Foster & Jonker, 2005). Furthermore, two-way symmetrical communication facilitates mutual understanding and respect, and to serve as 'mediators' that relay equal communication between the organisation and its public(s) until consensus is reached (Porter, 2009; Van Ruler, 2004).
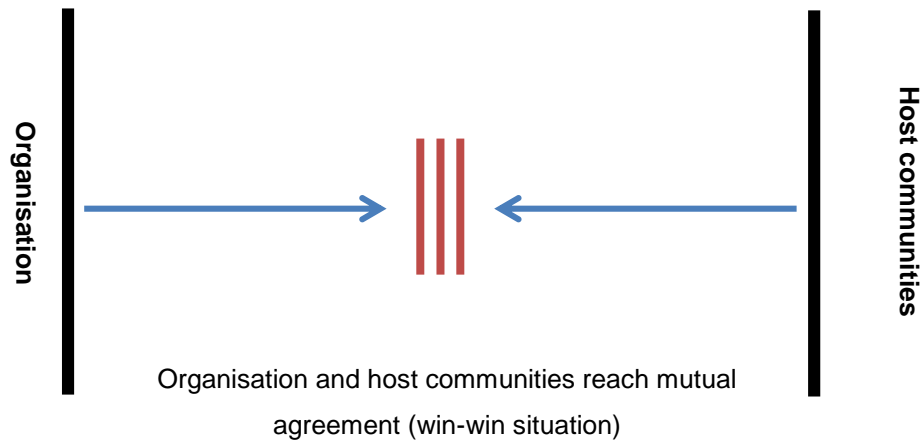
Organisation

Host communities

Organisation and host communities reach mutual
agreement (win-win situation)

Figure 4-3: Mutual agreement between the organisation and the host communities

Decision making: Corporate social responsibility decisions are taken jointly by the stakeholders involved. Findings show that three of the four communities agree that the organisation does not impose projects upon them and that decisions are taken jointly by the traditional council and the organisation, and therefore agreed and decided on by the stakeholders. According to the literature, the two-way symmetrical communication model allows competing groups in a pluralist society equal access to decision making, and thus maintains functional balances in societies that produce good will and harmony in a win-win solution (Grunig *et al.*, 2002). However, other findings show that if the Inkosi is not satisfied with the project the organisation returns back to modify it. This gives the communities equal decision making powers with the organisation. According to literature, business beneficiaries should be given effective decision making powers that are equivalent to those held by managers (Stieb, 2009) in accordance with the stakeholder inclusive approach to corporate governance (Rensburg & De Beer, 2011). Therefore, the joint decision making process accommodates the interest of stakeholders to facilitate a win-win situation in mixed-motive communication.

Feedback: The organisation provides feedback to the communities on current and future projects through the traditional councils and to the broader communities through the Imbizo and community newsletter which is specifically on community projects. According to literature, public meetings must be held in which locals can express concerns, provide input and have questions answered by mine personnel (Hilson & Murck, 2000). Findings show that the organisation engages with the community on a transparent basis. Furthermore, Mehta and Xavier (2009) posit that the process of feedback is important within the communication process. Hence, the practice of two-way symmetrical communication is tied to feedback between the organisation and its publics (Grunig & Hunt, 1984). Findings maintain that there

is opportunity for feedback at the traditional council and the broader community meetings where people are given a platform to respond and propose projects to the organisation. Therefore the organisation uses the feedback loop to establish partnerships with the host communities.

The findings show that:

- Consultation is important to the organisation and the host communities to gather ideas on the needs and interest of the people.

- The traditional council is central to engagement and is the platform for presentations, discussions and negotiations as well as the *ad hoc* involvement of other stakeholders.

- The organisation engages with communities who are unsophisticated and vulnerable.

- The organisation engages with the community on a transparent and continuous basis.

- Stakeholders negotiate until mutual agreement is reached.

- Traditional council structures enable agreement between the organisation and the communities.

- The organisation has the ability to listen and to accommodate additional input from the community.

- Decisions are taken jointly by the organisation and the host communities at the traditional council meeting.

- Feedback is given at either the traditional council meetings or the annual Imbizo and is published through the community newsletter.

- The organisation uses the feedback loop to establish partnerships with the host communities.

Governing principles: The organisation's host communities are shareholders within the organisation and are represented on the organisation's board of directors. The representation of the community on the board of directors is evidence of a stakeholder inclusive approach to corporate governance (King, 2002; 2009) and adds more value to the relationship as corporate governance encourages corporate to respond to all their stakeholders that are affected or affect the success of the organisation (Freeman, 1984). The stakeholder inclusive approach to corporate governance by the organisation is based on a trust fund, set up by the organisation, which is allocated to the host communities. Findings are similar to that of Jenkins (2004) who states that through mining profits, companies set up of foundations and trust funds to provide social services to communities affected by mining. The trust fund then becomes a

structure that links communities with the organisation. Furthermore, the trust fund is generated entirely by the organisation for a broad-based black economic empowerment component to facilitate development projects in each area of operation. This fund does not only enable organisation to meet the compliance targets of the government's Mining Charter, but also increases the organisation board's diversity, strengthening the ability to oversee risks, identify opportunities and present a platform for engagement and assist in the planning and implementation of all socio-economic development programs (King Report, 2009). In addition, the fund signifies interdependency between the organisation and the society (Hansmann & Kraakman, 2001; MacMillan *et al.,* 2004; Oketch, 2004; Money & Schepers, 2007; Freeman, 1984; Donaldson & Preston, 1995; Clarkson, 1994, 1995; Zollinger, 2009). This suggests that the trust fund creates a two-way flow of resources between the organisation and its host communities. Nevertheless the stakeholder inclusive approach encourages stakeholders to take part in the decision making process on matters of concerns. Findings show that the host communities decide together with the organisation on corporate social responsibility projects to be implemented in their areas. In this regard a two-way symmetrical approach is encouraged between an organisation and its stakeholders. Hence, trust is established between the organisation and its host communities and contributes toward transparency (Freeman, 1984; King Report, 2009).

Corporate social responsibility projects are guided by principles put in place by either government or the organisation to ensure the projects benefit the communities and future generations. According to literature, organisations should make policies that address the needs and interest of stakeholders (Hilson & Murck, 2000) and this includes organisations that contribute funds to regional developmental projects and key socio-economic infrastructures such as roads, hospitals, schools and housing (Hilson, 2002). Findings from interviews show that all corporate social responsibility projects are evaluated by the organisation using different criteria depending on the type of projects suggested. The evaluation process has principles set by the organisation in isolation and all identified projects by the community go through that process first before further discussions. On one hand, findings show that infrastructure projects are aligned to government objectives while on the other hand, community development projects are evaluated according to their sustainability, societal impact and the organisation's budget. According to corporate governance literature and its principles of responsibility, organisations should consider a triple bottom line (Elkington, 1999), which suggests that decisions made should seek to balance social and environmental considerations with financial growth (Steyn & De Beer, 2012). On the other hand, corporate social responsibility practices should aim at greater sustainability in the mining industry (Gonzalenz-Perez & Leonard, 2013). Nonetheless, findings show that the organisation exceeds the legal and moral requirement to

development the host communities. Literature states that organisations should obey the law, be ethical, be a good citizen and make a profit (Carroll, 1991). Furthermore, literature states that corporate governance addresses the legal requirement of an organisation and provides the foundations upon which corporate social responsibility practices can be built to enhance responsible business operations (Katsoulakos & Katsoulacos, 2007). The organisation has these principles in place to determine the projects it supports, and projects that do not meet these requirements are rejected at this stage in the process. The evaluation process allows the organisation to address societal expectations and ethics and minimise harm, thereby creating economic, social, and environmental value (Steyn & De Beer, 2012). However, the principles in place, which decide what projects will go forward, overrule any attempt by the host communities to persuade the organisation. Hence, the evaluation process is a sign of organisational dominance within the communication process because all discussions thereafter are aligned with projects that survived the filtration process. This changes the whole communication process to favour the organisation. Similar findings from literature acknowledge that the status between the organisation and its host communities cannot be equal as terms to define that cooperation are set by the more powerful party (Greenwood, 2007). This suggests that the organisation uses its power to set the torn regarding corporate social responsibility projects to be implemented. In this regard a two-way asymmetrical communication is practiced by the organisation to fulfil its interest. Furthermore, Roper (2005) admits that two-way asymmetrical public relations is a strategy for domination that is used by organisations to evade criticism and maintain unequal power relations with their stakeholders. Therefore, the principles in place highlight good corporate governance as a foundational requirement for sustainable corporate social responsibility projects.

In summary, the findings show that:

- Stakeholder engagement encompasses the inclusive stakeholder approach to corporate governance.

- The organisation's host communities are shareholders within the organisation and have one representative on the organisation's board of directors.

- A trust fund is established that acts as a liaison structure between the organisation and the host communities.

- Infrastructure projects are aligned to government objectives and partnered with government departments for sustainability.

- There is an evaluation process and has principles set by the organisation in isolation and all identified projects by the community go through that process first before further discussions

- There are three principles governing community development projects set by the organisation namely: sustainability, societal impact and the organisation's budget.

Mutually beneficial corporate social responsibility projects: The engagement process on corporate social responsibility projects allows the organisation and the host communities to establish projects that meet their needs. Findings show that the organisation gains a social license to operate and a 'good' reputation. Literature states that the hub and spoke relationship between an organisation and its stakeholders provides a 'license to operate', which is given to the organisation by the community (Thomson & Boutilier, 2011). Nevertheless, the findings show that communities take ownership of projects and benefit from an improved life style from infrastructure improvements (schools, clinics, roads, water) and community development projects. Mathur *et al. (*2008) believe that successful engagement with stakeholders in the project decision making process develops a sense of ownership of a project. In addition, community engagement should enhance democratic accountability, improve community well-being and result in fairer and more effective decision making (Somerville & Haines, 2008). Therefore it is clear that the organisation and the host communities both benefit from the corporate social responsibility projects. This is the result of transformational engagement, which Bowen *et al.* (2010) suggest, as the benefits extend beyond one party to be jointly beneficial, as facilitated by the two-way symmetrical model of communication (Botan & Hazelton, 2006).

In summary the findings show that:

- The organisation's social license to operate requirement is satisfied.

- The organisation's reputation is enhanced.

- The communities benefit from infrastructure improvements (schools, clinics, roads, water) with schools and clinics within accessible distance and roads facilitating easy movement from one area to another.

- The communities benefit from community development with improved skills, jobs, and economic status, resulting in an improved life style.

Corporate social responsibility stakeholders' perception: The traditional council meetings are central to the development of good and mutually beneficial relationships between the organisation and the host communities. Findings show that the organisation is committed to

developing the host communities through effective communication. Hence, partnership between the organisation and the host communities has been developed through stakeholder engagement which revolves around the organisation's philosophy, "responsible beyond mining". This finding is supported Kent and Taylor's (2002) claim that dialogue is important when building organisation-public relationships. Consequently, collaborative relationships are developed as parties become partners (Jahansoozi, 2007). Furthermore, the organisation's quest to respond and deliver on the communities' needs and interest creates an element of trust. Findings show that three communities were happy because the organisation delivers to their proposals. Kent and Taylor (2002) support the finding and state that the element of trust is very important for building long-term relationships. Moreover, the communities are '*happy*' and believe that the organisation involves people better than any other organisation they ever worked with. This illustrates that the host communities are content with the level of engagement. Hence both the organisation and the communities believe they have a close relationship with each other that can be exemplified as that of '*husband and wife'*. Center and Jackson (2003) emphasize that an organisation with effective public relations will attain positive public relationships. However, findings show that relationships are not static and change constantly and thus need to be constantly observed. Hung (2005) believes that it is important to manage consequences that arise as the result of the interdependence of organisation-public relationships. In addition, findings show that the organisation-youth relationships need more attention as the youth feel exploited and have unrealistic demands. Nevertheless, the good relationship between the organisation and the host communities has made them believe that they are good neighbours. Findings show that the ability of the organisation to engage and share their profit with host communities assists the organisation meet its legal requirement hence it amplifies trust. In this regard, the organisation is a good citizen that obeys the law. Literature supports the findings and states that citizenship focuses on rights and responsibilities of all members of the community, whom are mutually interlinked and dependent on each other (Waddell, 2000). In addition, good corporate citizens operate in a model of collaboration to prove mutual benefits to all parties (Dentchev, 2009) and can be facilitated by the mixed-motive model of public relations (Dozier *et al.,* 1995).

The engagement process and the mutually beneficial relationships established between the organisation and the host communities are a prerequisite for corporate reputation. Findings show that the organisation's reputation is good, especially with the people involved or who have benefited from corporate social responsibility projects. In this regard, the relationship between the organisation and the host communities determine the overall perception of stakeholders. According to literature, favourable organisational reputation is attained through building and maintaining relationships (Yang, 2007). Therefore the two-way symmetrical model

of communication is ideal for establishing mutually beneficial relationships and enhancing corporate reputation (Botan & Hazelton, 2006).

In summary the findings show that:

- The organisation and the host communities have a good but dynamic relationship that is interlinked and interdependent on each other.

- The relationship is based on stakeholder engagement, mutual benefits, and partnership and revolves on the organisation's philosophy, "responsible beyond mining".

- The organisation and the communities believe they are good neighbours.

- The organisation has a solid reputation in the community.

In answering the main research question, the research concludes that the organisation and the host communities use different models of communication (Table 4-1) at different levels of the communication process (Figure 4-2) and in some instances more than one model of communication are used. Findings show there are predominately two public relations models of communication used for corporate social responsibility projects, namely persuasion and two-way symmetrical (Grunig & Hunt, 1984; Van Ruler, 2004). The evaluation process limits the range of corporate social responsibility projects available to the communities and shifts power to favour the organisation in terms of initial decision making on corporate social responsibility projects and allows the organisation to dominate this process. In this regard a transitional form of community engagement is practiced where the organisation dominates the communication process hence; the two-way asymmetrical model of public relations is applied. Thereafter, findings show that approved projects are developed through transparent and continuous engagement with the host communities until agreement is reached. Decisions on corporate social responsibility projects are made jointly by the organisation and the host communities, both of whom benefit from the corporate social responsibility projects. This kind of communication is linked to Morsing and Schultz (2006) involvement strategy where relationship building is vital, and endorses that stakeholders get involved into organisation's decision making. This latter communication process equally favours the organisation and the host communities and falls under the two-way symmetrical model of public relations.

Table 4-1: Mapping communication processes between the organisation and the host communities

	Propaganda	Information	Two-way asymmetrical	Two-way symmetrical	Mixed-motives
Consultation			√	√	√
Engagement			√	√	√
Agreement				√	√
Decision making				√	√
Feedback				√	√
Evaluation			√		√
Mutual benefit				√	√
Stakeholder perception (relationships)				√	√

Due to the fact that the missed-motive model of public relations incorporates both two-way asymmetrical and two-way symmetrical attributes, it is apparent that the mixed-motive model (Dozier *et al.,* 1995) was used. The model combines symmetrical and asymmetrical attributes into one model that is used to gain understanding, accuracy and co-operation, "*emphasising that equilibrium must be made between two parties*" (Tindall, 2007:202). In this regard, literature says asymmetrical communication could be used to gain the best position for a win-win solution in a long-term relationship (Grunig, 2001). Furthermore, findings show that in the consultation, engagement, agreement, decision making, feedback and mutual benefits levels of the communication process (Figure 4-2) and stakeholder perception, the organisation and the host communities' communication on an equal basis. In this regard, Dozier *et al.* (1995) reason that symmetrical communication provides a framework for ethical communication practices. Therefore, the mixed-motive model of communication allows persuasion to balance and accommodate the interest of stakeholders to reach a win-win solution or an acceptable decision.

In summary, the findings show that:

- The mixed-motive model is applied in the engagement process within corporate social responsibility projects.

- Propaganda and the dissemination of information models of communication models are not used by the organisation and the host communities in within stakeholder engagement.

4.4   Summary

The findings show that there are four concepts involved in the engagement process by the organisation and the host communities on corporate social responsibility initiatives. These are: stakeholder engagement; principles governing corporate social responsibility projects; corporate social responsibility benefits; and perceptions of stakeholders.

However, it is clear that the communication process used to establish corporate social responsibility projects is controlled by the organisation. Host communities' participation is during the identification of needs, presentation of ideas, engagement, agreement, decision making process and benefits. Furthermore, the organisation set the principles governing corporate social responsibility projects, meaning whatever the communities propose it is evaluated according to sustainability, contribution in improving the standard of living of the people, and organisation budget. Additionally, communities have to justify all projects proposed. Nevertheless, in other areas the communication process seems balanced, favouring the organisation and the host communities. Consequently, the relationship between the organisation and the host communities is good but not static.

In the next chapter, the conclusions and recommendations will be discussed, with reference to the research objectives.

CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The previous chapter (four) presented the finding of this research and further discussed the findings with reference to literature review in chapter (two). This chapter summarises the key findings to the research questions and discuss the theoretical and policy implications of the study. Furthermore, it reflects on the limitations of the study and makes recommendations for future research.

5.2 Summary of key findings

In an effort to find the public relations model of communication that is applicable to organisation-community engagement within the establishment of corporate social responsibility projects, the researcher interviewed the organisation and four host communities. From the interviews, a communication process, discussed in Chapter Four, emerged and assisted in answering the research questions.

The key finding to the research question *"What type of public relations model of communication underpins stakeholder engagement within corporate social responsibility projects in Richards Bay"* is: The mixed-motive model underpins stakeholder engagement within corporate social responsibility projects in Richards Bay.

However, it is clear that the public relations model of communication that underpins stakeholder engagement on corporate social responsibility is founded on mutually beneficial relationships. Although there is partial dominance by the organisation during the evaluation process, the organisation and the community negotiate in an open and transparent manner to accommodate each other's interest and further reach a win-win situation. In this regard, the organisation and the host communities are seen as equal partners in the negotiation process and include an organisational to community feedback loop. Therefore, it is clear that the two-way asymmetrical model and the two-way symmetrical model of public relations were used concurrently to achieve mutually beneficial results (Dozier *et al.,* 1995), consequently, favourable organisation-community relationships.

The key findings of the research sub-question *"How does the organisation engage with community stakeholders on corporate social responsibility projects?"* are: The corporate social responsibility stakeholder engagement process has five stages (consultation, engagement, agreement, decision making, and feedback) as discussed in chapter Four.

The five stages of the communication process used in stakeholder engagement incorporate Grunig and Hunt's (1984) two-way symmetrical model of public relations as discussed in Chapter Two. Furthermore, the communication process between the organisation and the host communities is based on the inclusive stakeholder approach to corporate governance where stakeholders are part of the decision making process (King, 2009). This approach allows for communities to decide on corporate social responsibility projects that meet their needs, as Hamann (2003) says, corporate social responsibility must be established in the local context through continual dialogue with the key stakeholder.

The key findings from the research sub-question **"What are the principles governing stakeholder engagement on corporate social responsibility projects?"** are*:* Stakeholder engagement is governed by the inclusive stakeholder approach based on a trust fund that acts as a liaison structure between the organisation and the host communities. Furthermore, corporate social responsibility projects are based on principles that have been established through government for infrastructure projects and on sustainability, societal impact, and the organisation's budget for community development projects.

The inclusive stakeholder approach allows for the inclusion of host communities in the planning and decision making process on corporate social responsibility projects. Hence, it encourages a two-way symmetrical approach between an organisation and its stakeholders. In the evaluation stage of corporate social responsibility project development, the principles in place dominate the selection process and the principles were established by the organisation, as explained in Chapter Four. In this regard, the organisation dominates the communication process to influence the outcomes, and other scholars believe the process is asymmetrical (Pfetsch & Landau, 2000). Furthermore, the principles are aligned with the King Report (2009) on sustainability. Therefore, although the principles are seen as a tool for organisational dominance, they create a platform for the organisation to align its corporate social responsibility objectives with South Africa's corporate governance guidelines, however, the process is asymmetrical.

The key findings from the research sub-question **"How do the corporate social responsibility projects meet stakeholders' needs?"** are: On one hand, the organisation meets its requirement for social license to operate and reputation is enhanced. On the other hand, the communities benefit from infrastructure improvements (schools, clinics, roads, water) and an improved life style. Therefore, the findings as discussed in Chapter Four leads to mutual benefits between the organisation and the host communities. In this regard, it is clear that corporate social responsibility projects established have benefits that go beyond one party (Bowen *et al.*, 2010).

The key findings from the research sub-question "***What is the stakeholders' perception of the corporate social responsibility projects' communication process?*** The findings show that: The organisation and the host communities have a good but dynamic relationship that is interlinked and interdependent on each other. In line with Hutton (1999) that public relations manages organisation-public strategic relationships and perceptions through communication, this research acknowledges that public relations use communication strategic to find equilibrium between the organisation and its stakeholders. The communication process between the organisation and its host communities is seen as a precursor in establishing and maintaining favourable organisation-public relationships. This agrees with Kent and Taylor (2002) that communication is important for organisation-public relationships. Furthermore, this research agrees with Grunig (2011) that reputations are a product of quality organisation-public relationships. Managing organisation-public relationships influences the perception of stakeholders towards the organisation.

5.3   Discussions of theoretical implications

The discussion throughout the engagement process in Chapter Four shows that there was agreement that the communication process is the essential building-block to develop corporate social responsibility projects.

5.3.1   More than one public relations model

The implication of the public relations model underpinning stakeholder engagement on corporate social responsibility is that more than one communication model is used in the five stages of the communication process as each stage has a different outcome and a different process to reach the outcome. Findings show that two models of public relations are used during stakeholder engagement on corporate social responsibility projects. The two-way symmetrical model seems to have dominated the communication process. However, surprisingly in the findings was that the principles applied to evaluate projects change and control the whole communication process. Hence, make it difficult to conclude that pure symmetrical communication took place in the stakeholder engagement process. These principles shift the power balance in favour of the organisation. Therefore, equal partnerships cannot exist if one partner has more power (influence and power) as demonstrated by the organisation's dominance through the principles in place, which determines the selection of corporate social responsibility projects. In this regard, any discussion thereafter is asymmetrical.

However, findings show that the traditional council as a central platform for engagement allows for two-way symmetrical model as all parties are considered to be of equal status, hence they

engage, negotiate and participate in the decision making process. This is consistent with that presented by Grunig and Hunt (1984) that two-way symmetrical communication provides a platform for honest dialogue, negotiation, collaboration and understanding. Consequently, the mutual benefits from the discussion does not mean communication was purely symmetrical but illustrate that negotiation did take place. However, this research disagrees with Grunig and Hunt (1984) and Morsing and Schultz (2006) that the two-way symmetrical model results to mutual benefits, but states that mutual benefits result from a combination of the two-way asymmetrical and two-way symmetrical models models of public relations and communication. Findings from this research show that combining the two models of public relations in stakeholder engagement helps achieve a win-win zone of mutually beneficial results. In this light, this research agrees with public relations scholars that the two-way symmetrical model is a good academic concept that but it is impractical on its own, especially in an interpersonal communication context (Pieczka, 1997; Dover, 1995; Grunig *et al.,* 2002). Findings from this research show that at some point there is a continuum of asymmetry from the organisation and the host communities that results to mutual benefits, but contradicts that of Grunig (1992) which claims that asymmetrical communication leads to actions which are unethical, socially irresponsible, and ineffective. This means that if the communication process begins with the asymmetrical model and then advances to a symmetrical model, it can be concluded that asymmetrical and symmetrical models are both ethical when used interchangeably to benefit both the organisation and its stakeholders.

Furthermore, this research agrees with Morsing and Schultz (2006) that pro-active commitment by external stakeholders help the organisation develop and maintain strong stakeholder relationships and be transparent on the discussion and the development of corporate social responsibility initiatives. However, the findings disputes that neither the stakeholder response strategy nor the stakeholder involvement strategy of corporate social responsibility communication is best suited for stakeholder engagement and mutually beneficial relationships as well that the involvement strategy is ideal for relationship building. This research acknowledges the simultaneous use of both stakeholder response strategy and the stakeholder involvement strategy to complement the mixed-motive model as the best model for stakeholder engagement on corporate social responsibility initiatives. Therefore, findings from this research and other studies support Dozier *et al.* (1995) that a mixed-motive model can serve the organisation and publics' interest well. Although the mixed-motive model serves all stakeholders well, it is problematic within the South African context where communities are led by the Inkosi who is the final decision maker and the traditional council works towards his interest other than being an independent decision making committee. Findings show that if the Inkosi is not satisfied with the organisation's proposal, he makes them

go back to refine it. In this regard, the current communication models do not provide for absolute decision making by the Inkosi. The Inkosi's powers to decide for his people are compromised. Hence the research agrees with Taylor and Kent (1999) that the current public relations models of communication are Western by nature and impractical in countries outside America and Europe where respect for authority and hierarchy is a cultural value. Therefore this research concludes that a mixed-motive model is important for stakeholder engagement that intends to achieve equilibrium between the organisation and the community stakeholder. However, this model is not adequately sufficient within the South African context where community leaders have the absolute power to decide on behalf of their communities.

5.3.2 Corporate social responsibility influenced by legal requirements

Theoretically, corporate social responsibility is interpreted in a way that is consistent with corporate goals of shareholder wealth maximisation and business case (O'Dwyer, 2003). However, evidence from the thesis claims that even though either, or both, of these reasons may motivate a firm to engage in corporate social responsibility there are also increasingly legal and governmental regulations that force firms to be socially responsible. The findings from this research show that the organisation meets its legal requirement by sharing profits with the host communities. In addition the organisation follows guidelines from the King Reports (2009) on stakeholder inclusive approach and governing stakeholder relationships. Evidence from several studies, including Lantos (2001) and this thesis, seems to point out that following government regulations helps firms to behave ethically and maximise profits for shareholders. In this regard, the legal requirement is more important than the ethical requirement, especially within the mining sector as it is a prerequisite to gain and maintain a licence to operate. Therefore, the research agrees with Carroll (1991, 1999) that the legal requirement exceeds the ethical and philanthropic responsibilities of a firm and the economic responsibility remain supreme. On the other hand the organisation's quest to share its profits with the host communities through improving community infrastructure and the lives of the people tends to complete the philanthropic responsibility. Findings from this research show that the host communities believe that they benefit more from the corporate social responsibility projects. Although the philanthropic requirement is less valued (Carroll, 1991), it is important in maintaining organisation-community relationship and enhancing corporate reputation. Findings from this research show that the organisation and the host communities have a good but dynamic relationship that is interlinked and interdependent on each other and corporate reputation is solid. However, for the organisation to gain and maintain a social licence to operate, relationships with stakeholders must be a priority for the organisation. In this regard, the study disputes Carroll's (1991) claim that philanthropic responsibility is less important than the other three domains of social responsibility and supports findings from this thesis and

Schwartz and Carroll's (2003) claims that philanthropy is an activity beyond what duty requires (law) and could be based on financial returns (McWilliams & Siegel, 2001) or ethical reasons (Gonzalenz-Perez & Leonard, 2013; Masaka, 2008). The study therefore concludes that the philanthropic responsibility is central or overlaps with all three other corporate social responsibility domains; it is more valued in the mining industry, especially within the South African context where companies are mandated by government to support social development and share profits with host communities (The Mining Charter for South Africa, 2009). Moreover, corporate social responsibility lies in corporate citizenship and within the legal framework.

5.3.3 Policy implications

This section addresses the policy implication with regard to stakeholder engagement on corporate social responsibility projects. Corporate governance as a system that controls organisations is incorporated in terms of policy of engagement and guidelines stipulated in the King Reports (1994, 2002, 2009) for South Africa. However, important in the research is the stakeholder inclusive approach to corporate governance. This research disputes claims that the corporation is a legal instrument for shareholders to maximise their own interest (Friedman, 1970; Rezaee, 2009; Du Plessis *et al.,* 2011) and that stakeholders should be respected where established in law (Nordberg 2011). Evidence from this thesis and several studies shows that organisations and society are interdependent, hence all stakeholders who are risk bearers and can be affected by the organisation's process have a legitimate claim within the organisation (Hansmann & Kraakman, 2001; MacMillan *et al.,* 2004; Money & Schepers, 2007; Freeman, 1984; Donaldson & Preston, 1995; Clarkson, 1995; Zollinger, 2009). In this regard, shareholder's rights are far from being absolute regardless of their contribution in bringing capital for the business. Shareholders are still stakeholders and have an equal claim with other stakeholders on the residues of the organisation.

Furthermore, the research agrees with the King Report (2009) that Chapter 8 on governing stakeholder relationships is founded on the three pillars of governance, sustainability and strategy. Findings from this research and other studies show that corporate governance revolves around partnership that is based on a trust fund allocated to the host communities as shareholders to provide services (Jenkins, 2004). The trust fund is a structure that links communities with the organisation. Furthermore, as part of a corporate sustainability strategy the organisation holds public meetings with local community authorities and broadly with the host communities in which locals express concerns, provide input, and have questions answered by mine personnel as well as decide on corporate social responsibility projects (Hilson & Murck, 2000; Azapagic, 2003). In this regard, the stakeholder inclusive approach encourages the normative two-way symmetrical approach between an organisation and its

stakeholders. However, it does not account for balance of power on the decision making process and organisational policy making. This research agrees with Greenwood (2007) that that the organisation and its stakeholders are not of equal status as terms to define that cooperation are set by the more powerful party. Although corporate governance for South Africa is a requirement for organisations listed on the Johannesburg Stock Exchange (Visser *et al.*, 2010), it is not stipulated in South African law, which leaves organisations to implement voluntary corporate social responsibility projects as a requirement to gain and maintain a social licence to operate. Hence findings from the research show that the youth feel exploited and thus do not have a good relationship with the organisation. Consequently, this has a negative impact on the entire Chapter 8 of the King Report (2009) on governing stakeholder relationships. Although, the stakeholder-inclusive approach to governance considers and promotes the interests of all the organisation's stakeholders to ensure their cooperation and support (Steyn & De Beer, 2012). However, the fact that it is not stipulated in law does not make it easy for the organisation and the stakeholders to account for power in the decision making process and governance of stakeholder relationships as stated in Chapter 8 of the King Report (2009). Nevertheless, this research acknowledges that corporate governance includes systems and procedures designed to structure authority, balance responsibility and provide accountability to stakeholders.

5.4   Limitations

It is a norm that all academic studies have limitations; this research is no exception as it was only limited to one organisation. However, the organisation operates across four different communities, and examines the communication model of public relations in establishing corporate social responsibility projects in these communities only. The interview sample of six individuals and a focus group was enough to make credible conclusions on the public relations model of communication used within stakeholder engagement on corporate social responsibility between the organisation and the host communities.

However, the research results are limited as they do not include the government stakeholder, or the municipalities' stakeholder, whose inclusion might have altered the findings, especially with regard to the dominant player in the evaluation and selection of corporate social responsibility projects. Furthermore, the public relations model of communication used to develop corporate social responsibility projects might have been different. Consequently, this research does not represent a complete presentation of all the elements; government departments and other relevant stakeholders should be kept in mind when communicating corporate social responsibility projects with host communities.

Furthermore, the research results are limited by the semi-structured interview methodology as this confined the information to words only, whereas a different methodology, such as participatory observation to gather data, would have allowed the research to establish a match between words and actions.

5.5   Future research

As already mentioned in the previous section, the results of this study are limited one mining organisation in Richards Bay. First of all, future studies could focus on other industries and communities in which corporate social responsibility projects are established and the compliance with the King Report (2009), especially the application of the stakeholder inclusive approach and the governance of stakeholder relationships is precursor requirement.

Research findings show that infrastructure projects are aligned to government objectives in the regional development plan and are partnered with government departments to ensure sustainability. This infrastructure projects are run by government departments within five years after implementation. For example, the Department of Health looks after the health clinics. In this regard, these departments form part of negotiating forums' decision making. Thus it is recommended that further study be conducted to explore the role of the government stakeholder within communication processes used to establish corporate social responsibility initiatives financed by corporates. In addition, further research can focus on exploring the principles applied by government to align corporate social responsibility projects within the regional development plan.

Furthermore, the development of public relations has traditionally been dominated by American and European models of communication (Grunig & Hunt, 1984; Dozier *et al.,* 1995; Van Ruler, 2004). However, little research has been done in countries in which respect of the traditional authority and respect for elders is a cultural value. Although, more recently, public relations research out of Asia, Chinese and Middle Eastern countries involving the development of local and emerging public relations models, is being reported (Halff & Gregory, 2014), further research is recommended into the development of a new African public relations model of communication for stakeholder engagement that encompasses the concept of 'Ubuntu' where the community leader is the final decision maker in consultation with the traditional council.

In addition the study shows that the model of public relations communication used for stakeholder engagement within corporate social responsibility was examined in one culture (Zulu culture) or country. Future studies will need to look at cross-cultural application of the

model of public relations communication on stakeholder engagement and corporate social responsibility and the differences of corporate social responsibility stakeholders' engagement across cultures or countries. As many organisations work in multiple provinces of South Africa and the universe, three is a need for deeper understanding of cultural or global stakeholder engagement within the development of corporate social responsibility projects.

Moreover, the research shows that the stakeholder response strategy based on the persuasive model and the stakeholder involvement strategy based on the two-way symmetrical model by Morsing and Schultz (2006) cannot be used in separation for stakeholder engagement. This corporate social responsibility and communication strategies need to be combined in order for the organisation to established favourable organisation-community relationships. Thus it is recommended that further study is need to examine a new corporate social responsibility communication strategy based on the mixed-motive model as the suitable model for stakeholder engagement to establish favourable organisation-community relationships.

5.6   Conclusion

In this study, a qualitative research methodology was used to focus on the stakeholder engagement process between a mining organisation and its host communities in the development of corporate social responsibility projects. The study acknowledged that corporate governance lays the best practice guidelines for ethical stakeholder engagement. This suggests that words and actions are governed by corporate governance principles. Corporate social responsibility on the other hand is seen as the best practice to establish and maintain organisation-public relationships. Moreover, the study acknowledges that the overlap of corporate governance and corporate social responsibility lies within corporate citizenship, sustainability and leadership within a legal and ethical framework. It emphasise that a socially responsibility business integrates legal conduct with ethical standards and furthermore recognizes its place in the broader community. However, the study disputes the behaviour by the organisation to establish principles governing corporate social responsibility projects in isolation.

Public relations just like corporate social responsibility is ethical and promotes ethical and socially responsible organisational decisions and behaviours. Understanding the public relations model of communication encompassed in the stakeholder engagement process and thus the strategic implications in developing sound corporate social responsibility projects, the public relations practitioners are able to achieve the organisation's business objectives. Through the engagement process, good relationships are established with communities hence the organisation is able to gain and maintain social licence to operate while simultaneously

enhancing its reputation. From this research it is clear that good organisation-community relationships are based on trust, ethics, transparency, honesty, accountability, engagement, involvement, mutual understanding, joint decision making and mutual benefits. In this regard it can be concluded that organisation-community relationships are the proper term for desired outcomes of public relations. Nevertheless, public relations and corporate social responsibility make use of the mixed-motive model of communication for stakeholder engagement on corporate social responsibility to serve the interest of the organisation and host communities within the mining industry in South African context.

In conclusion, it should be noted that claims from the organisation's website and by former Chief Executive Officer are supported by this research.

- The relationship with stakeholders is based on trust and mutual benefit.

- The organisation does not make a distinction between the mine and its host communities hence there is partnerships existing between the organisation and the communities.

- The organisation supports a variety of corporate social responsibility projects.

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Interview schedule

Tittle: Public relations models and corporate social responsibility in the mining sector in Richards bay, South Africa

Introduction

Thank you for allowing me to speak to you today and for you time. I am conducting a research for my Masters in Public Relations Management in which I want to explore the communication method used by the organisation when engaging with local community stakeholders on corporate social responsibility projects.

You have been identified for participation in this study based on your knowledge of the subject. You participation and statements that you will make in this discussion will be kept confidential and used only for the purpose of the study. The session will be recoded, and your participation is voluntary. You are free to withdraw anytime from the interview and select the questions you are comfortable to answer.

Research question

"What type of public relations model of communication underpins stakeholder engagement within corporate social responsibility projects in Richards Bay"?

Sub-questions

- How does the organisation engage with the community stakeholder on corporate social responsibility projects?
- What are the principles governing stakeholder engagement on corporate social responsibility project?
- How do the corporate social responsibility projects meet stakeholders' needs?
- What is the stakeholders' perception of the communication process?

Main areas of inquiry

- **Corporate governance**

At what level is the community represented at Richards Bay Minerals?

Corporate Social Responsibility

- **What community projects does Richards Bay Minerals support? OR What does Richards Bay Minerals do to support or improve the community?**

Communication

- **Please describe the communication takes place between Richards Bay Minerals and the community?**

Relationship

Please describe the relationship between Richards Bay Minerals and the community?

Reputation

Please describe, to the best of your knowledge, the reputation of Richards Bay Minerals within the community?

In conclusion, how would you sum up what is most important in the engagement process between the organization and its host communities on corporate social responsibility projects?

Thank you for your participation and your insight on the subject matter. May God the mighty bless us all.

Request to use your organization for my Masters in Public Relations Management thesis

6/17/13

Mlandvo Dlamini <dlaminimlandvo@gmail.com>
to zama.luthuli

Dear Zama Luthuli

I hereby request to use Richards Bay Minerals for my masters in public relations management full thesis. My proposed research topic is "the role of two-way symmetrical communication within corporate social responsibility in the mining sector in Richards Bay, South Africa."

February 2013, I registered as a full time Masters student with Cape Peninsula University of Technology, Cape Town campus. Conversely, I am a bornafida resident in KwaZulu Natal residing at Esikhawini H2. Therefore, it is in this regard that I have selected Richards Bay Minerals (RBM) for my thesis and the fact that the company has close relationship with local communities.

Should you require more information, please do not hesitate to contact me via email or direct on my cell 071 081 9270 at any time convenient to you. Further, I have attached my research proposal with this email.

Hope my request will reach your utmost consideration.

Kind Regards;

Mlandvo Africa Dlamini

Attachments area

Preview attachment CSR_Masters Proposal_MAD.docx

W

CSR_Masters Proposal_MAD.docx

Permission to Conduct Research

Mlandvo Dlamini **<dlaminimlandvo@gmail.com>**

9/9/1
3

to Fundi.Dlamini

Dear Fundi Dlamini

Further to our conversation earlier today about my request to use your company for my Mtech in Public Relations thesis, I have attached a letter from the university and an approved proposal with this email.

Should you require more information please do not hesitate to contact me on the same email address or you can find me direct on my cell: 071 081 9270. Thank you for your time and consideration. looking forward to your positive response.

Kind Regards;

Mlandvo A Dlamini

2 Attachments

Preview attachment MAD proposal.docx

Appendix B-3: Permission to conduct research

P O Box 401
Richards Bay, 3900
Kwa Zulu Natal
South Africa
T + 27 (0)35 901 3111
F + 27 (0)35 901 3480/1
www.rbm.co.za

Responsible Beyond Mining

17 September 2013

Mr Mlandvo Africa Dlamini

Cape Peninsula University of
Technology PO Box 1906

Bellvile
7535
Cape Town

By email: dlaminimlandvo@gmail.com

Dear Mr Dlamini,

Re: RESEARCH FOR DISSERTATION

Thank you for your email dated 9 September 2013 requesting permission to conduct research at Richards Bay Minerals for your dissertation toward an Mtech in Public Relations.

As discussed with one of my team members earlier today, you are welcome to visit us and conduct interviews with the relevant individuals from the Communities and Corporate Relations team in January 2014.

Since most people take leave during this period it would be good for you to give us some sort of indication so that we are better placed to assist you.

We look forward to having you on site.

Yours sincerely,

Ms Fundi Dlamini
General Manager: Communities and Corporate Relations RICHARDS BAY MINING
PROPRIETARY LIMITED
REG. NO. 2008/017609/07
RICHARDS BAY TITANIUM PROPRIETARY LIMITED
REG. NO. 2008/017523/07
TISAND PROPRIETARY LIMITED
REG. NO. 1969/007724/07

DIRECTORS
G Obrain (CHAIRMAN) (CANADIAN), K C HARPER (USA), J R OLSEN (USA), M L MOTHOA (MANAGING DIRECTOR) E M DIPICO, J B MAGWAZA, M L D MAROLE, B MTHETHWA

Managed by
RioTinto

Appendix B-4: Letter to request for interviews

Cape
Peninsula
University
of Technology

January 20, 2014

Richards Bay Minerals
P.O Box 401
Richards Bay
3900
South Africa

Dear Sir or Madam,

Re: Research interviews on corporate social responsibility

Mr. MA Dlamini (Student Number: 212190911), a registered MTech: Public Relations Management student of the Cape Peninsula University of Technology, was given permission (September, 2013) to interview key employees involved with Richard Bay Mineral corporate social responsibility projects to complete his academic research. (His thesis title is "*The role of two-way symmetrical communication within corporate social responsibility in the mining sector in Richards Bay."*)

Mr Dlamini is now in a position to begin this research and anticipates interviewing key employees according to the attached discussion sheet. He will arrive in Richards Bay on Thursday January 23, 2014 and would like to begin scheduling interviews from Monday January 27, 2014.

Your assistance would be highly appreciated.

Yours faithfully,

Marian E. Pike (Ms)
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Appendix C: Informed consent form

Cape
Peninsula
University
of Technology

Interview Consent Form

Introduction

Cape Peninsula University of Technology and Mr Mlandvo Dlamini subscribe to the ethical conduct of research and to the protection at all times of the interest and safety of research participants. This form and the information that if contains is given to you for your own protection and full understanding of the procedures to be applied in this interview. Your signature to this form will signify:

- The protection of your confidentiality of your own views as well as those of the other participants.
- You voluntary agreement to participate in the research.

Consent

- I have been informed that the specific research information that I provide will be held confidential by Mr M A Dlamini
- I agree to participate by orally providing my personal perspectives and suggestions on those issues outlined in the interview content guide provided to me.
- I agree that the interviewer can tape record the session.

Name……………………………………………………………

Address……………………………………………………….

Community…………………………………………………….

Position……………………………………………………….

Signature……………………………………………………..

Date…………………………………………………………….

Witness………………………………………………………..

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Appendix D: Background of the Richards Bay Minerals

Richards Bay Minerals (RBM) is a sand mining and mineral processing operations, producing titanium minerals, high purity iron, rutile and zircon.
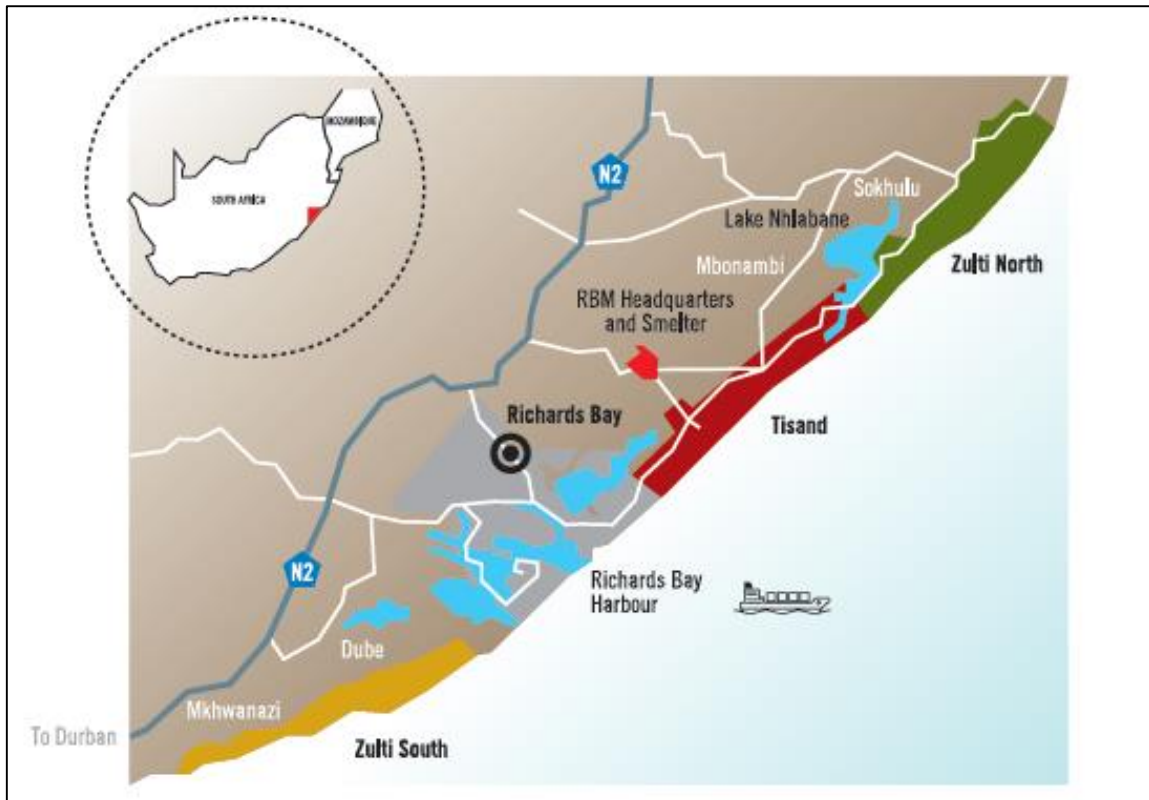

Figure Richards Bay Minerals and the host communities. Adopted.
(RBM sustainable development report, 2013)

According to Richards Bay Minerals website:

- Richards Bay Minerals operates in South Africa within the uThungulu District Municipality in the north-eastern region of the province of KwaZulu-Natal.

- Richards Bay Minerals began mining in 1977 in the Tisand area.

- Richards Bay Minerals has been granted new order mining rights, until 2041, in Dube and Mkhwanazi.

- The mining lease areas fall within the uMfolozi and uMhlathuze Local Municipalities.

- The organisation plays a major role in the local economy of the uThungulu district with a proud history in local economic development**.**

Richards Bay Minerals remains committed to improving the lives of its neighbouring communities. Local economic development initiatives are aligned to business strategy and

reflect the organisation's commitment to sustainable social development (Sustainable Development Report, 2013).

The local community is a legitimate stakeholder for Richards Bay Minerals. Richards Bay Minerals sustainable development report (2013:7) defines stakeholders as *"anyone who can be impacted by, or who impacts on, our business and operations."* The stakeholders are:

- Shareholders
- Host communities
  - Sokhulu community
  - Mbonambi community
  - Dube community
  - Mkhwanazi community
- Traditional Councils
- Municipal, local and national government departments
- Community Trust.